

IMPORTANT NOTICE

THE OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE UNITED STATES SECURITIES ACT OF 1933 (AS AMENDED, THE "SECURITIES ACT") ("REGULATIONS")) AND ARE OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), whether received by e-mail, accessed from an internet page or received as a result of any other electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from: (i) Vanquis Banking Group plc (the "**Issuer**"); or (ii) Morgan Stanley & Co. International plc (the "**Sole Bookrunner**") as a result of such access. The Offering Circular has been prepared solely in connection with the proposed offering of the securities described therein to certain institutional and professional investors.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED UNDER REGULATIONS) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS, AS DEFINED IN REGULATIONS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The Offering Circular is being distributed only to and directed only at: (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), as amended, or (iii) persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000, as amended, does not apply (all such persons together being referred to as "**relevant persons**"). The Offering Circular is only directed at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offering Circular relates is available only to, and will be engaged in only with, relevant persons (and subject to the other restrictions referred to therein).

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 more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**") or; (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (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, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to

any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

UK MiFIR product governance / Professional investors and ECPs only target market – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels).

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities described therein, you must be outside the United States and not be, or be acting on behalf of, a U.S. person (within the meaning of Regulation S). The Offering Circular is being sent at your request and by accessing, reading or making any other use of the Offering Circular, you shall be deemed to have represented and warranted to the Issuer and the Sole Bookrunner that (1) you understand and agree to the terms set out herein; (2) you are outside the United States and are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of a U.S. person and to the extent you purchase any Notes, you will be doing so pursuant to Regulation S, and that any e-mail address to which, pursuant to your request, the Offering Circular has been delivered by electronic transmission is not located in the United States for the purposes of Regulation S; (3) if you are a person in the UK, then (a) you are a professional client within the meaning of point (8) of Article 2(1) of UK MiFIR, and (b) you are a person (i) who has professional experience in matters relating to investments within the meaning of Article 19(5) of the Order, or (ii) to whom the Offering Circular may otherwise lawfully be communicated in accordance with the Order; (4) you are not a retail investor for the purposes of the EU PRIIPs Regulation; (5) you consent to delivery by electronic transmission of the Offering Circular; (6) you will not transmit the Offering Circular (or any copy of them or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Sole Bookrunner; and (7) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the securities.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or the Sole Bookrunner or any of their respective subsidiaries, nor any person who controls any of them or any director, officer, employee or agent of any of them, or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Sole Bookrunner. If you receive this document by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The distribution of the Offering Circular (or the final form) in certain jurisdictions may be restricted by law. Persons into whose possession the Offering Circular come are required by the Issuer and the Sole Bookrunner to inform themselves about, and to observe, any such restrictions.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person. You may not transmit the Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Sole Bookrunner.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Sole Bookrunner or any affiliate of the Sole Bookrunner is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Sole Bookrunner or such affiliate on behalf of the Issuer in such jurisdiction.

No representation or warranty, expressed or implied, is made or given by or on behalf of the Sole Bookrunner, the Trustee, the Principal Paying Agent, the Agent Bank, the Registrar and Transfer Agent, or any person who controls any of them, or any director, officer, employee or agent of any of them, or any affiliate of any such person, as to the accuracy, completeness or fairness of the information or opinions contained in the Offering Circular and such persons do not accept responsibility or liability for any such information or opinions.



VANQUIS BANKING GROUP PLC

(incorporated with limited liability under the laws of England and Wales)

£100,000,000 8.250 per cent. Fixed Rate Reset Subordinated Callable Notes due 2037

The issue price of the £100,000,000 8.250 per cent. Fixed Rate Reset Subordinated Callable Notes due 2037 (the "Notes") of Vanquis Banking Group plc (the "Issuer" or the "Company") is 100.000 per cent. of their principal amount.

From (and including) 21 May 2026 (the "Issue Date") to (but excluding) 21 November 2032 (the "Reset Date"), the Notes bear interest at the rate of 8.250 per cent. per annum. From (and including) the Reset Date to (but excluding) the Maturity Date (as defined below), the Notes will bear interest at a rate which is the aggregate of the margin of 3.649 per cent. per annum and the Reference Bond Rate, converted to a semi-annual rate in accordance with market convention as instructed by the Issuer (rounded to three decimal places, with 0.0005 rounded down), as provided in Condition 5(c) (*Interest – Reset Interest Rate*). **The interest rate following the Reset Date may be less than the initial interest rate.** Interest shall be payable semi-annually in arrear on 21 May and 21 November of each year (each an "Interest Payment Date"). Payments on the Notes shall be made in pounds sterling without deduction for or on account of taxes imposed or levied by the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, except in the circumstances described under Condition 8 (*Taxation*).

The rights and claims of the Holders in respect of or arising from the Notes will be subordinated to the claims of Senior Creditors.

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 November 2037 (the "Maturity Date"). Subject to certain conditions set out in Condition 7 (*Redemption and Purchase; Substitution and Variation*), the Notes may be redeemed at the option of the Issuer in whole but not in part at their principal amount together with any Accrued Interest (as defined herein) on any date from (and including) 21 August 2032 to (and including) the Reset Date. In addition, and subject to certain conditions set out in Condition 7 (*Redemption and Purchase; Substitution and Variation*), the Notes may be redeemed, substituted or varied at any time upon the occurrence of certain tax events due to changes to law or if as a result of any amendment to, or change in, the regulatory classification of the Notes the whole or any part of the principal amount of the Notes are, or are likely to be at any time, excluded from, or cease to count towards, the Regulatory Group's Tier 2 Capital (as defined herein) or at any time if the outstanding aggregate principal amount of the Notes is equal to or less than the Clean-up Call Threshold, all as more particularly provided in Condition 7 (*Redemption and Purchase; Substitution and Variation*).

Application has been made for the Notes to be admitted to trading on the International Securities Market (the "ISM") of the London Stock Exchange plc (the "LSE") on or about the Issue Date. The Notes are a new issue of securities and have no established trading market. There can be no assurance that an active trading market in the Notes will develop, and any trading market that does develop may not be liquid. The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") ("UK MiFIR").

The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) (the "POATRs")). The LSE, as a Recognised Investment Exchange does not make assessments of investor eligibility. Given that under Regulation 16 of the POATRs, only qualified investors are permitted to trade on the ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of the POATRs are permitted to trade on the ISM. Securities admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). The LSE has not approved or verified the contents of this Offering Circular. This Offering Circular does not comprise a prospectus for the purposes of the POATRs. This Offering Circular comprises admission particulars in accordance with the ISM Rulebook.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Notes may not be offered, 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, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in registered form in denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Notes will be represented by a global registered certificate (the "Global Certificate") registered in the name of a nominee for, and deposited with, the common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg"). Certificates in definitive certificated form ("Individual Certificates") evidencing holdings of Notes will only be available in certain limited circumstances. See "Summary of Provisions relating to the Notes in Global Form".

An investment in the Notes involves risk. Prospective investors in the Notes are recommended to read this Offering Circular, including the section entitled "Risk Factors" carefully. Investors should reach their own investment decision about the Notes only after consultation with their own financial and legal advisers about the risks associated with an investment in the Notes and the suitability of investing in the Notes in light of the particular characteristics and terms of the Notes, which are complex in structure and operation, and in light of each investor's particular financial circumstances.

The Issuer has been assigned a long-term issuer default rating of "BB-" by Fitch Ratings Limited as of the date of this Offering Circular. The Notes are unrated as of the date of this Offering Circular. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Sole Bookrunner

Morgan Stanley

Dated: 19 May 2026

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IMPORTANT NOTICES

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

This Offering Circular is to be read in conjunction with all information which is incorporated by reference herein. This Offering Circular shall be read and construed on the basis that such information is incorporated by reference in, and forms part of, this Offering Circular.

The Sole Bookrunner and the Trustee have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Bookrunner or the Trustee or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection thereto. None of the Sole Bookrunner, the Trustee or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection thereto. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under this Offering Circular.

To the fullest extent permitted by law, neither the Sole Bookrunner nor the Trustee nor any of their respective affiliates accepts any responsibility for the contents of this Offering Circular, or for any other statement made, or purported to be made, by the Sole Bookrunner or the Trustee or any of their respective affiliates or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Sole Bookrunner, the Trustee and their respective affiliates disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

No person is or has been authorised by the Issuer, the Sole Bookrunner or the Trustee to give any information or make any representation regarding the Issuer or the Notes. Any such representation or information should not be relied upon as having been authorised by the Issuer.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Offering Circular.

Neither this Offering Circular nor any other information supplied in connection with this Offering Circular or the Notes (a) is intended to provide the basis of any credit or other evaluation and (b) should be considered as a recommendation (or a statement of opinion) by the Issuer or the Sole Bookrunner that any recipient of this Offering Circular or any other information supplied in connection with this Offering Circular or the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Sole Bookrunner to subscribe for or purchase, any Notes.

The distribution of this Offering Circular and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. None of the Issuer, the Sole Bookrunner, the Trustee nor any of their respective affiliates represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Sole Bookrunner or the Trustee which is intended to permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Offering Circular or the Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of the Notes. For a description of certain restrictions on offers and sales of the Notes and on distribution of this Offering Circular, see "*Subscription and Sale*".

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The Financial Services Compensation Scheme (the "FSCS") established under the Financial Services and Markets Act 2000 (as amended, 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 and insurance policies) made against it (together, "**Protected Liabilities**"). The Notes will not, however, be Protected Liabilities under the FSCS and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of the United Kingdom or any other jurisdiction.

The Notes form part of the regulatory capital of the Issuer. Banks and their holding companies are required to hold regulatory capital to absorb losses (before depositors and other senior creditors suffer losses), including during periods of financial stress. As a provider of capital to the Issuer, an investor in the Notes should be prepared to suffer losses on its investment if, in particular, the Issuer and/or the financial sector generally approaches or enters into a period of financial stress. Such losses could be manifested in a number of ways, including (without limitation) that the market price of the Notes may fall significantly, the United Kingdom authorities could take action under the Banking Act 2009 as amended from time to time (the "**Banking Act**") (or similar future legislation), or the Issuer could enter into an insolvent winding-up, with the result that investors in the Notes could lose all or substantially all of their initial investment in the Notes. Since the Notes are not protected by the FSCS, the FSCS will not pay any compensation to an investor under these, or any other, circumstances. Accordingly, an investor in the Notes may lose some, or the entire amount of, its investment in the Notes.

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 more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (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, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

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 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.

Alternative Performance Measures

In addition to the financial performance measures established by International Financial Reporting Standards ("**IFRS**"), this Offering Circular contains certain financial measures that are presented for the purpose of assisting securities analysts, investors and other interested parties in understanding the Group's (as defined herein) financial performance. The relevant metrics are identified as Alternative Performance Measures ("**APMs**") for the purposes of the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority. Such measures should not be considered as a substitute for those required by IFRS. The definition of these non-statutory measures may not be comparable to similarly titled measures reported by other companies. Investors should refer to pages 196 to 198 of the 2025 Group Financial Statements for an explanation of the relevance of such APMs and their definitions.

In this Offering Circular, the "**Group**" refers to the Issuer and its subsidiaries and its subsidiary undertakings from time to time.

The Notes are complex financial instruments

The Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (i) have 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 this Offering Circular;
- (ii) have 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) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the potential investor's currency is not pounds sterling;
- (iv) understand thoroughly the terms of the Notes, including the possibility that the Notes may become subject to write-down or conversion if the resolution powers are exercised;
- (v) be 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) understand the accounting, legal, regulatory and tax implications of a purchase, and the holding and disposal of an interest in the Notes.

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.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Stabilisation

In connection with the issue of the Notes, Morgan Stanley & Co. International plc (the "**Stabilisation Manager**") (or persons 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 person(s) acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

IMPORTANT INFORMATION – FORWARD-LOOKING STATEMENTS

Some of the statements in this Offering Circular include forward-looking statements which reflect the Issuer's current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans) relating to the business of the Issuer and the Group. These forward-looking statements relate to the Group and the sectors and industries in which the Group operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "estimates", "will", "targets", "aims", "may", "should", "would", "could", "continue", "budget", "schedule" and similar statements of a future or forward-looking nature identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Issuer, are inherently subject to significant business, economic and competitive uncertainties and contingencies. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results or industry results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in "*Risk Factors*", which should be read in conjunction with the other cautionary statements that are included in this Offering Circular.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Offering Circular speak only as of the date of this Offering Circular, reflect the Issuer's current belief with respect to future events and are subject to risk relating to future events and other risks, uncertainties and assumptions relating to the Group's, operations, results of operations, growth strategy, capital and leverage ratios and liquidity. Investors should specifically consider the factors identified in this Offering Circular which could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Offering Circular, including the documents incorporated by reference herein, are qualified by these cautionary statements. Specific reference is made to "*Risk Factors*" and "*Business Description*" below.

Subject to any obligations under applicable law or regulation, the Issuer undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, events or circumstances or otherwise. All subsequent written and oral forward-looking statements attributable to the Group, or individuals acting on behalf of the Group are expressly qualified in their entirety by this section.

INFORMATION INCORPORATED BY REFERENCE

This section contains a description of the information that is incorporated by reference in this Offering Circular.

This Offering Circular should be read and construed in conjunction with the following information:

- the auditor's reports and the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2025 (the "**2025 Group Financial Statements**") appearing on pages 129 to 195 of the Issuer's Annual Report and Financial Statements 2025 available at <https://www.vanquis.com/wp-content/uploads/2026/02/Vanquis-Banking-Group-plc-Annual-Report-and-Accounts-2025.pdf>;
- the sections entitled "*Headlines*" on page 1, "*Key Performance Indicators*" (excluding each section commencing with "*Guidance*") on pages 18 to 20, "*Financial review*" (excluding the seventh paragraph in the second column of page 44) on pages 44 to 46, "*Operating review*" on pages 47 to 51 and "*Alternative Performance Measures*" on pages 196 to 198, in each case of the Issuer's Annual Report and Financial Statements 2025 available at <https://www.vanquis.com/wp-content/uploads/2026/02/Vanquis-Banking-Group-plc-Annual-Report-and-Accounts-2025.pdf>;
- the announcement dated 11 July 2025 titled "Vanquis Banking Group Reporting Changes" available at <https://www.vanquis.com/wp-content/uploads/2025/07/Vanquis-Banking-Group-2024-Re-presentation-Document.pdf>;
- the auditor's reports and the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2024 (the "**2024 Group Financial Statements**") appearing on pages 122 to 196 of the Issuer's Annual Report and Financial Statements 2024 available at <https://www.vanquis.com/wp-content/uploads/2025/05/14-Mar-2025-Annual-Report-and-Accounts-2024.pdf>; and
- the Pillar 3 Disclosures of the Issuer for the financial year ended 31 December 2025 (the "**Pillar 3 Disclosures**") available at https://www.vanquis.com/wp-content/uploads/2026/02/DEC25_VANQ_Pillar-3-Disclosure_Annual_FINAL.pdf.

Such information shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in the information which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular 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 this Offering Circular.

Copies of the documents listed above may be obtained (without charge) during usual business hours at the registered office of the Issuer and will also be available to view (free of charge) on the website of the Issuer (<https://www.vanquis.com/investors/>).

Those parts of the documents specified above which are not specifically incorporated by reference in this Offering Circular should not form part of this Offering Circular and are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Offering Circular.

OVERVIEW

This overview must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including the information incorporated by reference herein.

*This overview refers to certain provisions of the Terms and Conditions of the Notes (the "**Conditions**") and is qualified by the more detailed information contained elsewhere in this Offering Circular. Words and expressions defined in the Conditions or elsewhere in this Offering Circular have the same meanings in this overview.*

Investing in the Notes involves significant risk. For a discussion of certain risks that should be considered in connection with an investment in the Notes, see "Risk Factors" beginning on page 11 of this Offering Circular.

Issuer:	Vanquis Banking Group plc
Sole Bookrunner:	Morgan Stanley & Co. International plc
Trustee:	M&G Trustee Company Limited
Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Principal Paying Agent and Agent Bank:	The Bank of New York Mellon, London Branch
Notes:	£100,000,000 8.250 per cent. Fixed Rate Reset Subordinated Callable Notes due 2037
Issue Price:	100.000 per cent. of the principal amount of the Notes
Issue Date:	21 May 2026
Use of Proceeds:	<p>The net proceeds of the issue of the Notes will be used for the general corporate purposes of the Group including the financing of the repurchase of certain of the Issuer's outstanding £200,000,000 Fixed Rate Reset Subordinated Tier 2 Notes due 2032 (ISIN: XS2397348801) (the "Existing Notes"). On 14 May 2026, the Issuer announced an invitation to holders of its Existing Notes to tender their Existing Notes (up to a maximum acceptance amount) for purchase by the Issuer for cash. The offering of the Notes is not conditional on any minimum amount of the Existing Notes being repurchased pursuant to such tender offer.</p>
Status of the Notes:	<p>The Notes will constitute direct, unsecured and subordinated obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves. In the event of a Winding Up or Qualifying Procedure, the rights and claims of the Holders in respect of or arising from the Notes (including any damages (if payable)) will be subordinated to the claims of Senior Creditors.</p> <p>Pursuant to the Insolvency Act, the Notes will constitute tertiary non-preferential debts of the Issuer and therefore both ordinary non-preferential debts and secondary non-preferential debts will rank in priority to the Notes. The terms "ordinary non-preferential debt", "secondary-non preferential debt" and "tertiary non-preferential debt" shall have the meanings given to each of them in the Insolvency Act.</p>
Subordination:	<p>In the event of the Winding Up or a Qualifying Procedure, the rights and claims of the Holders and the Trustee (on behalf of the Holders but not the rights and claims of the Trustee in its personal capacity under</p>

the Trust Deed) against the Issuer in respect of or arising under the Notes and the Trust Deed (including any amounts attributable to the Notes and the Trust Deed and any damages awarded for breach of any obligations (if payable)) will (i) be subordinated in the manner provided in the Conditions and the Trust Deed to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of Parity Creditors; and (iii) rank in priority to the claims of Junior Creditors and, accordingly, no amount shall be payable to the Holders in respect of the Notes until the claims of all Senior Creditors admitted in the Winding Up or Qualifying Procedure have been satisfied.

"**Senior Creditors**" means creditors of the Issuer whose claims are admitted to proof in a Winding Up or Qualifying Procedure and (i) who are unsubordinated creditors of the Issuer; (ii) who are creditors in respect of any secondary non-preferential debts; or (iii) who are subordinated creditors of the Issuer (whether in the event of a Winding Up or Qualifying Procedure or otherwise) other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders or (y) those who are Parity Creditors or Junior Creditors.

No set-off: Subject to applicable law, no Holder may exercise or claim or plead any right of set-off, compensation, retention or netting 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 will, by virtue of their holding of any Note, be deemed, to the fullest extent permitted by applicable law, to have waived all such rights of set-off, compensation, retention or netting.

Interest: The Notes shall bear interest on their outstanding principal amount from (and including) the Issue Date to (but excluding) the Reset Date at a rate of 8.250 per cent. per annum. From (and including) the Reset Date to (but excluding) the Maturity Date, the Notes will bear interest at a rate which is the aggregate of the margin of 3.649 per cent. and the Reference Bond Rate, converted to a semi-annual rate in accordance with market convention as instructed by the Issuer (rounded to three decimal places, with 0.0005 rounded down), as determined by the Agent Bank on the date falling two Business Days prior to the Reset Date. Interest shall be payable semi-annually in arrear on 21 May and 21 November of each year.

Maturity Date: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 November 2037. The Holders will have no right to require the Issuer to redeem or purchase the Notes at any time.

Optional Redemption: Subject to the Issuer obtaining PRA Permission (and such PRA Permission not having been revoked by the relevant date of such redemption) and compliance with the Regulatory Preconditions, the Notes may be redeemed at the option of the Issuer on any date from (and including) 21 August 2032 to (and including) the Reset Date, in whole but not in part, at their principal amount together with any Accrued Interest.

Tax Redemption: Subject to the Issuer obtaining PRA Permission (and such PRA Permission not having been revoked by the relevant date of such redemption) and compliance with the Regulatory Preconditions, if at any time a Tax Event occurs, the Issuer may redeem the Notes in whole, but not in part, at any time at their principal amount, together with any

Accrued Interest, as more fully provided in Condition 7 (*Redemption and Purchase; Substitution and Variation*).

Capital Disqualification Event Redemption:

Subject to the Issuer obtaining PRA Permission (and such PRA Permission not having been revoked by the relevant date of such redemption) and compliance with the Regulatory Preconditions, if at any time a Capital Disqualification Event occurs, the Issuer may redeem the Notes in whole, but not in part, at their principal amount together with any Accrued Interest, as more fully provided in Condition 7 (*Redemption and Purchase; Substitution and Variation*).

Clean-up Call:

Subject to the Issuer obtaining PRA Permission (and such PRA Permission not having been revoked by the relevant date of such redemption) and compliance with the Regulatory Preconditions, if at any time the outstanding aggregate principal amount of the Notes is equal to or less than the Clean-up Call Threshold, the Issuer may redeem the Notes in whole, but not in part, at their principal amount together with any Accrued Interest, as more fully provided in Condition 7 (*Redemption and Purchase; Substitution and Variation*).

Purchases:

The Issuer or any of its Subsidiaries may, at its option but subject to PRA Permission (and such PRA Permission not having been revoked by the relevant date of such purchase) and compliance with the Regulatory Preconditions, purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise at any time in accordance with the then prevailing Capital Regulations.

Substitution and Variation:

If at any time a Capital Disqualification Event or a Tax Event occurs, the Issuer may, subject to Condition 7(h) (*Redemption and Purchase; Substitution and Variation – Conditions to redemption, purchase, substitution and variation*) and having given not less than 15 nor more than 30 days' notice to the Trustee, the Agents and the Holders, but without any requirement for the consent or approval of the Holders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become, Qualifying Tier 2 Notes, as more fully provided in Condition 7 (*Redemption and Purchase; Substitution and Variation*).

Defaults and Enforcement:

The remedies under the Notes will be more limited than those typically available to unsubordinated creditors. The sole remedy against the Issuer available for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under the Notes will be, subject to certain conditions, for the Trustee to institute proceedings for the winding-up of the Issuer in England (or such other jurisdiction in which the Issuer may be organised) (but not elsewhere) and/or to prove in any Winding Up or Qualifying Procedure, but may take no other action in respect of such default. The Notes will only be capable of being accelerated if a Winding Up Event occurs.

The exercise of the UK Bail-in Power with respect to the Issuer and/or the Notes shall not give rise to any acceleration rights under the Notes.

Taxation:

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law. In that event the Issuer shall pay such additional amounts in respect of any interest on the Notes but not, for the avoidance of doubt, in respect of the payment of any principal in respect of the Notes, as will result in receipt

by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in Condition 8 (*Taxation*).

Substitution of the Issuer:	The Trustee may, without the consent of the Holders but subject to PRA Permission (and such PRA Permission not having been revoked by the relevant date of such substitution) and other conditions set out in Condition 13 (<i>Meetings of Holders, Modification, Waivers and Substitution – Substitution of the Issuer</i>), agree with the Issuer the substitution in place of the Issuer (or of any previous substitute) as principal debtor under the Notes of any Subsidiary of the Issuer.
Governing Law:	The Notes, the Trust Deed and the Agency Agreement, and any non-contractual obligations arising out of or in connection with them will be governed by English law.
Agreement with respect to the exercise of the UK Bail-in Power:	Applicable. See Condition 18 (<i>Recognition of UK Bail-in Power</i>) for further detail.
Form and Denomination:	The Notes will be issued in registered form in denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Notes will be represented by a Global Certificate registered in the name of a nominee for, and deposited with, the common depository for Euroclear and Clearstream, Luxembourg (together, the " Clearing Systems "). Individual Certificates in definitive form evidencing holdings of Notes will only be available in certain limited circumstances – see " <i>Summary of Provisions relating to the Notes in Global Form</i> ".
Clearing Systems:	Euroclear and Clearstream, Luxembourg
ISIN:	XS3331518715
Common Code:	333151871
Admission to Trading:	Application has been made for the Notes to be admitted to trading on the ISM.
Issuer Legal Entity Identifier (LEI):	213800U93SZC44VXN635
Rating:	The Notes are unrated as of the date of this Offering Circular.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the EEA, Switzerland, Singapore, Japan, the Republic of Italy, the United Kingdom and the United States. In addition, the Notes are not intended to be offered or sold and should not be offered or sold to any investor in the Republic of Italy. See the section herein entitled " <i>Subscription and Sale</i> ".

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should consider carefully risk factors associated with any investment in the Notes, the business of the Group and the industry(ies) in which it operates together with all other information contained in this Offering Circular, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this section.

Prospective investors should note that the risks relating to the Group, the macro-economic environment in which it operates and the Notes are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider among other things, the additional risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Group and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Circular and their personal circumstances.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

Risks related to Macro-economic Conditions

Negative economic developments and conditions in the markets in which the Group operates may adversely affect its business and results of operations

As the Group derives all of its revenues from customers based or resident in the UK, it is directly and indirectly subject to the inherent risks arising from the general economic conditions of the UK economy, as well as other major economies that impact it.

Due to numerous macro-economic factors (including the war in Ukraine, the war in the Middle East and the recovery from the Covid-19 pandemic), the cost of living in the UK has increased materially in recent years. Thus, disposable income among the UK population has been, on the whole, falling. Furthermore, the impact of inflation is typically higher amongst less affluent adults in the UK as a greater proportion of their spending is required for essentials (for example, food and energy), the prices of which have recently been rising faster than the general inflation rate. Thus, these adults typically do not have the capacity to reduce their expenses due to the vast proportion of their expenditure being on essentials. The Bank of England responded to inflation levels by increasing the base rate multiple times since December 2021, which impacted consumers on mortgages and also impacted those renting (due to landlords typically passing on rate increases). Although the headline rate of inflation has fallen in recent months and the Bank of England in August 2024 began cutting the base rate, the path of the Bank of England's base rate is uncertain, as is the impact that changes to date (or any future increases) could have on economic conditions. The impact on consumers of materially higher nominal prices will undoubtedly take time to unwind. The Group is exposed to the effects of prevailing levels of unemployment, inflation, consumers' disposable incomes and interest rates.

Although the UK economy began returning to growth in 2024, the measures taken by the current and previous governments have not yet resulted in consistent economic growth. The condition of the UK economy could impact the Group's operations in a number of ways: (i) volatility in the markets in which it operates causing potential reduction in new business lending volumes and balances growth; (ii) the financial health of consumers, and the operations of the Group's counterparties, could be affected and as a result they may default on their obligations due to the Group (such as repayments); (iii) the Group's operations and ability to conduct its business could be affected or may not operate in the ways the Group anticipates; (iv) there may be a reduction in the Group's capital due to impaired business performance and absorption of losses; (v) there may be increased use of available headroom by credit card users; (vi) there may be

increased forbearance and payment holidays supported by regulatory guidance for vulnerable customers or those in financial difficulty where necessary; (vii) there may be increased impairments due to customer defaults and associated IFRS 9 provisions; and (viii) the Group's access to funding and liquidity may be affected, which will have a negative impact on the Group's liquidity and cashflow.

In the event of a material macro-economic downturn, the Group may also not be able to continue to provide its products to customers in the near-prime and mid-cost finance sector, or expand its second charge mortgage portfolio via its forward flow agreements, in line with its agreed business strategy and budgeted business plans. Such events could lead to increasing loan delinquencies, customer bankruptcies, charge-offs, and provisions for losses as well as reductions in the level of security on the second charge mortgage book. If inflation and/or interest rates in the UK were to rise further, the amount of disposable income available for customers to repay their overall borrowing obligations could decrease. Total collections may be reduced or the timing of receipt of payments may be extended as a result of these measures, any of which could materially and adversely affect the Group's business and financial condition, including its regulatory capital, liquidity, results of operations, cash flows and prospects.

Risks associated with climate change have the potential to impact the Group

The Group's climate strategy continues to relate to ensuring that climate-related risks are integrated into its business strategy and decision making in areas such as operational resilience, customer service, supply chain management and, where appropriate, capital allocation.

Climate-related risks are identified, assessed, managed, and monitored in line with the company-wide risk management and internal control framework. When assessing climate-related risks and opportunities, the Group uses the time horizons set out below, which were updated last year to better align with its budgeting and planning cycles:

- Short term: Zero to one year – This aligns with the Group's annual reporting cycle and associated operational activities.
- Medium term: One to five years – This aligns with the financial and operational planning used and provides insight into developing risks and opportunities.
- Long term: Five or more years – This enables the Group to consider the impact of changing climate-related transition and physical risks on its business over the long term.

In doing this, it enables the Group to continue to consider the material climate-related risks and opportunities that relate to the current and future products and services that it provides to its customers, as well as those that relate to its operations and infrastructure (including in the supply chain).

The climate-related physical and transition risks and opportunities that have been factored into the Group's strategy are set out in the table below. The risks are categorised as physical risks (which include acute, extreme weather events, and chronic, long-term climate shifts in the UK) and transition risks (which relate to regulatory changes, technological innovations and customer demand changes), and the opportunities relate to meeting the needs of the Group's customers as climate-related policies are implemented, and continuing to improve the energy efficiency of its operations and infrastructure. Further details on the descriptions and the business impacts of these risks over the short, medium and long term are set out below:

- Physical (acute) – There is a risk of increased severity of extreme weather events such as heatwaves, hurricanes and flooding which disrupts the Group's own operations and supply chains, and those of its customers, colleagues and communities. These events could have an impact on infrastructure, causing damage to buildings and other assets, leading to wide-scale disruption to service delivery. They could also impact the secured properties of the Group's second charge mortgage customers, which could have credit risk implications.
- Physical (chronic) – There is a risk that events, such as rising sea levels, coastal changes and higher average temperatures and rainfall, could impact regions and infrastructure that are material to the Group's facilities/business premises, as well as the operations of the organisations in its direct and indirect supply chains. Such physical risks could lead to indirect economic and social impacts through supply chain disruptions, subsequent impacts from infrastructure damage (e.g. in relation to transport, communication and manufacturing processes) or market shifts (such as increases in

insurance premiums). They could also have credit risk implications for the Group's second charge mortgage customers.

- Transition (policy/legal) – There is a risk that new or additional climate-related laws, regulations or contractual commitments (e.g. in relation to energy usage or the manufacture of internal combustion energy vehicles) may result in increased compliance costs, taxes on emissions, penalties or restrictions that relate to the Group's business models and its stakeholders. Such transition risks could impact both the Group's operating costs and ability to meet the demands of its current and future customers. The introduction of taxes designed to improve energy efficiency could also have cost-of-living implications for its customers, which has potential to expose the business to credit risks. These could have implications for the Group's revenue growth opportunities.
- Transition (reputation) – By failing to deliver on the Group's public net zero commitments there is a risk that it could be exposed to reputational damage (e.g. that arise from greenwashing allegations) and increased scrutiny from its customers, regulators, investors and colleagues. Damage to the Group's reputation because of poor environmental performance, including the failure to meet any climate related commitments or regulatory expectations, could result in negative media attention and may impact customer or investor demand or result in a loss of existing talent or the inability to attract new talent. This could lead to financial impacts on revenues and/or financial penalties, legal challenges or fraud investigations.

To identify the actual and potential impacts of climate-related risks and opportunities on its business, strategy and financial planning the Group undertook a scenario analysis during 2025. This analysis made use of the Group's financial forecasts, operational footprint, customer data, supply chain information and environmental data, to create a representation of the Group. To support this, the Group continued to use the three climate scenarios developed by the Network for Greening the Financial System (NGFS): Orderly, Disorderly, and Hot House World.

Any or all of the above may have an adverse effect on the business of the Group and may impact the ability of the Issuer to make payments in respect of the Notes.

Disruptions and volatility in the global financial markets may adversely impact the Group's access to funding

The Group is affected by global economic and macro-economic conditions. Challenging market conditions, particularly escalating geopolitical tensions and the outbreak of war in Iran, have resulted not just in greater volatility in financial markets but also the ongoing uncertainty poses risks to market liquidity, widening credit spreads and reduced transparency in credit markets, which creates a challenging operating environment for financial institutions, including the Group. Global markets and economic conditions have been negatively impacted for several years by various factors, including persistent inflation across economies and other volatility in financial markets due to geopolitical tensions.

Numerous macro-economic factors (including the wars in Ukraine and the Middle East) have historically had a significant impact on the cost of living in the UK, particularly increased commodities and energy prices, inflation and economic volatility (as further described in the risk factor titled "Negative economic developments and conditions in the markets in which the Group operates may adversely affect its business and results of operations" above). In 2024, the UK economy began returning to growth with inflation falling to below the government target of 2 per cent., resulting in the Bank of England reducing interest rates. Despite recent progress, inflation remains above the 2 per cent. target with moderate growth in gross domestic product and signs of softening in the UK labour market. Prior to geopolitical developments, market expectations were for the Bank of England to reduce interest rates further in cutting rates in early 2026. However, new reporting indicates cuts once expected in early 2026 are now unlikely, given rising energy prices and higher inflation expectations stemming from the conflict in the Middle East. The precise nature of all the risks and uncertainties that the Group faces as a result of the global economic outlook cannot be identified and many of these risks are outside of the Group's control. No assurance can be given as to future economic conditions in any market or as to the sustainability of the improvement in any market. Internal controls are in place to monitor the external macro-economic factors on a regular basis including potential impact to the Group's overall funding and liquidity position.

Any unforeseen turbulence in credit or other markets could have a material adverse effect on the Group's access to the capital markets and may increase the Group's funding costs. Despite interest rates trending downwards in 2025, any rise in interest rates in the UK due to a change in the economic environment or other factors beyond the Group's control may also increase the Group's financing costs. The exact nature of these risks faced by the Group are difficult to predict and guard against. Taken in isolation or together, the above changes in the macro-economic conditions may have a material adverse effect on the Group's operating results, liquidity, financial condition and prospects and may impact the ability of the Issuer to make payments in respect of the Notes.

Risks relating to the Business of the Group

As a lending business, the Group is exposed to credit risk, which is the risk that the Group will suffer unexpected losses in the event of customer defaults. Customer defaults in the non-standard credit market are typically higher than in more mainstream markets.

(i) *Vanquis Bank*

Customers of Vanquis Bank (as defined in the section "*Business Description – Introduction*" below) are typically in full-time employment on low to moderate incomes with a limited credit history or lower than average credit scores. Rising unemployment, an increase in interest rates, inflationary pressures on household bills or a deterioration in the UK economy could adversely affect customers' ability to repay amounts due and lead to higher-than-expected default rates and hence impairment charges. Despite the credit risk management measures taken by Vanquis Bank (see "*Business Description – Vanquis Bank – Risk management*"), other factors including impairments stemming from customers in persistent debt (additionally, see the risks set out in "*The Group is subject to significant and many forms of legal and regulatory risks in conducting its business in the UK*" below) could give rise to increased customer defaults which may have a material adverse impact on Vanquis Bank's operating results, financial condition and prospects. Given Vanquis Bank is a wholly owned subsidiary within the Group, customer defaults in Vanquis Bank could impact the ability of the Issuer to receive dividends from Vanquis Bank, or negatively impact any other exposures the Issuer may have to Vanquis Bank from time to time, which in turn may impact the ability of the Issuer to make payments in respect of the Notes.

(ii) *Moneybarn*

Customers of Moneybarn (as defined in the section "*Business Description – Introduction*" below) are typically either in full-time employment or self-employed, with incomes around the national average (the national average as of the date of this Offering Circular being around £25,000 to £35,000 per annum). They typically rent and have a limited credit history or lower than average credit scores. For a Moneybarn customer, the monthly repayment is one of their largest monthly expenses and therefore rising unemployment, inflationary pressures on household bills or a deterioration in the UK economy could adversely affect their ability to repay, leading to higher-than-expected default rates and hence impairment charges.

Despite the credit risk management measures taken by Moneybarn (see "*Business Description – Moneybarn – Risk management*"), customer defaults and the amounts recovered from the sale of any recovered vehicles may have a material adverse impact on Moneybarn's operating results, financial condition and prospects and may impact the ability of the Issuer to make payments in respect of the Notes.

(iii) *Counterparty credit risk*

For the Group, counterparty credit risk arises as a result of cash deposits and collateral placed with banks, reserves held with the Bank of England, exposures to UK government bonds (gilts), sovereign, supranational and agency bonds issued by various institutions that support social initiatives and development projects, the use of derivative financial instruments with banks and other financial institutions which are used to hedge interest rate risk and foreign exchange rate risk, reliance upon service providers to the Group and, in relation to second charge mortgages, risks in respect of the origination and servicing of mortgages by the Group's forward flow partners (see further "*Second charge mortgage risks*").

In addition, the Prudential Regulation Authority (the "**PRA**") has provided Vanquis Bank with a "Core UK Group waiver" ("**CUG**"), effectively removing the large exposure constraint on intra-group lending by Vanquis Bank to Moneybarn (see "*Capital and Liquidity Risk relating to the Group - The risk that the*

Group has insufficient liquidity to meet its obligations as they fall due, and/or is unable to maintain sufficient funding for its future needs"). In support of the waiver, and to support intercompany lending, a Capital Support Agreement ("**CSA**") has been granted by Moneybarn in favour of Vanquis Bank. The CSA would, in circumstances where Vanquis Bank is failing to meet its solo capital requirements, require Moneybarn to contribute any excess capital, or liquidity, it holds to Vanquis Bank.

In relation to such transactions there is a risk that such counterparties could fail and default on their obligations under these transactions to the detriment of the Group.

Counterparty credit risk is managed by the Group's Treasury function and is governed by a counterparty credit-risk policy approved by the Assets and Liabilities Committee ("**ALCo**") of the Issuer which ensures that the Group's cash deposits and derivative financial instruments are only made with high quality counterparties with the level of permitted exposure to a counterparty firmly linked to the strength of its credit rating. In addition, there is a maximum exposure limit for all institutions, regardless of their respective credit ratings. This is linked to the Group's regulatory capital base and is in line with the Group's regulatory reporting requirements on large exposures to the PRA.

Despite the Group's credit risk management procedures, there can be no assurance that the Group's financial performance and liquidity would not be adversely affected should any bank counterparty fail in the future and this may impact the ability of the Issuer to make payments in respect of the Notes.

Vanquis Bank, as a PRA regulated entity on an individual basis, is subject to the regulatory large exposures limit under Article 395 in the Large Exposures (CRR) Part of the PRA Rulebook such that it cannot have exposure to a single counterparty or a group of connected counterparties in excess of 25 per cent. of its eligible capital. Intercompany lending is managed by the Intra Group Funding and Lending Framework which is approved by the Group's ALCo.

Lending by Vanquis Bank to Moneybarn is subject to an annual credit risk assessment which assesses the financial health of Moneybarn and its ability to generate cash flows, to ensure they are sufficient to service the loan(s) according to the loan terms. The annual credit risk assessment is a detailed point in time assessment, utilising information from Moneybarn's reports and accounts and annual budget. Regular re-assessment of the financial health of Moneybarn is performed through monitoring key performance indicators. The key performance indicators allow Vanquis Bank to identify if lending continues to be within risk appetite, before committing to additional lending. The inability for Moneybarn to service the loans may in turn impact the ability of the Issuer to make payments in respect of the Notes.

(iv) ***Second charge mortgage risks***

The second charge mortgage business that the Group operates involves the Group entering into forward flow contracts with partners who originate and service second charge mortgages (see further "*Business Description – Business Overview – Vanquis Bank – Second charge mortgages*"). In addition to the counterparty risks mentioned in "*Counterparty credit risk*" above, the Group has a credit risk exposure to the second charge mortgage originators (i) due to the wet funding it provides to the originators; to manage this risk the Group limits the amount of wet funding that is made available, and (ii) as a result of the reliance on the origination and servicing services provided by those forward flow partners. There is also a risk of fraud from third parties, which could cause significant financial and/or reputational harm to the Group. Please refer to "*Business Description – Business Overview – Vanquis Bank – Second charge mortgages*" for details of actions that Vanquis Bank is taking to seek to mitigate fraud risks.

The second charge mortgage business is also exposed to the credit risk of the underlying second charge mortgage borrowers, given the nature of such mortgages. While these loans are secured against property, higher loan-to-value ("**LTV**") ratios increase the potential for impairments, especially in adverse macroeconomic conditions such as falling property values or rising unemployment. Vanquis Bank has implemented mitigating controls, including strict loan eligibility criteria, provisions for reviewing performance, and holding a credit loss provision of 0.2 per cent. as at 31 December 2025.

Prepayment risk is also present, as early repayments may reduce cash flows; however, early repayment charges ("**ERCs**") help mitigate this impact.

Conduct risk in the second charge mortgage business remains with originators under FCA regulation, but Vanquis Bank faces indirect exposure to potential breaches, which could affect financial returns and impact the reputation of Vanquis Bank.

Lastly, property valuation risk could lead to higher losses if property prices decline or the valuations are not accurate, especially since second charge mortgages are subordinate to first-charge loans. To manage this, Vanquis Bank reflects stressed property prices in the setting of its capital requirements, monitors economic indicators, ensures more robust valuations are required for higher LTV mortgages, and conducts stress tests.

Despite the measures taken by Vanquis Bank to mitigate these risks, the realisation of any of these risks may have a material adverse impact on Vanquis Bank's operating results, financial condition and prospects and may impact the ability of the Issuer to make payments in respect of the Notes.

The Group could be subject to reputational harm that could damage its brands or have a broader negative impact on the consumer credit market

The Group's brands and legal entities, including Vanquis Bank and Moneybarn, could be susceptible to significant reputational damage, which could arise from failing to address, or appearing to fail to address, a variety of issues, such as but not limited to:

- poor customer service or conduct outcomes;
- technology failures;
- breaches of data security;
- breaches of, or allegations of having breached, legal and regulatory requirements;
- committing, or allegations of having committed, or being associated with those who have or are accused of committing, unethical practices, including with regard to sales, trading practices or conflicts of interest;
- the failure of intermediaries, brokers and other third parties on whom the Group relies, such as clearing banks, third-party service providers or partners, to provide necessary services; and
- poor business performance.

The inability to manage reputational risks relating to the Group's brands or legal entities for any reason could have a material adverse effect on the Group's business, financial condition, results of operations or prospects, which may impact the ability of the Issuer to make payments in respect of the Notes.

The markets in which the Group operate are highly competitive and subject to rapid change

The markets for the Group's products and services are highly specialised, competitive and in a state of ongoing change in response to consumer demand, technological innovations, changing legislation, regulation and other factors. Some of the Group's principal competitors have substantial financial resources, established brands, technological expertise and market experience that may better position them to anticipate and respond to competitive changes. Competitor activity could lead to pressure on certain Group products and services, potentially reducing profit margins and cash flows.

Competition has increased in non-standard credit cards with several new entrants and an increased range of product propositions from established providers.

Similarly, in respect of Moneybarn, competition has increased in recent years with some competitors offering increased commissions to introducers, and some introducers expanding into lending. Although the used car finance market has shown strong growth over recent years following dramatic falls in supply after the 2008 financial crisis, there is a risk of new specialist entrants and re-entry by mainstream car finance companies. Moneybarn is reliant on a network of specialist intermediaries including motor dealers, traditional motor finance brokers and internet introducers to distribute its products. These intermediaries are authorised and regulated by the FCA as credit brokers. Moneybarn has limited direct oversight of intermediaries' interactions with prospective customers, with the direct customer relationship being

established at the point of lending. Should intermediaries violate applicable regulations or standards when selling Moneybarn's products, the Group's reputation could be harmed, and potential remediation requirements could arise. In addition, development of new products and delivery of good service levels to intermediaries are essential to attract and maintain long-term relationships. The loss or deterioration of Moneybarn's relationships with its intermediaries could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group cannot predict with certainty the changes that may occur and the effect of those changes on the competitiveness of its business activities. The competitive environment in which the Group operates will require the Group to continually invest, enhance and adapt its products and services including new technology to better serve the needs of its existing customers and to attract new customers. If the Group is unable to successfully adapt and/or develop its products in a timely fashion or to successfully respond to competitor offerings, it could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

The Group may not be able to successfully implement a new product strategy or model and may be adversely affected by the failure to manage change

The Group may seek to introduce new product groups, pricing and credit assessment analysis methods and uses of data in order to: (i) retain existing customers whose needs have evolved; (ii) attract new customers for whom the existing product offering or methods of acquisition are unattractive or ineffective; and/or (iii) develop more competitive pricing and sophisticated underwriting processes. The new businesses and products may not be able to attain the forecast returns and the Group may make errors of judgement in the conception, planning and/or implementation of these strategies and methods which may materially and adversely affect its results of operations and financial condition.

In order to successfully implement its strategy, the Group has established certain procedures in order to manage changes that may be required to the Group's existing business and operations. These include new product governance, system pilots, change risk management frameworks, monitoring programmes, prioritisation methodologies, audits, contingency and business continuity plans and regular progress reporting. Despite these controls, however, a new project, system, product or model may fail to deliver the business benefits required to implement the Group's business model and/or growth strategy. This could include (but is not limited to) insufficient market research, non-compliance with policies, technology failure, unexpected changes in external conditions including the regulatory environment and/or resource constraints. Failure to deliver on the Group's change programme could have a material adverse effect on its business, results of operations and financial condition.

The Group's business is subject to concentration risk

There is a concentration risk arising from the lack of diversification in the Group's business either geographically, demographically or by product.

As a result of its clear non-standard specialist lending strategy, the Group's operations are concentrated solely in the UK and in the non-standard consumer credit market. The Group's product offering primarily consists of Vanquis Bank credit cards and unsecured personal loans, and secured car loans through Moneybarn. However, the Group's customer base is well diversified throughout the UK and is not concentrated in a particular region.

There can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events, relating to concentration risk from operating solely in the UK and within one customer segment (being the non-standard consumer credit market), arise in the future which would impact the ability of the Issuer to make payments in respect of the Notes.

There are risks related to the Group's reliance on third-party suppliers and partners

The Group depends on a number of third-party service providers for a variety of functions whose failure to perform could have a material effect on the Group's business, financial condition, results of operations and prospects.

The Group relies on the continued availability and reliability of these service providers. If the Group's contractual arrangements with any of these providers are terminated for any reason, or a third-party service provider becomes otherwise unavailable or unreliable in providing the service to the required standard, the

Group may need to identify and implement alternative arrangements. Although the Group would likely be able to find an alternative third-party provider or supplier for the services on equivalent terms, it may not be able to do so on a timely basis and in doing so may incur additional costs which could cause operational disruption and/or have a material financial or reputational impact on the Group.

In addition, the Group relies on certain suppliers to provide important technology and operational services including new customer acquisition and collections, and this includes outsourcing to countries outside the UK. For example, the Group has outsourced a significant proportion of its collections, customer servicing, financial crime case work and onboarding work to three UK suppliers operating across South Africa and India. More complex servicing work has remained in-house, such as escalation calls for severely vulnerable customers, but all the standard collections, servicing and onboarding work is carried out by these three providers. The ability of these suppliers to carry out the work may be impacted by regional events in South Africa, such as electricity shortages or strikes by taxi providers in Cape Town or flooding in Chennai. Any issues with suppliers or the country they operate in could have a significant impact on the quality of the service provided by them leading to reputational damage, regulatory breaches and/or poor outcomes for the Group's customers.

Furthermore, the Group sources some of its new customers from third-party introducer and aggregator channels including brokers, distribution partners and forward flow partners. Several of these third parties provide a significant amount of new customers to the divisions on a monthly/annual basis. The loss of one or more such third-party channels, including in each case as a result of increased regulation, any adverse changes in relations with third parties, or the financial credit-worthiness of such third parties, could severely impact the financial revenue of the Group, resulting in loss of operations, cash flows and projected financial prospects of the Group, which may not be easily substituted in the short-medium term through an alternative channel.

The Group's reliance on third-party providers exposes it to the risk of deterioration of the commercial, financial and/or operational soundness of those organisations. The Group is also exposed to the risk that its relationships with one or more third-party service providers may deteriorate for a variety of reasons, including competitive factors. Reputational damage to the Group's brands caused by the failure of a third-party supplier may also adversely impact the Group's ability to attract and retain customers or employees in the short and long-term and the ability to pursue new business opportunities.

Risks relating to entry to new markets and acquisitions

The Group may not be successful upon entry into a new market or upon an acquisition despite completing market research **and**/or due diligence beforehand.

The Group may not be able to (i) successfully support its growth strategy in a newly entered market; (ii) realise the expected accretive value of any acquired business or portfolio; (iii) take advantage of market opportunities; and/or (iv) dispose of or close existing businesses where these are not financially viable, for a number of reasons including:

- the inability to recruit and retain well-qualified staff for those businesses;
- the failure to meet customer demand if its operations or the market do not perform as expected;
- the inability to find a suitable buyer or wind-down existing businesses due to operational complexity, regulatory concerns and/or impact on customers;
- the failure to respond effectively to local economic conditions or regulatory pressures; and/or
- the inability to successfully integrate the acquisition or new business into the Group.

If the Group subsequently disposes of or closes the acquired business or other business entity, or withdraws from a market, the Group will incur the additional costs of disposal including any write down in value. There is also the opportunity cost of potentially losing out where a more appropriate geographical market or business acquisition would have been beneficial. The losses will be of greater magnitude if the Group makes such an error in relation to a number of strategic markets or acquisitions and this could materially and adversely affect the Group's business, results of operations and financial condition.

Capital and Liquidity Risks relating to the Group

The risk that the Group has insufficient liquidity to meet its obligations as they fall due, and/or is unable to maintain sufficient funding for its future needs

Liquidity risk is the risk that the Group will have insufficient liquid resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

Liquidity risk is managed by the Group's centralised treasury department through daily monitoring of expected cash flows and liquidity requirements in accordance with a Board-approved Internal Liquidity Adequacy Assessment Process ("**ILAAP**") and Group Funding and Liquidity Policy. This process is monitored regularly by the Group (and Vanquis Bank) ALCo.

The Group aims to take a prudent approach to funding and liquidity risk, with a Risk Appetite and Funding and Liquidity Policy designed to ensure that the Group is able to continue to fund the growth of the business. The Group maintains liquidity to fund growth and meet contractual maturities in its retail deposit, securitisation and bond funding. See Note 28(c) (*Borrowings – Maturity profile*) to the 2025 Group Financial Statements for further information.

Vanquis Bank is a PRA regulated institution. It is primarily funded via retail deposits and also maintains access to the Bank of England's Sterling Monetary Framework, including a reserves account. The retail deposits consist of a range of products including (i) fixed term deposits of 1 to 5 years; (ii) notice savings accounts; (iii) 'easy access' savings accounts; (iv) cash individual savings accounts ("**ISAs**"); and (v) fixed individual savings accounts of 1 to 2 years, all subject to cover by the FSCS. Vanquis Bank does not take corporate deposits, other than from its ultimate parent company, the Issuer. It is required to maintain a liquid assets buffer, and other liquid resources, based upon daily stress tests detailed in the Group and Bank ILAAP, in order to ensure that it has sufficient liquid resources to fulfil its operational plans and meet its financial obligations as they fall due. It also maintains an operational buffer over such requirements in line with its risk appetite. As at 31 December 2025, the high-quality liquid assets ("**HQLA**") held by Vanquis Bank amounted to £998 million (2024: £947 million (not including non-Bank cash deposits)), held in a combination of a Bank of England Reserve Account and gilts.

The Group and Vanquis Bank are required to meet the liquidity coverage ratio ("**LCR**"). The LCR requires institutions to match net liquidity outflows during a 30-day period with a buffer of 'high-quality' liquid assets. The Group and Vanquis Bank have developed systems and controls to monitor and forecast the LCR and have been submitting regulatory reports on the ratio since 1 January 2014. As at 31 December 2025, the Group's LCR amounted to 306 per cent. (2024: 359 per cent.) and Vanquis Bank's LCR was 271 per cent. (2023: 338 per cent.).

On 1 November 2022, the Group received notice from the PRA that it had approved the Group's application for a CUG large exposure waiver which enables Moneybarn to access funding from Vanquis Bank with immediate effect. This enabled the Group's transition to a traditional bank funding model in which the Group's funding consists of: (i) retail deposits; (ii) securitisation of the credit cards and vehicle finance books; and (iii) access to facilities via the Bank of England's Sterling Monetary Framework. The CUG waiver was extended in July 2025 for a further three years. Since 2023 Vanquis Bank has diversified its retail deposit funding mix through more behaviour driven deposits and ISAs. Whilst this retail deposit funding mix does provide Vanquis Bank with access to more liquidity, it also changes its liquidity risk profile, as customers have immediate access to their deposits.

Despite the above measures, there can be no assurance that the Group's financial performance will not be adversely affected should events relating to liquidity risks arise in the future including those described in the risk factors entitled "Negative economic developments and conditions in the markets in which the Group operates may adversely affect its business and results of operations" and "Disruptions and volatility in the global financial markets may adversely impact the Group's access to funding", which could impact the ability of the Issuer to make payments in respect of the Notes.

The Group is subject to prudential regulatory capital and liquidity requirements and may incur costs in monitoring and complying with these requirements

The Group is subject to prudential regulatory capital and liquidity requirements on a consolidated basis imposed by the PRA as a result of Vanquis Bank being regulated by the PRA and accepting UK retail

deposits. Vanquis Bank is also subject to prudential regulatory capital and liquidity requirements imposed by the PRA on a solo entity basis. The requirements applicable are primarily set out in the PRA Rulebook. Together these requirements set out the capital, leverage, liquidity and funding ratios that are applicable to the Group and Vanquis Bank. Further information on the capital and funding of the Group is set out in the section titled "*Capital and Liquidity*".

The Group's ability to do business could be constrained if it fails to maintain sufficient levels of capital. Furthermore, if the Group fails to meet its minimum regulatory capital requirements, this could result in administrative actions or sanctions against it. Effective management of the Group's capital is critical to its ability to operate and grow its business and to pursue its strategy. Any change that limits the Group's ability to 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 finance through wholesale markets as a result of market conditions or otherwise) or any increase in the prudential regulatory capital and liquidity requirements could have a material adverse effect on its business, financial condition, results of operations and/or prospects. See "*The value of the Notes could be adversely affected by a change in English law or administrative practice*", "*The Group is subject to significant and many forms of legal and regulatory risks in conducting its business in the UK*" and "*Potential effects of any additional regulatory changes*" below.

There remains a risk that any changes to the Capital Regulations (as defined in the Conditions), in addition to PRA rules, standards or guidance, may lead to further unexpected enhanced prudential requirements for the Group. This could affect the profitability of the Group and/or lead to regulatory action if new requirements are not adhered to, which could impact the Issuer's ability to make payments of interest and/or principal on the Notes.

Moneybarn may be required to contribute its Tier 1 capital to Vanquis Bank

On 1 November 2022, Vanquis Bank was granted a CUG waiver application by the PRA, which was extended in July 2025 for a further three years. This waiver allows Vanquis Bank to disapply the large exposures limit imposed by Article 395 in the Large Exposures (CRR) part of the PRA Rulebook when lending to Moneybarn. The PRA requested that, in support of the CUG waiver application, Vanquis Bank and Moneybarn enter into the CSA in order to comply with the provisions of section 2.8 of the PRA's Supervisory Statement SS16/13, which states that, in the case of a counterparty which is not a PRA-authorized firm, the application should include a legally binding agreement between the firm and the counterparty to promptly, on demand by the firm, increase the firm's Tier 1 capital by an amount required to ensure that the firm complies with the provisions contained in the Own Funds (CRR) Part of the PRA Rulebook and any other requirements relating to Tier 1 capital or concentration risk imposed on a firm by or under the regulatory system. In accordance with PRA guidance, the CSA requires Moneybarn to contribute only the Tier 1 capital available to Moneybarn, although it does not require Moneybarn to render itself balance sheet insolvent as a result. Any such contribution may have an impact on the Group and, as a result, the Issuer's ability to make payments of interest and/or principal in respect of the Notes.

Conduct, Legal and Regulatory Risks

The Group's business practices could result in systemic conduct failings requiring significant redress programmes for customers

The non-standard credit market in which the Group operates exposes the Group to conduct risk. The FCA, as part of its statutory objectives, is clear that consumer protection is critical in ensuring markets work well and any failures by the Group in support of this objective could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Through the many touch points with the Group's customers, the Group is exposed to conduct risk. This could manifest through:

- poor product design which fails to meet the needs of customers through unsuitable product features including levels of interest, inappropriate fees and/or charges or basic ease of use;
- lending irresponsibly by failing to undertake appropriate credit or affordability checks for existing or new customers, or through patterns of lending which make repayments unsustainable over time;

- failing to identify or treat customers fairly, particularly those who are vulnerable, have special needs or are in financial difficulty. This includes not offering adequate forbearance or 'breathing space' to customers where they are struggling to meet agreed payments or where they are in persistent debt. In the context of the cost of living crisis, this risk is heightened and also includes offering suitable payment holidays to customers who are experiencing financial difficulty directly as a result of the cost of living crisis;
- failure to deliver good outcomes for customers across the principles introduced through the Consumer Duty (as defined below);
- not dealing with complaints fairly through inadequate recognition of a complaint, fact-finding, decision as to whether the complaint is upheld, redress and communication of complaint outcomes to customers, as well as failing to address the root causes of complaints; and
- failures by third parties, with whom the Group engages, to comply with law and regulation which may result in the Group being liable for, for example, inadequate disclosure by brokers to customers of commission paid to them.

Any 'event' or failure of the type described above could trigger a major systems and controls and/or conduct breach, most likely arising through irresponsible lending or unsuitable product design feature. This could result in an FCA enforcement action, Financial Ombudsman Service ("FOS") 'precedent case', increased claims from Claims Management Companies ("CMCs") and/or mandated or voluntary redress programmes and potential court action. Were this risk to crystallise, it could be substantial and have a material adverse effect on the Group's business, financial condition, reputation, results of operations, cash flows and prospects.

On 1 August 2025, the Supreme Court issued a judgment in the three conjoined cases of *Hopcraft v Close Brothers Ltd*; *Johnson v FirstRand Bank Ltd*; *Wrench v FirstRand Bank Ltd* [2025] UKSC 33, which concluded that the commission paid by the lender in *Johnson* created an unfair relationship under the Consumer Credit Act 1974.

A consultation was published by the FCA in October 2025 (CP25/27) on proposals for an industry wide consumer redress scheme for motor finance customers. On 30 March 2026, the FCA published the final scheme rules (PS26/3).

The Group did not participate in discretionary commission arrangements (DCAs) and did not operate tied arrangements. The Group has a limited number of credit agreements that are potentially eligible for redress via the FCA motor finance compensation scheme. The vast majority (over 98 per cent.) of commissions paid in the relevant time period were not for amounts above 39 per cent. of the total cost of credit and 10 per cent. of the loan amount (and did not, therefore, meet the definition of 'high commission' in PS26/3). Nine non-prime lenders may rebut the presumption of customer loss by demonstrating that the customer would not have secured a better deal elsewhere. In such cases, no redress would be due. The Group believes a number of its agreements may meet this test and is collating the required supporting evidence. For further information on this matter please refer to the Note 34 (*Contingent Liabilities*) to the financial information contained in the 2025 Group Financial Statements.

The Group is subject to significant and many forms of legal and regulatory risks in conducting its business in the UK

The Group is exposed to many forms of legal and regulatory risk in the UK, which may arise in a number of ways.

Leeds Reforms

On 15 July 2025 the Chancellor as part of her Mansion House speech set out the "Leeds reforms", a strategy which intends to boost financial services growth and competitiveness. Amongst other changes, the UK government proposed to: (i) "radically streamline" the Senior Management and Certification Regime ("SMCR") and (ii) unlock retail investment. The strategy has five key areas of focus:

- delivering a competitive regulatory environment, including through reducing regulatory burdens and reforming the Financial Ombudsman Service;

- harnessing the UK's global leadership in financial services;
- embracing innovation and leveraging the UK's Fintech leadership;
- building a retail investment culture and delivering prosperity through UK capital markets; and
- setting the UK's financial services sector up with the skills and talent it needs.

This strategy seeks to build on the 2022 "Edinburgh Reforms" which were delayed by the change in government. A number of changes and consultations have been launched to boost growth, unlocking capital, simplifying regulation and reducing bureaucracy and administration.

All of the changes currently being proposed, or in flight are expected to have a positive impact on the Group, in particular:

- reform of the Financial Ombudsman Service;
- simplification of the SMCR;
- Consumer Credit Act Reform;
- launch of the Data Protection Use and Access Act 2025; and
- simplification of the FCA Handbook (following implementation of consumer duty).

On 15 July 2025, the FCA and the PRA issued consultation papers outlining suggested changes to the SMCR. Amongst other things, these consultation papers proposed: (i) streamlining the Senior Management Function ("**SMF**") approval process; (ii) increasing the validity period of criminal record checks for SMF applications; and (iii) amending the "12-week rule" so that an individual may perform an SMF role on an interim basis, without submitting an SMF application, for up to 12 weeks. In April 2026, the FCA and the PRA published policy statements setting out reforms to the SMCR in line with the proposals in the consultation papers. The regulators intend to consult on further reforms later in 2026.

Whilst these changes seek to drive economic growth by reducing regulatory burdens in the financial sector, the Group still anticipates a high level of scrutiny of the treatment of customers by financial institutions from regulatory bodies, the press, politicians and consumer groups, especially given the non-standard credit market in which the Group operates.

ISA Reform

The UK government announced reforms to the ISA regime in the Autumn Budget on 26 November 2025.

The UK government has confirmed its intention to pursue further structural reforms to the ISA regime, including changes designed to rebalance the use of cash and investment ISAs, with further measures expected to take effect from April 2027. The main change planned is a reduction in the tax free limit for individual cash ISAs to £12,000 (from £20,000) for under 65s. From April 2027, the new rules may influence the Group's cash ISA products by reducing new deposit acquisitions. While the detailed design and final scope of these reforms continue to be subject to consultation and secondary legislation, the direction of travel is now clearer and may result in changes to the regulatory framework applicable to firms operating in retail financial services.

Regulatory focus on consumer finance

The FCA and, to a lesser extent, His Majesty's Treasury ("**HMT**") have been very active in the consumer finance industry in the UK, undertaking a number of investigations and publishing numerous reports into the lending market, especially that section of the market targeted at customers who have difficulties in accessing traditional sources of funding, which is the market in which the Group operates. These include but are not limited to:

- In July 2024 firms implemented the FCA's rules and guidance on consumer duty (the "**Consumer Duty**"). The FCA introduced a new consumer principle that requires firms to act to deliver good outcomes for retail customers (the "**Consumer Principle**") which has applied from 31 July 2023

for new and existing products and services, and 31 July 2024 for products and services held in closed books. Since implementation the FCA has published a number of papers on the good and poor practices it has seen, and continues to push firms to embed the Duty, meaning continued regulatory focus on Firms' treatment of their customers. The Group delivered a programme of work to meet the new rules and completed its second annual attestation in July 2025. Work continues as the Group embeds the Consumer Duty and continues to seek improvements in its processes.

- In April 2025, the FCA conducted a review of how firms were supporting customers in vulnerable circumstances, they looked at how banks and building societies handled customer bereavement and powers of attorney. Whilst some good practice was identified, they also highlighted a number of areas for improvement. The Group was not included in the review, but has taken the FCA findings on board and built them into its consumer duty attestation and actions.
- Since August 2023, the FCA has a new secondary objective to facilitate the international competitiveness of the UK economy and its growth in the medium to long term. Following the implementation of Consumer Duty and its outcomes-based approach, the FCA launched a call for input to assist the FCA in understanding whether, where and how it can simplify detailed and prescriptive requirements that cover similar issues to the Consumer Duty, and through greater reliance on high-level rules. Following the call for input, the FCA issued a feedback statement in March 2025. The feedback statement outlines immediate actions and longer-term work that the FCA intends to take to simplify requirements for firms. The aim of this exercise is to: (i) give firms greater flexibility; (ii) provide firms with more predictability; and (iii) improve efficiency. This will allow firms to adapt and innovate in a way that helps consumers and is responsive to technological change. The FCA published a further statement on 30 September 2025, which outlined its programme of work and progress to date. The statement confirms the FCA's continued shift toward a more outcomes-based, flexible and efficient regulatory framework, building on feedback received through the Call for Input and the March 2025 Feedback Statement. The Group will continue to work closely with trade bodies to influence this positive change.
- The Woolard Review on unsecured consumer lending commenced in late 2020 and was published on 2 February 2021. The review itself was extensive with 26 recommendations covering change to the finance industry and the way it is regulated and supervised. Many of the recommendations have been taken forward by the FCA in subsequent business plans.
- Further to the Woolard Review and as part of the UK government's intention to reform retained EU law, HMT intends to reform the Consumer Credit Act 1974 ("CCA"). HMT published a consultation paper in December 2022 to understand whether the expansion of FCA rule-making powers is possible or desirable to enable the transfer of provisions out of the CCA. The consultation response confirms that the UK government plans to move forward with an ambitious overhaul of the CCA that would include proposals to repeal much of the CCA and recast it in the FCA Handbook. In May 2025 HMT issued a further consultation paper, entitled "Consumer Credit Act Reform – Phase 1", which outlines the UK government's overall proposals for a reformed consumer credit regime, as well as its approach to information requirements, sanctions, and criminal offences. Owing to the size and complexity of the reforms, HMT has confirmed that a further consultation paper will be published in due course, which will set out how the UK government intends to reform the scope of regulation and rights and protections under the CCA. The Group is considering the proposed reforms and will monitor these closely as they evolve to assess what changes it may need to make to comply with the reforms if and when they take effect.
- As part of the FCA's 'borrowers in financial difficulty' ("BiFD") project from March 2021, the FCA published a report, in November 2022, setting out the key findings of its review of firms' treatment of borrowers in financial difficulty following the COVID-19 pandemic. Since then, the FCA has published new FCA Handbook Rules, "*Strengthening Support for Borrowers in Financial Difficulty*", which came into force in November 2024 and replaced the Mortgages Tailored Support Guidance. A project was completed to ensure that the Group is able to meet the requirements and enhance its processes for supporting customers in financial difficulty and vulnerability.
- The FCA published their annual work programme in April 2026 which is unchanged from the 2025 5 year strategy. It continues to focus on 4 strategic priorities:

- being a 'smarter' regulator – by improving its processes and adopting technology to become more efficient and effective. This will involve significantly streamlining the FCA's supervisory priorities and providing more firms with direct FCA contact points; more efficient and effective;
- supporting sustained economic growth – by enabling investment innovation and ensuring continued competitiveness of UK financial services. This will include reforming rules and removing redundant requirements where appropriate;
- helping consumers navigate their financial lives – by ensuring that consumers have the information and support to take financial decisions. The FCA has stated that the Consumer Duty is central to how regulated firms treat their customers; and
- fighting financial crime – by disrupting criminal and supporting firms to be an effective line of defence.

It is clear from the strategy that the FCA intends to continue reforming how it regulates, to ensure that it is doing so proportionately and predictably, so as to be an efficient and effective regulator.

The FCA is adapting its approach to regulating firms, taking a more data driven and proactive approach to enable it to act more quickly and decisively where it believes customer harm may/has occurred. Firms have seen an increase in the volume and frequency of information being requested, including as a result of the introduction of new reporting requirements for consumer credit firms which allow the FCA to collect more granular information about consumer credit products. Under the "product sales data" returns, consumer credit firms must provide detailed information on the initial sale, and ongoing performance of individual agreements.

The Payment Systems Regulator has also introduced rules regarding the mandatory reimbursement in cases of authorised push payment ("APP") fraud (i.e. a type of scam which sees people tricked into sending a payment to someone who is not who they claim to be). The new rules require, subject to certain conditions, payment service providers in the UK to reimburse their customers for APP fraud losses and can apply to Vanquis Bank in very limited scenarios. HMT announced in September 2025 an intention to consolidate the Payments Systems Regulator with the FCA. Any changes to the regulatory framework or supervisory approach arising from such consolidation will need to be monitored to assess their potential impact on the Group.

Despite the steps taken, the Group will remain at risk of: (i) further, or changes to existing, interest rate, total cost of credit or annual percentage rate of charge or other types of cost caps or lending restrictions; (ii) changes to 'unfair terms' laws; (iii) withdrawal of a key licence or removal of an entry from a relevant register; (iv) more restrictive product regulation; (v) more stringent consumer credit legislation; (vi) responsible lending legislation; (vii) employment and health and safety legislation; (viii) implementation of new or more stringent licensing or registration procedures (for example, the introduction or tightening of licensing requirements for non-banking financial institutions); (ix) broader grounds for challenges to the Group's commercial practices or product terms and conditions by customers or interest groups; and/or (x) any other legal or regulatory changes designed to manage the growth of credit in the areas in which the Group operates.

Certain aspects of the Group's business may be determined by the PRA, the FCA, the Payment Systems Regulator, the Competition and Markets Authority, HMT, the FOS, the Information Commissioner's Office or the courts as not being conducted in accordance with applicable laws or regulations. On 16 March 2026, HMT unveiled its plans to bring legislative change to FOS to restore clarity and certainty for consumers and firms, ensuring the FOS operates within a predictable framework alongside the FCA. Key changes include a registration phase requiring customers and CMCs to provide evidence before logging a complaint, an overhaul of the "fair and reasonable test", a 10 year complaint limit, more powers for FOS to dismiss complaints where customers have not suffered material harm. Exact timelines for the implementation of any such changes are to be confirmed.

The Group is also subject to large volumes of claims submitted by CMCs and these can be time-consuming and costly to consider. Previously, where the Group rejected a CMC claim and an appeal was made to the FOS, the Group was required by the FOS to pay a case fee to it whatever the outcome. On 1 April 2025, FOS changed the way it charges firms and now CMCs are required to pay a fee upfront to submit complaints. This has resulted in a significant decrease in the volume of complaints escalated to FOS by CMCs, however customers are still able to refer their own complaint free of charge. Whilst individual customers have not been referring complaints at the same rate as CMCs, the costs associated with handling

such claims and the FOS case fees could be material to the Group and any significant increase in claims or appeals to the FOS could have an impact on the Group's cash flow and results of operations.

Compliance with the extensive and increasing regulatory framework is expensive, time-consuming and labour-intensive. Failure to comply with any applicable laws, regulations, rules or contractual compliance obligations could result in investigations, information gathering, appointment of a skilled person, public censures, financial penalties, disciplinary measures, liability and/or enforcement actions being brought against the Group, the provision of restitution to affected customers (through back book remediation), and/or licences or permissions that the Group needs to do business not being granted or being revoked or suspended. Furthermore, the Group is, and may in the future be, subject to claims and complaints, including legal action by customers, employees, shareholders, suppliers and others. All of these could result in significant costs, may require provisions to be recorded in the Group's financial statements and may materially adversely affect future revenues from affected products. In addition, there could be damage to the Group's reputation and adverse publicity for the Group, which could affect its relations with customers, as well as divert management's attentions from the day-to-day management of the Group's business. Any of these developments could impair the Group's ability to conduct its business and could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group may be subjected to regulatory proceedings and any regulatory failings could manifest in more intrusive and intensive regulation and restrict the Group's ability to develop and conduct key aspects of its business

The Group may be subjected to legal and regulatory proceedings in the course of its business. Risks relating to these proceedings may arise where the Group's business may not be, or may not have been, conducted in accordance with applicable laws or regulations.

There can be no assurance that the Group will prevail in any future regulatory proceedings. Any regulatory or other proceedings, whether or not determined in the Group's favour or settled by the Group, could be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations. In addition, any proceedings could adversely affect the Group's reputation and the market's perception of the Group and the products and services that it offers, as well as customer demand for those products and services, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

There are no ongoing regulatory proceedings against the Group.

The Group has in the past been subject to regulatory proceedings. If new regulatory issues were to emerge, this could result in more onerous supervision which could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks are posed by legal challenges to contractual terms and collective redress

Losses may arise or liabilities may be incurred from defective transactions or contracts, either where contractual obligations are not enforceable, are judged unlawful or do not allocate rights and obligations as intended. These may arise in a number of ways.

The Group may incur losses if it cannot recover all or part of the debt from its customers because its contracts with those customers are held to be partly or wholly unenforceable. For example, the English courts may find a customer contract to be in breach of laws and regulation relating to CCA requirements or unfair terms in contracts, and therefore unenforceable, thereby also increasing the risk that the number of claims by customers seeking to avoid their loan repayment will increase. This can also attract complaints activity from CMCs, who can often target issues or lenders across the industry. Failure by the Group to sustain effective debt recovery methods or a loss in confidence of the Group to recover debt under its contracts with customers, by recourse to the courts or otherwise, could severely impede the Group's business. In addition, collective redress mechanisms as a means of addressing mass consumer claims in the UK may pose a risk to the relevant subsidiary being party to a collective dispute in the event that the Group commences litigation, or if litigation is commenced against it, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to the risk of non-compliance with laws relating to the prevention of money laundering and the financing of terrorism and the Criminal Finances Act

The Group is subject to laws regarding the prevention of money laundering and the financing of terrorism, as well as laws that prohibit the Group and its employees or intermediaries from engaging in acts which may constitute bribery or corruption. This includes the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Proceeds of Crime Act 2002 and the UK Bribery Act 2010. The Group is also subject to the Criminal Finances Act 2017 which includes a corporate criminal offence for failing to take adequate steps to prevent employees or other associates from facilitating tax evasion.

The HMT consultation on options for reform of the UK's anti-money laundering and counter-terrorism financing supervisory system is still in progress as at the date of this Offering Circular. The proposals are in line with the UK government's commitment to the Economic Crime Plan 2023-2026. No decisions have been made on any changes, and the Group continues to track progress, and contribute to industry discussions as necessary. Once an outcome is reached, this will be assessed to determine the impact to the Group.

The Group is currently undergoing numerous transformation programmes which include investment in new and enhanced financial crime technology. This will introduce a holistic, consistent and risk-based approach to managing financial crime risk across all customers, regardless of product. Enhancements include the detection of potential suspicious activity, screening of new and existing customers, and customer onboarding.

Any material non-compliance with financial crime regulations by the Group or its subsidiaries may lead to FCA enforcement or other financial penalties as well as expose it to the risk of associating with sanctioned individuals or those with serious criminal convictions. This in turn could have a material adverse effect on the Group's business, results of operations and financial condition.

The Payment Services Regulations 2017 (SI 2017/752) ("PSR") may have an adverse effect on Vanquis Bank's business

The PSR implemented the second EU Payment Services Directive ("**PSD2**") in the UK. The PSR revoked and replaced the Payment Services Regulations 2009 (SI 2009/09), as of 13 January 2018, which had implemented the first Payment Services Directive; this legislation established an EU single market for payments to encourage the creation of safer, more innovative payment services, and aimed to make cross-border payments in the EU easy, efficient and secure.

PSD2 builds on previous legislation and requires Vanquis Bank to invest in new business practices and security infrastructure to implement the new legislative requirements. The three main areas of change have been: (i) increasing customer rights in areas including complaints handling and currency conversion; (ii) enhancing security through Strong Customer Authentication ("**SCA**") criteria; and (iii) enabling third-party access to account information, providing an opportunity for competitors to create new payment and account services. Any loss of customers as a result of such greater competition or inability to comply with SCA criteria could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

On 13 January 2023, HMT published a consultation to review and call for evidence on the PSR. The consultation focuses on how UK payments regulation should evolve to meet the government's aims and address the specific challenges highlighted in its review. Following the call for evidence, HMT published a policy statement in July 2023 in relation to payment account contract terminations noting its intention to amend the PSR to require payment account providers to provide a clear and tailored explanation to a customer where their payment account contract has been terminated and provide adequate notice when choosing to terminate a contract. The Payment Services and Payment Accounts (Contract Termination) (Amendment) Regulations 2025 come into force on 28 April 2026 and amend the PSR so as to impose new requirements on payment service providers ("**PSPs**") in relation to the termination of framework contracts for payment services concluded for an indefinite period and entered into on or after 28 April 2026. Amongst other things, this legislation provides that: (i) where a PSP gives a reason for refusing to open a payment account for a consumer, the reason must be "sufficiently detailed and specific to enable the consumer to understand why the application has been refused, unless providing that information would be unlawful"; and (ii) PSPs must give 90 days' notice (rather than two months' notice) before the termination of a contract

takes effect. HMT has stated that it may take further action, in the light of concerns about banking services not being provided as a consequence of a customer's lawful views or expression of beliefs and on the application of the regulations relating to politically exposed persons ("**PEPs**"). The FCA conducted a multi-firm review on how firms treat PEPs when carrying out anti-money laundering checks. Following this review, the FCA launched a consultation on proposed target clarifications to its related guidance, which closed on 18 October 2024. Finalised guidance was published by the FCA on 7 July 2025. The finalised guidance requires firms to take proportionate measures in meeting their financial crime obligations with respect to PEPs, by applying a case-by-case risk assessment for the individual PEP, rather than applying a generic approach to all PEPs. This reflects the fact that not all PEPs pose the same level of risk. The finalised guidance also set out measures that firms can take, depending on whether the PEP is considered to be high- or low-risk. The Group has not identified any issues in complying with this finalised guidance.

The Payment Services (Amendment) Regulations 2024 (SI 2024/1013), which are intended to support efforts to tackle APP fraud by amending the PSR, entered into force on 30 October 2024. Following the publication of the draft regulations in early October, the FCA published two "Dear CEO" letters addressed to payment service providers, setting out its expectations relating to APP fraud reimbursement. The FCA has also consulted on proposed changes to its Payment Services and Electronic Money Approach Document to support the recently introduced legislation to tackle APP fraud. The consultation closed on 4 October 2024 and finalised guidance was published on 22 November 2024. The Group has not identified any issues in complying with this finalised guidance.

The PSR is part of the legislation that will be revoked by the Financial Services and Markets Act 2023. In addition to the amendments described above, HMT has made clear, as part of its wider programme to reform retained EU financial services law and through its Future of Payments Review, that the UK payments regulatory framework is expected to be subject to more fundamental reform over time. In February 2026, HMT published its "Payments Forward Plan" which includes the planned consolidation of the Payment Systems Regulator within the FCA, a review and modernisation of assimilated payments legislation, and the transfer of an increased proportion of firm-facing requirements into the FCA Handbook. The Group will need to monitor these developments closely to assess their potential impact on its regulatory obligations and related systems and controls.

The European Payment Services Directive ("PSD3") and Payment Services Regulation ("EUPSR") may have an impact on changes in the UK legislative framework and affect Vanquis Bank's business

The expected changes to the payments landscape that PSD3 and the EUPSR are expected to introduce, while not expected to be fully in force in EU State Members until sometime in 2027 (or later), will likely have an effect in the UK. Given the international nature of payments, it is possible that the UK may make similar amendments in the future, although there are no such proposals at this time.

PSD3 builds on previous legislation and intends to:

- combat and mitigate payment fraud;
- improve consumer rights;
- further level the playing field between banks and non-banks;
- improve the functioning of open banking;
- improve the availability of cash in shops and via ATMs; and
- strengthen harmonisation and enforcement.

To the extent that PSD3 and the EUPSR are in any way mirrored or drive any legislative change introduced by the UK, this is likely to affect Vanquis Bank's business.

Potential effects of any additional regulatory changes

No assurance can be given that additional regulatory changes by or guidance from the PRA, the FCA, the CMA, the Payment Systems Regulator, the FOS or any other regulatory authority will not arise with regard to the financial services regulatory regime in the United Kingdom generally, the Group's and/or Vanquis Bank's particular sector in that market or specifically in relation to the Group and/or Vanquis Bank. Any

such action or developments or compliance costs may have a material adverse effect on the Notes, the Group, and Vanquis Bank and their respective businesses and operations. This may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

Risks relating to Technology and Information and Data Security

The Group's operations are highly dependent upon access to, and the functioning and security of, IT applications, systems and infrastructure

The Group's business is dependent on processing a high volume of transactions across numerous and diverse products and services accurately and efficiently. The Group also depends on technology to maintain its reputation for quickly and seamlessly processing customer requests, including account openings, payments and transfers. As a result, any weakness impacting the availability, confidentiality or integrity of the Group's IT systems, banking platforms, data, or operational processes could have an adverse effect on its ability to operate its business and meet customer needs.

Regulators are also increasingly focused on promoting the protection of customer and client information and the integrity and resilience of information technology systems of regulated firms. The Group's continued regulatory authorisation is increasingly dependent on the adequacy of the Group's IT systems and controls. The Group may identify, and has identified in the past, weaknesses in its IT systems and controls.

The Group's information systems could be adversely affected by events outside its control, including, among others, pandemics, terrorist acts, human error, fraud, natural disasters, telecommunications and network failures and power losses. The Group's computer systems, data stored on third-party servers or applications by means of "cloud computing" and "software as a service" and its networks may be vulnerable to unauthorised access (from within its organisation or by third parties), computer viruses or other malicious code and cyber threats that could have a security impact. Cyber-attacks, in particular, have become far more prevalent in recent years, leading potentially to the theft or manipulation of confidential and proprietary information or loss of access to, or destruction of data on systems. If one or more of such events were to occur in respect of the Group's systems, its data, software or networks, could jeopardise the Group's confidential and other information processed and stored in, and transmitted through, its computer systems and networks or third-party platforms.

Any material disruption to, or failure of the Group's systems, the systems of its third-party service providers or the systems of the banking and other sectors that are integral to its businesses, especially if it also impacts the Group's backup or disaster recovery capability, would disrupt its operations and materially adversely affect its businesses. Any temporary or permanent loss of the Group's ability to use its information systems, or any disruption to and/or loss of data could disrupt its operations, result in increased capital expenditure, insurance and operating costs, cause it to suffer a competitive disadvantage and/or materially adversely affect its financial condition. Furthermore, the Group is expected to continue to be reliant on technology to carry out elements of its operations remotely as a result of hybrid-working practices (see further the risk factor titled "*Negative economic developments and conditions in the markets in which the Group operates may adversely affect its business and results of operations*" above) and the continued use of outsource partners, particularly for the servicing of its customers. This increases the risk of serious disruption to the business should such technology fail.

Any security or privacy breach of the Group's systems could expose it to liability, increase expenses relating to the resolution of such breaches, harm its reputation and deter customers from purchasing products from the Group. The Group could be required to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures.

The Group upgrades its IT systems on a continual basis, notably as part of transformation programmes currently underway, and particularly when it elects to transition newly acquired businesses onto its systems or otherwise integrates newly acquired businesses or portfolios within its existing IT infrastructure. The integration process, as well as migration of data from legacy systems, may result in technical or operational difficulties that may require it to remedy problems that arise, which could require substantial expenditure, time and other resources.

As some of the systems, technologies and applications that the Group uses have been developed internally, its level of development documentation may not be comparable to that of third-party software packages.

The Group may also have certain employees that possess important, undocumented knowledge of its systems. If any such employee no longer worked for the Group, its ability to maintain, repair or modify its systems and platforms may be limited.

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

The Group is subject to risks associated with obtaining, sharing and retaining customer data which is heavily regulated by privacy, data protection and related laws in the jurisdictions in which it operates

The Group's ability to conduct its business depends in large part on the use of personal data in the Group's consumer data intelligence systems and sharing of account level data with third-party service providers to enhance collections and support the administration of the accounts. The Group handles and processes large amounts of sensitive or confidential information, such as personal information of customers and colleagues, including names and account numbers, locations, contact information and other account specific data. Its ability to obtain, retain, share and otherwise manage such data is governed by data protection and privacy requirements and regulatory rules and guidance.

The Group is subject to UK legislation and in particular the UK General Data Protection Regulation (GDPR), the Data Use and Access Act 2025 (DUAA), the Privacy and Electronic Communications Regulations 2003 (PECR) and the UK Data Protection Act 2018 (collectively known as the "**Data Privacy Laws**"). These Data Privacy Laws impose a compliance burden on the Group and require that controls are placed on its ability to use data, including expanding the requirement for informed opt-in consent by customers to the processing of their personal data, granting customers a "right to be forgotten" (which may give the customers the right to have their data deleted in certain cases), imposing restrictions on taking decisions about individuals based solely on automated processing of their data (which may prohibit the Group from taking decisions about customers using the Group's consumer data intelligence systems unless there is manual intervention), imposing disclosure requirements about data sources to customers and imposing the maximum levels of fines for compliance failures of 4 per cent. of annual worldwide turnover, among other requirements. In addition, the Data Privacy Laws increase the ability of data subjects to recover substantial damages for breaches of the legislation, and allows representative bodies (such as consumer organisations) to make claims on behalf of data subjects. The Group also experiences a significant volume of subject access requests, particularly from CMCs. These requirements can increase the Group's data protection costs and restrict its ability to conduct its business, which may have a material adverse effect on its results of operations and financial position.

The Group may not be able to prevent the improper disclosure or processing of sensitive information in breach of contract and applicable law. The databases containing consumer data are vulnerable to damage from a variety of sources, including telecommunications and network failures and natural disasters. The databases are also vulnerable to human acts both by individuals outside of the Group as well as the Group's employees, including fraud, identity theft and other misuse of personal data. Any security or privacy breaches of the Group's data could expose it to liability, increase its expenses relating to resolution of these breaches, harm its reputation and deter customers, introducers and other suppliers from conducting business with the Group. Any material failure to process consumer data in compliance with applicable laws could result in the revocation of its licences, monetary fines, criminal charges and breach of contractual arrangements.

Following a Court of Justice of the European Union decision (known as the "**Schrems II decision**") there is a requirement to undertake more detailed reviews relating to the surveillance laws operating in the country of destination that the Group's data may be transferred to or processed in. There is a risk that the Group does not have the necessary knowledge or experience of all jurisdictions to undertake the assessments. In addition, the extra assessment requirements place additional burden on the management and operations of the Group.

Any of the foregoing sanctions under UK or EU legislation could have a material adverse effect on the Group's business, reputation, results of operations or financial condition.

Risks relating to the Operations of the Group

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 or manage such risks could harm the Group

The Group faces a wide range of risks in its core business activities, including credit, liquidity, interest rate, conduct and operational risk. Effective risk management requires, among other things, robust frameworks, policies, processes and controls for the accurate identification and control of a large number of transactions and/or events, and the Group's risk management policies, processes and controls may not prove to be adequate. The Group has a range of methods designed to identify, assess and manage the various risks it faces and the Group is increasingly relying on internally developed models in order to inform its financial decision making. These methods may be inadequate for predicting future risk exposure, which may prove to be significantly greater than what is suggested by historical experience. Other methods the Group utilises for risk management are based on the evaluation of markets, customers or other information that is publicly known or otherwise available to the Group. The accuracy, completeness and consistency of this information may not always be verified or sustained as it transitions through processes and systems without appropriate quality assurance. Whilst the Group has extensive historic data on its customer segments, this may not be sufficient to accurately predict the credit risk of all of its customers or the future performance of particular products offered within the Group.

As such, it may be difficult to predict changes in economic or market conditions and to anticipate the effects that any such changes could have on the Group's financial performance and business operations.

Additionally, in deciding whether to extend credit to customers, the Group relies on information furnished to it by customers and other third parties, including employment, income and other financial information. The Group relies on representations of customers as to the accuracy and completeness of and explanations for that information. Whilst the Group independently verifies certain information about customers (such as certain income information) that they use in making credit decisions and decisions regarding modifications to such arrangements, it is not possible to verify all of the information. If any of the information provided is intentionally or negligently misrepresented and such misrepresentation is not detected prior to the funding of a loan or granting of credit, the future recoverability of the loan or credit may be adversely impacted, which may have a material adverse effect on the business, financial condition, results of operations, cash flows and prospects of the Group.

The Group is also exposed to the risk of loss due to fraud committed against the Group itself or the Group's customers. This can be further exacerbated where these events are facilitated by, or otherwise involve, staff. The Group is limited by a maximum level of risk that it can assume before breaching constraints determined by regulatory capital and liquidity needs and its regulatory and legal obligations, including, among others, from a conduct and prudential perspective. If the Group's risk management policies, processes and controls are ineffective, this could have a material adverse effect on its business, financial condition, results of operations or prospects.

Risk relating to the integrity, appropriateness and accuracy of the Group's reporting and the breakdown of operating processes, systems or controls that underpin the Group's business models

The integrity of the Group's control and information systems requires that the financial position of the business is known accurately and in a timely fashion by management. The Group has an established internal control framework and associated assurance mechanism to ensure that ongoing systems, controls and processes are operating as required, and will only implement significant changes to such controls and processes following approved governance arrangements.

However, there remains a risk that these measures will fail to ensure the provision of accurate and timely data on the financial position of the business, which could lead to the Group's control and information systems being compromised, materially adversely affecting the Group's business. For example, following a review of the Group's balance sheet, some restatements to historic financial information have been required and the Group restated financial information for the year ended 31 December 2023 in the 2024 Group Financial Statements (see further "*Statement of accounting policies*" in the 2024 Group Financial Statements).

There is a risk that the Group will encounter further losses if there is a systematic breakdown of operating procedures, processes, systems or controls that underpin the business model, including reporting requirements.

The Group may be unable to attract or retain appropriately skilled senior management or other key employees

The Group's performance and long-term success depends significantly on the continued contribution of its senior management and other key employees, as well as its ability to attract, retain and develop individuals with the skills and experience required to deliver its strategy. A lack of alignment with, or confidence in, the Group's strategic direction among prospective or existing employees could adversely affect the Group's ability to attract and retain such individuals.

Competition for experienced senior management and other key personnel is strong, both within the financial services sector and from organisations outside the sector. While the Group seeks to maintain sufficient depth and breadth of capability to support its strategic objectives, the loss of key individuals, increased attrition of skilled personnel, or a failure to attract, retain and motivate personnel of the required calibre could adversely affect the Group's operations, growth prospects, financial performance and financial condition.

Financial Risks relating to the Group

Tax risk

Examinations and challenges by tax authorities, changes in tax laws or regulations, or the application thereof, could materially adversely affect the Group's business, financial condition and results of operations.

The Group's tax returns, which include corporation tax, value added tax, various employment tax returns as well as a number of returns for operational taxes, are prepared in accordance with applicable tax legislation and prevailing case law. Whilst the Group has a regular and constructive dialogue with His Majesty's Revenue and Customs ("**HMRC**") across all taxes and aims to seek advance clearance and discuss contentious issues as early as possible, there remains a risk that the tax authorities could take a view which differs from that taken by the Group in respect of the treatment of particular items in its tax returns.

Any challenges made by tax authorities to the Group's application of tax rules may result in adjustments to the timing or amount of taxable income or deductions or other amounts reflected in the Group's tax returns. This extends to tax authorities taking the view that VAT exempt supplies received by the Group from UK-based suppliers should be subject to VAT. If any such challenges are made and are not resolved in the Group's favour, they could have an adverse effect on its business, results of operations and financial condition.

There is also a risk that there is an unforeseen breakdown in the systems and processes which underpin the preparation of tax returns and identification of tax sensitive matters which results in items being treated incorrectly for tax purposes, amounts being incorrectly reported or reported in the wrong period, or taxes being under-reported. This could result in additional taxes, interest on underpaid tax as well as penalties for incorrect returns.

The Group's effective tax rate may also be affected by changes in UK tax laws or the interpretation of UK tax laws, including changes in its assessment of certain matters. The Group's effective tax rate in any given financial year reflects a variety of factors that may not be present in the succeeding financial year or years. The rate of UK corporation tax and the rate of bank surcharge which applies to Vanquis Bank's profit above an annual surcharge allowance are two factors affecting the Group's effective tax rate. In addition, the effective tax rate reflects the recognition of deferred tax assets in respect of losses and other temporary differences on the basis the Group expects to have sufficient taxable profits in the future to enable such deferred tax assets to be recovered.

Any increase in the Group's effective tax rate in future periods could have a material adverse effect on its business, results of operations and financial condition. Unexpected tax liabilities may adversely affect the Group's financial position and the ability of the Issuer to make payments in respect of the Notes.

The Group faces risks with interest rate levels and volatility

Market risk is the risk of loss due to adverse market movements caused by active trading, or unmatched, positions taken in interest rates, foreign exchange markets, bonds and equities. The Group's corporate policies do not permit it to undertake position taking or trading books of this type and therefore it does not do so.

Interest rate risk is the risk of potential loss through unhedged or mismatched asset and liability positions which are sensitive to changes in interest rates. Primarily, the Group is at risk of a change in external interest rates which leads to an increase in the Group's cost of borrowing without an off-setting increase in revenue. The Group's exposure to foreign exchange risk is *de minimis*.

The Group's exposure to movements in interest rates is managed by the ALCo and is governed by an approved Market Risk Policy on behalf of the Board which forms part of the Group's principal risk policies. Interest rates in the UK, which are impacted by factors outside of the Group's control including the fiscal and monetary policies of the UK government and central bank, as well as UK and international political and economic conditions, affect the Group's results, profitability and consequential return on capital in three principal areas: cost and availability of funding, margins and revenues and impairment levels.

The Group seeks to limit its net exposure to changes in interest rates. This is achieved through a combination of diversified funding sources, including issuing fixed rate debt and by the use of derivative financial instruments such as interest rate swaps.

Vanquis Bank's deposit accounts historically consisted of fixed term, and fixed rate accounts. Since December 2021 and continuing throughout 2022 and 2023, the Bank of England increased its Bank Rate (the interest rate it pays on funds placed with it by commercial banks) in response to the rate of inflation exceeding target which resulted in increased savings rates being offered by banks to customers and therefore, the cost of funding of retail deposits taken by Vanquis Bank. In August 2024, the Bank of England reduced interest rates for the first time since March 2020, allowing some of this reduction to be passed on to the savings rates. Interest rates have continued to reduce since August 2024 from 5.25 per cent. to 3.75 per cent. in December 2025.

Changes in interest rates may also impact the Group's loan impairment levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead customers with other financial commitments at variable rates with lenders other than the Issuer, to prioritise those payments, particularly over the Group's unsecured products, which in turn could lead to increased impairment charges and lower profitability for the Group.

Given these risks, there can be no assurance that the Group's financial performance will not be adversely affected by events relating to interest rate changes, which could impact the ability of the Issuer to make payments in respect of the Notes. Any adverse impact to Vanquis Bank could impact the potential dividend flow from Vanquis Bank to the Group.

Pension risk

The Issuer operates a defined benefit pension scheme and as at 28 February 2026 there were 2,377 deferred members and 3,116 pensioners included in the scheme (the "**Pension Scheme**"). The cash balance section closed on 31 August 2021 and there are no active members. There can be no absolute assurance that the Issuer's financial performance will not be adversely affected should unforeseen events relating to pension risks arise in the future, and this could impact the ability of the Issuer to make payments in respect of the Notes.

(i) Risks relating to valuation and related funding of pension liabilities

There is a risk that the liabilities within the Pension Scheme may materially exceed the assets in the Pension Scheme, and the Issuer will therefore be exposed to the risk that its pension funding commitments may increase over time, which could impact the ability of the Issuer to make payments in respect of the Notes. This could be due to the investment performance of the Pension Scheme's assets, changes to assumptions used to value the Pension Scheme's liabilities or changes to the level of funding required (see below). Changes to assumptions used to value the Pension Scheme's liabilities and assets might be made to reflect, *inter alia*, changes in corporate bond yields, inflation, equity and bond returns and mortality rates. The economic environment in recent years has led to volatile movements in equity markets and corporate and

government bond yields and mortality rates have been improving in the UK. The Pension Scheme's trustees may seek to adopt more conservative assumptions at future actuarial valuations (which typically take place every three years, with the last completed actuarial valuation being as at 1 June 2024, and the next actuarial valuation as at 1 June 2027), including where there is a deterioration in the financial condition of the Issuer (which could further exacerbate any financial difficulties the Issuer faces at such time).

Whilst the Pension Scheme's trustees determine the Pension Scheme's investment strategy, several years ago the Pension Scheme's trustees and the Issuer agreed and implemented a balanced investment strategy. The equities are hedged against currency risk and the Scheme's interest rate and inflation risk are broadly hedged to the value of the Scheme's assets. As a result of adopting this investment strategy the investments tend to move broadly in line with any change in the Pension Scheme's liabilities, much reducing the impact of market volatility.

(ii) ***Risk of exit debt arising under Section 75 of the Pensions Act 1995***

The Issuer is both the principal employer and the sole statutory employer of the Pension Scheme. If the Issuer fails to remedy any substantial breach of its obligations under the Pension Scheme's governing documentation (e.g. if it fails to remedy any failure to pay contributions to the Pension Scheme) within a prescribed period, the trustees of the Pension Scheme would have the right to terminate the Pension Scheme and wind it up. The insolvency of the Issuer would also trigger a wind-up of the Pension Scheme. Where insolvency of the Issuer or a wind-up of the Pension Scheme takes place, the Pension Scheme's trustees will demand that the Issuer makes a lump sum payment to the Pension Scheme under Section 75 of the Pensions Act 1995. Liability under Section 75 is calculated on a conservative "buy-out" basis so such liabilities can be much larger than ongoing pension funding commitments agreed following actuarial valuations. If any Section 75 liabilities materialise, this could impact the ability of the Issuer to make payments in respect of the Notes.

(iii) ***Risk of the Pensions Regulator exercising its powers***

The Pensions Regulator has various legislative powers (which were strengthened under the Pension Schemes Act 2021 (the "**Act**") with respect to funding defined benefit pension arrangements such as the Pension Scheme, including the ability to impose actuarial valuations and deficit funding obligations on pension scheme employers, and to require an employer participating in a defined benefit scheme or a person connected or associated with such an employer to make a contribution to or provide financial support for that scheme in certain circumstances. Each potential target's maximum exposure to the Pension Scheme under these powers is an amount equal to the deficit of the Pension Scheme under Section 75 of the Pensions Act 1995. If the Pensions Regulator exercised its powers, this could impact the ability of the Issuer to make payments in respect of the Notes.

The Act also includes criminal offences, with unlimited fines and an expanded civil penalty regime in relation to defined benefit pension schemes (prosecution for pensions related criminal offences under the Act can be brought by the Pensions Regulator, the Director of Public Prosecutions and the Secretary of State).

The Occupational Pension Schemes (Funding and Investment Strategy and Amendment) Regulations 2024 (the "**FIS Regulations**") require trustees to have a strategy for ensuring that pensions and other benefits under a scheme can be provided over the long term, which may result in higher employer pension contribution requirements. The FIS Regulations apply to all actuarial valuations with an effective date on and after 22 September 2024, and therefore will not apply in respect of the Pension Scheme until the next actuarial valuation after this date as at 1 June 2027.

The Pension Schemes Bill (the "**Bill**") is expected to come into effect in 2026. The Bill, *inter alia*, introduces a new power to enable trustees to amend their scheme rules to introduce a power (or amend existing powers) to enable them to make payments of surplus from the pension scheme to the sponsoring employers while the scheme is ongoing. It is possible that pension scheme trustees introduce and exercise such powers, and that subsequently the pension scheme requires additional funding from the sponsoring employers.

RISKS RELATING TO THE NOTES

The Issuer's obligations under the Notes are subordinated

The obligations of the Issuer under the Notes will be unsecured and subordinated and, on a Winding Up or Qualifying Procedure, will rank junior in priority of payment to the claims of Senior Creditors. "**Senior Creditors**" means creditors of the Issuer whose claims are admitted to proof in a Winding Up or Qualifying Procedure and (i) who are unsubordinated creditors of the Issuer; (ii) who are creditors in respect of any secondary non-preferential debts; or (iii) who are subordinated creditors of the Issuer (whether in the event of a Winding Up or Qualifying Procedure or otherwise) other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders or (y) those who are Parity Creditors or Junior Creditors.

The Insolvency Act 1986, as amended (the "**Insolvency Act**") splits a relevant financial institution's non-preferential debts (including those of the Issuer) into classes, and provides that ordinary non-preferential debts will rank ahead of secondary non-preferential debts and tertiary non-preferential debts. The Notes constitute tertiary non-preferential debts under the Insolvency Act, and therefore both ordinary and secondary non-preferential debts will rank ahead of claims in respect of the Notes.

Although the Notes may pay a higher rate of interest than comparable securities which are not so subordinated, there is a real risk that an investor in the Notes will lose all or some of their investment should the Issuer become insolvent. If, on a Winding Up or Qualifying Procedure 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 Holders 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, Holders will lose some (which may be substantially all) of their investment in the Notes. See "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*" and "*Risks relating to structural subordination of the Notes*" below.

The Notes are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the Notes are not protected by the FSCS. As a result, the FSCS will not pay compensation to an investor in the Notes upon the failure of the Issuer. If the Issuer goes out of business or become insolvent, Holders may lose all or part of their investment in the Notes.

Among other things, the Notes are unsecured and subordinated obligations of the Issuer, as described above. Investments in the Notes do not benefit from any protection provided pursuant to the domestic law which implemented Directive (2014/49/EU) of the European Parliament and of the Council on deposit guarantee schemes (such as the UK Financial Services Compensation Scheme) in the United Kingdom or otherwise. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Notes could lose all or part of their investment in the Notes.

In addition, the claims of investors in the Notes may be varied or extinguished pursuant to the exercise of powers under the Banking Act, including the mandatory write-down and conversion power and the bail-in tool (see further "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*"), which could lead to investors in the Notes losing some or all of their investment. The write-down and conversion of capital instruments and liabilities power does not apply to ordinary bank deposits and the bail-in power must be applied in a specified preference order which would generally result in it being applied to capital instruments such as the Notes prior to its being applied to bank deposits (to the extent that such deposits would be subject to the bail-in power at all).

The Issuer is a holding company, so the Notes are structurally subordinated

The business of the Group is carried out through the operating subsidiaries of the Issuer and therefore the Issuer depends upon receipt of funds, via dividends or interest payments from its operating subsidiaries, to fund payments of principal and interest on the Notes.

Holders of the Notes will not have a direct claim against the assets of any of the Issuer's operating subsidiaries in respect of the Notes. The assets of any such subsidiaries will in the first instance be used to pay their creditors.

As a result, the right of the Holders to receive payments under the Notes will be structurally subordinated to all liabilities of all of the Issuer's operating subsidiaries (in addition to being contractually subordinated as described under the risk factor titled "*The Issuer's obligations under the Notes are subordinated*").

Structural subordination in this context means that, in the event of a winding up or insolvency of an operating subsidiary of the Issuer, any creditors of such subsidiary would have (i) preferential claims to the assets of that subsidiary ahead of the Issuer in respect of the Issuer's holding of ordinary shares in such subsidiary and in respect of claims of the Issuer against such subsidiary that rank junior to the claims of such third party creditor and (ii) in respect of claims of the Issuer against such subsidiary that rank *pari passu* with any third party creditors' or preference shareholders' claims, *pari passu* claims to the assets of that subsidiary with those claims of the Issuer.

The Notes are not guaranteed by Vanquis Bank or any other Group entity. The assets and the cash within Vanquis Bank or any other Group entity would be used to repay depositors and other senior creditors within Vanquis Bank or such Group entity (as applicable) in the first instance. In addition, Vanquis Bank's ability to pay dividends, and the amount of any such dividends, to the Issuer at any time is subject to its compliance with applicable regulatory capital requirements. Such regulatory capital requirements are subject to change.

As well as the risk of losses in the event of a Group subsidiary's winding up or insolvency, the Issuer may suffer losses if any of its loans to, or investments in, such subsidiary are subject to write-down and conversion by statutory power, regulatory direction or the operation of a contractual mechanism in the terms of such loans or investments or if the subsidiary is otherwise subject to resolution proceedings. In particular, the Banking Act specifies that the resolution powers should be applied in a manner such that losses are transferred to shareholders and creditors in an order which reflects the hierarchy of issued instruments under the Capital Regulations and which otherwise respects the hierarchy of claims in an ordinary insolvency. In general terms, the more junior the investments in, and loans made to, any Group subsidiary are, relative to third-party investors, the greater the losses likely to be suffered by the Issuer in the event that any Group subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or internal eligible liabilities. See the risk factor titled "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*" and the risk factor titled "*Mandatory write-down and conversion of capital instruments may affect the Notes*" below.

The Issuer has in the past made, and may continue to make, loans to, and investments in, Group subsidiaries. Such loans to, and investments made by, the Issuer in a subsidiary will generally be subordinated to depositors and other unsubordinated creditors and may be subordinated further to meet regulatory requirements and furthermore may contain mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or such subsidiary or upon regulatory direction would result in a write-down or conversion into equity of such loans and investments.

The Issuer retains its absolute discretion to restructure such loans to, and any other investments in, any of its Group subsidiaries, at any time and for any purpose including, without limitation, to provide different amounts or types of capital or funding to such subsidiary. A restructuring of a loan or investment made by the Issuer in a Group subsidiary could include changes to any or all features of such loan or investment, including its legal or regulatory form, how it would rank in the event of resolution and/or insolvency proceedings in relation to the Group subsidiary, and the inclusion of a mechanism that provides for a write-down and/or conversion into equity upon specified triggers or regulatory direction. Any restructuring of the Issuer's loans to, and investments in, any of the Group subsidiaries may be implemented by the Issuer without prior notification to, or consent of, the Holders.

Furthermore, if Vanquis Bank or any of the other Group subsidiaries were to be wound up, liquidated or dissolved (i) the Holders would have no direct recourse against such subsidiary and (ii) the Issuer would only recover any amounts (directly, or indirectly through its holdings of other subsidiaries) in the relevant proceedings of that subsidiary in respect of its direct or indirect holding of ordinary shares in such subsidiary, if and to the extent that any surplus assets remain following payment in full of the claims of the creditors and preference shareholders (if any) of that subsidiary. If Vanquis Bank or any of the other Group subsidiaries were subject to resolution proceedings (i) the Holders would have no direct recourse against such subsidiary and (ii) the Holders themselves may also be exposed to losses pursuant to the exercise by the Resolution Authority of the resolution powers conferred by the SRR (as defined below) or the mandatory write-down and conversion power – see "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*".

No limitation on issuing senior or pari passu securities

The Notes do not contain any restriction on the amount of securities which the Issuer may issue, nor on the amount of any other obligations it may assume, which rank senior to, or *pari passu* with, the Notes. The

issue of any such securities and/or the assumption of any such other obligations may reduce the amount recoverable by Holders on a Winding Up or Qualifying Procedure. In addition, the Notes do not contain any restriction on the Issuer issuing securities with preferential rights to the Notes or securities with similar or different provisions to those set out herein.

The interest rate on the Notes will reset on the Reset Date, which is expected to affect the interest payable on the Notes and could affect the market value of the Notes

The Notes will bear interest at the Initial Interest Rate from (and including) the Issue Date to (but excluding) the Reset Date. On the Reset Date, the interest rate will be reset to the sum of the Reference Bond Rate and the margin of 3.649 per cent., converted to a semi-annual rate in accordance with market convention as instructed by the Issuer. The Reset Interest Rate could be less than the Initial Interest Rate, which could affect the market value of an investment in the Notes.

The Notes are subject to early redemption upon the occurrence of certain events and at certain times

Subject to the Issuer obtaining PRA Permission (and the same not being revoked by the relevant redemption date) and compliance with the Regulatory Preconditions, the Issuer may, at its option, redeem all (but not some only) of the Notes (i) at any time upon the occurrence of a Tax Event or a Capital Disqualification Event, (ii) on any date from (and including) 21 August 2032 to (and including) the Reset Date or (iii) at any time, if the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the aggregate principal amount of the Notes originally issued, in each case, at their principal amount together with any Accrued Interest.

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. This also may be true prior to any redemption period. Furthermore, during periods of perceived increased likelihood that the Notes would be redeemed early, the market value of the Notes may be adversely affected.

Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be made at the absolute discretion of the Issuer taking into account factors such as, but not limited to, the economic impact of exercising such option to redeem the Notes, any tax consequences, the regulatory requirements and the prevailing market conditions. 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 Holders 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.

Substitution or Variation of the Notes upon the occurrence of a Capital Disqualification Event or a Tax Event

If at any time a Tax Event or a Capital Disqualification Event occurs, and subject to the Issuer obtaining PRA Permission (and the same not being revoked) and compliance with the Regulatory Preconditions, the Issuer may, as provided in Condition 7 (*Redemption and Purchase; Substitution and Variation*) and without the need for any consent of the Holders, substitute all (but not some only) of the Notes, or vary the terms of all (but not only some) of the Notes so that they remain or, as appropriate, become Qualifying Tier 2 Notes. The conditions of such substituted or varied Notes may have conditions that contain one or more provisions that are substantially different from the conditions of the original Notes, provided that the relevant Notes remain or, as appropriate, become, Qualifying Tier 2 Notes, in accordance with the Conditions.

There can be no assurance that, due to the particular circumstances of each Holder, any Qualifying Tier 2 Notes will be as favourable to each Holder in all respects or that, if it were entitled to do so, a particular Holder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Tier 2 Notes are not materially less favourable to Holders than the terms of the Notes. The Issuer bears no responsibility towards the Holders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Holder).

The Notes will not contain events of default and the Holders will have limited remedies

Payments in respect of the Notes may only be accelerated in the event of the occurrence of a Winding Up Event. There is no right of acceleration in the case of non-payment of principal or interest on the Notes or of the Issuer's failure to perform any of its obligations under or in respect of the Notes.

The sole remedy against the Issuer available for recovery of amounts owing in respect of any non-payment of principal or interest on any of the Notes when due is, subject to certain conditions and to the provisions set forth in Condition 10(a) (*Enforcement Events and Remedies – Enforcement Events*), for the Trustee to institute proceedings for the winding up of the Issuer in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) and/or proving in any Winding Up or Qualifying Procedure of the Issuer. As such, the remedies available to holders of the Notes are limited, which may make enforcement more difficult.

Although, in the event the Issuer breaches any of its obligations under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Trust Deed or the Notes, including, without limitation, payment of any principal or interest in respect of the Notes and any damages awarded for breach of any obligations), the Trustee may (subject to certain conditions) institute such proceedings against the Issuer as it may think fit to enforce such obligations, the Trustee (acting on behalf of the Holders but not the Trustee acting in its personal capacity under the Trust Deed) and the Holders may not enforce, and may not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving and/or claiming such Monetary Judgment in a Winding Up or Qualifying Procedure of the Issuer.

The exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer and/or the Notes does not constitute a Winding Up Event nor give rise to any acceleration rights under the Notes for the Trustee or the Holders.

Prior to the occurrence of any winding-up or administration of the Issuer, the Notes will remain subject to the exercise of the mandatory write-down and conversion power and/or the bail-in tool by the Resolution Authority (see "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*" below). None of these events constitutes an event of default in respect of the Notes.

Waiver of set-off

As set out in Condition 4(b) (*Subordination – No set-off*) Holders waive any right of set-off, compensation, retention or netting in respect of the Notes, insofar as permitted by applicable law. Therefore, Holders will not be entitled (subject to applicable law) to set-off the Issuer's obligations under the Notes against obligations owed by them to the Issuer. Holders may therefore be required to initiate separate proceedings to recover amounts in respect of any counterclaim and may receive a lower recovery in the event of a winding-up or administration of the Issuer than if set-off, compensation, retention or netting were permitted.

The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes

The tools and powers described below could be exercised by the relevant authorities at any time if the relevant pre-conditions are met.

- (i) *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. In certain circumstances, such actions may also be taken against a UK banking group company such as the Issuer*

Under the Banking Act, substantial powers are granted to the relevant authorities in the UK as part of a special resolution regime (the "**SRR**"). These powers can be exercised, as applicable, by the relevant authorities in respect of a relevant entity (such as the Issuer), in circumstances in which the relevant authorities are satisfied that the relevant pre-conditions are met.

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 Banking Act also provides for additional insolvency and administration procedures for relevant entities and for certain ancillary powers, such as the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes), powers to impose temporary suspension of payments, 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 resolution authority to disapply or modify laws in the UK (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

There is a risk that such measures will be used in respect of the Issuer or Vanquis Bank, and if such measures were used, they may have an impact on the Issuer's ability to make payments of interest and principal on the Notes, or may directly impact Holders' rights by transferring, cancelling or modifying the rights of Holders under the Notes or by writing down, bailing in or converting the Notes into equity, leading to the Holders losing some or all of the value of their investment in the Notes or being unable to receive interest or principal on the Notes.

Holdes should assume that, in a resolution situation, public financial support will only be available to a relevant entity as a last resort after the relevant resolution authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool.

The exercise of any resolution power or any suggestion of any such exercise could adversely impact the Issuer's ability to fulfil its obligations under the Notes, materially adversely affect the value of any Notes and could lead to Holders losing some or all of the value of their investment in the Notes.

- (ii) *If the Issuer becomes subject to modified insolvency proceedings, Holders may lose all or some of their investment in the Notes*

As at the date of this Offering Circular, the resolution strategy for the Issuer set by the Bank of England is modified insolvency under Part 2 of the Banking Act. This is based on the Group having fewer than 40,000 'transactional accounts' (an account used at least nine times in the three months prior to an annual monitoring date), a balance sheet of less than £15 billion and the Group not providing critical functions which may justify the use of resolution tools. The failure of the Group is unlikely to cause disruption to the wider UK financial system. However, in accordance with the Bank of England's policy, the actual approach taken to resolve any institution will depend on the circumstances at the time of its failure. In addition, the Issuer's resolution strategy may change in the future.

Where the relevant statutory conditions for the commencement of modified insolvency proceedings under the Banking Act are met, the relevant UK resolution authority would be expected to apply to the court for the Issuer to enter modified insolvency under Part 2 of the Banking Act at the point of failure. If the Issuer is so liquidated, Holders may lose all or some of their investment in the Notes. See "*The Issuer is a holding company, so the Notes are structurally subordinated*" and "*The Issuer's obligations under the Notes are subordinated*".

- (iii) *Resolution powers triggered prior to insolvency may not be anticipated and Holders may have only limited rights to challenge and/or seek a suspension or review of the exercise of such powers*

The resolution powers conferred by the SRR 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 resolution powers 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.

Although the Banking Act provides specific conditions to the exercise of any resolution powers, 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 Holders of its decision to exercise any resolution power. Therefore, Holders 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. Furthermore, Holders may have only 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.

(iv) *A partial transfer of the Issuer's business may result in a deterioration of its creditworthiness*

If the Issuer or any member of the Group was made subject to the SRR and 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 make payments in respect of the Notes and/or eventually become subject to administration or insolvency proceedings pursuant to the Banking Act. In such circumstances, Holders 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 Holders will have such a claim or, if they do, that they would thereby recover compensation promptly or equal to any loss actually incurred.

(v) *The relevant UK resolution authority may exercise the bail-in tool in respect of the Issuer and the Notes, which may result in Holders losing some or all of their investment*

Where the relevant statutory conditions for use of the bail-in tool have been met, the resolution authority could elect to exercise the bail-in tool and in doing so, it would be expected to exercise these powers without the consent of the Holders. The Banking Act specifies the order in which the bail-in tool should be applied reflecting the hierarchy of capital instruments under applicable UK legislation and rules and otherwise respecting the hierarchy of claims in an ordinary insolvency. Any such exercise of the bail-in tool in respect of the Issuer and the Notes may result in the cancellation of all, or a portion, of the nominal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other notes or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Notes.

The exercise of the bail-in tool in respect of the Issuer and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to Holders losing some or all of the value of their investment in such Notes. The bail-in tool contains an express safeguard (known as 'no creditor worse off') with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings. However, 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 Holders in the resolution and there can be no assurance that Holders would recover such compensation promptly.

(vi) *Mandatory write-down and conversion of capital instruments may affect the Notes*

In addition to the powers granted under the SRR (as described under the risk factor titled "*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. In certain circumstances, such actions may also be taken against a UK banking group company such as the Issuer*" below), the Banking Act grants the power to the Bank of England (or any successor or replacement thereto and/or such other authority in the United Kingdom with the ability to exercise a UK resolution power) (the "**resolution authority**") to cancel, transfer or dilute any common equity tier 1 instruments, and to permanently write-down, or convert into equity, any additional tier 1 capital instruments, tier 2 capital instruments (such as the Notes) and internal eligible liabilities, at the point of non-viability of a relevant entity (such as the Issuer) (a "**relevant entity**") and before, or together with, the exercise of any resolution powers conferred by the SRR (except in the case where the bail-in tool is to be utilised for other liabilities, in which case such capital instrument or internal eligible liabilities would be cancelled, written down or converted into equity pursuant to the exercise of the bail-in tool, as described above, rather than the mandatory write-down and conversion 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 resolution authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or that the relevant entity will no longer be viable unless the relevant capital instruments or internal eligible liabilities are written down or

converted or the relevant entity requires extraordinary public support without which the resolution authority determines that the relevant entity would no longer be viable.

Holder of the Notes may be subject to write-down or conversion into equity on application of mandatory write-down and conversion powers (without requiring the consent of such Holders), which may result in such Holders losing some or all of their investment. The "no creditor worse off" safeguard would not apply in relation to an application of such powers to capital instruments (such as the Notes) in circumstances where resolution powers are not also exercised.

The exercise of such mandatory write-down and conversion power under the Banking Act or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of the Notes, the price or value of their investment in such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes. See "*The Issuer is a holding company, so the Notes are structurally subordinated*" for a description of the rights of the Issuer to participate in the assets of its subsidiaries and the effect of the exercise of such mandatory write-down and conversion power in respect of such subsidiaries.

Holder agree to be bound by the exercise of any UK Bail-in Power by the Resolution Authority

In recognition of the resolution powers granted by law to the Resolution Authority, by acquiring the Notes, each Holder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of the UK Bail-in Power and acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of any UK Bail-in Power by the Resolution Authority, that may result in (i) the reduction of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due on the Notes into shares or 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; (iii) the cancellation of the Notes; (iv) the amendment or alteration of the maturity of the Notes or the amendment of the amount of interest that may be payable on the Notes, or the dates on which interest may become payable, including by suspending payment for a temporary period. Each Holder further acknowledges, accepts, consents and agrees to be bound by the variation of the terms of the Notes, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.

Accordingly, the UK Bail-in Power may be exercised in such a manner as to result in Holders losing all or a part of the value of their investment in the Notes 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 Resolution Authority may exercise the UK Bail-in Power without providing any advance notice to, or requiring the consent of, the Holders. In addition, under the Conditions, the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes is not an event of default or Default (as defined in the Trust Deed). See also "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*" above.

Limited gross-up obligation in respect of the Notes

Pursuant to the Conditions, the Issuer's obligation to pay additional amounts on the Notes in respect of any withholding or deduction in any Relevant Jurisdiction applies only to payments of interest on the Notes and not to payments of principal in respect of the Notes. As such, the Issuer would not be required to pay any additional amounts to the extent any such withholding or deduction is applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal in respect of any Notes, Holders shall only be entitled to the net amount of such payment after deduction of the amount required to be withheld or deducted. The market value of such Notes may be adversely affected as a result.

The Notes are unrated

The Notes are unrated as of the date of this Offering Circular but may in the future be rated by independent credit rating agencies (including on an unsolicited basis), although the Issuer is under no obligation to ensure that the Notes are rated by any credit rating agency. Investors will need to make their own assessment of the credit of the Issuer and the other factors which may affect the value of the Notes without the benefit of an independent credit rating.

There can be no guarantee that a credit rating will be assigned to the Notes in the future. Even if such a credit rating is obtained, it may be lower than expected by investors or than if another credit rating agency had assigned a credit rating. It is also possible for credit rating agencies to assign ratings on an unsolicited basis, without the benefit of access to full information regarding the Issuer. In addition, investors should be aware that credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and any credit rating that may be assigned to the Notes may be subject to suspension, change or withdrawal at any time by the credit rating agency.

Any rating assigned to the Issuer and/or (if solicited by the Issuer in the future) the Notes may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Group's key markets; the level of political support for the industries in which the Group operates; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to an issuer within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting the Issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to the Issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or (if solicited by the Issuer in the future) the Notes, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or the Notes on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value or index eligibility of the Notes (whether or not the Notes had an assigned rating prior to such event). Moreover, any decision by a credit rating agency to assign a new rating to the Issuer and/or, if applicable, the Notes (be it solicited or unsolicited), may adversely affect the liquidity, market value or index eligibility of the Notes (whether or not the Notes had an assigned rating prior to such event).

Furthermore, as a result of the EU CRA Regulation, if the status of a rating agency rating the Notes changes or the rating is not endorsed by a credit rating agency registered under the EU CRA Regulation, European regulated investors may no longer be able to use the rating for regulatory purposes. Similarly and as a result of the UK CRA Regulation, if the status of a rating agency rating the Notes changes or the rating is not endorsed by a credit rating agency registered under the UK CRA Regulation, UK regulated investors may no longer be able to use a rating for regulatory purposes. In both cases, any such change could cause the Notes to be subject to different regulatory treatment. This may result in such European regulated investors or UK regulated investors, as applicable, selling the Notes, which may impact the value of the Notes and any secondary market.

The Notes are not expected to be investment grade and are subject to the risks associated with non-investment grade securities

The Notes, upon issuance, are not expected to be investment grade securities, and as such will be subject to a higher risk of price volatility than higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for the Issuer, or volatile markets, could lead to a significant deterioration in market prices of below-investment grade rated securities such as the Notes.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The Conditions are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of the Notes. 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 change in law or regulation that triggers a Tax Event or a Capital Disqualification Event would entitle the Issuer, at its option (subject to, amongst other things, receipt of the prior permission of the PRA (if such consent is then required by the prevailing prudential requirements)), to redeem, substitute or vary the Notes, in whole but not in part, as provided under Condition 7(c) (*Redemption and Purchase; Substitution and Variation – Redemption for regulatory reasons*) or Condition 7(d) (*Redemption and Purchase; Substitution and Variation – Redemption for tax reasons*) or Condition 7(f) (*Redemption and Purchase; Substitution and Variation – Substitution or Variation*), as the case may be, and Condition 7(h) (*Redemption and Purchase; Substitution and Variation – Conditions to redemption, purchase, substitution and variation*).

Such legislative and regulatory uncertainty could also 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.

The changes following the implementation of the Basel III framework in the UK may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes. Investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel framework (including the changes described above) and the relevant implementing measures.

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny (for example, the enactment in the UK of the Financial Services and Markets Act 2023 and the Retained EU Law (Revocation and Reform) Act 2023) 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, and therefore the Issuer'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 Holders, which could be material. See also "*The exercise by the relevant resolution authority of a variety of statutory powers could materially adversely affect the value of the Notes*" and "*The Group is subject to significant and many forms of legal and regulatory risks in conducting its business in the UK*".

There is no active trading market for the Notes

The Notes are new securities for which no active trading market may develop. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although 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. Even if an active trading market does develop, it may not be liquid and may not continue for the term of the Notes. In addition, liquidity may be limited if large allocations of the Notes are made to a limited number of investors. There can be no assurance that events in the United Kingdom or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect on the Notes.

Because the Global Certificate will be held by or on behalf of the Clearing Systems, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Certificate, except in certain limited circumstances described in the Global Certificate. The Global Certificate will be registered in the name of a nominee for, and deposited with, the common depository for the Clearing Systems. Individual Certificates evidencing holdings of Notes will only be available in certain limited circumstances. The Clearing Systems maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository for the Clearing Systems for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the Clearing Systems to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holder of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders are permitted to act only to the extent that they are enabled by the Clearing Systems to appoint appropriate proxies.

Minimum Denomination

As the Notes will have a minimum denomination of £100,000 and integral multiples of £1,000 in excess thereof, it is possible that the Notes may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of £100,000 (or its equivalent). In such case a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive an Individual Certificate in respect of such holding (should Individual Certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination. Further, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes such that its holding amounts to the minimum denomination.

The Trust Deed will contain provisions which may permit modification of the Notes without the consent of all Holders and confer significant discretions on the Trustee which may be exercised without the consent of the Holders and without regard to the individual interests of particular Holders, including the substitution of the Issuer

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Holders as a class (but shall not have regard to any interests arising from circumstances particular to individual Holders whatever their number).

The Trust Deed will contain provisions permitting modifications and amendments to the Notes without the consent of the Holders and with the consent of a specified quorum and majority of the outstanding Notes in other circumstances. Valid resolutions passed by such Holders will bind all Holders including those Holders that did not attend and vote at the relevant meeting and those Holders who voted in a manner contrary to the majority. See also "*Substitution or Variation of the Notes upon the Occurrence of a Capital Disqualification Event or Tax Event*".

The Conditions also provide that (subject to prior notice or consent of the PRA (if so required by the Capital Regulations), which is not revoked by the relevant date of modification or waiver) the Trustee may subject as provided in the Trust Deed, without the consent of Holders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes and to the substitution of the Issuer.

Furthermore, the Trustee may, without the consent of the Holders but subject to PRA Permission (which is not revoked by the relevant substitution date) and other conditions set out in Condition 13 (*Meetings of Holders, Modification, Waivers and Substitution – Substitution of the Issuer*), agree with the Issuer the substitution in place of the Issuer (or of any previous substitute) as principal debtor under the Notes of any Subsidiary of the Issuer.

No assurance can be given as to the impact of any such modifications, amendments, waivers or substitution of the Issuer as described above or whether any such modification, amendments, waivers or substitution could materially adversely impact the value of the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in pounds 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 pounds sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of pounds sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to pounds sterling would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of payments on the Notes, and (3) 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.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes substantially as they will appear in the trust deed constituting the Notes.

The £100,000,000 8.250 per cent. Fixed Rate Reset Subordinated Callable Notes due 2037 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Condition 15 (*Further Issues*) which are consolidated and form a single series with the Notes) of Vanquis Banking Group plc (the "**Issuer**") are constituted by a trust deed dated 21 May 2026 (as amended and/or restated and/or supplemented from time to time, the "**Trust Deed**") made between the Issuer and M&G Trustee Company Limited (the "**Trustee**", which expression shall include all persons from time to time being trustee or trustees appointed under the Trust Deed) as trustee for the Holders.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the agency agreement dated 21 May 2026 (as amended and/or restated and/or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, the Registrar and the other Agents and the Trustee (i) are available for inspection during normal business hours by prior arrangement by the Holders at the registered office for the time being of the Trustee or (ii) may be provided by email to a Holder following its prior written request to the Trustee or the Principal Paying Agent, in each case upon provision of proof of holding of Notes and identity (in a form satisfactory to the Trustee or the Principal Paying Agent, as applicable). The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

1. **FORM, DENOMINATION AND TITLE**

The Notes are issued in registered form in denominations of £100,000 and integral multiples of £1,000 in excess thereof (each, an "**Authorised Denomination**").

The Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a) (*Transfer of Notes*), each Certificate shall represent the entire holding of Notes by the same Holder.

Title to the Notes shall pass by registration in the register of the Holders 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 any interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder. In these Conditions, "**Holder**" means the person in whose name a Note is registered in the register of Holders (or, in the case of a joint holding, the first named thereof).

2. **TRANSFER OF NOTES**

(a) *Transfer of Notes*

One or more Notes may, subject to Condition 2(d) (*Closed Periods*), be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate (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; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. A new Certificate shall be issued to the transferee in respect of the Notes the subject of the relevant transfer and, in the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate in respect of the balance of the Notes not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a Holder of Notes, a new

Certificate representing the enlarged holding may be issued but only against surrender of the Certificate representing the existing holding of such person. All transfers of Notes and entries on the Register will be made subject to 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 and the Trustee. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

(b) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a) (*Transfer of Notes*) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the relevant Certificate. Delivery of 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 and surrender of such form of transfer and Certificate or, as the case may be, surrender of such Certificate, shall have been made or, at the option of the relevant Holder 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 to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b) (*Delivery of New Certificates*) "**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) *Transfers Free of Charge*

Transfers of Notes and the issue of new Certificates on transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(d) *Closed Periods*

No Holder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the date fixed for redemption of the Notes pursuant to Condition 7 (*Redemption and Purchase; Substitution and Variation*) or (ii) during the period of seven days ending on (and including) any Record Date.

3. **STATUS**

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu*, without any preference among themselves. In the event of a Winding Up or Qualifying Procedure, the rights and claims of the Holders in respect of or arising from the Notes (including any damages (if payable)) are subordinated to the claims of Senior Creditors.

4. **SUBORDINATION**

(a) *Subordination*

In the event of a Winding Up or a Qualifying Procedure, the rights and claims of the Holders and the Trustee (on behalf of the Holders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed) against the Issuer in respect of or arising under the Notes and the Trust Deed (including any amounts attributable to the Notes and the Trust Deed and any damages awarded for breach of any obligations (if payable)) will (i) be subordinated in the manner provided in this paragraph (a) and in the Trust Deed to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of Parity Creditors; and (iii) rank in priority to the claims of Junior Creditors and, accordingly, no amount shall be payable to the Holders in respect of the Notes until the claims of all Senior Creditors admitted in the Winding Up or Qualifying Procedure have been satisfied.

(b) *No set-off*

Subject to applicable law, no Holder may exercise or claim or plead any right of set-off, compensation, retention or netting 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 will, by virtue of their holding of any Note, be deemed, to the fullest extent permitted by applicable law, to have waived all such rights of set-off, compensation, retention and netting. Notwithstanding the preceding sentence, if any of the amounts due and payable to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, compensation, retention or netting, 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 a Winding Up or Qualifying Procedure, 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) and accordingly any such discharge shall be deemed not to have taken place.

(c) *Effect on the Trustee*

As stated in further detail in Condition 14(d) (*Trustee's remuneration, liability etc*), the provisions of this Condition 4 (*Subordination*) apply only to the principal and interest and any other amounts payable in respect of the Notes and nothing in this Condition 4 (*Subordination*) or in Conditions 6 (*Payments*) or 10 (*Enforcement events and remedies*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

5. INTEREST

(a) *Interest Rate and Interest Payment Dates*

The Notes bear interest on their outstanding principal amount:

- (i) from and including the Issue Date to but excluding 21 November 2032 (the "**Reset Date**"), at the rate of 8.250 per cent. per annum (the "**Initial Interest Rate**"); and
- (ii) thereafter, at the Reset Interest Rate,

which interest is, in each case, payable, subject to Condition 6 (*Payments*), semi-annually in arrear on 21 May and 21 November of each year (each an "**Interest Payment Date**"). 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 is called an "**Interest Period**".

(b) *Calculation of interest*

Interest in respect of any Note shall be calculated per Calculation Amount. Subject to the paragraph below, the amount of interest payable (subject to Condition 6 (*Payments*)) in respect of a Note for any period of time shall be calculated by (i) determining the product of the Calculation Amount, the relevant Interest Rate and the Day Count Fraction for the relevant period, (ii) rounding the resultant figure to the nearest penny (half a penny being rounded upwards) and (iii) multiplying that rounded figure by a fraction the numerator of which is the principal amount of such Note and the denominator of which is the Calculation Amount.

The amount of interest payable in respect of the Calculation Amount on each Interest Payment Date up to (and including) the Reset Date shall, subject to Condition 6 (*Payments*), be £41.25.

(c) *Reset Interest Rate*

The "**Reset Interest Rate**" will be the rate of interest determined by the Agent Bank on the Reset Determination Date as the sum of:

- (i) the Reference Bond Rate (expressed as a rate per annum); and
- (ii) the Margin,

converted to a semi-annual rate in accordance with market convention as instructed by the Issuer (rounded to three decimal places, with 0.0005 rounded down) and includes the fallback interest rate determined in accordance with these Conditions.

In these Conditions (except where otherwise defined), the expression:

"Business Day" means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Margin" means 3.649 per cent. per annum;

"Reference Bond Price" means, with respect to the Reset Determination Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for the Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations. If only one Reference Government Bond Dealer Quotation is received, the Reference Bond Price shall be equal to such quotation, or if no Reference Government Bond Dealer Quotations are received, the Reset Interest Rate shall be the Initial Interest Rate;

"Reference Bond Rate" means, with respect to the Reset Period, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for the Reset Determination Date;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer, or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and the Reset Determination Date, the arithmetic average, as determined by the Issuer, of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its nominal amount) as at 11.00 a.m. (London time) on the Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Issuer by such Reference Government Bond Dealer;

"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 Reference Bond" means a government security or securities issued by the UK government selected by the Issuer (after consultation with an investment bank or financial institution determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Agent Bank) as having the nearest actual or interpolated maturity date on or about the last day of the Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling and of a comparable maturity to the Reset Period.

(d) *Publication of Reset Interest Rate*

The Issuer shall cause the Agent Bank to give notice of the Reset Interest Rate to the Issuer, the Agents, the Trustee (by no later than the Reset Determination Date) and to be notified to Holders in accordance with Condition 12 (*Notices*) as soon as possible after their determination, but in no event later than the fourth Business Day thereafter. The Reset Interest Rate so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of manifest error.

(e) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 (*Interest*), whether from or by the Reference Government Bond Dealer (or any of them) or the Agent Bank or the Issuer or any agent appointed by the Issuer, will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agent Bank and all Holders and (in the absence of wilful default) no liability to the Issuer or the Holders shall attach to the Reference Government Bond Dealer (or any of them) in connection with any such quotations or the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(f) *Interest accrual*

Each Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue in accordance with the Conditions (both before and after judgment) until whichever is the earlier of (a) the day on which such principal is received by or on behalf of the relevant Holder and (b) the day which is seven days after any of the Agents or the Trustee has notified the Holders that it has received such principal.

6. **PAYMENTS**

(a) *Principal*

Payments of principal shall be made by sterling cheque drawn on or, upon application by a Holder of a Note to the Specified Office (as defined in the Agency Agreement) of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a sterling account maintained by the payee with, a bank in London and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(b) *Interest*

Payments of interest shall be made by sterling cheque drawn on or, upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a sterling account maintained by the payee with, a bank in London and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Holders in respect of such payments.

(d) *Payment on Business Days*

Where payment is to be made by transfer to a sterling account, payment instructions (for value the due date, or, if such date is not a payment business day, for value the next succeeding payment business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for payment not being a payment business day or (B) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail. In this Condition 6(d) (*Payment on Business Days*), "**payment business day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

(e) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) *Record date*

Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

(g) *Agents*

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents **provided that**:

- (i) there will at all times be a Principal Paying Agent and an Agent Bank;
- (ii) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (iii) there will at all times be a Registrar.

Notice of any termination or appointment and of any changes in specified offices will be given to the Holders promptly by the Issuer in accordance with Condition 12 (*Notices*).

7. **REDEMPTION AND PURCHASE; SUBSTITUTION AND VARIATION**

(a) *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date, subject as provided in Condition 6 (*Payments*).

(b) *Redemption at the option of the Issuer*

The Issuer may, in its sole discretion but subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*), having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 12 (*Notices*), the Trustee and the Agents (which notice shall, subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*)), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes on any date from (and including) 21 August 2032 to (and including) the Reset Date at their principal amount together with any Accrued Interest.

(c) *Redemption for regulatory reasons*

Subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*), if, as a result of any amendment to, or change in the regulatory classification of the Notes under, the Capital Regulations (or official interpretation thereof), in any such case becoming effective on or after the Reference Date, the whole or any part of the principal amount of the Notes are, or are likely to be at any time, excluded from, or cease to count towards, the Tier 2 Capital of the Regulatory Group (a "**Capital Disqualification Event**"), the Issuer may, in its sole discretion but having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 12 (*Notices*), the Trustee and the Agents (which notice shall, subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*)), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at their principal amount together with any Accrued Interest.

Prior to giving notice of redemption in accordance with this Condition 7(c) (*Redemption for regulatory reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the relevant circumstance referred to this Condition 7(c) (*Redemption for regulatory reasons*) exists. Such certificate shall be treated by the Trustee, the Holders and all other interested parties as correct, conclusive and sufficient evidence thereof.

(d) *Redemption for tax reasons*

Subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*), if as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which the Relevant Jurisdiction is a party, or a change in an official application of those laws or regulations which change or amendment becomes effective on or after the Reference Date, including a decision of any court or tribunal which becomes effective on or after the Reference Date:

- (i) the Issuer has paid, or will or would on the next Interest Payment Date be required to pay, Additional Amounts in respect of the Notes; or
- (ii) the Issuer is not or would not be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes, or such a deduction is or would be reduced or deferred; or
- (iii) the Issuer is not or would not, as a result of the Notes being in issue, 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 the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Reference Date or any similar system or systems having like effect as may from time to time exist); or
- (iv) the Issuer would be required to bring into account any amount of income, profit or gain or other tax credit or taxable item for tax purposes, or any other liability to tax would arise in respect of the write-down of the Notes, the conversion of the Notes into shares, or both (including, as a result of the exercise of any regulatory powers under the Banking Act 2009),

(each, a "**Tax Event**"), the Issuer may, in its sole discretion but subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*), having given not less than 15 nor more than 30 days' notice to Holders in accordance with Condition 12 (*Notices*), the Trustee and the Agents (which notice shall, subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*)), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at their principal amount together with any Accrued Interest.

Prior to giving notice of redemption in accordance with this Condition 7(d) (*Redemption for tax reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions precedent for redeeming the Notes pursuant to this Condition 7(d) (*Redemption for tax reasons*) have been met. Such certificate shall be treated by the Trustee and the Holders and all other interested parties as correct, conclusive and sufficient evidence thereof.

(e) *Clean-up Call Option*

If, at any time, the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 (*Further Issues*) and consolidated and forming a single series with the Notes shall be deemed to have been originally issued) (the "**Clean-up Call Threshold**"), the Issuer may, in its sole discretion but subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*), having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 12 (*Notices*), the Trustee and the Agents (which notice shall, subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*)), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the remaining outstanding Notes on any date at their principal amount together with any Accrued Interest.

Prior to giving notice of redemption in accordance with this Condition 7(e) (*Clean-up Call Option*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate principal amount of the Notes is equal to or less than the Clean-up Call Threshold. Such certificate shall be treated by the Trustee and the Holders and all other interested parties as correct, conclusive and sufficient evidence thereof.

(f) *Substitution or Variation*

If at any time a Capital Disqualification Event or a Tax Event occurs, the Issuer may, subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*) and having given not less than 15 nor more than 30 days' notice to the Holders (in accordance with Condition 12 (*Notices*)), the Trustee and the Agents (which notice shall, subject to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*)), be irrevocable) but without any requirement for the consent or approval of the Holders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become, Qualifying Tier 2 Notes; provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that is inconsistent with the redemption provisions of the Notes.

The Trustee shall be obliged (at the request and expense of the Issuer) to agree with the Issuer without the consent of the Holders to any 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 Notes as aforesaid, provided that (i) the Trustee receives the certificate in the form described in the definition of Qualifying Tier 2 Notes in accordance with the provisions thereof, and (ii) the terms of the proposed Qualifying Tier 2 Notes, the amended terms of the Trust Deed or the agreement to such substitution or variation, as the case may be, would not, in the Trustee's opinion, impose more onerous obligations upon it or expose

it to any additional liabilities, responsibilities or duties or reduce or amend the rights and/or protections afforded to it.

(g) *Purchases*

The Issuer or any of its Subsidiaries may, at its option but subject to PRA Permission and Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*), purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise at any time in accordance with the then prevailing Capital Regulations. All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, cancelled.

(h) *Conditions to redemption, purchase, substitution and variation*

Any redemption under Conditions 7(b) (*Redemption at the option of the Issuer*), 7(c) (*Redemption for regulatory reasons*), 7(d) (*Redemption for tax reasons*), 7(e) (*Clean-up Call Option*) or purchase under Condition 7(g) (*Purchases*) or substitution or variation under Condition 7(f) (*Substitution or Variation*) is subject to the Issuer obtaining PRA Permission (and such PRA Permission not having been revoked by the relevant date of such redemption, purchase, substitution or variation, as the case may be) and to compliance with the Regulatory Preconditions and/or any other additional and/or alternative conditions or requirements contained in the then prevailing Capital Regulations which relate to the redemption, purchase, substitution or variation of the Notes, as the case may be.

(i) *Cancellation*

All Notes which are redeemed by the Issuer pursuant to this Condition 7 (*Redemption and Purchase; Substitution and Variation*) will be cancelled.

(j) *Notices final*

Upon the expiry of any notice as is referred to in Condition 7(b) (*Redemption at the option of the Issuer*), 7(c) (*Redemption for regulatory reasons*), 7(d) (*Redemption for tax reasons*), 7(e) (*Clean-up Call Option*) or 7(f) (*Substitution or Variation*), the Issuer shall be bound (subject in all circumstances only to Condition 7(h) (*Conditions to redemption, purchase, substitution and variation*)) to redeem, substitute or vary (as applicable) the Notes to which the notice refers in accordance with the terms of such paragraph.

(k) *Trustee not obliged to monitor*

The Trustee shall not be under any duty to investigate whether any event or circumstance which could lead to, or has led to, a redemption, substitution or variation (as applicable) under this Condition 7 (*Redemption and Purchase; Substitution and Variation*) has occurred and (i) shall not be responsible to Holders for any loss arising from any failure by it to do so and (ii) shall be entitled to assume, unless it has written notice to the contrary, that no such event or circumstance which could lead to, or has led to, a redemption, substitution or variation (as applicable) has occurred and that the PRA Permission and/or all Regulatory Preconditions have been satisfied. The Trustee may rely without further investigation and without liability as aforesaid on any certificate delivered to it in connection with this Condition 7 (*Redemption and Purchase; Substitution and Variation*).

8. TAXATION

(a) *Payment without withholding*

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts in respect of any interest on the Notes ("**Additional Amounts**"), but not, for the avoidance of doubt, in

respect of the payment of any principal in respect of the Notes, as may be necessary in order that the net amounts in respect of any interest on the Notes received by the Holders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of interest on the Notes in the absence of the withholding or deduction, except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (i) to or on behalf of a Holder, or a beneficial owner of the relevant Notes, which is liable to such Taxes in respect of such Note by reason of its having some connection with the Relevant Jurisdiction other than the mere holding or ownership of the Note; or
- (ii) where (in the case of a payment of interest on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such Additional Amounts if it had surrendered the relevant Certificate on the last day of such period of 30 days; or
- (iii) where the Holder of the relevant Notes failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the Relevant Jurisdiction of such Holder, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a condition to relief or exemption from such taxes.

For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay any Additional Amounts on account of any FATCA Withholding Tax.

(b) *Additional Amounts*

Any reference in these Conditions to any interest in respect of the Notes shall be deemed also to include any Additional Amounts which is, were or would be payable under this Condition 8 (*Taxation*).

9. **PRESCRIPTION**

Notes will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes, subject to the provisions of Condition 6 (*Payments*).

10. **ENFORCEMENT EVENTS AND REMEDIES**

- (a) *Enforcement Events*: The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject, in any such case, to being indemnified and/or secured and/or prefunded to its satisfaction), without further notice:
 - (i) *Non-payment*: if the Issuer fails to pay the principal of, or interest on, any of the Notes when due and such failure continues for a period of 14 days, institute proceedings for the winding up of the Issuer in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) and/or prove in any Winding Up or Qualifying Procedure, but may take no other action in respect of such default; **provided that** the Issuer shall not be in default if such sums were not paid in order to comply with any mandatory law, regulation or order of any court of competent jurisdiction acting on the advice of independent legal advisers

acceptable to the Trustee and such legal advice is delivered to the Trustee during the 14 day period;

- (ii) *Winding Up Event*: if a Winding Up Event occurs, give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable at their principal amount together with accrued but unpaid interest (subject to Condition 4 (*Subordination*)) and the Trustee may prove and/or claim in such Winding Up or Qualifying Procedure; or

For the avoidance of doubt, any resolution action or moratorium pursuant to the Banking Act 2009, as amended, which does not constitute a Winding Up Event, shall not permit the Trustee or the Holders to declare the Notes due and payable.

- (iii) *Breach of obligations (other than payment obligations)*: without prejudice to paragraph (i) or (ii) above, if the Issuer breaches any of its obligations under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Trust Deed or the Notes, including, without limitation, payment of any principal or interest in respect of the Notes and any damages awarded for breach of any obligations) subject as provided below, institute such steps, actions or proceedings as it may think fit to enforce the obligation in question provided always that the Trustee (acting on behalf of the Holders but not the Trustee acting in its personal capacity under the Trust Deed) and the Holders may not enforce, and are not entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving and/or claiming such Monetary Judgment in a Winding up or Qualifying Procedure 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.

- (b) *Trustee claims*: Nothing in this Condition 10 (*Enforcement Events and Remedies*) shall, however, prevent the Trustee acting in its personal capacity under the Trust Deed instituting proceedings for the winding up of the Issuer in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) and/or proving in any Winding Up or Qualifying Procedure in respect of any payment obligations of the Issuer to the Trustee in respect of any costs, fees, charges, expenses, liabilities or remuneration of the Trustee arising from the Trust Deed (including any damages awarded for breach of any such obligations).
- (c) *Extent of Remedies*: No remedy against the Issuer other than the institution of the proceedings referred to in Condition 10(a) (*Enforcement Events and Remedies*) or proving in a Winding Up or Qualifying Procedure 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 in relation thereto (other than in the case of any amounts due to the Trustee in respect of its costs, charges, expenses, liabilities or remuneration or the rights and remedies of the Trustee in respect thereof) 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 in relation thereto.
- (d) *Right of Holders*: No Holder shall be entitled to proceed directly against the Issuer or institute any of the proceedings referred to in this Condition 10 (*Enforcement Events and Remedies*) or to prove and/or claim in a Winding Up or Qualifying Procedure, except that, if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in such Winding Up or Qualifying Procedure, fails to do so, in each case within a reasonable period and in each such case such failure shall be continuing, then any such Holder may itself institute such proceedings and/or prove and/or claim in such Winding Up or Qualifying Procedure to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes.

11. **REPLACEMENT OF CERTIFICATES**

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or any Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer and/or the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. **NOTICES**

All notices regarding the Notes shall be valid if sent by post to the Holders at their respective addresses in the Register and, if and for so long as the Notes are listed on any stock exchange, notices will also be given in accordance with any applicable requirements of such stock exchange. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

13. **MEETINGS OF HOLDERS, MODIFICATION, WAIVERS AND SUBSTITUTION**

(a) *Meetings of Holders*

The Trust Deed contains provisions for convening meetings of Holders (including by way of conference call or videoconference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting of Holders for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. of the aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which is to deal with certain proposals (including any proposal to change any Interest Payment Date, the Maturity Date or any optional redemption date, to reduce the interest rate applicable in respect of the Notes, to reduce the principal amount of the Notes, to alter the method of calculating of any interest in respect of the Notes, to change the currency of payments under the Notes, to modify the provisions of Conditions 3 (*Status*) or 4 (*Subordination*), or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (in each case, unless such change is expressly permitted without the consent of Holders pursuant to these Conditions, each, a "**Reserved Matter**")), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than three-quarters, or at any adjourned meeting not less than one-quarter, of the aggregate principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders will be binding on all Holders, whether or not they are present at the meeting and whether or not they voted on the resolution.

In addition, a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes who for the time being are entitled to receive notice of a meeting of Holders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a 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, authorisation, waiver*

Except where the Trustee is bound pursuant to Condition 7(f) (*Substitution or Variation*) to give effect to the amendments described therein, the Trustee may agree (other than in respect of a Reserved Matter), without the consent of the Holders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement (**provided that**, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the

interests of the Holders) or may agree, without any such consent as aforesaid and irrespective of whether the same constitutes a Reserved Matter, to any modification which, in its opinion, is of a formal, minor or technical nature or is to correct a manifest error.

(c) *PRA Permission*

These Conditions shall only be capable of modification or waiver if the Issuer has obtained the relevant PRA Permission (and such PRA Permission has not been revoked by the relevant date of such modification or waiver) or if the Issuer has notified the PRA of such modification or waiver, to the extent then required under the Capital Regulations.

(d) *Trustee to have regard to interests of Holders as a class*

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.

(e) *Notification to the Holders*

Any modification, abrogation, waiver or authorisation referred to in this Condition 13 (*Meetings of Holders, Modification, Waivers and Substitution*) shall be binding on the Holders and notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

(f) *Substitution of the Issuer*

The Trustee may, without the consent of the Holders but subject to PRA Permission (and such PRA Permission not having been revoked by the relevant date of any substitution effected pursuant to this Condition 13(f)), agree with the Issuer to the substitution on a subordinated basis equivalent to that referred to in Condition 3 (*Status*) and Condition 4 (*Subordination*) in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes, the Trust Deed and the Agency Agreement of any Subsidiary of the Issuer (the "**Substitute**") provided that:

- (i) a deed is executed or some other form of undertaking is given by the Substitute in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Deed, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substitute had been named in the Trust Deed, the Agency Agreement and on the Notes, as the principal debtor in place of the Issuer (or of any previous substitute under this Condition);
- (ii) two directors of the Substitute certify that the Substitute is solvent at the time at which the said substitution is proposed to be effected and will remain solvent immediately after such substitution is effected (and the Trustee may rely absolutely on such certification and shall not be bound to have regard to the financial condition, profits or prospects of the Substitute or to compare the same with those of the Issuer);
- (iii) if the Substitute is incorporated, domiciled or resident in a territory other than the United Kingdom, an undertaking or covenant shall be given by the Substitute in terms corresponding to Condition 8 (*Taxation*) with the substitution for the references to the United Kingdom in the definition of "Relevant Jurisdiction" with references to such territory, whereupon the Trust Deed, these Conditions and the Notes shall be read accordingly;

- (iv) if the Notes had a published rating solicited by the Issuer from one or more rating agencies at any time in the period of 12 months prior to the substitution, then the Notes are assigned by each such rating agency, or each such rating agency has informed the Issuer by an announcement or otherwise of its intention to assign, an equal or higher published solicited rating immediately after the substitution;
- (v) if the Notes comply with the then current minimum requirements of the PRA in relation to Tier 2 Capital immediately prior to the substitution, the Notes continue to comply with the then current minimum requirements of the PRA in relation to Tier 2 Capital immediately following the substitution;
- (vi) if the Notes are listed on the ISM or any other stock exchange or market immediately prior to the substitution, the Notes continue to be listed on the ISM or on such other stock exchange or market immediately following the substitution; and
- (vii) the substitution does not cause a Capital Disqualification Event or a Tax Event to occur in respect of the Notes immediately following the substitution.

Any such deed or undertaking shall, if so expressed, operate to release the Issuer or any previous substitute (as the case may be) from all of its obligations as principal debtor under the Trust Deed, the Agency Agreement and the Notes. Upon the execution of such documents and compliance with the above requirements, the Substitute shall be deemed to be named in the Trust Deed, the Agency Agreement and the Notes as the principal debtor in place of the Issuer (or in place of the previous substitute) and the Trust Deed, the Agency Agreement and the Notes shall be deemed to be modified in such manner as shall be necessary to give effect to the substitution and, without limitation, references in the Trust Deed, the Agency Agreement and the Notes to the Issuer shall, unless the context otherwise requires, be deemed to be references to the Substitute.

Any substitution pursuant to this Condition 13 shall be binding on the Holders and shall be notified by the Issuer to the Holders in accordance with Condition 12 (*Notices*) not less than 15 nor more than 60 days' prior to such substitution taking effect.

14. RIGHTS OF THE TRUSTEE

(a) *Indemnification and protection of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Holders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed **provides that**, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Holders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

(b) *Trustee Contracting with the Issuer*

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Holders, and (c) to retain and not be

liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

(c) *Reliance by Trustee on reports, confirmations, certificates and advice*

The Trustee may rely without liability to Holders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institutions 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. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice in which event such report, confirmation or certificate or advice shall be binding on the Trustee and the Holders.

(d) *Trustee's remuneration, liability etc*

The provisions of Conditions 4 (*Subordination*) apply only to the principal and interest and any other amounts payable in respect of the Notes and nothing in Conditions 4 (*Subordination*), 6 (*Payments*) or 10 (*Enforcement Events and Remedies*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

15. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Holders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue price thereof) so that the same shall be consolidated and form a single series with the Notes. Any further securities which are to form a single series with the Notes constituted by the Trust Deed or any supplemental deed shall be constituted by a deed supplemental to the Trust Deed.

16. **GOVERNING LAW**

The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes are governed by English law.

17. **RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. **RECOGNITION OF UK BAIL-IN POWER**

(a) *Agreement and Acknowledgement with Respect to the Exercise of the UK Bail-in Power*

Notwithstanding and to the exclusion of any other term of any Notes or any other agreements, arrangements, or understandings between the Issuer and any Holder (or the Trustee on behalf of the Holders), by its acquisition of the Notes, each Holder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of the UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents, and agrees to be bound by:

- (i) the effect of the exercise of the UK Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due;
 - (B) the conversion of all, or a portion, of the Amounts Due 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
- (D) the amendment or alteration of the maturity of the Notes or the amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.

(b) *Definitions*

For the purposes of this Condition 18 (*Recognition of UK Bail-in Power*):

"Amounts Due" means the principal amount of, and any accrued but unpaid interest 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 the UK Bail-in Power by the Resolution Authority.

"Resolution Authority" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the recovery and/or resolution of the of the Issuer and/or the Regulatory Group.

"UK Bail-in Power" means any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of the Regulatory Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a resolution regime in the United Kingdom under the Banking Act 2009, as the same has been or may be amended from time to time (whether pursuant to the Financial Services (Banking Reform) Act 2013, secondary legislation or otherwise), pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person.

(c) *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of Amounts Due in relation to the Notes will become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, written-down, converted, cancelled, amended or altered as a result of such exercise.

(d) *Event of Default*

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes will be an event of default or constitute a default for any purposes.

(e) *Notice*

Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall as soon as reasonably practicable notify the Trustee and the

Principal Paying Agent in writing of such exercise and give notice of the same to Holders in accordance with Condition 12 (*Notices*). Any delay or failure by the Issuer in delivering any notice referred to in this Condition 18(e) (*Recognition of UK Bail-in Power – Notice*) shall not affect the validity and enforceability of the UK Bail-in Power and shall not constitute a default by the Issuer for any purpose.

19. DEFINITIONS

(a) *Definitions*

In these Conditions:

"**Accrued Interest**" means, with respect to a date fixed for redemption in accordance with Condition 7 (*Redemption and Purchase; Substitution and Variation*), any interest accrued but unpaid on the Notes from (and including) the Interest Payment Date most recently preceding such date fixed for redemption to (but excluding) such date fixed for redemption and which is unpaid.

"**Additional Amounts**" has the meaning given to it in Condition 8(a) (*Payment without withholding*).

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

"**Agent**" means the Registrar, the Agent Bank and each of the other agents appointed pursuant to the Agency Agreement.

"**Agent Bank**" means The Bank of New York Mellon, London Branch or any successor agent bank appointed from time to time in connection with the Notes.

"**Authorised Denomination**" has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

"**Authorised Signatory**" has the meaning given to it in the Trust Deed.

"**Business Day**" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"**Calculation Amount**" means £1,000 in principal amount of Notes.

"**Capital Disqualification Event**" has the meaning given to it in Condition 7(c) (*Redemption for regulatory reasons*).

"**Capital Regulations**" means, at any time, the laws, regulations, rules, requirements, guidelines and policies relating to capital adequacy (including, without limitation, as to leverage) then in effect in the United Kingdom including, without limitation to the generality of the foregoing, the PRA Rulebook and any regulations, rules, requirements, guidelines and policies relating to capital adequacy adopted by the PRA from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Regulatory Group).

"**Certificate**" has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

"**Clean-up Call Threshold**" has the meaning given to it in Condition 7(e) (*Clean-up Call Option*).

"**Code**" has the meaning given to it in Condition 8 (*Taxation*).

"**Companies Act**" means the Companies Act 2006.

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

"**Day Count Fraction**" means:

- (i) where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) two; or
- (ii) where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) two; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) two.

"Determination Date" means 21 May and 21 November in any year.

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where the Issue Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"FATCA Withholding Tax" has the meaning given to it in Condition 8(a) (*Payment without withholding*).

"Initial Interest Rate" has the meaning given to it in Condition 5(a)(i) (*Interest Rate and Interest Payment Dates*).

"Insolvency Act" means the Insolvency Act 1986.

"Interest Amount" means the amount of interest payable on each Note on an Interest Payment Date in accordance with Condition 5 (*Interest*).

"Interest Payment Date" has the meaning given to it in Condition 5(a) (*Interest Rate and Interest Payment Dates*).

"Interest Period" has the meaning given to it in Condition 5(a) (*Interest Rate and Interest Payment Dates*).

"Interest Rate" means the Initial Interest Rate and/or the Reset Interest Rate, as the case may be.

"Issue Date" means 21 May 2026.

"Issuer" has the meaning given to it in the preamble to these Conditions.

"Junior Creditors" means (A) creditors of the Issuer in respect of (i) any additional tier 1 capital (within the meaning of the Capital Regulations) issued by the Issuer, (ii) all undated or perpetual, junior subordinated obligations (including any guarantee, credit support or similar obligation) of the Issuer and (iii) any other obligations of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Notes and (B) holders of all classes of share capital of the Issuer and, in each case, creditors of the Issuer in respect of any other obligations of the Issuer which by law rank, or by their terms are expressed to rank, *pari passu* with any of such obligations.

"Margin" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"Maturity Date" means 21 November 2037.

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

"**Holder**" has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

"**own funds**" has the meaning given to it (or any successor term) from time to time in the Capital Regulations.

"**own funds instruments**" has the meaning given to it (or any successor term) from time to time in the Capital Regulations.

"**Parity Creditors**" means creditors of the Issuer in respect of subordinated obligations (including any guarantee, credit support or similar obligation) of the Issuer which by law rank, or by their terms are expressed to rank, *pari passu* with the claims of the Holders.

"**Paying Agent**" means each entity appointed as a paying agent from time to time pursuant to the Agency Agreement, including the Principal Paying Agent.

"**payment business day**" has the meaning given to it in Condition 6(d) (*Payment on Business Days*).

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

"**PRA**" means the Prudential Regulation Authority or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Regulatory Group.

"**PRA Permission**" means, in relation to any actions, such supervisory permission required therefor within prescribed periods from the PRA, or such waiver under the Capital Regulations from the PRA, as is required under the Capital Regulations.

"**PRA Rulebook**" means the rulebook of the PRA, as amended from time to time.

"**Principal Paying Agent**" means The Bank of New York Mellon, London Branch or any successor principal paying agent appointed from time to time in connection with the Notes.

"**Qualifying Tier 2 Notes**" means securities issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favourable to an investor than the terms of the Notes being substituted or varied (as reasonably determined by the Issuer) and provided that a certification by two Authorised Signatories of the Issuer to such effect and certifying that the relevant circumstances referred to in Condition 7(f) (*Substitution or Variation*) exist and that the conditions referred to therein have been satisfied, shall have been delivered to the Trustee prior to the issue or, as appropriate, variation of the Notes, and, subject thereto, which:
 - (i) contain terms which comply with the then current minimum requirements of the PRA in relation to Tier 2 Capital, required to ensure that such Qualifying Tier 2 Notes qualify as Tier 2 Capital;
 - (ii) include terms which provide for the same Interest Rate or rate of return from time to time applying to the Notes, and preserve the Interest Payment Dates;
 - (iii) rank senior to, or *pari passu* with, the ranking of the Notes;
 - (iv) preserve any existing rights under the Conditions to any accrued interest or other amounts which have not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation;

- (v) 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;
 - (vi) are issued in the same currency as the Notes;
 - (vii) do not contain terms which provide for principal and/or interest cancellation or deferral (other than a contractual provision recognising the UK Bail-in Power on terms substantially similar to Condition 18 (*Recognition of UK Bail-in Power*));
 - (viii) do not contain terms providing for loss absorption through principal write-down, write-off or conversion to ordinary shares (other than a contractual provision recognising the UK Bail-in Power on terms substantially similar to Condition 18 (*Recognition of UK Bail-in Power*));
 - (ix) to the extent that such securities are issued indirectly, benefit from a subordinated guarantee from the Issuer which ranks at least *pari passu* with the Notes and any other Tier 2 Capital securities of the Issuer (if any) from time to time outstanding; and
 - (x) where the Notes had a published rating solicited by the Issuer from one or more rating agencies immediately prior to their substitution or variation, have been assigned by each such rating agency, or each such rating agency has informed the Issuer by an announcement or otherwise of its intention to assign, an equal or higher published solicited rating; and
- (b) if the Notes are listed on the International Securities Market of the London Stock Exchange plc (the "**ISM**") or any other stock exchange or market (i) are listed on the ISM or (ii) listed on such other stock exchange or market at that time as selected by the Issuer, which is a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (as the same may be amended, supplemented or replaced from time to time) (the "**Income Tax Act**") for the purposes of section 987 of the Income Tax Act) or admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange (within the meaning of section 987 of the Income Tax Act).

"**Qualifying Procedure**" means (i) that an administrator has been appointed in respect of the Issuer and has given notice that he/she intends to declare and distribute a dividend or (ii) a liquidation or dissolution of the Issuer or any procedure similar to a Winding Up or that procedure described in (i) that is commenced in respect of the Issuer.

"**Record Date**" has the meaning given to it in Condition 6(f) (*Record date*).

"**Reference Bond Price**" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"**Reference Bond Rate**" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"**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 (*Further Issues*).

"**Reference Government Bond Dealer**" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"**Reference Government Bond Dealer Quotations**" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"Register" has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

"Registrar" means The Bank of New York Mellon SA/NV, Dublin Branch or such other registrar appointed by the Issuer from time to time in respect of the Notes in accordance with these Conditions.

"Regulatory Group" means the Issuer, its subsidiary undertakings, participations, participating interests and any subsidiary undertakings, participations or participating interests held (directly or indirectly) by any of its subsidiary undertakings from time to time and any other undertakings from time to time consolidated with the Issuer for regulatory purposes, in each case in accordance with the rules and guidance of the PRA then in effect.

"Regulatory Preconditions" means, in relation to any redemption or purchase of the Notes, to the extent then required by the Capital Regulations:

- (i)
 - (A) before or at the same time as such redemption or purchase the Regulatory Group replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Regulatory Group (where "sustainable for the income capacity" has the meaning given to it in the Capital Regulations, if any); or
 - (B) the Issuer having demonstrated to the satisfaction of the PRA that the own funds and eligible liabilities of the Regulatory Group would, following such redemption or purchase, exceed the requirements to which it is subject by a margin that the PRA considers necessary at such time; and
- (ii) in the case of a redemption pursuant to Condition 7(c) (*Redemption for regulatory reasons*), 7(d) (*Redemption for tax reasons*) or 7(e) (*Clean-up Call Option*) or a purchase pursuant to Condition 7(g) (*Purchases*) occurring prior to the fifth anniversary of the Issue Date only:
 - (A) in the case of a redemption due to the occurrence of a Capital Disqualification Event, the PRA considering such change to be sufficiently certain and the Issuer having demonstrated to the satisfaction of the PRA that such Capital Disqualification Event was not reasonably foreseeable as at the Issue Date;
 - (B) in the case of a redemption due to the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the PRA that such Tax Event is material and was not reasonably foreseeable as at the Issue Date;
 - (C) in the case of a redemption pursuant to Condition 7(e) (*Clean-up Call Option*) or purchase pursuant to Condition 7(g) (*Purchases*), the Issuer having demonstrated to the satisfaction of the PRA that the Issuer has (or will have), before or at the same time as such redemption or 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 PRA having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view;
 - (D) in the case of a purchase pursuant to Condition 7(g) (*Purchases*), the relevant Notes are being purchased for market-making purposes in accordance with the Capital Regulations; or
 - (E) in the case of a purchase pursuant to Condition 7(g) (*Purchases*), in exceptional circumstances, where none of the conditions set out in paragraphs (A) to (D) above are met, but the PRA considers that the

purchase of the Notes would materially enhance the safety and soundness of the Issuer,

provided that if, at the time of such redemption or purchase the Capital Regulations permit the redemption or purchase after compliance with one or more alternative or additional pre-conditions to those set out in paragraphs (i) and (ii) of this definition, the Issuer having complied with such other pre-condition(s) in addition to or in lieu of the above pre-conditions.

The granting of the PRA Permission in respect of such redemption or purchase shall be treated (without liability) by the Issuer, the Trustee, the Holders and all other interested parties as conclusive and sufficient evidence of the satisfaction of these pre-conditions.

"Relevant Date" means (A) in respect of any payment other than a sum to be paid by the Issuer in a Winding Up or Qualifying Procedure, whichever is the later of: (1) the date on which the payment in question first becomes due; and (2) if the full amount payable has not been received by the Registrar or another Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders and (B) in respect of a sum to be paid by the Issuer in a Winding Up or Qualifying Procedure, 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 interest on the Notes.

"Reserved Matter" has the meaning given to it in Condition 13(a) (*Meetings of Holders*).

"Reset Date" has the meaning given to it in Condition 5(a) (*Interest Rate and Interest Payment Dates*).

"Reset Determination Date" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"Reset Interest Rate" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"Reset Period" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"Reset Reference Bond" has the meaning given to it in Condition 5(c) (*Reset Interest Rate*).

"secondary non-preferential debts" shall have the meaning given to it in the Insolvency Act.

"Senior Creditors" means creditors of the Issuer whose claims are admitted to proof in a Winding Up or Qualifying Procedure and (i) who are unsubordinated creditors of the Issuer; (ii) who are creditors in respect of any secondary non-preferential debts; or (iii) who are subordinated creditors of the Issuer (whether in the event of a Winding Up or Qualifying Procedure or otherwise) other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders or (y) those who are Parity Creditors or Junior Creditors.

"£", "sterling", "pounds sterling" and "pence" are to the lawful currency for the time being of the United Kingdom.

"Subsidiary" has the meaning given to it in Section 1159 of the Companies Act.

"Tax Event" has the meaning given to it in Condition 7(d) (*Redemption for tax reasons*).

"Taxes" has the meaning given to it in Condition 8(a) (*Payment without withholding*).

"**Tier 2 Capital**" has the meaning given to it (or any successor such term) from time to time in the Capital Regulations.

"**Transfer Agent**" means The Bank of New York Mellon SA/NV, Dublin Branch or any successor or other transfer agent appointed from time to time in connection with the Notes.

"**Trustee**" means M&G Trustee Company Limited or such other trustee appointed by the Issuer from time to time in respect of the Notes in accordance with the Conditions and the Trust Deed.

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

"**Winding Up**" means any winding up of the Issuer excluding a solvent winding up solely for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders.

"**Winding Up Event**" means with respect to the Notes, if:

- (i) a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer may be incorporated) makes an order for the winding up of the Issuer which is not successfully appealed within 30 days of the making of such order, or the Issuer's shareholders adopt an effective resolution for the winding up of the Issuer (except, in any such case, a solvent winding up solely for the purposes of a reorganisation, reconstruction, merger or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution);
 - (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.
- (b) *Construction of certain references*

In these Conditions, unless otherwise specified or unless the context otherwise requires:

- (i) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (ii) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment; and
- (iii) headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes are represented by a Global Certificate that is registered in the name of a nominee for, and deposited with, a common depositary for Clearstream Banking, S.A. and Euroclear Bank SA/NV (together, the "**Clearing Systems**").

The Global Certificate contains provisions that modify the Conditions as they apply to the Notes evidenced by the Global Certificate, and a summary of certain of those provisions is set out below.

Exchange for Individual Certificates

Registration of title to Notes in a name other than that of a nominee for the Clearing Systems will be permitted only if (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, (ii) a Winding Up Event occurs or (iii) the Issuer fails to pay any amount that has become due and payable under the Notes as provided in Condition 10(a)(i) (*Enforcement Events and Remedies – Enforcement Events – Non-payment*). The Issuer shall notify the registered holder of the Global Certificate of the occurrence of any of the events specified in (i), (ii) or (iii) as soon as practicable thereafter.

Whenever the Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any registered holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has either the office identified with its name in the Conditions of the Notes or any other office notified to any relevant parties pursuant to the Agency Agreement.

Accountholder

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/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Holders) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the registered holder of the Global Certificate in accordance with and subject to the terms of the Global Certificate and the Trust Deed.

Transfers

Book-entry interests in the Notes represented by the Global Certificate are transferable only in accordance with, and subject to, the provisions hereof and the rules and operating procedures of the Clearing Systems. Transfers of such book-entry interests will be effected through the records of the Clearing Systems and their respective direct and indirect participants in accordance with the rules and procedures of the Clearing Systems and their respective direct and indirect participants.

Payments

Payments due in respect of Notes represented by the Global Certificate which, according to the Conditions, require surrender or endorsement of a Certificate, shall be made to or to the order of the registered holder and such payment will discharge the obligations of the Issuer in respect of the relevant payment under the

Notes. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for its share of each payment made to or to the order of the registered holder.

Notices

Notwithstanding Condition 12 (*Notices*), so long as all of the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of the Clearing Systems, or any other clearing system (an "**Alternative Clearing System**"), notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) for communication to the relative accountholders rather than by publication as required by Condition 12 (*Notices*) **provided that**, so long as the Notes are admitted to listing or trading on any stock exchange, such notice is also given in a manner which complies with the rules and regulations of such stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the Holders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) as aforesaid.

Payment Business Day

In the case of all payments made in respect of the Global Certificate, so long as the Global Certificate is held on behalf of a Clearing System or an Alternative Clearing System, the definition for "**payment business day**" in Condition 6(d) (*Payment on Business Days*) shall be amended and shall be any day on which banks are open for general business (including dealings in foreign currencies) in London.

Record Date

For so long as all Notes are held in the Clearing Systems, the Record Date shall be determined in accordance with Condition 6(f) (*Record date*) **provided that** the words "fifteenth day" shall be deemed to be replaced with "Clearing System Business Day". "**Clearing System Business Day**" means a day on which each clearing system is open for business.

Calculation of interest

For so long as all of the Notes outstanding are represented by the Global Certificate, interest will be calculated in respect of the aggregate principal amount of the Notes represented by the Global Certificate (and not per Calculation Amount as provided in Condition 5(b) (*Calculation of interest*)) but otherwise in accordance with Condition 5 (*Interest*).

Clearing Systems

References in the Global Certificate and in this Offering Circular to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

Electronic Consent and Written Resolution

For so long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of the Clearing Systems and/or an Alternative Clearing System then, in respect of any resolution proposed by the Issuer or the Trustee:

- (a) where the terms of the resolution proposed by the Issuer or the Trustee (as the case may be) have been notified to the Holders through the Clearing Systems and/or an Alternative Clearing System as provided in the Trust Deed, each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Systems and/or an Alternative Clearing System, as the case may be, to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Notes outstanding by close of business on the relevant time and date for the blocking of their accounts in the relevant Clearing System and/or Alternative Clearing System (an "**Electronic Consent**"). Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) 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, (i) by accountholders in the Clearing Systems and/or an Alternative Clearing System, as the case may be, with entitlements to such Global Certificate and/or, (ii) where 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 (i) above, the Clearing Systems and/or an Alternative Clearing System, as the case may be, and, in the case of (ii) above, the Clearing Systems and/or an Alternative Clearing System, as the case may be, and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any Written Resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall 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.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the general corporate purposes of the Group including the financing of the repurchase of certain of the Existing Notes. On 14 May 2026, the Issuer announced an invitation to holders of its Existing Notes to tender their Existing Notes (up to a maximum acceptance amount) for purchase by the Issuer for cash. The offering of the Notes is not conditional on any minimum amount of the Existing Notes being repurchased pursuant to such tender offer.

BUSINESS DESCRIPTION

INTRODUCTION

Established in 1880, Vanquis Banking Group plc is the ultimate parent company of the Group, which is one of the leading providers of personal credit products to the non-standard credit market in the UK, servicing 1.77 million customers as at 31 December 2025.

The Issuer was incorporated as a public limited company in England and Wales on 31 August 1960 with registered number 00668987. It has its principal place of business and registered office at Fairburn House, 5 Godwin Street, Bradford, West Yorkshire, BD1 2AH and its telephone number is +44 1274 351 135.

The Group operates two business divisions which provided specialised products to meet the needs of the non-standard credit market: (i) the Vanquis Bank division ("**Vanquis Bank**"); and (ii) the Moneybarn division ("**Moneybarn**"). Following the sale of the Personal Loans business in the six months ended 30 June 2025 ("**1H 2025**"), the Group now comprises four segments: the three core lending products - Credit Cards, Vehicle Finance and Second Charge Mortgages - and the Corporate Centre. The Corporate Centre includes the residual performance of the Retail Savings business, Treasury results after product allocations, Snoop, and other immaterial or central items.

As at 31 December 2025, Vanquis Bank had over 1.3 million customers and over £2.1 billion in gross customer interest earning balances from both Credit Cards and Second Charge Mortgages, with an estimated 16 per cent. share of the UK non-prime (i.e. near-prime, mid-cost and sub-prime) segment for credit cards and an estimated 9.4 per cent. share of the UK Second Charge Mortgages stock. As at 31 December 2025, Moneybarn had 103,000 customers and £706 million in gross customer interest earning balances, representing approximately 19 per cent. market share of the UK non-prime segment.

The Group's driving social purpose is to deliver caring banking so its customers can make the most of life's opportunities which is inherently linked with its focus on providing consumers otherwise not well served by the mainstream credit market with a broad range of products suited to their individual needs.

The Group's strategy is to build upon its successful repositioning to a specialist banking group focused on mid-cost lending and has thus continued its expansion into near-prime segments. The Group's strategic and operational initiatives include: (i) investing for the future in IT and talent; (ii) developing its customer proposition with digital enhancements; and (iii) optimising its cost base.

RECENT DEVELOPMENTS

Discontinued operations

The Group sold its Personal Loan portfolio in March 2025. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' this business segment is presented in the 2025 Group Financial Statements as discontinued operations.

Segmental reporting

During 1H 2025 the Group reviewed and reallocated interest income, interest expense and costs to different product segments as reported under IFRS 8. This re-presentation is a further step in the Group's on-going commitment to enhance disclosures and to provide a more transparent reporting of the Group's continuing operations by product.

Exceptional items

The Group has transitioned to reporting solely on a statutory basis, removing adjustments for goodwill write-offs, transformation and other exceptional costs, and amortisation of acquisition intangibles.

This follows actions taken in 2024 that resulted in a cleaner, lower-risk balance sheet and improved transparency at both Group and product levels. Adjusted performance is expected to closely align with statutory results.

Group's performance for the year ended 31 December 2025

The Group's statutory profit before tax from continuing operations ("**PBT**") for the year ended 31 December 2025 ("**FY 2025**") was £8.3 million (for the year ended 31 December 2024 ("**FY 2024**") loss of £138.0 million).

The Group returned to profitability in FY 2025, reporting statutory profit before tax from continuing operations of £8.3 million (FY 2024: loss of £138.0 million) and a statutory return on tangible equity ("**ROTE**") of 2.3 per cent. (FY 2024: negative 32.1 per cent.).

- As at 31 December 2025 the Group's Common Equity Tier 1 ("**CET1**") ratio decreased 2.3 per cent. to 16.5 per cent., reflecting capital deployed to support accelerated balance growth following the optimisation of the Group's capital structure through the successful issuance of £60 million of Additional Tier 1 ("**AT1**") securities. Capital accretion from statutory profit attributable to shareholders, together with a 40 basis points benefit from the sale of the Personal Loans portfolio, was more than offset by a 13 per cent. increase in risk weighted assets ("**RWAs**") to £2,073 million. The Group's Tier 1 capital ratio increased 0.5 per cent. to 19.3 per cent., reflecting the £60 million AT1 issuance, partially offset by the movement in the CET1 ratio. The total capital ratio decreased 3.6 per cent. to 26.1 per cent., mainly due to the reduction in the CET1 ratio, as the AT1 issuance was largely offset by the redemption of £58.5 million of Tier 2 capital.
- As at 31 December 2025, the Group's gross customer interest-earning balances grew 22 per cent. in 2025 to £2,824 million (as at 31 December 2024: £2,308 million).
- For FY 2025, cost of risk reduced 1.1 per cent. to 7.3 per cent. (FY 2024: 8.4 per cent.), driven by the non-repeat of the prior-year £15.1 million Vehicle Finance receivables review, partially offset by increased impairment due to the 22 per cent. increase in gross customer interest-earning balances. Credit quality remained strong. Risk-adjusted income increased 5 per cent. to £273.8 million (FY 2024: £261.1 million), with risk-adjusted margin reducing 0.8 per cent. to 11.0 per cent. (FY 2024: 11.8 per cent.).
- As at 31 December 2025, the Group's total high quality liquid resources held by Vanquis Bank of £998 million (FY 2024: £947 million) included approximately £250 million invested in UK gilts (FY 2024: £nil), with the remainder held in the Bank of England reserve account.
- The board of directors of the Issuer announced no dividend with respect to 2025 (FY 2024: nil).

Credit card business

The Group's credit card business reported a profit before tax for FY 2025 of £38.2 million (FY 2024: £30.1 million), which reflected lower risk adjusted income offset by transformation cost savings and lower complaint costs.

- Total customer numbers increased 6 per cent. to 1,339,000 (FY 2024: 1,267,000), reflecting a return to growth from second quarter of 2025 following a comprehensive review of customer cohorts by risk profile, vintage and acquisition channel to ensure the future sustainable profitability of the portfolio.
- Gross customer interest-earning balances increased 19 per cent. to £1,518 million (FY 2024: £1,278 million), reflecting both credit line increases of existing customers, and new customer growth following the release of new product variants.
- Net receivables increased 20 per cent. to £1,384 million, reflecting the growth in gross customer interest-earning balances and a smaller 6 per cent. increase in impairment provision ("**ECL**") to £170 million, driven by a better quality portfolio, with increased balances in Stage 1 and 2 and a reduction in Stage 3 balances.
- Total income increased 1 per cent. to £352.5 million (FY 2024: £347.5 million). Net interest income rose 2 per cent. to £319.2 million (FY 2024: £312.5 million), with non-interest income decreasing 5 per cent. to £33.3 million (FY 2024: £35.0 million).

- Net interest margin decreased 0.5 per cent. to 23.3 per cent. and total income margin decreased 0.7 per cent. to 25.8 per cent.
- Impairment charges increased 13 per cent. to £139.6 million (FY 2024: £123.9 million), driven by the 19 per cent. growth in gross customer interest-earning balances. Gross charge-offs reduced 19 per cent. to £174.2 million and net charge-offs post recoveries reduced 20 per cent. to £132.3 million, reflecting the better quality of the portfolio. Cost of risk increased 0.8 per cent. to 10.2 per cent.
- Operating costs decreased 10 per cent. to £174.7 million (FY 2024: £193.5 million), driven by transformation cost savings and lower complaint costs, more than offsetting growth and inflation driven cost increases and an accrual for discretionary staff costs.

Vehicle finance business

The Group's vehicle finance business generated loss before tax of £12.7 million for FY 2025 (FY 2024: loss before tax of £38.8 million) and net receivables at the period end were £689 million (FY 2024: £735 million)

- Total customer numbers decreased 6 per cent. to 103,000 (FY 2024: 110,000), reflecting proactively managed new business growth in the near-term in advance of the new onboarding and servicing platform being delivered in 2026 as part of the Gateway technology transformation programme. A new lending decision engine was introduced in 2025, enabling a more granular level of portfolio segmentation and delivered a stronger platform to optimise higher-margin customer segments.
- Gross customer interest-earning balances decreased 8 per cent. to £706 million (£765 million), driven by the proactive management of new business growth.
- Net receivables decreased 6 per cent. to £689 million (£735 million), reflecting the reduction in interest earning balances and a 24.2 per cent. reduction in ECL to £73 million. ECL reduced across stages given the reduction in balances.
- Total income decreased 6 per cent. to £95.7 million (FY 2024: 101.7 million) which represented all net interest income. Net interest margin and total income margin increased 0.7 per cent. respectively to 13.0 per cent.
- Interest income decreased 7 per cent. to £123.9 million (FY 2024: £133.1 million), consistent with an 11 per cent. reduction in average gross customer interest-earning balances to £737 million (FY 2024: £825 million). The asset yield increased 0.7 per cent. to 16.8 per cent., driven by repricing initiatives.
- Impairment charges decreased 31 per cent. to £41.5 million (FY 2024: £60.4 million), reflecting the non-repeat of the £15.1 million prior year impact of the Vehicle Finance receivables review and reduced impairment from the 8 per cent. reduction in gross customer interest-earning balances. Cost of risk reduced 1.7 per cent. to 5.6 per cent.
- Operating costs decreased 17 per cent. to £66.9 million (FY 2024: £80.1 million), driven by transformation cost savings, more than offsetting growth and inflation driven cost increases and an accrual for discretionary staff costs.

Second charge mortgages business

During FY 2025, the second charge mortgages business generated profit before tax of £5.4 million (FY 2024: £0.6 million) and had net customer receivables of £619 million (FY 2024: £225 million).

- Total customer numbers increased to 9,900 (FY 2024: 3,700) following the successful growth of the forward flow agreement with Interbridge Mortgages and expanded partnership with Selina Finance.
- Gross customer interest-earning balances increased to £599 million (FY 2024: £217 million).

- Total income increased to £11.6 million (FY 2024: £1.4 million). Net interest margin was 2.7 per cent. (FY 2024: 2.0 per cent.) and total income margin was 3.0 per cent. (FY 2024: 2.0 per cent.).
- Risk adjusted income increased to £10.9 million (FY 2024: £1.2 million), including impairment charges of £0.7 million (FY 2024: £0.2 million). Cost of risk was 0.2 per cent. (FY 2024: 0.3 per cent.) and risk adjusted margin was 2.8 per cent. (FY 2024 1.7 per cent.).
- Operating costs were £5.5 million (FY 2024: £0.6 million), reflecting the limited fixed costs associated with the business given the origination partnership arrangements in place.

Discontinued operations

- Profit after tax from discontinued operations was £0.7 million (FY 2024: £1.3 million), related to the Personal Loans portfolio, the sale of which completed at the end of March 2025.

Vehicle Finance Update

- The FCA has published two industry-wide schemes to compensate motor finance customers who were treated unfairly between 2007 and 2024. The Group has no agreements that meet the criteria for Scheme 1. Scheme 2 covers regulated motor finance agreements taken out between 1 April 2014 and 1 November 2024 where commission was payable by the lender to the broker. It outlines a presumption of unfairness for motor finance agreements entered into in that time period where: discretionary commission arrangements (DCAs) were used; high commission (where the commission is equal to or greater than 39 per cent. of the total cost of credit and 10 per cent. of the loan) was paid; and there was an exclusive or tied broker-lender relationship. Discretionary commission arrangements ("DCAs") have been the focus of regulatory and claims activity for several years. The Group did not participate in DCAs, nor did it enter into any exclusive or tied broker-lender relationships. The Group is therefore not in scope for these elements of the FCA motor finance compensation scheme.
- The Group has 4,338 credit agreements where commissions paid were for amounts above 39 per cent. of the total charge for credit and 10 per cent. of the total amount of credit.
- The FCA has provided that non-prime lenders, which include Moneybarn (Vanquis' Vehicle Finance business), may rebut the presumption of customer loss by demonstrating that the customer would not have secured a better deal elsewhere. In such cases, no redress would be due. The Group believes a significant number of its agreements may meet this test and is collating the required supporting evidence.
- The Group continues to recognise a £3.0 million provision based on a number of probability weighted scenarios.
- This provision continues to be reviewed and refined as the implications of the final scheme rules are worked through.
- The Group remains committed to ensuring customers receive appropriate redress where detriment has occurred. The Group believes the scheme may not reflect the actual financial impact on customers or align with the principle of proportionate and reasonable compensation where harm is demonstrated.

Group's performance for the three months ended 31 March 2026

- During the three months ended 31 March 2026 ("Q1 2026"), the Group's gross customer interest-earning balances (excluding post charge off assets and deferred acquisition costs) increased to £2,932 million (FY 2025: £2,824 million; for the three months ended 31 March 2025 ("Q1 2025"): £2,313 million) and the Group's net receivables increased to £2,802 million (FY 2025: £2,691 million; Q1 2025: £2,176 million).
- For Q1 2026, the Group's net interest margin was 15.6 per cent. (Q1 2025: 17.8 per cent.; for the three months ended 31 December 2025 ("Q4 2025"): 16.1 per cent.). The Group's net interest margin for Q1 2025, Q1 2025 and Q4 2025 is calculated as interest income less interest expense

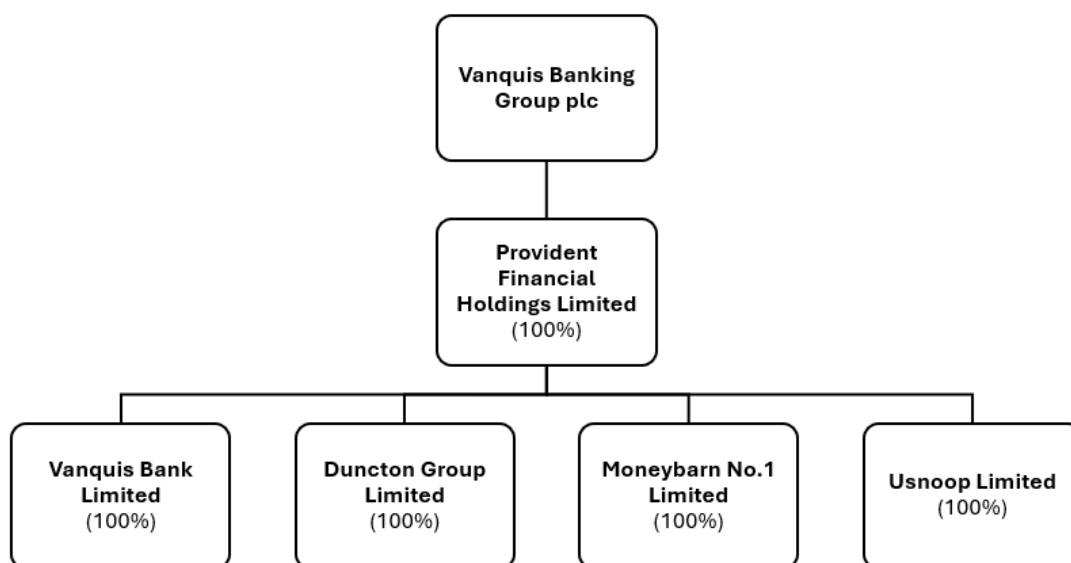
for the relevant three month period as a percentage of average gross customer interest-earning balances for the relevant three month period using 4-point month end averages.

- For Q1 2026, the Group's risk adjusted margin was 9.4 per cent. (Q1 2025: 13.2 per cent.; Q4 2025: 9.4 per cent.). The Group's risk adjusted margin for Q1 2025, Q1 2025 and Q4 2025 is calculated as total income less impairment charges for the relevant three month period as a percentage of average gross customer interest-earning balances for the relevant three month period using 4-point month end averages.
- The Group's CET1 ratio for Q1 2026 was 15.9 per cent (FY 2025: 16.5 per cent.; Q1 2025: 19.0 per cent.). This includes unverified Q1 2026 profits.

BUSINESS OVERVIEW

Group structure

The Issuer is the ultimate holding company of the Group. The full list of the subsidiary undertakings of the Issuer as at 31 December 2025 is outlined in Note 38 (*Details of subsidiary undertakings*) of the 2025 Group Financial Statements. A summary of the Group's structure is set out below:



Vanquis Bank

Overview

Established in 2003, Vanquis Bank is a leading issuer of credit cards in the non-standard credit market in the UK, promoting financial inclusion by bringing credit cards to people who may typically be declined by mainstream credit card providers. The Group's analysis of TransUnion's credit data suggests Vanquis Bank credit cards are held and actively used by 16 per cent. of credit card holders in the Group's target addressable market.

The following table sets out summary information relating to the Vanquis Bank Credit Cards business for the years ended 31 December 2025 and 2024.

	For the year ended 31 December (audited)	
	2025	2024
	<i>(£m's except customer numbers and percentages)</i>	
Credit cards		
Number of customers at end of period ('000)	1,339	1,267
Period end amounts receivable from customers	1,384	1,150
Average gross customer interest earning balances.....	1,367	1,313
Annualised asset yield ⁽¹⁾	27.1 per cent.	27.9 per cent.

(1) The amounts for the years ended 31 December 2025 and 31 December 2024 represent interest income for the year ended on the relevant 31 December as a percentage of average gross customer interest earning balances for the thirteen months ended on the relevant 31 December.

Products

Credit cards

Vanquis Bank currently offers a range of own-brand credit cards, each of which is designed to appeal to the varying profiles and credit needs of Vanquis Bank's customers. An overview of Vanquis Bank's on sale credit card offerings as at 31 December 2025 is set out below:

Product	Initial Credit Limit	Rep Annual Percentage Rate (per cent.)
Vanquis Credit Builder Card	£250 - £2,500	42.9
Vanquis Balance Transfer Card	£250 - £7,000	33.9

(1) Most of the revenue generated is interest income but there are also some standard credit card fees and charges (i.e. cash withdrawal fees).

Vanquis Bank uses a methodology which has been developed over time and which balances business growth with risk management (i.e. higher risk customers are left on lower credit limits). This approach is a central pillar of its lending strategy: responsibly giving the customer the amount they need and offering further credit line increases where good repayment performance is displayed. Across all card products, 89 per cent. of customers who responded to Vanquis Bank's October 2023 Customer Pulse survey reported that they were satisfied with Vanquis Bank. The average utilisation of credit card limits was around 44.4 per cent. as at 31 December 2025. The weighted average annual percentage rate ("**APR**") by customer balance of Vanquis Bank's customer portfolio as at 31 December 2025 was 33.7 per cent.

Unsecured personal loans

Following the review of the loans product, the Group made the decision to sell its unsecured personal loan portfolio in March 2025, at which point the portfolio was reclassified as a discontinued operation and was fully migrated to the purchaser at the end of June 2025.

Second charge mortgages

At the end of the third quarter of 2023, Vanquis Bank commenced the purchase of second charge mortgages via a forward flow agreement with third-party originators and added a second forward flow agreement in 2024. These forward flow agreements are structured in such a way that Vanquis Bank provides funding for the origination of these mortgage assets (known as "wet funding", as the funding is provided in advance of the mortgage assets being originated), with the origination (including sales, pricing, underwriting, compliance with laws and regulation) and servicing activities being outsourced to third-party originators. Within these forward flow agreements, Vanquis Bank has set specific eligibility criteria and concentration limits, with the aim of ensuring that the second charge mortgage assets originated (individually and at a portfolio level) meet these prescribed measures. The portfolio is growing in a managed way and at the end of 2025 Vanquis Bank has a second charge mortgage book of £599 million with a weighted average LTV of 71.1 per cent. The forward flow agreements are supported by security over the collection accounts of the relevant third-party originator and assignments of the third-party originator's rights under the loans and in certain circumstances Vanquis Bank is able to enforce such security and, with support from a back-up servicer, take direct control of the loans and collections.

There are specific risks related to the operation of the second charge mortgages business, see further "*Risk Factors – Risks relating to the Group and its business – Risks relating to the Business of the Group – Second charge mortgage risks*". In particular, there has been recent market attention on the risks related to fraudulent activities at originators. Vanquis Bank relies on third-party originators rather than directly providing second charge mortgages. Vanquis Bank has historically applied heightened due diligence processes to its forward flow arrangements with third-party originators, including using an external auditor to run a sample check of the loans to ensure they adhere to the policies and contractual framework agreed between the third-party originator and Vanquis Bank and are accurately reflected on the third-party originator's systems. Following the recent heightened concern and market attention of the risks related to forward flow arrangements, Vanquis Bank has enhanced its processes to include additional due diligence and testing to try to further reduce the risk of fraudulent behaviour.

Retail deposits

Vanquis Bank offers fixed, notice and access deposit products across ISA and non-ISA markets to UK depositors via online only applications. Its fixed range deposits range from one to five years. The minimum opening deposit for any Vanquis Bank deposit product is £1,000 and the maximum balance allowed per customer is £250,000. In April 2024, Vanquis Bank added notice cash ISAs to its widely available deposit range and introduced easy access deposits to existing customers. In August 2024, Vanquis Bank began offering easy access deposits to the open market. In March 2025, Vanquis Bank launched easy access ISAs, restricted access products (ISAs and non-ISAs) and 1- and 2-year Fixed rate ISAs into the market.

The deposit taking platform and operation is outsourced to Newcastle Strategic Solutions, a specialist subsidiary of the Newcastle Building Society Group, which has established a reputation in the outsourced savings market and provides outsourcing to a number of other PRA and FCA regulated banks and building societies. By virtue of the outsourcing agreement, the Group is able to offer competitive rates and to date has been successful in attracting high volumes of deposits, particularly in short timescales, from a wide range of retail customers. This provides a funding profile which offers additional financial security to the business.

As at 31 December 2025, retail deposits were the Group and Vanquis Bank's primary source of funding. Group cost of funds (excluding fees, IFRS 16 and swaps) was 5.0 per cent. on an annualised basis at 31 December 2025. The AAA-rated notes issued by the Vanquis Bank credit card securitisation were accepted as eligible collateral for the Bank of England funding and liquidity schemes.

Retail Deposits are also acquired via the Snoop brand (see "*Snoop*" section below).

Distribution channels

Customer recruitment is primarily carried out through a combination of marketing by internet advertising (including using social media platforms) and introducer partners ("**Introducer Partners**") using price comparison websites. Introducer Partner marketing is currently the primary channel of customer recruitment for Vanquis Bank.

Customer profile

Vanquis Bank offer credit card products with a structured path to better credit and financial inclusion and supports underserved customers who face barriers to accessing mainstream financial services, often due to limited credit history, lower income or low financial resilience. Vanquis Bank focuses on three core customer needs: help me borrow healthily; help me feel in control of my everyday spending; and help me build a financial safety net. In 2023, 2024 and 2025, Vanquis Bank received the Moneyfacts Consumer Award for Best Credit Builder Card Provider of the Year. Across 2025, Vanquis Bank helped its customers improve their credit scores, increase their credit limits and identify unclaimed benefits.

IT and infrastructure

Investment in technology capability is fundamental to Vanquis Bank's strategy. Vanquis' IT advancements are all incorporated into a group-wide IT strategy to coalesce customers on a unified modern technology stack over the next couple of years, to increase agility, flexibility, reduce cost and improve the Group's risk and security posture. Additional development continues, with key activities including:

- Regulatory and Compliance: Enhancements continue to be made when needed to ensure compliance with regulatory and compliance requirements.
- Technology Resilience and Maintenance: Updating and upgrading technology in Vanquis Bank to assure continuity and resilience of services to customers and colleagues.
- Technology Control Environment and Security: Strengthening of the IT control environment, and introduction of additional tooling to increase the security posture particularly in respect of ransomware and phishing.
- Data: Upgrading of data architecture to improve the management, analysis and use of data, resulting in improved strategies and decisions.
- Product development: The continued iterative development of additional features.

Funding

For further detail on the funding arrangements for Vanquis Bank and the wider Group see "*Capital and Liquidity – Liquidity – Funding*" below.

Regulation

Vanquis Bank is authorised and regulated by the PRA and regulated by the FCA. The PRA is responsible for the prudential supervision of banks, building societies, credit unions, insurers and investment firms and the FCA regulates the conduct of such firms and market integrity for the segments in which they operate. The board of directors of Vanquis Bank ("**Vanquis Bank Board**") includes non-executive directors who are independent of the Group to ensure compliance with applicable PRA rules, and the Vanquis Bank Board primarily leads on PRA interaction.

Risk management

The Risk Committee is responsible for setting the credit policy of Vanquis Bank. The Deputy CEO is responsible for ensuring that the approach to lending is within sound risk and financial parameters and that key metrics are reviewed to ensure compliance with policy. The Deputy CEO discharges and informs this decision making through the Credit Committee with the support and oversight of the Chief Risk Officer.

The Credit Committee meets, as a minimum, 10 times per year. A customer's risk profile and credit line are evaluated at the point of application and at various times during the agreement. Internally generated scorecards based on historical payment patterns of customers are used to assess the applicant's potential default risk and their ability to manage a specific credit line. For new customers, the scorecards incorporate data from the applicant, such as income/expenditure and employment, and data from external credit bureaux. For existing customers, the scorecards also incorporate data on actual payment performance and product utilisation and take data from an external credit bureau each month to refresh customers' payment performance position with other lenders. Credit lines can go up as well as down according to this point in time risk assessment.

Arrears management is a combination of central letters, inbound and outbound telephony, SMS, email and outsourced debt collection agency activities. Contact is made with the customer to discuss the reasons for non-payment and specific strategies are employed to support the customer in returning to a good standing or appropriate forbearance arrangements are put in place.

Moneybarn

Overview

Moneybarn was acquired by the Group on 20 August 2014 and is one of the leading providers of near-prime and non-standard vehicle finance in the UK.

The following table sets out summary information relating to the Moneybarn business for the years ended 31 December 2025 and 2024.

	For the year ended 31 December (audited)	
	2025	2024
	<i>(£m's except customer numbers and percentages)</i>	
Number of customers ('000).....	103	110
Period end amounts receivable from customers	689	735
Average gross customer interest earning balances.....	737	825
Annualised asset yield ⁽¹⁾	16.8 per cent.	16.1 per cent.

(1) The amounts for the years ended 31 December 2025 and 31 December 2024 represent interest income for the year ended on the relevant 31 December as a percentage of average gross customer interest earning balances for the thirteen months ended on the relevant 31 December.

Products – Motor Finance

Moneybarn provides customers with a conditional sale vehicle finance product in the near prime and non-prime vehicle market. The amount of which can be secured against either a car, light commercial vehicle or motorbike. An overview of Moneybarn's offering as at 31 December 2025 is set out below:

Product	Loan amount	Loan Duration	Rep Annual Percentage Rate Range	Av. Loan Size at Origination
Moneybarn Conditional Sale Agreement	<i>£4,000-£35,000</i>	<i>36-60 months</i>	<i>30.7 per cent.</i>	<i>£9,336.01</i>

(1) All revenue generated from interest income – a fixed price credit, no additional fees and charges.

Moneybarn covers one of the broadest ranges of APRs in its sector, from 18.5 per cent. to 47.5 per cent.

The weighted average APR by customer interest earning balance of Moneybarn's customer portfolio as at 31 December 2025 was 29.1 per cent.

Cars made up 88.6 per cent. of the book, with Ford Focus being the most popular model, 55 per cent. of all agreements are for diesel vehicles and 3 per cent. are renewable/ hybrid.

Distribution channels

Moneybarn operates a multi-channel acquisition model across the UK which consists of dealers, dealer brokers and internet brokers. As at 31 December 2025, Moneybarn had 41 introducer (broker and dealership) relationships. These are, in the main, long-standing relationships that have existed for many years and involve high levels of support and engagement.

Customer profile

Moneybarn's Vehicle Finance business helps its customers buy used cars with affordable, tailored credit via trusted brokers – enabling customers to get a more reliable vehicle, or for some, their first car.

IT and infrastructure

Investment in technology capability is fundamental to Moneybarn's strategy. Moneybarn's IT advancements are all incorporated into a group-wide IT strategy to coalesce customers on a unified modern technology stack over the next couple of years, to increase agility, flexibility, reduce cost and improve the Group's risk and security posture. Additional development continues, with key activities including:

- **Regulatory and Compliance:** Enhancements continue to be made when needed to ensure compliance with regulatory and compliance requirements.
- **Technology Resilience and Maintenance:** Updating and upgrading technology in Moneybarn to assure continuity and resilience of services to customers and colleagues.
- **Technology Control Environment and Security:** Strengthening of the IT control environment, and introduction of additional tooling to increase the security posture particularly in respect of ransomware and phishing.

- Data: Upgrading of data architecture to improve the management, analysis and use of data, resulting in improved strategies and decisions.
- Product development: The continued iterative development of additional features.

Funding and Capital Structure

The funding of Moneybarn is through intercompany loans from the Group and by accessing the bilateral securitisation facility ("**Securitisation**"), see further "Capital and Liquidity – Liquidity – Funding" below, including in respect of the Group's receipt of a CUG waiver for lending by Vanquis Bank to Moneybarn.

A significant proportion of new business is funded from customer repayments on the existing customer book.

Regulation

Moneybarn No. 1 Limited is authorised and regulated by the FCA.

Risk management

The Risk Committee is responsible for setting the credit policy of Moneybarn. The Deputy CEO is responsible for ensuring that the approach to lending is within sound risk and financial parameters and that key metrics are reviewed to ensure compliance with policy. The Deputy CEO discharges and informs this decision making through the Credit Committee with the support and oversight of the Chief Risk Officer.

The Credit Committee meets, as a minimum, 10 times per year.

A customer's credit risk profile and ability to afford the proposed contract is initially evaluated both at the point of application, and subsequently should the customer fall into arrears. A scorecard based on historical payment patterns of customers is used to assess the applicant's potential default risk. The scorecard incorporates data from the applicant, such as income and employment, and data from an external credit bureau. The application assessment process involves verification of key aspects of the customer data. Certain policy rules including customer profile, proposed loan size and vehicle type are also assessed in the decisioning process, as well as affordability checks to ensure that, at the time of application, the loan repayments are affordable.

Arrears management is conducted by way of a combination of letters, inbound and outbound telephony, SMS, email and outsourced debt collection agency activities. Contact is made with the customer to discuss the reasons for non-payment and specific strategies are employed to support the customer in returning to a good standing and retaining use of the vehicle. These include appropriate forbearance arrangements, or where the contract has become unsustainable for the customer, then an appropriate exit strategy is implemented.

Snoop

Snoop was founded in 2019 by Dame Jayne-Anne Gadhia and publicly launched in April 2020. The Issuer acquired Snoop on 7 August 2023.

Snoop is a consumer-focused financial technology platform powered by open banking. The Snoop application enables users to view information from multiple bank accounts and credit cards in a single interface, helping them track spending, manage budgets and improve their financial position. The platform provides alerts and data-driven insights designed to help users identify opportunities to reduce household costs, including through switching providers for services such as utilities and other regular bills. Snoop is authorised by the FCA as an Account Information Service Provider.

Snoop is primarily offered as a free to use application. It also offers a premium subscription service, Snoop Plus, which provides additional money management and financial insight features for a monthly or annual fee. In December 2024, Snoop launched Snoop Savings, offering an easy access savings product designed to help users build savings alongside the platform's money management tools.

Since launch, Snoop has received a number of industry awards recognising its technology, data and consumer proposition, including Innovation of the Year at the British Bank Awards, Best Consumer App at the Open Banking Expo Awards, and Financial Services Company of the Year at the British Data Awards.

Group Risk Governance

The Group continues to optimise the manner in which it manages risk. A key component of this is embedding a strong risk environment, through clear accountability, a culture of transparency and constructive challenge. Several initiatives across the Group have driven this optimisation, including Group Risk Harmonisation which is the implementation of enhanced Group Risk Policies and Risk Governance. Central to this is the growing use of models to measure and facilitate risk across the Group. Over the two years prior to the date of this Offering Circular, the Model Risk team have enhanced model governance throughout the Group and validated the model that it uses. Since 2022, the Group has operated a single Risk System delivering consistent risk appetite reporting, controls monitoring and providing a single way to raise and manage risk events. The Group has transitioned from legacy divisional policies to a single risk policy suite providing further consistency and clarity across the Group regarding risk governance and ensuring that a consistently strong risk culture is embedded across the Group.

With respect to governance, the Board Governance Manual and Delegated Authorities Manual are in place to provide a framework for key decision making at all levels across the Group and divisions. The Group has put in place Executive Director scorecards, with reward incentives based on a combination of financial and non-financial measures, and an effective risk adjustment framework has been implemented appropriately. The membership of the Vanquis Bank Board and Moneybarn Board is substantially aligned with that of the Issuer's Board to create a more efficient group governance structure.

Intellectual Property

The Group protects its intellectual property through a combination of trademarks, copyright, domain registrations and contractual provisions. As at 13 March 2026, the Group held an interest in 120 trademarks in the UK and internationally, as well as holding 558 domain registrations.

Property

As at 1 March 2026, the Group owned or had an interest in 74 properties in the UK. This includes 69 freehold reversionary interests in ground leases and four long term leaseholds (in excess of 10 years) and one occupational service agreement.

Of the 69 freehold reversionary interests in ground leases, 68 relate to properties in St Helens, Merseyside. These properties are currently being prepared to be sold as a portfolio at auction.

Of the four long term leasehold interests, the business is entering into an agreement for surrender of the premises at 20-24 Crompton Street, Wigan which will result in the lease coming to an end in the next six months.

The Group has also sub-let one property of which it is the landlord.

Employees

The Group employed an average of 1,252 people in 2025, across Bradford, London, Chatham, Petersfield and remote locations.

Between 2023 and 2024, the Group undertook several restructures to improve efficiency, reduce costs and strengthen customer support. In October 2023, it reset its business model by consolidating shared services and product teams and expanding its partnership with Sigma which has operations in South Africa. In 2024, further changes were made, including outsourcing customer operations to the UK suppliers Sigma, Teleperformance (with operations in India), and a new partner, Huntswood (with operations in South Africa). Later that year, additional proposals followed after one off financial impacts were identified in July 2024. The Group reviewed its strategy to reduce costs, rebalance revenue and ensure sustainable, profitable growth into 2026, which required "right sizing" the organisation and redundancies.

After these significant changes, 2025 became a year to stabilise and focus on strengthening the colleague proposition, informed by extensive colleague feedback through engagement surveys and other forums. The

Group launched a culture transformation programme, taking deliberate steps to understand its culture more deeply and working with colleagues to define the ACT Culture statement - Ambitious, Caring and Together. This culture is now being embedded across the organisation, reinforcing accountability, collaboration and customer focus, and forming a critical foundation for the next phase of growth.

The refreshed and evolving colleague proposition, combined with the culture transformation, has driven higher engagement across the Group in 2025. This progress is reflected in achieving Great Place to Work certification in late 2025, being named on the UK's Best Workplaces List for 2026 and being recognised by the Financial Times as one of the UK's Best Employers, demonstrating deeper colleague engagement and alignment with the Group's purpose.

Directors

The Issuer's Directors and directorships and partnerships held by the Directors (other than, where applicable, directorships held in the Issuer and other members of the Group), are set out below:

<u>Name</u>	<u>Directorships/Partnerships</u>	<u>Position</u>
Sir Peter Estlin	Non-executive director of NM Rothschild Ltd. Supervisory Board member at Rothschild WAM Co and Rothschild & Co and of the Institute for Apprenticeships and Technical Education (IfATE) Chair of FutureDotNow and Association of Apprentices Trustee at Ironmongers Trust Company Director at Revolut Newco UK Ltd	Chair
Ian McLaughlin.....	Director at UK Finance Limited	Group Chief Executive Officer
David Watts	Independent Non-Executive Director at CAF Bank Limited	Group Chief Financial Officer
Graham Lindsay	Senior Independent Director at OneFamily and Chair of the Pension Trustee Board Trustee of Break Charity Emeritus Trustee of The Brain Tumour Charity. Director at Family Assurance Staff Pension Scheme Trustees Ltd Vice Chair of Skipton Group	Independent Non-executive Director
Michele Greene.....	Executive Director and co-founder of Mololo Limited Non-executive director of Bank of Ireland Group plc, J&E Davy Unlimited and, East End Fair Finance Limited Trustee of Bank Ireland Pension Fund	Senior Independent Non-executive Director
Jacqueline Noakes.....	Director at SLFC Services Company (UK) Limited Director at The Scottish Mutual Assurance Society Director at Pearl Group Services Limited. Director at PGMS (Glasgow) Limited and PGS 2 Limited Director at Reassure UK Services Limited. Group Chief Operating Officer of the Phoenix Group	Independent Non-Executive Director
Karen Briggs	Chair of Audit & Risk Committee and Independent Council Member of Imperial College London Non-executive director and Trustee of Invictus Games Foundation Board and IGF Trading Limited Advisory Council Member for Elevate City, a women's leadership network Chair of Audit Committee and non-executive director of SMBC Bank International plc and Happold LLP Chair of Audit & Risk Committee and Non-executive director of Chubb Underwriting Agencies Limited Non-executive director of Chubb European Group SE	Independent Non-Executive Director

Name	Directorships/Partnerships	Position
Olivier Laird.....	Chair of Audit Committee and Board Member of Beverly Building Society Non-executive Director and Audit Committee Chair of the Shepherds Friendly Society UK Board of Paysafe Limited	Independent Non-Executive Director
Michael Mustard	None	General Counsel and Company Secretary

The business address of each of the Directors is Fairburn House, 5 Godwin Street, Bradford, West Yorkshire BD1 2AH, United Kingdom.

Ian McLaughlin and David Watts are directors of a number of subsidiaries of the Issuer. As a result, potential conflicts of interest may from time to time arise between the duties the Directors owe to the Issuer and duties owed in respect of such additional Directorships. The Issuer's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board of the Issuer has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

Senior Managers

The following senior managers are considered relevant to establishing that the Issuer has the appropriate expertise and experience for the management of its business:

Name	Position
Ian McLaughlin.....	Group Chief Executive Officer
David Watts	Group Chief Financial Officer

The business address of each of the senior managers is Fairburn House, 5 Godwin Street, Bradford, West Yorkshire BD1 2AH, United Kingdom.

MAJOR SHAREHOLDERS

The principal shareholders of the Issuer as at 31 March 2026 are as follows:

Redwood Capital Management	13.45 per cent.
Schroders Investment Management.....	12.04 per cent.
Artemis Investment Management.....	9.49 per cent.
Janus Henderson Investors	5.79 per cent.
Stichting Value Partners	4.88 per cent.
Harwood Capital LLP	3.90 per cent.
Norges Bank Investment Management.....	3.54 per cent.

CAPITAL AND LIQUIDITY

CAPITAL

Vanquis Bank is subject to prudential regulation and supervision by the PRA. In addition, the Group, incorporating Vanquis Bank and Moneybarn, is the subject of consolidated supervision by the PRA due to the Issuer being the parent company of Vanquis Bank. The PRA sets requirements for Vanquis Bank and the consolidated Group in respect of capital adequacy, large exposures and liquidity on a solo entity and consolidated basis.

In accordance with the Capital Regulations (as defined in the Conditions), the Group's Internal Capital Adequacy Assessment Process ("**ICAAP**") is embedded in the risk management framework of the Group. It is subject to ongoing updates and revisions where necessary, but as a bi-annual review is undertaken as part of the business planning process. This frequency is aligned to the rules finalised in the PRA Policy Statement (PS4/26) – *The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs) – final*. The ICAAP brings together the risk management framework, including stress testing using a range of scenarios, and the financial disciplines of business planning and capital management. An ICAAP is conducted on a consolidated basis for the Group and a solo basis for Vanquis Bank as a regulated entity. The ICAAP considers all risks facing the business, including credit, operational, counterparty, conduct, market and pension risks, and assesses the capital requirement for such risks in the event of downside stresses should such requirement exceed that set out under the Pillar 1 framework.

The Group follows the PRA Pillar 2A capital guidance methodology to determine the level of capital that needs to be held. This methodology considers all risks facing the business, including credit, operational (both conduct and non-conduct), credit concentration, market and pension obligation risks, and assesses the capital requirement for such risks. Where it is considered that the Pillar 1 calculations do not adequately reflect the risks, additional Pillar 2A capital is held. Through this methodology the Group and Vanquis Bank are set a Total Capital Requirement by the PRA (exclusive of any additional buffer requirements as described below), on a consolidated and solo basis respectively, being the sum of the Pillar 1 and Pillar 2A requirements.

The ICAAP includes a summary of the capital required to mitigate the identified risks in the Group's regulated entities and the amount of capital that the Group has available. The Group and Vanquis Bank have complied with all of the externally imposed capital requirements to which they are subject for the period ended 31 December 2025.

To support the delivery of the Group's purpose, the Group operates a financial model that is founded on investing in customer-centric businesses offering attractive returns which aligns an appropriate capital structure focused on optimising shareholder value, in a safe and sustainable manner. The capital management policy of the Group helps to ensure capital resources are sufficient to support planned levels of growth.

The ALCo is responsible for monitoring the level of regulatory capital. The level of regulatory capital against requirements is reported to the Board on a monthly basis in the Group's management accounts.

The overall capital requirement imposed by the PRA on firms is the sum of the Total Capital Requirement, combined Capital Regulations buffer requirements (the Capital Conservation Buffer ("**CCoB**") and the Countercyclical Capital Buffer ("**CCyB**")) and the PRA buffer requirements as applicable (including any firm-specific confidential buffer).

The Total Capital Requirement must be met with at least 56.25 per cent. CET1 capital and 75 per cent. Tier 1 capital (comprised of CET1 and Additional Tier 1 capital). All additional buffers are to be met entirely with CET1.

The CCoB is currently set to 2.5 per cent. and the CCyB is currently set to 2.0 per cent.

The PRA last conducted a capital supervisory review and evaluation process (C-SREP) of the Group's capital requirements, based on the ICAAP approved in June 2025, which concluded in October 2025. The outcome was that the Group's Total Capital Requirement (being the sum of the Pillar 1 and Pillar 2A requirements) has been set at 12.1 per cent. of Risk-Weighted Exposures ("**RWE**"), stated inclusive of fixed monetary add-ons. Including the current regulatory combined buffers of 4.5 per cent., the Group's overall

capital requirement is 16.6 per cent. of RWE (excluding any firm-specific confidential and management buffers).

As of the date of this Offering Circular, the Group's total capital is made up of CET1, AT1 capital and Tier 2 capital. CET1 comprises equity share capital and reserves (excluding other equity instruments) after deducting foreseeable dividends in line with the current dividend policy, less: (i) the net book value of goodwill and intangible assets, net of deferred tax; (ii) the pension asset, net of deferred tax, and the fair value of derivative financial instruments; and (iii) deferred tax assets not arising from temporary differences.

At 31 December 2025, the Group held total regulatory capital of £541.5 million, of which £341.3 million was CET1, £58.6 million was AT1 and £141.5 million was Tier 2. This equates to a total capital ratio of 26.1 per cent. (compared with the Group's overall capital requirement (excluding any firm-specific confidential PRA buffer, if applicable) of 16.6 per cent.), a CET1 ratio of 16.5 per cent. (compared with the Group's CET1 requirement (excluding any firm-specific confidential PRA buffer, if applicable) of 11.3 per cent.) and a Tier 1 ratio of 19.3 per cent. (compared with the Group's Tier 1 requirement (excluding any firm-specific confidential PRA buffer, if applicable) of 13.6 per cent. The regulatory capital headroom above the overall capital requirement of £344 million (16.6 per cent. of risk weighted exposure amount, excluding any firm-specific confidential PRA buffer) was £197 million at the period end.

At 31 December 2025, the Group had a leverage ratio of 12.1 per cent. The leverage ratio is the ratio of Tier 1 capital divided by the leverage exposure (which excludes claims on central banks). The PRA has set the minimum UK leverage ratio of 3.25 per cent. for UK firms with retail deposits of over £75 billion and a minimum requirement is therefore not applicable to the Group. Notwithstanding this, the Group's leverage ratio has remained well in excess of this level.

LIQUIDITY

Funding

The Group, incorporating Vanquis Bank and Moneybarn, has a funding strategy in place which is intended to maintain a secure, prudent and well-diversified funding structure at all times, sufficient to ensure that it can continue to fund the growth of the business. Moneybarn and central operations (the non-bank Group) are funded via a private placement securitisation warehouse, retail deposits (from Vanquis Bank, that has been granted a CUG waiver for such lending), together with dividend receipts from Vanquis Bank. Retail deposits and access to the Bank of England's Sterling Monetary Framework are used to fund Vanquis Bank. The retail deposits consist of a range of products including (i) fixed term deposits of 1 to 5 years; (ii) notice savings accounts; (iii) 'easy access' savings accounts; (iv) cash ISAs; and (v) fixed individual savings accounts of 1 to 2 years, all subject to cover by the FSCS. Vanquis Bank does not take corporate deposits, other than from its ultimate parent company, the Issuer.

As at 31 December 2025, the Group had total committed borrowing facilities, including retail deposits but excluding fair value adjustments for hedged risk, of £3,367.4 million. These facilities had a weighted average period to maturity of 0.9 years. Total reported Group borrowings at 31 December 2025 were £3,367.4 million. Excluding £39.8 million of uncommitted borrowings, fees, accrued interest and fair value adjustments for hedged risk on borrowings, Group borrowings on committed debt facilities were £3,327.6 million. The Group had no undrawn committed borrowing facilities at 31 December 2024 and 30 June 2025.

Further detail regarding the funding structure of the Group's committed borrowing facilities at 31 December 2024 can be found in Note 28 (*Borrowings*) of the 2025 Group Financial Statements.

As at 31 December 2025, the Group's weighted average cost of funds (excluding fees, IFRS 16 and swaps) was 5.0 per cent. (5.5 per cent. as at 31 December 2024). Vanquis Bank manages its deposit levels to ensure it meets its funding requirements (including satisfaction of the Overall Liquidity Adequacy Rule) and continues to hold a significant excess of liquidity over its regulatory requirements.

Interest costs in relation to retail deposits increased to £115.6 million in the year ended 31 December 2025, versus £97.5 million in the year ended 31 December 2024, reflecting the 24 per cent increase in retail deposit balances (2025: £3,019.7 million; 2024: £2,428.2 million), offset by the shift in mix to shorter dated deposits at a typically lower cost.

As at 31 December 2025, Moneybarn had a securitisation warehouse which provided £200.0 million of committed funding to June 2026 after which it would amortise for 12 months as principal payments are received.

On 1 November 2022, the Group received notice from the PRA that it had approved the Group's application for a CUG large exposure waiver which enables Moneybarn to access funding from Vanquis Bank with immediate effect. This enables the Group's transition to a traditional bank funding model in which the Group's funding will consist of; (i) retail deposits; (ii) securitisation of the credit cards and vehicle finance books; and (iii) liquidity and funding facilities at the Bank of England. The CUG waiver was extended in July 2025 for a further three years.

The CUG waiver allows Vanquis Bank to disapply the large exposures limit imposed by the Article 395 in the Large Exposures (CRR) Part of the PRA Rulebook when lending to other UK group entities, specifically Moneybarn. The benefit to the Group of obtaining a CUG waiver is the potential to achieve greater financial efficiency through optimisation of the Group-wide funding mix.

The PRA requested that, in support of the CUG waiver application, Vanquis Bank and Moneybarn enter into a CSA in order to comply with the provisions of section 2.8 of the PRA's Supervisory Statement SS16/13 that states that, in the case of a counterparty which is not a PRA-authorized firm, the application should include a legally binding agreement between the firm and the counterparty to promptly, on demand by the firm, increase the firm's Tier 1 capital by an amount required to ensure that the firm complies with the provisions contained in Own Funds (CRR) Part of the PRA Rulebook and any other requirements relating to Tier 1 capital or concentration risk imposed on a firm by or under the regulatory system. In accordance with PRA guidance, the CSA requires Moneybarn to contribute only the Tier 1 capital available to Moneybarn and does not require Moneybarn to render itself balance sheet insolvent as a result. The risk to Moneybarn of this arrangement is offset by the corporate benefit gained by Moneybarn in receiving cost-efficient funding directly from Vanquis Bank.

Lending by Vanquis Bank to Moneybarn is subject to an annual credit risk assessment which assesses the financial health of Moneybarn and its ability to generate cash flows, to ensure they are sufficient to service the loan(s) according to the loan terms. The annual credit risk assessment is a detailed point in time assessment, utilising information from Moneybarn's reports and accounts and annual budget. Regular reassessment of the financial health of Moneybarn is performed through monitoring key performance indicators. The key performance indicators allow Vanquis Bank to identify if lending continues to be within risk appetite, before committing to additional lending.

Liquidity management

To ensure that sufficient liquid resources are available to fulfil operational plans and meet financial obligations as they fall due in a stress event, the PRA requires that all regulated entities maintain a liquid assets buffer held in the form of high-quality, unencumbered assets.

As an authorised UK banking institution, the Group and Vanquis Bank have an agreed liquidity risk appetite to ensure that adequate liquidity resources are held to meet the Overall Liquidity Adequacy Rule and to meet the minimum LCR.

Liquid resources in satisfaction of the LCR on both consolidated and solo basis are held by Vanquis Bank. The total liquid resources required to be held is measured in line with the regulatory requirements, including the preparation of an Internal Liquidity Adequacy Assessment Process. At 31 December 2025 Vanquis Bank held £998 million of high-quality liquid assets, comprising a significant surplus over the minimum and internal liquidity requirements, held in a combination of a Bank of England reserve account and UK Government bonds (gilts).

The minimum LCR requirement that applies in the United Kingdom is 100 per cent. As at 31 December 2025, the Group and Vanquis Bank held a strong liquidity position, the Group's LCR amounted to 306 per cent. (2024: 359 per cent.) and Vanquis Bank's LCR was 271 per cent. (2024: 338 per cent.). As at the date of this Offering Circular, both the Group and Vanquis Bank continue to meet the LCR requirements.

FURTHER INFORMATION

For further information on the Group's capital and liquidity position please see the 2025 Group Financial Statements and the Pillar 3 Disclosures.

TAXATION

UNITED KINGDOM TAXATION CONSIDERATIONS

The following is a summary of United Kingdom taxation law at the date hereof in relation to certain aspects of payments of principal and interest in respect of the Notes. Save where expressly stated to the contrary, it is based on current United Kingdom law and the published practice of HMRC, which may not be binding on HMRC and may be subject to change, sometimes with retrospective effect, in each case as of the latest practicable date before the date of this Offering Circular. The comments do not deal with all United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and who hold the Notes as investments. Certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer may be subject to special rules not covered by this summary. The following is a general guide 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 might be relevant to a prospective purchaser. Holders who are in any doubt as to their tax position should consult their professional advisers. Holders 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, Holders 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.

UK Withholding Tax

1. The Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "Act") for the purpose of section 987 of the Act) or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of sections 987 and 1005 of the Act). Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

The Issuer's understanding is that the ISM is a multilateral trading facility operated by a regulated recognised stock exchange (The London Stock Exchange) for these purposes and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be admitted to trading on that market and it is and remains a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of sections 987 and 1005 of the Act.

2. If the exemption above does not apply, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent., and on and after 6 April 2027 at the savings basic rate of 22 per cent.) subject to such relief or exemption as may be available.

Other considerations

Where interest has been paid under deduction of United Kingdom income tax, Holders 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 any 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 the Issuer and does not consider the tax consequences of any such substitution.

OTHER TAXATION

The U.S. Foreign Account Tax Compliance Act ("FATCA")

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.

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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs 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, such withholding would not apply prior to the date that is two years after the date of publication of the final regulations defining "foreign passthru payments". Notes issued on or prior to the date that is 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 unless materially modified after such date (including by reason of a substitution of the Issuer) and/or characterised as equity for U.S. tax purposes. However, if additional notes (as described under Condition 15 (*Further Issues*)) that are not distinguishable from previously issued 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 the Notes offered prior to the expiration of 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.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or which may be implemented in a materially different form. Prospective Holders should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

The Sole Bookrunner has, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 19 May 2026, agreed to subscribe or procure subscribers for the Notes, subject to the provisions of the Subscription Agreement. The Issuer will also reimburse the Sole Bookrunner in respect of certain of its expenses, and has agreed to indemnify the Sole Bookrunner 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.

The Sole Bookrunner will be entitled in certain circumstances to be released and discharged from its obligations in respect of the issue of Notes under or pursuant to the Subscription Agreement prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the Issue Date. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Sole Bookrunner in respect of any expense incurred or loss suffered in these circumstances.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Sole Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other 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.

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

United Kingdom

The Sole Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

The Sole Bookrunner has represented 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 more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of EU 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 EU MiFID II.

Prohibition of Sales to UK Retail Investors

The Sole Bookrunner has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision the expression "**retail investor**" means a person who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Switzerland

In Switzerland, this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in Notes. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Sole Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified and amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, the Sole Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Republic of Italy

The Sole Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold, and will not, directly or indirectly, offer or sell, any Notes in the Republic of Italy.

General

No action has been taken by the Issuer or the Sole Bookrunner that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required.

The Sole Bookrunner has agreed that it will, to the best of its knowledge and belief, comply with any applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of such Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer or the Sole Bookrunner shall have any responsibility therefor.

Other persons into whose hands this Offering Circular comes are required by the Issuer and the Sole Bookrunner to comply with all applicable laws and regulations in each country or jurisdiction in or from

which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any related offering material, in all cases at their own expense.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Sole Bookrunner or any parent company or affiliate of the Sole Bookrunner is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Sole Bookrunner or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

The Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area or in the United Kingdom. Prospective investors are referred to the section headed "*Prohibition on marketing and sales to retail investors*" in this Offering Circular for further information.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been duly authorised by a resolution of the Board dated 5 May 2026 and a resolution of a sub-committee of the Board dated 11 May 2026.

Listing and Trading

2. Application has been made to the LSE for the Notes to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of UK MiFIR. The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the POATRs). Notes admitted to trading on the ISM are not admitted to the Official List of the FCA. The LSE has not approved or verified the contents of this Offering Circular. It is expected that the admission of the Notes to trading on the ISM will be granted on or around 22 May 2026.

Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Group.

Significant Change

4. Since 31 December 2025, there has been no significant change in the financial or trading position of the Issuer and/or the Group.

Material Change

5. Save as disclosed in this Offering Circular under the section entitled "*Negative economic developments and conditions in the markets in which the Group operates may adversely affect its business and results of operations*", since 31 December 2025, there has been no material adverse change in the prospects of the Issuer and/or the Group.

Auditors

6. The auditors of the Issuer and the Group are Deloitte LLP who have audited without qualification, in accordance with International Standards on Auditing (UK), the Issuer's accounts for each of the two financial years ended on 31 December 2025 and 31 December 2024. Deloitte LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. The auditors of the Issuer and the Group have no material interest in the Issuer or the Group.

Documents on Display

7. Physical copies of the following documents may be inspected during normal business hours at the registered office of the Issuer for so long as the Notes remain outstanding:
 - (a) the Articles of Association of the Issuer;
 - (b) the 2025 Group Financial Statements and the 2024 Group Financial Statements;
 - (c) the Pillar 3 Disclosures;
 - (d) the Trust Deed; and
 - (e) this Offering Circular.

Third Party Information

8. Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the

reproduced information inaccurate or misleading. The source of third-party information is identified where it is used.

LEI

9. The Legal Entity Identifier ("LEI") of the Issuer is 213800U93SZC44VXN635.

Issuer's website

10. The Issuer's website is www.vanquis.com. Unless specifically incorporated by reference into this Offering Circular, information contained on the website does not form part of this Offering Circular.

Clearing

11. The Notes have been accepted for clearance through the Clearing Systems. The ISIN is XS3331518715 and the common code is 333151871.
12. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Sole Bookrunner Transacting with the Issuer

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