

ADMISSION PARTICULARS DATED 15 JUNE 2026

STARLING

STARLING GROUP HOLDINGS LIMITED

(Incorporated in England under the Companies Act 2006)

£150,000,000 6.625 per cent. Fixed Rate Reset Callable Subordinated Notes due 2036

Issue Price: 100.000 per cent.

The £150,000,000 6.625 per cent. Fixed Rate Reset Callable Subordinated Notes due 2036 (the “**Notes**”) will be issued by Starling Group Holdings Limited (the “**Issuer**”) on 17 June 2026 (the “**Issue Date**”).

The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 17 September 2031 (the “**Reset Date**”), at a rate of 6.625 per cent. per annum and thereafter at the Reset Rate of Interest as provided in Condition 5. Interest will be payable on the Notes semi-annually in arrear on each Interest Payment Date, save that the first payment of interest, to be made on 17 September 2026, will be in respect of the period from (and including) the Issue Date to (but excluding) 17 September 2026, representing a short first interest period.

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

Unless previously redeemed or purchased and cancelled or substituted in accordance with the Conditions, the Notes will mature on 17 September 2036. Noteholders will have no right to require the Issuer to redeem or purchase the Notes at any time. The Issuer may, in its discretion but subject to the conditions described in Condition 6(b), elect to (a) redeem all (but not some only) of the Notes at their principal amount, together with unpaid interest accrued to (but excluding) the redemption date: (i) at any time from and including 17 June 2031 to and including the Reset Date, (ii) at any time if a Tax Event has occurred or a Capital Disqualification Event (each as defined in Condition 19) has occurred, or (iii) at any time where 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and for these purposes, any Further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer’s account and cancelled, or (b) repurchase the Notes at any time (in each case, subject as further set out in Condition 6). If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to the conditions described in Condition 6(b), either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so they remain or, as appropriate, become, Qualifying Tier 2 Securities.

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

The Issuer has undertaken to re-register as a public company by 10 December 2026.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients in the European Economic Area (“EEA”) or in the United Kingdom (the “UK”). Prospective investors are referred to the sections headed “Prohibition of Sales to EEA Retail Investors” and “Prohibition of Sales to UK Retail Investors” on page ii of these Admission Particulars for further information. An investment in the Notes involves certain risks. Potential investors should read the whole of these Admission Particulars, in particular the section entitled “Risk Factors” set out on pages 9 to 50.

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

The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (the “POATRs”). The London Stock Exchange, 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. Notes admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the “FCA”). The London Stock Exchange has not approved or verified the contents of these Admission Particulars.

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

The Notes are rated Baa3 by Moody's Investors Service Ltd ("**Moody's**"), which is a credit rating agency established in the United Kingdom and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Moody's is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation. The rating issued by Moody's has been endorsed by Moody's Deutschland GmbH in accordance with Regulation (EC) 1060/2009 (as amended) (the "**EU CRA Regulation**"). Moody's Deutschland GmbH is established in the European Union and registered under the EU CRA Regulation. As such, Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the EU CRA Regulation.

Sole Structuring Agent

NatWest

Joint Lead Managers

Morgan Stanley

NatWest

IMPORTANT NOTICES

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

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

To the fullest extent permitted by law, none of Morgan Stanley & Co. International plc or NatWest Markets Plc (together, the “**Joint Lead Managers**”), the Principal Paying Agent, the Transfer Agent, the Registrar and the Agent Bank (together the “**Agents**” and each an “**Agent**”) and the Trustee (each of the Agents and the Trustee as defined in the section entitled “*Overview of the Principal Features of the Notes*”) or any of their respective affiliates accept any responsibility whatsoever for the contents of these Admission Particulars or for any other statement made or purported to be made by a Joint Lead Manager, the Trustee or an Agent or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Joint Lead Managers, the Trustee and each Agent (and each of their respective affiliates) accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of these Admission Particulars or any such statement.

None of the Joint Lead Managers, the Trustee, the Agents nor any of their respective affiliates have authorised the whole or any part of these Admission Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Admission Particulars or any responsibility for any acts or omissions of the Issuer or any other person (other than the Joint Lead Managers, the Trustee or the relevant Agent itself) in connection with issue of the Notes.

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

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

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

or purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Markets in Financial Instruments Directive 2014/65/EU (as amended) (“**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 MiFID II.

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a “**retail investor**” means a person who is 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 EUWA.

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 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 the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) 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.

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Admission Particulars;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes, and is familiar with the behaviour of any relevant indices and financial markets and with the resolution regime applicable to the Issuer and the Group, including the possibility that the Notes may become subject to write-down or conversion if the resolution powers are exercised;
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes.

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

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

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

GENERAL

Unless otherwise specified or the context requires, references to “**sterling**”, “**GBP**” and “**£**” are to pounds sterling and references to “**€**” or “**euro**” are to the currency introduced at the start of the third stage of European

economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. Unless otherwise indicated, all monetary amounts in these Admission Particulars are expressed in pounds sterling which is the functional currency of the Issuer and the Group.

Unless otherwise specified or the context requires, references to “**Group**” shall mean the Issuer or (prior to the Issuer becoming the holding company of the Group on 27 June 2025) Starling Bank Limited (“**SBL**”) and its consolidated subsidiaries.

NON-IFRS FINANCIAL MEASURES

The Issuer presents certain key performance measures that are not defined under International Financial Reporting Standards as adopted by the United Kingdom (“**IFRS**”) but that it finds useful in analysing its results and that it believes are widely used by investors to monitor the results of banks generally. These measures include certain of the figures and capital ratios set out in the section titled “*Starling Group Holdings Limited*” under “– *Funding*”, “– *Credit Performance*” and “– *Capital*” and the metrics in the section “*Alternative Performance Measures*” of the SGHL 2026 Annual Report and the SBL 2025 Annual Report (each as defined herein) which are incorporated by reference herein. Some of these measures are defined by, and calculated in compliance with, applicable banking regulations, but these regulations often provide the Issuer with certain discretion in making its calculations.

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

ROUNDING

Certain numerical data, financial information and market data in these Admission Particulars have been rounded in accordance with commercial rounding. Percentage changes and ratios in the text and tables of these Admission Particulars may be calculated based on such underlying numbers as presented in these Admission Particulars, i.e., after rounding of such underlying numbers, and then commercially rounded to a whole percentage or to one or two digits after the decimal point. In some instances, such rounded figures and percentages may not add up to 100 per cent. or to the totals or subtotals contained in these Admission Particulars. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures contained in these Admission Particulars due to rounding in accordance with commercial rounding. A dash (“—”) signifies that the relevant figure is not available or is equal to zero, while a zero (“0”) or nil signifies that the relevant figure has been rounded to zero.

MARKET AND INDUSTRY DATA

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

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

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

NO INCORPORATION OF WEBSITE INFORMATION

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

FORWARD-LOOKING STATEMENTS

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

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

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INFORMATION INCORPORATED BY REFERENCE

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

- (i) the following sections of the annual report and accounts of the Issuer for the year ended 31 March 2026 (the “**SGHL 2026 Annual Report**”), which can be viewed online at:

<https://www.starlingbank.com/docs/annual-reports/Starling-Group-Annual-Report-2026.pdf>

- (a) the audited consolidated financial statements of the Issuer for the financial year ended 31 March 2026, together with the independent auditor’s report thereon, as set out on pages 162 to 218 (inclusive) and 152 to 161 (inclusive), respectively;
- (b) the section entitled “*Alternative Performance Measures*” as set out on pages 229 to 230 (inclusive); and
- (c) pages 7, 27 and 31 in the section entitled “*Strategic Report*”;

- (ii) the following sections of the annual report and accounts of SBL for the year ended 31 March 2025 (the “**SBL 2025 Annual Report**”), which can be viewed online at:

<https://www.starlingbank.com/docs/annual-reports/Starling-Bank-Annual-Report-2025.pdf>

- (a) the audited consolidated financial statements of SBL for the financial year ended 31 March 2025, together with the independent auditor’s report thereon, as set out on pages 157 to 215 (inclusive) and 145 to 156 (inclusive), respectively; and
- (b) the section entitled “*Alternative Performance Measures*” as set out on pages 218 to 222 (inclusive); and

- (iii) the Pillar 3 disclosures (unaudited) of the Issuer for the financial year ended 31 March 2026, which can be viewed online at:

<https://www.starlingbank.com/docs/annual-reports/Pillar3-2026.pdf>,

(together, the “**Information Incorporated by Reference**”).

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

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

Other than the Information Incorporated by Reference, none of the contents of the Issuer’s website, any websites referred to in these Admission Particulars, nor any website directly or indirectly linked in these websites have been verified or form part of these Admission Particulars, and investors should not rely on such information.

PRESENTATION OF FINANCIAL INFORMATION

References in these Admission Particulars to the financial statements of the Group for (i) 2025 are to the audited consolidated financial statements of SBL for the year ended 31 March 2025 and (ii) 2026 are to the audited consolidated financial statements of the Issuer for the year ended 31 March 2026, each incorporated by reference in these Admission Particulars (together, the “**Group Financial Statements**”). The Group Financial Statements have each been prepared in accordance with the requirements of the Companies Act 2006 (the “**CA 2006**”) and IFRS.

The Issuer is a non-operating bank holding company of the Group and is the indirect sole shareholder of SBL via its wholly-owned non-operating subsidiary, Starling Intermediate Holdings Limited.

The Issuer was incorporated to act as the ultimate holding company of the Group in order to help position the Group for long-term growth alongside future-proofing for ongoing compliance with the Bank of England’s resolution requirements (including meeting the Bank of England’s requirement that if it transitioned the Group to a bail-in resolution strategy, the resolution entity for the Group should be a clean holding company whose obligations to creditors are structurally subordinated to the obligations of SBL to its depositors).

Following regulatory approval, the Issuer became the non-operating bank holding company of the Group on 27 June 2025.

The Issuer’s financial statements for the year ended 31 March 2025 (the “**Issuer 2025 Financial Statements**”) were unaudited and prepared in accordance with the provisions applicable to companies subject to the small companies’ regime under the CA 2006. For that financial year, the Issuer was entitled to an exemption under section 477 of the CA 2006 relating to small companies and, in particular, was exempt from the requirement to prepare consolidated financial statements under Section 399 of the CA 2006, during which period the Issuer had one subsidiary, which was dormant (Starling Intermediate Holdings Limited). The shareholders of the Issuer did not require the Issuer to obtain an audit of the Issuer 2025 Financial Statements in accordance with Section 476 of the CA 2006.

The Issuer has published an annual report and audited consolidated financial statements prepared in accordance with the CA 2006 and IFRS (including an auditors’ report thereon and the notes thereto) in respect of the Group in respect of the financial year ended 31 March 2026, and will make such publications in respect of future financial years on an ongoing basis as required by applicable law. Prior to 27 June 2025, the holding company of the Group was SBL, and therefore the scope of the consolidated financial statements of SBL prior to 27 June 2025 is comparable to the scope of the consolidated financial statements of the Issuer from 27 June 2025 (as the Issuer is a non-operating bank holding company with no historic operations or business of its own). As at the date of these Admission Particulars, neither the Issuer nor SBL prepares or publishes interim financial statements.

OVERVIEW OF THE PRINCIPAL FEATURES OF THE NOTES

*The following overview provides an overview of certain of the principal features of the Notes and is qualified by the more detailed information contained elsewhere in these Admission Particulars. Capitalised terms which are defined in the Terms and Conditions of the Notes (the “**Conditions**”, and references to a numbered “**Condition**” should be read accordingly) have the same respective meanings when used in this overview.*

Issuer	Starling Group Holdings Limited
Issuer Legal Entity Identifier	213800QFN24QRFQ4D993
Trustee	Citicorp Trustee Company Limited
Principal Paying Agent, Registrar, Transfer Agent and Agent Bank	Citibank, N.A., London Branch
Notes	£150,000,000 6.625 per cent. Fixed Rate Reset Callable Subordinated Notes due 2036.
Risk factors	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes and the Trust Deed. In addition, there are certain factors which are material for the purpose of assessing the risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under “ <i>Risk Factors</i> ”.
Status of the Notes	The Notes will constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer and will rank <i>pari passu</i> , without any preference, among themselves.
Rights on a Winding-Up	The rights and claims of Noteholders in the event of a Winding-Up are described in Conditions 4 and 8.
Interest	The Notes will bear interest on their principal amount: (a) from (and including) the Issue Date to (but excluding) the Reset Date, at the rate of 6.625 per cent. per annum; and (b) thereafter, at the Reset Rate of Interest (as described in Condition 5(d)), in each case payable, semi-annually in arrear on 17 March and 17 September in each year (each, an “Interest Payment Date”), save that the first payment of interest, to be made on 17 September 2026, will be in respect of the period from (and including) the Issue Date to (but excluding) 17 September 2026, representing a short first interest period.
Maturity	Unless previously redeemed or purchased and cancelled or substituted, the Notes will mature on 17 September 2036. The Notes may only be redeemed or repurchased by the Issuer in the circumstances described below (as more fully described in Condition 6).
Optional redemption	The Issuer may, in its sole discretion but subject to the conditions set out under “ <i>Conditions to redemption, substitution, variation and purchase</i> ” below, redeem all (but not some only) of the Notes from and including 17 June 2031 to and including 17

	September 2031 (the “Reset Date”) at their principal amount together with any unpaid interest accrued up to but excluding the date fixed for redemption.
Redemption due to a Capital Disqualification Event or Tax Event	The Issuer may, in its sole discretion but subject to the conditions set out under “<i>Conditions to redemption, substitution, variation and purchase</i>” below, redeem all (but not some only) of the Notes at any time following the occurrence of a Capital Disqualification Event or a Tax Event, in each case at their principal amount together with unpaid interest accrued to but excluding the relevant redemption date
Clean-up redemption option	The Issuer may, in its sole discretion but subject to the conditions set out under “<i>Conditions to redemption, substitution, variation and purchase</i>” below, redeem all (but not some only) of the Notes at their principal amount together with unpaid interest accrued to but excluding the relevant redemption date if, at any time after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and for these purposes, any Further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer’s account and cancelled.
Substitution or Variation following a Capital Disqualification Event or a Tax Event	The Issuer may, subject to the conditions set out under “<i>Conditions to redemption substitution, variation and purchase</i>” below and upon notice to Noteholders, at any time elect to substitute all (and not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable), Qualifying Tier 2 Securities if, prior to the giving of the relevant notice to Noteholders, a Tax Event or Capital Disqualification Event has occurred.
Conditions to redemption, substitution, variation and purchase	Any redemption or purchase of the Notes prior to their maturity or any substitution or variation of the Notes will be subject to the condition(s) that: (i) the Issuer has obtained any prior Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission has not been revoked by the relevant date of such redemption, purchase, substitution or variation; (ii) in the case of any redemption or purchase of any Notes, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer has (or will on or before the relevant redemption or purchase date, have) replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or, save in the case of Condition 6(b)(v)(A), (B) the Issuer has demonstrated to the satisfaction of the Relevant Authority that the own funds and, as applicable, eligible liabilities of the Issuer Group

would, following such redemption or purchase, exceed the requirements to which the Issuer Group is subject by a margin that the Relevant Authority considers necessary at such time;

- (iii) in the case of any redemption of the Notes prior to the fifth anniversary of the Reference Date in the case of redemption due to a Tax Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer has demonstrated to the satisfaction of the Relevant Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date;
- (iv) in the case of any redemption of the Notes prior to the fifth anniversary of the Reference Date in the case of redemption due to a Capital Disqualification Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer has demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the Reference Date; and
- (v) in the case of any purchase or redemption of the Notes prior to the fifth anniversary of the Reference Date pursuant to Condition 6(g) or 6(c)(ii) respectively, if and to the extent then required under prevailing Regulatory Capital Requirements, either (A) the Issuer has, before or at the same time as such purchase or redemption, 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 Relevant Authority has permitted such action on the basis of the determination that it would be beneficial from a prudential point of view or (B) either: (i) in the case of such a purchase, the relevant Notes are being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements or (ii) in the case of such a purchase or redemption, the Relevant Authority considering that such purchase or redemption would materially enhance the safety and soundness of the Issuer.

Any refusal by the Relevant Authority to give its Supervisory Permission as contemplated above (or, having given it, any revocation by the Relevant Authority of such Supervisory Permission) shall not constitute a default for any purpose.

Notwithstanding the above conditions, if, at the time of such redemption, substitution, variation or purchase, the prevailing Regulatory Capital Requirements permit the redemption, substitution, variation or purchase of the Notes only after compliance with one or more alternative or additional pre-condition(s) to those set out in paragraphs (i) to (v) above, the

Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Purchase of the Notes

The Issuer may, at its option but subject to the conditions set out under “*Conditions to redemption, substitution, variation and purchase*” above, purchase (or otherwise acquire) any of the outstanding Notes in any manner and at any price. All Notes purchased by or on behalf of the Issuer may, at the option of the Issuer and subject to obtaining any Supervisory Permission therefor (and such Supervisory Permission not having been revoked), be held, reissued, resold or, at the option of the Issuer, cancelled.

Withholding tax and Additional Amounts

All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction, unless the withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions, as described in Condition 9) pay such Additional Amounts as may be necessary in order that the net amounts received by the Noteholders in respect of those payments of interest after the withholding or deduction shall equal the amounts which would have been received by them in respect of payments of interest on the Notes had no such withholding or deduction been required.

In no event will the Issuer be required to pay any Additional Amounts in respect of the Notes for, or on account of, any FATCA Withholding (as defined in Condition 9).

Default and Enforcement

If the Issuer shall not make payment in respect of the Notes (in the case of payment of principal, any interest payment or any other amount in respect of the Notes) for a period of 14 days or more, in each case, after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Notes and the Trustee in its discretion may institute proceedings for a winding-up of the Issuer. The Trustee may prove and/or claim in a Winding-Up (whether or not instituted by the Trustee), such claim being contemplated in Condition 4(a).

The Trustee may, at its discretion and without notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed (other than, save as provided in Condition 13, any payment obligation, including any damages, but excluding any payments made to the Trustee acting on its own account under the Trust Deed in respect of its costs (including legal fees), charges, expenses, liabilities or remuneration) and in

no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to the Conditions or the Trust Deed. No Noteholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up unless the Trustee, having become bound so to do or being able to prove or claim in such Winding-Up, fails or is unable to do so within a period of 60 days and such failure or inability shall be continuing.

See Condition 8 for further information.

Modification

The Trust Deed will contain provisions for convening meetings of Noteholders (including in a physical place or by any electronic platform (such as conference call or video conference (or a combination of such methods)) to consider any matter affecting their interests, pursuant to which defined majorities of the Noteholders may consent to the modification or abrogation of any of the Conditions or any of the provisions of the Trust Deed, and any such modification or abrogation shall be binding on all Noteholders.

Substitution of the Issuer

The Trust Deed contains provisions permitting the Trustee, subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission having not been revoked by the relevant date of such substitution, to agree, without the consent of the Holders, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced thereby to the substitution on a subordinated basis equivalent to that referred to in Conditions 3 and 4 of any successor in business of the Issuer (any such entity, a “**Substitute Obligor**”) in place of the Issuer (or any previous Substitute Obligor) as a new principal debtor under the Trust Deed and the Notes.

Form

The Notes will be issued in registered form. The Notes will initially be represented by a Global Certificate and will be registered in the name of a nominee of a common depositary for the Clearing Systems.

Denomination

£100,000 and integral multiples of £1,000 in excess thereof.

Clearing systems

Euroclear and Clearstream, Luxembourg.

Rating

The Notes are rated Baa3 by Moody’s, which is a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation. Moody’s is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation. The rating issued by Moody’s has been endorsed by Moody’s Deutschland GmbH in accordance with the EU CRA Regulation. Moody’s Deutschland GmbH is established in the European Union and registered under

the EU CRA Regulation. As such, Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the EU CRA Regulation.

Listing

Application has been made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market effective on or immediately following the Issue Date.

Governing law

The Notes and the Trust Deed, and any non-contractual obligations arising out of or in connection with the Notes or the Trust Deed, will be governed by, and construed in accordance with, English law.

ISIN

XS3317610445

Common Code

331761044

RISK FACTORS

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

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

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

Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this Risk Factors section.

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

Business and Strategic Risks

The Group is subject to risks arising from macroeconomic conditions in the UK and globally

The Group's business is subject to inherent risks arising from macroeconomic conditions.

As the Group's subsidiary SBL operates as a UK bank, it is particularly exposed to the condition of the UK economy. In particular, factors such as consumer confidence, the UK property and mortgage market, wage and employment trends, inflation, interest rates, supply chain issues and changes in consumers' disposable income can each have a material impact on customers, including for instance affecting the amount of customer deposits and businesses to which the Group lends (such as by impacting customer ability to repay existing loans and the appetite of prospective borrowers). Should macro-economic conditions in the UK deteriorate, should there be uncertainty and/or volatility in relation to these factors, and/or should the Group's exposure to certain macroeconomic conditions increase (including, for example, through any potential inorganic lending acquisition), this could adversely impact the Group's business, results of operations, financial condition and prospects.

In addition, changes in global economic conditions or circumstances (for example in the Eurozone and the impact of US tariffs) may have secondary consequences that adversely impact the Group's results of operations and financial condition, including for Engine by Starling Limited ("**Engine**") (the Group's software-as-a-service ("**SaaS**") subsidiary, that operates internationally) (for instance, through impacting Engine's existing or prospective clients).

The evolution of the geopolitical environment including the conflicts in Ukraine and the Middle East, economic sanctions, adverse changes in global growth rates, a further slowdown in the UK's principal export markets, a potential Labour leadership contest, the influence of US tariffs on UK exports and continued uncertainties around the ongoing impact of the UK's withdrawal from the European Union (the "**EU**"), could also affect the future performance of the UK and global economies and subsequently the banking industry. This may have a

material impact on the business performance of the Group, as could volatility in credit, interest rates, currency and equity markets globally.

Any downgrade of the UK sovereign credit rating or the perception that such a downgrade may occur, or sustained increases in gilt premiums, could destabilise financial markets, impact the Issuer's borrowing costs and have a material adverse effect on the Issuer's operating results and financial condition. Such a downgrade or perception would be likely to depress consumer confidence, restrict the availability of credit, and increase the cost of funding for individuals and companies, depress economic activity, increase unemployment and/or reduce asset prices.

The extent to which any individual event or a combination of these events will have an impact on the performance of the economy will evolve over the medium term.

These factors could have a material adverse effect on the Group's business, capital position, financial condition, results of operations and prospects.

The Group is subject to risks associated with interest rate levels and volatility

Interest rates and market expectations of future interest rates, which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of governments and central banks, as well as UK and international political and economic conditions, affect the Group's business, capital position and financial condition.

Interest rates affect the cost and value of customer deposits, which are the principal source of the Group's funding.

Reductions in interest rates could lead to margin compression if such changes are passed on to customer liabilities to a lesser extent than they are passed on to customer assets. Interest rates have recently reduced in the UK. If interest rates continue to fall and there is a faster than expected reduction in interest rates, this could present a threat to the Group's earnings and profitability.

Changes to interest rates (if passed on to customers), in particular when downwards, may act as a trigger for savings customers to review their interest rate compared to accounts available with other institutions. This may lead to an increased level of withdrawals. A sustained low or declining interest rate environment may place downward pressure on the Group's net interest margin ("NIM") and net interest income, as yields on interest-earning assets reprice at a faster rate than customer deposits. Lower rates may also reduce the incentive for customers to save, which could lead to increased competition for deposits or otherwise reduced deposits, or a greater need for wholesale funding. These dynamics may influence the Group's lending appetite and portfolio growth, potentially affecting overall profitability and financial performance.

Conversely, if interest rates were to rise again, for example in response to increased inflationary pressures, customers may increasingly transfer current account and/or saving account deposit balances to higher rate products, which could result in increased interest expense and/or reduced deposit volumes for the Group. Any significant increase in interest rates could have a material adverse impact on the availability and cost of such funding.

Higher interest rates may impact the Group's impairment levels, particularly because (if passed on to customers) they affect customer affordability of mortgages, as well as the ability of customers to borrow and service lending. An increase in such interest rates without a comparable increase in customer income could, for example, lead to an increase in default rates among customers who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Group.

Interest rates affect the Group's net interest income and margins. In the event of sudden, large or frequent increases in interest rates, for example as a result of strong inflationary pressures, the Group may not be able to re-price its assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which may negatively affect its net interest income and NIM. Alongside this, the Group's variable rate savings accounts expose the Group to the risk of increased costs and the re-pricing of its liabilities when interest rates increase.

If the Group is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing, monitoring of borrower credit quality or other means, such volatility could have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks relating to the impacts of inflation and cost of living pressures

The Group's business activities are mostly based in the UK and are impacted by both domestic and global economic conditions (see further "*The Group is subject to risks arising from macroeconomic conditions in the UK and globally*").

Over the last couple of years, the UK has seen weaker economic growth, along with inflationary pressure, concerns over energy prices and increases in the Bank of England's ("**BoE**") interest rate compared with previous historic lows from 0.1 per cent. in December 2021 to 5.25 per cent. in August 2023 which it held until August 2024 before being gradually reduced. As at the date of these Admission Particulars, the BoE interest rate is 3.75 per cent. Changes in the BoE interest rate have had, and will continue to have, an impact on household incomes.

Higher interest rates, coupled with headwinds from high inflation and increased cost of living pressures have the potential to impact the credit performance of a number of UK households and businesses, including those that are customers of the Group or tenants in a rental property for which Fleet originates BTL mortgages. This could impact their ability to repay their debts which could result in higher impairment levels for the Group.

A sustained cost of living challenge for the Group's customers could impact the Group's strategy (including growth aspirations) and have a negative impact on the Group's profitability, capital, funding and liquidity requirements.

The Group faces risks associated with executing its strategy

A failure to achieve its strategic priorities could have an adverse impact on the Group's ability to attract and retain customers, its reputation and its business, results of operations, financial condition and prospects, and could exacerbate sensitivity to interest rates (see further "*The Group is subject to risks associated with interest rate levels and volatility*").

Risks associated with the Group's strategy to expand its banking product franchise and develop Engine as a global SaaS business

The Group's strategic plan includes expanding its banking product franchise and developing Engine (its subsidiary, which operates as a SaaS provider for banks internationally), for instance to mitigate its sensitivity to interest rate changes. The delivery of this strategy remains dependent on, for example, sufficient resourcing, adequate capital deployment within the Group and an ability to implement product development with regulatory compliance and appropriate risk management, alongside ensuring that the pace of international growth is balanced with the continued investment and focus required for the Group's UK banking operations. There is also a risk that the Group's strategic plan does not deliver the growth expected.

The Group is also subject to the risk of increased competition, including competition based on price, in seeking to grow its customer deposits, which could adversely affect the Group's NIM and returns. Furthermore, to the extent the Group seeks growth through increased lending volumes (including through potential inorganic

acquisition, as described further in “*Starling Group Holdings Limited - Key Strategic Initiatives*”), it may also incur higher impairments (particularly where such increased lending, if any, involves exposure to broader credit risk through diversification of asset origination) and increased conduct risks, for example those relating to the misselling of products or lending that is deemed irresponsible and/or services that are either poorly matched with, or superfluous to, customer needs. If the Group fails to manage these risks adequately, they could result in legal or regulatory action against the Group, reputational damage to its brands, damage to its financial condition and adverse impacts on the implementation of its strategy.

Any significant growth in lending volumes may also result in the degradation of service if not matched by increased recruitment and/or enhancements in the Group’s banking processes, controls and infrastructure, or (to the extent such growth is through inorganic acquisition) retention of sufficient target management. This could lead to reputational damage and future reductions to business volumes.

Any diversification of the Group’s lending proposition into new market segments without sufficient recruitment or retention of relevant management could result in resources being either spread too thinly or lacking the relevant knowledge or expertise, leading to inadequate oversight of the product range and lending criteria.

Another key component of the Group’s strategy within SBL is to grow its customer base, in order to drive the growth of customer deposits allowing the Group to continue to not be primarily reliant on wholesale funding including central bank funding. Access to customer deposits is subject to competition and market factors that are outside of the Group’s control, and accordingly it may need to increase the interest rates it offers to customers in order to attract deposits, which may result in increased interest expense, reduced net interest income and reduced NIM, as well as increased marketing spend. The Group may not be able to obtain and maintain access to sufficient customer deposits, or other sources of funding at costs which are commercially acceptable, to finance its planned growth.

In addition, SBL is currently subject to certain regulatory restrictions on higher risk customer acquisition (see further “*The Group must comply with anti-money laundering, financial crime, anti-bribery and sanctions regulations*”).

The existence of any of the above situations and/or any failure to manage its growth strategy could have a material adverse effect on its business, financial condition, results of operations and/or prospects.

Execution and related risks associated with the Group's strategy

The Group’s ability to implement its growth strategy and any future strategy (including through the key strategic initiatives under exploration as described further in “*Starling Group Holdings Limited - Key Strategic Initiatives*”) successfully is subject to execution risks, including those internal risks relating to the management of its cost base and any relevant limitations in its then current management and operational capacity and any regulatory approvals required. The implementation of its strategy will require management to make complex judgements, including anticipating customer needs and customer behaviour across a range of retail banking products, and anticipating competitor activity, legal and regulatory changes and the likely direction of a number of macro-economic factors regarding the UK and global economy and the small and medium-sized enterprise (“SME”) and retail banking sector.

Strategy execution risk may also be exacerbated or caused by a number of external factors, including a downturn in the UK, European or global economy, regional geopolitical restrictions, increased competition in the UK retail and SME banking sector and/or significant or unexpected changes in the regulation of the financial services sector in the UK or Europe. A failure to successfully manage the implementation of its growth strategy for the foregoing could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group faces risks from the highly competitive environment in which it operates

The market for financial services in the UK is highly competitive and the Group expects these competitive pressures to continue as a result of competitor behaviour, consumer expectations, technological changes, the impact of market consolidation and new market entrants, regulatory actions and other factors.

The financial services markets in which the Group operates are mature, and as such growth by any bank typically requires winning market share from competitors.

The Group faces competition from longer-established providers of financial services, including banks and building societies, some of which have substantially greater scale and financial resources, broader product offerings and more extensive distribution networks than the Group. This could mean that they are able to adapt more effectively to an evolving market (for example, due to regulatory, customer profile and behaviour changes).

In addition, while the Group utilises the “standardised approach” for assessing credit risk, which can overestimate credit risk of lending portfolios, leading to higher risk-weighted assets, some competitors utilise the internal ratings-based approach, which may allow them to hold less capital against equivalent lending than the “standardised” approach, thus enabling reduced prices to be offered to customers.

The Group also faces potential competition from other new banks in the UK, new entrants into the UK banking sector with specific areas of market focus, and non-bank competitors which, in some cases, have lower cost operating models and are therefore capable of generating better returns from asset growth. Competition in the UK BTL mortgage market, including from these banks seeking scale and growth over a short period of time, is continuing to create downward price pressure on mortgage and other lending rates.

Consolidations in the sector, such as Nationwide Building Society with Virgin Money, Coventry Building Society with The Co-Operative Bank and the purchase of TSB Bank plc by Banco Santander S.A., may provide increased competition from the merged entities benefiting from economic scale. In addition, the National Payments Vision published by the UK Government in July 2025, which sets out its ambition for the sector, may further increase competition in the Group’s industry.

As technology evolves and customer needs and preferences change, there is an increased risk of disruptive innovation or a failure by the Group to introduce new products and services to keep pace with industry developments and meet customer expectations. The Group is also subject to the risk of not appropriately responding to innovation in financial technologies. The Group’s financial and operational performance may be materially adversely affected by an inability to keep pace with industry trends, technological developments (e.g. artificial intelligence (“AI”)) and customer expectations.

The occurrence of any of the above situations and/or any failure to manage the competitive dynamics to which the Group is exposed could have a material adverse effect on its business, financial condition, results of operations and/or prospects.

The Group is exposed to the risk of changes to monetary policy impacting earnings

Political discourse over the past two years has included discussion on the mechanics used by the Bank of England to remunerate sterling reserve accounts and hence achieve their monetary policy objectives. Changes to the existing reserve remuneration mechanics could negatively impact the Group through income received on cash held in the Bank of England and through the secondary impact on market rates. Reduction in the interest rates paid on central bank reserves or the taxation of such interest could have a material adverse effect on the Group’s business, financial condition, results of operations and/or prospects.

The reputation of the Group and its brands may be damaged by various actions

The Group operates under its “Starling”, “Engine” and “Fleet Mortgages” brands, each of which could suffer reputational damage, which could arise by failing to address, or the Group appearing to fail to address, a variety of issues, such as:

- low standards of customer service and/or adopting product features or processes that may result in poor customer outcomes;
- technology failures that impact customers and/or failures of third parties that are critical to provide services to customers;
- breaches of data security or issues relating to cyber threats;
- failing to provide for appropriate operational resilience in response to unplanned disruptions;
- breaching, or facing allegations of having breached, legal and regulatory requirements (including those relating to product and feature compliance, consumer duty and conduct of business requirements, and anti-money laundering and financial crime);
- failing to appropriately address potential, or actual, conflicts of interest;
- committing, or facing allegations of having committed, or being associated with those who have or are accused of committing, unethical practices, including regarding sales and trading practices;
- the failure of any third parties whom the Group uses, such as BTL mortgage intermediaries, clearing banks, third-party service providers or partners, to provide necessary services;
- risk of assumed association in respect of issues being faced by competitors or the banking industry generally, which may or may not be directly applicable to the Group;
- poor business performance; and
- failing to meet, or facing allegations of failing to meet, legal and social expectations in relation to environmental, social and governance (“ESG”) matters, including those related to human rights and/or modern slavery.

Reputational damage to the Group or its brands may 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.

Additionally, an inability to manage risks relating to its brands for any reason could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

The Group may fail to retain or effectively integrate its senior leadership, or struggle to attract and retain other key employees

The Group's success and ability to execute its strategy depends heavily on the continued service, performance, and effective integration of its key employees, including its senior leadership team. The Group remains exposed to risks related to the retention of key people and the recruitment of high-calibre talent across the wider organisation. The Group continues to develop its people strategy and processes relating to performance management and employee development.

The Group operates in a highly competitive environment and may face challenges retaining key personnel or attracting high-calibre new talent for a variety of reasons. This includes instances where they do not identify or engage with the Group's purpose, brand and values, which represent a major component of its overall strategy.

The ability of the Group to attract and retain talent is subject to broader dynamics within the financial services and technology sectors. When compared to larger, more established institutions, the Group may not have

sufficient scale to offer employees sufficiently competitive compensation or opportunities to develop and advance within the organisation comparable to its larger competitors, particularly at more senior levels.

In addition, external factors such as shifting labour market dynamics, macro-economic conditions, the regulatory environment developing to increase direct liabilities for bank employees, regulatory restrictions on incentivisation and/or continued negative media attention on the financial services industry may adversely affect employee retention, sentiment and engagement.

The Group may also allocate resources inefficiently or in ways which could create operational risks and/or impact employee morale. Any failure to successfully attract high-calibre talent and retain key employees, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects (including its ability to execute its strategy).

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

The Group seeks to maintain comprehensive insurance coverage at commercially reasonable rates. However, the Group's insurance policies do not cover all types of potential losses and liabilities and are subject to limits, excesses and exclusions. There can also be a risk that in certain circumstances, the Group's insurance policies are voided at the option of the insurer due to the failure of the Group to comply with the terms. There can be no assurance that the Group's insurance will be sufficient to cover the full extent of all losses or liabilities for which it is insured and it cannot guarantee that it will be able to renew its current insurance policies on favourable terms, or at all. For example, insurance premiums for cyber security threats may increase in the future given increased security threats in this context, and the renewal of policies may as a result become increasingly expensive. Any losses incurred which are not covered by the Group's insurance policies could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Capital Risk

The Group's business is subject to substantial prudential regulation, which may change from time to time

The Group faces risks associated with the prudential regulatory environment in which it operates, pursuant to which it is required, among other things, to maintain adequate capital and liquidity resources and to satisfy specified Pillar 1 and 2 requirements, buffer requirements and capital ratios and liquidity requirements at all times. The Group's regulatory capital and (where applicable) borrowing costs could be affected by future changes to the prudential regulation that applies to it, which includes (i) the legislative package comprising the amended Capital Requirements Directive (2013/36/EU) (the "**CRD**") and Capital Requirements Regulation (575/2013) (the "**CRR**") (collectively, the "**CRD IV**"), each as implemented in the UK and as they form part of domestic law by virtue of the EUWA, implementing the proposals of the Basel Committee on Banking Supervision (known as Basel III and Basel 3.1) and other regulatory developments impacting capital and liquidity positions and (ii) the Bank Recovery and Resolution Directive 2014/59/EU (the "**BRRD**"), as implemented in the UK and as it forms part of domestic law by virtue of the EUWA, which established an EU wide framework for the recovery and resolution of credit institutions and investment firms. The CRD and CRR were amended by a package of EU legislative measures which entered into force in July 2019. The CRD and BRRD requirements were implemented in the UK before the UK's exit from the EU, and the UK framework was then amended to reflect the UK's exit from the EU. The CRR was on-shored in the UK by the Capital Requirements (Amendment) (EU Exit) Regulations 2018 (as amended) and part of it has since been modified and restated in the PRA Rulebook (the "**UK CRR**").

The PRA has published policy statement PS3/26, which contains the final policy in relation to the restatement of the remaining provisions of the UK CRR within the PRA Rulebook and the modification thereof. The

remaining rules are intended to take effect from 1 January 2027. On 14 July 2025, HM Treasury made The Financial Services and Markets Act 2023 (Commencement No. 10 and Saving Provisions) Regulations 2025/873, which confirmed the revocation of certain provisions of UK CRR on 1 January 2026. On 15 January 2026, HM Treasury also made the Financial Services and Markets Act 2023 (Prudential Regulation of Credit Institutions) (Consequential Amendments) Regulations 2025, which came into force on 1 January 2026 and made amendments to legislation which reflect the provisions relating to prudential and other requirements for credit institutions and investment firms where there would be no corresponding PRA rule to replace the revoked UK CRR provisions. On 29 April 2026, HM Treasury made the Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026, which come into force on 1 January 2027 and restate a number of UK CRR definitions in legislation. On 27 May 2026, the PRA published PS14/26, which confirms the PRA's final policy in relation to definitions that will form part of the PRA Rulebook and will replace definitions in Articles 4, 4A, 4B and 5 of the UK CRR.

The capital requirements framework adopted in the UK may change following changes to existing, or development of new, regulatory technical standards by the European Banking Authority (the “EBA”) notwithstanding that they do not form part of UK law, as well as changes to the way in which the PRA continues to take such standards into account when interpreting and applying UK law (including as regards individual model approvals or otherwise). The UK prudential regime continues to evolve following the UK's exit from the EU and the extent to which the UK may choose to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time, remains to be seen. Such changes, either individually and/or in aggregate, may lead to further unexpected increased requirements in relation to the Group's capital, liquidity and funding ratios or alter the way such ratios are calculated.

Basel 3.1

The Basel Committee published its final reforms to the Basel III framework (“**Basel 3.1**”) in December 2017. The amendments include changes to the standardised approaches to credit and operational risks and the introduction of a new risk-weighted asset output floor. The output floor will be subject to a transition period, with full implementation by 1 January 2030. There are a number of areas within Basel 3.1 subject to national discretion and choice. The PRA published its final policy statement (PS1/26) on 20 January 2026, setting out the final PRA Rulebook instruments, supervisory statements, statements of policy, and the associated disclosure and reporting templates and instructions implementing the Basel 3.1 standards, with such rules to take effect on 1 January 2027.

In July 2025, the PRA also published CP 17/25 proposing to delay the implementation of the new Fundamental Review of the Trading Book internal model approach for another year until 1 January 2028. In January 2026 through PS1/26, the PRA confirmed that the implementation had been delayed to 1 January 2028. Whilst the resultant changes were expected to include revisions to a number of elements of the standardised approach for credit risk, a new operational risk framework as well as revisions to the standardised approach for market risk, it remains to be seen what policy approaches might be adopted in response to the most recent delay to implementing this regime.

In January 2026, the PRA published its final policy statement “*PS 4/26 – The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs) - final*”. Small Domestic Deposit Takers (“**SDDT**”) can choose whether to join the SDDT regime or move to implement the PRA's Basel 3.1 package from 1 January 2027. As at the date of publication of these Admission Particulars, the Group falls within the thresholds to be eligible under the SDDT framework, but has not opted in to the SDDT regime.

In May 2025, the PRA published CP12/25 which makes proposals on how the approach to setting Pillar 2A capital frameworks can be changed in light of the implementation of Basel 3.1. This consultation is set out in two phases. Phase 1, which has been published, covers: Credit risk, operational risk, pension obligation risk,

and market and counterparty risk. Phase 2, which will cover all other remaining P2A risks is expected to be published in Q4 2027. In October 2025, the PRA confirmed that it will be retiring the “refined methodology for P2A”. This approach sought to bridge the gap between firms with internal ratings based (“**IRB**”) models and those on the Standardised approaches for the calculation of capital requirements. The PRA consider that the refined approach is no longer required due to changes in Basel 3.1 (the implementation of an output floor) alongside revised modelling approaches, which have materially closed the gap between IRB and Standardised approaches for low risk, low LTV residential exposures. Alongside CP12/25, the PRA also published PS7/25 which outlines the near-final policy on the SME and infrastructure lending adjustments to Pillar 2A (Pillar 2A lending adjustments) as outlined in PS9/24 and following consultation on its original proposals in CP16/22. On 20 January 2026, the PRA published its policy statement “*Retiring the refined methodology to Pillar 2A – final*” (“**PS2/26**”) which confirmed the policy to retire the refined methodology to Pillar 2A for all firms will take effect from 1 January 2027. From this date, the refined methodology will no longer apply to all firms, including SDDTs, as they will be subject to the Basel 3.1 standardised approach to credit risk. On 28 May 2026, the PRA published its policy statement “Pillar 2A review – Phase 1” (“**PS16/26**”) which focuses on consequential amendments from Basel 3.1.

The implementation of Basel 3.1 requires the PRA to re-calibrate all relevant firms’ capital requirements ahead of 1 January 2027. In order to do this the PRA will be undertaking an “off-cycle” capital review for all firms during 2026.

The implementation of Basel 3.1 will increase risk weights on the Group’s BTL mortgages that are classified as residential real estate exposures that are materially dependent on the cash flows generated by the property.

The implementation of these various reforms and various other banking reform initiatives and any future unfavourable regulatory developments could have a material adverse effect on the Group’s business, results of operations and financial condition.

Future changes to the applicable prudential regime

The prudential regulatory regime to which the Group is subject may change in the future. Any alternative prudential regulatory regime that applies to the Group from time to time could result in the Group and/or the Issuer becoming subject to different capital, liquidity and/or other regulatory requirements. It is also possible that the prudential regulatory regime applicable to the Group could be expanded, for instance as a result of any potential acquisition of an overseas banking licence (see further “*Starling Group Holdings Limited - Key Strategic Initiatives*”). No guarantee can be given that the Notes and any other regulatory capital instruments issued by the Issuer and/or the Group would continue to be eligible as regulatory capital (or receive equivalent capital treatment) under any such alternative or expanded regime. A change to the applicable prudential regime may affect the risk profile of the Notes, the Group’s product range, competitiveness, profitability, risk management approaches, corporate or governance structure, reported results and financing requirements, as well as the amount of regulatory capital and liquid assets the Group and/or the Issuer must maintain, and the Group and/or Issuer may, consequently, be required to issue further regulatory capital instruments.

The Group is subject to regulatory capital, liquidity and leverage requirements that could limit its operations, and changes to these requirements could have a material adverse effect on the Group’s operations, financial condition and/or prospects

The PRA sets capital and liquidity requirements for the Group and monitors the Group’s capital adequacy on an ongoing basis. If the Group fails, or is perceived to be likely to fail, to meet its minimum regulatory capital or liquidity requirements (including in connection with any stress tests performed by the BoE or other authorities), then it may be subject to regulatory actions, including requiring the Group to issue additional Common Equity Tier 1 securities or other regulatory capital, requiring the Group to retain earnings or (to the extent these otherwise would be paid) suspend dividends, the issuance of a public censure or the imposition of

sanctions. This may affect the Group's capacity to continue its business operations, generate a return on capital or pursue other strategic opportunities, impacting future growth potential. If the Group is unable to raise further regulatory capital, this could affect the Issuer's ability to fulfil its obligations under the Notes.

Any actual or perceived failure of the Group to meet regulatory requirements or any actual or perceived weakness in the Group's financial position when compared to other institutions could also give rise to a loss of confidence from customers, counterparties and investors. Consequently, customers may withdraw deposits from SBL and counterparties and investors may not wish to transact with the Group or the Issuer or may only be willing to do so on less favourable terms, meaning the Group's or the Issuer's (as applicable) sources of capital and funding could become more expensive, unavailable, or constrained. This may impact the Group's business operations, strategic opportunities and, in turn, future growth potential.

The Group is subject to risk-based capital requirements, including a minimum requirement for own funds and eligible liabilities ("**MREL**"), and liquidity requirements and could become subject to leverage-based requirements in the future, as set out below.

Risk-based capital requirements

Under the prudential framework as at the date of these Admissions Particulars, the Group is required to hold minimum amounts of regulatory capital equal to 8 per cent. of risk-weighted assets (the "**Pillar 1 Capital Requirements**"). Banks may also be designated as 'global systemically important institutions' ("**G-SII**") or 'other systemically important institutions' ("**O-SIIs**"), which designation may attract further buffer requirements (although SBL is not presently designated as either a G-SII or an O-SII).

In addition, the PRA may impose individual capital add-ons specific to an institution known as "**Pillar 2A requirements**", for risks either not captured or insufficiently captured by Pillar 1 Capital Requirements. The sum of the Pillar 1 Capital Requirements and Pillar 2A requirements is referred to as the "**Total Capital Requirements**" or "**TCR**". Furthermore, the "**Combined Buffer**" applies to firms, comprising a capital conservation buffer, a counter-cyclical buffer and, where applicable, a systemic risk buffer (intended to prevent and mitigate macroprudential or systemic risks). The counter-cyclical buffer is set by the BoE's Financial Policy Committee and applies to all relevant financial institutions. The methodology for Pillar 2A is currently undergoing a PRA review, with a two-part PRA consultation process, as described under "*Basel 3.1*" above.

In addition, the PRA may set an additional firm-specific buffer, referred to as the "**PRA Buffer**".

The TCR must be met with at least 56.25 per cent of Common Equity Tier 1 capital and at least 75 per cent of Tier 1 capital, with not more than 25 per cent of Tier 2 capital. The Combined Buffer and PRA Buffer must be met solely with Common Equity Tier 1 capital. The PRA presently requires that the level of the PRA Buffer is not publicly disclosed.

As at 31 March 2026, the overall capital requirement (excluding the PRA Buffer) of the Group was £588.8 million, of which £411.9 million reflected the sum of the Group's TCR, £176.9 million reflected the Group's Combined Buffer requirement (being a capital conservation buffer of 2.5 per cent. and a counter-cyclical buffer of 2.0 per cent. of the Group's risk weighted assets (the systemic risk buffer is currently set at zero)). As at 31 March 2026, the Group had total regulatory own funds of £1.1 billion, consisting of Common Equity Tier 1 capital.

Liquidity requirements

The Group is required to comply with the liquidity coverage requirement. The current minimum requirement for liquidity coverage ratio ("**LCR**") is set at 100 per cent. The LCR of the Group was 570 per cent. as at 31 March 2026. The LCR is intended to ensure that a UK bank and its group maintains an adequate level of unencumbered, high quality liquid assets which can be used to offset the net cash outflows the bank could encounter under a short term significant liquidity stress scenario. The Group is also required to maintain

available stable funding equal to at least 100 per cent. of its required stable funding (the Net Stable Funding Ratio (“NSFR”). The NSFR of the Group was 221 per cent. as at 31 March 2026.

MREL requirements

In addition to the capital requirements detailed above, the BoE, as the UK resolution authority, requires that all institutions must meet an individual MREL requirement set by the BoE on a case-by-case basis. Items eligible for inclusion in MREL will include an institution’s own funds, along with “eligible liabilities”. The BoE’s Statement of Policy entitled “*The Bank of England’s approach to setting a minimum requirement for own funds and eligible liabilities (MREL)*”, most recently updated in July 2025, sets out the BoE’s policy for exercising its power to direct institutions to maintain a minimum requirement for MREL under section 3A(4) and (4B) of the Banking Act (as defined below). The policy statement provides that a firm may become subject to a bail-in resolution strategy if its total assets are in the range of £25-40 billion, with firms having total assets in excess of £40 billion on a three-year forward-looking basis automatically being subject to a bail-in resolution strategy. These thresholds will be updated every three years, as necessary to take account of changes in nominal economic growth, with the first such update due in the first half of 2028.

The BoE’s preferred resolution strategy for the Issuer is a transfer resolution strategy and neither the Issuer nor the Group has, nor does either expect to have, an MREL requirement set above its minimum capital requirements unless or until the applicable resolution strategy is changed by the BoE. Such a change may occur in line with BoE policy, for example because of business acquisitions or other activities significantly increasing the Group’s total assets. The BoE reviews the MREL set for all institutions on an annual basis. Any change to SBL’s or the Group’s MREL requirement could increase the Group’s costs and could adversely impact its capital structure, business, financial condition and/or prospects, and may result in the Group being required to raise further own funds or eligible liabilities. Future regulatory capital or eligible liabilities issuances may also be required as a result of further costs or losses or shortfall in revenues and capital or MREL requirements exceeding the Issuer’s expectations. MREL will also have an impact across the market including potentially affecting any credit rating of the securities issued by the Group (including the Notes), to the extent such a rating is then assigned, and its competitors and there is a risk that the relative impact may give rise to a reduction in competitiveness of the Group.

Leverage-based requirements

The UK leverage ratio framework applies in parallel with the risk-weighted capital requirements. The calculation determines a ratio based on the relationship between Tier 1 capital and total (i.e. non-risk-weighted) exposures, including off-balance sheet items. The leverage ratio does not distinguish between unsecured and secured loans, nor does it recognise the loan-to-value ratio of secured lending. The UK minimum leverage ratio is currently set at 3.25 per cent. of total exposures (excluding central bank reserve exposures) and applies to UK banks and banking groups with retail deposits (calculated on a three-year average) of at least £75 billion. At least three-quarters of the leverage ratio requirement must be met with Common Equity Tier 1 capital and up to one-quarter may be met with Additional Tier 1 capital. In addition, the UK leverage ratio framework includes two additional buffers that are to be met using Common Equity Tier 1 capital only: an Additional Leverage Ratio Buffer (“ALRB”), applying to the largest UK banks and set at 35 per cent. of the corresponding risk-weighted systemic buffer rate, and a macro-prudential Countercyclical Leverage Buffer (“CCLB”), which is set at 35 per cent. of the corresponding risk-weighted countercyclical buffer (and rounded to the nearest 0.1 per cent., with 0.05 per cent. being rounded up).

As at the date of these Admissions Particulars, the Group does not have a binding leverage ratio requirement, as SBL has retail deposits below the current deposit threshold of £75 billion. However, SBL and the Group are subject to a PRA supervisory expectation as set out in PRA Supervisory Statement (SS45/15) on the UK leverage framework that they will maintain a minimum 3.25 per cent. leverage ratio (as calculated under the UK leverage ratio framework) in the normal course of business or as part of its base business plan. Accordingly,

the Group monitors and reports its leverage ratio on this basis, and as at 31 March 2026, the Group's leverage ratio as calculated using the PRA definition was 8.9 per cent. Any non-compliance with this leverage ratio expectation may have an adverse effect on the Group's businesses, operating results, financial condition and/or prospects.

On 2 December 2025, the Financial Policy Committee ("FPC") published its Financial Stability Report, accompanied by a Financial Stability in Focus (FSiF) paper. In these documents, the FPC indicated that several areas of the UK capital framework may be reviewed and, where appropriate, amended in the future. These areas include, without limitation, enhancing the usability of regulatory buffers; reviewing the UK leverage ratio framework; assessing the interaction of capital requirements that are linked to UK domestic exposures; introducing automatic indexation of regulatory thresholds to limit prudential drag as the economy grows; reviewing how the Basel 3.1 output floor applies at the ring-fenced sub-group level; and supporting the PRA's work on risk-weight modelling for mortgage lending following DP1/25.

The amount and quality of the Group's capital is subject to regulatory requirements and market influence

The Group is required to maintain minimum levels of capital and reserves relative to the balance sheet size and risk profile of its operations. See *"The Group is subject to regulatory capital, liquidity and leverage requirements that could limit its operations, and changes to these requirements could have a material adverse effect on the Group's operations, financial condition and/or prospects"*.

The Group plans to satisfy incremental increases in capital required to support balance sheet growth by way of retained earnings and, to the extent required, access the wholesale markets to issue new capital instruments from time to time. If, during periods of acute economic or market disruption the wholesale markets were to be fully or partially closed, or if the Group has, or is perceived to have, a shortage of regulatory capital, access to sources of capital may become constrained, more expensive or unavailable. This, in turn, may affect the Group's capacity to continue its business operations or implement its business strategy, impacting future growth potential.

The Group may address a shortage of capital by acting to reduce leverage exposure and/or Risk Weighted Assets. Such actions may impact the profitability of the Group.

The Group may experience a depletion of its capital resources through increased costs or liabilities incurred as a result of the crystallisation of any of the other risk factors described elsewhere in this section. The Group may also experience an increased demand for capital as a result of changes to regulatory requirements. Additional capital may also be required to redress any issues from historical sales of financial products (see further *"The Group is subject to substantial and changing conduct regulations"* in relation to existing provisions for customer remediation).

The Group may be impacted by certain revisions for calculating regulatory capital, including revisions to the regulatory capital treatment of interest rate risk in the banking book and the standardised approaches for credit risk and operational risk.

The Group sets its target amount of capital by taking into account its regulatory requirements and its assessment of the risk profile of the business as evidenced by performance in stress testing. The Group may be required to increase its capital (for example as a result of new regulatory requirements). If it is unable to do so, or is unable to do so at commercially attractive rates, its business, financial condition, results of operations and prospects may be materially adversely affected. Ultimately, if there is a significant shortfall in the amount of capital held, it may lead to the BoE exercising its recovery and resolution powers over the Issuer or its power to write down or convert the Notes at the point of non-viability. If the BoE, as the UK resolution authority, were to exercise such powers in respect of the Issuer, then debt holders, including the holders of the Notes, may experience their

holdings being written down or converted, and may not receive any compensation for their losses. See “Mandatory write-down and conversion power” below.

The Group may not achieve its targeted profitability, which could have an adverse impact on its capital planning and/or results of operations

Availability of sufficient quantity and quality of capital is critical to enable the Group to deliver its strategy and business plan (see further “*The Group faces risks associated with executing its strategy*”).

Should the Group fail to generate sufficient profit, whether due to worse than expected trading performance, or the impact of one of the risk factors listed in this section, it might have to curtail growth or investment which could impact future levels of profit. Lower levels of profit and hence capital generation will also reduce the Group’s ability to withstand a stress scenario that erodes the capital reserves of the Group.

Conduct Risk

The Group is subject to substantial and changing conduct regulations

The Group is exposed to many forms of conduct and/or regulatory risk, which may arise in a number of ways (in relation to conduct risk, see further “*The Group is exposed to the risk of financial and reputational costs and the threat of regulatory enforcement action if it fails to deliver good outcomes for customers*” below). If the Group fails to comply with any relevant regulations, there is a risk of an adverse impact on its customers, business and reputation due to sanctions, fines or other actions imposed by the regulatory authorities.

The applicable regulatory framework includes but is not limited to:

- certain aspects of the Group’s business may be determined by its regulators, including the Financial Conduct Authority (“FCA”), the Prudential Regulation Authority (“PRA”), the Payment Systems Regulator (“PSR”), His Majesty’s Treasury (“HMT”), the Financial Ombudsman Service (“FOS”), the UK Competition and Markets Authority (the “CMA”), the UK Information Commissioner’s Office (the “ICO”) or the courts, as not being conducted in accordance with applicable laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the FOS’s opinion;
- the Group may be subject to allegations of mis-selling financial products, including as a result of having sales practices and/or reward structures in place that are determined to have been inappropriate and/or failures in customer servicing or causing customer harm, which may result in disciplinary action (including significant fines) or requirements to amend sales or servicing processes, withdraw products or provide restitution to affected customers;
- the FCA’s implementation of the Consumer Duty (for more information on the implementation and impacts of the Consumer Duty, see the risk factor entitled “*The Group is exposed to the risk of financial and reputational costs and the threat of regulatory enforcement action if it fails to deliver good outcomes for customers*”); and
- the Group may be liable for damages to third parties harmed by the manner in which the Group has conducted one or more aspects of its business and the Group’s own business or reputation could be impacted where it has engaged a third party and there is a failure in the processes, security or systems of such third party.

SBL has ongoing customer remediation programmes. Customer remediation refers to activities to compensate customers for losses or damages associated with a failure to comply with applicable laws and regulations or to deliver good outcomes. Customer remediation activities are often initiated by SBL as a result of its own internal

reviews, customer feedback or complaints, or industry-wide initiatives and developments, and are not necessarily only as a result of regulatory action.

For the year ended 31 March 2026, a further provision of £12.3 million (2025: £10.8 million) for customer remediation related to unsecured lending was recognised, bringing total remaining provisions for customer remediation to £26.9 million. £4.8 million (2025: £-million) of the customer remediation provision was utilised in the year ended 31 March 2026 as the redress settlement programme commenced. The programme is expected to conclude in the financial year ended 31 March 2027, with the remaining provision held at 31 March 2026 to cover the final stages of settlement.

The Group is also exposed to specific forms of conduct risk. For example, the high level of scrutiny of the treatment of customers by financial institutions from regulatory bodies, the press and politicians may continue and the FCA, as evidenced through the introduction of the Consumer Duty, may continue to focus on retail conduct risk issues as well as conduct of business activities through its supervisory activity which could result in changes in conduct regulations driven by higher expectations, or a different interpretation, of what is required to demonstrate compliance with conduct of business standards in certain markets.

Failure to manage the risks arising from substantial and changing conduct regulations adequately could lead to significant liabilities or reputational damage and damage to the Group's brand, which could have a material adverse effect on its business, financial condition, results of operations and relations with customers and clients.

The Group is exposed to the risk of financial and reputational costs and the threat of regulatory enforcement action if it fails to deliver good outcomes for customers

Conduct risk is the risk of creating harm to a customer, counterparty or market arising from inappropriate behaviour by the Group or its partners in the execution of business activities. Issues associated with poor conduct have been a significant source of cost and reputational damage to the financial services industry in recent years and have attracted increased scrutiny from regulators. This is of particular focus in the UK given the FCA's implementation in July 2023 of the consumer duty on regulated firms (the "Consumer Duty") which aims to set a higher level of consumer protection in retail financial markets.

In particular, the Consumer Duty introduced (i) a new 'Consumer Principle' that requires regulated firms to deliver good outcomes for retail customers; (ii) cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm, and enable and support retail customers to pursue their financial objectives; and (iii) good outcomes requirements requiring firms to ensure retail customers receive communications they can understand, products and services that meet their needs and offer fair value, and the support they need. The Consumer Duty impacts the Group's UK regulated business, and has applied to all new and existing products and services that remain open for sale or renewal since the end of July 2023 and has applied to all other products and services since the end of July 2024.

The Group is committed to managing its business in a way that puts good customer outcomes at the heart of its culture, values and behaviours, and completed a large-scale programme to deliver a material uplift in tools and capabilities and ensure compliance with Consumer Duty in 2025. Any failure to successfully monitor and manage conduct risk could result in regulatory censure and penalties as well as reputational damage which, in turn, could adversely affect its financial condition, operational performance and future prospects.

Funding and Liquidity Risk

The Group is subject to risks relating to the availability of liquidity and funding at a commercially acceptable cost

Funding risk is the risk that the Group is unable to access funding markets and raise funding at a commercially acceptable cost to support the delivery of the Group's strategic plan or sustain lending commitments.

The Group is primarily funded by customer deposits.

Any loss in consumer confidence in the Group could significantly increase the amount of customer deposit withdrawals that may occur in a short space of time. Should the Group experience an unusually high and/or unforeseen level of deposit withdrawals, the Group may require greater alternative funding in the future, which it may be unable to access, which could in turn have a material adverse effect on its business, financial condition, results of operations and prospects.

Any initiative to raise additional deposits through competitive pricing could have an adverse impact on the Group's net interest income and margin through the cost of both paying higher interest rates to new customers and existing customers switching to these higher-rate products.

As part of its funding plan, the Group may from time to time access the wholesale funding markets. If during periods of acute economic or market disruption there was a reduction in investor appetite for holding its securities or the wholesale funding markets were to be partially or fully closed, it is likely that wholesale funding would prove more difficult to obtain on commercially acceptable terms. Under such circumstances, the Group may incur additional costs and may be unable to successfully deliver its growth strategy. Profound curtailments of central bank liquidity to the financial markets in connection with other market stresses, though unlikely, might have a material adverse effect on the Group's business, financial position and results of operations, depending on its funding position at that time.

To the extent any credit rating is assigned to the Group's securities, any downgrade in such rating may increase the Group's borrowing costs or limit its access to the wholesale funding markets, which may increase re-financing risk, and, consequently, have a material adverse effect on its business, results of operations, financial condition and prospects.

Liquidity risk is the risk that the Group is unable to meet its current and future financial obligations as they fall due or may only be able to do so at excessive cost. The Group is exposed to liquidity risk as a result of mismatches in cashflows from balance sheet assets and liabilities and off-balance sheet financial instruments. The Group's primary liquidity risk exposure arises through the redemption of customer deposits where customers have the ability to withdraw funds with limited or no notice. Risk also arises from the refinancing of customer and wholesale funding at maturity and the ability to fund new and existing committed lending obligations including mortgage pipeline.

The Group is subject to regulation which requires it to hold levels of surplus liquidity that ensure it maintains liquid assets to meet potential stressed outflows in addition to its expected cash flows, along with sufficient levels of stable funding relative to its long-term assets. These requirements may be subject to change as part of amendments to regulation or regulatory review of the Group.

Failure to manage these or any other risks relating to the availability of liquidity and funding may compromise the Group's ability to deliver its growth strategy and have a material adverse effect on its business, financial condition, results of operations and prospects.

Market Risks

The Group is subject to market risk primarily associated with interest rate levels and volatility

If the Group is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing and maintenance of borrower credit quality or other means, its business, financial condition and results of operations may be adversely affected.

The Group raises retail deposits, including products which offer a fixed rate, and invests in fixed and variable rate assets, including wholesale securities and mortgage products. While appropriate hedging activities are

undertaken to mitigate this risk, in the event of sudden large or frequent increases in interest rates, the Group may not be able to re-price its assets and liabilities at the same time, giving rise to re-pricing gaps, which, in turn, can negatively affect its net interest income.

The Group is subject to risks associated with its hedging and treasury operations, including potential negative fair value adjustments

The Group faces risks related to its hedging for treasury management. The Group engages in hedging activities, for example in relation to interest rate risk, to limit the potential adverse effect of interest rate fluctuations on its results.

The Group's treasury function has responsibility for managing the interest rate risk that arises through its customer facing business, management of its liquid asset buffer and investment portfolio and the investment of free reserves. Interest rate hedges can be used to manage the interest rate risk profile of the portfolio. The assessment of this risk profile involves the use of behavioural models for both assets and liabilities.

However, the Group cannot guarantee that its hedging strategies will be successful because of factors such as behavioural risk, unforeseen volatility in interest rates or other market prices or, in times of market dislocation, the decreasing credit quality, or unavailability, of hedge counterparties. See also “*The Group is subject to risks associated with customer and counterparty non-performance*”.

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

The Group also has exposures to FX risks which are expected to grow as the Group expands and may adversely impact its business, financial condition and results of operations.

The Group is exposed to potential FX risks through its banking operations and mismatches between the currency in which it raises liabilities versus the currency of its assets. It is also exposed to this risk as the Group expands internationally (for instance through Engine). If the Group is not able to manage its exposure to FX risks, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Model Risk

Failures in the development, implementation or use of models could have a material adverse effect on the Group

The Group operates a wide range of models to support its business activities, including for credit risk, finance, treasury, commercial and operations. These models are used for many purposes, including, without limitation, for assessing affordability at the point of customer application, IFRS 9 expected credit loss accounting, financial cash flow modelling, and capital assessment, together with market risk, liquidity or pricing. See also “*The Group is exposed to risks arising from the increasing use of AI*” in relation to AI models.

Internal IFRS 9 probability of default models are used to calculate expected credit loss provisions on the loan book. In certain circumstances, adjustments need to be made to the modelled outcomes to reflect where, in management's judgement, the modelled outcomes do not sufficiently reflect current economic conditions or other factors such as known data or model limitations and new risks that a model was not designed to capture

when it was developed. These adjustments might arise at various points in the lifecycle of a model, for example, adjusting an economic input to take account of government interventions, applying an adjustment to a parameter in the model to reflect expert credit judgement, or applying adjustments outside of models to correct known data or model limitations. These adjustments can also be judgmental, and may be inaccurate, especially when addressing new risks or uncertainties that were not designed to be captured by the model when it was developed.

There is a risk that the Group's models are used inappropriately or perform inadequately, for example as a result of weaknesses or failures in the design or use of a model, leading to a financial loss occurring or a poor business or strategic decision being made.

Failure to manage this risk adequately could adversely affect the Group's business, financial condition, and could damage its relationships with its regulators or have adverse reputational impacts.

Operational Risk

The Group is exposed to operational risks related to inadequate or failed internal processes, people and systems and from external events

The Group's business is exposed to operational risks related to inadequate or failed internal processes, people and systems and from external events. See also "*The Group may fail to attract or retain executives, senior managers or other key employees*" for further detail on people risk.

Operational risks are inherent in the day to-day operational activities of the Group, which may result in direct or indirect losses and could adversely impact the Group's business, financial condition, results of operations and prospects.

These losses may result from both internal and external events, and risks.

Internal risks include, but are not limited to, process error or failure, inadequate process design, poor product development and maintenance, poor change management, defective infrastructure and systems, system failure, failure of information security and physical protection (including the health and safety, and security, of employees), fraud, deficiencies in employees' skills, or the Group's ability to attract the skills required or manage poor performance or human error, or other idiosyncratic components of operational risk that are related to the Group's particular size, nature and complexity.

External events include, but are not limited to, operational failures by third-party providers, actual or attempted external IT security breaches from parties with criminal or malicious intent, natural disasters, epidemics, pandemics, extreme weather events, political, security and social events and failings in the financial services industry. The Group engages a number of third parties to provide a range of goods and services, including certain IT systems and cloud service providers. It is critical that there are appropriate risk management policies, processes and practices over the selection, governance and oversight of third parties, particularly for key activities that could affect the Group's operational resilience and are considered material outsourcers.

Such events are unpredictable and may result in a material or systemic loss, business interruption or significant reputational damage. Supplier management forms a critical part of the Group's resilience, with ongoing monitoring of suppliers providing supporting services to its important business services. The Group expects to further mature its supplier and outsourcing oversight capabilities as it grows.

The Group is dependent on its information systems and technology (including cloud service providers) from a system stability, data quality and information security perspective. The Group is dependent on payments systems and technologies that interface with wider industry infrastructure; for example, the Group is, in common with other banks, dependent on various industry payment systems and schemes (including CHAPS, BACS, Faster Payments and SWIFT) for making payments between different financial institutions on behalf of

customers. Failure of any of these systems and technologies (including if such systems cannot be restored or recovered in acceptable timeframes or be adequately protected) could adversely impact the Group's ability to conduct its daily operations and its business, causing potential intolerable harm to its customers as well as the business' financial condition, results of operations and prospects.

The Group may look to implement new operational processes and systems to assist in responding to market developments, such as reflecting changes in regulation. Due to the scale and complexity of such projects, the Group may be required to invest significant management attention and resources, which may divert attention away from normal business activities and other ongoing projects. Additionally, where changes are undertaken in an environment of economic uncertainty and increased regulatory activity and scrutiny, operational and compliance risks are magnified, which may impact the reputation and financial condition of the Group. There is also a risk that implementation may not be completed within expected timeframes or budget, or that such changes do not deliver some or all of their anticipated benefits.

While the Group is operationally resilient and has IT disaster recovery and certain business continuity frameworks, these are not, and are not intended to be, a full duplication of the Group's operational systems and premises.

Additionally, the Group is exposed to risks associated with an increase in the cost or lack of available insurance provision for the Group (including any run-off policies), which could have an adverse impact on profitability. See also *"The Group's insurance coverage may not be adequate to cover all possible losses that it could suffer, and its insurance costs may increase"*. The occurrence of a serious disaster resulting in interruptions, delays, the loss or corruption of data or the cessation of the availability of systems or premises could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Any actual or perceived inadequacies, weaknesses or failures in the Group's systems or processes (including insufficient business continuity frameworks) could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group is exposed to risks associated with its and third-party IT systems

The IT systems of the Group and a number of third-party service providers are critical to the operation of its business and the delivery of products and services to its customers. Any disruption in a customer's access to account information, delays in making payments, or a failure of online or mobile banking platforms could have a significant negative effect on its reputation and could also lead to potentially large costs both to rectify the issue and to reimburse losses incurred by customers. In addition, any defect in the Group's standard documentation or defect in its mobile/internet banking applications or core banking system could be replicated across a large number of transactions before the defect is discovered and corrected. This could significantly increase the cost of remediating the defect.

As the Group depends on a number of third-party providers for a variety of functions (including for example, mortgage servicing, payment service provider systems, cloud service providers and (in relation to cash withdrawal and deposits, given SBL is a branchless bank) the post office) any disruption in such providers and systems could have a disruptive effect on the Group's operations.

Further, the Group and its third-party service providers conduct IT system upgrades. Should these upgrades not be completed as planned or become subject to significant delays or suffer from cost overruns, operational performance may suffer. Delays or cost overruns could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Any disruption to the IT systems of the Group or its third-party service providers, including, but not limited to those highlighted above, could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group is exposed to risks associated with cyber-enabled crime and fraud

The Group is subject to the risk of actual or attempted cyber and information security attacks and breaches from parties with criminal or malicious intent and the risk of the Group's information being subject to unauthorised access (for example, through theft of employee or customer credentials), disclosure, modification or loss, from external or internal threats, as well as increased evidence of more sophisticated attacks using AI. The Group's digital centric approach means that cyber security and information protection are fundamental to its strategy.

Cyber-attacks on large organisations across various industries increased in 2025, re-emphasising the ongoing challenge of identity and mitigating threats and vulnerabilities. The risks associated with cyber-attacks, where an individual or group seeks to exploit vulnerabilities in IT systems for financial gain or to disrupt services, are a material risk to the Group and the UK financial system, which has a high degree of interconnectedness between market participants, centralised market infrastructure and (in the case of some market participants) complex legacy IT systems.

The Group cannot be certain that its infrastructure and controls will prove effective in all circumstances and any failure of the controls could result in significant financial losses and a material adverse effect on the Group's operational performance and reputation. Should the Group's layered controls fail to detect, prevent or mitigate a cyber-attack or data breach, or should an incident occur in a system for which there is limited resilience, there may be a material adverse effect on its business, financial condition, results of operations and prospects.

Any breach in security of the Group's systems, for example from increasingly sophisticated attacks by cyber-crime groups or fraudulent activity in connection with customer accounts (including authorised push payment (APP) fraud), could disrupt its business, result in the disclosure of confidential information, create significant financial and/or legal and regulatory compliance exposure (for example, as a result of regulatory requirements relating to APP fraud customer reimbursement, or monetary penalties that can be imposed by the Information Commissioner's Office for breach of data protection requirements), and damage its reputation and/or brands, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to risks arising from the increasing use of AI

Innovations in AI, including generative AI, may rapidly transform and disrupt customers, the industry and the economy. The full impacts of advances in AI remain unknown but it is identified as an emerging risk that could have multiple adverse effects, including that the integrity, confidentiality and availability of the Group's assets and services could be compromised through deep fake or adversarial AI attacks on customer-facing services, leading to customer distress, reputational damage and increased regulatory scrutiny. More recently, advances in large language models indicate an enhanced ability to identify, and correlate system vulnerabilities, potentially increasing the velocity of cyber criminals attacks on the Group's systems. The Group is also exploring the expansion of its AI in its operational processes including customer-facing activities. The innovative nature of this may introduce new risks as well as exacerbate existing risks. As the Group deepens the use of data analytics and adopts AI to support customer and colleague decision-making, risks related to data quality and privacy intensify. Shortcomings in data architecture and governance create vulnerabilities for flawed decisions, regulatory failures, and loss of customer trust. It cannot be excluded that impact to the Group's business, operations or processes resulting from the usage of AI, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to risks in relation to data management and protection

The Group collects and processes large amounts of personal data as an integral part of its business and must therefore comply with data protection and privacy laws and regulations (including, in particular, the UK General Data Protection Regulation).

The Group is therefore exposed to risks relating to data management and protection, including, without limitation, acquiring, storing, transforming, and using data.

A failure by the Group or any of the third-party service providers on which it relies to (i) ensure data is high quality throughout its lifecycle, (ii) ensure it has adequate procedures in place for (as applicable) acquiring, validating, storing, protecting, retaining and/or processing data and/or (iii) protect data from cyber-attack or a data breach, could create significant financial and legal exposure, as well as damage to the Group's reputation and may result in a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

The Group's risk management policies and procedures may not be effective in protecting it against all the risks faced by its business, and any failure to manage properly the risks that it faces could harm the Group and its prospects

The management of risks requires, among other things, robust policies and procedures for the accurate identification and control of a large number of transactions and events. Such policies and procedures may not always prove to be adequate in practice against the wide range of risks that the Group faces in its business activities. There is a risk that the Issuer's existing policies may not adequately cover the nature of the Group's operations due to the introduction of processes or practices that are not currently part of the Group's operating model, thereby leading to losses or a deterioration in performance, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has an embedded enterprise risk management framework including a range of policies, systems and procedures designed to measure and manage the various risks which it faces. Some of these methods are based on historic market and portfolio behaviour and may therefore prove to be inadequate for predicting future risk exposure, which may prove to be significantly greater than what is suggested by historic experience. Over the last two years the Group has been maturing its risk management practices, to embed risk management into the organisation's day to day processes. This risk management maturity programme has now concluded, but it is recognised that the effectiveness of risk and control management (as matured through the programme) is reliant on management's continued effective assessment of risk, which whilst supported by second line of defence assurance activity, is limited by sampling and therefore may not be a complete and certain evaluation of risk.

Historical data may also not adequately allow prediction of circumstances arising due to UK Government interventions and stimulus packages, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Group. Such information may not always be correct, updated or correctly evaluated. In addition, even though the Group constantly measures and monitors its exposures, there can be no assurance that its risk management methods will be effective, including in unusual or extreme market conditions. It is difficult to predict with accuracy changes in economic, market or geopolitical conditions and to anticipate the effects that such changes could have on the Group's business, financial condition, results of operations and prospects.

Credit Risks

The Group is subject to risks associated with customer and counterparty non-performance

The Group has exposures to many different products, counterparties and obligors of varying credit quality, however credit risk from BTL mortgages, SME lending, personal loans and overdrafts accounts for most of the Group's credit risk.

In the ordinary course of its operations, the Group estimates and establishes provisions for credit risks and the potential credit losses inherent in these exposures. This process, which is critical to the Group's results and

financial condition, requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. The Group may fail adequately to identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors, which could materially adversely affect its business, results of operations, financial condition and prospects.

Further, there is a risk that customers are unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic factors or other external factors. Credit risk arises through the mortgage, SME and retail lending facilities to which SBL has exposure. The failure of customers to meet their commitments as they fall due may result in higher impairment charges or a negative impact on fair value in the Group's lending portfolio, and the Group may be unable to recover the required value from any security for those loans. A deterioration in customer credit quality and the consequent increase in impairments could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Other sources of credit risk include, but are not limited to, the holding of investments for liquidity purposes (including UK government securities ("UK Gilts") and T-bills) and other investment securities, exposures relating to the residential mortgage-backed securities book, money market transactions, inter-bank transactions, derivative transactions entered into for hedging purposes and the settlement of transactions. A failure of one or more of the Group's counterparties could have a significant adverse impact on the Group's business, results of operations, financial condition and prospects. Less favourable business or economic conditions, whether generally or in a specific industry, sector or geographic region, could cause counterparties and customers (especially those concentrated in areas experiencing less favourable business or economic conditions) to experience an adverse financial situation. This exposes the Group to the increased risk that those customers will fail to meet their payment obligations in accordance with agreed terms.

Other factors that could have an adverse impact include financial market dislocation, which could lead to falling confidence, increasing refinancing risk and contagion risk amongst market participants, counterparties and customers.

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

Given the high level of interdependence between financial institutions, the Group is and will be subject to the risk of actual or perceived deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions.

Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial and financial soundness of many financial institutions may be closely related as a result of its credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Group or by other institutions. Such concerns and perceptions may be amplified and spread rapidly via channels such as social media. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, industry payment systems, savings administration providers, retail deposit aggregators, clearing houses, banks, building societies, securities firms and exchanges with whom the Group interacts on a daily basis. Systemic risk could therefore have a material adverse effect on the Group's ability to raise new funding and on its business, financial condition, results of operations and prospects.

The Group routinely executes transactions with counterparties in the financial services industry, including, commercial and investment banks, building societies and other institutional counterparties, resulting in large daily settlement amounts that may give rise to significant credit exposure. In particular, the Group interacts with these financial institutions through a variety of interbank electronic payments systems that underpin clearing

and settlement amongst financial institutions. As a result, the Group faces concentration risk with respect to specific counterparties including payment system participants and operators.

A default by, or concerns about, the creditworthiness of one or more other financial services institutions could therefore have a material adverse effect on the Group's ability to raise new funding, financial condition, results of operations, liquidity or business prospects.

The Group faces risk from the impact of climate change

Understanding and addressing the risks presented by climate change is an important topic facing financial institutions, which has achieved increasing attention from governments, regulators and wider society.

The Group is exposed to physical and transition risks arising from climate change.

Physical risks from climate change arise from a number of factors and relate to specific climate and weather-related events and longer-term shifts in the climate such as heatwaves, droughts, floods, storms, sea level rise, coastal erosion and subsidence. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the economy is predicted to be more acute in the future. The potential impact on the economy includes, but is not limited to, lower GDP growth, higher unemployment and significant changes in asset prices and profitability of industries.

More specifically, there is a risk that increased flood risk could impact the Group's mortgage portfolio, where damage to properties can impair asset values and the creditworthiness of customers leading to increased default rates, delinquencies, write-offs and impairment charges in the Group's portfolios and financial losses for the Group.

Determining whether physical risks are accurately reflected in property values is an area that requires continual monitoring from banks. Assessments of physical risk are contingent on the availability of high-quality data, as such, absent or inaccurate data can compound the Group's risk exposure.

Transition risks arise from the process of adjustment towards a low-carbon economy. As the economy transitions to a low-carbon economy, financial institutions, including the Group, may face significant and rapid developments in, policy, law and regulation, technology and sentiment, which could prompt a reassessment of the value of a large range of assets of the Group and create credit exposures for the Group and other lenders as costs and opportunities become apparent.

As sentiment towards climate change shifts and societal preferences change, the Group may face greater scrutiny of the type of business it conducts, adverse media coverage and reputational damage from a failure to meet the changing societal, customer, or investor demands as well as failure to comply with governmental and regulatory requirements. This may in turn impact customer demand for the Group's products, returns on certain business activities, cost of funding and the value of certain assets resulting in impairment charges. For example, continued focus on decarbonising the UK's property stock through the introduction of stricter Energy Performance Certificate standards could reduce the values of less efficient properties, or require customers to increase their borrowing to make improvements, thereby impacting mortgage repayments. Lenders may face disproportionate impacts depending on the characteristics of their customer base, as customers borrowing a large percentage of their property value may be less able to invest in energy efficiency upgrades.

If the Group does not adequately embed risks associated with climate change into its risk framework to appropriately identify, measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, it may have a material and adverse impact on the Group's trading performance, financial condition, competitiveness, results of operations and prospects.

Additionally, these risks can impact the Group through its supply chain or choice of partners and can lead to the emergence of liability risks.

Legal and Regulatory Risks

The Group must comply with a wide range of laws and regulations in the markets in which it operates, and is exposed to the risk of litigation or other legal proceedings

As a financial services group, the Group is subject to extensive and comprehensive regulation. The Group must comply with numerous laws and regulations in any of the markets in which the Group operates which significantly affect the way it does business. Consequently, the Group is exposed to many forms of risk in connection with compliance with such laws and regulations, including:

- breaching general organisational requirements, such as the requirement to have robust governance arrangements (which include a clear organisational structure with well defined, transparent and consistent lines of responsibility that are consistent with the Senior Managers and Certification Regime), effective processes to identify, manage, monitor and report the risks the Group is or might be exposed to, and internal control mechanisms, including sound administrative and accounting procedures and effective control and safeguard arrangements for information processing systems;
- continued high level of scrutiny of the treatment of clients by financial institutions from regulatory bodies, the press and politicians; in the UK, the FCA in particular continues to focus on retail conduct risk issues, as well as conduct of business activities through its supervision activity;
- a potential failure of processes, systems or security may expose the Group to heightened financial crime and/or fraud risk, and in the UK the PRA, the BoE and FCA continue to focus on the operational resilience of firms and financial markets infrastructures;
- certain aspects of the Group's business may be determined by the relevant authorities (such as the FOS in the UK) or the courts not to have been conducted in accordance with applicable laws or regulations or, in the case of the FOS, with what is fair and reasonable in the Ombudsman's opinion;
- the possibility of alleged mis-selling of financial products (for example, the risk that products are not accurately described) or the mishandling of complaints related to the sale of such products by or attributed to an employee of the Group, including as a result of having sales practices, complaints procedures and/or reward structures in place that are determined to have been inappropriate;
- breaching laws and requirements relating to the detection and prevention of money laundering, terrorist financing, bribery and corruption, tax evasion and other financial crime; and
- non-compliance with legislation relating to unfair or required contractual terms or disclosures.

Failure to comply with this wide range of laws and regulations, or contractual obligations, could have a number of adverse consequences for the Group, including the risk of:

- substantial monetary damages or fines, other penalties and injunctive relief, the amounts of which are difficult to predict and may exceed the amount of provisions set aside to cover such risks;
- regulatory investigations, reviews, proceedings and enforcement actions;
- being required to amend sales processes, product and service terms and disclosures, withdraw products or provide redress or compensation to affected clients;
- the Group either not being able to enforce contractual terms as intended or having contractual terms enforced against the Group in an adverse way (for example, enforcement by Engine's clients of any

contractual protections such as indemnities which they may have, in relation to any delayed or failed implementations of new banking platforms for Engine's customers);

- civil or private litigation (brought by individuals or groups of individuals/claimants) in the UK and other jurisdictions (which may arise out of regulatory investigations and enforcement actions or client complaints);
- criminal enforcement proceedings; and
- regulatory restrictions on the Group's business,

any or all of which could result in the Group (including the Issuer) incurring significant costs, may require provisions to be recorded in the Group's financial statements, could adversely impact future revenues from affected products and services and could have a negative effect on the Group's reputation and the confidence of clients in the Group, as well as taking a significant amount of the Directors' and management's time and resources away from the implementation of the Group's strategy. Regulatory restrictions could also require additional regulatory capital and/or liquid assets to be held. Any of these risks, should they materialise, could have an adverse impact on the Group's business, financial condition, results of operations and/or prospects.

In particular, there is a continued focus on the operational resilience of firms, including in relation to 'important business services'. In March 2022, new operational resilience rules set out in the PRA Supervisory Statement SS1/21 and FCA Policy Statement PS21/3 came into force. The Group is required to identify its 'important business services' and set impact tolerances for these as well as commence a programme of scenario testing whereby the Group evidences its ability to continue to deliver such services through operational disruption and within impact tolerance thresholds. Firms were required to comply with these requirements by no later than the end of a three-year transitional period on 31 March 2025. In November 2024, the PRA published a Statement of Policy clarifying how its operational resilience policy affects its approach to the following key areas of the regulatory framework: (i) governance, (ii) operational risk management, (iii) business continuity planning, and (iv) the management of outsourced relationships. In January 2026, the PRA published a 'Dear CEO' letter setting out supervisory priorities for UK deposit takers. The PRA's 2026 priorities reflect the need for robust governance, risk management and controls at firms, supported by accurate information, to enable firms to proactively identify and analyse and mitigate risks in a dynamic, competitive and challenging environment. The PRA's 2026 priorities further reflect the PRA's heightened expectations around operational and financial resilience.

The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability to avoid the cost, diversion of management time and effort or negative business, regulatory or reputational consequences of continuing to contest liability or when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, the Group may, for similar reasons, reimburse counterparties for their losses even in situations where there are no litigation proceedings and the Group does not believe that it is legally compelled to do so. Failure to manage these risks adequately could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

In the past, the Group has identified gaps in controls to identify and manage regulatory compliance. Whilst the Group has taken steps to close control gaps, as SBL plans to add additional products and features, the mitigation of this risk could deteriorate if not managed appropriately. Failure to comply with the wide range of laws and regulations could result in the FCA and the PRA or other competent regulatory authorities cancelling or restricting the regulatory authorisations of SBL or other regulated entities in the Group altogether, thereby preventing them from carrying on their businesses.

The Group must comply with anti-money laundering, financial crime, anti-bribery and sanctions regulations

The Group is subject to laws and regulations that are in place to prevent financial crime, including money laundering, the financing of terrorism, the facilitation of bribery and tax evasion, the circumvention of applicable sanctions regimes, as well as laws that prohibit the Group, its staff or intermediaries from making improper payments or offers of payment to foreign governments and their officials and political parties for the purposes of obtaining or retaining business, including the UK Bribery Act 2010. Compliance with anti-money laundering, anti-bribery rules and sanctions legislation and regulations creates a significant financial burden on banks and other financial institutions and requires significant technical capabilities and the appropriate level of skill, knowledge and expertise to manage these risks. In recent years, enforcement of these laws and regulations has become more aggressive, resulting in several landmark financial penalties against UK financial institutions. Economic crime continues to be a key focus for regulators, with the FCA, in particular, highlighting anti-money laundering and the prevention of financial crime as priorities in its business plan. This is in addition to the recent passing of the Economic Crime (Transparency and Enforcement) Act 2022 and the Economic Crime and Corporate Transparency Act 2023. Failure to meet FCA financial crime regulatory standards could lead to investigation, enforcement activity or fines.

On 27 September 2024, the FCA imposed a financial penalty of £29 million on SBL for contraventions of voluntary requirements in relation to financial crime, and failing to design, implement, and maintain adequate systems and controls to mitigate financial crime risks (in particular in relation to financial sanctions). Some regulatory restrictions on higher risk customer acquisition remain in force. Certain potential historic sanctions breaches were self-identified as part of the related financial crime remediation processes for these past failings, and were voluntarily disclosed to the U.S. Office of Foreign Assets Control and the UK Office of Financial Sanctions Implementation. Whilst SBL has taken remediation action (such as offboarding relevant customers), it is possible that such authorities could take enforcement action and/or impose penalties.

The Group cannot predict the nature, scope or effect of future legislative or regulatory requirements to which it might be subject or the manner in which existing laws might be administered or interpreted in the future. Unforeseen and quick changes to legislative or regulatory requirements could make compliance by the Group more challenging and/or costly.

While the Group maintains policies and procedures to comply with financial crime legislation and regulations, these systems and controls cannot completely prevent instances of financial crime, including actions by the Group's employees, for which the Group might be held responsible, and individuals or businesses attempting to use SBL, its products or its services to advance financial crime. Any such events may have consequences, including financial penalties and other sanctions, as well as reputational repercussions, both of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to the potential impacts of UK banking and financial services reform initiatives

In recent years, the relevant regulatory authorities in the UK have proposed (and in some cases have commenced implementation of) dramatic reforms to many aspects of the banking sector, including, among others, institutional structure, resolution procedures and deposit guarantees. While the impact of these regulatory developments remains uncertain, the Group expects that the evolution of these and future initiatives could have an impact on its business. This in turn could affect the Group's ability to fulfil its obligations under the Notes.

SBL is responsible for contributing to compensation schemes such as the UK Financial Services Compensation Scheme (the "FSCS") in respect of banks and other authorised financial services firms that are unable to meet their obligations to clients. Further provisions in respect of these costs are likely to be necessary in the future. The ultimate cost to the industry, which will also include the cost of any compensation payments made by the FSCS and, if necessary, the cost of meeting any shortfall after recoveries on the borrowings entered into by the

FSCS, remains uncertain but may be significant and may have a material effect on the Group's business, results of operations and financial condition.

The Deposit Guarantee Scheme Regulations 2015, as amended by the Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018, ensure that all deposits up to a defined limit (which is £120,000 as at the date of these Admission Particulars) per eligible person per firm are protected through the FSCS deposit guarantee scheme (the "**FSCS DGS**"). The FSCS DGS is funded through regular contributions before the event (*ex ante*). In the case of insufficient *ex ante* funds, the FSCS DGS will collect immediately after the event (*ex post*) contributions from the banking sector and as a last resort it will have access to alternative funding arrangements such as loans from public or private third parties.

Amongst other compensation, the FSCS provides for a qualifying temporary high balance deposit protection, (which as at the date of these Admission Particulars is for amounts of up to £1.4 million), for up to six months from when the amount was first deposited for certain limited types of deposits. It is possible that future FSCS levies on SBL may differ from those at present, and such reforms could result in the Group incurring additional costs and liabilities, which may adversely affect its business, financial conditions and/or results of operations. The Bank Resolution (Recapitalisation) Act 2025 was enacted on 15 May 2025. The Act expands the statutory functions of the FSCS, requiring it to provide funds to the BoE upon request which could be used to meet certain costs arising from the use of the resolution regime to manage the failure of a bank, building society or PRA authorised investment firm. It also allows, through PRA rules, for the FSCS to use its levy-raising powers to recover any funds provided to the BoE after a failure event through imposing levies on the banking sector. Together these arrangements may result in the Group bearing higher funding costs for the FSCS.

In mortgages, following the implementation of the Consumer Duty, and a call from the UK government for simplification, a programme of work was published through their 5-year strategy, their Feedback Statement Immediate areas for action and further plans for reviewing FCA requirements following introduction of the Consumer Duty, and the Mortgage Rule Review plans. The industry is expecting to see a simplification of the level of rules and guidance which is currently in place, some of which was introduced through COVID and/or the cost-of-living crisis, having moved some of the more key publications e.g., borrowers in financial difficulty, guidance into existing FCA Handbook sourcebooks in 2024. The speed of change, and extent of reforms in this area could result in the Group incurring additional costs and liabilities, which may adversely affect its business, financial conditions and/or results of operations.

Bank resolution powers apply to the Group

The Group is subject to the Banking Act 2009 (the "**Banking Act**"), which gives wide powers in respect of UK banks and their parent undertakings and other group companies to HMT, the BoE, the PRA and the FCA (each an "**Authority**" and together, the "**Authorities**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These provisions of the Banking Act implement the BRRD and establish a special resolution regime for UK banks and certain other institutions and their groups, including the Issuer, as the parent entity of SBL and the resolution entity of the Group (the "**SRR**").

The exercise of these powers could result in: (a) the transfer of all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent, to a commercial purchaser or, in the case of securities, to HMT or an HMT nominee, or, in the case of property, rights or liabilities, to an entity owned by the BoE; (b) the overriding of any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) the commencement of certain insolvency procedures in relation to a UK bank; (d) the overriding, varying or imposing of contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group); and (e) the discontinuation of the listing and admission to trading of the Notes or other securities issued

by the Group from time to time, in order to enable any transferee or successor bank of the UK bank to operate effectively.

The powers granted to Authorities under the Banking Act include, but are not limited to: (i) a “mandatory write-down and conversion power” relating to regulatory capital instruments (such as the Notes) and (ii) a “bail-in” tool relating to the majority of unsecured liabilities. Such loss absorption powers give resolution authorities the ability to write-down or write-off all or a portion of the claims of certain unsecured creditors of a failing institution or group and/or to convert certain debt claims into another security, including ordinary shares of the surviving group entity, if any. Such resulting ordinary shares may be subject to severe dilution, transfer for no consideration, write-down or write-off. The Banking Act also gives power to HMT to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

Mandatory write-down and conversion power

The mandatory write-down or conversion power may be used in respect of capital instruments (such as the Notes) where an Authority has determined that the institution concerned has reached the point of non-viability or where the conditions to resolution are met. Unlike the bail-in tool, this power may be exercised prior to or instead of entering resolution. Any write-down or conversion effected using this power must reflect the insolvency priority of the written-down claims – thus common equity shall generally be written off in full before subordinated debt (including the Notes) is affected. However, the mandatory write-down and conversion of capital instruments power is not subject to the “no creditor worse off” safeguard which applies to the bail-in power.

Bail-in power

The bail-in power gives an Authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution or its holding company, and/or to convert certain debt claims (which could be amounts payable under the Notes) into another security, including ordinary shares of the surviving entity, if any. The Banking Act requires an Authority to apply the “bail-in” power in accordance with a specified preference order. In particular, an Authority must write-down or convert the regulatory capital and MREL eligible liabilities instruments in the following order: (i) Common Equity Tier 1 instruments, (ii) Additional Tier 1 instruments, (iii) Tier 2 instruments (which would include the Notes), (iv) other subordinated claims and (v) eligible senior claims. In general, the exposure of creditors and shareholders resulting from the exercise of the bail-in powers will reflect the order in which they would have received distributions in an insolvency process immediately before the coming into effect of the bail-in power (the “no creditor worse off” safeguard). However, due to the exclusion of certain liabilities (such as protected deposits in the case of a bank such as SBL) from the scope of the bail-in powers, certain creditors may bear greater losses than they would on insolvency.

Other resolution powers under the Banking Act

As well as a “write-down and conversion of capital instruments” power and a “bail-in” power, the powers of an Authority under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a “bridge institution” (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can only be used together with another resolution tool).

The Authorities also have wide powers under the Banking Act to modify contractual arrangements in certain circumstances (for example, varying the maturity of a debt instrument), to impose a temporary suspension of payments and to override events of default or termination rights that might be invoked as a result of the exercise of the resolution powers, which could have a material adverse effect on the rights of holders of the equity and debt securities issued by the Issuer (including Noteholders), including through a material adverse effect on the price of such securities (such as the Notes). The Banking Act also gives the BoE the power to override, vary or impose contractual obligations between a UK bank, its holding company and its group undertakings for reasonable consideration, in order to enable any transferee or successor bank to operate effectively. There is also power for HMT to disapply or modify laws (with possible retrospective effect), excluding provisions made by or under the Banking Act, to enable the powers under the Banking Act to be used effectively.

Any exercise of these powers may limit the capacity of the Issuer to meet its obligations under the Notes. In addition, if the market perceives or anticipates that any action may be taken under the Banking Act in respect of the Issuer, SBL or any of their respective securities (including the Notes), this may have a significant adverse effect on the market price of the Notes and/or the liquidity and/or volatility of any market in the Notes, whether or not such powers are ultimately exercised. In such cases, investors may experience difficulties in selling their Notes, or may only be able to sell their Notes at a significant loss.

The Group's business is subject to changing laws and regulation and regulatory focus and approach

The Group faces risks associated with an uncertain and changing legal and regulatory environment in all the markets in which it operates. Existing laws and regulations may be amended, or new laws and regulations may be introduced, which could affect the Group by, for example:

- resulting in the need for increased operational and compliance resources to ensure compliance with the new or amended laws and regulations;
- restricting the client base to which the Group's products or services can be offered; and
- restricting the products or services the Group can provide,

any or all of which could ultimately have an adverse impact on the Group's business, financial condition, results of operations and/or prospects.

- In relation to SBL's business in particular, see further "*The Group's business is subject to substantial prudential regulation, which may change from time to time*", "*The Group is subject to substantial and changing conduct regulations*" and "*The Group is subject to the potential impacts of banking reform initiatives*" above.
- In addition, in relation to Fleet's business:
 - o On 27 October 2025, the Renters' Rights Act 2025 gained Royal Assent, implementing commitments to reform England's private rental sector. Amongst other things, the Act limited the ability of landlords to raise rents to once a year and eliminated no fault eviction with effect from 1 May 2026.
 - o In addition, on 7 February 2025, the UK Government published a public consultation on its proposals to raise Minimum Energy Efficiency Standards for privately rented homes in England and Wales. On 28 January 2026, the UK Government published "The New Decent Homes Standard: policy statement", including minimum Energy Efficiency Standards, which sets out the UK Government's comprehensive plan to bring rented homes up to a higher standard and improve outcomes for tenants. New energy performance requirements will now be required for tenancies by 2030, subject to legislative approval. The policy statement proposes that landlords are required to invest up to a maximum of £10,000 per property on

improvements, subject to certain exemptions. The full impact of these developments on the buy-to-let market, which has recently been contracting, and consequently on the Group is currently unknown.

- Increased regulation of the private rented sectors could reduce the choice of mortgage products and properties available to buy-to-let investors, which in turn could reduce demand for buy-to-let mortgages. Reductions in demand for buy-to-let mortgages and also any decreases in the value of security or the ability of borrowers to meet their obligations under their buy-to-let mortgages could adversely affect the Group's cashflows, revenues and profits.

In addition, changes to the regulatory authorities' approaches and expectations may result in increased scrutiny of the Group's compliance with existing laws and regulation. This may result in the Group needing to change its internal operations, at an increased cost.

The Group's business is subject to substantial and increasing industry-wide regulatory and governmental oversight

The financial services industry continues to be a focus of significant regulatory change and scrutiny. This has led to a more intensive approach to supervision and oversight, increased expectations of authorised firms and their senior management and enhanced regulatory requirements.

As a result, regulatory risk will continue to require the attention of senior management who are accountable to the regulators and will consume significant levels of business resources. Furthermore, as enhanced supervisory standards are developed and implemented, this more intensive approach and the enhanced regulatory requirements, along with uncertainty and the extent of international regulatory coordination, may ultimately adversely affect the Group's business, capital and risk management strategies and/or may result in the Group deciding to modify its legal entity structure, capital and funding structures and business mix or to exit certain business activities altogether or to determine not to expand in areas despite their otherwise attractive potential.

In addition to the promulgation of new legislation and regulation, the UK Government, the PRA, the FCA, other regulators in the UK and other regulators and governments overseas have, in recent years, become substantially more proactive in their application and monitoring of certain regulations, and they may intervene further in relation to areas of industry risk already identified or in new areas, which could adversely affect the Group.

Areas where regulatory changes could have an adverse effect on the Group's business include, but are not limited to:

- general changes in government, central bank or regulatory direction and policy, or changes in regulatory regimes, including changes that apply retroactively, that may influence client decisions in particular markets in which the Group operates, which may change the structure of those markets and the products offered or may increase the costs of doing business in those markets;
- external bodies applying or interpreting standards or laws in a manner that is different to how the Group applies or interprets them;
- one or more of the Group's regulators intervening to mandate the pricing of certain of the Group's products as a consumer protection measure;
- one or more of the Group's regulators intervening to prevent or delay the launch of a product or service, or prohibiting an existing product or service;
- changes in competitive and pricing environments;

- further requirements relating to financial reporting, corporate governance and conduct of business and employee compensation;
- changes to regulation and legislation relating to economic and trading sanctions, money laundering and terrorist financing;
- CMA market studies or investigations, FCA market studies or Payment Systems Regulator market studies (or other market studies of regulatory authorities) potentially resulting in a range of measures, including behavioural and/or structural remedies;
- influencing business strategy, particularly the rate of growth of the business;
- imposing conditions on the sales and servicing of products, which has the effect of making such products unprofitable or unattractive to sell;
- changes to UK tax policies, including stamp duty thresholds, capital gains tax, inheritance tax and income tax;
- changes to regulation and legislation relating to sustainability disclosure requirements, environmentally sustainable investments and to broader environmental, social and governance (ESG) rules and supervisory expectations that apply to banks and asset managers; and
- imposing additional sustainability conditions and requirements, in particular in the asset management sector.

Implementation of further regulatory developments or supervisory expectations could result in additional costs and/or could limit or restrict the way in which the Group conducts business.

Changes to accounting policies or in accounting standards could materially affect the Group's capital and, how it reports the financial position and performance of its operations

The financial statements of the Group are prepared in accordance with IFRS. From time to time, the International Accounting Standards Board (the “IASB”) and/or the United Kingdom Endorsement Board may change IFRS. In some cases, the Group could be required to apply a new or revised standard retrospectively, resulting in the restatement of prior period financial statements.

Any such change in the Group's accounting policies or accounting standards could materially affect its reported financial condition and results of operations. This in turn could affect the Issuer's ability to fulfil its obligations under the Notes.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group faces risks related to changes in applicable tax legislation or taxation rates, which could materially adversely affect its financial position

The Group faces risks associated with changes in corporation tax, VAT, payroll tax and other taxation rates in the UK and internationally, the introduction of new tax regimes impacting UK banks, amendments to applicable tax legislation, misinterpretation of the tax legislation, and potential disputes with relevant tax authorities in relation to these or other historic transactions. Failure to manage these risks adequately could result in the Group

suffering losses due to additional tax charges and other related financial costs, including interest and penalties. Such failure could also lead to potential adverse reputational damage both with the relevant tax authorities and with other external parties or stakeholders, which could then lead to a materially adverse impact on the Group's financial position.

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

The claims of holders of the Notes will be structurally subordinated

The Notes are the obligations of the Issuer only. The Issuer is a holding company with no revenue generation operations of its own and conducts substantially all of its operations through its direct and indirect subsidiaries (including SBL). Accordingly, the claims of the Noteholders under the Notes will be structurally subordinated to the claims of all creditors of the Issuer's subsidiaries (including the creditors of SBL, among others). SBL and the Issuer's other subsidiaries are separate and distinct legal entities from the Issuer, and have no obligation to pay any amounts due under the Notes. The Issuer's right to participate in the assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and any (if any) preference shareholders (except in the circumstance, and to the extent, that the Issuer is also a creditor of such subsidiary with claims that are recognised to be ranked ahead of or *pari passu* with any such claims).

Accordingly, if SBL or another of the Issuer's subsidiaries were to be wound up, liquidated or dissolved, (i) Noteholders would have no right to claim in such winding up or to proceed against the assets of such subsidiary, and (ii) the Issuer would only recover any amounts (directly, or indirectly through its holdings of other subsidiaries) in the liquidation of that subsidiary in respect of (a) any debts of such subsidiary where the Issuer (directly or indirectly) is the creditor, but subject to the claims on the assets of such subsidiary of all other creditors ranking in priority to, or *pari passu* with, the Issuer (or another of its subsidiaries), and (b) 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 all creditors and preference shareholders (if any) of that subsidiary.

As well as the risk of losses in the event of a Group subsidiary's insolvency, the Issuer may suffer losses if any of its loans to, or investments in, its subsidiaries are subject to statutory write-down and conversion powers or if the subsidiary is otherwise subject to resolution proceedings. Loans and other intra-group funding to SBL may also contain or be subject to contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or SBL, would automatically result in a write-down or conversion into equity of such loans, or the Authorities may elect to write down or convert such loans using resolution or capital write-down and conversion powers under the Banking Act irrespective of any such contractual provisions in certain circumstances.

The Issuer intends to on-lend the proceeds of issue of the Notes to SBL (on matching economic terms) by subscribing for securities to be issued by SBL (the "**Intra Group Notes**"), in a form which is eligible to count towards Tier 2 Capital of SBL. As such, the Intra-Group Notes will rank below the vast majority of the liabilities of SBL and will be subject to the statutory powers and may also be subject to a contractual mechanism as referred to above.

The Issuer intends that payments made by SBL to the Issuer under the Intra-Group Notes would be available to the Issuer to make payments under the Notes. However, there can be no assurance that this will be the case or that such arrangements will not be terminated in the future. For example, if such Intra-Group Notes were to be written down or converted to equity instruments by the Authorities in circumstances where the Notes are not also written down or converted to equity, or if payments are made by SBL under such Intra-Group Notes but the Issuer is required to utilise those funds to make payments under its other obligations, there can be no assurance that the Issuer would be able to generate sufficient funds to make payments under the Notes.

More generally, the operating performance and financial condition of SBL and the Issuer's other subsidiaries, and their ability to provide funds to the Issuer (by way of interest payments, dividends or otherwise) will in turn depend, to some extent, on general economic, financial, competitive, market and other factors, including those set out above in this section "*Risk Factors*", many of which are beyond the Issuer's and the Group's control. The Group may not generate income and cash flow sufficient to enable the Issuer to make payments on the Notes in full or at all. Further, the ability of a subsidiary to make distributions or payments (directly or indirectly) to the Issuer, or the amount of such distributions or payments, may be materially impacted by changes in legal, accounting and/or tax requirements or guidelines over time.

Further, subject to any necessary regulatory permissions to do so, the Issuer retains absolute discretion to restructure any loans to, or any other investments in, any of its subsidiaries, including SBL (which includes the Intra-Group Notes), at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to such subsidiary as part of meeting regulatory capital and MREL requirements in respect of SBL and/or the Group. 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, including its legal or regulatory form, how it would rank in the event of resolution and/or insolvency proceedings in relation to the Group or such subsidiary, and the inclusion of a mechanism that provides for an automatic write-down and/or conversion into equity upon specified triggers. Any restructuring of the Issuer's loans to and investments in any of the Group subsidiaries (including the Intra-Group Notes) may be implemented by the Issuer without prior notification to, or consent of, Noteholders, and may have an adverse effect on the ability of the Issuer to make payments under the Notes.

For the avoidance of doubt, the holders of the Notes shall, in a liquidation of the Issuer, have no claim in respect of the surplus assets (if any) of the Issuer remaining in any liquidation following payment of all amounts due in respect of the liabilities of the Issuer.

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

The Notes constitute unsecured and subordinated obligations of the Issuer.

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

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

Noteholders are also subject to the provisions of the Banking Act relating to, *inter alia*, the write down of capital instruments and the bail-in of liabilities as described under "*Bank resolution powers apply to the Group*".

The remedies available to Noteholders under the Notes are limited

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

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

Furthermore, each Holder shall, by virtue of their holding of any Note (or any beneficial interest therein), be deemed, to the fullest extent permitted under applicable law, to have waived all rights of set-off, compensation, netting, counterclaim, or retention. See Condition 4(b) for further information.

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

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

The Issuer is not subject to any contractual restriction on the quantum of bonds or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such Notes or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders during a winding-up or administration or resolution of the Issuer and may limit the Issuer's ability to meet its obligations under the Notes. The Issuer may also issue, in the future, subordinated liabilities which rank senior to the Notes.

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

The resolution powers of the Authorities under the SRR could be exercised in relation to the Group or SBL which could materially adversely affect the value of the Notes, the rights of the Noteholders or the terms of the Notes. These powers and the SRR are described further in the risk factor entitled "*Bank Resolution Powers apply to the Group*".

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

The Authorities may implement their powers prior to insolvency of the Issuer

The purpose of the stabilisation options and the write-down and conversion power is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the stabilisation options may be exercised if (i) the relevant Authority is satisfied that a relevant entity (such as the Issuer or SBL) is failing, or is likely to fail (including where the relevant entity is failing or likely to fail to meet the threshold conditions specified in Financial Services and Markets Act 2000, as amended (“FSMA”)), (ii) following consultation with the other Authorities, the relevant Authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will enable the relevant entity to satisfy those conditions, (iii) the Authorities consider the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors) and (iv) the relevant Authority considers that the specific resolution objectives would not be met to the same extent by the winding up of the relevant entity. It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated. For further information with respect to the exercise of the capital write-down tool, see “Mandatory write-down and conversion of capital instruments may affect the Notes”.

The preferred resolution strategy for the Group is a transfer resolution strategy. Under this strategy, the Group would be resolved through the Bank of England facilitating the transfer of all or part of the Group’s business to a private sector purchaser or to a bridge bank (on a temporary basis pending onwards sale to a private sector purchaser), with any remaining portion of the Group placed into insolvency as necessary.

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

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

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

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

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

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

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

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

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

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

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

affect the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

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

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

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

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

Accordingly, the threat or perception of an increasing likelihood that resolution powers might be used may affect trading behaviour, including prices and volatility, and, as a result, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities.

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

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

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

Any credit rating may not reflect all risks

The Notes are rated Baa3 by Moody's. Any credit rating 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 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; any potential acquisitions made by the Group; 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 any credit rating agency perceives there to be adverse changes in the factors affecting the Issuer's credit rating, including by virtue of change to applicable ratings methodologies, such credit rating agency may downgrade, suspend or withdraw the Issuer's ratings and/or its securities. Revisions to ratings methodologies and actions on any rating assigned to the Issuer by any credit rating agency 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 any credit rating of the Issuer or the Notes, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places any credit rating 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.

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

The Notes mature on 17 September 2036. The Issuer is under no obligation to redeem the Notes at any time prior to the maturity date and the Noteholders have no right to require the Issuer to redeem or purchase any Notes at any time. Any redemption of the Notes prior to maturity and any purchase of any Notes by the Issuer will be subject always to the Issuer obtaining any prior Supervisory Permission therefor from the Relevant Authority and to compliance with prevailing Regulatory Capital Requirements (as further described in Condition 6(b)), and the Noteholders may not be able to sell their Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Notes. Accordingly, investors in the Notes should be prepared to hold their Notes for a significant period of time.

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

Subject to the Issuer obtaining any prior Supervisory Permission therefor from the Relevant Authority (and such Supervisory Permission not having been revoked prior to the relevant date of such redemption) and to compliance with prevailing Regulatory Capital Requirements (as further described in Condition 6(b)), the Issuer may, at its option, redeem all (but not some only) of the Notes at their principal amount plus unpaid interest accrued to but excluding the relevant redemption date (a) from and including 17 June 2031 to and including the Reset Date, (b) if 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and for these purposes, any Further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled or (c) upon the occurrence of a Tax Event or a Capital Disqualification Event.

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

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

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

Limitation on gross-up obligation under the Notes

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of United Kingdom taxes under the terms of the Notes applies only to payments of interest in respect of the Notes (subject to customary exceptions) and not to payments of principal. As such, the Issuer would not be required to pay additional amounts under the terms of the Notes to the extent that any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected.

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

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

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

At any time, the Trustee may agree to the substitution in place of the Issuer as the principal debtor under the Notes of any successor in business of the Issuer, in each case subject to (i) the Issuer having obtained any

requisite Supervisory Permission from the Relevant Authority and such Supervisory Permission not having been revoked by the relevant date of such substitution, (ii) the Trustee being satisfied that such substitution is not materially prejudicial to the interests of the Noteholders and (iii) to certain other conditions set out in the Trust Deed being complied with.

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

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

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

The Conditions contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

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

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

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

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

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

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

any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Integral multiples of less than £100,000

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

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

Change of law

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

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

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

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies. Such regulatory changes, and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's, 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 Noteholders, which could be material.

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

In recognition of the resolution powers granted by law to the Relevant Resolution Authority, by acquiring the Notes, each Holder will acknowledge and accept that the amounts due in respect of the Notes may be subject to the exercise of UK Statutory Loss Absorption Powers and will acknowledge, accept, consent and agree to be bound by the effect of the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority, that may result in (i) the reduction of all, or a portion, of the amounts due in respect of the Notes; (ii) the conversion of all, or a portion, of the amounts due in respect of the Notes into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares or other securities or obligations), including by means of an amendment, modification or variation of the terms

of the Notes; (iii) the cancellation of the Notes or the amounts due in respect of the Notes; (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period. Each Noteholder will further acknowledge, accept, consent and agree to be bound by the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority.

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

Risks Related to the Market Generally

The secondary market generally

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

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

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

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

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

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

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in 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 or pounds sterling may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to pounds sterling would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

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

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the £150,000,000 6.625 per cent. Fixed Rate Reset Callable Subordinated Notes due 2036 (the “**Notes**”, which expression shall in these terms and conditions (the “**Conditions**”), unless the context otherwise requires, include any Further Notes issued pursuant to Condition 15) of Starling Group Holdings Limited (the “**Issuer**”) was authorised by resolutions of the Board of Directors of the Issuer passed on 28 January 2026 and 27 May 2026.

The Notes are constituted by a trust deed (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 17 June 2026 between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”, which expression shall include all persons for the time being and from time to time appointed as the trustee or trustees under the Trust Deed), as trustee for the Holders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Notes.

Copies of the Trust Deed and of the agency agreement (the “**Agency Agreement**”) dated 17 June 2026 relating to the Notes between the Issuer, Citibank, N.A., London Branch as the initial principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor or replacement principal paying agent appointed by the Issuer under the Agency Agreement from time to time), as the initial agent bank (the person for the time being the agent bank under the Agency Agreement, the “**Agent Bank**”, which expression shall include any successor or replacement agent bank appointed by the Issuer under the Agency Agreement from time to time), as the initial transfer agent (the “**Transfer Agent**”, which expression shall include any successor or replacement transfer agent appointed by the Issuer under the Agency Agreement from time to time), and as the initial registrar (the “**Registrar**”, which expression shall include any successor or replacement registrar appointed by the Issuer under the Agency Agreement from time to time), and the Trustee, (i) are available for inspection during usual business hours at the principal office of the Trustee (being at the Issue Date at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom) and at the specified offices of the Principal Paying Agent, the Registrar and the Transfer Agent or (ii) may be provided by email to a Noteholder following their 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, as the case may be, the relevant Agent) and subject to the Trustee and/or the relevant Agent (as applicable) being supplied by the Issuer with electronic copies.

The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are serially numbered in the denominations of £100,000 and integral multiples of £1,000 in excess thereof.

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

(b) Title

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as

ordered by a court of competent jurisdiction or as required by law, the Holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

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

2 Transfers of Notes

(a) Transfer

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

(b) Delivery of New Certificates

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

(c) Transfer Free of Charge

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

(d) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption or substitution of that Note pursuant to Condition 6 or (ii) during the period of seven days ending on (and including) any Record Date.

3 Status

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

4 Subordination

(a) Winding-Up

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

(b) Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation, netting, counterclaim or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Trust Deed and each Holder shall, by virtue of his holding of any Note (or any beneficial interest therein), be deemed, to the fullest extent permitted under applicable law, to have waived all such rights of set-off, compensation, netting, counterclaim or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, netting, compensation, counterclaim or retention, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

Condition 4(b) shall not be construed as indicating or acknowledging that any rights of set-off, compensation, netting, counterclaim or retention would, but for Condition 4(b), otherwise be available to any Holder with respect to any Note.

5 Interest Payments

(a) Interest Rate

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

Interest shall be payable on the Notes semi-annually in arrear on each Interest Payment Date (in respect of each Interest Period ending on or prior to the Reset Date, in an amount of £33.125 per Calculation Amount) as provided in this Condition 5, save that the first payment of interest, to be made on 17 September 2026, will be in an amount of £16.5625 per Calculation Amount in respect of the period from (and including) the Issue Date to (but excluding) 17 September 2026, representing a short first interest period.

Where it is necessary to compute an amount of interest in respect of any Note for a period which is less than a full Interest Period, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) (or, if the relevant period falls within the first Interest Period, the actual number of days from and including 17 March 2026 to but excluding the first Interest Payment Date) and (2) the number of Interest Periods normally ending in any year.

(b) Interest Accrual

The Notes will cease to bear interest from (and including) the due date for redemption thereof or the date of substitution thereof, in each case pursuant to Condition 6, as the case may be, unless, upon surrender of the Certificate representing any Note, payment of all amounts due in respect of such Note is not properly and duly made, in which event interest shall continue to accrue on the Notes, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date. Interest in respect of any Note shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall, save as provided in Condition 5(a) in respect of Interest Periods ending on or prior to the Reset Date, be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 5(a) for the relevant period, rounding the resultant figure to the nearest penny (half a penny being rounded upwards). The amount of interest payable in respect of each Note, is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Note.

(c) Initial Fixed Interest Rate

For the Initial Fixed Rate Interest Period, the Notes bear interest at the rate of 6.625 per cent. per annum (the “Initial Fixed Interest Rate”).

(d) Reset Rate of Interest

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

(e) Determination of Reset Rate of Interest

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) on the Reset Determination Date, determine the Reset Rate of Interest in respect of the Reset Period. The determination of the Reset

Rate of Interest by the Agent Bank shall (in the absence of manifest error) be final and binding upon the Issuer, the Agents, the Trustee and the Holders.

(f) Publication of Reset Rate of Interest

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

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

(g) Agent Bank and Reset Reference Bank

Whenever a function expressed in these Conditions to be performed by the Agent Bank and the Reset Reference Banks falls to be performed, the Issuer will maintain an Agent Bank and the number of Reset Reference Banks provided below.

The name of the initial Agent Bank is set out in the preamble to these Conditions. The Issuer may, with the prior written approval of the Trustee, from time to time replace the Agent Bank with another leading investment or commercial bank or financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Reset Rate of Interest in respect of the Reset Period as provided in Condition 5(d), the Issuer shall forthwith appoint another leading investment or commercial bank or financial institution in London approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

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

6 Redemption, Substitution, Variation and Purchase

(a) Final Redemption

Unless previously redeemed, purchased and cancelled or (pursuant to Condition 6(f)) substituted, the Notes will be redeemed at their principal amount, together with accrued and unpaid interest on 17 September 2036 (the “**Maturity Date**”). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

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

Any redemption or purchase of the Notes or substitution or variation of the terms of the Notes, in each case in accordance with Conditions 6(c), (d), (e), (f) or (g) is subject to the condition(s) that:

- (i) the Issuer has obtained any prior Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission has not been revoked by the relevant date of such redemption, purchase, substitution or variation;
- (ii) in the case of any redemption or purchase of any Notes, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer has (or will on or before the relevant redemption or purchase date, have) replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or, save in the case of Condition 6(b)(v)(A) below, (B) the Issuer has demonstrated to the satisfaction of the Relevant Authority that the own funds and, as applicable, eligible liabilities of the Issuer Group would, following such redemption or purchase, exceed the requirements to which the Issuer Group is subject by a margin that the Relevant Authority considers necessary at such time;
- (iii) in the case of any redemption of the Notes prior to the fifth anniversary of the Reference Date in the case of redemption due to a Tax Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer has demonstrated to the satisfaction of the Relevant Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date;
- (iv) in the case of any redemption of the Notes prior to the fifth anniversary of the Reference Date in the case of redemption due to a Capital Disqualification Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer has demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the Reference Date; and
- (v) in the case of any purchase or redemption of the Notes prior to the fifth anniversary of the Reference Date pursuant to Condition 6(g) or 6(c)(ii) respectively, if and to the extent then required under prevailing Regulatory Capital Requirements, either (A) the Issuer has, before or at the same time as such purchase or redemption, 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 Relevant Authority has permitted such action on the basis of the determination that it would be beneficial from a prudential point of view or (B) either: (i) in the case of such a purchase, the relevant Notes are being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements or (ii) in the case of such a purchase or redemption, the Relevant Authority considering that such purchase or redemption would materially enhance the safety and soundness of the Issuer.

Any refusal by the Relevant Authority to give its Supervisory Permission as contemplated above (or, having given it, any revocation by the Relevant Authority of such Supervisory Permission) shall not constitute a default for any purpose.

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

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 6 (other than redemption pursuant to Condition 6(c)(i)), the Issuer shall deliver to the Trustee (i) a certificate signed by an Authorised Signatory stating that the relevant requirements or circumstances giving rise to the right to redeem, substitute or, as appropriate, vary are satisfied and, in the case of a substitution or variation pursuant to this Condition 6, stating that the terms of the relevant Qualifying

Tier 2 Securities will, following such substitution or variation (as applicable), comply with the definition thereof in Condition 19 and (ii) in the case of a redemption pursuant to Condition 6(d) only, an opinion from a nationally recognised law firm or other tax adviser in the United Kingdom experienced in such matters to the effect that the relevant requirement or circumstance referred to in any of paragraphs (i) to (v) (inclusive) of the definition of “Tax Event” applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it) and the Trustee shall be entitled to accept such certificate and, if applicable, opinion as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Holders (it being declared that the Trustee may rely absolutely on such certification and, if applicable, opinion without liability to any person and without any obligation to verify or investigate the accuracy thereof).

(c) Issuer’s Call Options

- (i) Subject to Condition 6(b), the Issuer may, by giving not less than 15 nor more than 60 days’ notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 6(b), be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Notes at any time from and including 17 June 2031 to and including the Reset Date at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 6(b), redeem the Notes.
- (ii) If, prior to giving the notice referred to below in this Condition 6(c)(ii), 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes issued pursuant to Condition 15 shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer’s account and cancelled, then the Issuer may, subject to Condition 6(b), by giving not less than 15 nor more than 60 days’ notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 6(b), be irrevocable and shall specify the date fixed for redemption) elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 6(b), redeem the Notes.

(d) Redemption Due to Tax Event

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

(e) Redemption Due to Capital Disqualification Event

If, prior to the giving of the notice referred to in this Condition 6(e), a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 6(b) and having given not less than 15 nor more than 60 days’ notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 6(b), be irrevocable and shall

specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 6(b), redeem the Notes.

(f) Substitution or Variation

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 6(b) and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 14, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 6(b), be irrevocable and shall specify the date fixed for substitution or variation, as the case may be, of the Notes) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the Reset Date) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities, and the Trustee shall (subject to the following provisions of this Condition 6(f) and subject to the receipt by it of the certificates of the Authorised Signatory referred to in Condition 6(b) above and in the definition of Qualifying Tier 2 Securities) agree to such substitution or variation provided that such substitution or variation does not itself give rise to a right of the Issuer to redeem the varied or, as the case may be, substituted Notes. Upon the expiry of such notice, the Issuer shall, subject to Condition 6(b) and the following provisions of this Condition 6(f), either vary the terms of or substitute the Notes in accordance with this Condition 6(f), as the case may be. The Trustee shall, at the request of the Issuer, use its reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Tier 2 Securities, provided that the Trustee shall not be obliged to participate in, assist with, or agree to, any such substitution or variation if the terms of the proposed Qualifying Tier 2 Securities or the participation in or assistance with such substitution or variation would, in the Trustee's opinion, impose more onerous obligations or duties upon it or reduce its rights or protections or expose it to any liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction. If, notwithstanding the above, the Trustee does not participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in, as appropriate, Condition 6(d) or (e).

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

(g) Purchases

The Issuer may, subject to Condition 6(b), in the circumstances permitted by Regulatory Capital Requirements at any time purchase (or otherwise acquire), or procure others to purchase (or otherwise acquire) beneficially for its account, Notes in any manner and at any price. The Notes so purchased (or acquired), while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Noteholders and shall be deemed not to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 8(c).

(h) Cancellation

All Notes redeemed or substituted by the Issuer pursuant to this Condition 6 will forthwith be cancelled. All Notes purchased by or on behalf of the Issuer may, at the option of the Issuer and subject to obtaining any Supervisory Permission therefor from the Relevant Authority (and such Supervisory Permission not having been revoked), be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Registrar. Notes so surrendered, shall be cancelled forthwith. Any Notes so surrendered for

cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be permanently and irrevocably discharged.

(i) Trustee Not Obligated to Monitor

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

7 Payments

(a) Method of Payment

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any of the Paying Agents if no further payment falls to be made in respect of the Notes represented by such Certificates) in like manner as provided for payments of interest in paragraph (ii) below.
- (ii) Interest on each Note shall be paid to the person shown in the Register at the close of business on the Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made in pounds sterling by transfer to a pounds sterling account maintained by the payee with a bank in London.

(b) Payments Subject to Laws

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

(c) Payments on Business Days

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

(d) Delay in Payment

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

(e) Non-Business Days

If any date for payment in respect of any Note is not a Business Day, the Holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and, in the case of a surrender of a Certificate, in the place where such Certificate is surrendered.

8 Default

(a) Default

If the Issuer shall not make payment in respect of the Notes (in the case of payment of principal, any interest payment or any other amount in respect of the Notes) for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Notes and the Trustee in its discretion may, or (subject to Condition 8(c)) if so directed by an Extraordinary Resolution of the Holders or requested in writing by the Holders of at least one-quarter in principal amount of the Notes then outstanding shall, notwithstanding the provisions of Condition 8(b), institute proceedings for the winding-up of the Issuer.

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

(b) Enforcement

Without prejudice to Condition 8(a), the Trustee may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Notes (other than, save as provided in Condition 13, any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations, but excluding any payments made to the Trustee acting on its own account under the Trust Deed in respect of its costs (including legal fees), charges, expenses, liabilities or remuneration), provided that in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to these Conditions and the Trust Deed. Nothing in this Condition 8(b) shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer and/or proving and/or claiming in any Winding-Up in respect of any payment obligations of the Issuer arising from the Notes or the Trust Deed (including any damages awarded for breach of any obligations) in the circumstances provided in, as appropriate, Conditions 4(a) and 8(a).

(c) Entitlement of Trustee

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

(d) Right of Holders

No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails or is unable to do so within a period of 60 days and such failure or inability shall be continuing, in which case the Holder shall, with respect to the Notes held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Notes as set out in this Condition 8.

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

No remedy against the Issuer, other than as referred to in this Condition 8, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or under the Trust Deed.

9 Taxation

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

- (a) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Relevant Jurisdiction otherwise than merely by holding such Note or by the receipt of amounts in respect of such Note; or
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such withholding or deduction by making (or procuring that a third party makes) a declaration of non-residence or other similar claim for exemption to the relevant tax authority in the place where the Certificate representing the Note is presented for payment; or
- (c) in respect of which the Certificate representing such Note is presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the Note for payment on the last day of such period of 30 days.

References in these Conditions to interest shall be deemed to include any Additional Amounts which may be payable under this Condition 9 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

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

10 Prescription

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

11 Meetings of Holders, Modification, Waiver and Substitution

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of Holders (including in a physical place or by any electronic platform (such as conference call or video conference) or a combination of such methods) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing by Holders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses.

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

The Trust Deed provides that (i) a resolution passed, at a meeting duly convened and held, by a majority of at least 75 per cent. of the votes cast, (ii) a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (as defined in the Trust Deed) (in a form satisfactory to the Trustee) by or on behalf of the Holder(s) of not less than 75 per cent. in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution. 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.

An Extraordinary Resolution passed at any meeting of Holders or in writing or by way of electronic consents will be binding on all Holders, whether or not they are present at the meeting or voting in favour or, as the case may be, whether or not signing the written resolution or providing electronic consents.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Holders, to (i) any modification of these Conditions or of any other provisions of the Trust Deed or the Agency Agreement which in its opinion is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of these Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. The Trustee may, without the consent of the Holders, determine that any Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Holders are not materially prejudiced thereby.

Any such modification, authorisation, waiver or determination shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified by the Issuer to the Holders as soon as practicable. No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have obtained any requisite Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission has not been revoked by the relevant date of such modification.

(c) Substitution

The Trust Deed contains further provisions permitting the Trustee, subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission having not been revoked by the relevant date of such substitution, to agree, without the consent of the Holders, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced thereby to the substitution on a subordinated basis equivalent to that referred to in Conditions 3 and 4 of any successor in business of the Issuer (any such entity, a “**Substitute Obligor**”) in place of the Issuer (or any previous Substitute Obligor under this Condition) as a new principal debtor under the Trust Deed and the Notes. Any such substitution shall be binding on all Holders and shall be notified by the Issuer to the Holders in accordance with Condition 14 as soon as practicable thereafter.

(d) Entitlement of the Trustee

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, substitution or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (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 Noteholder 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 Noteholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

12 Replacement of the Notes

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

13 Rights of the Trustee

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

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

The Trustee may rely without liability to Holders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and

whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

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

The Trustee shall not be liable for any consequences of any application of UK Statutory Loss Absorption Powers (as provided in Condition 17(c) below) or any other recovery or resolution powers in respect of the Issuer or any of its affiliates or any Notes and shall not be required to take any action in connection therewith that would, in the Trustee's opinion, expose the Trustee to any liability or expense unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction; provided that nothing in this paragraph shall prevent any application of UK Statutory Loss Absorption Powers or any other recovery or resolution powers in respect of the Issuer or any of its affiliates or any Notes from taking effect, and each Holder by its acquisition of any Notes (or any interest therein), authorises and instructs the Trustee to take such steps as may be necessary or expedient in order to give effect to any such application of UK Statutory Loss Absorption Powers or any other recovery or resolution powers.

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

14 Notices

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

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders, but subject to it obtaining any Supervisory Permission required therefor (and such Supervisory Permission not having been revoked at the relevant date of such creation and issue), create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the outstanding Notes ("**Further Notes**"). References in these Conditions to the Notes include (unless the context requires otherwise) any Further Notes. Any Further Notes shall be constituted by a deed supplemental to the Trust Deed.

16 Agents

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

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

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

17 Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

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

(c) Acknowledgement of UK Statutory Loss Absorption Powers

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

- (i) the effect of the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (D) the amendment or alteration of the Maturity Date of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

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

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

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

Upon the exercise of the UK Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Holders in accordance with Condition 14 as soon as practicable regarding such exercise of the UK Statutory Loss Absorption Powers. The Issuer will also deliver a copy of such notice to the Trustee for information purposes. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 17 shall not affect the validity and enforceability of the UK Statutory Loss Absorption Powers nor constitute a default by the Issuer for any purpose.

18 Contracts (Rights of Third Parties) Act 1999

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

19 Definitions

In these Conditions:

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

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

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

“**Agents**” means the Registrar, the Principal Paying Agent, the other Paying Agents, the Transfer Agent and the Agent Bank;

“**Authorised Signatory**” means any authorised signatory of the Issuer in accordance with the Trust Deed;

“**Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London;

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

“**Capital Disqualification Event**” is deemed to have occurred if there is a change (which has occurred or which is pending and which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Notes which becomes effective after the Reference Date and that results, or would be likely to result, in some of or the entire principal amount of the Notes ceasing to be included in the Tier 2 Capital of the Issuer Group and for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the Own Funds (CRR) Part of the PRA Rulebook (or any equivalent or successor provision) shall not comprise a Capital Disqualification Event;

“**Certificate**” has the meaning given to it in Condition 1(a);

“**Conditions**” has the meaning given to it in the preamble to these Conditions;

“**Default**” means an event expressly described as being a default in Condition 8(a) or a Winding-Up (whether or not instituted by the Trustee pursuant to Condition 8(a));

“**Directors**” means the directors of the Issuer;

“**Extraordinary Resolution**” has the meaning given to it in the Trust Deed;

“**FATCA Withholding**” has the meaning given to it in Condition 9;

“**Further Notes**” has the meaning given to it in Condition 15;

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

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

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

“**Interest Payment Date**” means 17 March and 17 September in each year, starting on (and including) 17 September 2026;

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

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

“**Issue Date**” means 17 June 2026, being the date of the initial issue of the Notes;

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

“**London Stock Exchange**” means the London Stock Exchange plc;

“**Margin**” means 2.237 per cent.;

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

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

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

“**Paying Agents**” means the Principal Paying Agent and any successor, replacement or additional paying agents appointed under the Agency Agreement;

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

“**PRA Rulebook**” means the applicable rules made and/or enforced by the Prudential Regulation Authority under powers conferred by the Financial Services and Markets Act 2000, as amended or replaced from time to time;

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

“Qualifying Tier 2 Securities” means securities issued directly by the Issuer that:

- (a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certificate to such effect (including as to such consultation and in respect of the matters specified in (1) to (7) below) of an Authorised Signatory shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without further enquiry and without liability to any person) prior to the issue or, as appropriate, variation of the relevant securities), and, subject thereto, which (1) contain terms which comply with the then current requirements of the Relevant Authority in relation to Tier 2 Capital; (2) have the same principal amount as the principal amount of the Notes and include terms which provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Notes; (3) rank *pari passu* with the ranking of the Notes; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid; (6) do not contain terms which provide for interest cancellation or deferral (provided that this paragraph (6) shall not preclude the inclusion of any provision analogous to Condition 17(c)); and (7) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (provided that this paragraph (7) shall not preclude the inclusion of any provision analogous to Condition 17(c)); and
- (b) are (i) admitted to trading on the International Securities Market of the London Stock Exchange or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer and approved by the Trustee, such approval not to be unreasonably withheld or delayed; and
- (c) where the Notes which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation and such rating was solicited by or on behalf of the Issuer, at least one such Rating Agency has ascribed, or announced (or otherwise confirmed to the Issuer) its intention to ascribe, an equal or higher published rating to the relevant Qualifying Tier 2 Securities (after discounting any change in rating arising solely as a result of the relevant Tax Event or Capital Disqualification Event, to the extent this event would no longer apply following such substitution or variation);

“Rating Agency” means Moody’s Investors Service Ltd., S&P Global Ratings UK Limited or Fitch Ratings Ltd. and/or their respective successors and affiliates;

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

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

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

“Register” has the meaning given to it in Condition 1(b);

“Registrar” has the meaning given to it in the preamble to these Conditions;

“Regulatory Capital Requirements” means, at any time, any requirement or provision contained in the law, regulations, requirements, guidelines and policies of the Relevant Authority (whether or not having the force of law) or of the United Kingdom relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution

(including any minimum requirement for own funds and eligible liabilities) and applicable to the Issuer and/or, as applicable, the Issuer Group;

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

“Relevant Authority” means, at any time, the Prudential Regulation Authority or such successor or other authority having primary supervisory authority with respect to prudential matters concerning the Issuer and/or the Issuer Group at such time;

“Relevant Date” means (i) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender, and (ii) in respect of a sum to be paid by the Issuer in a Winding-Up, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

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

“Relevant Resolution Authority” means the resolution authority with the ability to exercise any UK Statutory Loss Absorption Powers in relation to the Issuer and/or the Notes (being, as at the Issue Date, the Bank of England);

“Reset Date” means 17 September 2031;

“Reset Determination Date” means the day falling two Business Days prior to the Reset Date;

“Reset Period” means the period from and including the Reset Date to but excluding the Maturity Date;

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

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

“Reset Reference Rate” means in respect of the Reset Period, the percentage rate (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined by the Agent Bank on the basis of the Gilt Yield Quotations. If at least four Gilt Yield Quotations are determined, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of such Gilt Yield Quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three Gilt Yield Quotations are determined, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of the Gilt Yield Quotations. If only one Gilt Yield Quotation is determined, the Reset Reference Rate will be determined by reference to the rounded Gilt Yield Quotation. If no Gilt Yield Quotations are determined, the Reset Reference Rate will be 4.391 per cent., where:

“Benchmark Gilt” means, in respect of the Reset Period, such United Kingdom government security customarily used in the pricing of new securities and having an actual or interpolated maturity date on

or about the Maturity Date as the Issuer, with the advice of an investment bank of international repute, may determine to be appropriate following any then-current guidance published by the International Capital Market Association at the relevant time; and

“Gilt Yield Quotations” means, with respect to a Reset Reference Bank and the Reset Period, the arithmetic mean (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) as determined by the Agent Bank using the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of the Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank to the Issuer (upon request by the Issuer) at approximately 11.00 a.m. (London time) on the Reset Determination Date in respect of the Reset Period and provided by the Issuer to the Agent Bank;

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

“Substitute Obligor” has the meaning given to it in Condition 11(c);

“Supervisory Permission” means, in relation to any action, such notice, permission, consent, approval, non-objection and/or waiver as is required therefor under prevailing Regulatory Capital Requirements (if any);

“Tax Event” is deemed to have occurred if, as a result of a Tax Law Change:

- (i) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or
- (ii) the Issuer is no longer entitled to claim a deduction in respect of any payments in respect of the Notes in computing its taxation liabilities or the amount of such deduction is materially reduced; or
- (iii) the Notes are prevented from being treated as loan relationships for United Kingdom tax purposes; or
- (iv) the Issuer is not able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be 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),

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

“Tax Law Change” means a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which such Relevant Jurisdiction is a party, or any change in the application of such laws by a decision of any court or tribunal that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes effective on or after the Reference Date or in the case of a change in law, if such change is enacted by a UK Act of Parliament or by Statutory Instrument, on or after the Reference Date;

“Tier 1 Capital” has the meaning given to it (or any successor term) from time to time by the Relevant Authority;

“Tier 2 Capital” has the meaning given to it (or any successor term) from time to time by the Relevant Authority;

“Transfer Agent” has the meaning given to it in the preamble to these Conditions;

“Trust Deed” has the meaning given to it in the preamble to these Conditions;

“Trustee” has the meaning given to it in the preamble to these Conditions;

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

“United Kingdom” means the United Kingdom of Great Britain and Northern Ireland; and

“Winding-Up” means:

- (i) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by the Trustee or an Extraordinary Resolution and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions);
- (ii) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or
- (iii) liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (i) or (ii) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009.

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

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

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

Initial Issue of Certificates

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

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

Relationship of Accountholders with Clearing Systems

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

Exchange of the Global Certificate

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

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

- (i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or has announced an intention permanently to cease business or does in fact do so and no successor clearing system is available; or
- (ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable,

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

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and/or, Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants.

Calculation of Interest

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

Payments

For so long as the Registered Holder is shown in the Register as the holder of the Notes evidenced by a Global Certificate, the Registered Holder shall in all respects be entitled to the benefit of such Notes and shall be entitled to the benefit of the Agency Agreement. Payments of all amounts payable under the Conditions in respect of the Notes as evidenced by a Global Certificate will be made to the Registered Holder pursuant to the Conditions.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Upon any payment of any amount payable under the Conditions the amount so paid shall be entered by the Registrar on the Register, which entry shall constitute prima facie evidence that the payment has been made.

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

Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the Global Certificate.

Notices

For so long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, notices may be given to the Noteholders by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to their respective accountholders in substitution for publication as required by the Conditions provided that, for so long as the

Notes are admitted to trading on the ISM or on any other 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 date of delivery or publication which, in the case of communication through Euroclear and Clearstream, Luxembourg, shall mean the date on which the notice is delivered to Euroclear and Clearstream, Luxembourg.

Prescription

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

Meetings

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

Trustee's Powers

In considering the interests of Noteholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by the Global Certificate.

Written Resolution and Electronic Consent

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

- (i) where the terms of the proposed resolution have been notified to the Noteholder through the Relevant Clearing System(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the Relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding ("**Electronic Consent**"). Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system(s) with entitlements to such Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**Relevant Clearing System**") and, in the case of (b) above, the Relevant Clearing System and the accountholder identified by the Relevant Clearing System for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may

comprise any form of statement or print out of electronic records provided by the Relevant Clearing System (including Euroclear's EasyWay or Clearstream, Luxembourg's Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Euroclear and Clearstream, Luxembourg

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

USE OF PROCEEDS

The proceeds of the issue of the Notes will be on-lent to SBL by way of the Issuer purchasing an equivalent principal amount of tier 2 securities to be issued by SBL.

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

STARLING GROUP HOLDINGS LIMITED

Introduction

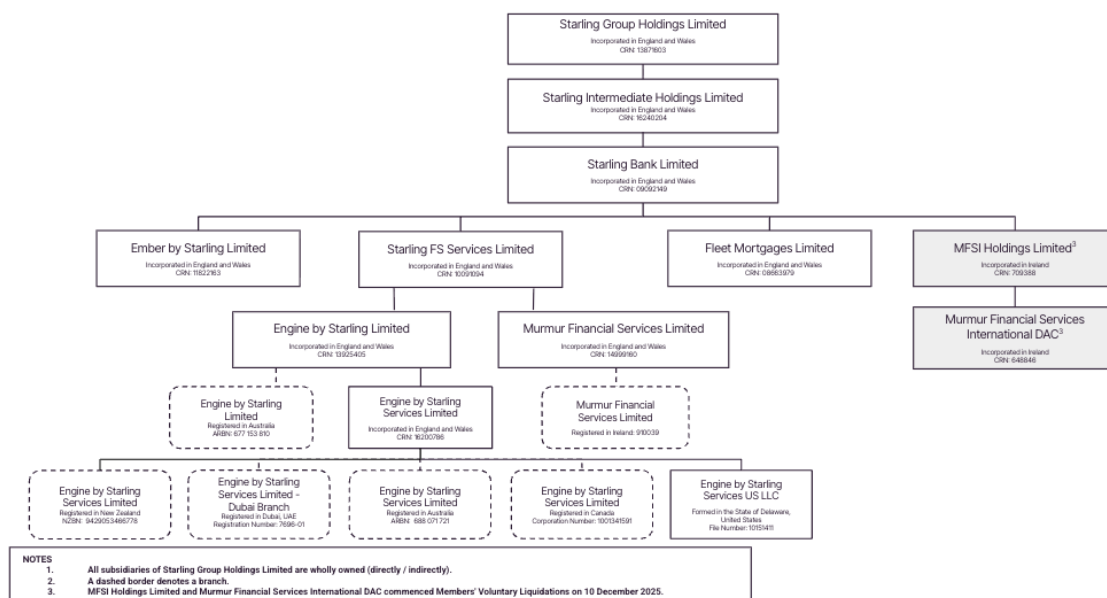
Starling Group Holdings Limited (the “**Issuer**”) is a private limited company incorporated and registered in England and Wales under the Companies Act 2006. The Issuer was incorporated on 25 January 2022 with company number 13871603. The registered office of the Issuer is 5th Floor, London Fruit and Wool Exchange, 1 Duval Square, London E1 6PW, England. The Issuer has undertaken to re-register as a public company by 10 December 2026.

As at the date of these Admission Particulars, the Issuer has a long-term issuer rating of Baa3 from Moody’s.

The principal activity of the Issuer is to act as the holding company of the Group. In these Admission Particulars, the “**Group**” and “**Starling**” refer to the Issuer and its consolidated subsidiaries or (prior to the Issuer becoming the holding company of the Group on 27 June 2025) SBL and its consolidated subsidiaries.

The main operating company of the Group is SBL, a wholly-owned indirect subsidiary of the Issuer, trading as “**Starling**”. SBL was incorporated in England and Wales on 18 June 2014 with company number 09092149, and is a digital bank offering personal and business banking. SBL is authorised by the PRA and regulated by the FCA and the PRA under registration number 730166. The Issuer is approved by the PRA as the parent financial holding company of SBL. In addition to the personal and business banking products offered by SBL, SBL’s subsidiary, Fleet Mortgages Limited (“**Fleet**”), originates and services buy-to-let (“**BTL**”) mortgage lending on behalf of the Group. The Group also includes Engine by Starling Limited (“**Engine**”), a wholly-owned indirect subsidiary of the Issuer. Engine operates as a software-as-a-service (“**SaaS**”) provider for banks internationally.

As at the date of these Admission Particulars, the current structure chart of the Group is as follows*:



*Starling FS Services Limited (together with its Engine subsidiaries) and Murmur Financial Services Limited may be reorganised to become sister companies to SBL rather than its subsidiaries (whilst remaining subsidiaries of Starling Intermediate Holdings Limited) during 2026, as part of a group reorganisation project to facilitate the Group’s strategy as a global financial services group.

Ownership

As at the date of these Admission Particulars, JTC Starling Holdings Limited (“JTC”) holds 37.5 per cent. of the shares and 40.9 per cent. of the voting rights of the Issuer. No other person or entity holds more than 25 per cent. of the shares or voting rights in the Issuer. JTC is part of the McPike Global Family Office (MGFO) that oversees the investment activity of its founder, Harald McPike-Zima (a global private investor). As at the date of these Admission Particulars, the Issuer’s other shareholders include Chrysalis Investments Limited (“Chrysalis”), Fidelity Management & Research, Railpen, Qatar Investment Authority, Millennium Management and Goldman Sachs, along with Starling’s founder Anne Boden, current and former directors of Starling and employees and employee benefit trusts. JTC has appointed an investor non-executive director to the Issuer’s board of directors, who serves alongside the executive and independent non-executive directors, providing further breadth of expertise and perspective to facilitate appropriate and effective board decision-making (see further “Board and Board Committees” below).

Strategy and Business Activities

Overview

SBL obtained its banking licence in 2016 with the ambition to give people a fairer, smarter and more human alternative to traditional banks. SBL seeks to help people become “good with money” which is central to its vision that one day, everyone in the UK will have a healthy relationship with their money. SBL underwent a brand refresh in September 2025 and launched an active multichannel marketing campaign in April 2026.

Engine deploys the Group’s proprietary cloud-native banking technology and empowers banks worldwide to modernise rapidly, grow strategically, and innovate continuously - with flexibility and scalability built-in.

The Group has been profitable since the financial period ended 31 March 2021 and now has 6.2 million group platform accounts globally (as at 31 March 2026) with 4.9 million of these being accounts of customers with SBL in the UK, and the remainder being accounts powered by Engine through its clients).

Strategy

The Group’s mission is to use technology and a human-centric approach to help customers gain active control of their finances through effortless everyday habits. Its strategy to do so is centred around its users, its technology and its people:

- Starling is obsessed with the customer experience, constantly innovating to meet its users’ financial needs.
- Starling built its technology from scratch, pioneering excellence and allowing for the adoption of AI at scale.
- Starling attracts, develops and empowers its people.
- Starling is deepening its UK footprint and expanding its success globally.

The Group maintains effective risk management as it pursues growth, focusing on tech-first solutions across all business segments where it operates.

Key Strategic Initiatives

Alongside general growth of its customer base (including through expansion of its banking product franchise), the Group is currently exploring various strategic initiatives. Options under consideration include:

SBL acquisition opportunities: The Group is considering inorganic acquisition opportunities that could support the growth and sustainability of earnings in SBL through increasing asset and/or fees and commissions income. The Group is focussed on three main types of potential acquisition targets (and may consider others on an inbound basis):

- (i) Targets that support its product roadmap and customer facing capabilities;

- (ii) Targets that can originate assets onto SBL's balance sheet, benefiting from SBL's relatively low cost of funding (such as non-bank lenders, including specialist owner-occupied mortgage originators and mainstream unsecured lenders); and
- (iii) Targets that are a combination of the above, driving franchise acceleration through increased lending capabilities which may also be offered to SBL customers.

Deeper investment into Engine: The Group may also increase capital deployment to Engine, to support enhanced scaling of Engine's client base and technological capabilities.

International banking licence exploration: In addition the Group is exploring whether to seek a banking licence in a second jurisdiction (for example in the United States ("US") or Europe), which may be through acquisition of an existing bank (or a *de novo* banking licence application), to geographically diversify banking revenues. Any such bank may also be operated using Engine's technology, thereby providing a further case study for Engine.

Any potential acquisition targets under exploration as at the date of these Admission Particulars remain subject to (amongst other matters) further commercial assessment and (for any acquisition being actively explored further) completion of satisfactory due diligence and Board approvals, prior to entering into any binding purchase agreement. Whilst SBL has entered into a period of exclusivity to explore an acquisition further, there is no certainty that this or any other acquisition would progress further or complete. Whilst the Group believes there are strategic benefits to the initiatives described above, any such initiatives also involve certain risks, as further described in "*Risk Factors*", including (without limitation) "*- Factors that may affect the Issuer's ability to Fulfil its Obligations under the Notes - Business and Strategic Risks - The Group faces risks associated with executing its strategy*". Completion of any of the initiatives described above would be subject to (amongst other things) the Group complying with all applicable regulatory capital requirements and any other relevant legal and regulatory requirements. The Group may decide not to pursue any of the above initiatives, or pursue alternative initiatives, at any time for any reason.

Regarding general growth of its customer base, and following a period of control remediation and positive regulatory engagement, SBL has recently returned to more material customer acquisition. April 2026 saw retail account openings rise by more than 70 per cent. year-on-year and SME account openings more than triple year-on-year. For the year-ended 31 March 2027, SBL has planned for significant marketing spend to drive customer acquisition further.

Business Activities

The Group currently operates two main subsidiaries:

SBL

SBL was incorporated in 2014, and received its banking licence in 2016, operating as one of the UK's first digital banks and the UK's first bank founded by a woman. Since then, SBL has grown to serve 4.9 million accounts across the UK as at 31 March 2026 (2025: 4.6 million). SBL provides everyday banking through current accounts and savings accounts for retail, and SME customers, all through the ease of its award-winning app, with 24/7 UK-based customer service.

Retail Banking

SBL's retail banking offering is focused on innovating the mobile experience to create a market-leading proposition for its customers, with 4.4 million retail accounts as at 31 March 2026.

SBL offers a range of services to its retail customers all centred around its current account franchise. Its current accounts have received market-leading net promoter scores ("**NPS**"), (ranked number 1 across the industry (*Source: NPS Prism by Bain & Company (UK Banking, 2025)*)) and have achieved Which? Recommended status seven times, as well as being awarded the Best Current Account Provider by Which? in 2026. As well as its main personal current

account, SBL also provides joint accounts, the Kite account for Kids, Teen accounts and Euro-denominated current accounts.

The Group's personal current account balances were £4.3 billion as at 31 March 2026 (2025: £4.6 billion).

Alongside its current accounts, SBL also provides savings accounts with an easy access savings account, fixed-term savings account and a cash ISA. Its savings accounts also have market-leading NPS scores (ranked number 1 across the industry (*Source: NPS Prism by Bain & Company (UK Banking, 2025)*)).

The Group's retail savings account balances were £2.6 billion as at 31 March 2026 (2025: £1.8 billion).

SBL's technology-first principles power its user experience. From general "Spaces" (pots of money separate from the main balance, to help customers organise their finances) to "Bills Manager" (facilitating payment of direct debits and standing orders straight from a separate "Space"), SBL has built innovative features to enable users to be good with money, which are embedded throughout the app. SBL has also been a leading innovator of tools to help protect its customers such as card freezing in-app, gambling blocks and call status indicators. More recently, SBL has sought to further empower its customers with AI, including the launch of two AI products in 2025: "Spending Intelligence" and "Scam Intelligence". Spending Intelligence allows customers to ask Starling in natural language about spending habits, whilst Scam Intelligence allows users to upload a photo of a marketplace listing with AI highlighting signs of fraud. In addition, in March 2026, SBL launched its agentic AI assistant (Starling Assistant) into the app, designed to take action on the customer's behalf by autonomously executing tasks, managing complex workflows, and solving problems.

SME Banking

The Group's SME business offers a blend of banking and financial tools to support small businesses.

SBL focuses on the microbusiness segment of the SME market, providing current accounts to limited companies, limited liability partnerships and sole traders, as well as fixed term savings products and multi-currency accounts (EUR and USD). SBL had around 500,000 business users as at 31 March 2026, representing close to 10 per cent. of the UK market share (based on Department for Business & Trade statistics for the number of private sector businesses in the UK at the start of 2025).

The Group's SME current account balances were £5.6 billion as at 31 March 2026 (2025: £5.6 billion).

In addition to bank accounts, SBL's business accounts are accompanied by a variety of features, such as mobile invoicing, bulk payments and multi-director accounts. In August 2025, SBL also acquired Ember, an all-in-one accounting and tax platform helping SMEs and sole traders, which has now launched free HMRC Making Tax Digital ("MTD") for Income Tax capabilities to SBL's SME users alongside a subscription-based enhanced MTD for VAT product.

Lending

The Group offers BTL mortgages to the UK market through its subsidiary Fleet. Fleet originates these mortgages on behalf of SBL and then manages the servicing of these mortgages. First-charge mortgages are distributed through a range of intermediaries and brokers to offer mortgages to customers on freehold and leasehold properties located in England and Wales, mostly focused on the professional landlord.

The majority of the Group's loan book and originations in the year ended 31 March 2026 were BTL mortgages through Fleet. The Group has previously entered into forward flow agreements, bought closed mortgage portfolios and provided credit to businesses during the Covid-19 pandemic under government-backed schemes. Fleet's lending grew by 28.12 per cent. or £0.8 billion during the year ended 31 March 2026, reaching £3.9 billion as at 31 March 2026, while closed mortgage portfolios decreased by 12.3 per cent. and government-backed lending by 49.8 per cent.

	Year ended 31 March 2026	Year ended 31 March 2025
	£000,000	£000,000
Mortgages	4,989	4,301
SME	222	441
Retail	18	20
Total Gross Lending	5,229	4,762

Subsequent to 31 March 2026, on 29 May 2026, SBL acquired a portfolio of approximately £230.5 million unsecured consumer loans. The Group may seek to further enhance its lending capabilities in the future through organic and/or inorganic opportunities (see further “*Key Strategic Initiatives*” above).

Engine

Engine is the Group’s SaaS business empowering banks globally with its proprietary technology. The Group focuses on two main opportunities for Engine: greenfield opportunities such as new digital banks, and brownfield opportunities migrating customers across from legacy technology stacks. Engine provides a complete banking platform to its customers, with a core banking software that is configurable for every aspect of digital banking.

Engine’s first two clients, Salt Bank in Romania and AMP Bank Go in Australia, are already powering 1.3 million accounts (as at 31 March 2026) using the Engine platform. In the year ended 31 March 2026, Engine also entered into agreements with its third and fourth clients: Tangerine Bank in Canada (a wholly-owned subsidiary of Scotiabank) and SBS Bank in New Zealand. These four clients represented approximately £70 million of committed annual recurring revenue (being the sum of the maximum contracted annual value from each partnership over the next five years) as at 31 March 2026. The 10-year agreement with Tangerine is to deliver a banking platform for more than 2 million Tangerine clients in Canada, and is Engine’s largest deal to date.

Engine generated revenues of £10.9 million in the year ended 31 March 2026, an increase of 24.5 per cent. from the year ended 31 March 2025 (£8.7 million).

Key Credit Strengths

The Group considers its key credit strengths to include:

- Low-risk asset strategy, prioritising assets with robust through-the-cycle credit performance
- Successful liability-led business model, providing low cost of funding through SBL’s SME and retail deposit base
- Efficient capital and liquidity management, maximising surplus capital within conservative buffers supporting SBL

Current strengths may be augmented by pursuing lending opportunities (both organic and inorganic) that are capital light and/or provide attractive risk adjusted returns.

Funding

Starling's sources of funding are its own equity, retail and SME current accounts, savings accounts, Starling Payment Services accounts, and BoE central bank facilities. These BoE facilities, in particular the Term Funding Scheme for SME ("TFSME") drawdowns, alongside some short-term repurchase agreements are the only forms of wholesale funding that Starling currently utilises. There were no repurchase agreements outstanding as at 31 March 2026 (2025: none).

	As at 31 March 2026		As at 31 March 2025	
	£,000	per cent.	£,000	per cent.
SME current accounts	5,645,060	37.3	5,558,783	39.1
Personal current accounts	4,320,733	28.5	4,584,232	32.3
Savings accounts	2,598,571	17.2	1,790,749	12.6
Payment services accounts	118,894	0.8	122,692	0.9
Total customer deposits	12,683,258	83.7	12,056,456	84.9
Bank of England Facilities	2,468,123	16.3	2,150,000	15.1
Total Funding	15,151,381	100.0	14,206,456	100.0

The Group maintained a relatively low cost of funds of 1.29 per cent. for the financial year ended 31 March 2026 (2025: 1.65 per cent.).

Eligible deposits of customers are guaranteed by the Financial Services Compensation Scheme for balances up to £120,000.

As at 31 March 2026, the Group's loan-to-deposit ratio was 41.2 per cent. (2025: 39.5 per cent.) and the regulatory measure of net stable funding ratio (NSFR), which measures the stability of funding sources, was 221.2 per cent. (2025: 245.5 per cent.).

Credit Performance

In the Group's mortgage portfolio, 1 per cent. had an LTV over 80 per cent. as at 31 March 2026.

Mortgage LTV		
	As at 31 March 2026	As at 31 March 2025
	<i>£000,000</i>	<i>£000,000</i>
Less than 50 per cent.	586	634
50 to 60 per cent.	567	536
60 to 70 per cent.	1,368	1,401
70 to 80 per cent.	2,414	1,697
80 to 90 per cent.	42	26
90 to 100 per cent.	5	5
Greater than 100 per cent.	8	2
Total mortgage lending before impairment provision	4,989	4,301

The Group's mortgage portfolio is located over 96 per cent. in England as at 31 March 2026 (2025: 96 per cent.), with 36 per cent. located within Greater London as at 31 March 2026 (2025: 37 per cent.).

The coverage ratio in its mortgage portfolio increased to 0.3 per cent. for the financial year ended 31 March 2026 (2025: 0.2 per cent.). The increase in the coverage ratio was largely driven by worsening of economic outlook, which contributed £5.4 million to the overall £6.0 million mortgage impairment charge for the year ended 31 March 2026.

Mortgages in Stage 3 decreased to 3.1 per cent. (2025: 3.5 per cent.) and Stage 2 Mortgages decreased to 4.8 per cent. in the year ended 31 March 2026 (2025: 4.9 per cent.).

Across the wider lending population, overall credit quality also improved as its SME and Retail portfolios continue to run-off.

Coverage Ratio	As at 31 March 2026	As at 31 March 2025
	<i>per cent.</i>	<i>per cent.</i>
Mortgage	0.3	0.2
SME	20.7	17.4
Retail	19.0	18.4
Undrawn	0.6	0.6
Total	0.5	0.5

In addition, the £28.2 million provision held in the year ended 31 March 2025, in relation to certain loans provided by SBL under the Bounce Back Loan Scheme (BBLs) programme which potentially did not comply with the guarantee requirement, was settled in full in the year ended 31 March 2026.

Capital

The Group's regulatory capital position as at 31 March 2026 and 31 March 2025 is set out below:

Actuals

	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Common equity tier 1 ("CET1")	1,123,255	1,000,231
Additional tier 1	-	-
Tier 2	-	-
Total capital	1,123,255	1,000,231
Total risk-weighted exposure amount	3,930,308	3,170,032
Total leverage exposure measure excluding claims on central banks	12,608,384	8,976,790

Ratios

	As at 31 March 2026	As at 31 March 2025
	<i>per cent.</i>	<i>per cent.</i>
CET 1	28.58	31.55
Tier 1	28.58	31.55
Total capital	28.58	31.55
Leverage ratio excluding claims on central banks	8.91	11.14

Requirements

	31 March 2026	31 March 2025
	<i>per cent.</i>	<i>per cent.</i>
Total SREP own funds requirements (“TCR”)	10.48	13.22
Capital conservation buffer	2.50	2.50
Countercyclical capital buffer	2.00	2.00
Total capital requirement	14.98	17.72

Following the Group’s C-SREP review by the PRA in April 2025, the Group’s total capital requirement (“TCR”) is 10.48 per cent. Further, from 1 January 2026, the Group’s MREL requirement is equal to its TCR.

Since 31 March 2026, the Group received updated capital guidance from the PRA resulting in the Group’s adjusted return on capital employed (“ROCE”) increasing to 26.5 per cent. (calculated as at 31 March 2026, and adjusted for the updated capital guidance).¹

Liquidity

The Group maintains a portfolio of high quality liquid assets focusing on a range of low-risk weight, high-credit quality assets for managing the Group’s liquidity position and further optimising returns using surplus capital and liquidity resources. The Group holds UK gilts and T-bills, bonds issued by sub-sovereign, supranational and agencies, and residential mortgage-backed securities and covered bonds.

The Group’s total debt securities increased by 74 per cent. to £6.8 billion (2025: £3.9 billion) as at 31 March 2026. This reflects a continued strategy of buying high-quality liquid assets to utilise excess cash, which are bought under a liquid buffer mandate, are rate hedged and accounted for as held-to-collect. Of the total balance, as at 31 March 2026, £3.3 billion (2025: £2.2 billion) had been pre-positioned as collateral under the BoE’s Sterling Monetary Framework, and a further £212 million for derivative counterparty margining purposes or as collateral for card scheme providers. The remaining balance was retained for liquidity management purposes. Liquid assets can be monetised through outright sale and repurchase agreements.

¹ ROCE representing profit after taxation as a percentage of the total minimum regulatory capital requirements for the year (calculated using RWAs as at 31 March 2026).

The Group continued to hold significant balances over its liquidity buffer. As at 31 March 2026, the regulatory measure of LCR for SBL was 569 per cent. (2025: 574 per cent.). The Issuer's regulatory measure of LCR as at 31 March 2026 was 570 per cent. (2025: 574 per cent.).

Structural Hedge

The Group maintains a structural hedge programme to mitigate its exposure to earnings volatility arising from interest rate changes on its core non-interest bearing liabilities. These core liabilities are from non-maturity deposits. As at 31 March 2026, the structural hedge notional was £6.0 billion (2025: £5.0 billion), with a weighted average duration of 2.5 years, and a locked-in average fixed yield of 4.00 per cent. (2025: 4.33 per cent.).

During the year ended 31 March 2026, the structural hedge provided gross income of £252 million (2025: £237.3 million) and the Group expects to benefit from its structural hedge programme further as BoE base rates continue to fall.

Board

The Issuer and SBL currently have mirror boards (each, a “**Board**”). Each Board comprises executive directors, independent non-executive directors and an investor non-executive director, the latter representing the Issuer's largest shareholder (JTC). The composition of the Boards is designed to ensure that directors bring varied professional backgrounds and experience to the Issuer and SBL to enable effective decision-making and valuable contributions to Board discussions. Each Board has a clear understanding of its compliance obligations, markets and the regulatory frameworks within which the Group operates, whilst considering the needs of its stakeholders.

Board Directors*

Name	Position	Other Directorships and Significant Appointments**
David Sproul***	Chair of the Board	• Pennon Group plc • Sutton and East Surrey Water plc • South West Water Limited • Sutton and East Surrey Group Holdings Limited • Pension Protection Fund • Safanad Limited • 9 Macklin Street Freehold Limited • Mandorlo Services Limited • Chair of the Board of Governors, University of Hertfordshire
Raman Bhatia	Group Chief Executive Officer	• Engine by Starling Limited • Starling Intermediate Holdings Limited
Declan Ferguson	Group Chief Financial Officer	• Fleet Mortgages Limited • Starling FS Services Limited • Murmur Financial Services Limited • Starling Intermediate Holdings Limited • Engine by Starling Limited • Ember by Starling Limited

Name	Position	Other Directorships and Significant Appointments**
Tracy Clarke****	Senior Independent Director	• TP ICAP Group plc • Haleon plc • Netball Superleague Limited • Officiate Limited • School Reviewer Limited (School Online) • Olex.AI • Inchcape plc
Colin Bell	Independent Non-Executive Director	• Man Group plc • Julius Baer Group Ltd • Oxford Quantum Circuits Limited • Sapient Edge Advisory Ltd • Serendipity Capital Fund Management Company Pte Ltd
Lazaro Campos*****	Investor Non-Executive Director	• International Workspace Group plc • Payoneer Europe Limited • PPRO Holding GmbH • FinTechStage International
Julie Chakraverty	Independent Non-Executive Director****	• NCC Group plc • AJ Bell plc • easyJet plc
Faisal Galaria	Independent Non-Executive Director	• Alcazaba LTD • Broker Bidco Acquisitions Kft
Darren Pope	Independent Non-Executive Director	• Glas Cymru Holdings Cyfyngedig (Welsh Water) • Dŵr Cymru Cyfyngedig • Starling Intermediate Holdings Limited

* Dan Olley is expected to join the Boards as an independent non-executive director during summer 2026.

** The positions listed are directorships unless otherwise stated.

*** On 17 March 2026, Starling announced that David Sproul will step down as Chair of the Boards and a director of the Issuer and SBL once a successor is appointed.

**** Tracy Clarke will resign from the Boards on 30 June 2026. Ahead of identifying a permanent successor, Tracy's responsibility as Senior Independent Director will transition to Julie Chakraverty on an interim basis.

***** Lazaro Campos is expected to resign from the Boards during summer 2026 once a successor is appointed.

Conflicts of Interest

Lazaro Campos was appointed to the Boards by JTC pursuant to the rights of JTC under the Articles of Association (and Shareholders Agreement) of the Issuer and SBL. In addition, certain directors hold shares in the Issuer, and/or directorships in other Group companies as detailed above.

The appointment of a director by shareholders of the Issuer, the holding of shares by certain directors and/or the holding of directorships in other Group companies could present a potential conflict of interest in circumstances where the interests of the Issuer and shareholders or other Group companies (as applicable) are not, or may not, be aligned. The Boards have procedures in place for the disclosure and management of conflicts of interest. Any conflicts that arise are considered and managed on a case-by-case basis (for example, by authorisation by the applicable Board or recusal of the relevant director from discussions on the matter in question).

Save for those mentioned above, there are no potential conflicts of interest between the duties to the Issuer of the directors listed above and their private interests or other duties.

Board Committees

Each Board has established several sub-committees, each with formally delegated duties and responsibilities set out in written terms of reference.

Board Audit Committee (“BAC”)

BAC’s primary role is to assist the Boards in fulfilling their oversight responsibilities for the integrity of financial and non-financial reporting, the effectiveness of the internal control, risk management systems and whistleblowing arrangements, and the independence and effectiveness of the internal and external audit functions.

Board Risk Committee (“BRC”)

BRC’s primary role is to support the Boards in their oversight of current and potential future risk exposures and the future risk strategy, including the determination of risk appetite and tolerance. BRC is responsible for monitoring risk and compliance oversight, the effectiveness of risk management practices, and management’s embedding of a strong risk culture. Additionally, BRC oversees the implementation of Risk Management Frameworks and reviews key risk policies.

Remuneration Committee (“RemCo”)

RemCo’s primary role is to support the Boards in their oversight of the Group’s remuneration policy, principles and practices, ensuring alignment with risk management and the long-term interests of the Group. RemCo is responsible for determining the emoluments of managers and directors, as well as all remuneration matters for “material risk takers” under the UK regulatory framework, including performance targets and the application of malus and clawback. Additionally, RemCo reviews the reward proposition for the wider workforce to ensure alignment with the Group’s culture and values, and oversees external remuneration reporting and disclosures.

Nomination Committee (“NomCo”)

NomCo’s primary role is to support the Boards in ensuring an appropriate balance of skills, knowledge, and experience through overseeing Board and Board committee composition, succession planning for directors and senior executives, identifying and recommending candidates for Board appointments, and conducting evaluations of Board independence. Additionally, NomCo oversees Board and Board committee effectiveness reviews and monitors Board diversity and inclusion.

Disclosure Committee (“DisCo”)

DisCo is to be established as a committee of the Issuer’s Board. Its primary role is to identify inside information (for market abuse regulation purposes), monitor confidential information and projects with the potential to become inside information, and determine the nature and timing of certain public announcements, including assessing criteria for delayed disclosure. Additionally, DisCo is to be responsible for overseeing the creation and maintenance of insider lists, and reviewing documents issued by the Issuer in connection with debt issuances to ensure all required material information is properly disclosed.

Key Management

As at the date of these Admission Particulars, Starling’s key management team includes:

Name	Position
Raman Bhatia	Group Chief Executive Officer

Name	Position
Declan Ferguson	Group Chief Financial Officer
Harriet Rees	Group Chief Information Officer
Monica Risam	Group General Counsel
Catarina Abrantes	Group Chief People Officer
Keith Algie	Group Chief Risk Officer
Ian Cox	Group Head of Internal Audit
Sam Everington	Chief Executive Officer, Engine
Joe Gordon	Chief Operating Officer, Starling Bank
Steve Newson	Group Chief Technology Officer
Michele Rousseau	Chief Marketing Officer, Starling Bank
Bernadette Smith	Chief Customer and Banking Officer, Starling Bank

TAXATION

General

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

United Kingdom

The comments in this part are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), in each case as at the latest practicable date before the date of these Admission Particulars. They relate only to United Kingdom withholding tax on payments of interest (as such term is understood for the purposes of United Kingdom tax law). They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who hold their Notes as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Notes are attributable) and are the absolute beneficial owners thereof. In particular, Noteholders holding their Notes via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Noteholders.

Interest on the Notes

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

If the Notes cease to be admitted to trading, interest which has a United Kingdom source will generally be paid by the Issuer under deduction of income tax at the relevant rate (currently at the basic rate of 20 per cent., and on and after 6 April 2027 at the savings basic rate of 22 per cent.) unless: (i) another relief applies under domestic law; or (ii) the Issuer has received a direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

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

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

United States

Foreign Account Tax Compliance Act

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

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

SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 15 June 2026, agreed to subscribe or procure subscribers for the Notes at the issue price of 100.000 per cent. of their principal amount less a combined management and underwriting commission, subject to the provisions of the Subscription Agreement. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses and has agreed to indemnify the Joint Lead Managers 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 offering of the Notes is being made on the basis that the Issuer has undertaken to re-register as a public company by 10 December 2026.

United States

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

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

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

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression “**retail investor**” means a person who is 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 EUWA.

Prohibition of Sales to EEA Retail Investors

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

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

Each Joint Lead Manager has agreed that it will, to the best of its knowledge and belief, comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes these Admission Particulars or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of 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 the Issuer shall not have any responsibility therefor.

These Admission Particulars do not constitute an offer and may not be used for the purposes of any offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

Neither the Issuer nor any Joint Lead Manager represents that the Notes may at any time lawfully be sold in or from any jurisdiction in compliance with any applicable registration requirements or pursuant to an exemption available thereunder or assumes any responsibility for facilitating such sales.

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

GENERAL INFORMATION

1. An application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of UK MiFIR. Such admission to trading is expected to be effective on or immediately following the Issue Date.
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by the Board of Directors of the Issuer on 28 January 2026 and 27 May 2026.
3. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 March 2026 and no material adverse change in the prospects of the Issuer or the Group since 31 March 2026.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer is aware during the 12 months preceding the date of these Admission Particulars which may have or have had in the recent past had, significant effects on the Issuer's ability to meet its obligations to holders of the Notes.
5. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 331761044. The International Securities Identification Number ("ISIN") for the Notes is XS3317610445.

The Classification of Financial Instruments (CFI) and Financial Instrument Short Name (FISN) for the Notes will be set out on the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN for the Notes.

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

6. The Legal Entity Identifier code of the Issuer is 213800QFN24QRFQ4D993.
7. Based upon an issue price of 100.000 per cent. of the principal amount of the Notes, the yield of the Notes for the period from (and including) the Issue Date to (but excluding) the Reset Date, is 6.6276 per cent. per annum, payable on a semi-annual basis. The yield is calculated at the Issue Date and is not an indication of future yield.
8. For so long as the Notes remain outstanding, copies of the following documents will be available on the website of the Issuer at <https://www.starlingbank.com/>:
 - (a) the Trust Deed (which includes the form of the Global Certificate);
 - (b) the Articles of Association of the Issuer;
 - (c) a copy of these Admission Particulars together with any supplement to these Admission Particulars; and
 - (d) the Information Incorporated by Reference.
9. KPMG LLP, of 15 Canada Square, London E14 5GL, United Kingdom (registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales), have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer and SBL, prepared in accordance with UK adopted international accounting standards for the years ended 31 March 2026 and 31 March 2025, respectively.

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

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. To the extent any of the Joint Lead Managers or their respective affiliates enter into a lending relationship with the Issuer, they may routinely hedge their credit exposure to Issuer consistent with their customary risk management policies (including through the use of credit default swaps or other credit linked instruments). Any such hedging activity could adversely affect future trading prices of the Notes. The Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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