

ADMISSION PARTICULARS DATED 19 AUGUST 2026



VIDA GROUP HOLDINGS PLC

(Incorporated in England under the Companies Act 2006)

£40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities

Issue Price: 100.000 per cent.

The £40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (the “**Securities**”) will be issued by Vida Group Holdings plc (the “**Issuer**”) on 21 August 2026 (the “**Issue Date**”).

The Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 21 February 2032 (the “**First Reset Date**”), at the Initial Fixed Interest Rate of 11.500 per cent. per annum and thereafter at the sum of the relevant Reset Reference Rate and the Margin as provided in Condition 4 (*Interest Payments*). Interest will be payable on the Securities semi-annually in arrear on each Interest Payment Date, commencing on 21 February 2027, provided that the Issuer may at its sole and absolute discretion elect to cancel any interest payment (in whole or in part) (as described in Condition 5(a) (*Optional Cancellation of Interest*)), and must cancel payments of interest (i) in the circumstances described in Condition 5(b) (*Mandatory Cancellation of Interest – Insufficient Distributable Items*), 5(c) (*Mandatory Cancellation of Interest – Maximum Distributable Amount*) and 5(d) (*Mandatory Cancellation of Interest – Relevant Authority Order*) and/or (ii) if and to the extent that such payment could not be made in compliance with the Solvency Condition, as provided in Condition 3(b) (*Solvency Condition*). Any interest which is so cancelled will not accumulate or be payable at any time thereafter, no amount will become due from the Issuer in respect thereof and cancellation thereof shall not constitute a default for any purpose on the part of the Issuer. The Securities will be issued on the terms and conditions set out under “Terms and Conditions of the Securities” (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.

Upon the occurrence of a Trigger Event, the full principal amount of the Securities will be irrevocably and automatically written down to zero and any accrued and unpaid interest shall be cancelled in accordance with Condition 6 (*Automatic Write Down*). Such Automatic Write Down of the full principal amount of the Securities shall be permanent and such principal amount shall not be restored in any circumstances. Holders of Securities (the “Holders**”) will lose all of their investment as a result of such Automatic Write Down.**

The Securities will be perpetual securities with no fixed redemption date, and Holders will have no right to require the Issuer to redeem or purchase the Securities at any time. The Issuer may, in its discretion but subject to the conditions described in Condition 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*), elect to (a) redeem all (but not some only) of the Securities at their principal amount, together with unpaid interest accrued to (but excluding) the redemption date (excluding any interest which has been cancelled in accordance with the Conditions): (i) at the Issuer’s option (A) on any day falling in the period commencing on (and including) 21 August 2031 and ending on and including the First Reset Date; or (B) on any Interest Payment Date thereafter, (ii) at any time if a Tax Event has occurred or a Capital Disqualification Event (each as defined in the Conditions) has occurred, or (iii) at any time where 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and for these purposes, any Further Securities issued pursuant to Condition 16 (*Further Issues*)) 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 Securities at any time. If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to the conditions described in Condition 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*), either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become, Compliant Securities.

The Securities 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”). In addition, pursuant to the FCA’s Conduct of Business Sourcebook (“COBS”), the Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available in the UK to retail clients (as defined in COBS 3.4). Prospective investors are referred to the sections headed “Prohibition of Sales to EEA Retail Investors”, “Prohibition of Sales to UK Retail Investors” and “Prohibition on marketing and sales to retail investors” on page ii of these Admission Particulars for further information. An investment in the Securities involves certain risks. Potential investors should read the whole of these Admission Particulars, in particular the section entitled “Risk Factors” set out on pages 12 – 81.

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

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. Securities 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. These Admission Particulars do not comprise a prospectus for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook. These Admission Particulars comprise admission particulars in accordance with the ISM Rulebook.

The Securities will be issued in registered form and will be available and transferable in minimum denominations of £200,000 and integral multiples of £1,000 in excess thereof. The Securities will initially be represented by a global certificate in registered form (the “**Global Certificate**”) which will be registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**” and, together with Euroclear, the “**Clearing Systems**”).

The Securities will not be rated on issue.

Sole Manager

NatWest

IMPORTANT NOTICES

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

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

To the fullest extent permitted by law, none of NatWest Markets Plc (the “**Sole Manager**”), 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 Securities*”) 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 the Sole Manager, the Trustee or an Agent or on its behalf in connection with the Issuer or the issue and offering of the Securities. The Sole Manager, the Trustee and each Agent (and each of their respective affiliates) accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of these Admission Particulars or any such statement.

Neither the Sole Manager, 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 Sole Manager, the Trustee or the relevant Agent itself) in connection with issue of the Securities.

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

No person is authorised to give any information or to make any representation not contained in these Admission Particulars and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Sole Manager, the Trustee or the Agents. Neither the delivery of these Admission Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which these Admission Particulars have been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which these Admission Particulars have been most recently amended or supplemented or that the information contained in them or any other information supplied in connection with the Securities 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 Securities 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 Sole Manager, 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 Securities should subscribe for or purchase any of the Securities. Each investor contemplating purchasing Securities 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 Securities is not equivalent to an investment in a bank deposit. Although an investment in the Securities may give rise to higher yields than a bank deposit placed with a member of the Group, an investment in the Securities carries risks which are very different from the risk profile of such deposit. Unlike a bank deposit, the Securities are transferable. However, the Securities will have no established trading market when issued, and one may never develop.

Prohibition on marketing and sales of the Securities to retail investors

1. The Securities are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions (including the UK), regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).
2.
 - (a) In the UK, COBS requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “**retail client**”) in the UK.
 - (b) The Issuer and the Sole Manager are required to comply with COBS.
 - (c) By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the Sole Manager, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and the Sole Manager that:
 - (i) it is not a retail client in the UK; and
 - (ii) it will not sell or offer the Securities (or any beneficial interest in such Securities) to retail clients in the UK or communicate (including the distribution of these Admission Particulars) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests in such Securities) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.
 - (d) In selling or offering the Securities or making or approving communications relating to the Securities it may not rely on the limited exemptions set out in COBS.
3. The obligations in paragraph 2. above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests in such Securities), whether or not specifically mentioned in the Admission Particulars, including (without limitation) any requirements under UK MiFIR or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests in such Securities) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests in such Securities) from the Issuer and/or the Sole Manager, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities 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 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 Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities 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 Securities are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a “**retail investor**” means a person who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (“**DISC**”) for offering, selling or distributing the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

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

The Securities are complex financial instruments

The Securities are complex financial instruments that involve a high degree of risk. Investors do not generally purchase complex financial instruments that bear a high degree of risk as standalone investments. Such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Securities 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 Securities, the merits and risks of investing in the Securities 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 Securities and the impact the Securities 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 Securities, including Securities where such potential investor's financial activities are principally denominated in a currency other than sterling, and the possibility that interest may not be paid on the Securities and/or that the entire principal amount of the Securities could be lost, including following the exercise of any UK Statutory Loss Absorption Powers by the Relevant Resolution Authority or a Write Down (each as defined in the Conditions);
- (iv) understands thoroughly the terms of the Securities, such as the provisions governing write down of the principal amount and the cancellation of interest (including, in particular, the Issuer Group's CET1 Ratio (as defined in the Conditions), as well as under what circumstances the Trigger Event (as defined in the Conditions) will occur) and the determination of satisfaction of the Solvency Condition, 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 Securities 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 Securities.

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. A potential investor should not invest in the Securities, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Securities are legal investments for it; (ii) the Securities can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

The Securities have not been, and will not be, registered under the United States Securities Act 1933, as amended (the "**Securities Act**"). The Securities 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 Securities, NatWest Markets Plc (the "**Stabilisation Manager**") (or any person acting on behalf of the Stabilisation Manager) may over-allot Securities or effect transactions with a view to supporting the market price of the Securities 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 Securities 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 Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

GENERAL

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

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

NON-IAS UK FINANCIAL MEASURES

The Issuer presents certain key performance measures that are not defined under UK adopted international accounting standards (“**IAS UK**”) but that it finds useful in analysing its results and that it believes are widely used by investors to monitor the results of banks generally. These measures include net interest margin (“**NIM**”), cost to income ratio, provision coverage ratio, cost of funds, asset encumbrance, leverage ratio, loan to deposit ratio, liquidity coverage ratio, net stable funding ratio and the capital ratios set out in the tables under “*Vida Group Holdings plc – Capital*”. Some of these measures are defined by, and calculated in compliance with, applicable banking regulations, but these regulations often provide the Issuer with certain discretion in making its calculations.

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

ROUNDING

Certain numerical data, financial information and market data in these Admission Particulars have been rounded in accordance with commercial rounding. Unless otherwise indicated, percentage changes and ratios in the text and tables of these Admission Particulars are calculated based on the 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 digit 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 includes market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications and surveys.

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

Where third-party information has been used in these Admission Particulars, the source of such information has been identified. While industry surveys, publications, consultant surveys and forecasts generally state that the

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

NO INCORPORATION OF WEBSITE INFORMATION

The information contained on the Issuer's website, any website mentioned in these Admission Particulars, or any website directly or indirectly linked to any such websites has not been verified and 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 appear in a number of places throughout these Admission Particulars and include, but are not limited to, statements regarding the intentions of the Issuer and beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer.

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

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INFORMATION INCORPORATED BY REFERENCE

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

- (i) the following sections of the Issuer's annual report and accounts for the year ended 31 December 2025, which can be viewed online at:

<https://www.vidabank.co.uk/media/sw5ip2mi/annual-report-and-accounts-2025.pdf>

- (a) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2025, together with the independent auditor's report thereon, as set out on pages 61 to 106 (inclusive) and 51 to 60 (inclusive), respectively;
- (b) the section entitled "Chief Executive Officer's Review" on pages 8 to 10 (inclusive), save for the paragraph under the title "Outlook for 2026"; and
- (c) the section entitled "Financial Review" on pages 16 to 17 (inclusive);

- (ii) the following sections of the Issuer's annual report and accounts for the year ended 31 December 2024, which can be viewed online at:

<https://www.vidabank.co.uk/media/uw1af0ue/annual-report-and-accounts-2024.pdf>

- (a) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2024, together with the independent auditor's report thereon, as set out on pages 156 to 215 (inclusive) and 140 to 154 (inclusive), respectively;
- (b) the section entitled "Our Mortgage Book" on pages 28 to 32 (inclusive); and
- (c) the section entitled "Financial Review" on pages 36 to 39 (inclusive);

- (iii) the Interim Management Report contained on pages 3 to 8 and the unaudited interim condensed consolidated financial statements of the Issuer for the six months ended 30 June 2026, together with the independent auditor's review report thereon, as set out on pages 11 to 24 (inclusive) and 9 to 10 (inclusive), respectively, of the interim financial report of the Issuer for the six months ended 30 June 2026, which can be viewed online at:

<https://www.vidabank.co.uk/media/zv4pe3iu/interim-financial-report-30-june-2026.pdf>;

- (iv) the Issuer's Pillar 3 disclosures (unaudited) for the financial year ended 31 December 2025, which can be viewed online at:

<https://www.vidabank.co.uk/media/od2lpxc0/vghl-pillar-3-report-2025-final.pdf>; and

- (v) the Issuer's interim Pillar 3 disclosures (unaudited) for the six months ended 30 June 2026, which can be viewed online at:

<https://www.vidabank.co.uk/media/g1vnsxxu/pillar-3-disclosures-30-june-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 Securities or the relevant information is included elsewhere in these Admission Particulars. Any documents themselves incorporated by reference in the Information Incorporated by Reference in these Admission Particulars shall not form part of these Admission Particulars.

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

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

OVERVIEW OF THE PRINCIPAL FEATURES OF THE SECURITIES

*The following overview provides an overview of certain of the principal features of the Securities 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 Securities (the “**Conditions**”, and references to a numbered “**Condition**” should be read accordingly) have the same respective meanings when used in this overview.*

Issuer	Vida Group Holdings plc
Issuer Legal Entity Identifier	2138009BAUAB9RYCM824
Trustee	Citibank, N.A., London Branch
Principal Paying Agent, Registrar, Transfer Agent and Agent Bank	Citibank, N.A., London Branch
Securities	£40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities.
Risk factors	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Securities and the Trust Deed. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities and certain risks relating to the structure of the Securities. These are set out under “ <i>Risk Factors</i> ”.
Status of the Securities	The Securities 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 Holders against the Issuer in the event of a Winding-Up are described in Conditions 3 (<i>Status and Subordination</i>) and 9 (<i>Non-Payment When Due and Winding-Up</i>). In any Winding-Up before the Write Down Date, the claims of Holders will rank junior to the claims of Senior Creditors, being creditors who are unsubordinated creditors of the Issuer and those whose claims are subordinated (including holders of Tier 2 Capital instruments) other than those whose claims rank <i>pari passu</i> with, or junior to, the claims of Holders.
Solvency Condition	Except in a Winding-Up, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Securities (other than payments to the Trustee for its own account under the Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 (<i>Cancellation of Interest</i>) or Condition 6 (<i>Automatic Write Down</i>), conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount shall be due and payable in respect of or arising from the Securities or the Trust Deed except to the extent that the Issuer could make such payment and still be solvent (as described in Condition 3(b) (<i>Solvency Condition</i>)) immediately thereafter (the “ Solvency Condition ”).

Interest

Subject to Conditions 3(b) (*Solvency Condition*), 5 (*Cancellation of Interest*) and 6 (*Automatic Write Down*), the Securities will bear interest on their principal amount:

- (a) from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 11.500 per cent. per annum; and
- (b) thereafter, at the relevant Reset Rate of Interest (as described in Condition 4 (*Interest Payments*)).

Interest shall, subject to cancellation as provided below, be payable semi-annually in arrear on 21 February and 21 August of each year (each an “**Interest Payment Date**”) in equal instalments.

Optional cancellation of interest

The Issuer may in its sole and absolute discretion (but subject to the requirement for mandatory cancellation of interest in accordance with the Conditions) at any time elect to cancel any interest, in whole or in part, which is scheduled to be paid on any date. See Condition 5(a) (*Optional Cancellation of Interest*) for further information.

Mandatory cancellation of interest

Distributable Items

Under the Regulatory Capital Requirements, the Issuer may elect to pay interest only to the extent that it has Distributable Items. Accordingly, in addition to having the right to cancel payment of interest at any time, the Issuer will cancel the relevant payment of interest on any date (in whole or, as the case may be, in part) if and to the extent that such interest (including, if applicable, any Additional Amounts in respect thereof), together with any interest payments or distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Securities and all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in calculating the amount of Distributable Items), in aggregate would exceed the amount of the Distributable Items of the Issuer as at such date.

See Condition 5(b) (*Mandatory Cancellation of Interest – Insufficient Distributable Items*) for further information.

Maximum Distributable Amount

The Issuer will cancel any payment of interest (in whole or, as the case may be, in part) if and to the extent that the amount of such interest payment (including, if applicable, any Additional Amounts in respect thereof) together with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 (*Capital Conservation Measures*) of the “Capital Buffers” part of the Prudential Regulation Authority (“PRA”) Rulebook (as amended or replaced or referred to in any other applicable

provisions of the Regulatory Capital Requirements which require a binding maximum distributable amount to be calculated), in aggregate would cause the Maximum Distributable Amount (if any) then applicable to the Issuer Group to be exceeded.

“Maximum Distributable Amount” means, if and for so long as it is applicable to the Issuer, any binding maximum distributable amount relating to the Issuer Group required to be calculated in accordance with Chapter 4 (*Capital Conservation Measures*) of the “Capital Buffers” part of the PRA Rulebook, as amended or replaced in accordance with any other applicable provisions of the Regulatory Capital Requirements which require a binding maximum distributable amount to be calculated) if the Issuer Group is failing to meet any applicable requirements or any buffers relating to such requirement.

“PRA Rulebook” means the applicable rules made and/or enforced by the PRA under powers conferred by the FSMA, as amended or replaced from time to time.

“Regulatory Capital Requirements” means at any time, any requirement or provision contained in the laws, 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 Group.

Relevant Authority Order

The Issuer will cancel any payment of interest (in whole or, as the case may be, in part) if and to the extent the Relevant Authority orders the Issuer to cancel, or gives notice to the Issuer that it must cancel, such payment.

Solvency Condition

Payments of interest are also subject to the Solvency Condition (see “*Solvency Condition*” above).

Trigger Event

Following the occurrence of a Trigger Event, the Issuer will also cancel all interest accrued up to (and including) the Write Down Date (see “*Write Down following a Trigger Event*” below).

Non-cumulative interest

Any interest payment (or, as the case may be, part thereof) not paid on any scheduled payment date by reason of Condition 3(b) (*Solvency Condition*), 5(a) (*Optional Cancellation of Interest*), 5(b) (*Mandatory Cancellation of Interest – Insufficient Distributable Items*), 5(c) (*Mandatory Cancellation of Interest – Maximum Distributable Amount*), 5(d) (*Mandatory Cancellation of Interest – Relevant Authority Order*) or 6 (*Automatic Write*

Down), shall be deemed to be cancelled and shall not accumulate or become due or payable at any time thereafter, whether in a Winding-Up or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

Write Down following a Trigger Event

On the Business Day following the determination that a Trigger Event has occurred (the “**Write Down Date**”), an Automatic Write Down shall occur.

“**Automatic Write Down**” means the irrevocable, automatic and permanent (without the need for the consent of Holders or the Trustee) reduction of the full principal amount of each Security to zero, cancellation of all accrued and unpaid interest (including, if applicable, any Additional Amounts) and other amounts (if any) arising under or in connection with the Securities and/or the Trust Deed and cancellation of the Securities on the Write Down Date.

“**Trigger Event**” means that the CET1 Ratio of the Issuer Group has fallen below 7.00 per cent.

Effective upon, and following, the Automatic Write Down, Holders shall not have any rights or claims against the Issuer with respect to (i) repayment of the principal amount of the Securities or any part thereof, (ii) the payment of any interest for any period or (iii) any other amounts arising under or in connection with the Securities and/or the Trust Deed.

Such Automatic Write Down shall take place without the need for the consent of Holders or the Trustee.

See Condition 6 (*Automatic Write Down*) for further information.

No fixed maturity

The Securities are perpetual securities with no fixed redemption date. The Securities may only be redeemed or repurchased by the Issuer in the circumstances below (as more fully described in Condition 7 (*Redemption, Substitution, Variation and Purchase*)).

Optional redemption

The Issuer may, in its sole discretion but subject to the conditions set out under “*Conditions to redemption, substitution, variation and purchase*” below, redeem all (but not some only) of the Securities (i) on any day falling in the period commencing on (and including) 21 August 2031 and ending on and including 21 February 2032 (the “**First Reset Date**”); or (ii) on any Interest Payment Date thereafter, in each case at their principal amount together with any unpaid interest thereon (excluding interest that has been cancelled in accordance with the Conditions) 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 “*Conditions to redemption, substitution, variation and purchase*” below, redeem all (but not some only) of the Securities 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 thereon (excluding interest that has been cancelled in accordance with these Conditions) accrued to (but excluding) the relevant redemption date, subject to, in the case of a redemption occurring prior to the fifth anniversary of the Reference Date, and if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer demonstrating to the satisfaction of the Relevant Authority that (i) in the case of a Tax Event, the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date or (ii) in the case of a Capital Disqualification Event, the relevant change in regulatory classification was not reasonably foreseeable as at the Reference Date.

Clean-up redemption option

The Issuer may, in its sole discretion but subject to the conditions set out under “*Conditions to redemption, substitution, variation and purchase*” below, redeem all (but not some only) of the Securities at their principal amount together with unpaid interest thereon (excluding interest that has been cancelled in accordance with the Conditions) 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 Securities originally issued (and for these purposes, any Further Securities issued pursuant to Condition 16 (*Further Issues*) shall be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer’s account and cancelled.

**Substitution or variation following a
Capital Disqualification Event or a Tax
Event**

The Issuer may, subject to the conditions set out under “*Conditions to redemption, substitution, variation and purchase*” below and upon notice to Holders, at any time elect to substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become, Compliant Securities if, prior to the giving of the relevant notice to Holders, a Tax Event or Capital Disqualification Event has occurred.

**Conditions to redemption,
substitution, variation and purchase**

Any redemption, substitution, variation or purchase of the Securities pursuant to Condition 7 (*Redemption, Substitution, Variation and Purchase*) is subject, as applicable, to:

- (i) the Issuer having obtained prior Supervisory Permission therefor and such Supervisory Permission not having been revoked by the relevant date of such redemption, substitution, variation or purchase, as applicable;
- (ii) in the case of any redemption or purchase of any Securities, if and to the extent then required under prevailing

Regulatory Capital Requirements, either: (A) the Issuer having (on or before the relevant redemption or purchase date) replaced the Securities 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 7(b)(v)(A) (*Conditions to Redemption, Substitution, Variation and Purchase*), (B) the Issuer having 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 its minimum applicable capital and eligible liabilities requirements (including any applicable buffer requirements) by a margin (calculated in accordance with prevailing Regulatory Capital Requirements) that the Relevant Authority considers necessary at such time;

- (iii) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Tax Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer having 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 Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer having demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Securities was not reasonably foreseeable as at the Reference Date; and
- (v) in the case of any purchase or redemption of the Securities prior to the fifth anniversary of the Reference Date pursuant to Condition 7(g) (*Purchases*) or 7(c)(ii) (*Issuer's Call Options*), respectively, if and to the extent then required under prevailing Regulatory Capital Requirements, either (A) the Issuer having before or at the same time as such purchase or redemption, replaced the Securities 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 having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view; (B) the Relevant Authority considering that such purchase or redemption would materially enhance the safety and soundness of the Issuer; or (C) in the case of a purchase pursuant to Condition 7(g)

(*Purchases*), the relevant Securities are being purchased for market-making purposes in accordance with the applicable Regulatory Capital Requirements.

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 Securities only after compliance with one or more alternative or additional pre-condition(s) to those set out in paragraphs (i) and (v) above, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Purchase of the Securities

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 Securities in any manner and at any price. All Securities 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 Securities (subject always to Condition 3(b) (*Solvency Condition*), Condition 5 (*Cancellation of Interest*), Condition 6 (*Automatic Write Down*) and Condition 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*)) 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 as aforesaid and subject to certain customary exceptions, as described in Condition 9 (*Non-Payment When Due and Winding-Up*)) pay such Additional Amounts as may be necessary in order that the net amounts received by the Holders in respect of those payments of interest after the withholding or deduction shall equal the amount which would have been received by them in respect of payments of interest on the Securities 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 Securities for, or on account of, any FATCA Withholding (as defined in Condition 10 (*Taxation*)).

Non-Payment and Winding-Up

If the Issuer shall not make payment in respect of the Securities for a period of seven days or more after the date on which such payment is (without prejudice to Condition 3(b) (*Solvency Condition*), Condition 5 (*Cancellation of Interest*) and Condition 6 (*Automatic Write Down*)) due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee in its discretion may, or 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 Securities then outstanding shall, institute proceedings for a winding-up of the Issuer. The Trustee may prove and/or claim in any Winding-Up (whether or not instituted by the Trustee), such claim being contemplated in Condition 3(c) (*Winding-Up*).

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 Securities (other than, save as provided in Condition 14 (*Rights of the Trustee*), 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 and the Trust Deed. 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 bound so to do, fails or is unable to do so within a period of 60 days and such failure or inability shall be continuing.

See Condition 9 (*Non-Payment When Due and Winding-Up*) for further information.

Modification

The Trust Deed will contain 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, pursuant to which defined majorities of the Holders may consent to the modification of any of the Conditions or any of the provisions of the Trust Deed, and any such modification shall be binding on all Holders. Resolutions having the same effect may also be passed by defined majorities of Holders by way of written resolutions or electronic consents.

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 has 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 Condition 3 (<i>Status and Subordination</i>) 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 Securities.
Form	The Securities will be issued in registered form. The Securities 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	£200,000 and integral multiples of £1,000 in excess thereof.
Clearing systems	Euroclear and Clearstream, Luxembourg.
Rating	The Securities will not be rated on issue.
Listing	Application has been made to the London Stock Exchange for the Securities to be admitted to trading on the London Stock Exchange’s International Securities Market with effect from the Issue Date.
Governing law	The Securities and the Trust Deed, and any non-contractual obligations arising out of or in connection with the Securities or the Trust Deed, will be governed by, and construed in accordance with, English law.
ISIN	XS3461030358
Common Code	346103035

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. 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 Securities, but the Issuer may be unable to pay interest, principal (if principal becomes due) or other amounts on or in connection with any Securities for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Securities 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 Securities" 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 SECURITIES

Business Risk

The risk that the Group does not achieve its strategic objectives or business plan, including financial forecasts.

The Group is subject to risks arising from macro-economic conditions in the UK and globally

The Group's business is subject to inherent risks arising from macro-economic conditions in the UK. In particular, levels of retail borrowing are heavily dependent on consumer confidence, the UK property and mortgage market, wage and employment trends, the level of inflation, including energy price inflation, market interest rates and the broader state of the UK economy.

As the Group's customer base is predominantly based in the UK, it will be significantly exposed to the condition of the UK economy. In particular, factors such as UK house prices, levels of employment, inflation, interest rates, supply chain issues and change in consumers' disposable income can each have a material impact on customers. Should macro-economic conditions in the UK deteriorate or should there be uncertainty and/or volatility in relation to these factors, this could adversely impact the Group's business, results of operations, financial condition and prospects.

The Group's operations are focussed in its core regions in the UK, which includes Scotland and Wales. These operations could be adversely affected by a lack of legal harmonisation across the UK, including through the further devolution of powers to the Scottish Parliament. For example, differences in regulatory regimes or differing tax legislation between Scotland and England may result in additional compliance and other costs for the Group or adversely impact the financial performance and prospects of its customers.

In addition, changes in global economic conditions or circumstances (in particular 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.

The evolution of the geo-political environment including the conflicts in Ukraine and the Middle East, adverse changes in global growth rates, a further slowdown in the UK's principal export markets, 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 affect the future performance of the UK economy and subsequently the banking industry and may have a material impact on the business performance of the Group.

In addition, volatility in credit, currency and equity markets globally may result in uncertainty that could affect the banking industry and may have a material impact on the business performance of the Group.

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.

The historical results of operations and financial condition of the Group have been, and future results of operations and financial condition are likely to continue to be, affected by these factors, which should they have an adverse effect on consumer confidence, spending or demand for credit, 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, 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 availability of the principal sources of the Group's funding, customer deposits and wholesale funding from the capital markets. Whilst interest rates have recently reduced in the UK, if they were to rise again, for example in response to increased inflationary pressures, customers may increasingly transfer deposit balances to higher rate products, which could result in increased interest expense and/or reduced deposit volumes for the Group. The Group raises a proportion of its funding from secured wholesale funding in the form of Residential Mortgage Backed Securities ("RMBS") and warehouse structures. Any significant increase in interest rates could have a material adverse impact on the availability and interest cost of such funding.

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

Interest rates 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 individuals to borrow and service loans.

An increase in interest rates, without a comparable increase in customer income or business revenues and profits, may result in larger monthly repayments for individuals and entities to whom the Group provides loans, which could, for example, lead to an increase in default rates, arrears and forbearance among customers who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Group.

In a high interest rate environment UK borrowers who are exposed to variable rate lending products or those borrowers whose fixed rate products mature, may experience borrowing costs which are greater than those which may have been anticipated at the time those existing loans were drawn.

Similarly, increases in relevant benchmark rates and interest rates may also negatively affect the Group's new lending opportunities by reducing demand for loan products. Individuals are often less able, and may be less willing, to borrow when interest rates are high.

In a low interest rate environment, there is a risk that borrowers at early levels of financial distress will not be identified in a timely manner, as they may continue to be able to service their loans, which may contribute to higher impairment levels in the future. This may be exacerbated when interest rates change frequently.

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 floating rate 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 when interest rates increase. The Group may also be more exposed to re-pricing of its liabilities than competitors with a lower proportion of variable rate deposits or other liabilities.

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 NIM and net interest income, as yields on interest-earning assets compress. Lower rates may also reduce the incentive for customers to save, which could lead to increased competition for deposits or a greater reliance on wholesale funding. These dynamics may influence the Group's lending appetite and portfolio growth, potentially affecting overall profitability and financial performance.

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 customer base is wholly based in the UK and is impacted by both domestic and global economic conditions.

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 to 3.75 per cent. in December 2025, all of which 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 materially impact the short to medium term credit performance of a number of UK households, including those that are customers of the Group.

These factors have the potential to impact the short and medium-term credit performance of the Group, along with an increased probability of risk to the Group's customers and their ability to repay their debts which could result in higher impairment levels.

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.

Although the Group works to support customers with increases in the cost of living, additional capital may be required by the Group to absorb the heightened levels of credit risk and any increase in impairment levels over time as a result of the current cost of living crisis, which could have a material adverse impact on the Group's business and financial condition.

The Group faces risks associated with executing its strategy

A failure to achieve its strategic priorities and sustainability objectives would 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, which in turn could have an adverse impact on the price of the Securities in the secondary market.

Risks associated with the Group's strategy to drive growth in its loan portfolio and deposit base

In seeking to grow its mortgage lending book, the Group is susceptible to the risk of reduced asset quality and increased impairment losses in its customer loan portfolio due to it broadening its target market or loosening its underwriting or lending criteria in order to attract additional customers or applying a broader interpretation of existing underwriting or lending criteria. The Group is also subject to the risk of increased competition, including competition based on price, in seeking to grow its customer loan portfolio, which could adversely affect the Group's NIM and returns. Furthermore, banks seeking growth through increased lending volumes may also incur higher impairments and increased conduct risks, in particular those relating to the mis-selling 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, it could result in legal or regulatory action against the Group, reputational damage to its brands and adverse impacts on the implementation of its medium-term strategy.

Significant growth in lending volumes may also result in the degradation of service if not matched by increased recruitment or process enhancements. This could lead to reputational damage and future reductions to business volumes.

Diversification of the Group's lending proposition into new market segments could result in resource being either spread too thinly or lacking the relevant knowledge or expertise, leading to inadequate oversight of the product range and lending criteria.

A key component of the Group's medium-term strategy is to grow its retail deposits, and in particular to increase the volume of new accounts, in order to fund the growth of its business and maintain the loans-to-customer deposits ratio ("LDR") at its targeted level. 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. 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 medium-term growth.

The occurrence 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 other risks associated with the Group's medium-term strategy

The Group's ability to implement its medium-term growth strategy and any future strategy successfully is subject to execution risks, including those relating to the management of its cost base and limitations in its management and operational capacity. The implementation of its medium-term 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 economy and the retail banking sector. In addition, the Group may fail to achieve management's guidance, targets or expectations in respect of the Group's NIM, operating and administrative expenses, standalone costs as an unlisted entity, growth in mortgage lending, growth in mortgage market share, growth in raising retail deposits, growth in savings market share, or in the development of the Group's asset quality, cost-to-income, common equity tier 1 ("CET1") capital and/or LDR, or other financial or key performance indicators.

The risk that some or all of these targets and expectations may fail to be achieved may be a consequence of internal factors such as a failure to effectively manage the Group's cost base. The risk may also be exacerbated or caused by a number of external factors, including a downturn in the UK, European or global economy, increased competition in the UK retail banking sector and/or significant or unexpected changes in the regulation of the financial services sector in the UK. A failure to successfully manage the implementation of its medium-

term 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.

A core element of the Group's business strategy is to source mortgage originations in line with targeted volumes and rates by supporting customers who may be underserved by other lenders and by providing them with a strong overall proposition and higher quality service. If other competitors target the same or similar markets as the Group, the Group may, despite its differentiated offering, find it more difficult, or be unable to, originate loans in line with projected volumes and rates.

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

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 their lending than the "standardised" approach, thus enabling reduced prices to be offered to customers. Banks who also offer current accounts often have a significantly lower cost of funds, supported by large volumes of relatively inert accounts paying minimal or no interest. This may allow those lenders to offer more competitive mortgage pricing whilst maintaining acceptable overall returns.

The Group also faces potential competition from other UK new market entrants, including other lenders with specialist capabilities, which may have an appetite for higher risk and/or may be willing to accept lower yields than the Group and may therefore offer products which are recommended by brokers to their clients in preference to the Group's product offerings. New entrants into the UK banking sector with specific areas of market focus, and non-bank competitors may, in some cases, have lower cost operating models and are therefore capable of generating better returns from asset growth or offering lower rates. Competition in the UK 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.

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.

As a newer entrant to the UK retail savings market, the Group may need to offer more competitive pricing to attract customers than some of its competitors. In the event of other institutions moving to offer higher pricing to new and existing customers in order to drive incremental funding in the form of new or increased savings deposits, there is a risk the Group will need to increase its own pricing to generate the required funding from savings deposits, thus narrowing overall Group margins.

In addition, the UK Government's Autumn 2025 Budget announced that from 6 April 2027 the Cash Individual Savings Account ("ISA") limit for those aged 64 and under will fall from £20,000 to £12,000, while the overall ISA allowance remains £20,000. This could reduce available Cash ISA inflows and intensify competition for 'sticky' retail funding for banks such as Vida Bank. Banks may need to reprice more aggressively upwards and/or rely more on term deposits and wholesale funding, lifting their marginal cost of funds and pressuring margins. The change may also accelerate deposit leakage to bank and non-bank ISA platforms that offer integrated cash and investing options, increasing the level of churn and interest rate sensitivity, and raising the blended funding cost for Vida Bank.

The Group is subject to risks related to volatility in UK house prices

The Group's primary activity is providing banking services to retail customers, including mortgage lending in the UK secured against residential property. The value of that security is influenced by UK house prices. A substantial proportion of the Group's net interest income is derived from interest paid on its mortgage portfolio. Any deterioration in the quality of the Group's mortgage portfolio, if aligned with a significant reduction in the ability of customers to make their mortgage payment, could have a material adverse effect on its business, financial condition, results of operations and prospects.

Historically, downturns in the UK economy have had a negative effect on the UK housing market. A fall in property prices could result in borrowers having insufficient equity to refinance their mortgage loans or being unable to sell the mortgaged property at a price sufficient to repay the amounts outstanding on the mortgage loan. In the event of the customer defaulting on their payment in these circumstances, higher impairment provisions and losses would be incurred by the Group. Higher impairment provisions could reduce its capital and its ability to engage in new lending and other income-generating activities. The Group may also face increased capital requirements as a result of a reduction in property prices. As a result, a decline in house prices could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, a significant increase in house prices could have a negative impact on the Group by reducing the affordability of homes for first-time buyers or next-time buyers looking to purchase more expensive properties and, if such increases were to result in a decrease in the number of customers that could afford to purchase houses, a reduction in demand for new mortgages and/or an increased level of credit risk exposure due to a higher proportion of high loan-to-value mortgages.

Sustained volatility in UK house prices could also discourage potential homebuyers from committing to a purchase, thereby limiting the Group's ability to grow its mortgage portfolio in the UK.

A number of Buy-To-Let ("BTL") borrowers see their property as an investment opportunity. Any reduction in house prices has a direct impact on their potential returns, making it less likely they will invest in additional properties. This could therefore reduce the volume of new lending the Group would be able to complete.

Compared to the sub one per cent. BoE base rate seen from 2009 to 2021, interest rates remain relatively high, albeit the BoE base rate has reduced from the peak of 5.25 per cent. seen in 2023 to 4.75 per cent. as at the date

of these Admission Particulars. This higher rate environment has placed pressure on the BTL market with landlords less able to meet regulatory affordability hurdles for the increased interest payments required for new mortgages. This may lead to a reduction in BTL income for the Group due to a lower demand for new mortgages, and may also lead to a decrease in asset quality as investors look to purchase lower quality assets with better returns, but with a lower quality of tenant. This is likely to negatively impact the house price of larger properties.

Further potential drivers of lower demand and therefore potential house price reductions relate to rental rates decreasing or remaining stagnant, interest rates increasing again, changes to UK Government policy, further tax changes reducing the post-tax return on BTL investments and the general weakening of the economy or the economy placing pressure on employment and consumer incomes. In these circumstances, in addition to the lower demand for new lending, the credit performance of the Group's BTL mortgage book could deteriorate, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, over recent years, the BTL market has been subject to significant regulatory changes the most recent of which was the Renters' Rights Act which was finalised in 2025. These ongoing changes have led to an increasing proportion of landlords moving into higher yielding property types, including retrofitting, houses of multiple occupancy, multi-unit blocks, student lets, semi-commercial and commercial properties. This expansion of property types, while diversifying the BTL market, has also increased the potential adverse impact on property prices across more traditional property types.

The future impact on house prices of other regulatory changes or UK Government programmes or policy changes on the UK housing market, whether or not the Group participates in them, is difficult to predict and plan for. Volatility in the UK housing market occurring as a result of such changes could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to risks relating to the supply and affordability of property in the UK

The Group's owner-occupied and BTL mortgage lending is and will be, dependent on a number of factors related to the supply and affordability of property in the UK.

The Group's owner-occupied mortgage lending requires a supply of newly built or developed property coming to the market that relies on mortgage lending for financing, as well as transaction volumes within the market for existing property being at a sufficiently high level to support a profitable level of owner-occupied mortgage lending. A decrease in housing transaction volumes could lead to a reduction in demand for owner-occupied mortgages and a fall in related mortgage revenues, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. A reduction in demand is also likely to lead to some lenders reducing the profitability of their own products to support their own origination volumes, and any reduction in the Group's profitability to support origination volumes would have a further impact on the Group's business, financial condition, results of operations and prospects.

Over-supply may lead to a reduction in house prices. If UK average house prices were to follow a falling trend or if house prices in a number of UK regions that the Group has more significant exposure follow a falling trend, this may result in an increase in the Group's owner-occupied mortgage loan impairment charges as the value of the security underlying its mortgage loans is eroded.

High rates of inflation, as seen between 2021 and 2024, increased unemployment, or a higher interest rate environment will impact upon the affordability of a homeowner's mortgage. In these circumstances existing mortgage holders may be more likely to default on their payments, ultimately leading to an increase in loan impairment charges and losses.

Higher impairment charges could reduce the Group's profitability, capital and its ability to engage in lending at high volumes, and other income generating activities and, therefore, could have a material adverse effect on the Group's business and potentially on its ability to implement its medium-term growth strategy.

The Group's BTL lending targets both amateur landlords and professional landlords with BTL businesses, including limited companies or those seeking mortgages for multi-use properties. The BTL market in the UK is predominantly dependent upon yields from rental income to support mortgage interest payments and capital gains from capital appreciation. Falling or flat rental rates and decreasing capital values (whether accompanied by higher mortgage interest rates or not) could have an adverse impact on profitability resulting in some BTL landlords either struggling to cover their mortgage payments or leaving the market. Either eventuality could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Renters' Rights Act (approved in 2025 through the UK Parliament), abolishes fixed term and assured shorthold tenancies and imposes additional obligations on landlords and could, once embedded, have a similar effect.

An increase in market interest rates could also put BTL landlords under strain and erode their profit margins resulting in a reduction in the number of BTL landlords in the market. In addition, some landlords who are unable to afford the higher cost of borrowing may be forced to sell their properties therefore also reducing supply. Rising interest rates are also likely to exert upwards pressure on rents and make it more difficult for tenants to find affordable housing. Any reduction in demand for the Group's BTL mortgages could have an adverse impact on profitability and thus a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Any future changes in UK Government policy, including the way in which property sales are taxed could also impact upon the supply and demand for property in the UK, could lead to disruption and adverse impacts to the Group's business.

The reputation of the Group and its brands may be damaged by the actions, behaviour or performance of numerous persons

The success of the Group's strategy relies significantly on the reputation of the Group and its senior management, and on its customers and business partners, including brokers and other intermediaries.

The Group operates under its "Vida Bank", "Vida Homeloans" and "Vida Savings" 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;
- failure to effectively manage change and transformation programmes;
- breaching, or facing allegations of having breached, legal and regulatory requirements;
- 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 the mortgage servicer, mortgage intermediaries, retail deposit partnerships and other third parties on whom the Group relies, such as clearing banks, third-party service providers or partners, to provide necessary services;
- risk of 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.

Any circumstance that causes real or perceived damage to the Group’s brand may negatively affect the Group’s relationships with its stakeholders, for example, business partners and customers, which could result in such business partners and/or customers ceasing to do business with the Group.

Reputational damage to the Group or its brands may also adversely impact the Group’s ability to attract and retain customers or employees in the short and long-term and the ability to pursue new business opportunities.

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

The Group may fail to attract or retain executives, senior managers or other key employees

The Group’s success depends on the continued service and performance of its key employees, including executives and senior managers, and its ability to attract, retain and develop high calibre talent.

The Group may not succeed in attracting new talent and retaining key personnel for a variety of reasons, including if they do not identify or engage with the Group’s purpose, brand and values, which represents a major component of its overall strategy.

The ability of the Group to attract and retain talent may also be affected by issues impacting the financial services industry more widely. When compared to larger institutions, the Group may not have sufficient scale to offer employees rates of 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 changing labour market dynamics including higher levels of job vacancies, 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 improperly or in ways which could create operational inefficiencies and risks and/or lead to de-motivated senior employees. Each of these factors could have an adverse effect on the Group’s ability to recruit new personnel and retain key employees, which could, in turn, adversely affect the Group’s business.

Any failure to attract and retain key employees, including executives and senior managers, could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

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, exclusions and excesses; for example, certain types of risk and losses (including losses resulting from acts of war or certain natural disasters, and credit risk) are not economically insurable or generally insured. There can also be a risk that, in certain circumstances, the Group's insurance policies are voided at the option of the insurer (for example, due to the failure of the Group to comply with the terms) which could erode coverage or even negate cover.

The Group's insurers may also seek to defend claims where the amount claimed is significant, which could result in delayed or reduced recovery, or no recovery, in respect of any insurance claim.

There can be no assurance that the Group's insurance will be sufficient to cover the full extent of all losses or liabilities for which it is ultimately responsible and it cannot guarantee that it will be able to renew its current insurance policies on favourable terms, or at all or that the insurance premium will not increase substantially. For example, insurance premiums for cyber security threats have increased in recent years, given increased security threats in this context, and the renewal of policies may as a result become prohibitively expensive.

In addition, there may be new risks that the Group faces in the future for which the Group cannot obtain insurance on terms which it believes to be reasonable.

Any losses incurred which are not covered by the Group's insurance policies or which exceed its insurance cover, could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Capital Risk

Capital risk is the risk that the Group does not have sufficient capital and reserves of sufficient quality to meet prudential regulatory requirements, achieve its medium-term growth strategy, cover the risks to which it is exposed or protect against unexpected losses.

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

The Group faces risks associated with an uncertain and rapidly evolving prudential regulatory environment, pursuant to which it is required, among other things, to maintain adequate capital and liquidity resources and to satisfy specified Pillar 2 requirements, buffer requirements and capital ratios and liquidity requirements at all times. The Group's borrowing costs, regulatory capital and liquidity requirements could be affected by future changes to the prudential regulation that applies to it, which include (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 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 has been onshored 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 “*Restatement of CRR requirements – 2027 implementation – final*” (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 December 2025, 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(s) 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 policy statement “*CRR Definitions: restatement in PRA Rulebook*” (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.

Basel 3.1

The final capital framework to be established in the EU and the United Kingdom under the Basel standards differs from Basel III in certain areas. In December 2017, the Basel Committee finalised further changes to the Basel III framework which include amendments to the standardised approaches to credit risk and operational risk and the introduction of a capital floor and in January 2019, the Basel Committee published revised final standards on minimum capital requirements for market risk (together, “**Basel 3.1**”).

The PRA published its final policy statement “*Implementation of Basel 3.1: Final rules*” (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 consultation paper “*Basel 3.1: adjustments to the market risk framework*” (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 its policy statement “*Implementation of Basel 3.1: Final rules*” (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 June 2026, the PRA published consultation paper “*Basel 3.1: Adjustments to the internal model approach (IMA) for market risk*” (CP9/26), which sets out a package of targeted proposals to refine specific elements of the internal model approach, including the treatment of non-modellable risk factors, the calibration and operation of key model performance tests, and the interaction between the internal model approach and the standardised approach.

The PRA set out proposals in consultation paper “*Pillar 2A review – Phase 1*” (CP12/25) on how the approach to setting Pillar 2A and Pillar 2B 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 Pillar 2A risks, is expected to be published in the fourth quarter of 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 considers 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 Loan to Value (“**LTV**”) residential exposures. Alongside consultation paper “*Pillar 2A review – Phase 1*” (CP12/25), the PRA also published policy statement “*Update to PS9/24 on the SME and infrastructure lending adjustments*” (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 policy statement “*Implementation of the Basel 3.1 standards near-final part 2*” (PS9/24) and following consultation on its original proposals in consultation paper “*Implementation of the Basel 3.1 standards*” (CP16/22). On 20 January 2026, the PRA published 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 Small Domestic Deposit Takers (“**SDDTs**”), as they will be subject to the Basel 3.1 standardised approach to credit risk. On 28 May 2026, the PRA published 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.

Post-Brexit - Edinburgh Reforms

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. The proposed reforms unveiled on 9 December 2022 as part of the “Edinburgh Reforms” of UK financial services and the introduction of some legislative reforms under the Financial Services and Markets Act 2023 (which received Royal Assent on 29 June 2023) provide an indication of the possibility of further divergence in the future. With the evolution of the UK’s financial landscape, the UK authorities may seek to adjust the prudential framework to better reflect these changes.

EBA technical standards

The capital requirements framework adopted in the UK may also 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). 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.

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.

The Strong and Simple Framework

The PRA published policy statement “*The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs) - final*” (PS4/26) in January 2026. PS4/26 sets out the PRA’s final policy for the capital element of the SDDTs regime. The majority of the rules will be brought in from 1 January 2027.

The SDDT regime will introduce a non-cyclical ‘single capital buffer’ (“**SCB**”) for SDDTs as part of a revised Pillar 2 capital framework. To support SDDTs’ safety and soundness, an SDDT’s SCB will be set at least to 3.5 per cent. of its risk weighted assets (or to a higher level depending on the risks to which it is exposed and/or how well it is risk managed and governed). SDDTs that opt in to the regime will cease to be subject to the current capital buffer framework based on multiple capital buffers (the capital conservation buffer, the countercyclical capital buffer, and the PRA Buffer (as defined below)). This is intended to make the capital regime less complex for SDDTs but there can be no assurance that this will be the case.

The Issuer received its modification by consent for a CRR consolidation entity to become an SDDT consolidation entity on 2 April 2026 and currently expects to elect to apply the SDDT regime from 1 January 2027. Once the Issuer becomes regulated under the SDDT regime, the provisions of Condition 5(c) (*Mandatory cancellation of interest – Maximum Distributable Amount*) are expected to cease to apply to the Securities. However, the Issuer may still elect, may be required under a capital restoration plan or may be directed by the PRA, to reduce or cancel interest payments on Securities, including (without limitation) if it were to fail to meet its new SCB requirement.

Bank of England’s Resolvability Assessment Framework

Although the Group is not currently subject to the BoE’s Resolvability Assessment Framework (“**RAF**”), if it were to be in the future it would need to establish, at additional cost to the Group, a comprehensive compliance programme to respond to the three primary areas of the RAF (being: (i) Assessment & Disclosure; (ii) Resolvability Capabilities; and (iii) Assurance & Risk Management), which would need to be developed in a proportionate and considered manner. In particular, the Group would need to leverage its existing risk and operational resilience capabilities to ensure effective compliance with the RAF. The Group would become subject to the RAF following the BoE notifying the Group that its preferred resolution strategy was ‘bail-in’ or ‘transfer’.

Future changes to the applicable prudential regime

The prudential regulatory regime under 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. No guarantee can be given that the Securities 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 regime. A change to the applicable prudential regime may affect the risk profile of the Securities, the Group’s product range, distribution channels, 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 may further limit and could have a material adverse effect on the Group’s operations, financial condition and/or prospects

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

- UK CRR;
- UK law and regulatory rules implementing Directive 2013/36/EU (as amended) (i.e., CRD IV) and Directive 2019/878/EU (i.e., CRD V);

- the PRA Rulebook and associated PRA guidance; and
- other relevant UK domestic law and regulation.

This framework implements standards set at an international level by the Basel Committee on Banking Supervision, including under the Basel III framework. As part of the UK's implementation of the Basel III standards, portions of the UK CRR were revoked, and the relevant requirements transcribed into the PRA Rulebook (and in some cases amended) effective as of 1 January 2022. The remaining Basel III standards (sometimes referred to as Basel 3.1) are currently intended to be implemented in a similar manner by 1 January 2027, in order to enable greater clarity to emerge regarding the similar process of implementation in the United States, with certain transitional periods in respect of particular provisions within Basel 3.1 terminating on 1 January 2030. The final rules which will implement Basel 3.1 are set out in the PRA's policy statement *"Implementation of Basel 3.1: Final rules"* (PS1/26).

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 governmental actions, including requiring the Group to issue additional CET1 capital securities or other regulatory capital, requiring the Group to retain earnings or 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 Securities.

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, clients may withdraw deposits from Vida Bank Limited ("**Vida Bank**") 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 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 current prudential framework as at the date of these Admission 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 Vida Bank 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 Buffers**" apply 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.

Information on the SDDT regime, including its impact on the capital buffer requirements, is provided under “*The Strong and Simple Framework*” above.

In addition, the PRA may set an additional firm-specific buffer, referred to as the “**PRA Buffer**” which for SDDT firms and SDDT consolidation entities will be replaced, along with the Combined Buffers, by an SCB.

The TCR must be met with at least 56.25 per cent. CET1 capital and at least 75 per cent. Tier 1 capital, with not more than 25 per cent. Tier 2 capital. From 1 January 2027, the PRA will require SDDT consolidation entities (including the Issuer) to meet Pillar 2A with at least 56.25 per cent. CET1 capital, no more than 43.75 per cent. Additional Tier 1 capital and no more than 25 per cent. Tier 2 capital. The Combined Buffers, (once implemented) the SCB and the PRA Buffer must be met solely with CET1 capital. The PRA presently requires that the level of the PRA Buffer and (once implemented) the SCB are not publicly disclosed (unless required by law).

As at 30 June 2026, the overall capital requirement (excluding the PRA Buffer) of the Group was £176.4 million, of which £118.0 million reflected the sum of the Group’s TCR, £58.4 million reflected the Group’s buffer requirement (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 30 June 2026, the Group had total regulatory own funds of £209.2 million consisting of £175.5 million CET1 capital and £33.7 million Tier 2 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 145 per cent. as at 30 June 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 126 per cent. as at 30 June 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. For firms with total assets between £25 billion and £40 billion, the BoE will consider which of a transfer or a bail-in strategy is more likely to be appropriate, making such assessment on an institution-specific basis. 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.

Given the BoE’s preferred resolution strategy for Vida Bank is a modified bank insolvency process, neither the Issuer nor the Group has, and does not expect to have, an MREL requirement set above its TCR unless or until the applicable resolution strategy is changed. Such a change may occur either because of a change in BoE policy or because of business acquisitions, significant growth in the number of transactional accounts held with Vida Bank or a change in the Group’s business model. The BoE reviews the MREL set for all relevant firms regularly.

Any change to Vida Bank'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 Securities), 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 CET1 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 CET1 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). On 7 July 2026, the Financial Policy Committee ("**FPC**") published its Financial Stability Report, accompanied by a Financial Stability in Focus (FSiF) paper. In these documents, the FPC noted that the FPC and PRA intend to consult on a package of measures to make the leverage capital framework more proportionate and more effective by being better targeted. This package would (i) remove the CCLB from banks' leverage requirements; (ii) move the calibration of the ALRB for firms with systemic buffers to 50 per cent. of risk-weighted systemic buffers; (iii) reduce the leverage ratio requirement from 3.25 per cent. to 3 per cent.; and (iv) apply a simple general leverage ratio buffer to firms subject to leverage requirements, set at 25 basis points of the leverage exposure measure (which currently excludes central bank reserves).

As at the date of these Admission Particulars, the Group does not have a binding leverage ratio requirement, as Vida Bank has retail deposits below the current deposit threshold of £75 billion. However, Vida Bank and the Group are subject to a PRA supervisory expectation as set out in PRA supervisory statement "*The UK leverage ratio framework*" (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 30 June 2026, the Group's leverage ratio as calculated using the PRA definition was 3.9 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 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 may further limit and 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 plans to 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, by way of business disposals. 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 issues from historical sales of financial products.

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, market expectations and its assessment of the risk profile of the business as evidenced by performance in stress testing. If market expectations as to capital levels increase, driven by, for example, the capital levels or targets amongst peer banks or if new regulatory requirements are introduced, then the Group may be required to increase its capital. 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 Securities at the point of non-viability. If the BoE, as resolution authority, were to exercise such powers in respect of the Issuer, then debt holders, including the holders of the Securities, may experience their holdings being written-down or converted, and may not receive any compensation for their losses.

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. In particular, to fund investment in technology and other intangibles, and to grow the lending book. Should the Group fail to generate the targeted level of 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.

The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries (including those of Vida Bank (its only subsidiary at the date of these Admission Particulars) or any other subsidiary) upon the liquidation of such subsidiaries, and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may

depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated

The Issuer is a holding company that currently has no significant assets other than its loans to, and investments in, its subsidiaries, including Vida Bank (its only subsidiary as at the date of these Admission Particulars), which means that if any such subsidiary is liquidated, the Issuer's right to participate in the assets of such subsidiary will depend upon the ranking of the Issuer's claims against such subsidiary according to the ordinary hierarchy of claims in insolvency. To the extent the Issuer holds other claims against any Group subsidiary that are recognised to rank *pari passu* with any third-party creditors' or preference shareholders' claims, such claims of the Issuer should in liquidation be treated *pari passu* with those third-party claims.

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, such subsidiary are subject to write-down and conversion by statutory power or regulatory direction, or if the subsidiary is otherwise subject to resolution proceedings. See the description of these powers in "*The Securities may be subject to statutory write down or bail-in*" below. The Issuer has in the past made, and may continue to make, loans to, and investments in, Vida Bank and other Group subsidiaries, with the proceeds received from the Issuer's issuance of debt instruments. Such loans to, and investments made by, the Issuer in such subsidiary, will generally be subordinated to depositors and other unsubordinated creditors and may be subordinated further to meet regulatory capital requirements and furthermore may contain mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or such subsidiary or upon regulatory direction would result in a write down or conversion into equity of such loans and investments.

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

The regulatory capital treatment, and otherwise the ranking in the ordinary insolvency hierarchy, of the Issuer's claims against a Group subsidiary will affect the extent to which the Issuer is exposed to losses if such subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other liabilities. In general terms, the more junior in the capital structure the investments in, and loans made to, any Group subsidiary are relative to third-party investors, the greater the losses likely to be suffered by the Issuer in the event that any Group subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other liabilities.

Furthermore, as a result of the structural subordination of the Securities, if any Group subsidiary were to be wound up, liquidated or dissolved, (i) the holders of the Securities would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of the creditors (and holders of preference shares or capital instruments ranking ahead of any such entity's ordinary shares) of such subsidiary (such creditors and holders of preference shares may include the Issuer) ranking ahead of the holders of ordinary shares of such subsidiary. Similarly, if any of the Group subsidiaries were subject to resolution proceedings (i) the holders of the Securities would have no direct recourse against such subsidiary, and (ii) holders of the Securities themselves may also be exposed to losses

pursuant to the exercise by the relevant resolution authority of stabilisation powers, as to which, see “*The Group’s business is subject to the UK resolution regime*”.

Conduct Risk

The risk of customer harm or poor outcomes through unsuitable products, poor service or process failures.

The Group is subject to substantial conduct regulations and regulatory oversight in respect of conduct issues

The Group is exposed to many forms of conduct and/or regulatory risk, which may arise in a number of ways. In particular: certain aspects of the Group’s current or past business may be determined by its regulators including the Financial Conduct Authority (“**FCA**”), the 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 local or potentially, overseas laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the FOS’s opinion. 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.

Additionally, 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.

The Group is subject to substantial and changing conduct regulations

The Group is subject to an extensive and robust regulatory framework relating to conduct, which exposes the Group to a range of regulatory risks in this respect.

This regulatory framework includes but is not limited to:

- certain aspects of the Group’s business may be determined by its regulators, including the FCA, the PRA, the PSR, HMT, the FOS, the Competition and Markets Authority (the “**CMA**”), the UK Information Commissioner 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 Ombudsman’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 client servicing or causing client 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 clients;
- 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 fair outcomes for clients*”); 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.

The Group is also exposed to specific forms of conduct risk which arise specifically in relation to its residential mortgage lending business and savings business.

For example, the high level of scrutiny of the treatment of clients 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 supervision 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 clients. This in turn could affect the Issuer's ability to fulfil its obligations under the Securities.

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

Conduct risk is the risk that the actions, decisions or omissions of the Group, or individuals within the Group, could result in an unfair outcome for the Group's customers, investors and/or stakeholders or otherwise affect market integrity, competition and counterparties.

Conduct risk may arise where the Group:

- fails to design, implement or adhere to appropriate policies and procedures;
- offers products, services or other propositions that do not meet the needs of customers or fail to perform in accordance with their intended design; or
- fails to communicate appropriately with customers. This risk may also arise where the Group fails to deal with complaints effectively, sells or recommends unsuitable products or solutions to customers, fails to provide them with adequate information to make informed decisions, or fails to do any of the foregoing on an ongoing basis after initial sales, among other things.

Conduct risk can arise across three main areas of the Group's business: (i) product design; (ii) sale and distribution; and (iii) post sales and services. The Group is particularly exposed to such risks in its regulated lending and deposit-taking activities. A failure to deliver fair customer outcomes and to protect the integrity of the markets may lead to litigation, regulatory sanctions, financial loss and reputational damage for the Group.

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 clients; (ii) cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm, and enable and support clients to pursue their financial objectives; and (iii) fair outcomes requirements requiring firms to ensure consumers 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 all areas of 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 client outcomes at the heart of its culture, values and behaviours, and is embedded through its policies, processes and incentive structures.

The occurrence or continuation of one or more of the abovementioned risks by the Group or any of the Group's business partners, or any failure to manage one or more of such risks effectively, could result in significant costs of redress, litigation, adverse FOS rulings and/or damage to the Group's reputation, any of which could have a material adverse effect on the Group's business, results of operations, stakeholder relationships, financial condition and/or prospects.

The Group is subject to risks relating to the conduct and operations of its third-party service providers

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

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

Funding and Liquidity Risk

The risks arising from the Group not having access to stable funding markets and a range of funding sources and not being able to meet its obligations as they fall due, or only being able to do so at excessive cost.

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 funded by retail deposits, augmented with funding from the wholesale funding markets (including through its two RMBS securitisation platforms – Tower Bridge Funding and London Bridge Mortgages – and warehouses).

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

- any decrease in the maximum amount that the Group's retail customers can deposit into the Group's ISA savings products in each tax year;
- the availability and extent of deposit guarantees - if the UK Government were to withdraw the UK Financial Services Compensation Scheme ("FSCS"), or lower the amount of deposits which are guaranteed (currently £120,000 per person per institution), this could reduce the confidence of retail savers in the UK banking system and, in particular, in banks like the Group which have specialist lending capabilities, and may result in a reduced demand for the Group's retail savings products;
- any increase in regulatory constraints imposed on the Group and other businesses in the financial services industry or changes to the credit markets in general which could make wholesale funding less attractive, thereby increasing competition in the market for retail deposits; and
- losing the Group's relationships with its key savings partners.

If the Group does not price its retail savings products effectively or if the Group's distribution channels with respect to its retail savings products are disrupted, there could be reduced demand for the Group's savings products, and the Group may not be able to meet its funding requirements (in terms of both volume and duration) on reasonable terms. If the Group is unable to access sufficient retail deposit funding on reasonable terms for a prolonged period of time, the Group may not have sufficient funds for its growth strategy and the Group may have to increase the interest rates offered to retail customers to retain existing deposits and attract new ones, and/or seek funding from alternative sources which may be more expensive relative to the cost of retail deposits.

The Group's business model relies on continuing to price deposits competitively. Any market-wide increase in the cost of retail deposits may have a material impact on the Group's cost of funds. Additionally any initiative to raise deposits through price leadership 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.

If the Group is unable to pass on any such increase in its cost of funds to its lending customers through increased pricing on loans, this could have a material adverse effect on the Group's profitability.

Any loss in consumer confidence in the Group could significantly increase the amount of retail 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 non-retail 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.

The Group's funding needs may increase and/or its existing or planned funding structure may not continue to be efficient.

The Group continues to optimise the mix and duration of its funding base and utilises secured issuance vehicles as part of its funding and balance sheet management activities.

The Group intends to continue to access the wholesale funding markets and expects to be a regular issuer in the securitisation markets. Future issuance and the availability of wholesale funding depend on a variety of factors, including market conditions, the general availability of credit (in particular, to the financial services industry), trading volumes, the presence of competition and the wholesale funding markets' assessment of the Group's asset quality and credit strength. These and other factors may limit the Group's ability to raise funding in wholesale markets on reasonable terms, which could result in an increase in the Group's cost of funding and have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

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, capital position and results of operations, depending on its funding position at that time.

Any downgrade in the credit rating of the Group's secured issuance vehicles or its securities 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.

A sustained period of being unable to access sufficient liquidity either from retail deposits (organically or through key savings partners) or wholesale funding may have a material adverse effect on the Group's ability to: (i) meet its financial obligations as they fall due; (ii) satisfy its regulatory minimum liquidity requirements; and/or (iii) fulfil its existing commitments to lend and its ability to originate new loans. In extreme circumstances, the Group may not be able to continue to operate without additional funding support, and any inability to access such support could have a material adverse effect on the Group's solvency.

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. Exposure 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 that 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.

Ratings downgrades in respect of the UK

The Group's financial performance has been and will continue to be affected by general political and economic conditions in the UK, the Eurozone and elsewhere, and other adverse developments in the UK or global financial markets would cause its earnings and profitability to decline.

Any downgrade of the UK sovereign credit rating or the perception that such a downgrade may occur, or continued increases in gilt yields, could destabilise the markets, impact the Issuer's borrowing costs and its ability to fund itself and have a material adverse effect on the Issuer's operating results and financial condition. In addition, a UK sovereign downgrade, or the perception that such a downgrade may occur, would be likely to depress consumer confidence, restrict the availability, and increase the cost, of funding for individuals and companies, depress economic activity, increase unemployment and/or reduce asset prices. These risks are exacerbated by concerns over general market turmoil, slowing global growth, and trade tensions. Instability within global financial markets might lead to instability in the UK, which could have a materially adverse impact on the Group's performance.

Market Risks

The risk of a reduction in the Group's earnings resulting from adverse movements in financial markets. This includes all risks incorporated into Interest Rate Risk in the Banking Book ("**IRRBB**"). IRRBB extends to interest rate, basis, swap spread, inflation and product option risks.

The Group is subject to market risk 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, as well as fixed rate 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 in the short term, 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 is exposed to risks relating to the effectiveness of its hedging strategy, as outlined below. Any failure of the Group's hedging strategy could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Execution risk

The Group's hedging strategy involves managing the interest rate and basis mismatch it has in respect of liabilities on its deposit book, on the one hand, and the income generated from its lending activities and investments, on the other. There can be no assurance that the Group's hedging strategy will be effective, particularly in unusual or extreme market conditions.

Over-hedging risk and under-hedging risk

In order to implement its hedging strategy, the Group uses derivative instruments, including interest rate swaps, to reduce its exposure to fluctuations in interest rates. In particular, the Group may enter into interest rate swaps to hedge mismatches between its liability to pay interest on deposits and income generated from mortgages. The Group monitors its hedging position through reports to management.

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

The Group 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 operations, the Group holds a liquid assets 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 portfolio could fall and cause the Group to record mark-to-market losses. In a distressed economic or market environment, the fair value of certain of the Group's exposures may be volatile and more difficult to estimate because of market illiquidity. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant negative changes in the fair value of the Group's exposures, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Model Risk

The potential loss that the Group may incur as a consequence of decisions that could be principally based on the output of models, as a result of errors in the development, implementation or use of such models. Model risk can have negative consequences, such as financial losses due to inaccurate product pricing, higher unexpected losses due to credit risk, or liquidity shortages resulting from inadequate modelling assumptions in liquidity models.

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

The Group has a number of models in its ‘Model Register’, 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, stress testing models for climate risk assessment and capital requirements, together with liquidity, pricing or underwriter capacity models.

There is inherent risk associated with relying on such models and tools. The efficacy and reliability of such models and tools relies, among other things, on the assumptions and data used to support them. Such assumptions and data may be or may become inaccurate or out-of-date, and may fail to take into account events which were unforeseen at the time the relevant model or tool was designed or last updated (including, for example, unforeseen economic, political or market conditions or regulatory change). Weaknesses in, and failures of, the Group’s models and tools may not be detected by the Group in a timely fashion or at all. Once the Group has identified a weakness in, or failure of, its models or tools, or has determined that unforeseen economic, political or market conditions or regulatory action have resulted in a need to recalibrate its lending criteria or its risk appetite, the Group may be unable to update the relevant models and/or tools in a timely fashion. This could result in the Group advancing loans which are inconsistent with its then-current strategy and/or risk appetite or failing to identify a performance deficiency or financial deficiency (which, in either case, may be material) in its business. Conversely, weaknesses in, or failures of, the Group’s models and tools may result in the Group turning down loan applications that would otherwise have been consistent with its then-current strategy and/or risk appetite.

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

Similarly, if the Group holds excess provisions due to deficiencies in underlying models, this may reduce the Group’s capital available for lending. Holding insufficient provisions, on the other hand, may adversely affect future profitability.

Any of the foregoing could have a material adverse effect on the Group’s business, results of operations, financial condition and/or prospects, and could damage its relationships with its regulators or have adverse reputational impacts.

The Group uses Experian and Office for National Statistics (“**ONS**”) income and expenditure data to support its credit decisioning process. 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 especially when addressing new risks or uncertainties that were not designed to be captured by the model when it was developed.

Operational Risk

The risk of loss resulting from inadequacy or a failure in internal processes, people and systems, or from external events.

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.

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, strategy, financial condition, results of operations and prospects, protection of its customers or maintaining effective resilience.

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

Internal risks include, but are not limited to, process failures, errors or inadequate design and controls. They also encompass weaknesses in product development, governance and lifecycle management, as well as ineffective change management or transformation execution. Risks may arise from ageing or insufficient infrastructure, systems, and overall technology resilience including failures in system availability, data integrity or information security. Internal risks further include failure to provide for physical security and the health and safety of employees, fraud (whether internal or enabled by control weaknesses), and employee related risks such as skills gaps, the Group's ability to attract the skills required, poor performance management or human error. In addition, there are inherent risks linked to the Group's particular size, complexity and operating model.

External risks include, but are not limited to, failures or disruptions at third-party suppliers and critical service providers. They also cover actual or attempted cyber-attacks and other malicious activity by external actors. Broader environmental and other factors include natural disasters, extreme weather events and climate related impacts, as well as public health events such as epidemics and pandemics. External risks further extend to political, geopolitical, security or societal events, as well as systemic failings or instability within the wider financial services industry. The Group is exposed to extreme but plausible events that are unpredictable and may result in a material or systemic loss, business interruption or significant reputational damage.

The Group is dependent on its information systems and technology from a system stability, data quality and information security perspective. The Group is also 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.

In addition, financial models are used extensively in the conduct of the Group's business; for example, in calculating capital requirements and measuring and stressing exposures. If the models used prove to be inadequate or are based on incorrect or invalid assumptions and judgements, this may adversely affect the Group's 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 or in adopting AI capabilities. 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 business continuity plans in place, 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 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 electronic banking applications or mainframe 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.

The Group's operations are dependent on the effective application and operation of its IT systems and the IT systems of the Group's key business partners and third-party service providers, which could potentially suffer significant disruptions or even failure. In the event of IT failure or disruption affecting the Group, the Group's backup systems, whilst considered to be effective, are not, and are not intended to be, a full duplication of the Group's operational systems. Similarly, in the event of IT failure or disruption affecting the systems of one or more of the Group's key business partners on which the Group relies, there can be no guarantee that such systems will be able to be restored in full or in a timely fashion. Should a system failure or disruption occur, or should an incident occur for which there is no backup, the Group could experience a material adverse effect on its reputation, business, results of operations, financial condition and/or prospects.

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 prospects or outcomes for its customers.

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. 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.

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 some cases 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 have a material adverse effect on the Group's business, results of operations, financial condition and/or 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, could disrupt its business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage its reputation and/or brands, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Rapid developments in AI (for example frontier AI models) could present wide ranging risks to the Group, with uncertainty over its potential disruptiveness remaining. It cannot be excluded that disruption to the Group's business, operations or processes resulting from the disruptive 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

The Group is subject to regulation regarding the use of personal data and therefore must comply with strict data protection and privacy laws, including the UK GDPR and the Data Protection Act 2018, as amended. Such laws restrict the Group's ability to process personal information relating to customers and potential customers, including the use of that information for marketing purposes.

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

Breaches of applicable data protection legislation by the Group or third-party data processors acting on the Group's behalf could materially damage the Group's reputation and its customers' trust in the Group (which may result in customers ceasing to utilise, or reducing their utilisation of, products offered by the Group); such breaches also expose the Group to the risk of regulatory proceedings, litigation and financial loss, including as a result of claims for compensation from data subjects and administrative fines which may be imposed by data protection regulators. See also "*The reputation of the Group and its brands may be damaged by the actions, behaviour or performance of numerous persons*".

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

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

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

The Group is also exposed to risks relating to the fraudulent activity of third parties which adversely affects the Group's customers.

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

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

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

The Group operates a "Three Lines of Defence" model for managing risk pursuant to which: (i) primary responsibility for identifying, measuring, managing, reporting and challenging risk lies with each of the Group's customer-facing franchises, their respective operational teams and certain central functions; (ii) oversight and governance is, as a second line of defence, provided by the Group's risk function via the provision of specialist support and advice, control functions, policies and committees; and (iii) the Group's internal audit function provides independent assurance directly to the Board and the Group's Audit Committee over the adequacy and effectiveness of the control mechanisms in place to mitigate the Group's exposure to risks as a third line of defence.

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, including the Group's "Three Lines of Defence Model", 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 and procedures may not be deployed correctly or used as intended, may prove inadequate or 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. 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 or market conditions and to anticipate the effects that such changes could have on the Group's business, financial condition, results of operations and prospects.

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

The distribution model for the Group's various business lines depends on a number of business partners and third-party providers for a variety of functions including, inter alia, for mortgage servicing, mortgage intermediation, retail savings distribution and administration, IT software and platforms, payment system services, operational services, cheque processing services and fund management and custodial services.

Consequently, the Group relies on the continued availability and reliability of these service providers.

If the Group's contractual arrangements with any of these providers are terminated for any reason or any third-party service provider becomes otherwise unavailable or unreliable in providing the service to the required standard, it will be required to identify and implement alternative arrangements and it may not find an alternative third-party provider or supplier for the services, on a timely basis, on equivalent terms or without incurring a significant amount of additional costs or at all. These factors could cause a material disruption in the Group's operations and ability to service customers and could have a material adverse financial or reputational impact on it. It may result in a higher risk premium being applied to the Group and adversely impact the cost of funding its operations, or its financial condition and could give rise to claims by customers for financial loss experienced and/or regulatory sanctions.

Since 2016 the Group has relied on a third-party for all post-completion mortgage servicing including debt management, customer services and credit management. While the third-party operates under the Group's policies and risk appetite the Group is exposed to the risk of deterioration of the commercial, financial or operational soundness of this organisation and as the Group seeks to actively grow its mortgage book, its exposure to those risks increases.

Consolidation in the mortgage servicing market may change the behaviour of the mortgage servicer in ways that may adversely impact the Group. Should the third-party be sold integration activities may result in changes to coverage, IT systems, IT infrastructure and data management which may impact servicing activity and standards. Any of these factors could have a negative impact on the Group's ability to meet its strategic objectives for its lending and, consequently, its business, financial condition, results of operations and/or prospects.

In maintaining and growing its mortgage portfolio, the Group relies on intermediaries in the mortgage lending market, which exposes it to the risk of deterioration of the commercial, financial, conduct or operational soundness of those organisations. If a major intermediary partner goes out of business or switches allegiance to other lenders, this may adversely affect the Group's lending volume. The Group is also exposed to the risk that its relationships with one or more intermediaries may deteriorate for a variety of reasons, including competitive factors and service performance. Any failure or poor compliance, operationally or otherwise, by one or more of the Group's intermediary partners has the potential to, among other things: (i) reduce the number of new loans originated by the Group; (ii) lead to a deterioration in customer service; (iii) have a negative effect on the Group's reputation; and (iv) lead to fines or other penalties for the Group.

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

In addition, the intermediaries' incentives may not always align with the Group's, which could lead to a deterioration in the quality and performance of the Group's mortgage book. As the Group seeks to actively grow the volume of mortgages introduced by intermediaries, its exposure to those risks increases. In addition, the structure of the intermediary market is also subject to change, for example, there may be a change in customer sentiment or regulation which favours customers dealing directly with financial institutions, resulting in a reduction in the flow of business from intermediaries, and which may have an adverse impact on the Group if this business cannot be substituted. Also, there may be consolidation in the intermediary market which may change the behaviour or technology dependence of the residual intermediaries in ways that may adversely impact the Group. Any of these factors could have a negative impact on the Group's ability to meet its strategic objectives for its asset base and, consequently, its business, financial condition, results of operations and/or prospects.

Although the Group requires its business partners to comply with certain service standards, in its capacity as a third-party the Group does not have complete oversight or control of the interactions of its business partners with prospective customers and, consequently, the Group faces risks that the conduct of its business partners could fall below required standards. If mortgage intermediaries are found to have violated applicable conduct regulations or standards in the sale of the Group's mortgage products, the Group's brands and/or reputation could be harmed as a result. Reputational damage to the Group's brands caused by the failure of a third-party supplier may also adversely impact the Group's ability to attract and retain customers or employees in the short and long-term and the ability to pursue new business opportunities.

In maintaining and growing its retail deposit franchise, the Group relies on a third-party to provide a fully outsourced service for savings administration and partners with a number of deposit aggregator platforms, which exposes it to the risk of deterioration of the commercial, financial or operational soundness of those organisations. As the Group seeks to actively grow the volume of deposits introduced through its retail deposit partnerships and deposit aggregator platforms, its exposure to those risks increases.

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

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

The structure of the retail deposit market is also subject to change, for example, there may be a change in customer sentiment or regulation which favours customers dealing directly with financial institutions which would reduce the flow of business from its retail deposit partnerships and deposit aggregator platforms and this

may have an adverse impact on the Group if this business cannot be substituted. Also, there may be consolidation in the aggregator market which may change the behaviour of the residual aggregators in ways that may adversely impact the Group. Any of these factors could have a negative impact on the Group's ability to meet its strategic objectives for its funding base and, consequently, its business, financial condition, results of operations and/or prospects.

In addition, if the retail deposit partnerships or deposit aggregators are found to have violated applicable conduct regulations or standards in the sale of the Group's retail deposit products, the Group's brands and/or reputation could be harmed as a result. Reputational damage to the Group's brands caused by the failure of a third-party supplier may also adversely impact the Group's ability to attract and retain customers or employees in the short and long-term and the ability to pursue new business opportunities.

The Group is exposed to the risk of failing to manage change and transformation programmes effectively within the business

The Group is exposed to risks relating to a failure or breakdown in its change management practices, including, without limitation, technology and systems, people and process, resulting in the risk of losses, reputational damage and business disruption.

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

In addition, AI (including generative AI) is being utilised more widely across the financial services industry, and has the potential to improve operational efficiency, enhance the credit process and improve pricing. However, it could also lead to behavioural change which could have implications for credit risk, and internal risks linked to uncontrolled or inappropriate use of AI capabilities across the Group. The Group has established a responsible AI policy, which controls the use and deployment of AI technologies. In addition, the Group has expanded its model risk management framework to include AI and machine learning. See also "*The Group faces risks from the adoption and use of AI technologies in its operations*".

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

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

The inability to meet strategic objectives, increased risk profile and/or increased costs caused by a failure to plan, execute and implement strategic change safely, to the correct standards and in a timely manner, could have a material adverse effect on its business, customers, financial condition, results of operations and/or prospects.

From the Group's perspective, a failure to manage its change agenda may have a particularly negative impact on its competitiveness, particularly given the increasingly competitive landscape as a result of the entry of so-called 'fintech' companies into the market, and increases the risk of regulatory censure and reputation risk.

The Group faces risks from the adoption and use of AI technologies in its operations

There is a risk that the adoption and use of AI technologies introduces unintended operational, security, and compliance impacts due to inadequate governance, oversight, or control. AI solutions may process sensitive or personal data in ways that are not fully understood or compliant with regulatory requirements, leading to potential data leakage, privacy breaches, or misuse of information. Inaccurate, model accuracy-biased, or non-deterministic outputs may result in poor decision-making, financial loss, or customer detriment. Additionally, a lack of transparency, explainability and human oversight may reduce accountability and auditability, while uncontrolled or shadow AI usage (for example, unsanctioned tools) increases exposure to security threats and regulatory non-compliance. Failure to align AI initiatives with the Group's strategy and risk appetite may also lead to fragmented implementations, increased technical debt, and unmanaged risk.

The Group has taken certain steps in connection with its use of AI technologies, including establishing governance forums, implementing an AI policy and introducing user training. The Group is also developing an AI management framework. However, these measures may not be sufficient to mitigate the risks described above, and there can be no assurance that the Group's approach to AI governance and oversight will keep pace with the rapid development of these technologies or the risks associated with their use.

Credit Risks

Credit risk is the risk of loss of principal or interest stemming from a borrower's failure to meet its contractual obligations to the Group in accordance with the terms agreed.

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 retail credit risk from its mortgage lending 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. 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. Such deterioration may also lead to higher expected credit loss provisions, increased arrears management activity, greater forbearance requirements and increased capital consumption. 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), money market fund 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 a fall in consumer and business confidence in the stability of similar institutions and in turn trigger significant liquidity problems, losses and/or defaults by other institutions because the commercial and financial soundness of many financial institutions may be, or perceived to be, closely related as a result of its credit, trading, clearing or other relationships. For example, the Group's ability to raise wholesale funds may decrease if there is a failure by other financial institutions.

Even the perceived lack of creditworthiness of, or questions about, a financial institution or 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" or "contagion" 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. Unmitigated systemic risk could have a material adverse effect on the Group's ability to raise new funding and liquidity as well as on its business, financial condition, results of operations and prospects.

The Group routinely executes transactions with counterparties in the financial services industry, including brokers, fund managers, deposit aggregators, 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 or any actual or perceived deterioration in the soundness of other independent specialist banks may also affect perceptions of the commercial and financial soundness of the independent specialist banking sector as a whole, which includes the Group. This could also have a material adverse effect on the Group's ability to raise new funding and liquidity, as well as on its business, financial condition, results of operations, liquidity or business prospects.

Concentration of credit risk could increase the Group's potential for significant losses

As at the date of these Admission Particulars, the Group's operations are based entirely in the UK and its revenue is derived almost entirely from customers operating in the UK and, in the case of mortgages, are distributed across the UK, with higher concentrations in Greater London and the South East of England.

In the event of disruptions to the UK credit markets or general economic conditions in the UK or macroeconomic conditions generally (including increased interest rates and/or unemployment in regions where the Group has a significant presence), this concentration risk could cause the Group to experience reduced business activity and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. See also "*The Group is subject to risks arising from macro-economic conditions in the UK and globally*".

The UK residential mortgage market performance may be subject to concentration risks within certain regions as each geographic region within the UK has different economic features and prospects. Any downturn in a local economy or particular industry may adversely affect the future regional employment levels and consequently the repayment ability of borrowers in respect of mortgages or other loans in a region that relies to a greater extent on that industry. In the event of adverse economic conditions, including higher interest rates and levels of unemployment, in regions within the UK where the Group has significant business or assets, concentrations of credit risk could cause it to experience greater losses than some competitors. The Group cannot predict when or where such regional economic declines may occur or to what extent or for how long such conditions may continue.

In addition, any natural disasters or widespread health crises or the fear of such crises in a particular region may weaken economic conditions and reduce the value of affected mortgaged properties and/or negatively impact the ability of affected borrowers to make timely payments on mortgage loans. This may result in a loss being incurred upon the sale of the property and/or otherwise affect receipts on mortgage loans.

A significant proportion of the Group's mortgage business relates to BTL lending. The borrowers' ability to make payments in respect of BTL loans is likely to depend on the borrowers' ability to let the relevant properties on appropriate terms. This may be affected by the condition of the private residential rental market in the UK. The condition of the market will influence both the ability of the borrowers to find tenants and the level of rental income which may be achieved in letting.

There have been various tax related changes to UK legislation in recent years which may affect the ability of borrowers to repay their BTL loans due to the increased tax costs associated with BTL mortgages. There has also been the introduction of energy efficiency regulations related to the energy performance of relevant domestic rental property. There may also be further legislative changes in the future, such as broader rent control or proposals for a fairer private residential rental sector, which may impact individual borrowers of BTL loans to meet their obligations under those loans.

While the Group regularly monitors its credit portfolios to assess potential concentration risk, efforts to divest, diversify or manage the Group's credit portfolio against concentration risks may not be successful. Concentration of credit risk could result in a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to the risk that customers who have interest-only owner-occupied mortgage loans are unable to repay their loans in full at maturity

The Group provides mortgages to customers to enable them to purchase property for owner occupation. Such mortgages may be provided on a capital repayment basis, where the loan is repaid during its life, or on an interest-only basis, in which case the customer pays interest during the term of the mortgage loan with the principal balance being required to be repaid in full at maturity.

In respect of owner-occupied interest-only mortgage customers, assessments of capital repayment strategies may be incomplete or out-of-date, particularly for historic vintages, and consequently, the Group may lack information to accurately evaluate the related repayment risk. As a result, it may have reduced visibility of future repayment issues in respect of its interest-only residential mortgages, which could limit the Group's ability to estimate and establish provisions to cover exposures resulting from these mortgages.

Owner-occupied mortgage customers taking out interest-only mortgages are required by regulation to have capital repayment strategies, which may include sale of property. Where such repayment strategies are inadequate or have not been executed as planned, the Group is exposed to the risk that the outstanding principal balance on interest-only loans for owner-occupied mortgages is not repaid in full at the contractual maturity date. The risk increases if, at the maturity of the loan, the customer is no longer in paid employment and is

relying on reduced sources of income, such as pension income or unemployment benefits, to continue to meet the loan interest payments and agreed capital repayments. The Group provides a variety of solutions to support customers in such instances, but these solutions may not always result in customers being able to repay their loans or to continue to service the interest payments where the capital sum remains outstanding. Where the solutions are unsuccessful there may be increased impairment charges on the Group's owner-occupied mortgage portfolio which could have a material adverse effect on its profitability and, therefore, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

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

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

In addition, other factors in borrowers' individual, personal or financial circumstances may affect the ability of borrowers to repay loans advanced by the Group. Unemployment, loss of earnings, illness, increases in the cost of living as a result of, among other things, energy costs, inflation, increases in taxes and/or national insurance contributions, divorce and other similar factors (including macroeconomic or geopolitical factors as described above in "*The Group is subject to risks arising from macro-economic conditions in the UK and globally*") may lead to an increase in delinquencies by and bankruptcies (and analogous arrangements) of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay loans advanced by the Group.

Adverse inflationary and interest rate conditions can put pressure on the cost of risk across the Group's loan portfolio and can increase the Group's credit impairment risk. See "*The Group is subject to risks associated with interest rate levels and volatility*".

As at 30 June 2026, the Group had gross loans to customers amounting to £3,012 million and made allowances for impairment against such exposures of £8.6 million. Such allowances represent management's best estimates and certain underlying models and economic assumptions and therefore the risk of customer default may be higher than expected. The default of a significant proportion of these loans could have a material adverse effect on the Group's business and/or its profitability. The Group is also exposed to certain sectors, such as the property development sector, which is particularly sensitive to increased labour and raw material costs and higher levels of debt servicing.

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

The Group faces risk concerning security and collateral

The Group undertakes lending which is secured against underlying assets. Adverse economic and market conditions could negatively affect the value of the underlying assets provided as collateral for loans granted by the Group and the recoverability of security may also be affected by declining property values, reduced market liquidity, increased enforcement costs, legal challenges to security arrangements and prolonged disposal periods. In stressed market conditions, realised recoveries may be significantly lower than those assumed when

lending decisions were made. This means the Group may not be able to recover the estimated value of the security taken upon possession. Any such reduction may result in increased loan impairment provisions and capital requirements for the Group which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. The Group is also exposed to the risk of losses arising from errors in valuation and recoverability of the security taken. This risk may arise due to the Group's inability to take legal ownership of an asset under the terms of the relevant agreement, and/or assets being of a different description or condition than that expected. The materialisation of any or all of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

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

The Group faces risk from the impact of climate change

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

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

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

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, a direct threat to the Group is the flood risk exposure of its mortgage portfolio, where damage to both the contents and structure of 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 and impact upon customer 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 business 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

As a financial services group, the Group is subject to extensive regulation and supervision. It must comply with numerous laws and regulations in the markets in which it operates, which significantly affect the way it conducts its 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 broader operational, legal, regulatory and customer 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, do not perform in alignment with their investment objectives for a sustained period, that product liquidity is not consistent with the product description or the redemption requirements of investors) 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; 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 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;
- 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 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.

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 addition to the above, 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 Vida Bank or other regulated entities in the Group altogether, thereby preventing them from carrying on their businesses.

The Group is not a signatory of the ‘Mortgage Charter’, which was published on 26 June 2023 by His Majesty’s Treasury (“**HMT**”) (last updated on 15 January 2024) (the “**Mortgage Charter**”), however it has chosen to adopt many of the practices of the Mortgage Charter. Further 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.

The Group must comply with operational resilience regulations

There is a continued focus on the operational resilience of firms, in particular in relation to ‘important business services’. In March 2022, new operational resilience rules set out in the PRA supervisory statement “*Operational resilience: Impact tolerances for important business services*” (SS1/21) and FCA policy statement “*Building operational resilience*” (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.

In March 2026, the FCA published details of its insights on key aspects of the rules, including good and poor practice examples, one year in from the end of the transitional period. This was supported by a joint overview, with the PRA and the BoE, of good cyber response and recovery practices observed across systemic firms and financial market infrastructures, with firms encouraged to review and strengthen their operational resilience.

Compliance with these regulations is costly and operationally demanding. The Group may face increased compliance costs if regulatory requirements relating to operational resilience change and any failure to implement changes required by such regulations could have a material adverse effect on the Group’s reputation, business, results of operations, financial condition and prospects.

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

The Group and its employees and business partners (for example, brokers and other intermediaries) are subject to laws, regulations and supervisory expectations regarding financial crime, including money laundering, the financing of terrorism, fraud, bribery and corruption (including making improper payments or offers of payment to foreign governments and their officials and political parties for the purpose of obtaining or retaining business), the facilitation of tax evasion and breaches of sanctions regimes.

Compliance with these requirements is complex, costly and operationally demanding, and requires effective systems and controls, robust governance, high quality data, specialist technical capability and appropriately skilled personnel across the Group and relevant third-party relationships.

Although the Group maintains policies, procedures and controls designed to comply with applicable financial crime laws and regulations, such systems and controls may not be effective in all circumstances and may not prevent, detect or respond to all instances of financial crime, misconduct or control failure, including activity involving customers, employees, intermediaries, retail deposit partners or third-party service providers.

The Group may be exposed to operational failures in the design, implementation, execution or oversight of these systems and controls, including weaknesses in customer due diligence, screening, transaction monitoring, alert handling, investigations, escalation, record keeping, management information, staff training or governance. These risks may be heightened by legal and regulatory change, increasing transaction volumes, the use of third-party service providers, intermediary channels and retail deposit partners, and the challenges of maintaining effective controls across evolving products, systems and business relationships.

Any such failure, or any allegation of such failure, could result in internal investigations, regulatory censure, civil or criminal enforcement action, financial penalties, remediation costs, restrictions on business activity and reputational damage, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The legal and regulatory framework in this area continues to evolve, including through the Economic Crime (Transparency and Enforcement) Act 2022, the Economic Crime and Corporate Transparency Act 2023 and the introduction of the new corporate offence of failure to prevent fraud, which came into force in September 2025. Regulatory and law enforcement scrutiny in relation to economic crime has also intensified, and the FCA continues to identify reducing and preventing financial crime as a strategic priority.

Sanctions compliance remains a particularly significant area of risk. The UK, the EU, the United States and other jurisdictions have introduced and continue to refine extensive sanctions regimes, including in relation to Russia and Belarus, and the banking and financial services sectors remain a key focus of implementation and enforcement activity. Compliance may be made more difficult by the pace of regulatory change, the complexity of ownership and control assessments, the use of intermediary jurisdictions and efforts by designated persons and other actors to evade or circumvent sanctions.

Monitoring compliance with financial crime related regulation, legislation and industry guidance can put a significant financial burden on banks and other financial institutions and requires significant technical capabilities and an appropriate level of skill, knowledge and experience. In recent years, enforcement of these laws and regulations against financial institutions has increased, resulting in several landmark fines against UK financial institutions.

Whilst the effective implementation and embedding of the Group's financial crime framework can lessen regulatory risk of penalties or enforcement, it cannot guarantee full prevention of financial crime, including actions committed by the Group's employees. If the framework is found to be ineffective, the Group might be held responsible, whether a financial crime act is committed or not. Any such event may have severe consequences, including litigation, sanctions, fines and reputational damage, which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Although the Group relies on a regulatory change management process to identify and address changes in the regulatory environment, it also cannot predict the nature, scope or timing of future legislative, regulatory or supervisory developments to which it might be subject, or the manner in which existing requirements may be interpreted or applied. Unforeseen changes, evolving supervisory expectations and heightened enforcement

activity may increase the operational burden and cost of compliance and require the Group to make material changes to its systems, controls, processes, products or business relationships.

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 Securities.

Vida Bank is responsible for contributing to compensation schemes such as 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 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, 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 Vida Bank 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.

On 18 November 2025, the PRA published policy statement "Depositor protection" (PS24/25) finalising changes to the depositor protection regime. The standard FSCS deposit protection limit was increased from £85,000 to £120,000 and the qualifying temporary high balance protection limit from £1 million to £1.4 million, in each case with effect for firm failures occurring on or after 1 December 2025. These changes, together with the implementation of the Bank Resolution (Recapitalisation) Act 2025 and associated levy arrangements, may affect customer and market behaviour in ways that may not reflect historical precedents and could result in additional implementation, funding and compliance costs for the Group.

In addition, since 1 March 2025, the Group has been subject to the Bank of England Levy, which was introduced to replace the Cash Ratio Deposit scheme as a means of funding the costs of the BoE's monetary policy and financial stability operations. The scope of application of the Bank of England Levy depends upon the size of a bank's liabilities base and is broadly similar to the Cash Ratio Deposit scheme, save that sums paid under the Bank of England Levy give rise to a charge against profit. The amount of the Bank of England Levy recognised by the Group during the year ended 31 December 2025 was £0.26 million (2024: nil). There can be no assurance that there will not be future increases in the Bank of England Levy payable by the Group. Any such increases

in the Group's costs and liabilities relating to the Bank of England Levy may have a material adverse effect on its results of operations.

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

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

In mortgages, the FCA has commenced a broader programme of work to simplify and review elements of its regulatory framework following the introduction of the Consumer Duty, including through its March 2025 feedback statement FS25/2 and the Mortgage Rule Review. These reforms are intended, among other things, to simplify requirements, modernise disclosure and customer journeys and review aspects of mortgage advice and responsible lending rules. The pace, direction and extent of reform in this area may result in the Group incurring additional implementation, compliance and operational costs and liabilities, which may adversely affect its business, financial condition and results of operations. The FCA stated in FS25/2 that it would take forward simplification measures following the Consumer Duty, including work relevant to the mortgage rule review.

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 Vida Bank 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 Securities 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 the 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 Securities) 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 of capital instruments (such as the Securities) power may be used 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 Securities) 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 Securities) of a failing financial institution or its holding company, and/or to convert certain debt claims (which could be amounts payable under the Securities) 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) CET1 instruments, (ii) Additional Tier 1 instruments (which would include the Securities), (iii) Tier 2 instruments, (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 Vida Bank) 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 Holders), including through a material adverse effect on the price of such securities (such as the Securities). 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 Securities. In addition, if the market perceives or anticipates that any action may be taken under the Banking Act in respect of the Issuer, Vida Bank or any of their respective securities (including the Securities), this may have a significant adverse effect on the market price of the Securities and/or the liquidity and/or volatility of any market in the Securities, whether or not such powers are ultimately exercised. In such cases, investors may experience difficulties in selling their Securities, or may only be able to sell their Securities at a significant loss.

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

In addition to the substantial and changing prudential and conduct regulation described in the risk factors entitled "*The Group's business is subject to substantial and changing prudential regulation*", "*The Group is subject to substantial and changing conduct regulations*" and "*The Group is subject to the potential impacts of banking reform initiatives*" above, 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 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 increasingly 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 PSR 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 ratios, how it reports its financial condition and results of operations

Accounting policies and methodologies are fundamental to how the Group records and reports its financial condition and results of operations, and management must exercise judgement in selecting and applying many of these accounting policies and methods so that they comply with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom.

The financial statements of the Group are prepared in accordance with IFRS as adopted by the United Kingdom. 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 Securities.

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. Such judgements and associated assumptions and estimates are based on historical experience and various other factors that are considered by management under the circumstances at the time, and may prove to be incorrect, which could lead to inaccuracies in the reported financial position and performance of the Group that could be material.

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

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

The Group operates wholly within the UK and its activities are subject to a range of UK taxes at various rates. Future actions by the UK Government to increase tax rates or to impose additional taxes which are applicable to the Group could reduce the Group’s profitability.

The Group faces risks associated with changes in corporation tax, value added tax, payroll tax and other taxation rates or the introduction of a UK bank tax, applicable tax legislation, misinterpretation of the tax legislation, and any open disputes with relevant tax authorities in relation to these or other historic transactions.

Failure to manage this risk 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.

Revisions to tax legislation or to its interpretation, and the Group’s ability to respond to such changes, might also affect the Group’s business, results of operations, financial condition and/or prospects. In addition, actual or expected changes to tax legislation, including changes which specifically target the UK banking sector, may also result in changes in the market price of the Group’s listed securities (including the Securities) from time to time.

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

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

Interest payments on the Securities are discretionary, and the Issuer may cancel interest payments, in whole or in part, at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto

Interest on the Securities will be due and payable only at the sole discretion of the Issuer and the Issuer shall have absolute discretion at all times and for any reason to cancel any interest payment in whole or in part that would otherwise be payable on any Interest Payment Date. The Issuer's ability to pay interest is also subject to additional restrictions:

- (i) Condition 3(b) (*Solvency Condition*) in relation to the solvency of the Issuer at and following the time of payment;
- (ii) Conditions 5(b) (*Mandatory Cancellation of Interest – Insufficient Distributable Items*), 5(c) (*Mandatory Cancellation of Interest – Maximum Distributable Amount*) and 5(d) (*Mandatory Cancellation of Interest – Relevant Authority Order*) in relation to certain restrictions on the making of interest payments; and
- (iii) Condition 6 (*Automatic Write Down*) in relation to interest in respect of an Interest Payment Date which falls on or after the date of a Trigger Event.

The Issuer received its modification by consent for a CRR consolidation entity to become an SDDT consolidation entity on 2 April 2026 and currently expects to elect to apply the SDDT regime from 1 January 2027. Once the Issuer becomes regulated under the SDDT regime, the provisions of Condition 5(c) (*Mandatory cancellation of interest – Maximum Distributable Amount*) are expected to cease to apply to the Securities. However, the Issuer may still elect, may be required under a capital restoration plan or may be directed by the PRA, to reduce or cancel interest payments on Securities, including (without limitation) if it were to fail to meet its new SCB requirement.

If the Issuer cancels any scheduled interest payment, such interest payment shall not be or become due and payable at any time thereafter and in no event will Holders have any right to or claim against the Issuer with respect to such interest amount or be able to accelerate the principal of the Securities as a result of such interest cancellation. Furthermore, no cancellation of interest in accordance with the Conditions shall constitute a default or an event of default by the Issuer for any purpose. There can, therefore, be no assurances that a Holder will receive any interest payments in respect of the Securities.

It is the Board's current intention that, whenever exercising its discretion to recommend to declare dividends in respect of its ordinary shares, or its discretion to cancel interest on the Securities or any other additional tier 1 ("AT1") securities of the Issuer, the Board will take into account the relative ranking of these instruments in the Issuer's capital structure. However, the Board may at any time depart from this approach at its sole discretion.

Following cancellation of any interest payment the Issuer will not be in any way limited or restricted from making any distribution or equivalent payments. The Issuer may therefore cancel (in whole or in part) any interest payment on the Securities at its discretion and may pay dividends on its ordinary shares or preference shares (if any) or on any other AT1 securities notwithstanding such cancellation. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

The Securities have no scheduled maturity and Holders only have a limited ability to exit their investment in the Securities

The Securities are perpetual securities and have no fixed maturity date or fixed redemption date. Although under certain circumstances, as described under Condition 7 (*Redemption, Substitution, Variation and Purchase*), the Issuer may redeem the Securities, the Issuer is under no obligation to do so, and Holders have no right to require the Issuer to redeem or purchase any Securities at any time. Therefore, Holders have no ability to exit their investment, except (i) if the Issuer exercises its rights to redeem the Securities in accordance with their terms and applicable laws, (ii) by selling their Securities, (iii) where the Trustee institutes proceedings for the winding-up of the Issuer where the Issuer fails to make payment in respect of the Securities when due, in which limited circumstances the Holders may receive some of any resulting liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors, or (iv) upon a Winding-Up, in which limited circumstances the Holders may receive some of any resulting liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors. The proceeds, if any, realised by any of the actions described in (ii) to (iv) of the preceding sentence may be substantially less than the principal amount of the Securities or amount of the investor's investment in the Securities.

In addition to the Issuer's right to cancel, in whole or in part, interest payments at any time at its option, the terms of the Securities also restrict the Issuer from making interest payments on the Securities if (i) the Issuer has insufficient Distributable Items (based on its individual accounts and not on its consolidated accounts), (ii) the payment of any interest would, when aggregated with other relevant distributions, result in any maximum distributable amount then applicable to the Issuer Group being exceeded or (iii) the Relevant Authority orders the Issuer to cancel such payment. In any such case such interest shall be deemed to have been cancelled. The Issuer will also be required to cancel interest payments if any payment cannot be made in compliance with the Solvency Condition

The Issuer shall not make an interest payment on the Securities on any date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such date) to the extent that (i) the amount of such interest payment otherwise due, (including, if applicable, any Additional Amounts in respect thereof) together with any interest payments or other distributions which have been paid or made during the then current Financial Year on the Securities and on or in respect of all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (a) are not required to be made out of Distributable Items or (b) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date; (ii) the amount of such interest payment otherwise due (including, if applicable, any Additional Amounts in respect thereof), together with other distributions of the kind referred to in Rule 4.3(2) of the Chapter 4 (*Capital Conservation Measures*) of the "Capital Buffers" chapter of the PRA Rulebook (as amended or replaced or referred to in any other applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated), in aggregate would cause the maximum distributable amount (if any) then applicable to the Issuer Group to be exceeded; or (iii) the Relevant Authority orders the Issuer to cancel, or gives notice to the Issuer that it must cancel, such payment (including, without limitation, once the Issuer becomes regulated under the SDDT regime, as part of a capital restoration plan imposed by the PRA under the SDDT regime).

Furthermore, no amount of any interest payment on the Securities shall be due and payable if Condition 3(b) (*Solvency Condition*) in relation to the solvency of the Issuer is not satisfied in respect of such interest payment.

Although the Issuer may, in its sole discretion, elect to make a partial interest payment on the Securities on any Interest Payment Date, it may only do so to the extent that such partial interest payment may be made without breaching the restrictions in the preceding paragraphs.

Any interest payment which is deemed cancelled or in respect of which Condition 3(b) (*Solvency Condition*) is not satisfied shall not be due and shall not accumulate or be payable at any time thereafter, and Holders shall have no rights thereto or to receive any additional interest or compensation as a result of such deemed cancellation. Furthermore, no cancellation of interest in accordance with the Conditions shall constitute a default or an event of default by the Issuer for any purpose.

See also “*Interest payments on the Securities are discretionary, and the Issuer may cancel interest payments, in whole or in part, at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto*” above and “*The Regulatory Capital Requirements impose capital and regulatory requirements that will restrict the Issuer’s ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities*” below.

As a holding company, the level of the Issuer’s Distributable Items is affected by a number of factors, and insufficient Distributable Items will restrict the Issuer’s ability to make interest payments on the Securities

As a holding company, the level of the Issuer’s Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Distributable Items. The Issuer is also reliant on the receipt of distributions from its subsidiaries for funding the Issuer’s payment obligations. Consequently, the Issuer’s future Distributable Items, and therefore the Issuer’s ability to make interest payments on the Securities, are a function of the Issuer’s existing Distributable Items, future Group profitability and performance and the ability to distribute or dividend profits from the Issuer’s operating subsidiaries up the Group structure to the Issuer. In addition, the Issuer’s Distributable Items will also be reduced by the servicing of other debt and equity instruments.

Further, the Issuer’s Distributable Items and its available funding, and therefore the Issuer’s ability to make interest payments under the Securities, may be adversely affected by the performance of the business of the Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer’s control.

The ability of the Issuer’s subsidiaries to pay dividends and the Issuer’s ability to receive distributions and other payments from the Issuer’s investments in other entities is subject to applicable laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws, and any changes thereto. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by the Issuer’s subsidiaries, which could in time restrict the Issuer’s ability to fund other operations or to maintain or increase its Distributable Items.

The Regulatory Capital Requirements impose capital and regulatory requirements that will restrict the Issuer’s ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities

The capital and regulatory framework to which the Group is subject imposes certain requirements for the Issuer Group to hold sufficient levels of capital, including CET1 capital and leverage capacity. A failure to comply with such requirements, as the same may be amended from time to time, may result in restrictions on the Issuer’s ability to make discretionary distributions (including on the Securities) in certain circumstances.

In addition, amendments could be made to such framework, to impose general restrictions or prohibitions in relation to discretionary distributions (including in respect of AT1 instruments, such as the Securities) in certain circumstances.

Combined buffer requirement

The Regulatory Capital Requirements impose capital buffer requirements that are additional to the Pillar 1 “own funds” requirement and are required to be met with CET1 capital. These capital buffers, as currently applicable to the Issuer on a consolidated basis (in respect of the Issuer Group), which make up the “combined buffer”, are: (i) the capital conservation buffer and (ii) the institution-specific counter-cyclical buffer. These and other buffers may be applicable to the Issuer Group from time to time as determined by a designated authority in the UK.

Furthermore, the PRA requires the Issuer Group to hold extra capital to cover risks not covered or insufficiently covered by the Pillar 1 requirements (the “**Pillar 2A requirements**”). The Pillar 2A requirements sit on top of the Pillar 1 requirements so increase the combined buffer requirements and automatic safeguards. For non-systemic firms like Vida Bank, the PRA tends to set the Pillar 2A capital requirements on a two to three year cycle, although the PRA can change this frequency should it be required. The PRA’s assessment is derived from each firm’s individual capital assessment as documented in their Internal Capital Adequacy Assessment Process. Under current PRA rules, the Pillar 2A must be met with at least 56.25 per cent. CET1 capital, no more than 43.75 per cent. Additional Tier 1 Capital and no more than 25 per cent. tier 2 capital. In addition, the capital that firms use to meet their minimum requirements (Pillar 1 and Pillar 2A) cannot be counted towards meeting the “combined buffer requirement” (which is described below). The PRA capital buffer (also known as Pillar 2B requirements) is set by the PRA on a bank-by-bank basis using supervisory judgement informed by the impact of stress scenarios on a bank’s capital requirements and resources and taking account where appropriate of other factors including leverage, systemic importance and weaknesses in the bank’s risk management and governance. The PRA’s Pillar 2B assessment takes place alongside the Pillar 2A assessment.

The methodology for Pillar 2A is currently undergoing a PRA review, with a two-part PRA consultation process. On 22 May 2025, the PRA issued a consultation paper “*Pillar 2A review – Phase 1*” (CP12/25), which makes proposals in respect of credit risk, operational risk, pension obligation risk, market risk and counterparty credit risk. The consultation period ended on 30 September 2025. Changes with respect to pension obligation risk, market risk, counterparty credit risk, credit risk and operational risk are to be implemented on 1 January 2027. On 28 May 2026, the PRA published policy statement “*Pillar 2A review –Phase 1*” (PS15/26), which contains updates to Pillar 2A methodology and guidance. The implementation for all final policy rules included in PS15/26 is set as 1 January 2027. The PRA has stated that it will conduct a more in-depth review of certain individual methodologies within Pillar 2A, with a further consultation paper on these proposals expected in 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 IRB models and those on the standardised approaches for the calculation of capital requirements. The PRA argue 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. 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 as they will be subject to the Basel 3.1 standardised approach to credit risk.

Separately, given that the BoE’s preferred resolution strategy for the Issuer and its Group is currently a modified insolvency process, the Issuer does not have, or expect in the near-term to have, an MREL requirement over and above its Pillar 1 and Pillar 2A capital requirements.

The PRA capital buffer rules applicable to the Issuer as at the date of the Admission Particulars require that institutions that fail to meet the “combined buffer requirement” (broadly, as implemented in the UK, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and, if applicable, the other systemically important institutions buffer and the global systemically important institutions buffer, in each case as applicable to the institution) will be subject to restricted “discretionary payments” (which are defined broadly as payments relating to CET1 capital, variable remuneration, discretionary pension benefits and payments on AT1 instruments) (the “**MDA Restrictions**”). These types of restrictions have applied in the UK since 1 January 2016.

In the event of a breach of the “combined buffer requirement”, the MDA Restrictions will be scaled according to the extent of the breach of the “combined buffer requirement” and calculated as a percentage of the profits of the institution since the last decision on the distribution of profits or “discretionary payment” of the institution. Such calculation will result in a “maximum distributable amount” in each relevant period. As an example, the scaling is such that in the bottom quartile of the “combined buffer requirement”, no “discretionary distributions” will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement (as applicable at the level of the Issuer Group) the Issuer’s discretionary payments will be restricted and the Issuer may exercise its discretion to cancel (in whole or in part) interest payments in respect of the Securities. The Issuer received its modification by consent for a CRR consolidation entity to become an SDDT consolidation entity on 2 April 2026 and currently expects to elect to apply the SDDT regime from 1 January 2027. Once the Issuer becomes regulated under the SDDT regime, the provisions of Condition 5(c) (*Mandatory cancellation of interest – Maximum Distributable Amount*) are expected to cease to apply to the Securities. However, the Issuer may still elect, may be required under a capital restoration plan or may be directed by the PRA, to reduce or cancel interest payments on Securities, including (without limitation) if it were to fail to meet its new SCB requirement.

As at 30 June 2026, the Issuer Group held total capital of £91.2 million in excess of its TCR (such excess representing 7.0 per cent. of Risk-Weighted Assets).

Whilst the Group targets maintaining CET1 capital in excess of its risk appetite, which is set prudently in excess of its minimum capital and buffer requirements, there can be no assurance that it will achieve such a target under all circumstances, nor that it will not become subject to a maximum distributable amount restriction in the future, which could result in the reduction or cancellation of interest payments in respect of the Securities.

In addition to the Pillar 1 “own funds” requirement and the “Pillar 2A” requirement described above, there are additional tools that the PRA and other relevant authorities in the UK have available to them to require UK firms to hold additional capital to address micro-prudential or macro-prudential risks as assessed by the relevant authorities in the UK. These include: the “PRA buffer”, which may be assessed by the PRA to cover risks over a forward-looking planning horizon, including with regard to firm-specific stresses or management and governance weaknesses; and “sectoral capital requirements”, which is a macro-prudential tool available to the FPC of the BoE in the UK as a means for the FPC temporarily to increase firms’ capital requirements on exposures to specific sectors. Any failure to meet the PRA buffer could result in the preparation of a capital restoration plan. Such capital restoration plan may impose restrictions on discretionary payments, which may result in a need for management actions including the cancellation (in whole or in part) of interest payments in respect of the Securities.

Moreover, the PRA has a broad power under (in relation to Vida Bank) section 55M and (in relation to the Issuer) sections 192C and 192T of the Financial Services and Markets Act 2000 to impose requirements on the Issuer Group, the effect of which could be to restrict or prohibit payments of interest on the Securities, which is most likely to materialise if at any time the Issuer Group is failing, or is expected to fail, to meet its capital requirements. If the PRA imposes such a requirement, the Issuer will exercise its discretion to cancel (in whole or in part, as required by the PRA) interest payments in respect of the Securities.

Separately, certain aspects of the UK regulatory regime may restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities.

Any interest cancelled as a result of an applicable maximum distributable amount or as a result of regulatory discretion under the Regulatory Capital Requirements shall not become due and shall not accumulate or be payable at any time thereafter and the Holders shall have no rights in respect thereof.

The Issuer Group's capital resources and requirements are, by their nature, calculated by reference to a number of factors, any one of which or combination of which may not be easily observable or capable of calculation by investors. See *"The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no contractual obligation to operate its business in such a way, or take any mitigating actions, to maintain or restore the CET1 Ratio of the Issuer Group to avoid the occurrence of the Trigger Event. Any future losses at the Issuer Group level and actions the Issuer Group takes could result in the CET1 Ratio of the Issuer Group falling and the Trigger Event occurring"* for examples of the type of factors that can affect the Issuer Group's capital resources and requirements and how they are determined. In addition, changes in the application of the Regulatory Capital Requirements or any changes to such rules to include more onerous requirements and/or any decrease in the Issuer Group's capital and leverage resources and/or increase in such requirements and how they are determined, may increase the risk of the Issuer being bound by MDA Restrictions and/or the PRA imposing requirements on the Issuer, each of which may, in turn, increase the risk of the Issuer exercising its discretion to cancel interest payments in respect of the Securities or being subject to mandatory restrictions on interest payments in respect of the Securities.

Holders may not be able to predict accurately the proximity of the risk of discretionary payments on the Securities being prohibited from time to time as a result of the operation of the MDA Restrictions and/or the exercise by the PRA of its broad powers to impose prudential requirements on the Issuer. Accordingly, the trading behaviour of the Securities is not necessarily expected to follow the trading behaviour of other types of securities. Any indication that a breach of the combined buffer or an exercise by the PRA of its broad powers to impose prudential requirements may occur can be expected to have a material adverse effect on the trading price of the Securities.

The Securities may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the relevant date

The Securities may trade, and/or the prices for the Securities may appear, on the ISM and in other trading systems with accrued interest. If this occurs, purchasers of Securities in the secondary market will pay a price that reflects such accrued interest upon purchase of the Securities.

However, if a payment of interest on any date is cancelled or deemed cancelled (in each case, in whole or in part) as described herein and thus is not due and payable, purchasers of such Securities will not be entitled to that interest payment (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant date.

The full principal amount of the Securities will be written down on a permanent basis and all accrued and unpaid interest will be cancelled following the occurrence of the Trigger Event, in which case the Holders will lose all of the value of their investment in the Securities

Upon Automatic Write Down following the Trigger Event, the full principal amount of the Securities will be written-down to zero and all accrued and unpaid interest will be written down to zero and the Securities will be cancelled. Upon occurrence of an Automatic Write Down, all of the Issuer's obligations under the Securities shall be irrevocably discharged and satisfied and under no circumstances shall such released obligations be

reinstated. An Automatic Write Down shall not constitute a default of the Issuer for any purpose, and the Holders shall have no right to claim for amounts Written Down, whether in a winding-up or administration of the Issuer or otherwise. Accordingly, if a Trigger Event occurs, Holders will lose all of the value of their investment in the Securities.

The Trigger Event shall occur if at any time the Issuer Group's CET1 Ratio (which will be calculated on a consolidated basis) is less than 7.00 per cent. on such calculation date. Whether the Trigger Event has occurred at any time shall be determined by the Issuer, the Relevant Authority or any agent of the Relevant Authority, and such determination shall be binding on the Trustee and the Holders.

As at 30 June 2026, the Issuer Group's CET1 Ratio was 13.4 per cent.

For a discussion of the risks associated with the calculation of the Issuer Group's CET1 Ratio see "*The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no contractual obligation to operate its business in such a way, or take any mitigating actions, to maintain or restore the CET1 Ratio of the Issuer Group to avoid the occurrence of the Trigger Event. Any future losses at the Issuer Group level and actions the Issuer Group takes could result in the CET1 Ratio of the Issuer Group falling and the Trigger Event occurring*" and "*Changes to the calculation of CET1 capital and/or risk weighted assets may negatively affect the Issuer Group's CET1 Ratio, thereby increasing the risk of the Trigger Event which will lead to Automatic Write Down of the Securities.*".

The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no contractual obligation to operate its business in such a way, or take any mitigating actions, to maintain or restore the CET1 Ratio of the Issuer Group to avoid the occurrence of the Trigger Event. Any future losses at the Issuer Group level and actions the Issuer Group takes could result in the CET1 Ratio of the Issuer Group falling and the Trigger Event occurring

The occurrence of the Trigger Event and, therefore, Automatic Write Down, is inherently unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control. Although the Issuer currently publicly reports the Issuer Group's CET1 Ratio periodically, the Relevant Authority, as part of its supervisory activity, may instruct the Issuer to calculate such ratio as at any date, including if the Issuer is subject to recovery and resolution actions by the Relevant Resolution Authority, or the Issuer might otherwise determine to calculate such ratio in its own discretion. As such, Automatic Write Down could occur at any time. Moreover, it is likely that the Relevant Resolution Authority would allow the Trigger Event to occur rather than to resort to the use of public funds.

The Trigger Event will occur if the Issuer Group's CET1 Ratio is less than 7.00 per cent. as at any such calculation date. The Issuer Group's CET1 Ratio could be affected by, among other things, changes in, or the growth of, the Issuer's business and the level of the Issuer's future earnings or any losses incurred, dividend payments, regulatory changes (including changes to definitions and calculations of regulatory capital, including CET1 Capital and Risk-Weighted Assets (each of which shall be calculated by the Issuer on a consolidated basis and such calculation shall be binding on the Trustee and on the Holders)), actions that the Issuer is required to take at the direction of the Relevant Authority, costs associated with regulatory changes, including in respect of any regulatory non-compliance, and the Issuer Group's ability to manage Risk-Weighted Assets in both its ongoing businesses and those which it may seek to exit. In addition, to the extent that the Issuer Group has capital resources and/or Risk-Weighted Assets denominated in foreign currencies, changes in foreign exchange rates will result in changes in the pound sterling equivalent value of foreign currency denominated capital resources and RWA. Actions that the Issuer Group takes could also affect the Issuer Group's CET1 Ratio, including causing it to decline. The Issuer has no contractual obligation to increase its CET1 Capital, reduce its

Risk-Weighted Assets or otherwise operate its business in such a way or take mitigating actions in order to prevent the Issuer Group's CET1 Ratio from falling below 7.00 per cent., to maintain or increase the Issuer Group's CET1 Ratio or to otherwise consider the interests of the Holders in connection with any of its business decisions that might affect the Issuer Group's CET1 Ratio.

The calculation of the Issuer Group's CET1 Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the Relevant Authority could require the Issuer to reflect such changes in any particular calculation of the Issuer Group's CET1 Ratio.

Because of the inherent uncertainty regarding whether the Trigger Event will occur and there being no obligation on the Issuer's part to prevent its occurrence, it will be difficult to predict when, if at all, Automatic Write Down could occur. Accordingly, the trading behaviour of the Securities may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities. Fluctuations in the Issuer Group's CET1 Ratio may be caused by changes in the amount of CET1 Capital and Risk-Weighted Assets as well as changes to their respective definitions under the capital adequacy standards and guidelines set by the Relevant Authority. Any indication that the Issuer Group's CET1 Ratio is moving towards the level which would cause the occurrence of the Trigger Event may have an adverse effect on the market price and liquidity of the Securities. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to other types of subordinated securities, including the Issuer's subordinated debt securities.

Changes to the calculation of CET1 Capital and/or Risk-Weighted Assets may negatively affect the Issuer Group's CET1 Ratio, thereby increasing the risk of the Trigger Event occurring, which will lead to Automatic Write Down of the Securities

The Issuer will determine the Issuer Group's CET1 Capital and Risk-Weighted Assets without applying any relevant transitional provisions then in effect under the Regulatory Capital Requirements (unless the Regulatory Capital Requirements otherwise require or permit (explicitly or without restricting) that such transitional provisions are applied for the purposes of determining whether a Trigger Event has occurred). As a result, the Issuer Group's CET1 Ratio may be lower than it would be if it were calculated applying any relevant transitional provisions.

As at 30 June 2026, the Issuer Group's CET1 Ratio was 13.4 per cent. The Issuer's interpretation of the Regulatory Capital Requirements and the basis of its determination of the Issuer Group's CET1 Ratio may be different from those of other financial institutions. For the purposes of the Securities, the calculation by the Issuer of the Issuer Group's CET1 Ratio (based on its interpretation of the Regulatory Capital Requirements) at any time is binding on the Trustee and the Holders.

The requirements relating to capital ratios in the Regulatory Capital Requirements may change, including as a result of Basel 3.1, and/or changes to the way in which the PRA interprets and applies these requirements to UK banks and bank holding companies (including as regards individual model approvals granted by the PRA) and/or changes to the UK capital framework as a result of the UK's withdrawal from the European Union.

Regulatory initiatives may impact the calculation of the Issuer Group's RWAs, being the denominator of the CET1 Ratio. For example, the Basel Committee has continued its post-crisis work on risk weighted assets and leverage reform. In December 2017, "Basel III: Finalising post-crisis reforms" was published, setting out the Basel Committee's finalisation of the Basel III framework (the "**BCBS Package**"). Broadly, the finalised BCBS Package aims to: (i) strengthen risk sensitivity and comparability in credit risk by adopting minimum "input" floors for certain metrics; (ii) introduce a standardised approach to credit valuation adjustment risk; (iii) introduce a standardised approach to operational risk; (iv) provide safeguards against unsustainable levels of

leverage by adding a leverage ratio buffer for global systemically important banks; and (v) ensure that banks' "output" floors can be calculated as being 72.5 per cent. of total risk weighted assets. In the UK, the PRA published its final policy statement "*Implementation of Basel 3.1: Final rules*" (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. The updated rules affect existing approaches to calculation of risk weights and introduce new limits around the use of internal models to calculate risk weights. In particular, the rules introduce a floor on risk weighted assets that would require firms in scope of the output floor, with internal model permissions, to calculate risk weighted assets for the purposes of compliance with own funds requirements and buffers, as the higher of: (i) the total risk weighted assets calculated using all approaches that they have supervisory approval to use (including internal model approaches); and (ii) 72.5 per cent. of risk weighted assets calculated using only standardised approaches. With regards to the output floor transitional period, the PRA has confirmed the end-date of 31 December 2029, with the date of full implementation being 1 January 2030. Therefore, the transitional period will begin on 1 January 2027, with 60 per cent. of risk weighted assets as the initial floor, increasing by 5 per cent. each year until full implementation. On 20 January 2026, the PRA confirmed in its final policy statement "*Implementation of Basel 3.1: Final rules*" (PS1/26) that there would be a delay in the introduction of the new internal model approach for market risk in the BCBS Package until 1 January 2028. These proposals and resulting changes, either individually and/or in aggregate, may lead to further enhanced requirements in relation to the Issuer Group's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

The calculation of the CET1 Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Accordingly, regulatory changes or accounting changes may have a material adverse impact on our calculations of regulatory capital, including CET1 Capital and Risk-Weighted Assets of the Issuer Group, and its CET1 Ratio.

Therefore, any changes that may occur in the application of the regulatory framework described above subsequent to the date of these Admission Particulars and/or any subsequent changes to such rules and other variables may individually and/or in the aggregate negatively affect the Issuer Group's CET1 Ratio and thus increase the risk of a Trigger Event, which will lead to an Automatic Write Down, as a result of which a Holder could lose all or part of the value of its investment in the Securities.

Waiver of set-off

As set out in Condition 3(d) (*Set-off*) Holders waive any right of set-off, netting, compensation, counterclaim or retention in respect of the Securities, insofar as permitted by applicable law. Therefore, Holders will not be entitled (subject to applicable law) to set-off the Issuer's obligations under the Securities against obligations owed by them to the Issuer. Holders may therefore be required to initiate separate proceedings to recover amounts in respect of any counterclaim and may receive a lower recovery in the event of a Winding-Up than if set-off, netting, compensation or retention were permitted.

The Issuer's obligations under the Securities are subordinated

The Issuer's obligations under the Securities will be unsecured and subordinated and will rank junior in priority of payment to the current and future claims of all of its senior and certain of its subordinated creditors. In addition, payment of principal or interest in respect of the Securities cannot be made in respect of the Securities except to the extent that the Issuer could make such payment and still satisfy the Solvency Condition immediately thereafter. The Insolvency Act 1986, as amended (the "**Insolvency Act**"), splits a relevant financial institution's non-preferential debts into classes and provides that ordinary non-preferential debts will rank ahead of secondary non-preferential debts and tertiary non-preferential debts. The Securities constitute tertiary non-

preferential debts under the Insolvency Act, and therefore both ordinary and secondary non-preferential debts would continue to rank ahead of claims in respect of the Securities.

If a Winding-Up occurs, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to the Holder of such Security if, throughout such Winding-Up, such Holder were the holder of Notional Preference Shares having an equal right to a return of assets in the Winding-Up to, and so ranking *pari passu* with, the holders of the most senior class or classes of issued preference shares (if any) in the capital of the Issuer from time to time or which may be issued by the Issuer and which have a preferential right to a return of assets in the Winding-Up over, and so rank ahead of, the holders of all other classes of issued shares for the time being in the capital of the Issuer but ranking junior to the claims of Senior Creditors, on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such Winding-Up were an amount equal to the principal amount of the relevant Security and any accrued but unpaid interest thereon, together with any damages awarded for breach by the Issuer of any obligations in respect of such Security, whether or not Condition 3(b) (*Solvency Condition*) in relation to the solvency of the Issuer is satisfied on the date upon which the same would otherwise be due and payable.

Subject to complying with applicable regulatory requirements, the Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior and subordinated indebtedness, and the Securities do not contain any provisions restricting the ability of the Issuer or its subsidiaries to incur senior or subordinated indebtedness. Although the Securities may pay a higher rate of interest than comparable securities which are not so subordinated, there is a significant risk that an investor in the Securities will lose all or some of its investment should the Issuer become insolvent since its assets would be available to pay such amounts only after all of its senior and more senior subordinated creditors have been paid in full.

Therefore, if a Winding-Up were to occur, the Issuer's liquidator or administrator or other relevant insolvency official would first apply assets of the Issuer to satisfy all rights and claims of Senior Creditors. If the Issuer does not have sufficient assets to settle claims of such Senior Creditors in full, the claims of the Holders will not be settled and, as a result, Holders will lose the entire amount of their investment in the Securities. The Securities will share equally in payment with claims under any securities that rank *pari passu* with them if the Issuer does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, Holders would lose all or part of their investment.

The Securities do not contain events of default and the remedies available to Holders under the Securities are limited

The Conditions do not provide for any events of default. Holders may not at any time demand repayment or redemption of their Securities. There is no right of acceleration in the case of non-payment of principal or interest on the Securities or of the Issuer's failure to perform any of its obligations under or in respect of the Securities.

The sole remedy in the event of any non-payment of principal under the Securities subject to certain conditions as described under Condition 9 (*Non-Payment When Due and Winding-Up*), including a requirement that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction, is that the Trustee, on behalf of the Holders may, at its discretion, or if so directed by an Extraordinary Resolution or requested in writing by Holders of at least one-quarter in principal amount of the outstanding Securities subject to applicable laws, institute proceedings for the winding-up of the Issuer. The Trustee may also prove and/or claim in any Winding-Up, such claim being as contemplated in Condition 3(c) (*Winding-Up*).

Prior to the occurrence of any Winding-Up, the Securities will remain subject to Automatic Write Down upon the Trigger Event and the exercise of the regulatory capital write down powers or the bail-in powers; none of these events constitute a default or event of default under the Conditions. The Issuer is entitled to cancel any

interest payment as described under Condition 5 (*Cancellation of Interest*) and such cancellation or deemed cancellation (in each case, in whole or in part) will not constitute an event of default.

The exercise of bail-in powers by the BoE with respect to the Issuer and/or the Securities does not constitute a Winding-Up nor give rise to any acceleration rights under the Securities for the Trustee or the Holders.

The remedies under the Securities are more limited than those available to the Issuer's unsubordinated creditors. For further detail regarding the limited remedies of the Trustee and the Holders, see Condition 9 (*Non-Payment When Due and Winding-Up*).

Upon the occurrence of a Trigger Event, Holders will lose all of the value of their investment in the Securities

The Securities are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as AT1 capital of the Issuer Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions. One of these relates to the ability of the Securities to be available to absorb any losses of the Issuer. Accordingly, a Trigger Event shall occur if the CET1 Ratio of the Issuer Group falls below 7.00 per cent. Whether a Trigger Event has occurred shall be determined by the Issuer or the Relevant Authority or any agent appointed by the Relevant Authority for such purpose and such determination shall be binding on Holders.

Upon the occurrence of a Trigger Event, an Automatic Write Down will occur on the Write Down Date, at which point the full principal amount of each Security shall be automatically and irrevocably reduced to zero and the Securities shall be cancelled, and any interest which has accrued to the relevant Write Down Date and is unpaid will be automatically and irrevocably cancelled (whether or not the same has become due for payment). Once the principal amount of a Security has been written down pursuant to such Automatic Write Down, it will not be restored in any circumstances, including where the Trigger Event ceases to continue.

As such, effective upon and following an Automatic Write Down, the Holders shall not have any rights or claims against the Issuer with respect to (i) repayment of the principal amount of the Securities or any part thereof; (ii) the payment of any interest for any period; or (iii) any other amounts arising under or in connection with the Securities and/or the Trust Deed.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer. Accordingly, investors may be unable to predict accurately if and when a Trigger Event may occur. See *"The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no contractual obligation to operate its business in such a way, or take any mitigating actions, to maintain or restore the CET1 Ratio of the Issuer Group to avoid the occurrence of the Trigger Event. Any future losses at the Issuer Group level and actions the Issuer Group takes could result in the CET1 Ratio of the Issuer Group falling and the Trigger Event occurring"* above.

The Securities may also be written off, written down, converted into ordinary shares of the Issuer or otherwise modified in a manner which is materially adverse to investors in circumstances where the Relevant Authority exercises powers under the UK recovery and resolution regime. See *"The Securities may be subject to statutory write down or bail-in."* above. In particular, such powers could be exercised before a Trigger Event occurs pursuant to the Conditions (and, therefore, before any Automatic Write Down).

Holders will bear the risk of changes in the Issuer Group's CET1 Ratio

The market price of the Securities is expected to be affected by changes in the Issuer Group's CET1 Ratio. Any decline or perceived decline in the CET1 Ratio may have an adverse effect on the market price of the Securities, and such adverse effect may be particularly significant if there is any indication or expectation that the CET1

Ratio of the Issuer Group is, or may be moving towards, 7.00 per cent. See “*The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer’s control. The Issuer has no contractual obligation to operate its business in such a way, or take any mitigating actions, to maintain or restore the CET1 Ratio of the Issuer Group to avoid the occurrence of the Trigger Event. Any future losses at the Issuer Group level and actions the Issuer Group takes could result in the CET1 Ratio of the Issuer Group falling and the Trigger Event occurring*” and “*Changes to the calculation of CET1 capital and/or risk weighted assets may negatively affect the Issuer Group’s CET1 Ratio, thereby increasing the risk of the Trigger Event which will lead to Automatic Write Down of the Securities*”.

The Issuer intends to report publicly the Issuer Group’s CET1 Ratio only when public financial reporting is conducted at each half year end and full year end, and therefore during the intervening periods there may be no published updates to the Issuer Group’s CET1 Ratio. In addition, there may be no prior warning of adverse changes in the Issuer Group’s CET1 Ratio. However, any indication that the Issuer Group’s CET1 Ratio is moving towards the level of a Trigger Event may have an adverse effect on the market price of the Securities. A decline or perceived decline in the Issuer Group’s CET1 Ratio may significantly affect the trading price of the Securities.

As at 30 June 2026, the Issuer Group’s CET1 Ratio of 13.4 per cent. represented a buffer of 2.2 per cent. or £28.7 million in excess of its minimum CET1 requirement of 11.2 per cent. (based on a 30 June 2026 Pillar 1 CET1 requirement of 6.0 per cent., Pillar 2A CET1 requirement of 0.8 per cent., the capital conservation buffer of 2.5 per cent. and the countercyclical capital buffer of 2.0 per cent.).

The claims of holders of the Securities will be structurally subordinated

The Securities 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 (in particular, Vida Bank). Accordingly the claims of the Holders under the Securities will be structurally subordinated to the claims of all creditors of the Issuer’s subsidiaries (including the creditors of Vida Bank). Vida Bank 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 Securities. 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 Vida Bank or another of the Issuer’s subsidiaries were to be wound up, liquidated or dissolved, (i) Holders 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 Vida Bank 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 Vida Bank, 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 Securities to Vida Bank (on matching economic terms) by subscribing for securities to be issued by Vida Bank (the “**Intra Group Securities**”), in a form which is eligible to count towards AT1 Capital of Vida Bank. As such, the Intra-Group Securities will rank below the vast majority of the liabilities of Vida Bank and will be subject to both the statutory powers and a contractual mechanism as referred to above.

The Issuer intends that payments made by Vida Bank to the Issuer under the Intra-Group Securities would be available to the Issuer to make payments under the Securities. 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 Securities were to be written down or converted to equity instruments by the Authorities in circumstances where the Securities are not also written down or converted to equity, or if payments are made by Vida Bank under such Intra-Group Securities 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 Securities.

More generally, the operating performance and financial condition of Vida Bank 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 Vida Bank’s control. Vida Bank may not generate income and cash flow sufficient to enable the Issuer to make payments on the Securities 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 Vida Bank (which includes the Intra-Group Securities), 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 Vida Bank 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 Securities) may be implemented by the Issuer without prior notification to, or consent of, Holders, and may have an adverse effect on the ability of the Issuer to make payments under the Securities.

For the avoidance of doubt, the holders of the Securities 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.

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 Securities. The issue or guaranteeing of any such Securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders during a Winding-Up and may limit the Issuer’s ability to meet its obligations under the Securities. In addition, the Securities do not contain any restriction on the Issuer’s ability to issue

securities that may have preferential rights similar to those of the Securities and/or having different, or no, Trigger Event provisions.

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

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

The determination that securities and other obligations issued by the Issuer (including the Securities) will be subject to the 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 Vida Bank 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 Vida Bank. 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 Holders) may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Issuer or the Group and the securities issued by the Issuer (including the Securities).

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 Vida Bank) is failing, or is likely to fail (including where the relevant entity is failing or likely to fail to meet the threshold conditions specified in FSMA), (ii) following consultation with the other Authorities, the relevant Authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will enable the relevant entity to satisfy those conditions, (iii) the Authorities consider the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors) and (iv) the relevant Authority considers that the specific resolution objectives would not be met to the same extent by the winding up of the relevant entity. It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated. For further information with respect to the exercise of the capital write-down tool, see “*Mandatory write-down and conversion of capital instruments may affect the Securities*”.

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

Although the Banking Act provides for conditions to the exercise of any resolution powers, it is uncertain how the Authorities would assess such conditions in any particular situation. The relevant Authorities are also not

required to provide any advance notice to Holders of their decision to exercise any resolution power. Therefore, Holders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Securities.

Various actions may be taken in relation to the Securities without the consent of the Holders

If the Issuer were made subject to the SRR, HMT or the BoE 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 Securities) without the consent of the Holders, including (among other things):

- transferring the Securities out of the hands of the holders;
- delisting the Securities;
- writing down (which may be to nil) the Securities or converting the Securities into another form or class of securities; and/or
- modifying or disapplying certain terms of the Securities, which could include modifications to (without limitation) 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 Securities 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 Holders) 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 Holders in the resolution and there can be no assurance that Holders 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 Securities and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Securities 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 Securities.

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

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

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 (such as the Securities) and Tier 2 capital instruments 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.

Holders may be subject to write-down or conversion into equity on application of such powers (without requiring the consent of such Holders), which may result in such Holders losing some or all of their investment. The ‘no creditor worse off’ safeguard would not apply in relation to an application of such powers 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 Securities, and such exercise (or the perception that such exercise may be imminent) could materially adversely affect the price or value of their investment in the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities.

A 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, notwithstanding the BoE’s current preferred resolution strategy for the Group which is a modified bank insolvency process in relation to Vida Bank, a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with the Issuer (which may include the Securities) 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 Securities and/or eventually become subject to administration or insolvency proceedings pursuant to the Banking Act. In such circumstances, Holders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Holders will have such a claim or, if they do, that they would thereby recover compensation promptly or equal to any loss actually incurred. See further the risk factor entitled “*The Securities 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 Holders 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 Securities

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 Securities, 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 Securities 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 Securities are not necessarily expected to follow the trading behaviour associated with other types of securities.

The Securities 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 Securities 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.

Subject to certain conditions, including the solvency of the Issuer and regulatory approvals, the Securities are subject to early redemption at the option of the Issuer during a specified period ending on the First Reset Date and also upon the occurrence of certain tax and regulatory events

Subject, *inter alia*, to Condition 3(b) (*Solvency Condition*) in relation to the solvency of the Issuer, to the Issuer obtaining prior Supervisory Permission therefor (and such Supervisory Permission not having been revoked prior to the relevant date of such redemption), to compliance with prevailing Regulatory Capital Requirements (as further described in Condition 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*)) and to the non-occurrence of the Trigger Event, the Issuer may, at its option, redeem all (but not some only) of the Securities at their principal amount plus unpaid interest accrued to but excluding the relevant redemption date, excluding any interest which has been cancelled (a) (i) from and including 21 August 2031 to and including the First Reset Date or (ii) on any Interest Payment Date thereafter, (b) if 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and for these purposes, any Further Securities issued pursuant to Condition 16 (*Further Issues*) 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 Securities. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities 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 Securities will be redeemed early, the market value of the Securities may be adversely affected.

If the Issuer redeems the Securities in any of the circumstances mentioned above, there is a risk that the Securities may be redeemed at times when the redemption proceeds are less than the current market value of the Securities or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments 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 Securities, and if so whether or not the Issuer will satisfy the conditions, or elect, to redeem the Securities. The Issuer may be more likely to exercise its option to redeem the Securities during the optional redemption period ending on the First Reset Date if the Issuer's funding costs would be lower than the prevailing interest rate payable in respect of the Securities. If the Securities are so redeemed,

there can be no assurance that Holders 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 Securities.

The Issuer may not be liable to pay certain taxes

All payments by or on behalf of the Issuer in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction (as at the date of these Admission Particulars, being the UK or any political subdivision or any authority thereof or therein having power to tax), unless the withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Holders in respect of payments of interest after the withholding or deduction shall equal the amounts which would have been receivable in respect of interest on the Securities in the absence of such withholding or deduction.

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the relevant Holders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Securities, except as provided for in Condition 10 (*Taxation*).

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

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

The Securities will initially accrue interest at a fixed rate of interest to, but excluding, the First Reset Date. From, and including, the First Reset Date, however, and every Reset Date thereafter the interest rate will be reset to the relevant Reset Rate of Interest (as described in Condition 4 (*Interest Payments*)). Any Reset Rate of Interest could be less than the Initial Fixed Interest Rate and/or the Reset Rate of Interest which applies immediately prior to such Reset Date, which could affect the amount of any interest payments under the Securities and so the market value of an investment in the Securities.

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

At any time, the Trustee may agree to the substitution in place of the Issuer as the principal debtor under the Securities 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 Holders and (iii) to certain other conditions set out in the Trust Deed being complied with.

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

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*), but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate

become, Compliant Securities, and the Trustee shall (subject to certain requirements) agree to such substitution or variation, as provided in Condition 7(f) (*Substitution or Variation*).

Compliant Securities must have terms not materially less favourable to an investor than the terms of the Securities, 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 Securities, such Compliant 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 Compliant Securities are not materially less favourable to an investor than the terms of the Securities. The Issuer bears no responsibility towards the Holders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Holder).

The 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 Holders and without regard to the individual interests of particular Holders.

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

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

In addition, the Trustee may agree, without the consent of the Holders, 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 Holders; 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 Holders.

Because the Securities 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 Securities 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 Securities 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 Securities are in global form, the payment obligations of the Issuer under the Securities 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 Security must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the Securities. 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 £200,000

The denomination of the Securities will be £200,000 and integral multiples of £1,000 in excess thereof. Accordingly, it is possible that the Securities may be traded in the clearing systems in amounts in excess of

£200,000 that are not integral multiples of £200,000. Should Certificates be required to be issued, they will be issued in principal amounts of £200,000 and higher integral multiples of £1,000 but will in no circumstances be issued to Holders who hold Securities in the Relevant Clearing System (as defined in these Admission Particulars) in amounts that are less than £200,000. Accordingly, any Holder who holds an amount which is less than £200,000 in principal amount of the Securities in its account with the Relevant Clearing System at the relevant time may not receive a Certificate (should Certificates be printed) in respect of such holding. Such a Holder would need to purchase a principal amount of Securities such that its holding amounts to £200,000 in order to receive a Certificate.

If Certificates are issued, Holders should be aware that definitive Securities which have a denomination that is not an integral multiple of £200,000 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 Securities affected by it. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Securities, which may have an adverse effect on an investment in the Securities.

In addition, any changes in law or regulations that trigger a Tax Event or a Capital Disqualification Event would, subject to Condition 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*), entitle the Issuer, at its option, to redeem all, but not some only of the Securities, as more particularly described under Conditions 7(d) (*Redemption Due to Tax Event*) and 7(e) (*Redemption Due to Capital Disqualification Event*), respectively, or to substitute the Securities or vary the terms of the Securities so that they remain or become Compliant Securities as provided under Condition 7(f) (*Substitution or Variation*).

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

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 Holders, which could be material.

Holders 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 Securities, each Holder will acknowledge and accept that the amounts due in respect of the Securities 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 Securities; (ii) the conversion of all, or a portion, of the amounts due in respect of the Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Holder of such shares or other securities or obligations), including by means of an amendment, modification or variation of the terms of the Securities; (iii) the cancellation of the Securities or the amounts due in respect of the Securities; (iv) the amendment or alteration of the perpetual nature of the Securities or amendment of the

amount of interest payable on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period. Each Holder will further acknowledge, accept, consent and agree to be bound by the variation of the terms of the Securities, 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 Holders losing all or a part of the value of their investment in the Securities, having payment on the Securities suspended for a period of time or receiving a different security from the Securities, which may be worth significantly less than the Securities 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 Holders. In addition, under the Conditions, the exercise of UK Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Securities is not a Default under the Securities 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 Securities represent a new security which may be purchased upon issue by a limited number of investors. No secondary trading market currently exists for the Securities 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 Securities 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 Securities.

If a market for the Securities does develop, the trading price of the Securities 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 Securities. 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. In addition, the market price of the Securities may fluctuate significantly or any market in the Securities may become severely restricted, or may disappear, in response to a number of factors, some of which are beyond the Issuer's control, including:

- any credit ratings assigned to the Issuer;
- the financial condition of the Issuer and, in particular, the level of the Issuer Group's CET1 Ratio from time to time;
- actual or expected variations in the Group's operating performance;
- increases in capital expenditure compared with expectations;
- any perception that the Group's strategy is or may be less effective than previously assumed or that the Group is not effectively implementing any significant projects;
- announcements by the Group of significant acquisitions, strategic alliances, joint ventures, new initiatives, new services or new service ranges;
- the Securities being subject to loss absorption under an applicable statutory loss absorption regime;
- supply and demand for the Securities;

- actions taken by other issuers of AT1 capital securities. For example, an issuer's cancellation of an interest payment could cause pressure on secondary market pricing of similar AT1 capital securities;
- the Reset Rate of Interest applicable to the Securities after any Reset Date; and
- economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the financial markets generally.

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

The issue price of the Securities 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 Securities 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 7(b) (*Conditions to Redemption, Substitution, Variation and Purchase*)) purchase Securities 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 Securities and thus the price and the conditions under which investors can negotiate these Securities on the secondary market.

In addition, Holders 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 Securities in secondary market resales even if there is no decline in the performance of the Securities 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 Securities and instruments similar to the Securities at that time.

Although an application has been made for the Securities 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 Securities 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 Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities.

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 Securities, which bear interest at a fixed rate (reset on the First Reset Date and each Reset Date thereafter), involves the risk that subsequent changes in market interest rates may adversely affect their value. The rate of interest will be reset on each Reset Date, and as such the reset rates are not pre-defined at the

date of issue of the Securities; they may be different from the initial rate of interest and may adversely affect the yield of the Securities.

TERMS AND CONDITIONS OF THE SECURITIES

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

The issue of the £40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (the “**Securities**”, which expression shall in these terms and conditions (the “**Conditions**”), unless the context otherwise requires, include any Further Securities issued pursuant to Condition 16) of Vida Group Holdings plc (the “**Issuer**”) was authorised by a resolution of the Board of Directors of the Issuer passed on 23 July 2026.

The Securities are constituted by a trust deed (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 21 August 2026 between the Issuer and Citibank, N.A., London Branch (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 Securities.

Copies of the Trust Deed and of the agency agreement (the “**Agency Agreement**”) dated 21 August 2026 relating to the Securities 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) 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 Holder following their prior written request to the Trustee or the Principal Paying Agent, in each case upon provision of proof of holding of Securities 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 Securities are serially numbered in the denominations of £200,000 and integral multiples of £1,000 in excess thereof.

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

(b) Title

Title to the Securities 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 Security 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, “**Holder**” means the person in whose name a Security is registered in the Register.

2 Transfers of Securities

(a) Transfer

A holding of Securities 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 Securities 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 Securities 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 Securities to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Securities and entries in the Register will be made in accordance with the detailed regulations concerning transfers of Securities 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 Holder upon request in writing upon provision of proof of holding of Securities 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 and Certificate(s) shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate 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 Holder may require the transfer of a Security to be registered (i) during the period of 15 days ending on (and including) any date on which the Securities are scheduled to be redeemed or substituted by the Issuer pursuant to Condition 7, or (ii) during the period of seven days ending on (and including) any Record Date.

3 Status and Subordination

(a) Status

The Securities constitute direct, 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 Securities (including any damages awarded for breach of obligations in respect thereof) are subordinated as described in this Condition 3.

(b) Solvency Condition

Except in a Winding-Up, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Securities (other than payments to the Trustee for its own account under the Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6, conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount shall be due and payable in respect of, or arising from, the Securities or the Trust Deed except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the “**Solvency Condition**”).

In these Conditions, the Issuer shall be considered to be solvent if (x) it is able to pay its debts owed to its Senior Creditors as they fall due and (y) its Assets exceed its Liabilities.

A certificate as to whether the Issuer satisfies the Solvency Condition by two Authorised Signatories (or if there is a winding-up or administration of the Issuer, two authorised signatories of the liquidator or, as the case may be, the administrator of the Issuer) shall be treated and accepted by the Issuer, the Trustee, the Holders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without further enquiry and without liability to any person.

Any payment of interest not due by reason of this Condition 3(b) shall not be or become payable at any time and shall be mandatorily cancelled.

(c) Winding-Up

The rights and claims of the Holders (and of the Trustee on their behalf) against the Issuer are subordinated to the claims of Senior Creditors in that if at any time prior to the Write Down Date a Winding-Up occurs, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such Security if, throughout such Winding-Up, such Holder were the holder of one of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”) having an equal right to a return of assets in the Winding-Up to, and so ranking *pari passu* with, the holders of the most senior class or classes of issued preference shares (if any) in the capital of the Issuer from time to time or which may be issued by the Issuer and which have a preferential right to a return of assets in the Winding-Up over, and so rank ahead of, the holders of all other classes of issued shares for the time being in the capital of the Issuer but ranking junior to the claims of Senior Creditors, on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such Winding-Up were an amount equal to the principal amount of the relevant Security and any accrued but unpaid

interest thereon (other than any interest which has been cancelled pursuant to these Conditions) together with any damages awarded for breach by the Issuer of any obligations in respect of such Security, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that shareholders were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

(d) 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 Securities or the Trust Deed and each Holder shall, by virtue of its holding of any Security (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 Securities is discharged by set-off, compensation, netting, 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 or another similar procedure in respect of the Issuer, the liquidator, administrator or other similar official 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, administrator or other similar official of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

Condition 3(d) shall not be construed as indicating or acknowledging that any rights of set-off, compensation, netting, counterclaim or retention would, but for Condition 3(d), otherwise be available to any Holder with respect to any Security.

4 Interest Payments

(a) Interest Rate

Subject to Conditions 3(b), 5 and 6, the Securities bear interest on their principal amount at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 4.

Subject to Conditions 3(b), 5 and 6, interest shall be payable on the Securities semi-annually in arrear on each Interest Payment Date in equal instalments (in respect of each Interest Period ending prior to the First Reset Date, in an amount of £57.50 per Calculation Amount), as provided in this Condition 4.

Where it is necessary to compute an amount of interest in respect of any Security 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) and (2) the number of Interest Periods normally ending in any year.

(b) Interest Accrual

Subject to Conditions 3(b), 5 and 6, the Securities will accrue interest in respect of each Interest Period and cease to bear interest from (and including) the due date for redemption thereof or the date of substitution or variation thereof, in each case pursuant to Condition 7, as the case may be, unless, upon surrender of the Certificate representing any Security, payment of all amounts due in respect of such Security is not properly and duly made or any such substitution or variation is not effected as provided

in these Conditions, in which event interest shall continue to accrue on the Securities, 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 Security shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall, save as provided in Condition 4(a) in relation to equal instalments and subject to Conditions 3(b), 5 and 6, be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 4(a) for the relevant period, rounding the resultant figure to the nearest penny (half a penny being rounded upwards). Where the denomination of a Security is more than the Calculation Amount, the amount of interest payable in respect of each such Security, is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Security.

(c) Initial Fixed Interest Rate

For the Initial Fixed Rate Interest Period, the Securities bear interest, subject to Conditions 3(b), 5 and 6, at the rate of 11.500 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 4 on each Reset Date. The Reset Rate of Interest in respect of each Reset Period will be determined by the Agent Bank on the relevant Reset Determination Date as the sum of the relevant 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 each Reset Determination Date, subject to receipt from the Issuer of the Gilt Yield Quotations as provided to the Issuer by any Reset Reference Banks, determine the Reset Rate of Interest in respect of the relevant Reset Period. The determination of the Reset Rate of Interest for any Reset Period 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 4 in respect of each Reset Period to be given to the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent, any stock exchange on which the Securities are for the time being (at the request of the Issuer) listed or admitted to trading and, in accordance with Condition 15, 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 Securities become due and payable pursuant to Condition 9(a), the accrued interest per Calculation Amount and the Reset Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 4 but no publication of the Reset Rate of Interest need be made unless the Trustee otherwise requires.

(g) Agent Bank and Reset Reference Banks

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 or any Reset Reference 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 any Reset Period as provided in Condition 4(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 4, 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.

5 Cancellation of Interest

(a) Optional Cancellation of Interest

The Issuer may in its sole and absolute discretion (but subject to the requirement for mandatory cancellation of interest pursuant to Conditions 3(b), 5(b), 5(c), 5(d) and 6) at any time elect to cancel any interest payment, in whole or in part, which is scheduled to be paid on any date.

(b) Mandatory Cancellation of Interest – Insufficient Distributable Items

Interest otherwise due on any date will not be due (in whole or, as the case may be, in part), and the relevant payment (or, as the case may be, the relevant part thereof) will be deemed to be cancelled and will not be made, if and to the extent that the amount of such interest payment otherwise due (including, if applicable, any Additional Amounts in respect thereof), together with any interest payments or distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Securities and all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date.

(c) Mandatory Cancellation of Interest – Maximum Distributable Amount

Interest otherwise due on any date will not be due (in whole or, as the case may be, in part), and the relevant payment will be deemed to be cancelled and will not be made, to the extent that the amount of such interest payment otherwise due (including, if applicable, any Additional Amounts in respect thereof), together with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 (*Capital Conservation Measures*) of the “Capital Buffers” part of the PRA Rulebook (as amended or replaced or referred to in any other applicable provisions of the Regulatory Capital Requirements which require a binding maximum distributable amount to be calculated), in aggregate would cause the Maximum Distributable Amount (if any) then applicable to the Issuer Group to be exceeded.

(d) Mandatory Cancellation of Interest – Relevant Authority Order

Interest otherwise due on any date will not be due (in whole or, as the case may be, in part) and the relevant payment will be deemed to be cancelled and will not be made, to the extent the Relevant Authority orders the Issuer to cancel, or gives notice to the Issuer that it must cancel, such payment.

(e) *Notice of Cancellation of Interest*

Upon the Issuer electing to cancel any interest payment (or part thereof) pursuant to Condition 5(a), or being prohibited from making any interest payment (or part thereof) pursuant to Condition 3(b), 5(b), 5(c) or 5(d), the Issuer shall, as soon as reasonably practicable on or prior to the scheduled payment date, give notice of such non-payment and the reason therefor to the Holders in accordance with Condition 15, the Trustee and the Principal Paying Agent. If practicable, the Issuer shall endeavour to provide such notice at least four Business Days prior to the relevant Interest Payment Date. Any delay in giving or failure to give such notice shall not affect the deemed cancellation of any interest payment (in whole or, as the case may be, in part) by the Issuer and shall not constitute a default under the Securities or for any purpose. Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest payment that will be paid on the relevant date.

(f) *Interest non-cumulative; no default or restrictions*

Any interest payment (or, as the case may be, part thereof) not paid on any scheduled payment date by reason of Condition 3(b), 5(a), 5(b), 5(c), 5(d) or 6, shall be deemed to be cancelled and shall not accumulate or become due or payable at any time thereafter, whether in a Winding-Up or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

If the Issuer does not pay any interest payment (in whole or, as the case may be, in part) on the relevant scheduled payment date, such non-payment (whether or not the notice referred to in Condition 5(e) or, as appropriate, Condition 6 has been given) shall evidence either the non-payment and cancellation of such interest payment (in whole or, as the case may be, in part) by reason of it not being due in accordance with Condition 3(b), the cancellation of such interest payment (in whole or, as the case may be, in part) in accordance with Condition 5(b), 5(c), 5(d) or 6 or, as appropriate, the Issuer's exercise of its sole and absolute discretion to cancel such interest payment (in whole or, as the case may be, in part) in accordance with Condition 5(a), and accordingly any amount not paid shall not be due. Non-payment of any interest (in whole or, as the case may be, in part) in accordance with any of Condition 3(b), 5(a), 5(b), 5(c), 5(d) or 6 will not constitute a default by the Issuer for any purpose (whether under the Securities or otherwise) and the Holders shall have no right or claim thereto whether in a Winding-Up or otherwise. Any failure by the Issuer to give notice of such non-payment and cancellation will not affect the effectiveness of, or otherwise invalidate, the deemed cancellation of any interest payment (in whole or, as the case may be, in part) by the Issuer and will not constitute a default under the Securities for any purpose.

The Trustee shall have no responsibility for, or liability or obligations in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment or cancellation of any interest payment or other amounts or any claims in respect thereof by reason of the application of this Condition 5 or Conditions 3(b) or 6.

6 Automatic Write Down

If, at any time, it is determined (as provided below) that a Trigger Event has occurred, the Issuer shall:

- (i) (unless the determination was made by the Relevant Authority) immediately inform the Relevant Authority of the occurrence of the Trigger Event; and
- (ii) without delay, give the Trigger Event Notice, which notice shall be irrevocable.

On the Business Day following the determination that a Trigger Event has occurred (the “**Write Down Date**”), an Automatic Write Down shall occur.

As a result of such Automatic Write Down:

- (i) the full principal amount of each Security shall be automatically and irrevocably reduced to zero and the Securities shall be cancelled; and
- (ii) any interest which has accrued to the relevant Write Down Date and is unpaid will be automatically and irrevocably cancelled (whether or not the same has become due for payment).

Once the principal amount of a Security has been written down pursuant to such Automatic Write Down, it will not be restored in any circumstances, including where the Trigger Event ceases to continue. For the avoidance of doubt, the principal amount of a Security shall not be reduced to below zero under any circumstances.

Effective upon, and following, the Automatic Write Down, Holders shall not have any rights or claims against the Issuer with respect to:

- (i) repayment of the principal amount of the Securities or any part thereof;
- (ii) the payment of any interest for any period; or
- (iii) any other amounts arising under or in connection with the Securities and/or the Trust Deed.

Such Automatic Write Down shall take place without the need for the consent of Holders or the Trustee.

For the purposes of determining whether a Trigger Event has occurred, the CET1 Ratio may be calculated at any time based on information (whether or not published) available to management of the Issuer and/or the Relevant Authority, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 Ratio.

As at the date of these Admission Particulars, the Issuer intends to publish the CET1 Ratio on at least a semi-annual basis.

The determination as to whether a Trigger Event has occurred shall be made by the Issuer, the Relevant Authority or any agent appointed for such purpose by the Relevant Authority. Any such determination shall be binding on the Issuer, the Trustee and the Holders.

The Trigger Event Notice delivered to the Trustee shall be accompanied by a certificate signed by two Authorised Signatories certifying the accuracy of the contents of the Trigger Event Notice upon which the Trustee shall be entitled to rely (without further enquiry and without liability to any person).

Any delay in giving or any failure by the Issuer to give a Trigger Event Notice or the aforementioned certificate will not affect the effectiveness of, or otherwise invalidate, any Automatic Write Down, or give Holders, the Trustee or any other person any rights as a result of such failure.

The reduction to zero of the principal amount of a Security and the cancellation thereof pursuant to this Condition 6 shall not constitute a default by the Issuer for any purpose.

7 Redemption, Substitution, Variation and Purchase

(a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall, without prejudice to any Automatic Write Down in accordance with Condition 6, only have the right to redeem or purchase them in accordance with the following provisions of this Condition 7.

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

Any redemption, substitution, variation or purchase of the Securities in accordance with Conditions 7(c), (d), (e), (f) or (g) is subject, as applicable, to:

- (i) the Issuer having obtained prior Supervisory Permission therefor and such Supervisory Permission not having been revoked by the relevant date of such redemption, substitution, variation or purchase, as applicable;
- (ii) in the case of any redemption or purchase of any Securities, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer having (on or before the relevant redemption or purchase date) replaced the Securities 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 7(b)(v)(A) below, (B) the Issuer having 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 its minimum applicable capital and eligible liabilities requirements (including any applicable buffer requirements) by a margin (calculated in accordance with prevailing Regulatory Capital Requirements) that the Relevant Authority considers necessary at such time;
- (iii) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Tax Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer having 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 Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, if and to the extent then required under prevailing Regulatory Capital Requirements, the Issuer having demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Securities was not reasonably foreseeable as at the Reference Date; and
- (v) in the case of any purchase or redemption of the Securities prior to the fifth anniversary of the Reference Date pursuant to Condition 7(g) or Condition 7(c)(ii), respectively, if and to the extent then required under prevailing Regulatory Capital Requirements, either (A) the Issuer having before or at the same time as such purchase or redemption, replaced the Securities 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 having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view; (B) the Relevant Authority considering that such purchase or redemption would materially enhance the safety and soundness of the Issuer; or (C) in the case of a purchase pursuant to Condition 7(g), the relevant Securities are being purchased for market-making purposes in accordance with the applicable Regulatory Capital Requirements.

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 Securities only after compliance with one or more alternative or additional pre-

conditions to those set out above in this Condition 7(b), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

In addition, if the Issuer has elected to redeem, substitute or vary the terms of the Securities, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any of the Securities and:

- (i) (in the case of a redemption or purchase) the Solvency Condition is not or would not be satisfied in respect of the relevant payment on the date scheduled for redemption or purchase; or
- (ii) prior to the redemption, purchase, substitution or variation of the Securities, a Trigger Event occurs,

the relevant redemption, substitution or variation notice or, as the case may be, the relevant purchase agreement shall be automatically and irrevocably rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent, as soon as practicable, provided that any failure by the Issuer to give such notice shall not invalidate such rescission and shall not constitute a default under the Securities for any purpose. Further, no notice of redemption, substitution or variation shall be given at any time following the delivery of a Trigger Event Notice (and any such purported notice of redemption shall be ineffective).

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 7 (other than redemption pursuant to Condition 7(c)(i)), the Issuer shall deliver to the Trustee (i) a certificate signed by two Authorised Signatories 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 7, stating that the terms of the relevant Compliant Securities will, following such substitution or variation (as applicable), comply with the definition thereof in Condition 20 and (ii) in the case of a redemption pursuant to Condition 7(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 (vii) (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 7(b), the Issuer may, by giving not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(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 Securities:
 - (i) on any day falling in the period commencing on (and including) 21 August 2031 and ending on and including the First Reset Date; or
 - (ii) on any Interest Payment Date thereafter,

in each case at their principal amount, together with any unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Securities.

- (ii) If, prior to giving the notice referred to below in this Condition 7(c)(ii), 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and, for these purposes, any Further Securities issued pursuant to Condition 16 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 7(b), by giving not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(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 Securities at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Securities.

(d) *Redemption Due to Tax Event*

If, prior to the giving of the notice referred to in this Condition 7(d), a Tax Event has occurred, then the Issuer may, subject to Condition 7(b) and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(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 Securities at their principal amount, together with any unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Securities.

(e) *Redemption Due to Capital Disqualification Event*

If, prior to the giving of the notice referred to below in this Condition 7(e), a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7(b) and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(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 Securities at their principal amount, together with any unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Securities.

(f) *Substitution or Variation*

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7(b) and having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for substitution or variation, as the case may be, of the Securities) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become, Compliant Securities, and the Trustee shall (subject to the following provisions of this

Condition 7(f) and subject to the receipt by it of the certificates of the Authorised Signatories referred to in Condition 7(b) above and in the definition of Compliant Securities) agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b) and the following provisions of this Condition 7(f), either vary the terms of or substitute the Securities in accordance with this Condition 7(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 Securities for, or the variation of the terms of the Securities so that they remain, or as appropriate, become, Compliant 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 Compliant 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 Securities as provided in, as appropriate, Condition 7(d) or (e).

In connection with any substitution or variation in accordance with this Condition 7(f), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being (at the request of the Issuer) listed or admitted to trading.

(g) Purchases

The Issuer may, subject to Condition 7(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, Securities in any manner and at any price. The Securities 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 Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 9(c).

(h) Cancellation

All Securities redeemed or substituted by the Issuer pursuant to this Condition 7 will forthwith be cancelled. All Securities 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, surrendered for cancellation to the Registrar. Securities so surrendered shall be cancelled forthwith. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities 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 7 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 7, it shall be entitled to assume that no such event or circumstance exists.

8 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 Securities represented by such Certificates) in like manner as is provided for payments of interest in paragraph (ii) below.

- (ii) Interest on each Security 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 Security 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 10, 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 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 Paying Agent, 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

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Security if the due date is not a Business Day or if the Holder 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 Security 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 8, “**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.

9 Non-Payment When Due and Winding-Up

(a) Non-Payment and Winding-Up

If the Issuer shall not make payment in respect of the Securities for a period of seven days or more after the date on which such payment is (without prejudice to Condition 3(b), Condition 5 and Condition 6) due, the Issuer shall be deemed to be in default (a “**Default**”) under the Trust Deed and the Securities and the Trustee in its discretion may, or (subject to Condition 9(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 Securities then outstanding shall, notwithstanding the provisions of Condition 9(b), institute proceedings for the winding-up of the Issuer.

For the avoidance of doubt, no amounts shall be due in respect of the Securities if payment of the same shall have been cancelled in accordance with Condition 3(b), Condition 5 or Condition 6, and accordingly non-payment of such amounts shall not constitute a Default.

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 9(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 Securities 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 3(c).

(b) *Enforcement*

Without prejudice to Condition 9(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 Securities (other than, save as provided in Condition 14, any payment obligation of the Issuer under or arising from the Securities or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Securities, 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 9(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 Securities or the Trust Deed (including any damages awarded for breach of any obligations) in the circumstances provided in, as appropriate, Conditions 3(c) and 9(a).

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 9(a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Securities 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 Securities 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 Securities held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Securities as set out in this Condition 9.

(e) *Extent of Holders' Remedy*

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Securities 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 Securities or under the Trust Deed.

10 Taxation

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Securities (subject always to Condition 3(b), Condition 5, Condition 6 and Condition 7(b)) shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject as aforesaid) pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the Holders in respect of those payments of interest after the withholding or deduction shall equal the amount which would have been received by them in respect of payments of interest on the Securities had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Security:

- (a) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the Relevant Jurisdiction otherwise than merely by holding such Security or by the receipt of amounts in respect of such Security; 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 a third party makes) a declaration of non-residence or other similar claim to the relevant tax authority or complying (or procuring that a third party complies) with any statutory or other applicable requirements for exemption in the place where the Certificate representing the Security is presented for payment; or
- (c) in respect of which the Certificate representing such Security 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 Security for payment on the last day of such period of 30 days.

References in these Conditions (including, without limitation, for the purposes of cancellation pursuant to Condition 5 or Condition 6) to interest shall be deemed to include any Additional Amounts which may be payable under this Condition 10 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 Securities 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.

11 Prescription

Claims against the Issuer for payment in respect of the Securities 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.

12 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 Securities 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 Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Securities 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 Condition 3, the terms concerning currency and due dates for payment of principal or interest payments in respect of the Securities and reducing or cancelling the principal amount of, or interest on, any Securities or varying the method of calculating the Interest Rate or the CET1 Ratio below which a Trigger Event occurs) 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 Securities for the time being outstanding. The agreement or approval of the Holders shall not be required in the case of cancellation of interest in accordance with Condition 3(b), 5 or 6, reduction in the principal amount of the Securities to zero in accordance with Condition 6 or any variation of these Conditions and/or the Trust Deed made in connection with the substitution or variation of the Securities pursuant to Condition 7(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 Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Holder(s) of not less than 75 per cent. in principal amount of the Securities 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 and Conditions*

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 provisions further permitting the Trustee, subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission has 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 Condition 3 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 Securities. Any such substitution shall be binding on all Holders and shall be notified by the Issuer to the Holders in accordance with Condition 15 and to the Principal Paying Agent and the Registrar 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 Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 10 and/or any undertaking given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

13 Replacement of the Securities

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.

14 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.

Condition 3 applies only to amounts payable in respect of the Securities and nothing in Conditions 3, 6 or 9 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 18(c) below) or any other recovery or resolution powers in respect of the Issuer or any of its affiliates or any Securities 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 Securities from taking effect, and each Holder by its acquisition of any Securities (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.

The Trustee shall have no responsibility for, or liability or obligations in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment of interest, principal or other amounts by reason of Conditions 3, 5 or 6. Furthermore, the Trustee shall not be responsible for any calculation or the verification of any calculation in connection with any of the foregoing.

15 Notices

Notices required to be given to the Holders pursuant to these 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 Securities are for the time being (at the request of the Issuer) listed and/or admitted to trading.

16 Further Issues

The Issuer may from time to time without the consent of the Holders, 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

Securities 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 Securities (“**Further Securities**”). References in these Conditions to the Securities include (unless the context requires otherwise) any Further Securities. Any Further Securities shall be constituted by a deed supplemental to the Trust Deed.

17 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 Holder. 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 15. 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 Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Agents and the Holders.

18 Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Securities and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Securities (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 Securities or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 18(c), includes each holder of a beneficial interest in the Securities) or the Trustee on their behalf, by its acquisition of the Securities (or any interest therein), each Holder acknowledges and accepts that the Relevant Amounts arising under the Securities 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 Securities;
 - (B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Securities 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 Securities;
 - (C) the cancellation of the Securities or the Relevant Amounts in respect of the Securities; and
 - (D) the amendment or alteration of the perpetual nature of the Securities or amendment of the amount of interest payable on the Securities, 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 Securities, 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 Securities 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 Securities, 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 Securities, the Issuer will provide a written notice to the Holders in accordance with Condition 15 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, the Principal Paying Agent and the Registrar for information purposes. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 18 shall not affect the validity and enforceability of the UK Statutory Loss Absorption Powers nor constitute a default by the Issuer for any purpose.

19 Contracts (Rights of Third Parties) Act 1999

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

20 Definitions

In these Conditions:

“**Additional Amounts**” has the meaning given to it in Condition 10;

“**Additional Tier 1 Capital**” has the meaning given to it (or to any successor term) from time to time by the Regulatory Capital Requirements;

“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;

“Assets” means the unconsolidated gross assets of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events in such manner as the directors of the Issuer may determine;

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

“Automatic Write Down” means the irrevocable, automatic and permanent (without the need for the consent of Holders or the Trustee) reduction of the full principal amount of each Security to zero, cancellation of all accrued and unpaid interest (including, if applicable, any Additional Amounts) and other amounts (if any) arising under or in connection with the Securities and/or the Trust Deed and cancellation of the Securities on the Write Down Date;

“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 of the Securities;

“Capital Disqualification Event” is deemed to have occurred if there is a change (which has occurred or which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Securities 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 Securities ceasing to be included in the Additional Tier 1 Capital of the Issuer Group (other than by reason of any applicable limit on the amount of Additional Tier 1 Capital);

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

“CET1 Capital” means, at any time, the sum, expressed in pounds sterling, of all amounts that constitute Common Equity Tier 1 Capital at such time of the Issuer Group less any deductions therefrom required to be made at such time, as calculated on a consolidated basis (as referred to in Article 9 of the UK CRD Regulation or any equivalent or similar law, rule or provision of the Regulatory Capital Requirements then applicable to the Issuer) or, as the context requires, the Common Equity Tier 1 Capital at such time of the Issuer Group less any deductions therefrom required to be made at such time, as calculated on a consolidated basis (as referred to in Article 9 of the UK CRD Regulation or any equivalent or similar law, rule or provision of the Regulatory Capital Requirements then applicable to the Issuer), in each case in accordance with the Regulatory Capital Requirements at such time but without applying any transitional provisions set out in the Regulatory Capital Requirements which are applicable at such time unless such transitional provisions are permitted under the then applicable Regulatory Capital Requirements to be applied for the purposes of determining whether a Trigger Event has occurred;

“CET1 Ratio” means, at any time, the ratio of the aggregate amount of the CET1 Capital of the Issuer Group at such time to the Risk-Weighted Assets of the Issuer Group at such time, in each case calculated on a consolidated basis and expressed as a percentage;

“Common Equity Tier 1 Capital” means common equity tier 1 capital as contemplated by the Regulatory Capital Requirements then applicable, or an equivalent or successor term;

“Compliant Securities” means securities issued directly by the Issuer that:

- (a) have terms not materially less favourable to an investor than the terms of the Securities (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 two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without further enquiry and without liability to 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 Regulatory Capital Requirements in relation to Additional Tier 1 Capital; (2) have the same principal amount as the principal amount of the Securities and include terms which provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Securities; (3) rank (or would rank) *pari passu* with the Securities; (4) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been either paid or cancelled (but without prejudice to cancellation rights or obligations under the terms of the Compliant Securities); (5) contain terms providing for the conversion or write-down of the principal amount of such securities only if such terms are not materially less favourable to holders of the securities than the corresponding provisions of the Securities; (6) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption (but without prejudice to cancellation rights or obligations under the terms of the Compliant Securities); and (7) will, with effect from the date of the relevant substitution or variation, qualify or continue to qualify as “hybrid capital instruments” as defined in section 475C of the Corporation Tax Act 2009, to the extent applicable (or any equivalent provision in any applicable successor legislation or replacement legislation); 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;

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

“Default” has the meaning given to it in Condition 9(a);

“Directors” means the directors of the Issuer;

“Distributable Items” means, subject as otherwise defined from time to time in the Regulatory Capital Requirements, in relation to interest otherwise scheduled to be paid on a date, the amount of the profits of the Issuer at the end of the last Financial Year immediately preceding such date plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments of the Issuer less any losses brought forward, any profits which are non-distributable pursuant to national law or the Issuer’s articles of association and any sums placed in non-distributable reserves in accordance with the Companies Act 2006 or the articles of association of the Issuer, in each case with respect to the specific category of own funds instruments to which national law or the Issuer’s articles of association relate, such profits, losses and reserves being determined on the basis of the individual non-consolidated accounts 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 10;

“Financial Year” means the financial year of the Issuer (being the one-year period in respect of which it prepares annual audited financial statements) from time to time, which as at the Issue Date runs from (and including) 1 January in one calendar year to (but excluding) the same date in the immediately following calendar year;

“First Reset Date” means 21 February 2032;

“Further Securities” has the meaning given to it in Condition 16;

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

“Initial Fixed Interest Rate” has the meaning given to it in Condition 4(c);

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

“Interest Payment Date” means 21 February and 21 August in each year, commencing on 21 February 2027;

“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 relevant Reset Rate of Interest, as the case may be;

“Issue Date” means 21 August 2026, being the date of the initial issue of the Securities;

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

“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;

“Liabilities” means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent and prospective liabilities and for subsequent events in such manner as the Directors may determine;

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

“Margin” means 6.841 per cent.;

“Maximum Distributable Amount” means, if and for so long as it is applicable to the Issuer, any binding maximum distributable amount relating to the Issuer Group required to be calculated in accordance with Chapter 4 (*Capital Conservation Measures*) of the “Capital Buffers” part of the PRA Rulebook, as amended or replaced or in accordance with any other applicable provisions of the Regulatory Capital Requirements which require a binding maximum distributable amount to be calculated if the Issuer Group is failing to meet any applicable requirement or any buffers relating to such requirement;

“own funds instruments” has the meaning given to it in the Regulatory Capital Requirements;

“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;

“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 8(a);

“Reference Date” means the later of (i) the Issue Date and (ii) the latest date (if any) on which any Further Securities have been issued pursuant to Condition 16;

“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 laws, 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 Securities, together with any accrued but unpaid interest and Additional Amounts due on the Securities. 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 other additional or successor authority having primary supervisory authority with respect to prudential matters and/or resolution 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 Holders that, upon further surrender of the Certificate representing such Security 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 payments of principal and/or interest on the Securities become generally subject to tax which is payable by the Issuer or for which the Issuer is, or will be, accountable;

“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 Securities (being, as at the Issue Date, the Bank of England);

“Reset Date” means the First Reset Date and each fifth anniversary of the First Reset Date thereafter;

“Reset Determination Date” means, in respect of a Reset Period, the day falling two Business Days prior to the first day of such Reset Period;

“**Reset Period**” means the period from and including the First Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“**Reset Rate of Interest**” has the meaning given to it in Condition 4(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 a 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 provided to the Agent Bank by the Issuer. The Issuer shall obtain such Gilt Yield Quotations from the Reset Reference Banks at approximately 11:00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period. If at least four quotations are provided, the Reset Reference Rate will be the arithmetic mean of the quotations provided, 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 quotations are provided, the Reset Reference Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be the quotation provided. If no quotations are provided, the Reset Reference Rate will be deemed to be equal to the Reset Reference Rate determined for the immediately preceding Reset Period or, in the case of the first Reset Period, 4.502 per cent., where:

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

“**Risk-Weighted Assets**” means, at any time, the aggregate amount, expressed in pounds sterling, of the total risk exposure amount of the Issuer Group, as calculated on a consolidated basis (as referred to in Article 9 of the UK CRD Regulation or any equivalent or similar law, rule or provision of the Regulatory Capital Requirements then applicable to the Issuer) in each case in accordance with the Regulatory Capital Requirements at such time and without applying any transitional arrangements under the Regulatory Capital Requirements which are applicable at such time unless such transitional provisions are permitted under the then applicable Regulatory Capital Requirements to be applied for the purposes of determining whether a Trigger Event has occurred;

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

“**Senior Creditors**” means creditors of the Issuer: (a) who are unsubordinated creditors of the Issuer; (b) whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of the Issuer but not further or otherwise; or (c) whose claims are, or are expressed to be, junior to the claims of other creditors of the Issuer, whether subordinated or unsubordinated (other than those 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 Securities) (and, for the avoidance of doubt, Senior Creditors shall include holders of Tier 2 Capital instruments);

“**Solvency Condition**” has the meaning given to it in Condition 3(b);

“**Substitute Obligor**” has the meaning given to it in Condition 12(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 Securities, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or
- (ii) the Issuer is not or would not be entitled to claim a deduction in respect of any payments in respect of the Securities in computing its taxation liabilities or the amount or value to the Issuer of such deduction is or would be reduced or deferred; or
- (iii) the Securities are prevented or would be prevented from being treated as loan relationships for United Kingdom tax purposes; or
- (iv) the Issuer is not or would not, as a result of the Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which 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); or
- (v) the Securities or any part thereof are or would be treated as a derivative or an embedded derivative for United Kingdom tax purposes; or
- (vi) the Issuer would be required to bring into account any amount of income, profit or gain or other taxable credit or taxable item for United Kingdom tax purposes, or any other liability to tax would arise, in respect of a write-down of the principal amount of the Securities or the conversion of the Securities into shares (or both) (including pursuant to the terms and conditions of the Securities or as a result of the exercise of Statutory Loss Absorption Powers); or
- (vii) the Securities are not or would not be treated as “normal commercial loans” for the purposes of Chapter 6 of Part 5 of the Corporation Tax Act 2010; or
- (viii) the Issuer suffers or would suffer any other material adverse tax consequence in connection with the Securities,

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

“Tax Law Change” means a change in or proposed change in, or amendment to or proposed 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 official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority 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 (x) (subject to (y)) becomes, or would become, effective on or after the Reference Date, or (y) in the case of a change in law or regulation, is enacted on or after the Reference Date;

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

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

“Trigger Event” means that the CET1 Ratio of the Issuer Group has fallen below 7.00 per cent.;

“Trigger Event Notice” means the notice referred to as such in Condition 6 which shall be given by the Issuer to the Holders, in accordance with Condition 15, the Trustee, the Registrar, the Principal Paying Agent and the

Relevant Authority, which states with reasonable detail the nature of the relevant Trigger Event, the basis of its calculation and the relevant Write Down Date (which may be a date prior to, on or following the date of the Trigger Event Notice);

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

“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;

“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 Securities thereby become redeemable or repayable in accordance with these Conditions); or
- (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; and

“Write Down Date” has the meaning given to it in Condition 6.

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

Words and expressions defined in the “Terms and Conditions of the Securities” 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 Securities 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 Securities.

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

Accountholders

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 Security represented by a Global Certificate (an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or such other Alternative Clearing System (as the case may be) as to the outstanding principal amount of such Securities standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Securities (and the term “**Holders**” and references to “**holding of Securities**” and to “**holder of Securities**” shall be construed accordingly) for all purposes other than with respect to payments on such Securities, for which purpose the Registered Holder shall be deemed to be the holder of such aggregate principal amount of the Securities in accordance with and subject to the terms of the Global Certificate and the Trust Deed.

Each Accountholder must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for its 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). Each Accountholder shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities 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 Securities held in Euroclear or Clearstream, Luxembourg or any Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the Relevant Clearing System.

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

- (i) if the Securities 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 Securities when it is due and payable or in the event of a Winding-Up,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Accountholder has given the Registrar not less than 30 days' notice at its specified office of such Accountholder's intention to effect such transfer. Where the holding of Securities 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 Securities 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 Securities 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 Securities represented by the Global Certificate (such principal amount being subject to Automatic Write Down pursuant to Condition 6 (*Automatic Write Down*)), and not per Calculation Amount as provided in Condition 4 (*Interest Payments*).

Automatic Write Down

In the event of an Automatic Write Down pursuant to Condition 6 (*Automatic Write Down*), the principal amount of the Global Certificate will be written down to zero and cancelled in full accordance with the procedures of Euroclear or Clearstream, Luxembourg as applicable and will not be restored in any circumstances thereafter.

Payments

For so long as the Registered Holder is shown in the Register as the holder of the Securities evidenced by a Global Certificate, the Registered Holder shall (subject as set out above under "*Accountholders*") in all respects be entitled to the benefit of such Securities and shall be entitled to the benefit of the Agency Agreement. Payments of all amounts payable under the Conditions in respect of the Securities 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 Securities 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 Securities 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 8(a)(ii) (*Method of Payment*)) 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 Security following its redemption or purchase by the Issuer will be effected by reduction in the aggregate principal amount of the Securities in the register of Holders and by the annotation of the appropriate schedule to the Global Certificate.

Notices

For so long as the Securities 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 Holders 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 Securities 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 Securities 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 Holders, the holder of the Securities 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 Securities.

Trustee's Powers

In considering the interests of Holders 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 and treat such accountholders as if such accountholders were the holders of the Securities represented by the Global Certificate.

Written Resolution and Electronic Consent

For so long as the Securities 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 Holder 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 Securities 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 Holders, 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 Securities 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 Securities by the Trustee and the Registrar.

USE OF PROCEEDS

The proceeds of the issue of the Securities will be on-lent to Vida Bank by way of the Issuer purchasing an equivalent principal amount of additional tier 1 securities to be issued by Vida Bank.

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

VIDA GROUP HOLDINGS PLC

Vida Group Holdings plc (the “**Issuer**”) is a public limited company incorporated and registered in England and Wales under the Companies Act 2006. The Issuer was incorporated on 16 October 2015 under the name Belmont Green Ltd (subsequently renamed to Belmont Green Limited) (“**BGL**”) with company number 09828204. On 7 August 2024, BGL changed its name to Vida Group Holdings Limited (“**VGHL**”). On 14 April 2026, VGHL re-registered as a public company and changed its name to Vida Group Holdings plc. The registered office of the Issuer is 1 Battle Bridge Lane, London, SE1 2HP.

The principal activity of the Issuer is to act as the holding company of the Group (the “**Group**”, being the Issuer and its consolidated subsidiaries).

The main operating company of the Group is Vida Bank, a wholly-owned subsidiary of the Issuer. Vida Bank was incorporated on 22 October 2015 under the name Belmont Green Finance Ltd (subsequently renamed to Belmont Green Finance Limited) (“**BGFL**”) with company number 09837692. On 19 November 2024 BGFL received PRA authorisation to accept deposits and so became a fully licensed UK bank and on 25 November 2024, BGFL changed its name to Vida Bank Limited.

The registered office of the Issuer and Vida Bank is 1 Battle Bridge Lane, London, SE1 2HP, and they have an additional office in Newcastle.

The Issuer is approved by the PRA as a parent financial holding company of Vida Bank.

Vida Bank is authorised by the PRA and is regulated by the FCA and PRA. Vida Bank is regulated by the FCA for the purposes of accepting deposits, entering into regulated mortgage contracts and the administration of regulated mortgage contracts and by the PRA for the purposes of accepting deposits and holds the relevant authorisations under FSMA and data protection legislation.

Ownership

The Issuer’s majority shareholder is Pine Brook PD (Cayman) Intermediate, LP (“**Pine Brook LP**”). 100 per cent. of the ownership of Pine Brook LP is held by Pine Brook Capital Partners II (Cayman) AV, L.P. (“**Pine Brook AV LP**”). Pine Brook AV LP is an investment vehicle for Pine Brook Partners. PBRA (Cayman) Company acts as General Partner of Pine Brook LP and Pine Brook AV LP.

Pine Brook Partners is a venture capital / private equity manager established in 2006 which specializes in investing in the financial services and energy industries. Since inception, Pine Brook Partners has consistently applied its strategy to more than 50 investments and, together with its limited partner co-investors, has invested and committed to invest approximately \$5.5 billion in its portfolio companies.

Pine Brook LP holds 99.7 per cent. of the ordinary shares of the Issuer as of 30 June 2026; the remaining 0.3 per cent. is held by other minority shareholders.

Pine Brook LP is represented on the Boards of the Issuer and Vida Bank and all Board Committees.

The Issuer, Pine Brook LP, as majority shareholder, and other minority shareholders (together the “**Shareholders**”) entered into a Securityholders’ Deed, which was most recently amended and restated on 15 April 2026 (the “**Securityholders’ Deed**”), which includes pre-emptive rights for the Shareholders to subscribe for certain issuances of debt and equity securities by the Issuer or its subsidiaries.

All Shareholders of the Issuer have waived the pre-emptive rights in relation to the public offering of the Securities by the Issuer and the equivalent principal amount of securities to be issued by Vida Bank.

Purpose and Strategy

Vida Bank was established in 2015 as a specialist mortgage lender, meeting the needs of under-served customers who typically fall outside the underwriting parameters of mainstream mortgage lenders through the Vida Homeloans brand. Guided by its core purpose to ‘Help More People Find a Place to Call Home’.

Its authorisation as a bank has enabled Vida Bank to diversify its funding sources, and in December 2024 through the Vida Savings brand its first savings product was launched.

Vida Bank’s strategy is built around five priorities:

1. Profitable, disciplined growth;
2. Differentiated decisioning and origination capability;
3. Targeted distribution and broker partnerships;
4. Resilient and efficient funding model; and
5. A strong culture and engaged people.

Profitability

The Group has reported five consecutive years of statutory profits and the Group’s financial results for the six months ended 30 June 2026 demonstrate the strength of the Group’s new bank operating model. Profit before tax was £4.8 million for the six months ended 30 June 2026 compared to £10.7 million for the six months ended 30 June 2025.

Net interest income for the six months ended 30 June 2026 was £30.5 million (30 June 2025: £20.4 million). The Group’s NIM improved to 2.34 per cent. for the six months ended 30 June 2026 (30 June 2025: 2.13 per cent.). The increase in NIM primarily reflected the lower cost of funds achieved with retail deposit funding. See further “*Funding*” below.

The Group continues to invest in people and Vida Bank’s operating platform to support the growth in the business in 2026 and together with an increase in deposit servicing costs driven by higher volume, for the six months ended 30 June 2026, administrative expenses increased by 19 per cent. to £23.0 million (30 June 2025: £19.4 million).

The Group’s cost to income ratio reduced to 77 per cent. for the six months ended 30 June 2026 (31 December 2025: 78 per cent.).

Balance Sheet

As at 30 June 2026, total assets were £4.6 billion (31 December 2025: £3.6 billion) and loans to customers were £3.0 billion (31 December 2025: £2.3 billion).

Residential Mortgages

Vida Bank specialises in providing tailored Residential Owner-Occupied (“**ROO**”) and BTL mortgages to customers in England, Wales and Scotland.

Mortgages are distributed exclusively through FCA authorised intermediaries. Vida Bank’s V-Hub centralises all intermediary-facing activities, offering direct access and communication with underwriters.

Vida Bank applies robust underwriting, affordability and lending criteria across credit tiering to its customers, for both ROO and BTL.

Vida Bank’s mortgage lending programme is designed for under-served customers, especially those with more nuanced personal circumstances or borrowing needs. On ROO these typically include those with complex

income patterns, self-employed, unusual property types, and customers with ‘thin’ credit histories. For BTL, target customers include landlords with a BTL business set up through a limited company, multi-use or other more complex properties, or homes with a multiple occupancy set-up. Often it is a combination of these types of circumstances that results in Vida Bank customers being unable to access a mortgage from a mainstream mortgage lender.

In the six months ended 30 June 2026, mortgage originations grew to £840 million (30 June 2025: £348 million); this was supplemented by retention of £93 million (30 June 2025: £128 million) as maturing customers took a new mortgage deal with Vida.

Gross loans to customers increased by 31 per cent. to £3,012 million as at 30 June 2026 (31 December 2025: £2,302 million).

The mortgage loan book is predominantly comprised of fixed rate loans, giving customers payment security.

BTL loans continue to make up the majority of the loan book, representing 68 per cent. at the end of June 2026 (31 December 2025: 69 per cent.), with the remaining 32 per cent. of the loan book (31 December 2025: 31 per cent.) secured on ROO properties.

£'000	30 June 2026	31 December 2025	30 June 2025	31 December 2024
BTL	2,035,774	1,594,451	1,303,090	1,347,776
ROO	975,905	707,186	519,744	508,549
Second Charge	570	575	767	881
Gross Loans to Customers	3,012,249	2,302,212	1,823,601	1,857,206

The mortgage loan book's weighted average current indexed LTV stood at 71 per cent. as at 30 June 2026 (31 December 2025: 68 per cent.), and as at 30 June 2026 7.9 per cent. of the loan book had an LTV of above 90 per cent. (31 December 2025: 4.6 per cent.).

£'000	30 June 2026	31 December 2025	30 June 2025	31 December 2024
0% – 50%	208,013	195,588	197,034	202,733
50% – 60%	283,558	277,759	281,682	309,897
60% – 70%	557,732	581,938	571,468	672,047
70% – 80%	1,124,987	778,598	565,635	532,806
80% – 90%	601,701	361,653	176,626	133,859
> 90%	236,258	106,676	31,156	5,864
Gross Loans to Customers	3,012,249	2,302,212	1,823,601	1,857,206

The average LTV at origination in the six months ended 30 June 2026 was 76 per cent. (30 June 2025: 78 per cent.).

The weighted average current indexed LTV for ROO was 73 per cent. and BTL 70 per cent., in each case, as at 30 June 2026 (31 December 2025: 64 per cent. and 66 per cent. respectively).

The majority of the loan book is lent to mortgage customers in England. The geographical split of the loan book at 30 June 2026 was:

(%)	30 June 2026	31 December 2025	30 June 2025	31 December 2024
East of England	11.2%	11.3%	10.7%	10.6%
East Midlands	6.2%	5.7%	5.4%	5.0%
London	31.2%	33.4%	36.7%	38.0%
North East	2.4%	2.2%	2.3%	2.1%
North West	7.9%	7.5%	6.5%	6.2%
South East	14.1%	14.2%	14.3%	14.2%
South West	6.4%	6.1%	5.9%	5.9%
West Midlands	7.0%	6.6%	6.2%	6.3%
Yorkshire and the Humber	5.5%	5.1%	4.8%	4.7%
Total England	91.9%	92.1%	92.8%	93.0%
Scotland	4.8%	4.8%	4.4%	4.3%
Wales	3.2%	3.1%	2.8%	2.7%
Gross Loans to Customers	100.0%	100.0%	100.0%	100.0%

Vida Bank remains focused on supporting its customers and its approach to arrears management, including pre-arrears strategies, ensures that customers, particularly vulnerable customers, get the support they need.

Although Vida Bank's loan book arrears are above the average level seen across the wider mortgage market, this reflects the specialist nature of its mortgage lending.

Arrears rates improved in the six months ended 30 June 2026, with loans more than three months in arrears representing 1.7 per cent. of the total portfolio balances as at 30 June 2026 (31 December 2025: 2.0 per cent.) with ROO at 2.4 per cent. (31 December 2025: 3.3 per cent.) and BTL at 1.3 per cent. (31 December 2025: 1.5 per cent.).

Provisions increased in the six months ended 30 June 2026 to £8.6 million as at 30 June 2026 (31 December 2025: £7.1 million) with the provision coverage ratio decreasing in the six months ended 30 June 2026 to 0.28 per cent. as at 30 June 2026 (31 December 2025: 0.31 per cent.).

As at 30 June 2026, there were three ROO loans with the secured property in possession (30 June 2025: 1) and 15 BTL loans with the secured property in possession (30 June 2025: 10). There were 11 repossession sales during the six months ended 30 June 2026 (30 June 2025: 6) which resulted in a charge of £0.5 million for the six months ended 30 June 2026 (30 June 2025: £0.2 million charge).

Funding

The Group balance sheet was primarily funded by wholesale funding until the launch of its retail savings platform in 2024 following the approval of the banking licence.

Vida Bank has appointed Newcastle Strategic Solutions Limited (“**NSSL**”) as its retail savings platform provider and has established partnerships with Hargreaves Lansdown, Raisin, Insignis and Bondsmith, who are deposit aggregators. Retail deposits are acquired via a range of easy access, defined access, notice, fixed term savings products and ISAs.

Retail deposit inflows have been strong since the launch of the Vida Savings brand and this has provided a noticeable benefit to Vida Bank’s funding structure and supports mortgage origination growth.

Vida Bank’s savings balances as at 30 June 2026 were £3,387 million (31 December 2025: £2,426 million), with £2,060 million in ISAs and £1,327 million in non-ISAs (31 December 2025: £1,284 million and £1,142 million respectively).

In addition to the benefit of a more diversified funding base, the increased proportion of retail deposit funding reduced Vida’s cost of funds in the 12 months ended 31 December 2025 to 0.79 per cent. over the Sterling Overnight Interbank Average (“**SONIA**”) compared to 1.46 per cent. for the 12 months ended 31 December 2024 and in the six months ended 30 June 2026 cost of funds has continued to decrease to 0.55 per cent. over SONIA compared to 1.05 per cent. in the six months ended 30 June 2025.

Customers’ deposits are protected by the FSCS guarantee for a balance up to £120,000, with approximately 99.5 per cent. of Vida Bank’s deposits protected under this scheme as at 30 June 2026 (31 December 2025: 99.8 per cent.).

Wholesale funding remains an important part of the Group’s funding strategy, providing longer tenor and liquidity. Debt securities in issue decreased to £648 million as at 30 June 2026 (31 December 2025: £942 million).

Securitisation has played a key role and the Group has issued 15 Tower Bridge Funding (“**TBF**”) RMBS transactions since inception. In 2025, Vida Bank did not issue under the TBF platform, but in 2026 Vida Bank has raised £350 million across two RMBS transactions and retained a proportion of the AAA rated Class A Notes to support contingent liquidity resources. In 2025 three TBF RMBS transactions were redeemed and in the six months ended 30 June 2026 two further TBF transactions have been redeemed. Following the issuance of TBF 2026-2 in July 2026 Vida Bank has four TBF transactions outstanding, with the next call date in the TBF platform being in September 2026 (TBF 2024-3).

In 2025 the Group introduced a new RMBS securitisation platform London Bridge Mortgages (“**LBM**”) and issued the inaugural LBM 2025-1 in June 2025. Vida Bank may explore opportunities for a further securitisation transaction in 2026 (subject to market conditions), the size of which would be expected to be broadly commensurate with growth in the Group’s mortgage loan book since the 2025 transaction. As such, LBM 2026-1 plc and LBM 2026-1 Holdings Limited have been incorporated in preparation and are registered with Companies House.

Capital

The Group’s regulatory capital position on a consolidated basis as at 30 June 2026, 31 December 2025, 30 June 2025 and 31 December 2024 is set out below:

Actuals

£’000	30 June 2026	31 December 2025	30 June 2025	31 December 2024
CET 1	175,513	168,319	160,756	160,316
AT1	-	-	-	-

Tier 2	33,675	34,110	-	-
Total Capital Resources	209,188	202,429	160,756	160,316
Total RWAs	1,311,238	1,105,780	938,241	986,809

Ratios

(%)	30 June 2026	31 December 2025	30 June 2025	31 December 2024
CET 1	13.4%	15.2%	17.1%	16.2%
Tier 1	13.4%	15.2%	17.1%	16.2%
Total Capital	16.0%	18.3%	17.1%	16.2%
Leverage	3.9%	4.9%	5.8%	6.9%

Requirements

(%)	30 June 2026	31 December 2025	30 June 2025	31 December 2024
Pillar 1	8.0%	8.0%	8.0%	8.0%
Pillar 2A	1.0%	1.2%	1.2%	1.2%
Capital Conservation Buffer	2.5%	2.5%	2.5%	2.5%
Countercyclical Capital Buffer	2.0%	1.9%	1.9%	1.9%
Total Capital Requirement	13.5%	13.6%	13.6%	13.6%

A capital reallocation exercise was undertaken during the fourth quarter of 2025 as a precursor to potential further balance sheet optimisation. This involved reducing the level of issued share capital and transferring the corresponding value into retained earnings. This accounting reclassification did not change the overall level of equity in the business, nor did it affect the ownership structure. Instead, it simplified the composition of the Group's capital, creating greater flexibility to support future balance sheet optimisation and potential capital management initiatives.

The SDDT regime will introduce a non-cyclical SCB for SDDTs as part of a revised Pillar 2 capital framework. To support SDDTs' safety and soundness, an SDDT's SCB will be set at least to 3.5 per cent. of its risk weighted assets (or to a higher level depending on the risks to which it is exposed and/or how well it is risk managed and governed). SDDTs that opt in to the regime will cease to be subject to the current capital buffer framework based on multiple capital buffers (the capital conservation buffer, the countercyclical capital buffer, and the PRA Buffer). This is intended to make the capital regime less complex for SDDTs but there can be no assurance that this will be the case.

The Issuer received its modification by consent for a CRR consolidation entity to become an SDDT consolidation entity on 2 April 2026 and currently expects to elect to apply the SDDT regime from 1 January 2027. Once the Issuer becomes regulated under the SDDT regime, the provisions of Condition 5(c) (*Mandatory cancellation of interest – Maximum Distributable Amount*) are expected to cease to apply to the Securities. However, the Issuer may still elect, may be required under a capital restoration plan or may be directed by the

PRA, to reduce or cancel interest payments on Securities, including (without limitation) if it were to fail to meet its new SCB requirement.

Liquidity

The Group maintains a liquid asset portfolio that is primarily comprised of cash and balances at central bank, UK Gilts and T-Bills, listed securities issued by supranationals and AAA rated covered bonds. Net High Quality Liquid Assets (“**HQLA**”) balances increased to £1,038 million as at 30 June 2026 (31 December 2025: £1,071 million).

Liquid assets can be monetised through outright sale and repurchase agreements (repos).

As at 30 June 2026, HQLA with a carrying value of £316 million (31 December 2025: nil) were pledged as collateral under repurchase agreements. Associated liabilities amounted to £300 million (31 December 2025: nil).

The Group uses a stressed forward looking cash flow profile (both inflows and outflows) to determine the minimum level of liquidity resources necessary to cope with expected and unexpected liquidity challenges. In addition to assessing compliance with all regulatory liquidity requirements, the Group also measures the adequacy of liquidity resources against net outflows in a range of internally designed stress scenarios which range in their nature, severity and minimum survival horizons.

As at 30 June 2026, and throughout the preceding six months, the Group held significant surplus liquidity over the minimum requirements and maintained a prudent funding profile. The Group’s LCR was 145 per cent. as at 30 June 2026 (31 December 2025: 163 per cent.). The Group’s NSFR was 126 per cent. as at 30 June 2026 (31 December 2025: 138 per cent.). The Loan to Deposit ratio was 90 per cent. as at 30 June 2026 (31 December 2025: 96 per cent.).

Asset encumbrance has reduced to 24 per cent. as at 30 June 2026 (31 December 2025: 29 per cent.).

Vida Bank has access to the BoE’s Sterling Monetary Framework, including a reserves account.

Board

The Issuer and Vida Bank operate on the basis of a unified business strategy, to ensure that the long-term strategic objectives of the Group and Vida Bank are met and have common boards (the “**Board**”), albeit the principal business activities of the Group are carried on by Vida Bank. The Board is comprised of two classes of directors, class 1 directors as appointed by Pine Brook LP, as shareholder, and class 2 directors being management directors and other independent directors.

Directors

Name	Position	Other Directorships
Stuart Sinclair	Chair	Willis Ltd International Personal Finance Advisory Board of Bradford Literature Festival
Carol Sergeant CBE	Senior Independent Non-Executive Director	HSBC Continental Europe
Robin Churchouse	Independent Non-Executive Director	National Counties Building Society trading as Family Building Society

Alexander Filshie	Independent Non-Executive Director	Travel International Limited
Dana Laforge	Non-Executive Director (represents the interests of Pine Brook LP)	Clear Blue Financial Holdings Amedeo Holding Company Limited Pelagos Insurance Capital Ltd Myeloma Investment Fund
Anth Mooney	Chief Executive Officer	None
John Rowan	Chief Financial Officer	Pointer Holdings Limited Inzolia Limited

Conflicts of Interest

Dana Laforge was appointed to the Board by Pine Brook LP pursuant to their rights under the Articles of Association and Securityholders' Deed of the Issuer and Vida Bank, which could present a potential conflict of interest in circumstances where the interests of (i) the Issuer and/or Vida Bank and (ii) Pine Brook LP are not, or may not, be aligned. Any conflicts that arise are considered and approved on a case-by-case basis.

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

Board Committees

The Board has established several formal sub-committees, each with formally delegated duties and responsibilities set out in written terms of reference. From time to time, other committees may be set up by the Board to consider specific issues.

Board Audit Committee ("BAC")

The primary role of the BAC is to assist the Board in fulfilling its oversight responsibilities for matters relating to accounting, financial reporting, the system of internal control including the effectiveness and oversight of the internal audit function, and for monitoring compliance with all applicable laws and regulations.

The BAC is also responsible for the review and recommendation to the Board of the appointment of external auditors, including the annual audit plan and supply of non-audit services.

Board Risk Committee ("BRC")

The BRC assists the Board in fulfilling its oversight responsibilities for risk management across the Group.

The BRC's responsibilities include oversight of the risk culture of the organisation and oversight of all risks that the organisation faces, including business risk, capital risk, liquidity risk, funding risk, retail credit risk, wholesale credit risk, model risk, market risk, operational risk and conduct risk.

The BRC is responsible for reviewing risk appetite, policies, limits, exposures and performance and the effectiveness of the enterprise risk management framework, ensuring compliance with relevant regulation and legislation and adherence to the requirements of the Consumer Duty framework across the organisation.

In addition, the BRC provides oversight of outsourcing services including the review and approval of the Group's risk appetite and tolerance levels for outsourcing, suppliers and services, the effectiveness of arrangements and concentration risk, with a focus on material outsourcing services.

Remuneration and Nominations Committee (“RemNomCo”)

The RemNomCo assists the Board in fulfilling its oversight and governance responsibilities in relation to corporate governance, remuneration and nominations activity.

The RemNomCo is responsible for setting and monitoring policies for remuneration, reward, benefits and incentives and for overseeing the Group’s Equality, Diversity & Inclusion (“**EDI**”) activities and strategy, as it relates to remuneration/nominations including gender balance and pay gap reporting.

The RemNomCo oversees Board and Committee effectiveness, leads the process for appointments and oversees the development of succession planning for Board and executive positions, establishing plans to ensure orderly succession, as well as to establish a diverse pipeline of talent.

Senior Management

The Executive Committee is responsible for executing the strategy and for the day-to-day running of Vida Bank.

The Chief Executive Officer chairs the Executive Committee and is supported by a robust framework of effective systems of internal controls, risk management and compliance with regulatory requirements. A number of executive level committees support the Executive Committee each with its own documented terms of reference and include the Assets and Liabilities Committee, Performance Change Committee, Executive Risk Committee, Customer Committee and Culture Committee.

Name	Position
Anth Mooney	Chief Executive Officer
John Rowan	Chief Financial Officer
Fraser McNeill	Chief Risk Officer
Tommy Wright	Chief Operating Officer
Amanda Robinson	Chief Legal and Culture Officer

Outsourcing and Suppliers

The Group uses external suppliers to provide a range of services and has an embedded outsourcing and supplier policy, that provides the appropriate resources and mechanisms to ensure effective oversight of these services.

Since the launch of Vida Bank (then BGFL) in 2016, all post-completion mortgage servicing has been outsourced to Homeloan Management Limited (“**HML**”). HML is an experienced third-party mortgage servicer in the UK, with a track record of providing servicing using its in-house robust mortgage platform (iConnect). Computershare Limited acquired HML in 2014 and announced on 25 September 2025 that it has entered into a definitive agreement to sell its U.K. Mortgage Services business (CLS UK) to Advantage Odyssey Limited (a Pepper Advantage Limited company) subject to regulatory approval. Regulatory approval was granted and the sale completed on 2 February 2026 with CLS UK transitioning into the Pepper Advantage structure.

In 2024 Vida Bank announced its partnership with NSSL to support the launch of its retail savings platform. The fully managed platform provided by NSSL covers account opening channels for online accounts, as well as full lifecycle management.

There are no supply contracts that have been entered into other than in the ordinary course of the Group’s business which could result in the Issuer being under an obligation that is material to the Issuer’s ability to meet its obligations to holders of the Securities.

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 Securities, 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 Holders who are in doubt as to their own tax position should consult their professional advisers. In particular, Holders should be aware that the tax legislation of any jurisdiction where a Holder 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 Securities including in respect of any income received from the Securities.

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 Securities. 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 Securities 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 Securities are attributable) and are the absolute beneficial owners thereof. In particular, Holders holding their Securities 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 Holders.

Interest on the Securities

While the Securities 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 Securities 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 (currently at the rate of 20 per cent., and increasing to 22 per cent. with effect from 6 April 2027) 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 Securities ceased 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), Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Where Securities are to be, or may fall to be, redeemed at a premium as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest that would be subject to the rules on United Kingdom withholding tax outlined above.

Stamp duty and stamp duty reserve tax

No liability to UK stamp duty or stamp duty reserve tax should arise on the issue or transfer of the Securities provided that the Securities each constitute a “hybrid capital instrument” within the meaning of Section 475C of the Corporation Tax Act 2009, and there are no arrangements, the main purpose, or one of the main purposes, of which is to secure a tax advantage (the “**HCI Rules**”).

The Securities should constitute “hybrid capital instruments” for the purposes of the HCI Rules provided that:

- the Issuer is entitled to defer or cancel a payment of interest under the Securities (which is the case as the Issuer has the right to cancel payments of interest under the Securities);
- the Securities “have no other significant equity features” (which should be the case); and
- the Issuer has made an election in respect of the Securities which has effect for the accounting period in question.

The Issuer will make a hybrid capital instrument election in respect of the Securities pursuant to Section 475C of the Corporation Tax Act 2009 and the Securities are not issued in consequence of, or otherwise in connection with, any arrangements, the main purpose, or one of the main purposes of which, is to secure a tax advantage. Consequently, the Issuer expects that the HCI Rules should apply to the Securities such that they would benefit from the exemption from all stamp duties.

Even if the HCI Rules did not apply to the Securities, no UK stamp duty or stamp duty reserve tax should be payable on the issue of the Securities and no stamp duty or stamp duty reserve tax should be payable on the transfer of Securities within a clearing system (such as Euroclear or Clearstream, Luxembourg) without a written instrument of transfer, provided that no election is or has been made by the relevant clearing system under section 97A of the Finance Act 1986 (a “**97A election**”) that applies to the Securities. However, if a 97A election were to apply to the Securities in the future, transfers of the Securities within the relevant clearing system could, unless the HCI Rules or another exemption applies, be subject to stamp duty reserve tax, generally at the rate of 0.5 per cent. of the consideration given under the agreement to transfer the Securities.

No liability to UK stamp duty or stamp duty reserve tax will generally arise on a cash redemption of Securities, provided no issue or transfer of shares or other Securities is effected upon or in connection with such redemption.

United States

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of FATCA to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, 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 Securities, 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, Securities 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 securities (as described under *“Terms and Conditions of the Securities—Further Issues”*) that are not distinguishable from outstanding Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including outstanding Securities 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 Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay Additional Amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Sole Manager has, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 19 August 2026, agreed to subscribe or procure subscribers for the Securities 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 Sole Manager in respect of certain of its expenses and has agreed to indemnify the Sole Manager against certain liabilities, incurred in connection with the issue of the Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

United States

The Securities 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 Securities are being offered and sold only outside the United States to persons other than U.S. persons as defined in Regulation S under the Securities Act (“**Regulation S**”) in offshore transactions in reliance on, and in compliance with, Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

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

United Kingdom

The Sole Manager has represented, warranted and agreed that:

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities 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 Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

Prohibition of Sales to UK Retail Investors

The Sole Manager has represented, warranted and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Securities 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 UK MiFIR.

Prohibition of Sales to EEA Retail Investors

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

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

General

The Sole Manager has agreed that it will, 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 Securities 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 Securities 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 the Sole Manager represents that the Securities may at any time lawfully be sold in or from any jurisdiction in compliance with any applicable registration requirements or pursuant to an exemption available thereunder or assumes any responsibility for facilitating such sales.

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

GENERAL INFORMATION

1. An application will be made to the London Stock Exchange for the Securities 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 Securities. The issue of the Securities was authorised by the Board of Directors of the Issuer on 23 July 2026.
3. There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2026 and no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2025.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of these Admission Particulars which may have or have had in such period or in the recent past had, significant effects on the financial position or profitability of the Issuer or the Group.
5. The Securities 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 346103035. The International Securities Identification Number (“ISIN”) for the Securities is XS3461030358.

The Classification of Financial Instruments (CFI) and Financial Instrument Short Name (FISN) for the Securities 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 Securities.

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 2138009BAUAB9RYCM824.
7. Based upon an issue price of 100.000 per cent. of the principal amount of the Securities, the yield of the Securities for the period from (and including) the Issue Date to (but excluding) the First Reset Date, is 11.500 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 Securities remain outstanding, copies of the following documents will be available on the website of the Issuer at <https://www.vidabank.co.uk/about-vida-bank/investors/debt-investors/>:
 - (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. Deloitte LLP, of 4 Brindley Place, Birmingham B1 2HZ, 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 prepared in accordance with UK adopted international accounting standards for the years ended 31 December 2024 and 31 December 2025.

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

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

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