

RNS ANNOUNCEMENT
29 January 2026

PARAGON BANKING GROUP PLC SUCCESSFUL PRICING OF INAUGURAL AT1 NOTES OFFERING

Paragon Banking Group PLC ("the Group" or "Paragon") today announces the successful pricing of its inaugural £150.0 million Fixed Rate Reset Perpetual Contingent Convertible notes (the "Notes").

The Notes will be issued on 5 February 2026, subject to the satisfaction of customary conditions precedent.

Nigel Terrington, Chief Executive, said:

"I'm delighted to announce the successful pricing of our first AT1. The issue demonstrates the market's confidence in our strategy, balance sheet and longer term ambitions.

The transaction generated exceptional demand, with orders of £1.85 billion at final pricing, underscoring the strong market endorsement of the Paragon brand. We are delighted by the depth of support and the confidence investors continue to place in our business.

The capital diversification the issuance brings supports the continuation of our delivery of sustainable value for customers, shareholders and stakeholders, whilst also providing the Group with greater flexibility and optionality going forward."

AT1 issuance - key features

- Total value £150.0 million
- Optional early redemption date 5 February 2033 to 5 August 2033
- Automatic conversion to ordinary shares if the Group's CET1 ratio falls below 7.00%
- Initial coupon 7.5% with a Reset Spread over Gilts of 319.8 basis points
- Interest payments cancellable at Group discretion
- The Notes are expected to be rated "BB" by Fitch and "Ba2" by Moodys
- An application has been made to admit the Notes to trading on the International Securities Market of the London Stock Exchange

Barclays Bank PLC, Merrill Lynch International and UBS AG London Branch were Joint Lead Managers for the issue.

Impacts

The Group recently reported its unverified capital ratios at 31 December 2025. The CET1 ratio stood at 13.3% and the total capital ratio was 15.0%.

Had the AT1 issue taken place at 31 December 2025, the Group's CET1 ratio would have been unchanged, but its Tier 1 ratio (previously the same as the CET1 ratio) would have been 15.0%. The total capital ratio would have been 16.7%.

For financial reporting purposes, the coupon for the notes, as an equity item, will be excluded from the Group's underlying operating income, however, the after-tax effect will be reflected in underlying EPS and RoTE measures.

For further information, please contact:

Paragon Banking Group PLC
Nigel Terrington, Chief Executive
Richard Woodman, Chief Financial Officer
Tel: 0121 712 2505

Headland
Charlie Twigg
paragon@headlandconsultancy.com
Tel: 020 3805 4822

This announcement does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

IMPORTANT INFORMATION

The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S under the Securities Act.

This communication is being distributed to and is directed only at persons in the United Kingdom having professional

experience in matters relating to investments, falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order"), and persons falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). In the UK, this communication must not be acted on or relied on by persons who are not relevant persons. In the UK, any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with such persons.

MFID II/UK MFIR professionals and ECPs-only/No UK/EU PRIIPs KID/FCA CoCo Restriction - the Notes are not intended to be, and must not be, offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK or to any retail investors in the UK or the European Economic Area (the "EEA"). No key information document (KID) required by Regulation (EU) 1286/2014 or that Regulation as it forms part of UK domestic law has been or will be prepared in respect of the Notes, as the Notes are not available to retail investors in the EEA or the UK.

This communication is not an offer of securities or investments for sale nor a solicitation of an offer to buy securities or investments in any jurisdiction where such offer or solicitation would be unlawful. No action has been taken that would permit an offering of securities or possession or distribution of this announcement in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

Credit ratings referred to in this communication should not be taken as recommendations by a rating agency to buy, sell or hold Notes. They may be revised, suspended or withdrawn at any time by the relevant rating agency.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IODEAKFNASFKEFA