

FINAL TERMS

UK MiFIR PRODUCT GOVERNANCE/ PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET - solely for the purposes of each manufacturer's product approval process the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (the "COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds 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 European Economic Area ("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 Regulation (EU) 2016/97 as amended (the "EU 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; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "EU PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making the Covered Bonds available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds 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 Covered Bonds 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 United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

7 March 2025

PARAGON BANK PLC

Legal entity identifier (LEI): 213800ZD686TR7FEP983

**Issue of Regulated £500,000,000 Series 2025-1 Floating Rate Covered Bonds due March 2028
irrevocably and unconditionally guaranteed as to payment of principal and interest by Paragon
Covered Bonds LLP under the £5 billion Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 24 February 2025 which constitutes a base prospectus for the purposes of the Regulation (EU) 2017/1129 as amended and as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “**UK Prospectus Regulation**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus in order to obtain all the relevant information. Copies of the Prospectus are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents and have been published on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html.

The LLP is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the “**Volcker Rule**”. In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the LLP has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended. See “*Certain United States Regulatory Considerations*” in the Prospectus dated 24 February 2025.

1	(i) Issuer:	Paragon Bank PLC
	(ii) Guarantor:	Paragon Covered Bonds LLP
2	(i) Series Number:	2025-1
	(ii) Tranche Number:	1
	(iii) Series which Covered Bonds will be consolidated and form a single Series with:	Not Applicable
	(iv) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above:	Not Applicable
3	Specified Currency or Currencies:	GBP (£)
4	Nominal Amount of Covered Bonds to be issued:	£500,000,000
5	Aggregate Nominal Amount of the Covered Bonds Admitted to trading:	£500,000,000
	(i) Series:	2025-1
	(ii) Tranche:	1
6	Issue Price:	100 per cent. of the Aggregate Nominal Amount
7	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No

		Covered Bonds in definitive form will be issued with a denomination above £199,000.
	(ii) Calculation Amount:	£1,000
8	(i) Issue Date:	11 March 2025
	(ii) Interest Commencement Date:	Issue Date
9	(i) Final Maturity Date	The Interest Payment Date falling in or nearest to March 2028
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	The Interest Payment Date falling in or nearest to March 2029
10	Interest Basis:	Up to but excluding the Final Maturity Date Compounded Daily SONIA + 0.60 per cent. Floating Rate
11	Redemption/Payment Basis:	Redemption at par
12	Change of Interest Basis or Redemption/Payment Basis:	From and including the Final Maturity Date to but excluding the Extended Date for Payment, the following Interest provisions apply:
	(i) Specified Period(s)/Specified Interest Payment Dates(s):	20 th day of each month, from but excluding the Final Maturity Date, to and including the Extended Due for Payment Date
	(ii) Margin(s):	+ 0.60 per cent. per annum.
13	Call Options:	Not Applicable
14	Date of board of directors or delegated sub-committee approval for issuance of Covered Bonds and Covered Bond Guarantee obtained:	18 February 2025 in respect of the Issuer and 7 March 2025 in respect of the LLP

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Covered Bond Provisions:	Not Applicable
16	Floating Rate Covered Bond Provisions:	Applicable
	(i) Specified Period(s)/Specified Interest Payment Date(s):	20 March, 20 June, 20 September, 20 December (provided however that prior to the Extension Determination Date, the Specified Interest Payment Date shall be no more frequent than quarterly, and provided further that after the Extension Determination Date, the Interest Payment Date shall be monthly). The first Interest Payment Date shall be 20 June 2025.
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Centre(s):	Not Applicable
	(iv) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent Bank):	Not Applicable

(v) Screen Rate Determination:	Applicable
• Reference Rate, Specified Time and Relevant Financial Centre:	Reference Rate: Compounded Daily SONIA Relevant Financial Centre: London
• Interest Determination Date(s):	Fifth London Business Day prior to the end of each Interest Period
• Relevant Screen Page:	Reuters Screen SONIA Page or any replacement thereto
(vi) Margin(s)	+ 0.60 per cent. per annum.
(vii) Minimum Rate of Interest:	0.00 per cent. per annum
(viii) Maximum Rate of Interest:	Not Applicable
(ix) Day Count Fraction:	Actual / 365 (Fixed)
17 Zero Coupon Covered Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION BY THE ISSUER

18 Issuer Call:	Not Applicable
19 Final Redemption Amount:	£1,000 per Calculation Amount
20 Early Redemption Amount payable on redemption for taxation reasons, on acceleration following an Issuer Event of Default or an LLP Event of Default	£1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21 New Global Covered Bond:	Yes
22 Form of Covered Bonds:	Bearer Covered Bonds: Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event
23 Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
24 Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature):	No

Signed on behalf of the Issuer:

By:

A handwritten signature in blue ink, appearing to be 'KJW' followed by a flourish.

Duly authorised

Signed on behalf of the LLP:

By:

A handwritten signature in blue ink, appearing to be 'ZJ' followed by a flourish.

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the main market of the London Stock Exchange and to the Official List of the FCA with effect from 11 March 2025.
- (ii) Estimate of total expenses related to admission to trading: £6,350

2 RATINGS

The Covered Bonds to be issued are expected to be rated:

Fitch Ratings Limited (“**Fitch**”): AAA
(endorsed by Fitch Ratings Ireland Limited)

Fitch Ratings Limited (endorsed by Fitch Ratings Ireland Limited) has, in its 11 June 2024 publication “Rating Definitions”, described a credit rating of ‘AAA’ in the following terms: “‘AAA’ ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.”

Moody’s Investor Service Ltd (“**Moody’s**”):
Aaa (endorsed by Moody’s Deutschland GmbH)

Moody’s Investors Service Ltd (endorsed by Moody’s Deutschland GmbH) has, in its 2 January 2025 publication “Rating Symbols and Definitions”, described a credit rating of ‘Aaa’ in the following terms: “Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.”

There is no assurance that the Rating Agencies will rate the Covered Bonds up to their Final Maturity Date.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in “*Subscription and Sale*”, so far as the Issuer and the LLP are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking

transactions with, and may perform other services for, the Issuer and/or the LLP and/or its or their affiliates in the ordinary course of business.

4 OPERATIONAL INFORMATION

(i) ISIN:	XS3019748337
(ii) Common Code:	301974833
(iii) FISN	PARAGON BANK PL/VAR MTN 20280320, as updated, as 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
(iv) CFI Code	DTVXFB, as updated, as 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
(v) Any clearing system(s) other than Euroclear and/or Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
(vi) Delivery:	Delivery against payment
(vii) Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(viii) Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them, the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
(ix) Relevant Benchmark:	SONIA is provided by the Bank of England. As at the date hereof, the Bank of England does not appear in the register of administrators and benchmarks established and maintained by the Financial Conduct Authority pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation. As far as the

Issuer is aware, as at the date hereof, SONIA does not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that Regulation.

5 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

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|------------------------------|--|
| (i) Reasons for the offer | See “ <i>Use of Proceeds</i> ” in the Prospectus |
| (ii) Estimated net proceeds: | £499,250,000 |

6 DISTRIBUTION

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|---|---|
| (i) Method of Distribution: | Syndicated |
| (ii) If syndicated: | Applicable |
| (a) Names of Dealers: | BARCLAYS BANK PLC
BNP PARIBAS
NATWEST MARKETS PLC |
| (b) Stabilising Manager(s) (if any): | NATWEST MARKETS PLC |
| (iii) If non-syndicated, name of Dealer: | Not Applicable |
| (iv) U.S. Selling Restrictions | Reg. S Compliance Category 2; TEFRA D |
| (v) Prohibition of Sales to EEA Retail Investors: | Applicable |
| (vi) Prohibition of Sales to UK Retail Investors: | Applicable |