

Secure Trust Bank PLC

2011 Year End Results

Paul Lynam

Chief Executive Officer

Business highlights – positioned for growth

- **Strong operating performance – PBT £9.6 million ***
 - Increase in underlying profit before tax of £4.3 million (119%) **
 - Customer numbers increased by 45% to 140,000
 - New lending volumes grew 51% to £135.9 million
- **Successful flotation**
 - Raised £12 million gross
 - IPO costs expensed £0.5 million
- **Risk management**
 - Loan to deposits ratio of 57%
 - Impairments £4.6m, remained below the level priced for
 - No exposure to wholesale markets or interbank funding
 - Tier 1 Capital ratio of 21%
 - Diversified lending portfolio
 - Acceleration of fee-based current account growth
 - Leverage ratio of 6.7x

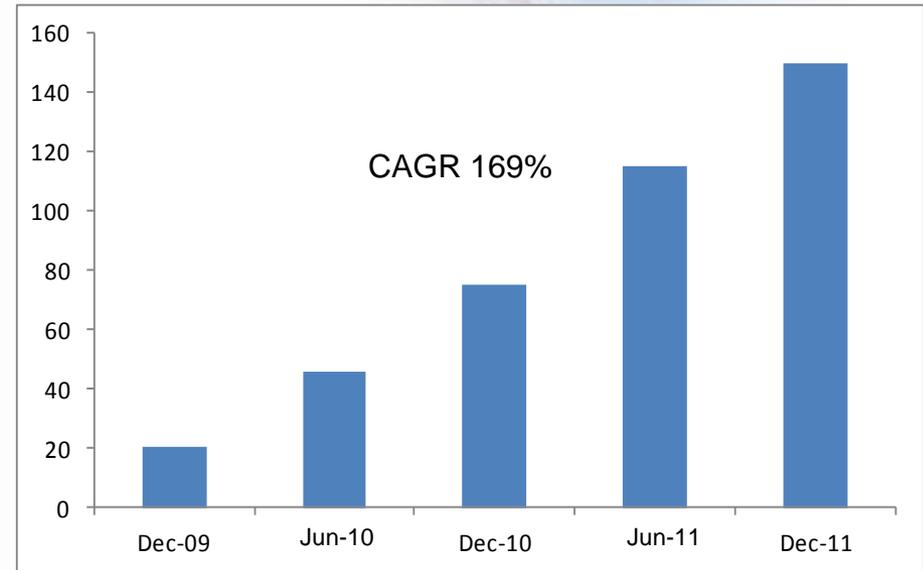
* Before IPO costs and ABG management charges

** Before income from acquired portfolios, IPO costs and ABG management charges

A well capitalised bank with high ROE

	<u>Year ended 31.12.11</u>
Net interest income	£ 17.2m
Adjusted EPS *	55.6p
RoAA *	3.9%
RoAE *	52.2%
Loan book	£ 154.6m
Loan to deposit ratio	57%
Tier 1 capital ratio	21%

Lending assets £m
(excludes acquired portfolios)



* Before IPO costs and ABG management charges

Organic business wins since flotation

Motor

- The Motor team has transacted business with 70% of the Automotive top 100 and regularly supports 85% of the Automotive top 20.
- Notable recent wins in the top 20 include Ford Retail Group, Vospers, Ridgeway, Bridgeend, John Clarke and Westover.
- Named Dealer Finance Provider 2012 last month by the Institute of Transport Management

Personal Lending

- Selected as preferred lending provider for the provision of personal loans to customers of a significant retail business.
- Agreed to provide a second tier bespoke lending proposition for a major furniture retailer.

Neeraj Kapur

Chief Financial Officer

Headline results

	2011	2010
PBT (£m) *	9.6	9.6
PBT pre acquired portfolios (£m) **	7.9	3.6
PBT (£m) reported	7.3	8.7
Loan books (net) (£m)	152.1	86.0
Loans to deposits ratio	57%	58%
Deposits (£m)	272.1	153.8
Core Tier 1 ratio	21%	14%
Customer numbers	140,000	96,000
Adjusted earnings per share (pence) *	55.6	55.5
Shares *** (m)	14.2	12.5

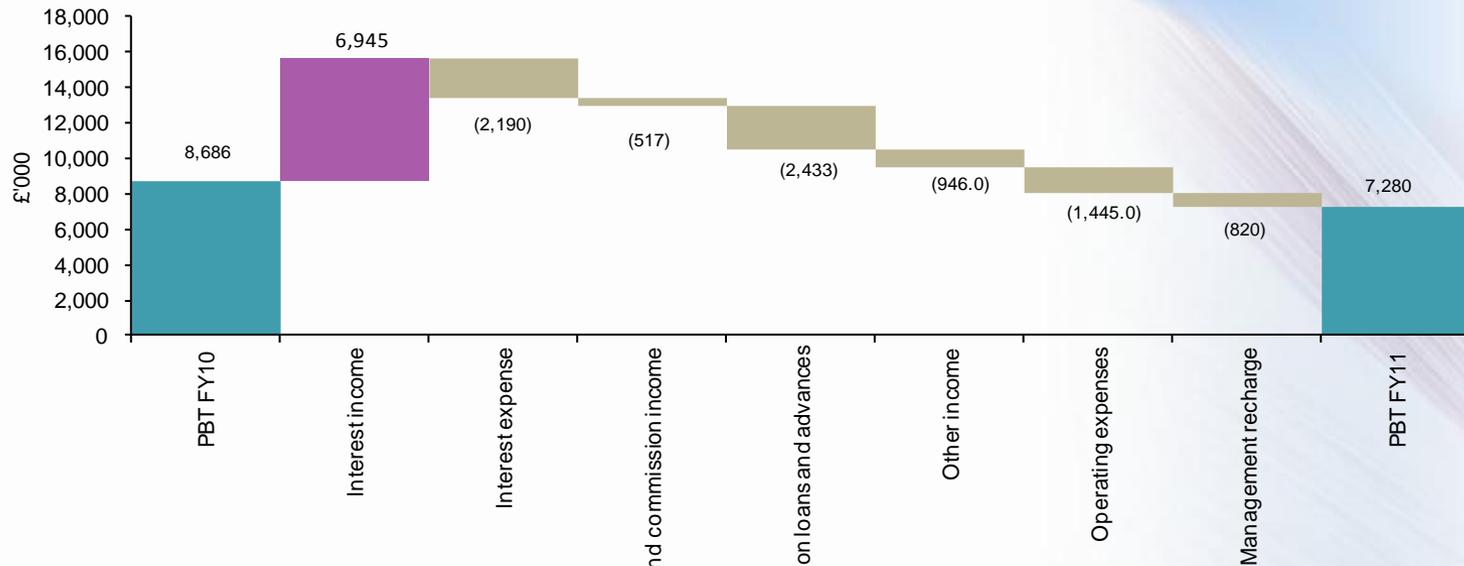
* before IPO costs and ABG management charges

** before acquired portfolios, IPO costs and ABG management charges

*** post share sub-division

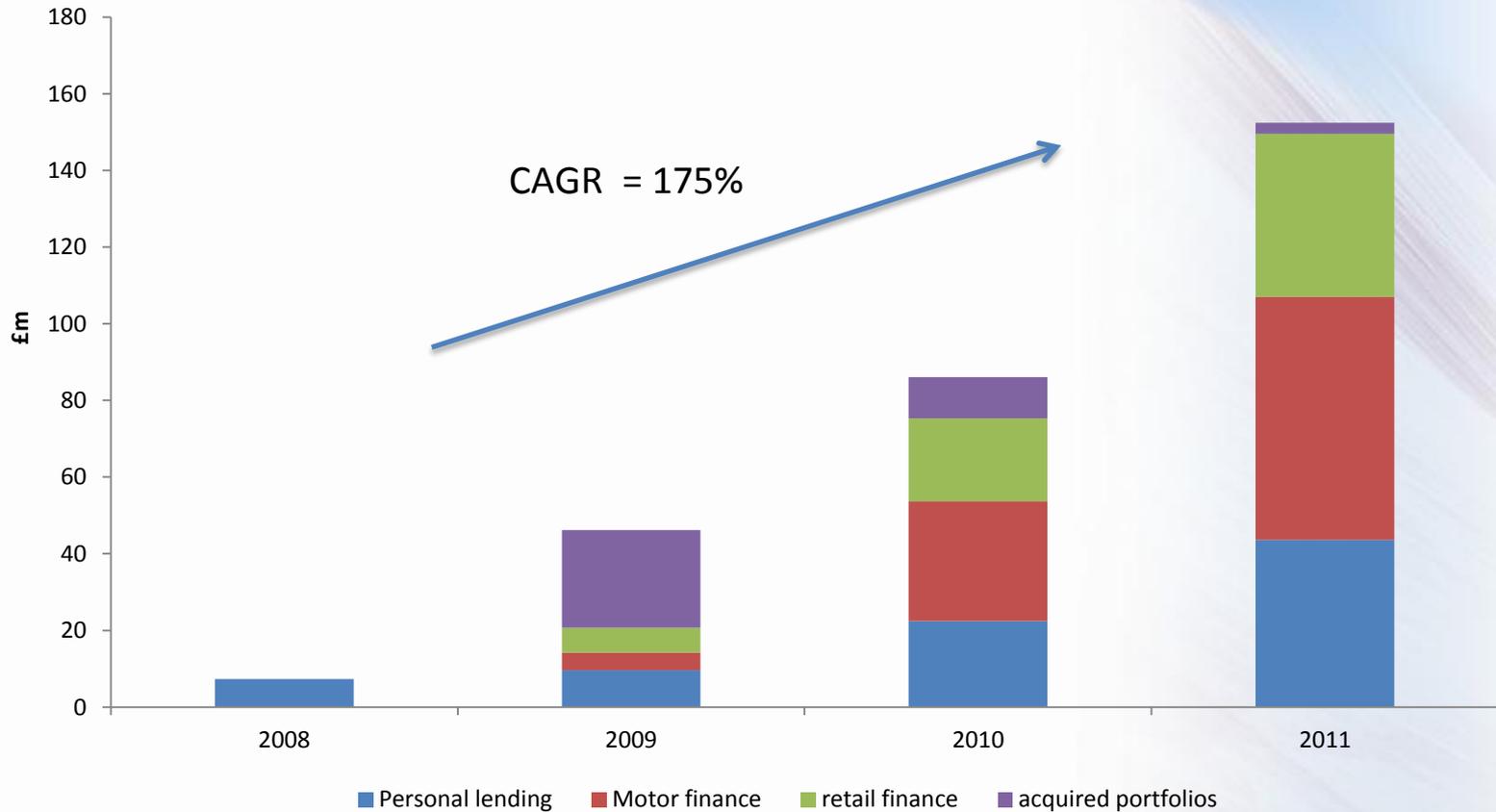
Note 2010 PBT included circa £1m of one off profit arising from provision releases upon balance sheet consolidation

Profit bridge

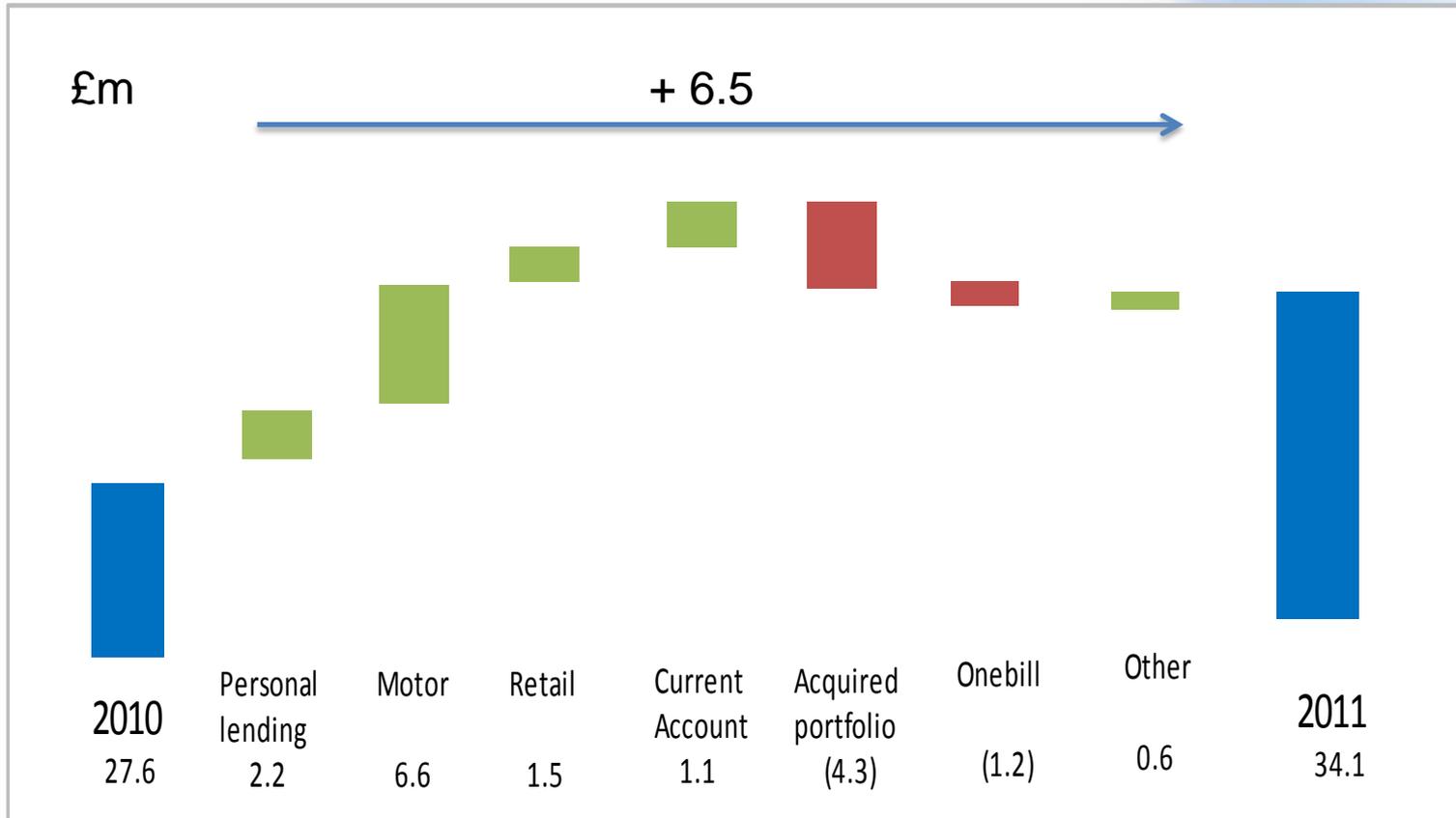


£'000	2011	2010
Profit before tax	7,280	8,686
ABG management charges	1,781	960
IPO costs	536	-
Acquired portfolios income	(1,741)	(6,063)
Underlying profit before tax	7,856	3,583

Customer loan progression

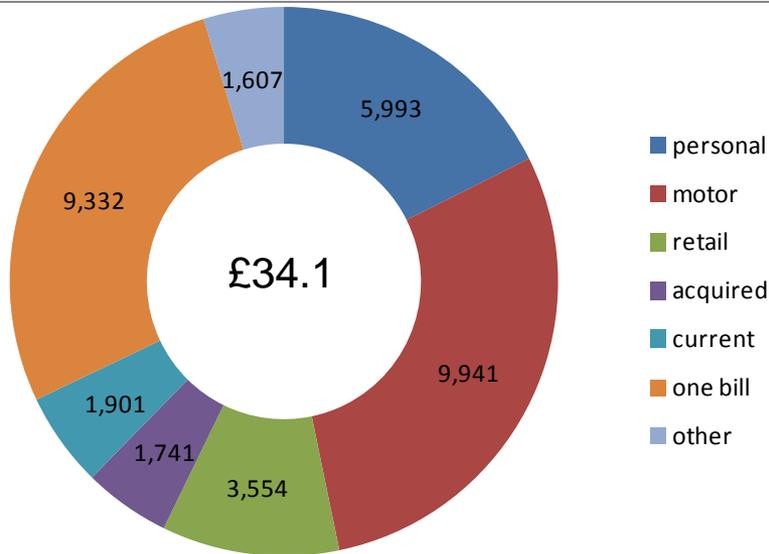


Income bridge

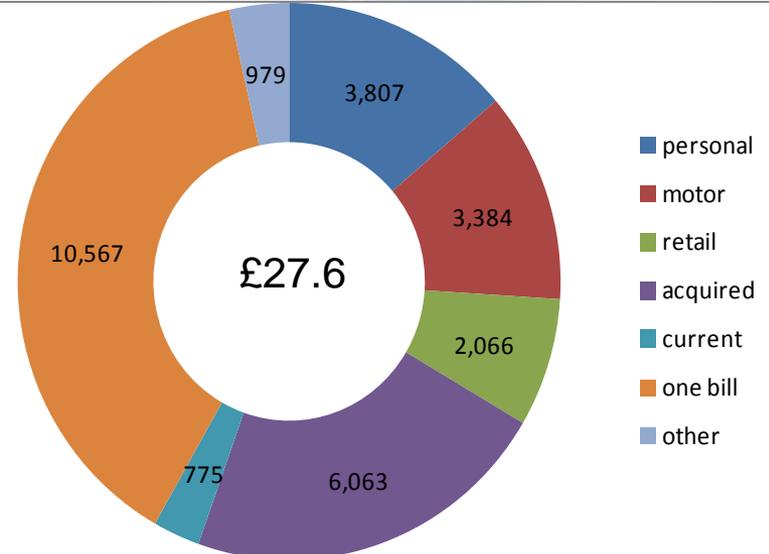


Income analysis (£'000)

2011



2010

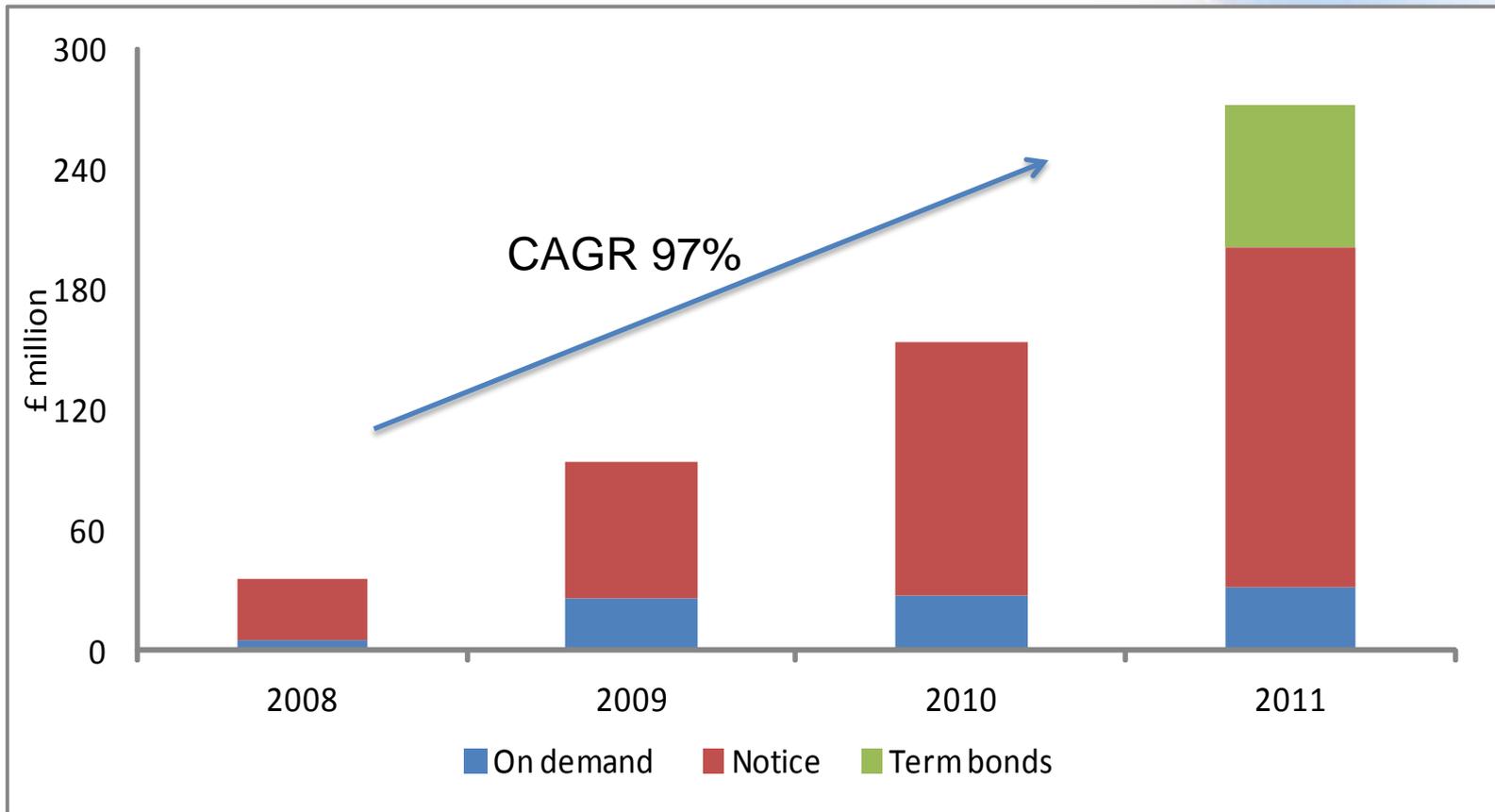


Balance sheet summary

£ million	Dec-09	Dec-10	Dec-11
Lending assets	51.4	89.5	154.6
BoE deposits * and treasury bills	33.3	40.1	134.5
Total assets	115.8	180.6	307.8
Deposits	93.3	153.8	272.1
Total liabilities	103.7	164.9	284.0
Equity	12.0	15.8	23.8
Loans to deposits ratio	55%	58%	57%

* BoE deposits are held on the Company's behalf by Arbuthnot Latham (£81.6 million as at 31.12.11)

Deposit progression



Strategy

1. Protect the reputation and sustainability of the bank via prudent balance sheet management, investment for growth and robust risk and operational control
 2. Maximise shareholder value by
 - A) strong organic lending growth
 - B) promotion of existing and development of new commission based income streams
 - C) very selective acquisitions
 3. Making Secure Trust Bank a great place for staff to work and enjoy progressive careers
- ***All underpinned by our philosophy of treating customers fairly and providing them with simple straightforward banking solutions.***

Summary and outlook

- 2011 was a year of excellent progress.
 - Platform developed to support growth ambitions
 - People
 - IT
 - Substantial proportion of 2010 profits arising from run off LV / Citi books replaced with organic, sustainable new business.
 - Balance sheet funding further strengthened through IPO. Gross leverage only 6.7x
 - 45% increase in customers and 50% increase in lending balances.
 - Year end stub dividend of 4.2p recommended as stated at IPO.

- 2012 has started well
 - Strong organic business volumes seen with record month for lending in February.
 - Excellent new distribution channels being signed up.
 - Pipeline of significant organic and inorganic opportunities being working on.
 - Outlook is cautiously optimistic

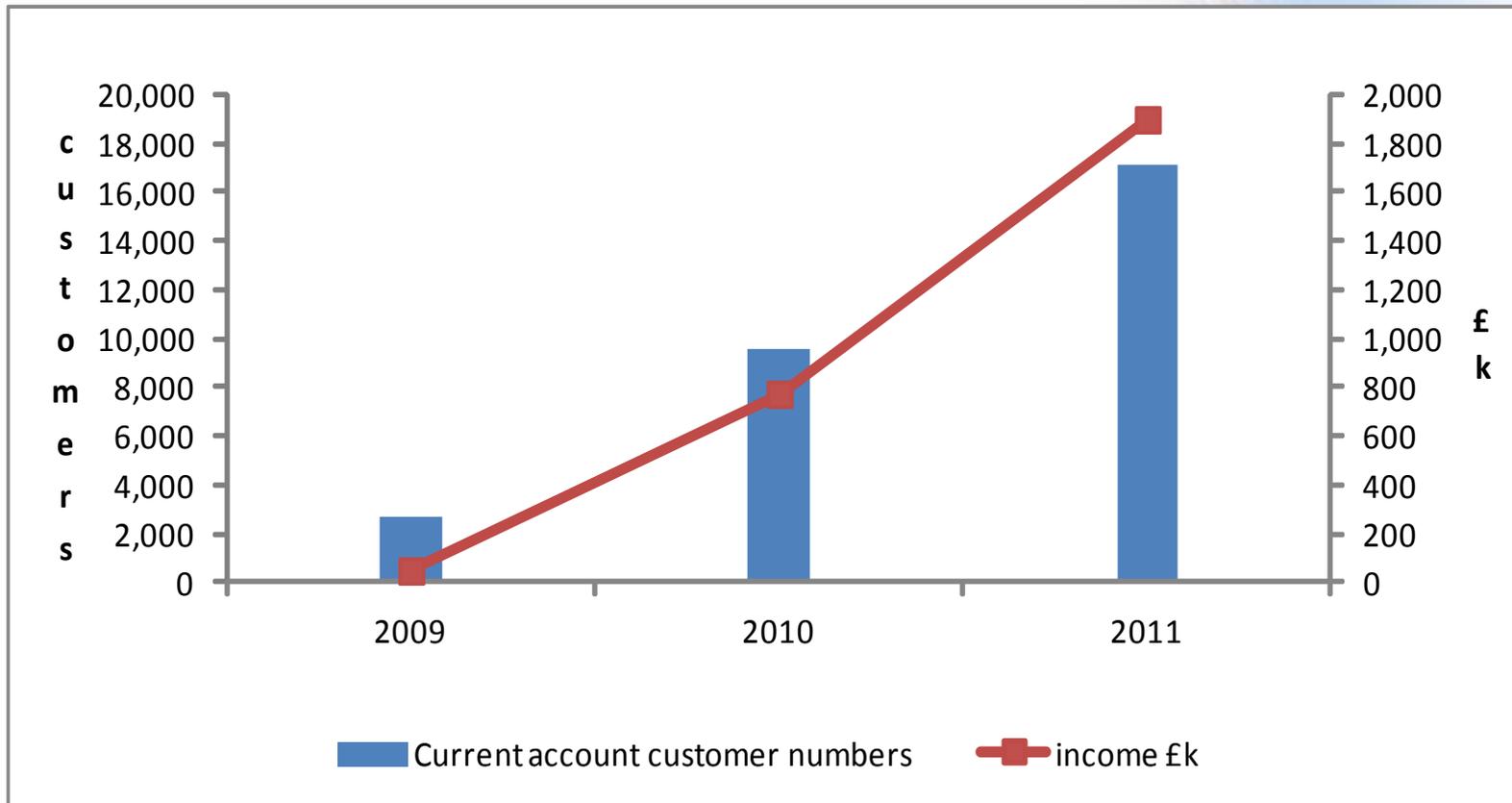
Appendices

Summary income statement

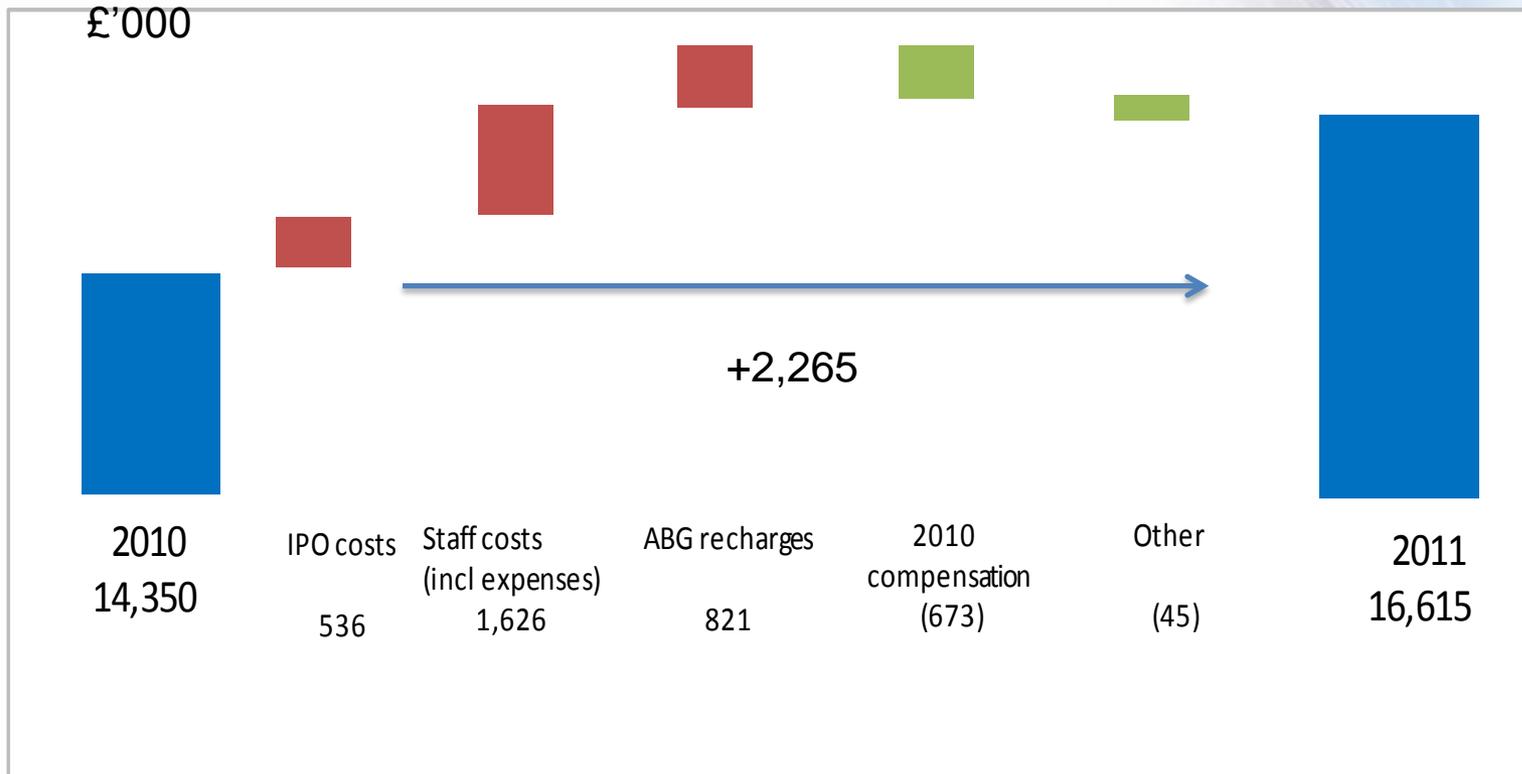
£'000	2011	2010
Net interest income	17,227	12,472
Net fee and commission income	11,233	11,750
Impairment losses	(4,601)	(2,168)
Other income	36	982
Operating expenses *	(14,298)	(13,390)
Profit before tax *	9,597	9,646

* before IPO costs and ABG management charges

Current account



Operating costs bridge



Forward Looking Statements

This document is a summary only of certain information contained in the announcement dated 15 March 2012 and should be read in conjunction with the full text of the announcement.

This document contains forward looking statements with respect to the business, strategy and plans of the Secure Trust Bank PLC and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Secure Trust Bank PLC's or management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Secure Trust Bank PLC's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, risks concerning borrower credit quality, market related risks such as interest rate risk and exchange rate risk in its banking businesses and equity risk in its investment banking businesses, inherent risks regarding market conditions and similar contingencies outside Secure Trust Bank PLC's control, any adverse experience in inherent operational risks, any unexpected developments in regulation or regulatory and other factors. The forward looking statements contained in this document are made as of the date hereof, and Secure Trust Bank PLC undertakes no obligation to update any of its forward looking statements.