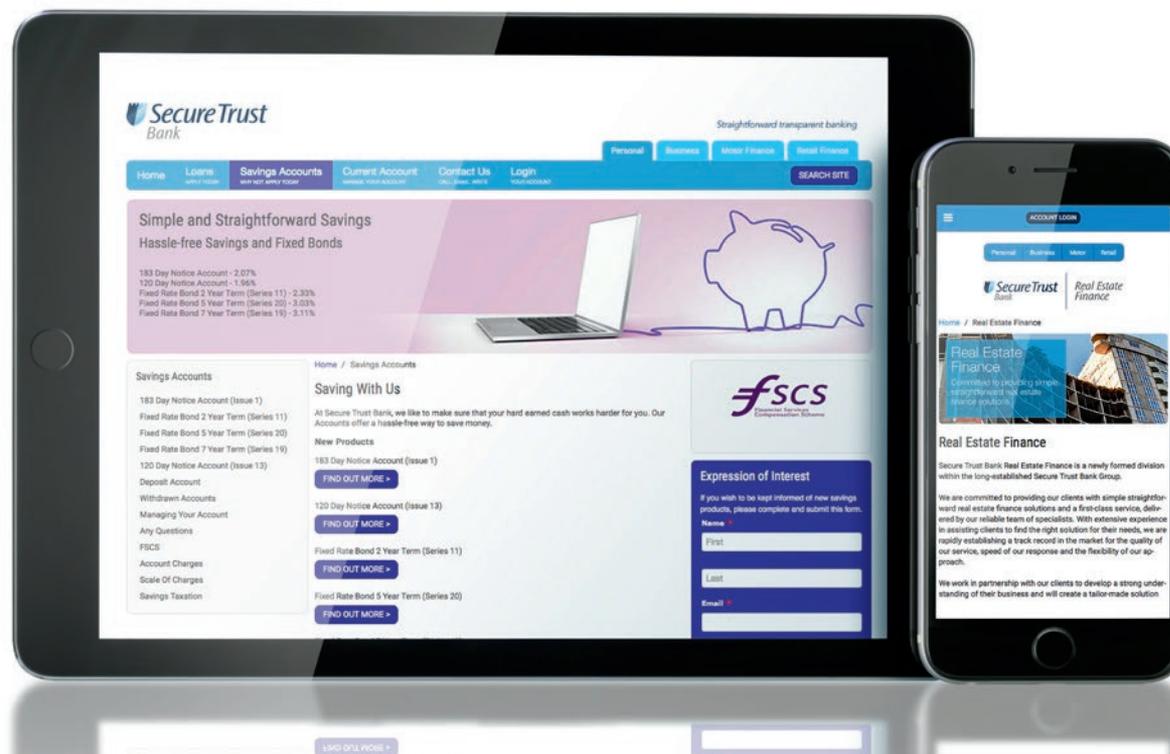


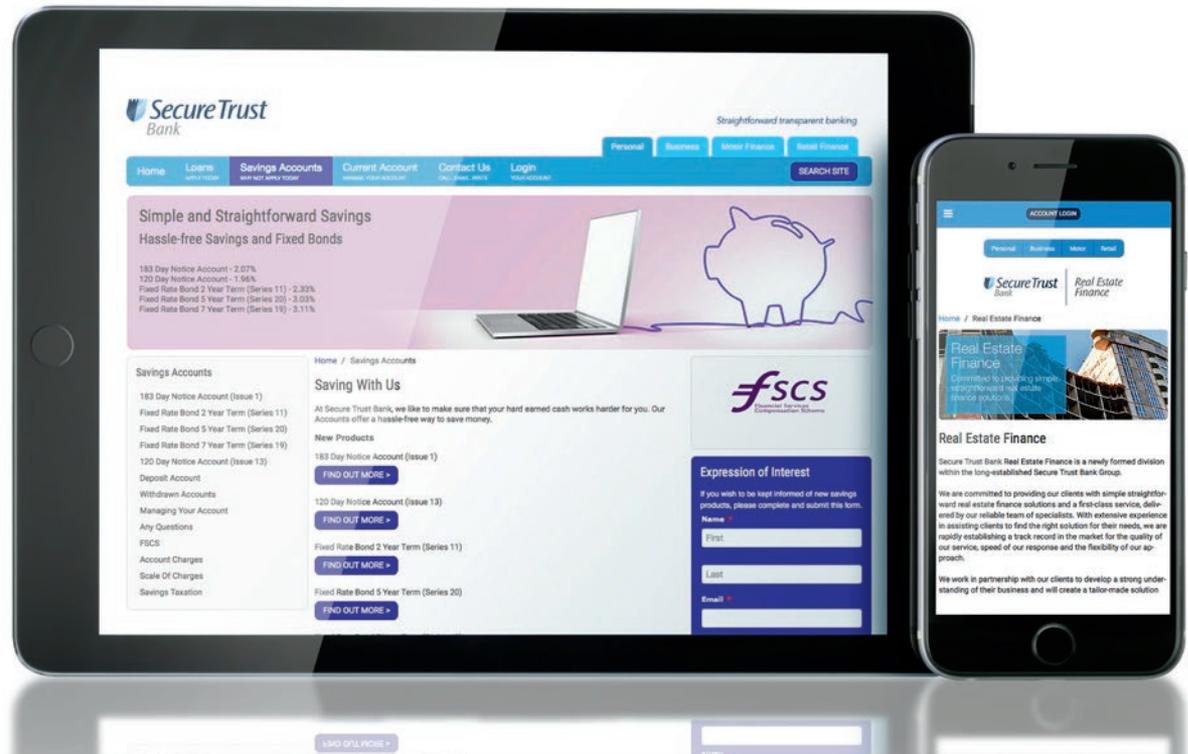
Secure Trust Bank PLC

2015 INTERIM RESULTS
21st July 2015



Introduction & business review

PAUL LYNAM
Chief Executive Officer



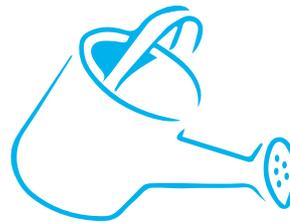
Strategy continues to deliver

Maximise shareholder value:



grów

To maximise shareholder value through strong lending growth by delivering great customer outcomes in both our existing and new markets.



sustain

To protect the reputation, integrity and sustainability of the Bank for all of our customers and stakeholders via prudent balance sheet management, investment for growth and robust risk and operational control. Controlled growth is one of the top strategic priorities for the Bank.



love

To ensure that the fair treatment of customers is central to corporate culture and that the Bank is a highly rewarding environment for all staff and one where they can enjoy progressive careers.

H1 2015 Highlights

Significant growth



- ✓ Loan book **up 90%** to **£852m** (H1 2014:£448m)
- ✓ Customer deposits **up 75%** to **£835m** (H1 2014: £477m)
- ✓ Customer numbers **up 24%** to **486,805** (H1 2014: 391,610)
- ✓ Continued expansion into SME lending –
Real Estate Finance commenced in H2 2013,
Commercial Finance and Asset Finance commenced in H2 2014

Continued growth in lending assets with increased diversity

	Consumer Finance 63% of lending assets (H1 2014 96%)			Business Finance 37% of lending assets (H1 2014 4%)		TOTAL
	Personal Lending	Motor Finance	Retail Lending	Real Estate Finance, Asset & Commercial Finance	Debt Collection and Other	
STB's Product offering	Fixed rate, fixed term unsecured personal loans to customers in employment	Prime and non prime lending in the used car market	Prime credit portfolio customers across a range of retail sectors including cycle, leisure and electricals	Residential and Commercial Investment and Development Lending, Invoice discounting and factoring, HP and Finance leases	Debt management, Current Account and OneBill	
Lending Assets H1 2015	£189m	£152m	£195m	£312m	£4m	£852m
Lending Assets H1 2014	£170m	£128m	£134m	£12m	£4m	£448m

H1 2015 Highlights

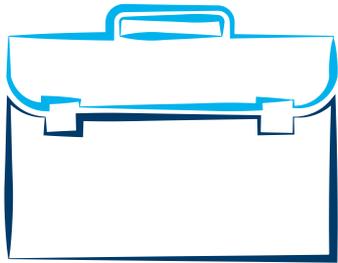
Positive returns



- ✓ Reported PBT **up 40%** to **£16.0m** (H1 2014: £11.4m)
- ✓ Underlying PBT **up 14%** to **£17.4m** (H1 2014: £15.2m)
- ✓ Underlying PBT, like for like, **up 22%** to **£18.5m**
- ✓ Interim dividend per share **up 6%** to **17p** (H1 2014: 16p)
- ✓ Underlying return on equity **23.6%**
(H1 2014: 39.8% pre July 2014 £50m fundraise)

H1 2015 Highlights

Strong capital and liquidity position



- ✓ Total capital ratio **up to 15.3%** (H1 2014: 13.6%)
- ✓ Loan to funding ratio at **88.5%** (H1 2014: 80.5%)

Sustainable positive progress

	H1 2015	H1 2014
	£m	£m
Gross interest income	64.2	41.6
Funding costs	(9.8)	(7.2)
Net interest income	54.4	34.4
Impairment losses	(11.2)	(6.4)
Reported PBT	16.0	11.4
Underlying PBT	17.4	15.2
Basic EPS (pence)	70.8	53.6
Underlying EPS (pence)	76.8	73.8
Annualised underlying ROAA	3.5%	4.5%
Annualised underlying ROAE	23.6%	39.8%
Loan book (£m)	852.3	447.8
Loan to deposit ratio	102%	94%
Customers	486,805	391,610
Total capital ratio*	15.3%	13.6%

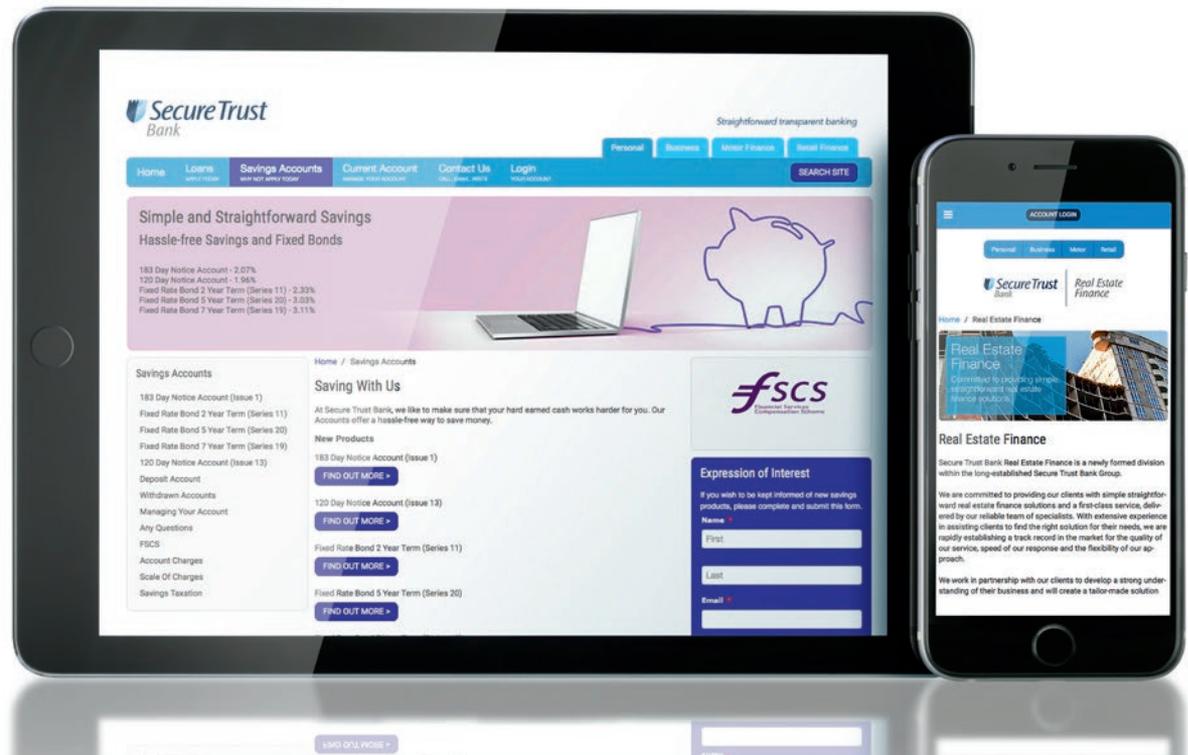
Lending assets £m



* Total capital ratio calculated as: Tier 1 plus Tier 2 capital / total risk exposure (TRE). TRE calculated as the combined operational and credit risk requirement. This is a change from previous years due to CRD IV changes (H1 2014 restated for consistency).

Financial review

NEERAJ KAPUR
Chief Financial Officer



Summary income statement

Strong growth in earnings and dividend

£m	2015 H1	2014 H1	% change
Net interest income	54.4	34.4	58%
Net fee, commission and other income	7.8	9.4	-17%
Operating Income	62.2	43.8	42%
Impairment losses *	11.2	6.4	77%
Operating expenses	33.6	23.2	45%
Gain on acquisition	-	-	
Other operating expenses **	1.4	2.8	-51%
Profit before tax	16.0	11.4	40%
Basic EPS (pence)	70.8	53.6	32%
Underlying EPS (pence)	76.8	73.8	4%
Interim dividend per share (pence)	17.0	16.0	6%

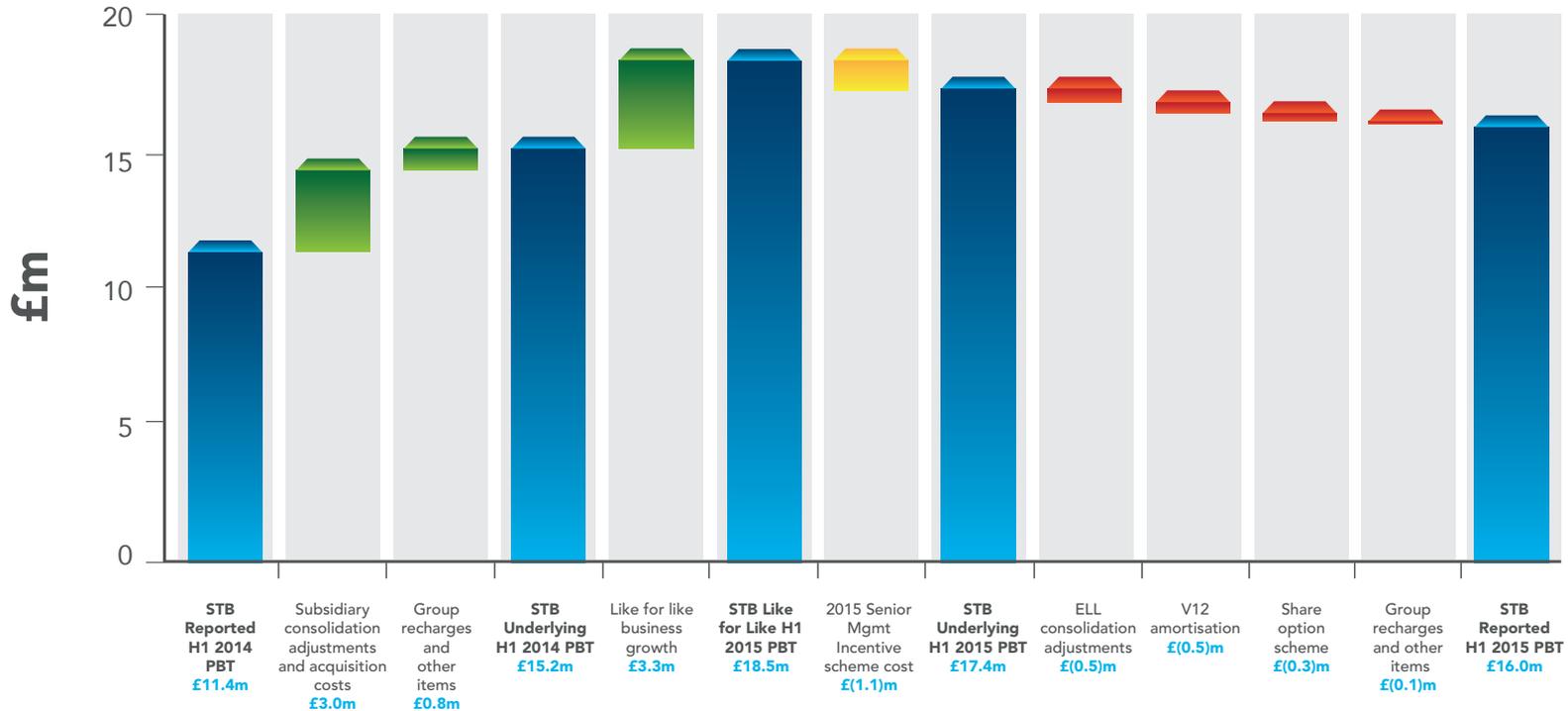
- ✓ **58% increase** in Net interest income
 - Strong growth in Consumer lending and new SME lending businesses
- ✓ **Operating expenses up 45%**
 - Reflecting investment in new businesses, control functions and product marketing
- ✓ **32% increase** in basic EPS
- ✓ **6% growth** in interim dividend to **17p**

*2014 H1 impairments include a provision release on the sale of fully impaired loans. Growth in impairments were 27% on a like for like basis.

**Includes non-recurring costs, provision for option costs, acquisition costs, intangible amortisation and recharges.

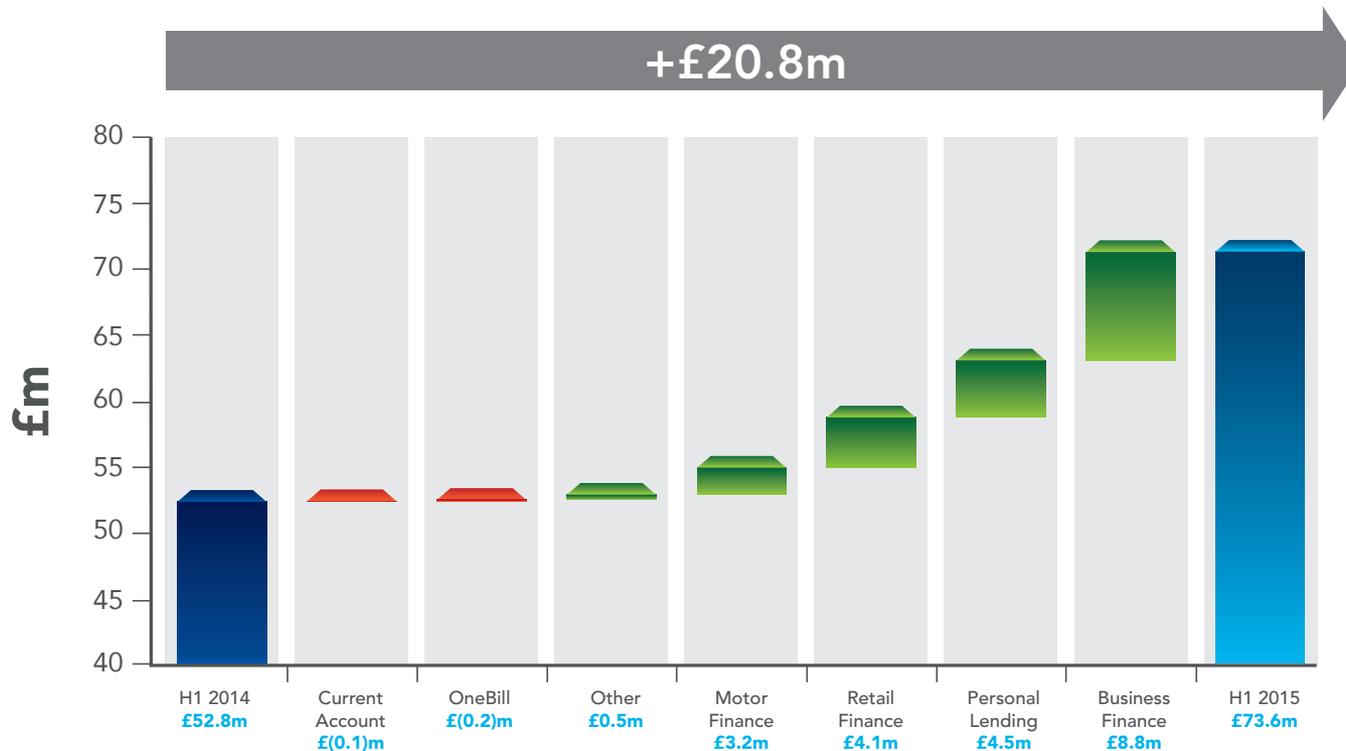
Profit bridge

Like for like business growth of £3.3m, an increase of 22% on H1 2014



Income bridge*

Increase on H1 2014 of £20.8m

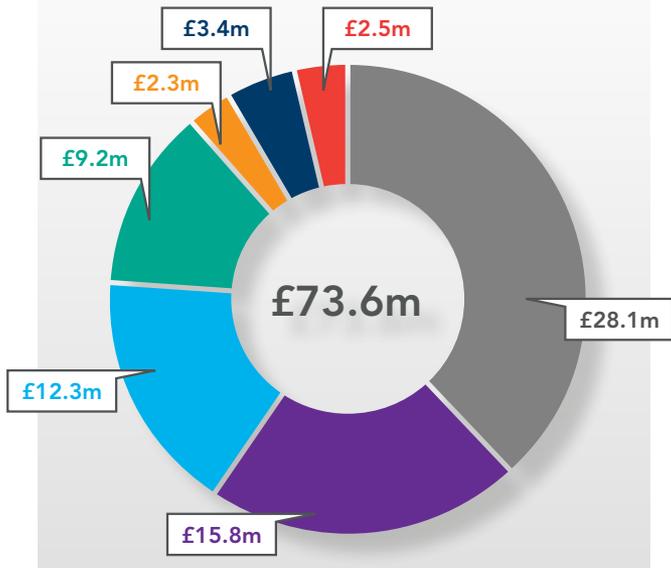


* Income before cost of funds, commission expense and impairment losses

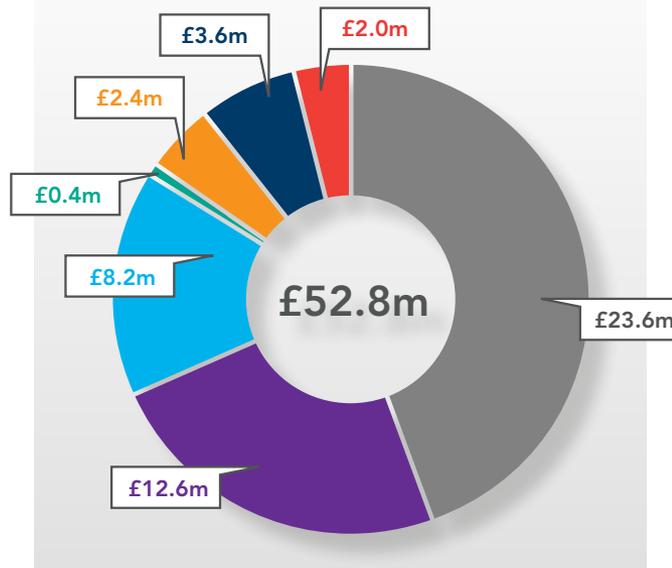
Income analysis

Total income through lending and transactional channels is analysed as follows:

H1 2015



H1 2014



- Personal Lending
- Motor Finance
- Retail Finance
- Business Finance
- Current Account
- OneBill
- Other

Balance sheet summary

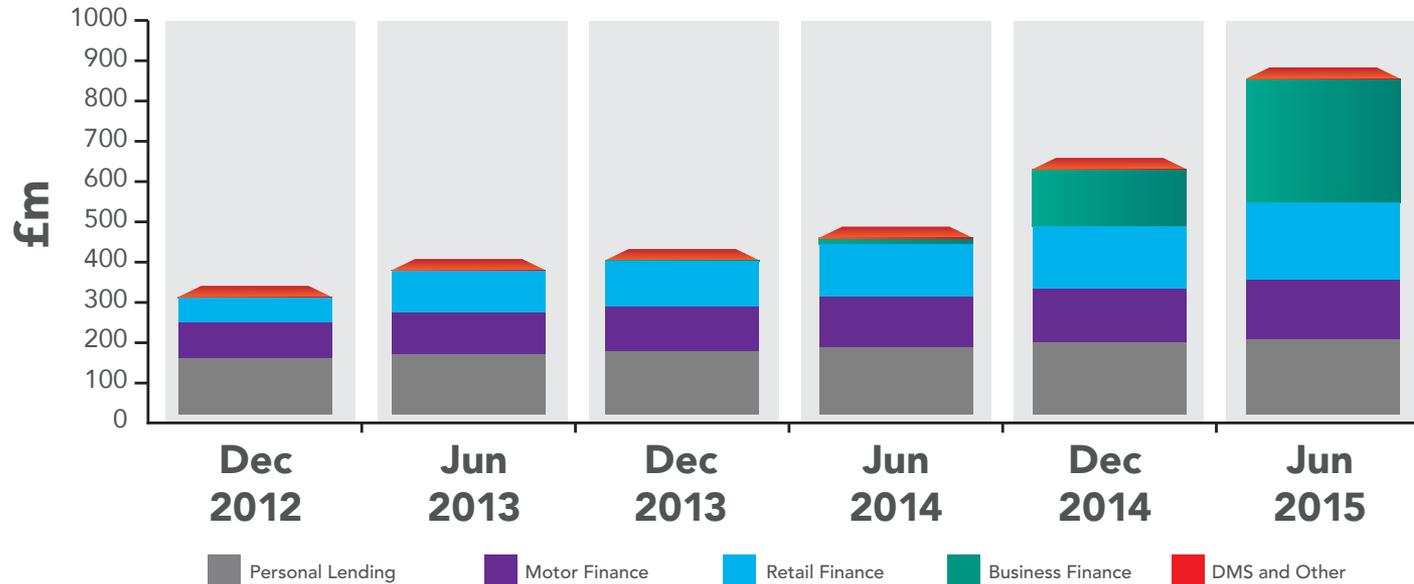
Quality balance sheet assets

£m	H1 2015	H1 2014
Cash and balances at central banks	100.4	1.3
Loans and advances to banks	21.2	41.9
Treasury Bills	7.0	59.2
Loans and advances to customers	852.3	447.8
Other assets	21.9	19.2
Total assets	1,002.8	569.4
Deposits from customers	835.1	476.8
Other liabilities	39.3	29.3
Total liabilities	874.4	506.1
Total shareholders' equity	128.4	63.3
Total liabilities and shareholders' equity	1,002.8	569.4
Loan to deposit ratio	102.1%	93.9%
Customer numbers	486,805	391,610

- ✓ Customer loans **up 90% to £852.3m**
- ✓ Customer deposits **up 75% to £835.1m**
- ✓ Customer numbers **up 24% to 487k**

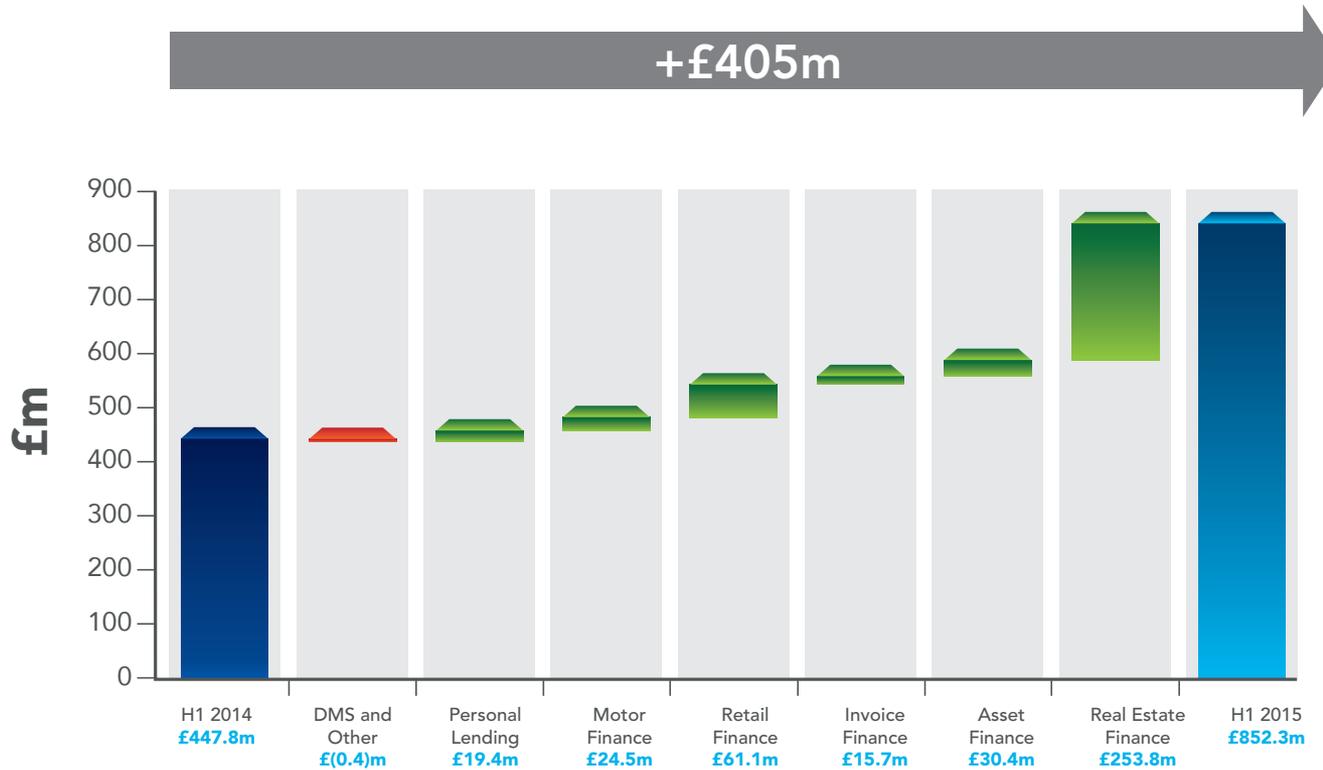
Customer loan progression

Increase on H1 2014 of £404m, representing growth of 90%



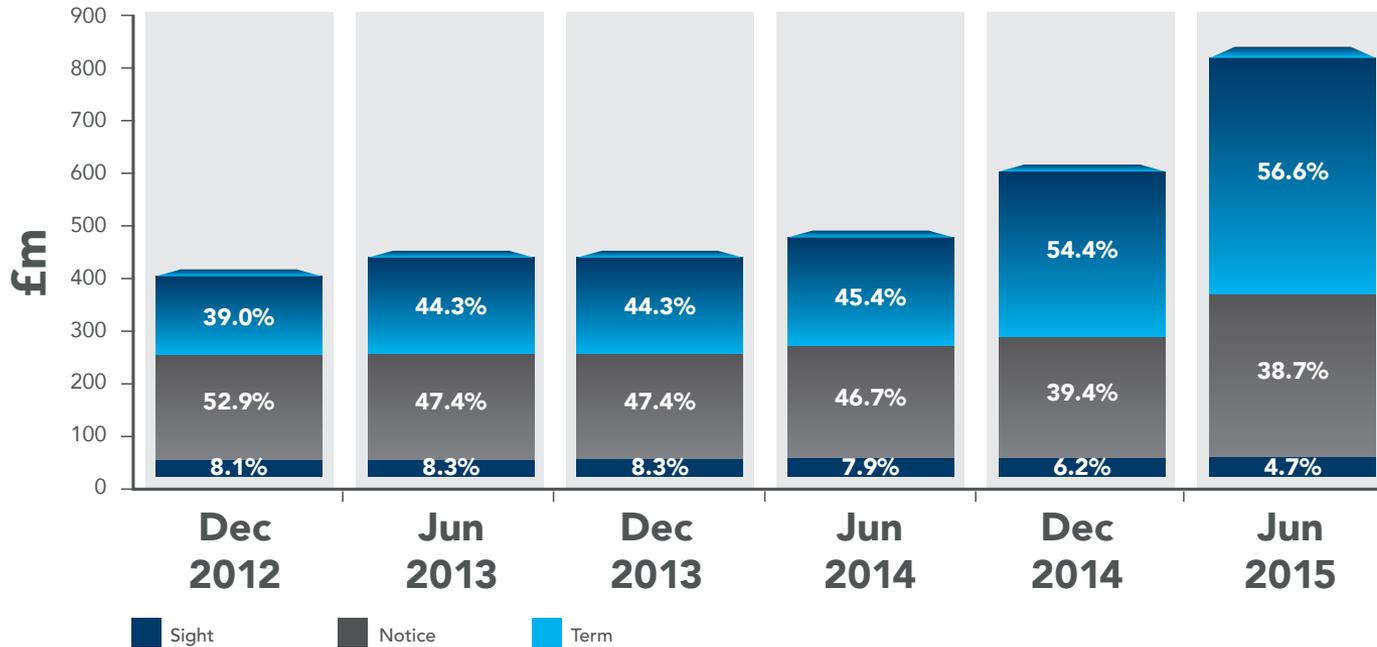
Lending bridge

Increase on H1 2014 of £405m



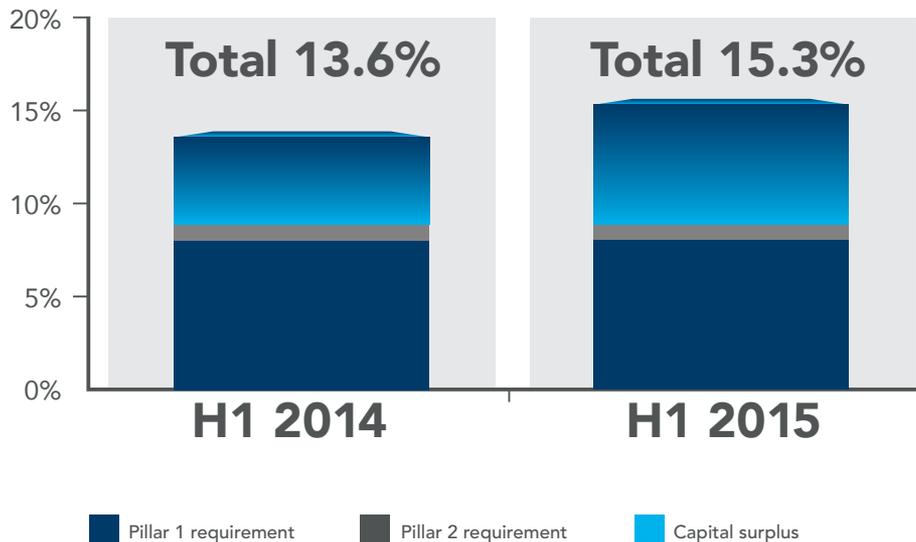
Deposit progression

Increase on H1 2014 of £358m, weighted towards Term deposits



Capital

Robust capital and modest leverage ratios maintained



- ✓ Capital remains healthy following July 2014 placing with total capital ratio of **15.3%**
- ✓ Leverage ratio of **11.9%** (H1 2014: 10.4%) well above PRA minimum of **4%**

2015 Outlook

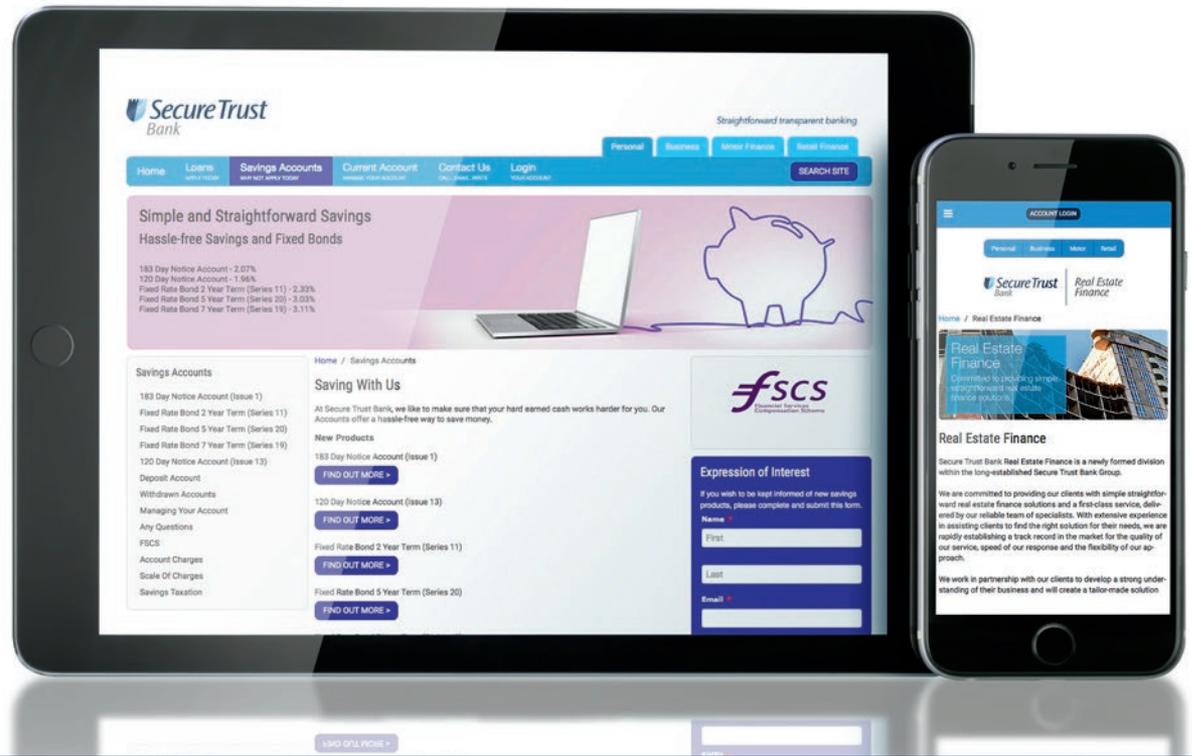
Continued growth and diversification

- ✓ **Lending balances continue to grow with significant opportunities being targeted**
 - Motor Finance lending growth of **19% y/y**
 - Retail Finance lending growth of **46% y/y**
 - Business Finance H1 2015 lending balance of £312.4m
- ✓ **Continued expansion into SME lending activities**
- ✓ **Continue to work on a diverse pipeline of business development opportunities and believe we are well positioned to make further positive progress throughout the second half year**
- ✓ **Continued benefits from integration of V12 Group**
 - AO.com and Ebuyer partnerships secured
 - Continued growth with a number of season ticket schemes for Premier League football clubs financed through agreements with V12
- ✓ **Demand for deposit products remains strong and continues to attract new fixed rate deposits with 2, 3, 5 and 7 year maturities as well as 120 day and 183 day notice accounts**

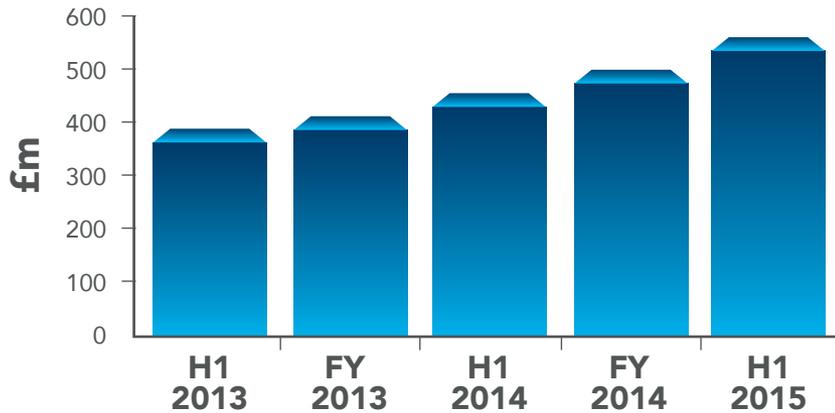
Summary

- ✓ We continued to deliver on our stated and proven strategy
- ✓ Continuing strong operating and financial performance with growth in underlying profitability
- ✓ Maintained our prudent approach to risk management
- ✓ Continued investment in our staff
- ✓ Continued investment in core systems
- ✓ Entered Invoice Discounting and Factoring markets in September 2014
- ✓ Asset Finance launched in Q4 2014, £30.4m lent to SMEs since launch
- ✓ The large banks continue to retrench from our markets. We remain confident of significantly growing our market share over the foreseeable future

Appendices



Consumer finance



Consumer Finance	FY2013	FY2014	H1 2014	H1 2015
Revenue	79.3	95.0	44.1	56.2
Impairments	(15.6)	(15.3)	(6.4)	(10.8)
Net loans	388.3	475.6	431.6	536.5

■ Net lending balances

Consumer finance



Business overview – Personal Lending

- ✓ **Fixed rate, fixed term** unsecured personal loans, with a **12-60 months** duration
- ✓ Advances from **£500 to £15,000**
- ✓ Only lend to people in **employment**
- ✓ **Moneyway** brand offers loans via internet or telephone
- ✓ **Everyday Loans** operates through a network of branches
- ✓ **Trusttwo brand launched in February 2015** offering guarantor loans, up to £7,500
- ✓ Growth opportunities include new bank referrals, digital marketing, peer to peer lending and potential portfolio acquisition

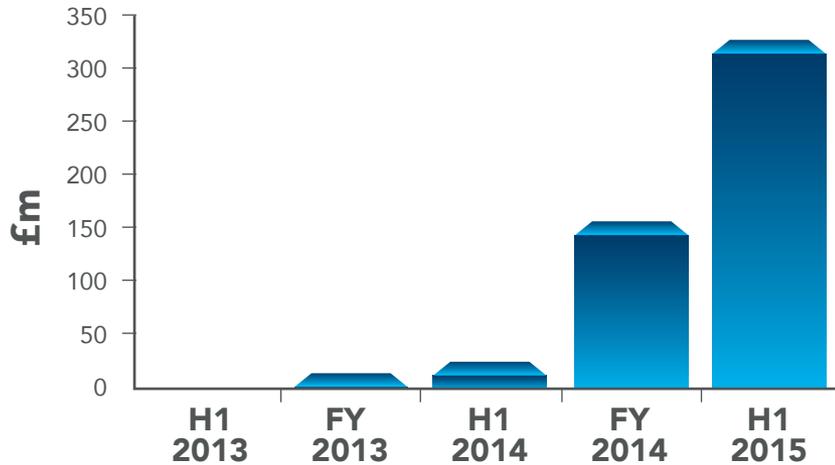
Business overview – Retail

- ✓ Targeting **Prime Credit Portfolio Customers**
- ✓ **Active across a range of retail markets** including cycle retailers, season tickets, jewellery and art
- ✓ Term ranges from **6-84 months**, loan size from **£250 to £25,000**
- ✓ Growth opportunities include entry into new sectors and the ability to pitch for full national retailer contracts

Business overview – Motor

- ✓ Customers typically from **C1, C2 and D** socio-economic groups, focused on the **used car market**
- ✓ New **Prime lending product** launched in **April 2015** offering greater participation across the risk curve
- ✓ Maximum loans of **£25,000** over **5 years**
- ✓ Grown from a standing start in 2008 – **19% growth** on H1 2014
- ✓ Growth driven by
 - speed and quality of service
 - relationships with introducers
 - product and channel distribution innovation

Business finance



Business Finance	FY2013	FY2014	H1 2014	H1 2015
Revenue	0.1	2.6	0.4	9.2
Impairments	-	-	-	(0.3)
Net loans	1.8	143.3	12.5	312.4

■ Net lending balances

Business finance



Business overview – Real Estate Finance

- ✓ Commenced operation in **H2 2013**
- ✓ **Five main products** available; residential development, commercial development, residential investment, commercial investment and mixed development
- ✓ Route to market via introducers served by a team of Real Estate Finance regional managers
- ✓ No geographic or individual counterparty concentration risk

Business overview – Commercial Finance

- ✓ Launched in September **2014**
- ✓ Offer invoice discounting and factoring
- ✓ Operates from premises in **Manchester** with teams operating out of all **key regions** across the country
- ✓ Market has seen **rapid growth** over last **20 years** with over **43,000** users with advances in excess of **£15bn**

Business overview – Asset Finance

- ✓ Launched in **Q4 2014**
- ✓ Hire purchase and finance lease arrangements up to **5 years**
- ✓ **Financing assets** such as commercial vehicles, manufacturing equipment and laundry equipment
- ✓ Operates via a **partnership** with Haydock Finance, a **well established** asset finance company operating across the UK
- ✓ Route to market via introducers supported by internal marketing and a targeted web and social media presence

Forward looking statements



This document is a **summary only** of certain information contained in the announcement dated **21st July 2015** 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 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. These include UK domestic and global economic and business conditions, risks concerning borrower credit quality, market related risks including interest rate risk, 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.