SECURE TRUST BANK PLC

2020 INTERIM RESULTS 06 AUGUST 2020

SECTION 1

INTRODUCTION & BUSINESS REVIEW PAUL LYNAM | CHIEF EXECUTIVE OFFICER

CAUTION AND RESILIENCE THROUGH THE COVID-19 CRISIS

- Emphasis on ensuring safety of colleagues, conserving capital, supporting existing customers and minimising risk
- Operating income up 4.5% year-on-year
- Impairment provision levels raised to cover potential future losses caused by a severe economic downturn, as opposed to actual performance
- Improving capital positions: CET 1 ratio **13.5%** and total capital ratio of **15.9%** as short duration balance sheet starts to contract
- Significant surplus liquidity over minimum regulatory requirements, and maturing deposits being refinanced at materially lower margins
- Majority of Group employees still working from home and new operational processes bedded in
- Stress testing ongoing to ensure strong capital levels maintained if crisis deepens or as we return to growth
- HY 2020 shareholders' equity of **£259.3m** vs £240.3m (HY 2019), an increase of 7.9%
- Diversified portfolio and business model leaves the Group well placed to continue to pursue its objectives once the UK emerges from the crisis
- Further deliverables from Motor Transformation Programme support the launch of prime product later this year
- Credit criteria tightened and additional underwriting introduced to Consumer Finance application processes
- Commercial Finance providing government support products (CBILS and CLBILS, which are 80% guaranteed) to its customers
- Payment holidays offered to customers in line with government requirements
- Customer numbers increased and encouraging signs in Q3 regarding the markets for our Consumer Finance products

PROFIT BEFORE TAX OF £5.1m DESPITE IMPACT OF COVID-19

- HY 2020 statutory PBT of **£5.1m** v £18.1m (HY 2019), a decrease of 71.8%
- HY 2020 adjusted PBT of **£5.8m** vs £18.8m (HY 2019), a decrease of 69.1%
- HY 2020 adjusted ROAE of **3.5%** vs 12.7% (HY 2019), a decrease of 72.4%
- HY 2020 adjusted EPS of **24.2p** vs 82.3p (HY 2019), a decrease of 70.6%
- HY 2020 loans of **£2,377.5m** vs £2,278.3m (HY 2019), an increase of 4.4%
- HY 2020 cost of risk of **2.9%** vs 1.7% (HY 2019), an increase of 70.6% and 107.1% higher than FY 2019 (1.4%)

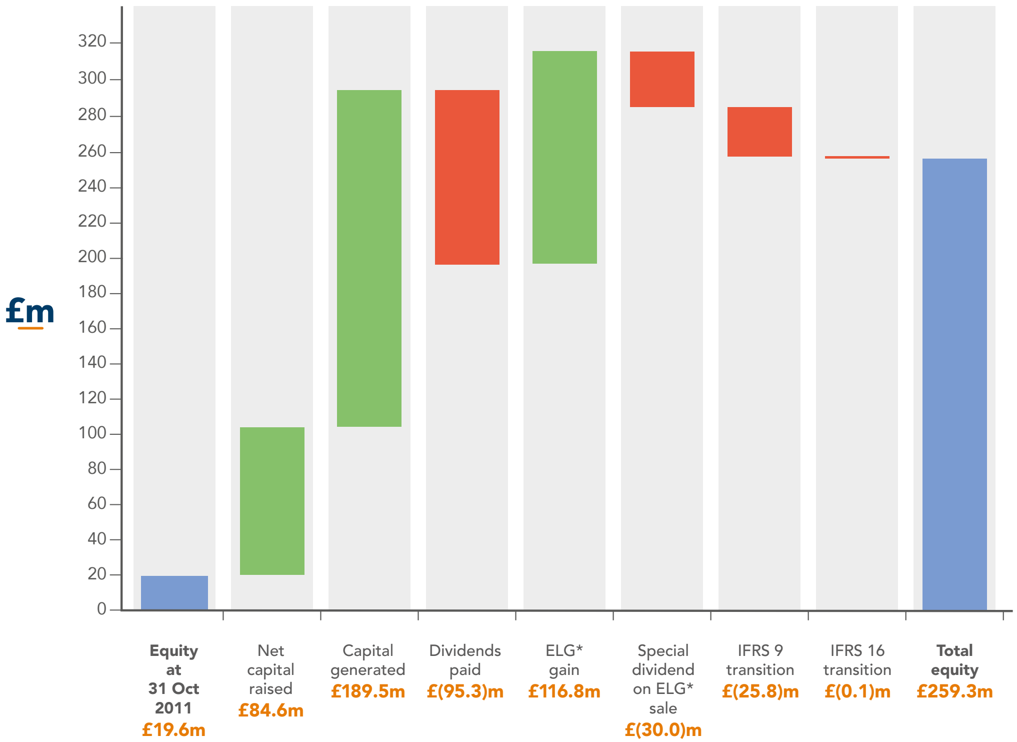
- Results impacted by impairment charges associated with the potential worsening of economic conditions
- Payment holidays offered to customers have also impacted on results
- New business was reduced significantly and lending balances have contracted since the year end level of £2,450.1m, particularly in the case of Motor Finance, Retail Finance and Commercial Finance
- Capital position has improved as a result of profitable trading, reduced risk weighted assets and IFRS 9 transition relief changes, with CET 1 ratio up to **13.5%** (HY 2019: **12.8%**)
- High level of customer and employee satisfaction maintained
- Customer numbers are up **14.8%** to **1,660,541** (HY 2019: **1,446,342**)
- Further progress of Motor Transformation Programme
- Well placed to support increased demand as conditions improve

LOAN BOOK GROWTH AFFECTED BY THE LOCKDOWN

	Business Finance 52.5% of loan book (HY 2019 50.1%)			Consumer Finance 47.3% of loan book (HY 2019 49.5%)			
	Real Estate Finance	Asset Finance	Commercial Finance	Retail Finance	DMS	Motor Finance	Consumer Mortgages
STB product offering	Residential and commercial investment and development lending	Hire purchase and finance leases	Invoice discounting and debt factoring	Prime credit portfolio customers across a range of retail sectors including cycle, leisure and furniture	The Group's debt collection business acting for a range of internal Group and external clients	Prime and non-prime lending in the used car market	Owner occupied mortgages for customers currently underserved by the market
% change	18.0%	(54.6)%	(13.2)%	(3.6)%	120.1%	(3.6)%	(16.4)%
Loan book HY 2020 £m	1,036.8	19.4	191.6	647.7	93.1	289.0	94.6
Cost of risk HY 2020 %	0.4%	5.1%	1.0%	4.0%	0.0%	11.4%	0.0%
Net revenue margin HY 2020	3.0%	4.2%	4.7%	9.1%	13.2%	13.6%	3.0%
Loan book HY 2019 £m	879.0	42.7	220.7	671.7	42.3	299.8	113.2
Cost of risk HY 2019 %	0.0%	1.1%	0.2%	2.9%	0.0%	5.7%	0.2%
Net revenue margin HY 2019	3.4%	5.0%	6.6%	9.7%	18.3%	14.3%	2.7%
M&A appetite	Medium	High	Medium	Limited Opportunities	Medium	Medium	Low
Est market size	c£19.7bn (development) c£60bn (investment)	c£29bn	c£22bn	c£8–20bn	c£20bn	c£62bn	>£1,000bn

STRATEGY YIELDING STRONG RETURNS

Shareholder value created since 2011 IPO



- **£306.3m** capital generated since IPO including the sale of Everyday Loans
- **41%** of total capital generated paid in dividends
- Common Equity Tier 1 ratio of **13.5%**
- Leverage ratio of **10.3%** well above the PRA minimum
- Equity per share at IPO **£1.66**
- Equity per share at HY 2020 of **£13.92**, a **739%** increase on equity per share at IPO after **£125.3m** was paid to shareholders by way of dividends

** ELG: Everyday Loans Group, which was disposed of by the Group in H1 2016*

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SECTION 2

FINANCIAL REVIEW

PAUL LYNAM | CHIEF EXECUTIVE OFFICER
STEVE HEELEY | INTERIM CHIEF FINANCIAL OFFICER

POSITIVE RETURNS GENERATED DESPITE MATERIAL COVID-19 IMPACT

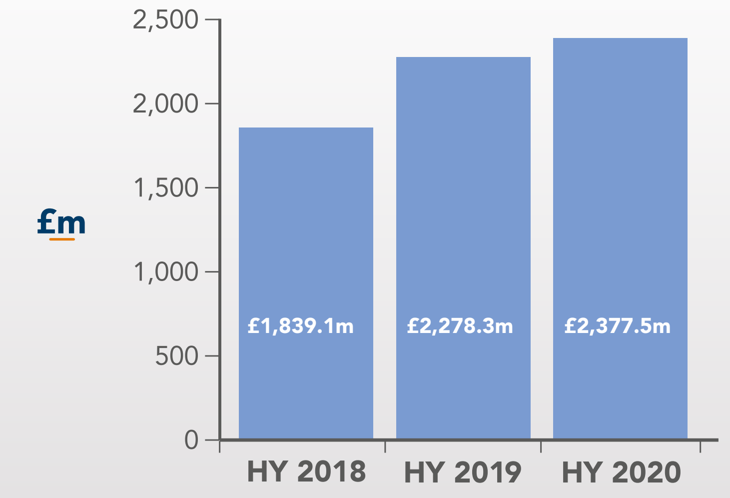
Capital ratios strengthened by contracting balance sheet and impairment relief

(£m)	HY 2020	HY 2019
Gross interest income	100.7	92.3
Tier 2 interest expense	(1.7)	(1.7)
Customer interest expense	(21.1)	(20.1)
Operating income	84.9	81.4
Impairment losses	(31.5)	(17.8)
Statutory PBT	5.1	18.1
Adjusted PBT	5.8	18.8

	HY 2020	HY 2019
Loan book	2,377.5	2,278.3
Deposits	1,999.2	2,001.5
Loan to deposit ratio	118.9%	113.8%
Total risk exposure	2,074.8	1,987.6
CET1 ratio	13.5%	12.8%
Capital ratio	15.9%	15.2%

Key Performance Indicators	HY 2020	HY 2019
Customers	1,660,541	1,446,342
Basic EPS (pence)	21.0	79.0
Adjusted EPS (pence)	24.2	82.3
Adjusted ROAA	0.3%	1.2%
Adjusted ROAE	3.5%	12.7%
Adjusted RORE*	3.6%	13.6%

Total Lending Assets £m



*Adjusted return on required equity
(required equity is calculated as 12% of average total risk exposure (TRE))

SUMMARY INCOME STATEMENT

Income and cost results improved and profit impacted by impairment provisions

£m	HY 2020	HY 2019	% change
Net Interest income	77.9	70.5	10.5%
Net Fee, commission and other income	7.0	10.9	(35.8)%
Operating Income	**84.9**	**81.4**	**4.3%**
Impairment losses	(31.5)	(17.8)	77.0%
Modification loss	(3.6)	0	n/a
Operating expenses	(44.7)	(45.5)	(1.8)%
Statutory profit before tax	**5.1**	**18.1**	**(71.8)%**
Adjusted profit before tax	**5.8**	**18.8**	**(69.1)%**
Basic EPS (pence)	21.0	79.0	(73.4)%
Adjusted EPS (pence)	24.2	82.3	(70.6)%
Proposed FY dividend per share (pence)	-	20.0	(100.0)%
Cost to income ratio	52.7%	55.9%	(5.7)%
Adjusted ROAE	3.5%	12.7%	(73.2)%

4.3% increase in operating income

- Increase is volume driven with NIM impacted by cessation of Motor Finance new business in Q2
- Net fees impacted by reduction in new business across all products

Increase in cost of risk from 1.7% to 2.9%

- Cost of risk at 31 December 2019 had reduced to 1.4%
- Provision levels increased due to forward-looking elements of IFRS 9 impairment models
- Actual losses in Business Finance remain minimal

Cost to income ratio

- Tighter cost control implemented in response to the pandemic in addition to cost efficiencies demonstrated in Q1
- Cost to income ratio decreased from **55.9%** to **52.7%**

KPI SUMMARY

Capital and cost ratios improve while interest margins contract due to mix

Key Performance Indicator	HY 2020	HY 2019
EPS (Basic)	21.0	79.0
EPS (Adjusted)	24.2	82.3
Annualised adjusted ROAA	0.3%	1.2%
Annualised adjusted ROAE	3.5%	12.7%
Adjusted RORE	3.6%	13.6%

Key Performance Indicator	HY 2020	HY 2019
Net interest margin	6.4%	6.7%
Net revenue margin	7.0%	7.7%
Gross revenue margin	8.9%	9.8%

Key Performance Indicator	HY 2020	HY 2019
Cost of risk	2.9%	1.7%
Cost of funding	1.9%	2.1%
Cost of customer funding*	1.7%	1.9%
Total cost to income ratio	52.7%	55.9%

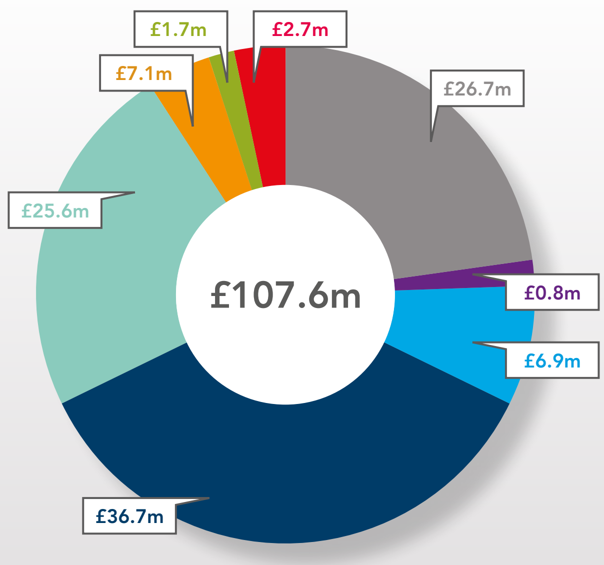
Key Performance Indicator	HY 2020	HY 2019
Loan to deposit ratio	118.9%	113.8%
Common equity tier 1 ratio**	13.5%	12.8%
Leverage ratio**	10.3%	9.5%

** Cost of customer funding excludes the cost of Tier 2 capital*
*** Capital ratios exclude proposed dividends; none proposed for FY 2019 or HY 2020*

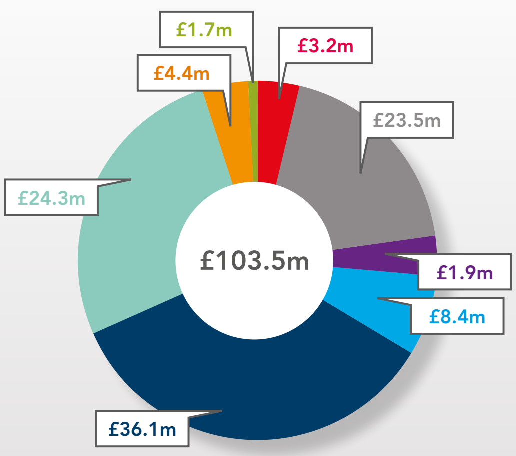
INCOME DIVERSIFIED ACROSS LENDING TYPE

Income growth driven by Real Estate Finance and DMS

HY 2020



HY 2019



KEY

- Real Estate Finance
- Asset Finance
- Commercial Finance
- Retail Finance
- Motor Finance
- DMS
- Consumer Mortgages
- Other

Income before interest expense, commission expense and impairment losses.

IMPAIRMENT

Cost of risk increased from 1.7% to 2.9%

	Business Finance			Consumer Finance		
	Real Estate Finance	Asset Finance	Commercial Finance	Retail Finance	Motor Finance*	Consumer Mortgages
Loan book % change from June 2019	18.0%	(54.6)%	(13.2)%	(3.5)%	(3.3)%	(16.3)%
Impairment losses HY 2020 £m	2.0	0.6	1.1	12.9	14.9	(0.0)
Impairment losses HY 2019 £m	0.2	0.3	0.2	9.1	8.0	0.1
Cost of risk HY 2020	0.4%	5.1%	1.0%	4.0%	11.4%	0.0%
Cost of risk HY 2019	0.0%	1.1%	0.2%	2.9%	5.7%	0.2%

- Cost of risk was 1.4% at 31 December 2019
- Excluding impact of payment holidays, the cost of risk for HY 2020 is 2.6%
- Actual losses on Business Finance products continue to be insignificant
- Defaults in respect of Consumer Finance loans potentially masked by payment holidays
- IFRS 9 impairment models include the input of forward-looking macroeconomic scenarios, which take account of these payment holidays
- The scenarios adopted by STB are set out on the following slide

** Impairment losses for Motor Finance include those in respect of voluntary terminations*

IMPAIRMENT ASSUMPTIONS

Range of forward-looking scenarios used, resulting in conservative provision levels

SCENARIO	Low		Medium		Hard		Severe	
Weighting	20%		45%		25%		10%	
Peak unemployment	6.9%		9.0%		10.7%		12.0%	
Peak to trough HPI	(11.0)%		(11.0)%		(16.0)%		(20.0)%	
	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
Average unemployment	6.2%	4.9%	8.0%	5.6%	9.4%	6.0%	11.0%	6.80%
HPI movement	(6.0)%	(2.0)%	(6.0)%	(6.0)%	(12.0)%	(12.0)%	(9.0)%	(13.0)%

PAYMENT HOLIDAYS

Accounting treatment requires loan books to be revalued

- Following government guidance, we have offered payment holidays for portfolios where these are not provided for in the loan contracts
- Under IFRS 9, these modifications to contractual cash flows mean that the carrying values of the loans must be adjusted
- The new carrying value equals the net present value of future cash flows, discounted at the origination effective interest rate ('EIR')
- For loans such as Motor Finance, where the EIR can be > 20%, this results in a material reduction
- The total reduction, disclosed separately in our income statement, is £3.6m
- This is a timing issue – the loans will amortise back to their previous value over their life, releasing this £3.6m back to the income statement

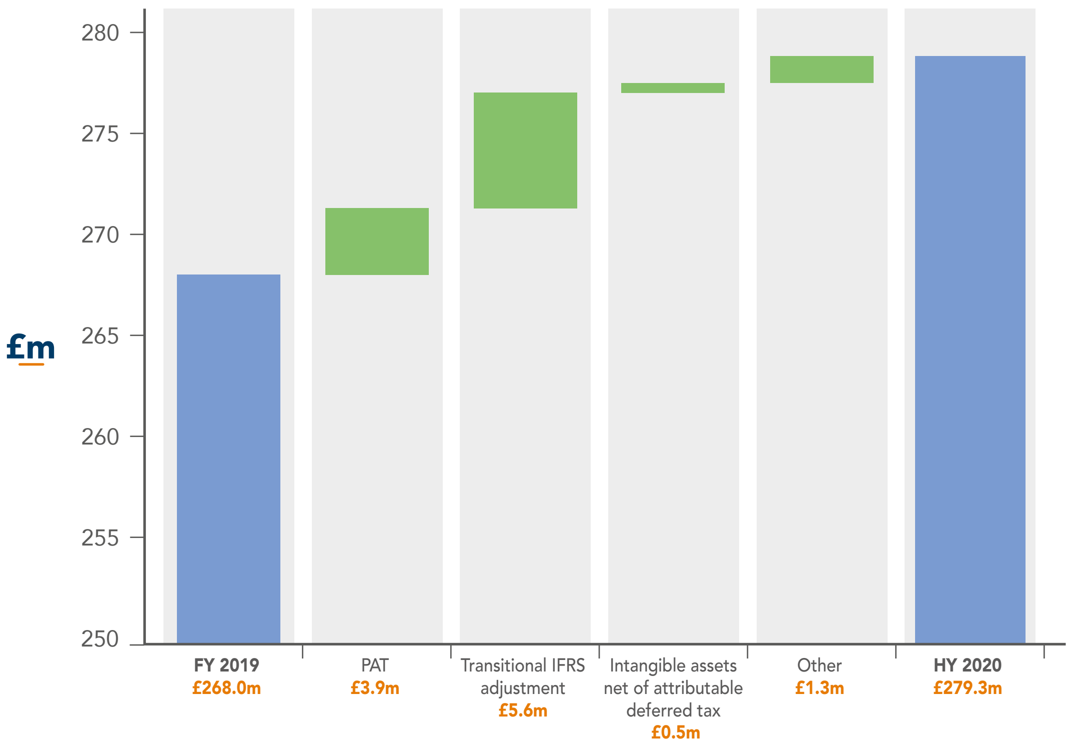
CAPITAL

Short duration loan books provide resilience as expected

- We have noted previously that the short duration of our loan books will allow us to contract the balance sheet promptly, if necessary in a crisis
- This is what has happened since the onset of the pandemic, with risk weighted assets and hence capital requirements reducing
- In addition, the Group adopts the IFRS 9 transitional rules
- These allow the impact of transitioning to IFRS 9 on 1 January 2018, plus increases in impairments on non-defaulted loans since that date, to be added back to capital over a five year period
- The add back factors are 95%, 85%, 70%, 50% and 25% for years one to five respectively
- In response to COVID-19, the PRA now allows additional relief for impairments on non-defaulted loans raised in 2020 and 2021, with 100% relief in those years, then tapering to zero by 2025
- Capital ratios improved due to combination of profitable trading, lower RWAs and these transition relief changes
- The CET 1 ratio is **13.5%** (HY 2019: 12.8%) and the total capital ratio is **15.9%** (HY 2019: 15.2%)

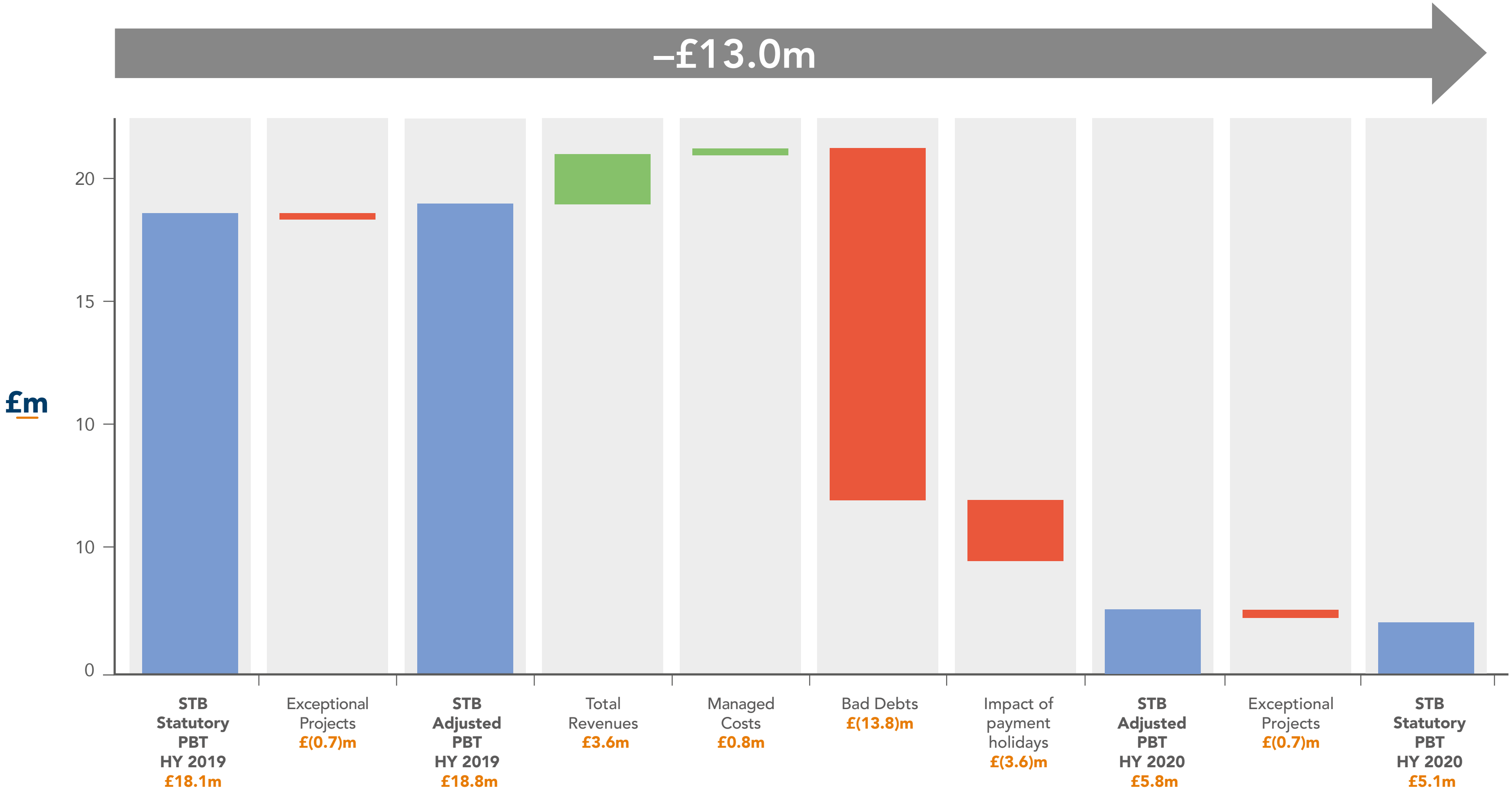
CET 1 CAPITAL BRIDGE

- CET1 of **£279.3m** reflecting a 4.2% increase on FY 2019 **£268.0m**, primarily driven by profit after tax, dividend retention and the IFRS 9 transitional adjustment.



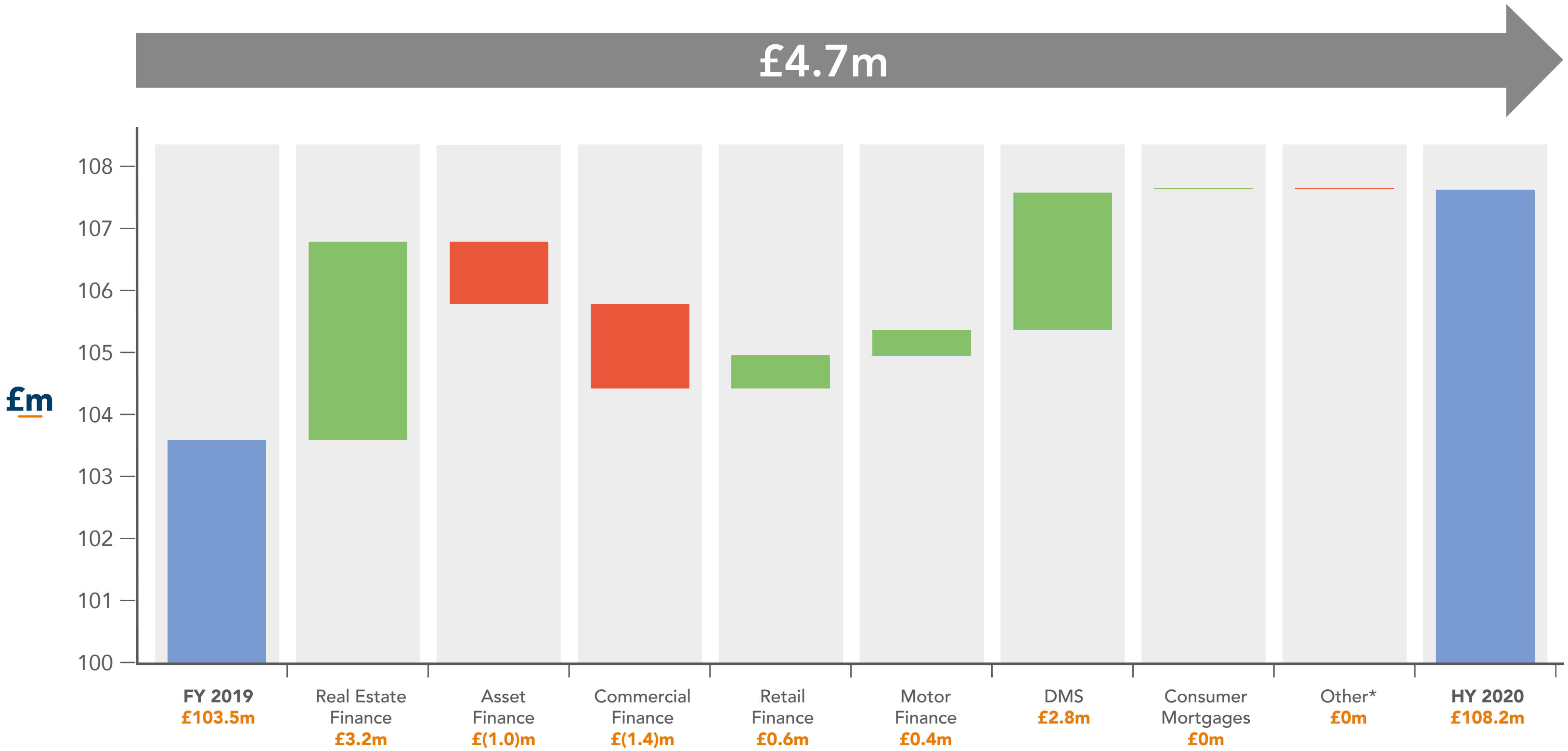
PROFIT BRIDGE

Statutory PBT of £5.1m reflecting a decrease on HY 2019 of £13.0m (71.9%)



INCOME BRIDGE

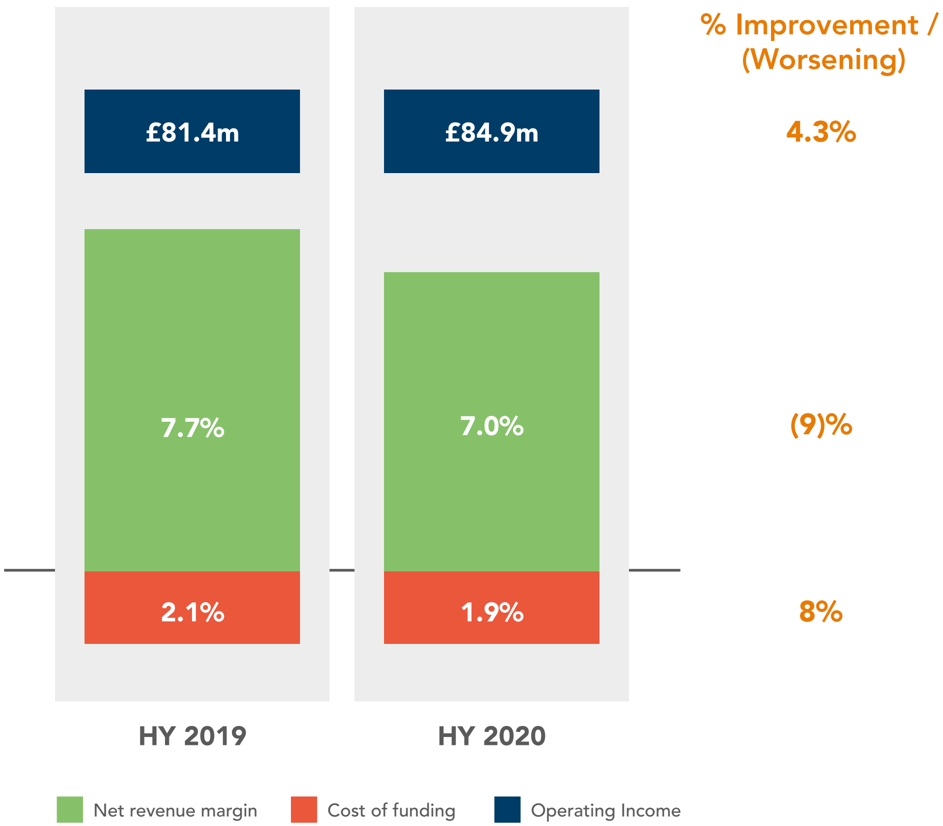
Increase on HY 2019 of £4.7m (4.5%)



Income before interest expense, commission expense and impairment losses.
**Central, Transactional and Other Income. Transactional includes OneBill and Rentsmart.*

EVOLVING NET REVENUE MARGIN

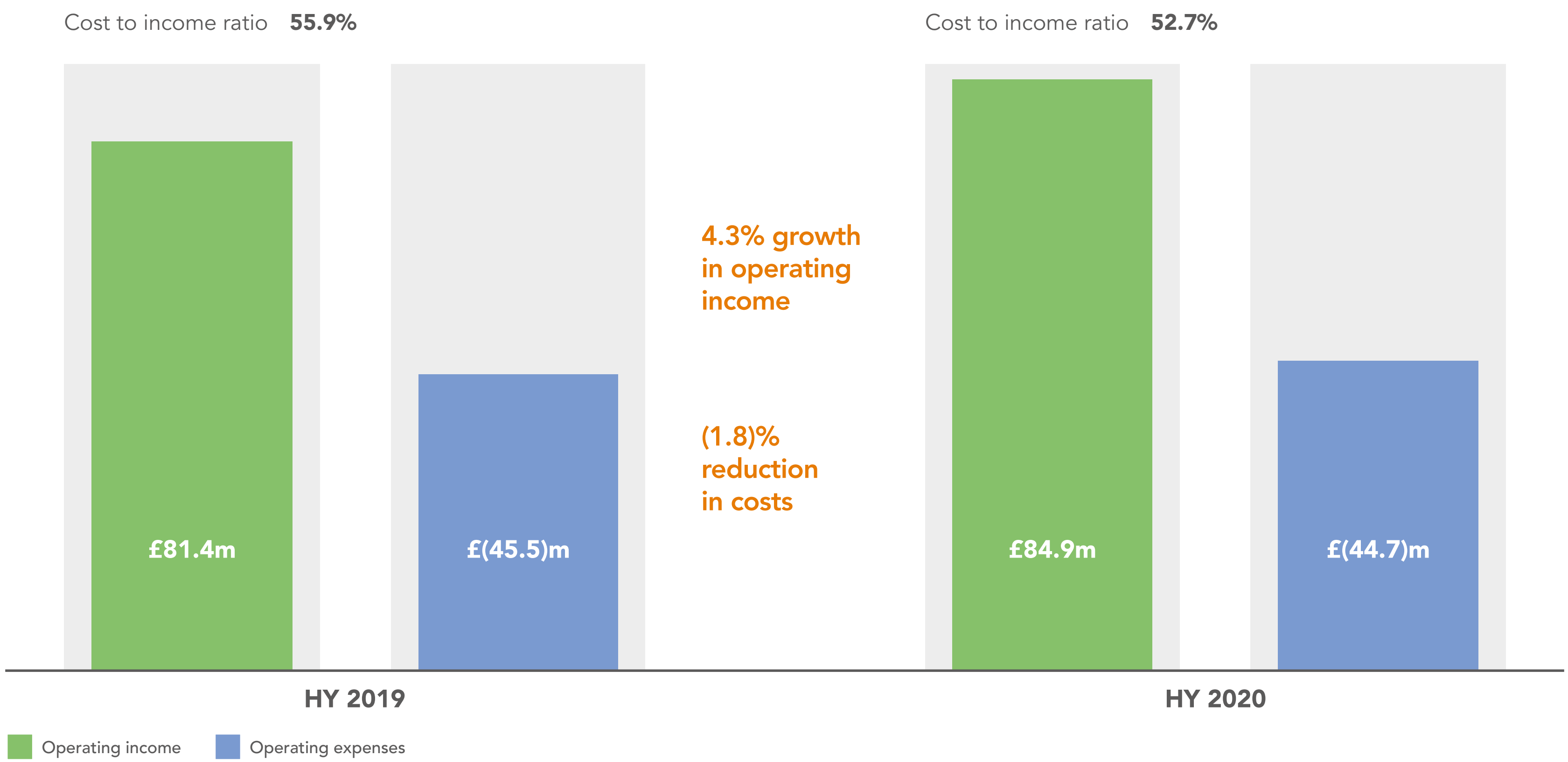
Margin shift driven by change in risk profile



- 4.4% year-on-year increase in loan balances has driven 4.3% increase in operating income
- Reduction in net revenue margin driven by temporary cessation of Motor Finance lending – our highest yield product
- Cost of funds reduction driven by price reductions applied to certain tranches of notice accounts and releasing balances of higher cost fixed rate funding
- Maturing fixed rate deposits which represent 60% of the book are being refinanced at materially lower margins which will see cost of funds reduce over the next two years

COSTS CONTROLLED

Increased income and cost control yields improved cost income ratio



COST MANAGEMENT

Ensuring the business is at the right size for its growth plans

- Despite continued growth from 30 June 2019 to the first quarter of 2020, staffing levels remained relatively stable
- The Group had 972 FTE at 30 June 2020 vs 956 at 30 June 2019
- Additional cost measures were introduced in Q2 and further measures will be implemented in the second half of the year
- Required cost levels will be based on our appetite for growth, the speed and extent of which will depend upon the impact of the pandemic

BALANCE SHEET SUMMARY

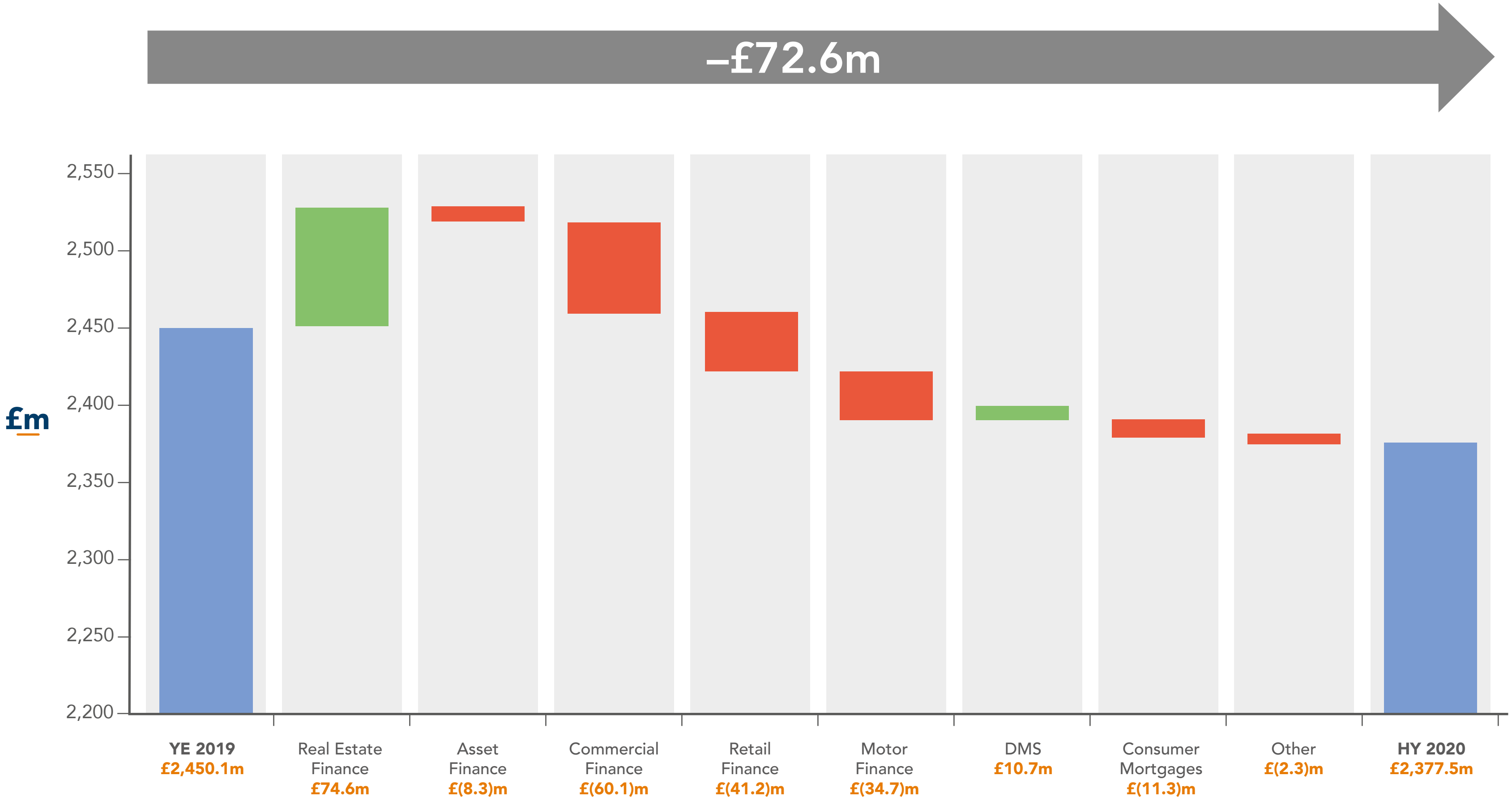
£m	HY 2020	HY 2019
Cash and balances at central banks	109.6	101.9
Debt securities held to maturity	35.0	110.0
Loans and advances to banks	42.0	67.3
Loans and advances to customers	2,377.5	2,278.3
Other assets	66.6	49.6
Total Assets	**2,630.7**	**2,607.1**
Deposits from customers	1,999.2	2,001.5
Wholesale funding	268.1	263.5
Tier 2	50.7	50.5
Other liabilities	53.4	51.3
Total Liabilities	**2,371.4**	**2,366.8**
Total Shareholders' equity	259.3	240.3
Total liabilities and shareholders' equity	**2,630.7**	**2,607.1**
Loan to deposit ratio	**118.9%**	**113.8%**
Customer numbers	**1,660,541**	**1,446,342**
BoE asset encumbrance*	**15.6%**	**14.4%**
Equity per Share (£)	13.92	13.01

- Despite contraction since the start of Q2 2020, particularly in Retail Finance and Motor Finance, loan balances are 4.4% higher year-on-year
- Modest utilisation of TFS, with ILTR now mostly repaid
- TFS to be refinanced onto TFSME until 2025
- The Group has maintained its liquidity ratios in excess of regulatory requirements throughout the year and continues to hold significant levels of high quality liquid assets
- Shareholders' equity **up 7.9% to £259.3m**

**BoE asset encumbrance is the process by which STB assets are pledged with the Bank of England in order to secure funding under the TFS. STB limits asset encumbrance to 25% of total assets on loans that the Bank can pledge.*

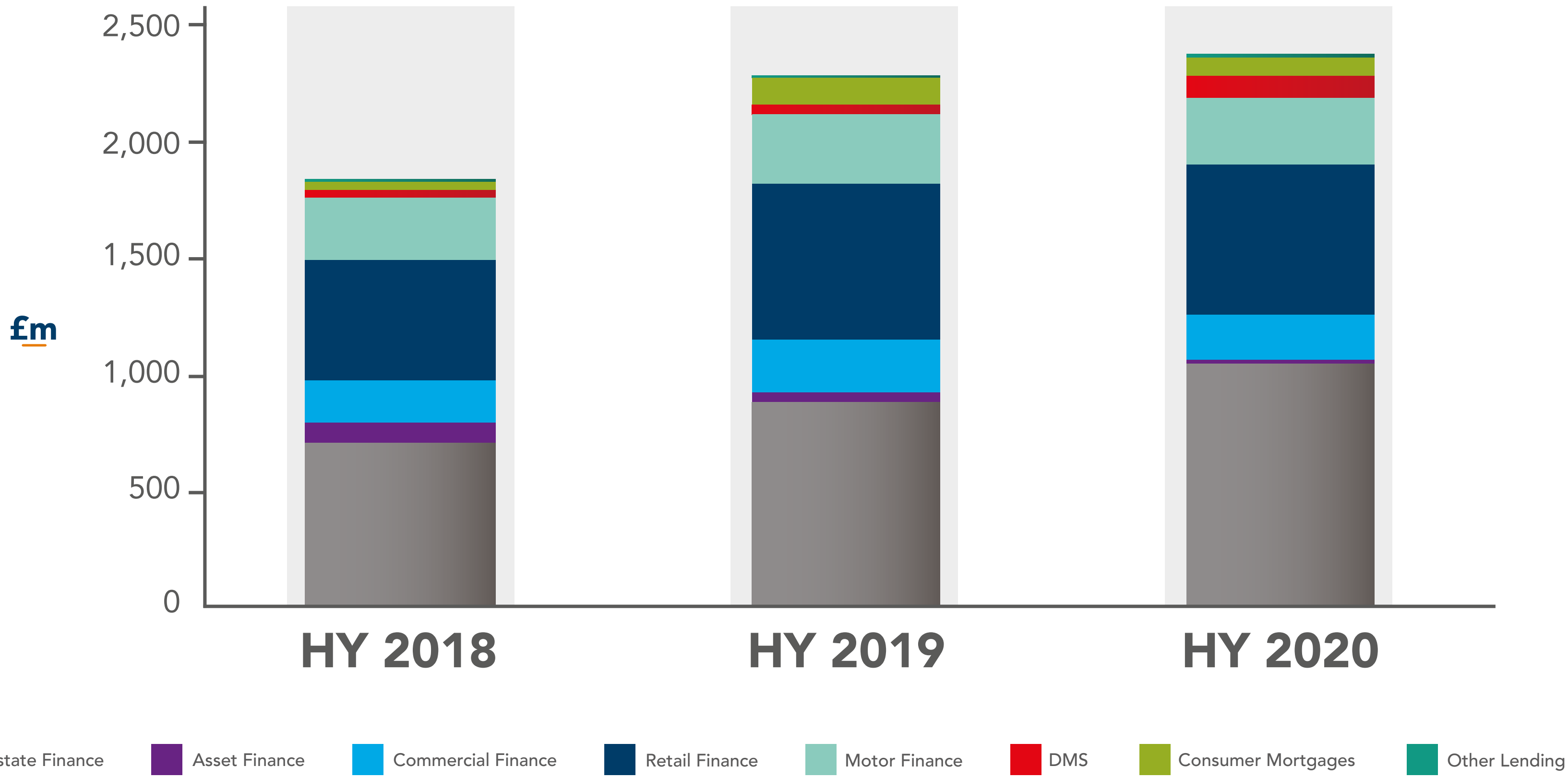
LENDING BRIDGE

Decrease of £72.6m (3.0%) since 31 December 2019



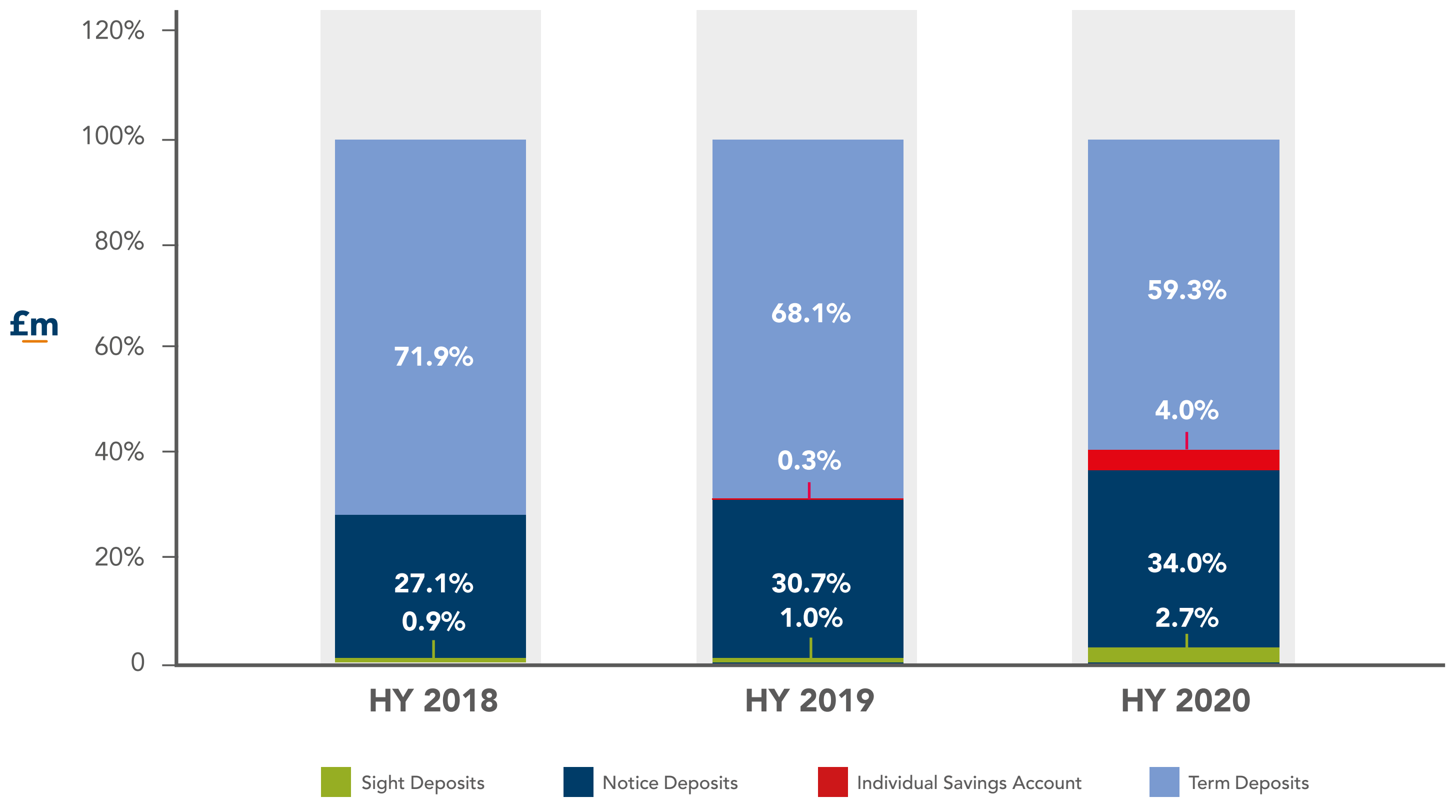
CUSTOMER LOAN PROGRESSION

Increase on HY 2019 of £99.2m (4.4%)



CUSTOMER DEPOSIT PROGRESSION

Shift from term to notice deposits and ISAs



STRATEGIC PRIORITIES DELIVERING FOR FURTHER GROWTH

Organic growth

- Potential for long-term sustainable growth for all of our core products
- Timing and extent of growth dependent on credit risk appetite and will be balanced with capital conservation
- Fall in base rates reduces advantage of large incumbent banks and so increases the addressable market

Broadening product offerings

- Wider range of Motor Finance products available for launch from investment in Motor Transformation Programme

M&A Activity

- The Group expects to be well placed, when the COVID-19 crisis ends, to take advantage of new business opportunities that may arise which provide a good strategic fit and meet risk appetite

Capital and liquidity

- Ratios maintained in excess of regulatory requirements
- Short-duration nature of assets is, as expected, aiding capital and liquidity conservation
- No interim dividend for 2020; distribution policy to be assessed as the crisis evolves

Medium term profit growth

- Guidance remains suspended while considerable uncertainty remains

SUMMARY

H1 2020 Performance:

- Profits impacted by the pandemic: statutory and adjusted PBT both down to just under one third of the equivalent period last year
  - Main driver of profit reduction is the increase in impairment provisions to take account of potential future economic deterioration
  - Capital ratios increasing due to balance sheet contraction and regulatory relief
- Strong liquidity position maintained
- Motor Transformation has broadened the product range with further developments in the pipeline and expected to be launched when market conditions are suitable

Outlook:

- Medium-term strategy unchanged
  - Short-term priority continues to be to support our workforce, customers and business partners
  - The Group entered the crisis with a positive 2019 result, continued momentum in Q1 2020 and reduced cost of risk
  - Robust balance sheet and capital conservation leave us well placed to navigate the crisis
  - Operations running effectively and plans in place for a cautious return to growth

SECTION 3

Secure Trust Bank
Straightforward transparent banking

APPENDICES

CUSTOMER FEEDBACK AND AWARDS

Deposits

Customer feedback from feefo
4.5 stars

“Just what we all need.
Always helpful and friendly customer service.”

“Excellent service. A1+.
I've used their service to pay all my bills for 40years +. Excellent, works for me. The people are really helpful and polite when you have the need to call in, which isn't that often.”

“Quick to answer phone calls; most helpful and friendly manner on phone always.”

All scores and comments as of June 2020.

CUSTOMER FEEDBACK AND AWARDS

Motor Finance

Customer feedback from feefo
4.7 stars

“Moneyway has really helped me out with this pandemic going on I don't know what I would have done if they didn't help me over the past few months, would definitely use them again and definitely recommend them, thanks Moneyway.”

“I have never had any problems, very easy to get hold of over the phone, and they have helped me a lot through COVID-19.
Very happy with my choice.”

“Very professional approach to customers' care.”

“Can't fault them; I called to change the date of my payment when my pay date changed and they were very friendly and helpful, I've since had a letter offering help during the coronavirus outbreak so all in all a good experience.”

“Very helpful during covid 19 payment holiday for three months lifesaver thanks again.”

All scores and comments as of June 2020.

CUSTOMER FEEDBACK AND AWARDS

Motor Finance

Customer feedback from Trustpilot 4.7 stars

"I am grateful and thankful for the excellent service I have received from Moneyway, for my first car to my second car. Due to circumstances beyond our control we had my first car rejected, and the Moneyway team made this event more bearable. I wish to thank personally my handler (named in the feedback) for his kindness and professionalism towards me. I was that impressed with the Moneyway team I stayed with them for my second car and everything went smoothly and I am happy to say my new car is excellent. Thank you all."

"It was a fantastic experience from the start of the application and with no hassles my application was approved within minutes. I would recommend all those who are looking for a quick and easy process to finance their new cars."

"I've always been reluctant to get a car on finance. However after deciding to enquire, Moneyway made it a quick, easy, straightforward and hassle-free process that took 3 days from start to finish."

"Moneyway is a great company to deal with, I applied to them and within minutes they had made a decision in my favour. I would definitely recommend them to anyone."

All scores and comments as of June 2020.

CUSTOMER FEEDBACK AND AWARDS

Motor Finance

Customer feedback from Trustpilot 4.7 stars

“Quick, easy, smooth transaction with excellent customer service and communication. Highly recommend.”

“I would like to thank all the staff at Moneyway for all their help. They made it very easy and talked me through it all. Thank you very much for all your help.”

“Good honest advice and a quick decision on finance options. I cannot recommend highly enough. Thank you Moneyway.”

“The service from Moneyway has been second to none. The adviser I spoke to was both friendly and efficient and kept me informed every step of the way. I completed all paperwork on the Monday (all done via email), and I collected my car on the Wednesday. I cannot recommend Moneyway highly enough and will definitely be using them to finance my next vehicle.”

All scores and comments as of June 2020.

CUSTOMER FEEDBACK AND AWARDS

V12 Retail Finance

Customer feedback from feefo
4.9 stars

"V12 have been brilliant especially as we are in the midst of a pandemic."

"Application online is quick to load, no difficult questions. Very quick decision and also send you a confirmatory email which is reassuring."

"This will be the third time I've used the services of V12. They show great communication, are fair and informative and I'm happy with the support and service I've always received."

"Really quick and easy step by step instructions to follow BRILLIANT!!"

V12 Retail Finance

Customer feedback from Trustpilot
4.9 stars

"A good way to spread the cost.
Very easy to apply and a very quick response, this is the second bike I have purchased this way and would recommend it."

"Absolutely superb from start to finish. Well done V12! The people on the phones were courteous and very knowledgeable – first class service."

"V12 is amazing, use them, they care.
I recently have seen a significant reduction in my income due to the Covid-19 situation and asked for a repayment holiday. V12 were amazing, efficient and swift in helping me take a 3 month holiday.
You guys rock, thank you."

All scores and comments as of June 2020.

BUSINESS TO BUSINESS FEEDBACK

Commercial Finance

"Secure Trust have been rock solid partners for our portfolio companies during the pandemic. They have shown cool heads and a supportive nature when I've seen other lenders panic. I won't forget that when things are back to normal."

Garry Wilson,
Managing Partner, Endless llp

Real Estate Finance

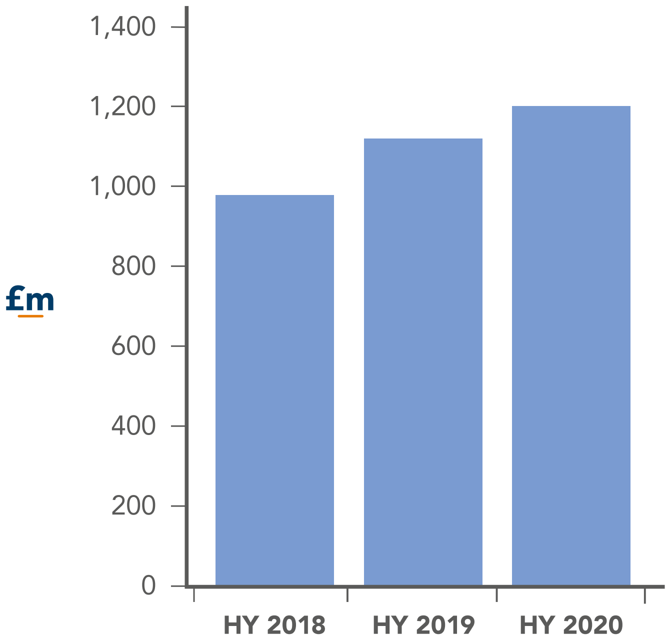
"The Residence is newly finished to a high specification. It is in the heart of Bedford and less than a mile from Bedford Station, with services to London, Milton Keynes and Luton Airport.
It has first class amenities right on the doorstep, in a market underserved by good quality rental stock. We didn't anticipate completing our first acquisition during a national lockdown, but with the help of Secure Trust Bank Real Estate Finance we were able to get the deal over the line."

Chris Turnbull,
Managing Director, Pinnacle Investments

All scores and comments as of June 2020.

BUSINESS FINANCE

Business Finance Loan book £m



Business Finance	HY 2018	HY 2019	HY 2020
Gross Revenue £m	28.5	33.8	34.4
Impairments £m	(1.5)	(0.7)	(3.7)
Loan book £m	980.2	1,142.4	1,247.8

BUSINESS FINANCE

Business overview – Real Estate Finance

- Supports SMEs over a financing term of up to 5 years with prudent loan to value levels
- Strength of the proposition is supported by: **the speed of decision making and experience in our ability to structure transactions**
- **Main products** available: residential development, residential investment, commercial investment and mixed development
- **Route to market** via introducers served by a team of Real Estate Finance regional managers

Business overview – Commercial Finance

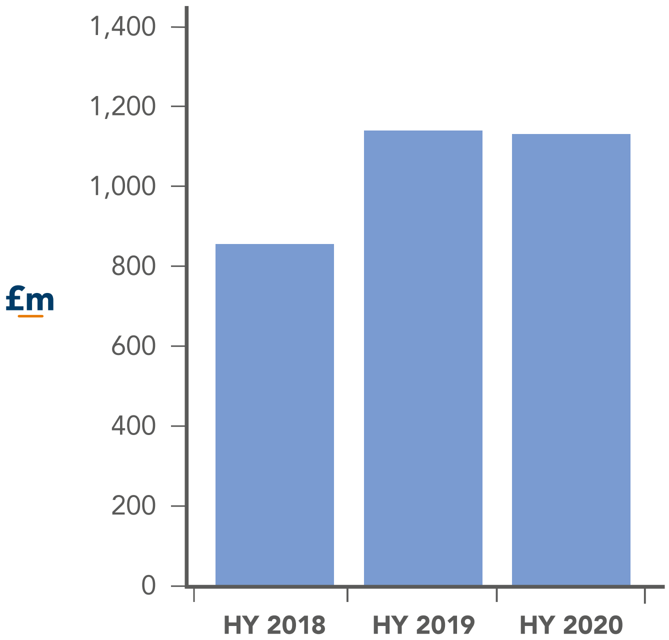
- Provides a full range of asset based lending solutions including invoice factoring and discounting
- Also provides SME commercial owner occupiers with finance to buy the property they trade from
- Key factors to the strength of the business: **the speed of decision making and strong risk management**
- Operates from premises in **Manchester** with national coverage via regional teams

Business overview – Asset Finance

- Supports SMEs to acquire commercial assets, such as building equipment, commercial vehicles and manufacturing equipment, and who may not be adequately served by the traditional banks
- Hire purchase and finance lease arrangements up to **5 years**

CONSUMER FINANCE

Consumer Finance Loan book £m



Consumer Finance	HY 2018	HY 2019	HY 2020
Gross Revenue £m	56.7	66.5	71.1
Impairments £m	(15.4)	(17.2)	(27.8)
Loan book £m	845.6	1,127.0	1,124.4

CONSUMER FINANCE

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 **up to 84 months**, loan size **up to £25,000**
- Growth opportunities include entry into new sectors and the ability to pitch for full national retailer contracts

Business overview – Motor

- **Prime lending and near-prime** offering greater participation across the risk curve
- Maximum loans of **£25,000** with finance terms **up to 5 years**
- Growth driven by:
  - speed and quality of service
  - relationships with introducers
  - product and channel distribution innovation
- Auction stocking and dealer stocking products launched in 2019

STRATEGY CONTINUES TO DELIVER

Maximise shareholder value:

grow

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.

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