Secure Trust Bank PLC

Pillar 3 Interim Disclosures for 30 June 2026

Registered Office
Secure Trust Bank Plc
Yorke House, Arleston Way, Solihull, B90 4LH
Registered number: 00541132
LEI: 213800CXIBLC2TMIGI76

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1. Overview

1.1 Background

This document sets out the Pillar 3 disclosures for Secure Trust Bank PLC and its subsidiaries (the 'Group') as at 30 June 2026. Pillar 3 disclosures promote market discipline and consistency through prescribed public disclosure requirements under the UK Capital Requirements Regulation ('UK CRR'), including semi-annual disclosure of key capital positions.

The Group calculates regulatory capital using the Basel III framework issued by the Basel Committee on Banking Supervision ('Basel'), as implemented in the UK. The Basel framework aims to promote the safety and soundness of the financial system and is structured around three pillars: Pillar 1 sets minimum capital requirements for credit, market and operational risk; Pillar 2 covers the supervisory review process; and Pillar 3 promotes market discipline.

1.2 Regulatory framework

Basel 3 comprises the UK CRR and the Capital Requirements Directive ('CRD'). Following the UK's departure from the European Union ('EU'), the CRD was retained in UK law. The UK CRR is currently set out across the PRA Rulebook and primary legislation.

At the beginning of the year, the PRA published final policy statements on Basel 3.1 implementation, which comes into force on 1 January 2027. Key policies affecting the Group were PS1/26 'Implementation of Basel 3.1: Final Rules', which finalised the UK's Basel 3.1 framework covering credit risk, operational risk, disclosures and reporting; and PS4/26 'Strong & Simple Framework', which sets out the simplified capital regime and reporting requirements applicable to the Group as a Small Domestic Deposit Taker ('SDDT'). The Group is well placed for implementation, with an internal project team engaged to complete the transition in line with PRA timelines in a well-controlled and governed manner.

On 15 January, the PRA published a supervisory letter on UK Deposit Taker priorities. The letter highlighted firms' Basel 3.1 readiness and set expectations ahead of the Pillar 2 requirement rebasing exercise, including an off-cycle data submission to supervisors. The Group submitted the off-cycle data request and obtained external assurance over its interpretation of the new regime and production of outputs. The Group has received its new capital requirements which will be effective from 1 January 2027. The PRA also confirmed a reduced supervisory approach, moving to two-year Periodic Summary Meeting ('PSM') cycles.

1.3 Basis of disclosures

The disclosures have been prepared for the Group in accordance with the UK CRR rules in the Disclosure (CRR) Part of the PRA Rulebook, Article 433b, and the Group's approved policy. The policy supports compliance with regulatory requirements and describes the internal controls and processes used to prepare this document.

The disclosures cover applicable Pillar 3 qualitative and quantitative requirements. Where appropriate, additional information and cross-references have been included to improve readability and understanding.

The disclosures present the Group's risk profile. No material disclosures have been omitted, and no information has been excluded on the grounds of proprietary or confidential information.

Regulatory capital ratios are calculated on both a Group and an Individual Consolidated (or 'solo') basis. Due to Group permissions, all Group entities are included within the Individual Consolidation, resulting in no distinction between the two.

The basis of consolidation for the Group is the same for accounting and prudential purposes.

1.4 Content of report and frequency

The Pillar 3 disclosures are issued every six months, alongside the Group's Interim Report or Annual Report and Accounts. The frequency of disclosure will be reviewed if there is a material change to the approach used to calculate capital, the business structure or regulatory requirements.

The comparative figures are as published in the prior period where applicable. Furthermore, where specific rows and columns in the tables prescribed by the PRA are not applicable, these are omitted.

1.5 Media and location

Pillar 3 disclosures are published on the Secure Trust Bank PLC corporate website (www.securetrustbank.com/investors).

1.6 Governance

The PRA Rulebook requires a formal Pillar 3 disclosure policy, which the Board has implemented. The Executive Risk Committee, a sub-committee of the Executive Committee, reviews and approves the policy annually.

The Interim Pillar 3 disclosures are reviewed by the Audit Committee and approved by the Board in conjunction with the Group's Interim Report.

The Chief Financial Officer attests that the disclosures have been prepared in accordance with the approved Pillar 3 disclosure policy, which conforms with the Disclosure (CRR) Part of the PRA Rulebook as applicable to SDDTs. The Group has operated a framework of disclosure controls, procedures and governance throughout the period to support the completeness and accuracy of its Pillar 3 disclosures.

The disclosures have not been, and are not required to be, subject to independent external audit. They do not form part of the Group's Interim Report or Annual Report and Accounts.

2 Key metrics

The table below, UK KM1, presents key metrics for capital, leverage and liquidity as at 30 June 2026.

		30 Jun 2026 £million	31 Dec 2025 £million	30 Jun 2025 £million
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	**381.7**	364.8	367.1
2	Tier 1 capital	**381.7**	364.8	367.1
3	Total capital	**441.6**	428.4	432.7
	Risk weighted exposure amounts			
4	Total RWEAs	**2,663.6**	2,827.5	2,916.8
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	CET1 ratio (%)	**14.3%**	12.9%	12.6%
6	Tier 1 ratio (%)	**14.3%**	12.9%	12.6%
7	Total capital ratio (%)	**16.6%**	15.2%	14.8%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount) [1]			
UK 7a	Additional CET1 SREP requirements (%)	**0.6%**	0.6%	0.6%
UK 7b	Additional AT1 SREP requirements (%)	**0.2%**	0.2%	0.2%
UK 7c	Additional T2 SREP requirements (%)	**0.3%**	0.3%	0.3%
UK 7d	Total SREP own funds requirements (%)	**9.0%**	9.0%	9.0%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	**2.5%**	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	**2.0%**	2.0%	2.0%
11	Combined buffer requirement (%)	**4.5%**	4.5%	4.5%
UK 11a	Overall capital requirements (%)	**13.5%**	13.5%	13.5%
12	CET1 available after meeting the total SREP own funds requirements (%)[2]	**9.3%**	7.8%	7.5%
	Leverage ratio			
13	Total exposure measure excluding claims on central banks	**3,701.1**	3,861.6	3,960.2
14	Leverage ratio excluding claims on central banks (%)	**10.3%**	9.4%	9.3%
	Liquidity Coverage Ratio[3]			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	**431.4**	443.2	433.7
UK 16a	Cash outflows - Total weighted value	**407.3**	416.4	399.8
UK 16b	Cash inflows - Total weighted value	**210.3**	182.7	172.0
16	Total net cash outflows (adjusted value)	**212.8**	233.7	227.8
17	Liquidity coverage ratio (%)	**208.6%**	190.4%	193.5%

1. Rows UK 7a-c, reflect the allocation of additional capital requirements to each tier of capital.
2. Represents, as a percentage, the level of CET1 capital surplus after subtracting the minimum amount of CET1 capital required to meet the total SREP own funds requirements. The minimum CET1 requirement is equivalent to 56.25% of Pillar 1 and 2A.
3. Liquidity balances for 30 June 2026 are calculated as the simple averages of month-end results from 31 July 2025 to 30 June 2026. Comparatives reflect averages of month-end results from the 12 months ending in the month being reported.

The Group complied with, and remained above, all applicable capital, leverage and liquidity regulatory requirements under the UK CRR and UK Leverage Framework throughout the first half of 2026.

At 30 June 2026, the Group comfortably exceeded both the 9.0% SREP own funds requirement and the 13.5% overall capital requirement under the UK CRR regulatory framework.

The CET1 and Tier 1 ratios increased to 14.3% (31 December 2025: 12.9%), reflecting the following movements during the period:

Total RWEAs decreased by £163.9 million, driven by:

- the sale of the Consumer Vehicle Finance business; partly offset by
- higher credit risk RWEAs in the Group's continuing businesses; and
- the annual increase in operational risk RWEAs.

CET1 capital increased by £16.9 million, primarily reflecting:

- profit after tax of £23.7 million;
- an interim dividend of £2.3 million; and
- a £5.3 million increase in own shares, predominantly due to the £5 million share buyback programme announced on 29 June 2026.

The total capital ratio increased to 16.6% (31 December 2025: 15.2%), reflecting lower RWEAs and higher CET1 capital, partly offset by a £3.7 million reduction in Tier 2 eligibility due to lower Total RWEAs.

Although the Group remains outside the scope of the full UK Leverage Ratio Framework, it applies the supervisory expectations in a similar manner to firms within scope. At 30 June 2026, the leverage ratio was 10.3% (31 December 2025: 9.4%), exceeding the UK Leverage Framework expectation of 3.25%.

The Group's average Liquidity Coverage Ratio ('LCR') over the 12 months to 30 June 2026 increased to 208.6% (31 December 2025: 190.4%), reflecting lower total net cash outflows following the sale of the Consumer Vehicle Finance business.