

**Secure Trust Bank PLC**  
**12 March 2026**  
**For immediate release**

## **SECURE TRUST BANK PLC**

### **2025 Annual Results and Investor Update Event: updated strategic plans and medium-term targets**

Secure Trust Bank PLC ('STB', 'Secure Trust Bank', or the 'Group'), a leading specialist bank, will host its 2025 Annual Results and Investor Update event for analysts and institutional investors today, 12 March 2026.

A live webcast of the presentation and slides will be available at the following link at 13.00: [https://brrmedia.news/STB\\_FY25\\_Investor\\_Update](https://brrmedia.news/STB_FY25_Investor_Update). The Annual Results presentation will begin at 13.00, with the Investor Update presentation to begin at 14.15.

The event will cover the Group's 2025 annual results and refreshed strategic plans, including product driven growth opportunities, and its capital allocation strategy. The event includes presentations from the CEO, CFO and management of the Retail Finance, Business Finance and Savings divisions.

#### **2025 Financial highlights<sup>1</sup>:**

- **Achieved return on average equity ('ROAE') of 14.3% (2024: 14.6%)**
- **Delivered continuing profit before tax of £59.3 million (2024: £59.4 million)**
- **Common Equity Tier 1 ('CET 1') ratio improved by 60 bps to 12.9% (2024: 12.3%)**
- **Sale of Consumer Vehicle Finance business further increases CET 1 ratio to 14.7%<sup>2</sup> on a pro forma basis**
- **Growth in lending balances of 8.1% to £3.3 billion (2024: £3.1 billion)**
- **Cost income ratio improved by 220 bps to 45.2% (2024: 47.4%)**
- **Tangible book value per share increased by 5.8% to £19.73 per share (2024: £18.64 per share)**
- **Increased total dividend to 35.5 pence per share (2024: 33.8 pence per share), in line with progressive dividend policy**
- **Committing £10 million of capital to initiate a share buyback programme to be delivered over 12 months, subject to regulatory approval**

#### **Strategic update**

- **Refreshed strategic priorities centred on product expansion, effective digital solutions and capital discipline will deliver targeted growth for higher returns**
- **New medium-term targets of c.10% annual growth and ROAE above 16%**
- **Simplified business on clear trajectory to grow in large scale markets at lower cost of risk**
- **Investment in cost efficiency alongside operating leverage will drive strong cost income ratio**

#### **2025 Annual Results**

The Group achieved strong levels of new business lending, leading to an 8.1% increase in net lending balances to £3.3 billion (2024: £3.1 billion). Retail Finance grew 8.0%, as the business continued to leverage the strength of its retail distribution network. Business Finance grew by 8.1%, driven by Real Estate Finance which grew by 9.4% and continued momentum in Commercial Finance, delivering 3.2% growth in net lending balances. Strong pricing discipline across the Group in a falling rate environment contributed to stable net interest margin ('NIM') of 4.7% (2024: 4.7%).

Customer deposits increased 8.2% year on year to £3.5 billion (2024: £3.2 billion), supporting growth in the lending book, and remaining stable relative to the half year. The rundown of the Vehicle Finance portfolio reduced the need for additional funding in the second half of the year. The Group fully repaid its Bank of England Term Funding Scheme with additional incentives for SMEs ('TFSME') balances in 2025 (2024: £230.0 million). The Group has £201.2 million (2024: £125.7 million) of funding through sale and repurchase arrangements.

Cost income ratio improved to 45.2% (2024: 47.4%) reflecting strong income growth and effective cost management in an inflationary environment, and the delivery of operational efficiencies through our cost optimisation programme, Project Fusion<sup>3</sup>. In 2025, operating expenses included £2.5 million of non-recurring costs relating to changes in senior leadership; excluding these items, the cost income ratio would have been 43.7%.

Cost of risk increased to 1.0% (2024: 0.8%). This reflects the impact of three specific cases in Business Finance and a normalisation of impairment charges in Retail Finance, following the impact of one-off model benefits.

The Group was capital accretive in 2025 and strengthened its capital position in the year, improving the CET 1 ratio by 60 bps to 12.9% (2024: 12.3%). The sale of the Consumer Vehicle Finance business, which completed on 25 February 2026, further increases the CET 1 ratio on a pro forma basis to 14.7%<sup>2</sup>.

### Financial Summary<sup>1</sup>

	2025	2024	Change
<b>Continuing profit before tax</b>	<b>£59.3m</b>	<b>£59.4m</b>	<b>(0.2)%</b>
<b>Total profit before tax</b>	<b>£27.5m</b>	<b>£29.2m</b>	<b>(5.8)%</b>
<b>Total adjusted<sup>4</sup> profit before tax</b>	<b>£51.6m</b>	<b>£39.1m</b>	<b>32.0%</b>
Basic earnings per share	238.8 pence	227.7 pence	4.9%
Total basic earnings per share	94.2 pence	103.4 pence	(8.9)%
Ordinary dividend per share	35.5 pence	33.8 pence	5.0%
Return on average equity	14.3%	14.6%	(30) bps
Net interest margin	4.7%	4.7%	-
Cost of risk	1.0%	0.8%	20 bps
Cost income ratio	45.2%	47.4%	(220) bps
Net lending balances	£3,295.8m	£3,050.2m	8.1%
Customer deposits	£3,509.6m	£3,244.9m	8.2%
Tangible book value per share	£19.73	£18.64	5.8%
<b>CET 1 ratio</b>	<b>12.9%</b>	<b>12.3%</b>	<b>60 bps</b>
<b>Total capital ratio</b>	<b>15.2%</b>	<b>14.6%</b>	<b>60 bps</b>

### Execution against strategic priorities

We continued to make strong progress against the four strategic priorities set out in 2023: simplify, leverage networks, enhance customer experience and enabled by technology.

- **Sale of Consumer Vehicle Finance business further simplifies Group structure**
- **Completion of Project Fusion, which has delivered c.£8 million of annualised cost savings<sup>3</sup>**
- **Strong levels of new lending across Business and Retail Finance, reflecting strength of deep customer and partner relationships**
- **Surpassed 475,000 Retail Finance app registrations and re-launched an updated Savings app**
- **Gains in Retail Finance new business market share to 15.5%<sup>5</sup> (2024: 13.6%)**

### Regulatory and legal developments

In October 2025, and in response to the proposed FCA approach, we increased our provision for motor finance consumer redress and related costs by £16.4 million. As at the 31 December 2025 the provision held was £21.5 million (2024: £6.4 million).

### Dividend

The Board recommends the payment of a final dividend for 2025 of 23.7 pence per share, which together with the interim dividend of 11.8 pence per share, represents a total dividend for the year of 35.5 pence per share (2024: 33.8 pence per share). This will be payable on 21 May 2026 to shareholders on the register at the close of business on 24 April 2026 and is in line with the Group's progressive dividend policy.

## Updated strategic priorities and medium-term targets

### 2025 strategic pivot

In the first half of 2025, the Group underwent a strategic review and identified opportunities to increase ROAE over time. As a result, the Group took decisive actions to streamline the business during 2025, including announcing its decision to stop new Vehicle Finance lending and subsequently agreeing the sale of the Consumer Vehicle Finance business.

We have now simplified to two lending divisions, Retail Finance and Business Finance, supported by our Savings division. This new structure reflects the way that we manage and evaluate our businesses through a product lens. We have profitable growth opportunities across our divisions, all with an established track record of value creation. Our proven specialist market capabilities, combined with the operating leverage now embedded within our businesses, enable us to pursue growth opportunities at minimal incremental cost.

### Refreshed strategy – Targeted growth for higher returns

Secure Trust Bank's refreshed strategy is "targeted growth for higher returns". This will be delivered through three strategic priorities:

- **Product expansion:** The Group will build on its existing strengths while broadening its product portfolio, including expansion into complementary offerings that enhance overall returns.
- **Effective digital solutions:** The Group will use scalable, flexible technology to enable further efficiencies, widen distribution and enhance the customer journey.
- **Capital discipline:** Capital allocation decisions will be informed by business credit expertise and data insights. The deployment of capital will support growth and value creation.

### Medium-term targets

Secure Trust Bank also announces new medium-term targets.

Measure	Medium-term target
Annual growth in net lending	c.10%
ROAE	>16%

Our target ROAE of above 16% will be driven by a disciplined focus on key drivers and underpinned by our ambitions to:

- target c.10% annual net lending growth in Retail Finance and Business Finance divisions, whilst maintaining risk adjusted margins through credit discipline and utilising data insights;
- expand our products into areas that share similar characteristics to our current offering where we have proven capability;
- deliver high operating leverage by maintaining a disciplined approach to cost management and delivery of efficiencies;
- improve cost income ratio over time, with an ambition to be 35-40% in the medium-term; and
- support predictable and stable returns through a balanced risk-weighted asset mix.

### Optimising capital management

Maintaining a strong capital base is pivotal to the delivery of our medium-term targets.

Our capital allocation framework is designed to optimise capital deployment for growth and value creation, whilst managing capital buffers. Our ambition is to maintain the CET 1 ratio at c.13.0%. We aim to deploy any surplus capital in the highest returning opportunities or return capital to shareholders, so as to enable us to deploy capital in organic product driven growth opportunities and enhance distributions to shareholders. Subject to regulatory approval and no material changes in prevailing market conditions, we will be committing surplus capital to initiate a share buyback programme with £10 million intended to be delivered in tranches over the next 12 months, as well as reaffirming our commitment to a progressive dividend policy. The Group is capital accretive and can support both further growth in net lending and dividends.

These choices are possible due to the sale of the Consumer Vehicle Finance business which has released capital ahead of schedule. This also accelerates our removal of costs from the Group. In our 2025 Interim Results, we indicated that the exit from Vehicle Finance would release £25 million of costs by 2030, involving incurring costs of £5 million. We are reaffirming our target to remove £25 million of run-rate costs but will do so by 2028, incurring additional costs of £12 million. We intend to support our medium-term target of more than 16% ROAE in this way through material improvements in the cost income ratio.

## 2026 Guidance

Having taken decisive strategic actions in 2025, 2026 will be a transitional year to launch new products and reduce cost. Accordingly, we provide the following guidance on 2026 expected performance.

Net lending	8-10% growth
Risk Adjusted Margin	c.10 bps improvement
Costs	Cost income ratio c.47%
Capital	CET 1 ratio c.13.5%
Distributions	Progressive dividend policy maintained Intention to launch £10 million buy-back programme, subject to regulatory approval
Discontinued activities	Break even profit before tax pre-exceptionals

### CEO, Ian Corfield said:

“Our strategy is simple. We will grow in large investable scale markets, where there are product driven opportunities that leverage our proven capabilities, and we will do this with operating leverage that will deliver an improved cost income ratio in the medium-term. We have a clear trajectory to higher returns, delivered at a reduced cost of risk. We are well capitalised and intend to deliver value back to shareholders through a share buyback programme. In combination this will allow us to deliver targeted growth at higher returns.”

#### Footnotes

1. Performance metrics relate to continuing operations, unless otherwise stated. The term ‘Total’ refers to statutory continuing and discontinued operations. Further details of the metrics can be found in the Appendix to the 2025 Annual Report and Accounts.
2. The revised pro forma CET 1 ratio at 31 December 2025 reflects 1) the Consumer Vehicle Finance portfolio had credit risk weighted assets of £293.2 million at that time and 2) the Vehicle Finance business sale generated a one-off net gain on sale on completion which increased CET 1.
3. £5.0 million cost savings relative to operating expenses for the 12 months ended December 2021. The additional £3.0 million savings (of the £8.0 million) are relative to annualised operating expenses for the six months ended 30 June 2024.
4. Adjusted metrics exclude exceptional items of £24.1 million (2024: £9.9 million). Details can be found in Note 8 to the Financial Statements.
5. Source: Finance & Leasing Association: New business values within retail store and online credit: 2025: 15.5% (2024: 13.6%). FLA total and Retail Finance new business of £9,094.8 million (2024: £9,476.0 million) and £1,407.0 million (2024: £1,289.7 million). As published at 31 December 2025.

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**Forward looking statements**

This announcement contains forward-looking statements about the business, strategy and plans of STB and its current objectives, targets and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about STB'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. STB'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 economic and business conditions, risks from failure of clients, customers and counterparties, market related risks including interest rate risk, risks regarding market conditions outside STB's control, expected credit losses in certain scenarios involving forward looking data, operational risks, legal, regulatory, or governmental developments, and other factors. The forward-looking statements contained in this announcement are made as of the date of this announcement, and (except as required by law or regulation) STB undertakes no obligation to update any of its forward-looking statements.

**About STB**

STB is an established, well-funded and capitalised UK retail bank with a 72-year trading track record. STB operates principally from its head office in Solihull, West Midlands. The Group's diversified lending portfolio currently focuses on two sectors:

- (i) Business Finance through its Real Estate Finance and Commercial Finance divisions; and
- (ii) Consumer Finance through its V12 Retail Finance division,  
supported by its Savings division.

Secure Trust Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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