SECURE TRUST BANK PLC

2019 YEAR END RESULTS 7 MAY 2020

SECTION 1

INTRODUCTION & BUSINESS REVIEW PAUL LYNAM | CHIEF EXECUTIVE OFFICER

CONTINUED PROGRESS AND PROFITABLE GROWTH IN 2019

- FY 2019 statutory PBT of **£38.7m** v £34.7m (FY 2018), an increase of 11.5%
- FY 2019 adjusted PBT of **£41.1m** vs £36.7m (FY 2018), an increase of 12.0%
- FY 2019 adjusted ROAE of **13.5%** vs 13.1% (FY 2018), an increase of 3.1%
- FY 2019 adjusted EPS of **178.6p** vs 161.8p (FY 2018), an increase of 10.4%
- FY 2019 loans of **£2,450.1m** vs £2,028.9m (FY 2018), an increase of 20.8%
- FY 2019 cost of risk of **1.4%** vs 1.8% (FY 2018), a reduction of 22.2%

- Continued progress in both Business Finance and Consumer Finance
- Volume and revenue growth in all core product areas
- Improving book quality has further improved cost of risk
- First phases of Motor Transformation Programme delivered
- Customer numbers are up **24.9%** to **1,598,256** (2018: **1,279,783**)
- Continuing high levels of customer and employee satisfaction
- Healthy capital and liquidity position allowing continued growth across diversified product range
- Well placed to support increased demand as conditions improve

CONTINUED GROWTH IN DIVERSE LOAN BOOK

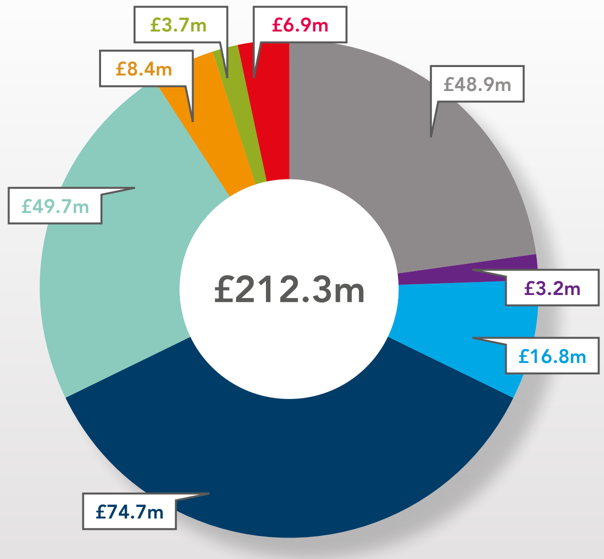
	Business Finance 50.7% of loan book (FY 2018 50.6%)			Consumer Finance 49.0% of loan book (FY 2018 48.8%)			
	Real Estate Finance	Asset Finance	Commercial Finance	DMS	Retail Finance	Motor Finance	Consumer Mortgages
STB product offering	Residential and commercial investment and development lending	Hire purchase and finance leases	Invoice discounting and debt factoring	The Group's debt collection business acting for a range of internal Group and external clients	Prime credit portfolio customers across a range of retail sectors including cycle, leisure and furniture	Prime and non-prime lending in the used car market	Owner occupied mortgages for customers currently underserved by the market
% change	25.0%	(55.9)%	29.3%	155.1%	15.4%	17.1%	25.0%
Loan book FY 2019 £m	962.2	27.7	251.7	82.4	688.9	323.7	105.9
Cost of risk FY 2019 %	0.0%	1.6%	0.0%	N/A	3.0%	4.6%	0.1%
Loan book FY 2018 £m	769.8	62.8	194.7	32.3	597.0	276.4	84.7
Cost of risk FY 2018 %	0.1%	2.4%	0.0%	N/A	3.8%	4.2%	0.5%
Consensus 2021*	1,283.5	2.7	420.7	80.0	818.5	517.6	91.3
Net revenue margin FY 2019	3.2%	5.0%	6.0%	12.0%	9.5%	13.8%	2.7%
Net revenue margin FY 2018	3.6%	5.0%	6.2%	19.4%**	10.3%	15.3%	2.6%
M&A appetite	Medium	High	Medium	Medium	Limited Opportunities	Medium	Low
Est market size	c£19.7bn (development) c£60bn (investment)	c£29bn	c£22bn	c£20bn	c£8-£20bn	c£62bn	>£1,000bn

**Consensus formed from forecasts by Edison, Canaccord, KBW, Peel Hunt and Shore Capital for the year ending 31st December 2021.*
***The 2018 net revenue margin for DMS has been adjusted to assume the same accounting treatment adopted as for 2019. The 2019 ratio is impacted by significant debt purchases made towards the end of the year*

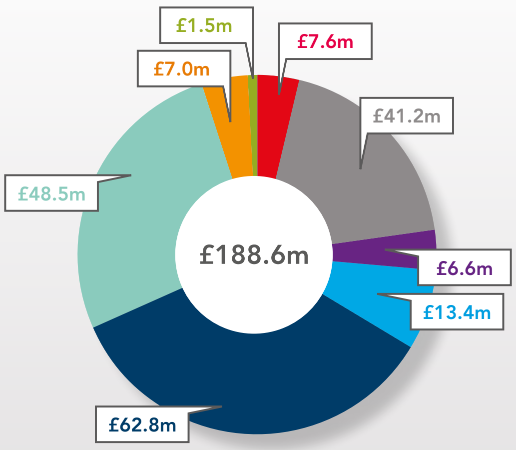
INCOME DIVERSIFIED ACROSS LENDING TYPE

Income growth across the core businesses

YE 2019



YE 2018



KEY

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

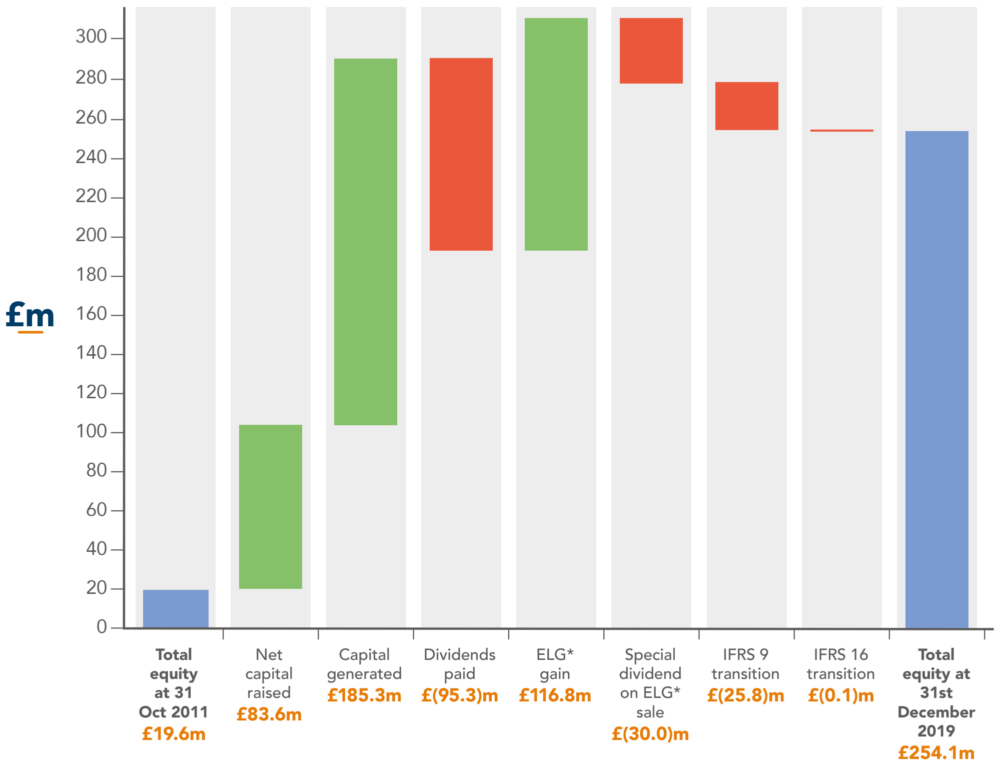
Income before interest expense, commission expense and impairment losses.

WELL POSITIONED TO NAVIGATE THE COVID-19 CRISIS

- Group strategy remains unchanged as one of responsible lending across a diverse portfolio of attractive segments
- Repositioning of lending portfolio has mitigated the impact on the Group from adverse impacts of economic uncertainty and competitive pressures in 2019 and will reduce the impact of the COVID-19 crisis on impairment levels
- Group enters 2020 with healthy capital positions (CET 1 ratio **12.7%** and total capital ratio of **15.0%**) and significant surplus liquidity over minimum regulatory requirements
- Majority of Group employees working from home and operational continuity maintained
- Stress testing updated to take account of the uncertain conditions arising from the crisis
- Short duration nature of the Consumer asset portfolio will help maintain capital and liquidity levels throughout the crisis and allow the Group to react quickly to opportunities once it ends
- Diversified portfolio and business model leaves the Group well placed to continue to pursue its objectives once the UK emerges from the crisis
- Second phase of Motor Transformation Programme delivered, with infrastructure established for Trade and Forecourt Financing
- Motor Transformation Programme continuing, to ensure the Group is ready to support consumers and dealers once the used car market reopens
- New Cash ISA product launched in April 2019
- The balance sheet has started to contract after Q1 2020 due to material reductions in Motor and Retail Finance new business

STRATEGY YIELDING STRONG RETURNS

Shareholder value created since 2011 IPO



- **£302.1m** capital generated since IPO including the sale of Everyday Loans
- **41%** of total capital generated paid in dividends
- Capital remains strong with Common Equity Tier 1 ratio of **12.7%**
- Leverage ratio of **9.8%** well above the PRA minimum
- Equity per share at IPO **£1.66**
- Equity per share at YE 2019 of **£13.75**, a **728%** 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*

SECTION 2

FINANCIAL REVIEW

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

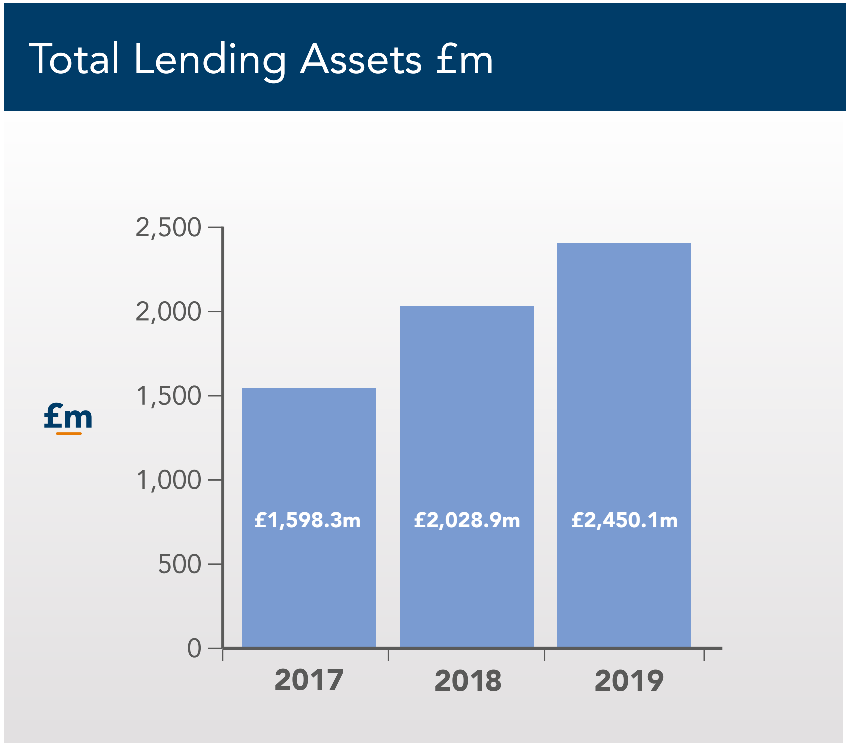
CONTINUED STRONG GROWTH

Increased revenues and stable impairments despite slowing economic growth in H2

(£m)	FY 2019	FY 2018
Gross interest income	191.4	169.2
Tier 2 interest expense	(3.4)	(1.2)
Customer interest expense	(42.6)	(34.3)
Net interest income	165.5	151.6
Impairment losses	(32.6)	(32.4)
Statutory PBT	38.7	34.7
Adjusted PBT	41.1	36.7

	FY 2019	FY 2018
Loan book	2,450.1	2,028.9
Deposits	2,020.3	1,847.7
Loan to deposit ratio	121.3%	109.8%
Total risk exposure	2,118.1	1,824.6
CET1 ratio	12.7%	13.8%
Total capital ratio	15.0%	16.3%

Key Performance Indicators	FY 2019	FY 2018
Customers	1,598,256	1,279,783
Basic EPS (pence)	168.3	153.2
Adjusted EPS (pence)	178.6	161.8
Adjusted ROAA	1.3%	1.4%
Adjusted ROAE	13.5%	13.1%
Adjusted RORE*	14.1%	14.8%



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

SUMMARY INCOME STATEMENT

Profit growth driven by improved book quality and revenue growth

£m	FY 2019	FY 2018	% change
Net Interest income	145.4	133.7	8.8%
Net Fee, commission and other income	20.1	17.9	12.3%
Operating Income	**165.5**	**151.6**	**9.2%**
Impairment losses	(32.6)	(32.4)	0.6%
Operating expenses	(94.2)	(84.5)	11.5%
Statutory profit before tax	**38.7**	**34.7**	**11.5%**
Adjusted profit before tax	**41.1**	**36.7**	**12.0%**
Basic EPS (pence)	168.3	153.2	9.9%
Adjusted EPS (pence)	178.6	161.8	10.4%
Cost to income ratio	56.9%	55.7%	2.2%
Adjusted ROAE	13.5%	13.1%	3.1%

8.8% increase in net interest income
- Increase is volume driven; NIM reduced due to book mix and reduced risk profile of lending

Significant reduction in cost of risk
- Improved book quality results in impairment losses increasing by **0.6%**, on a book increase of **20.8%**
- Impairments in Business Finance remain minimal

Cost to income ratio
- Continuing investment in the Lending and Savings businesses, Compliance and Risk
- Cost to income ratio increased from **55.7%** to **56.9%**
- However, adjusting for Yorke House acquisition and accounting treatment change, the ratio would be **55.5%**

KPI SUMMARY

Increased earnings delivers improved return on average equity of 13.5%

Key Performance Indicator	FY 2019	FY 2018
EPS (Basic)	168.3	153.2
EPS (Adjusted)	178.6	161.8
Adjusted ROAA	1.3%	1.4%
Adjusted ROAE	13.5%	13.1%
Adjusted RORE	14.1%	14.8%

Key Performance Indicator	FY 2019	FY 2018
Net interest margin	6.5%	7.4%
Net revenue margin	7.3%	8.3%
Gross revenue margin	9.4%	10.4%

Key Performance Indicator	FY 2019	FY 2018
Cost of risk	1.4%	1.8%
Cost of funding	2.0%	2.0%
Cost of customer funding*	1.9%	1.9%
Total cost to income ratio	56.9%	55.7%

Key Performance Indicator	FY 2019	FY 2018
Loan to deposit ratio	121.3%	109.8%
Common equity tier 1 ratio**	12.7%	13.8%
Total capital ratio**	15.0%	16.3%
Leverage ratio**	9.8%	10.0%

** Cost of customer funding excludes the cost of Tier 2 capital*
*** Capital ratios exclude proposed dividends*

IMPAIRMENT

Cost of risk reduced from 1.8% to 1.4%, driven by improved credit quality

	Business Finance			Consumer Finance		
	Real Estate Finance	Asset Finance	Commercial Finance	Retail Finance	Motor Finance*	Consumer Mortgages
Loan book % change from December 2018	25.0%	(55.9)%	29.3%	15.4%	17.1%	25.0%
Impairment Losses FY 2019 £m	0.1	0.7	0.1	19.8	13.8	0.1
Impairment Losses FY 2018 £m	0.5	2.2	–	19.3	11.3	0.2
Cost of risk FY 2019 %	0.0%	1.6%	0.0%	3.0%	4.6%	0.1%
Cost of risk FY 2018 %	0.1%	2.4%	0.0%	3.8%	4.2%	0.5%

- Impairment losses on Business Finance products continue to be insignificant
- Group cost of risk reduced reflecting improved book quality
- Motor Finance impairment includes charge relating to the market-wide fall in used car prices in the summer

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

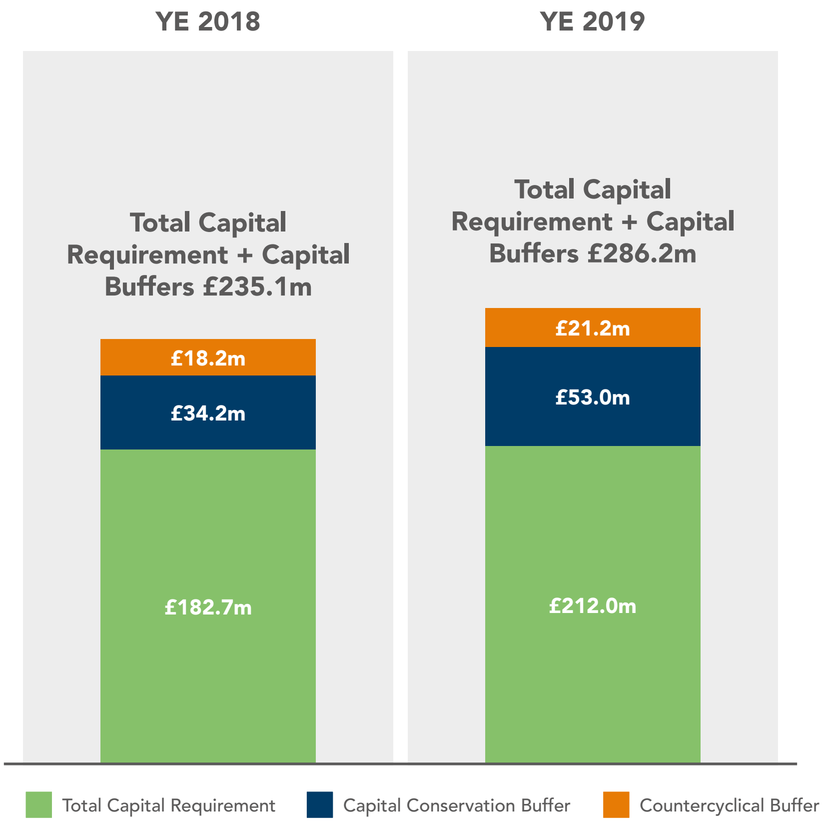
CAPITAL ANALYSIS

Progressive Capital Strategy

- The Group's capital management policy is based on optimising shareholder value over the long term
- Capital is allocated to achieve targeted risk adjusted returns whilst ensuring appropriate surpluses are held over regulatory requirements
- Key factors influencing the management of capital include new business volumes and product mix, both of which are actively managed by the Group in order to balance growth, profitability and conservation of capital
- The £268.0m CET 1 capital for 2019 equates to total shareholders' equity of £254.1m plus regulatory adjustments, the most significant being the IFRS 9 transition adjustment

CAPITAL ANALYSIS (CONTINUED)

Healthy Capital Ratios

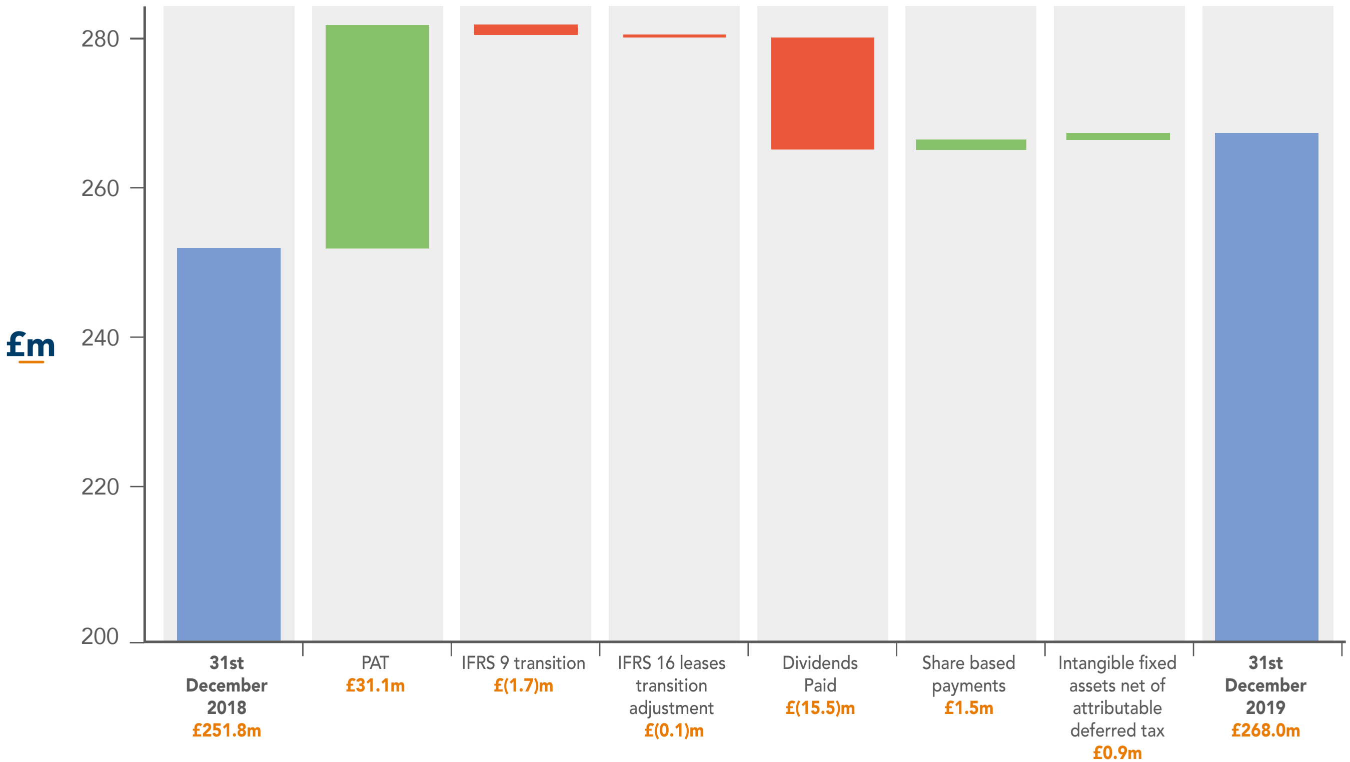


- The capital conservation and countercyclical buffers have increased 42% to £74.2m due to balance sheet growth and the increase to the Capital Conservation Buffer
- The Group's CET1 capital levels are healthy with a CET1 ratio of 12.7% (2018: 13.8%) and a total capital ratio of 15.0% (2018: 16.3%)
- The Group continues to invest capital in the strong growth of its loan portfolios
- Growth plans had taken into account the proposed increase to the countercyclical buffer at the end of 2020; buffer has subsequently been reduced to 0% as one of the measures introduced to mitigate the impact of COVID-19

The countercyclical buffer increased from 0.5% to 1% on 28 November 2018.
The capital conservation buffer increased from 1.875% to 2.5% on 1 January 2019.

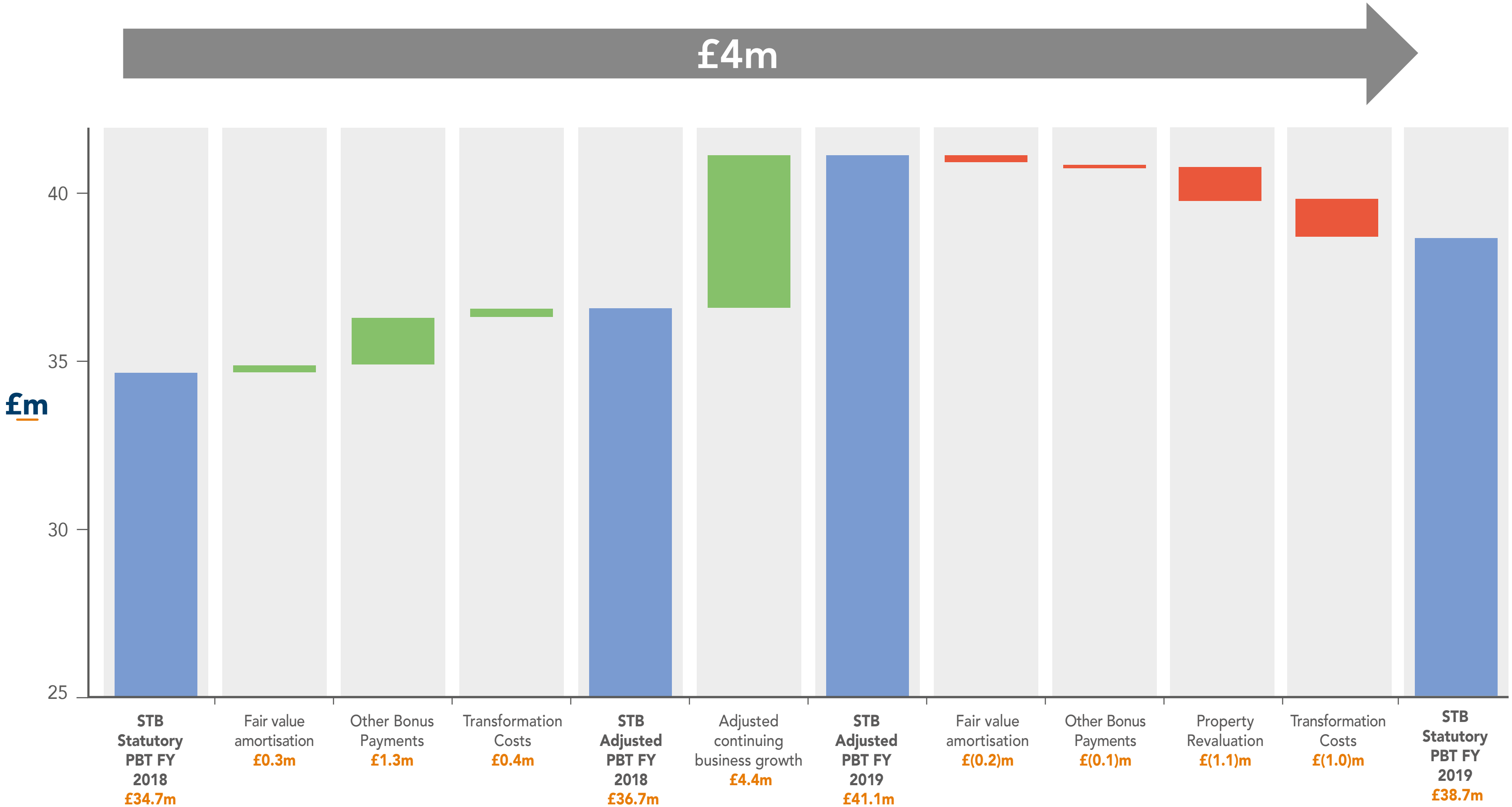
CET 1 CAPITAL BRIDGE

- CET1 of **£268.0m** reflecting an increase on FY 2018 of **£16.2m (6%)**, primarily driven by the increase in Group profits net of dividends paid.
- The IFRS 9 transitional adjustment to capital arises from the group making an election to phase in the impact of transitioning to IFRS 9 over a five year period, by applying add back factors of **95%**, **85%**, **70%**, **50%** and **25%** for years one to five respectively. Hence the **£1.7m** adjustment arises from the add back factor changing from **95%** to **85%**.



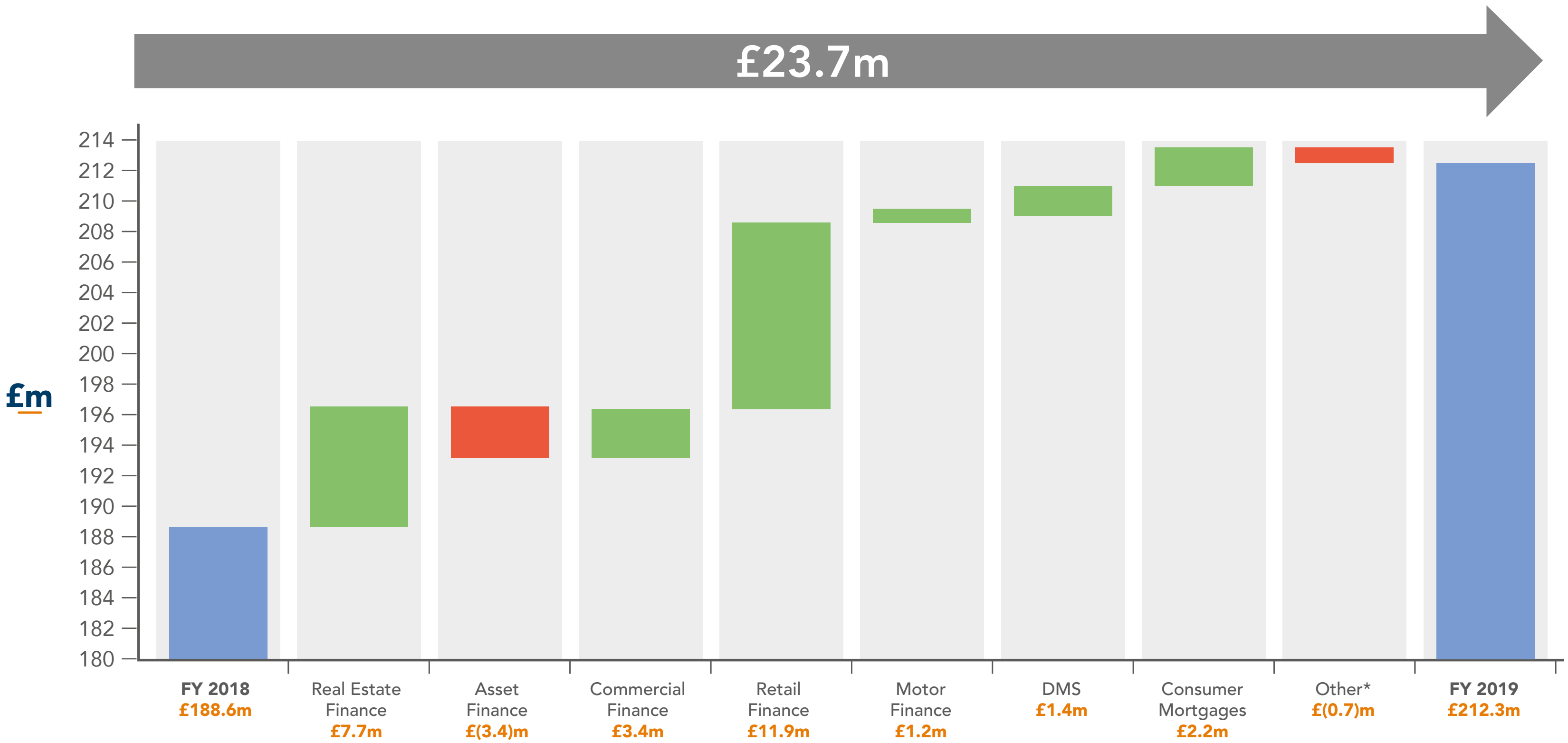
PROFIT BRIDGE

Statutory PBT of £38.7m reflecting an increase on FY 2018 of £4m (11.5%)



INCOME BRIDGE

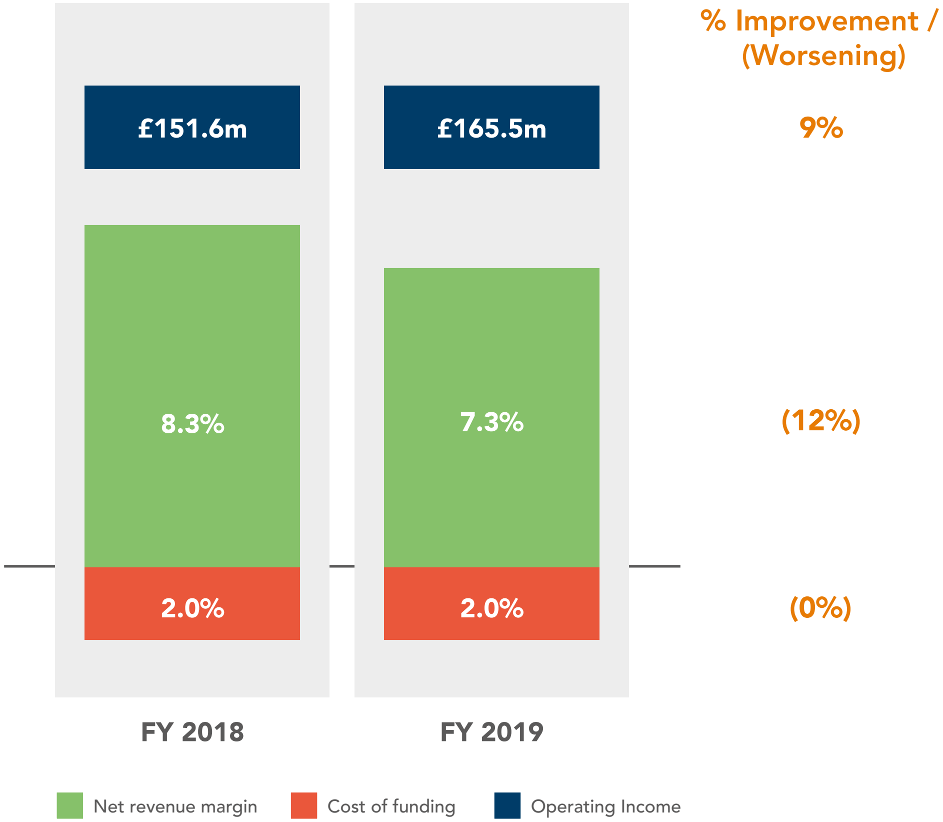
Increase on FY 2018 of £23.7m (13%)



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

EVOLVING NET REVENUE MARGIN

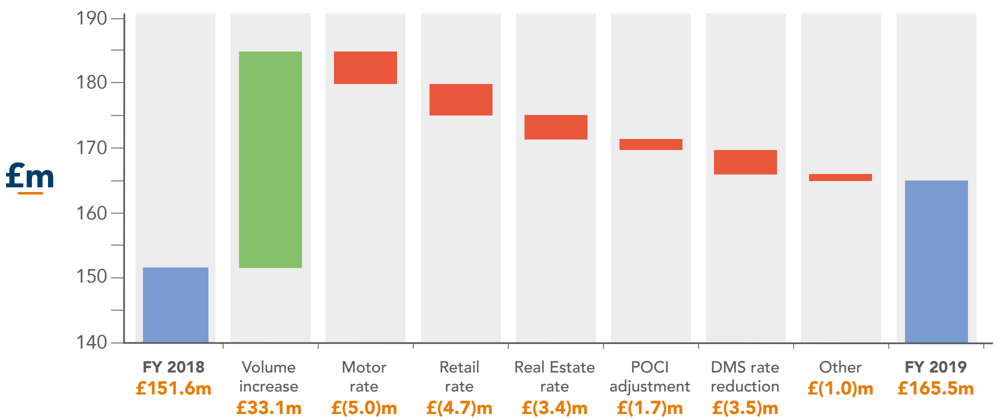
Margin shift driven by change in risk profile

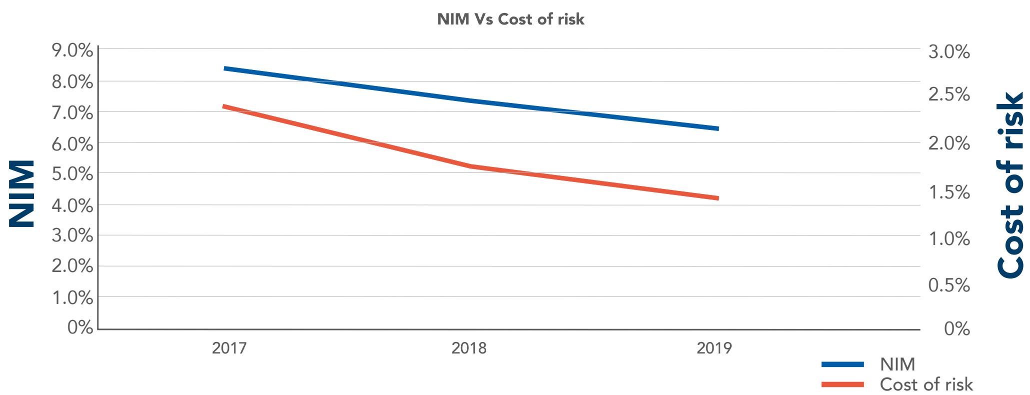


- New business volumes have driven 9% increase in operating income
- Reduction in net revenue margin driven by shift to better quality lending within the Consumer Finance books
- Delivery of Motor Transformation Programme will enable future growth in Motor Finance, the Group's highest margin product
- Widening savings product range has maintained cost of funds at 2%, despite rate rise and introduction of Tier 2 capital in 2018

NET REVENUE MARGIN REDUCTION DRIVEN BY SHIFT IN RISK PROFILE

Improved quality of lending is driving lower net margins and lower cost of risk



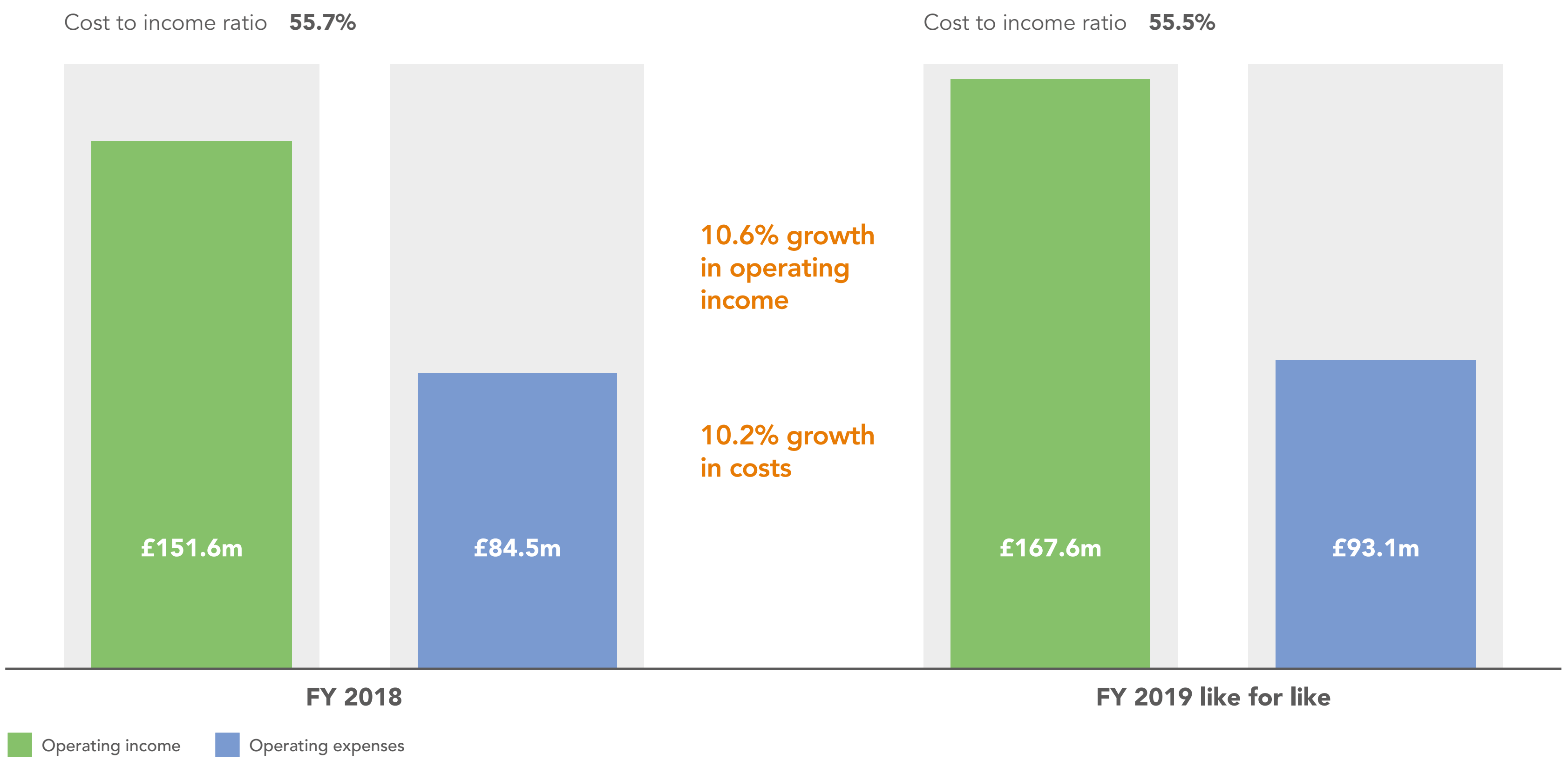


*2017 cost of risk is on a IAS39 basis

- Significant increase in the volume of lending albeit at lower margins resulted in an increase in operating income of **£13.9m**
- Lower net revenue margin within the Consumer Finance books is driven by a shift to better quality lending
- Real Estate produced a lower net revenue margin in 2019 driven by a combination of mix and market conditions
- Substantial external debt purchases in the second half of 2019 resulted in a lower net revenue margin in DMS than 2018
- Group cost of risk reduced from 2.4% to 1.4%, driven by improved credit quality offsetting the related reduction in net revenue margins

INVESTING IN BUSINESS GROWTH AND NEW PRODUCT LINES

Reflects continued investment in the Group's businesses, as well as in Treasury and Risk Management capabilities



BALANCE SHEET SUMMARY

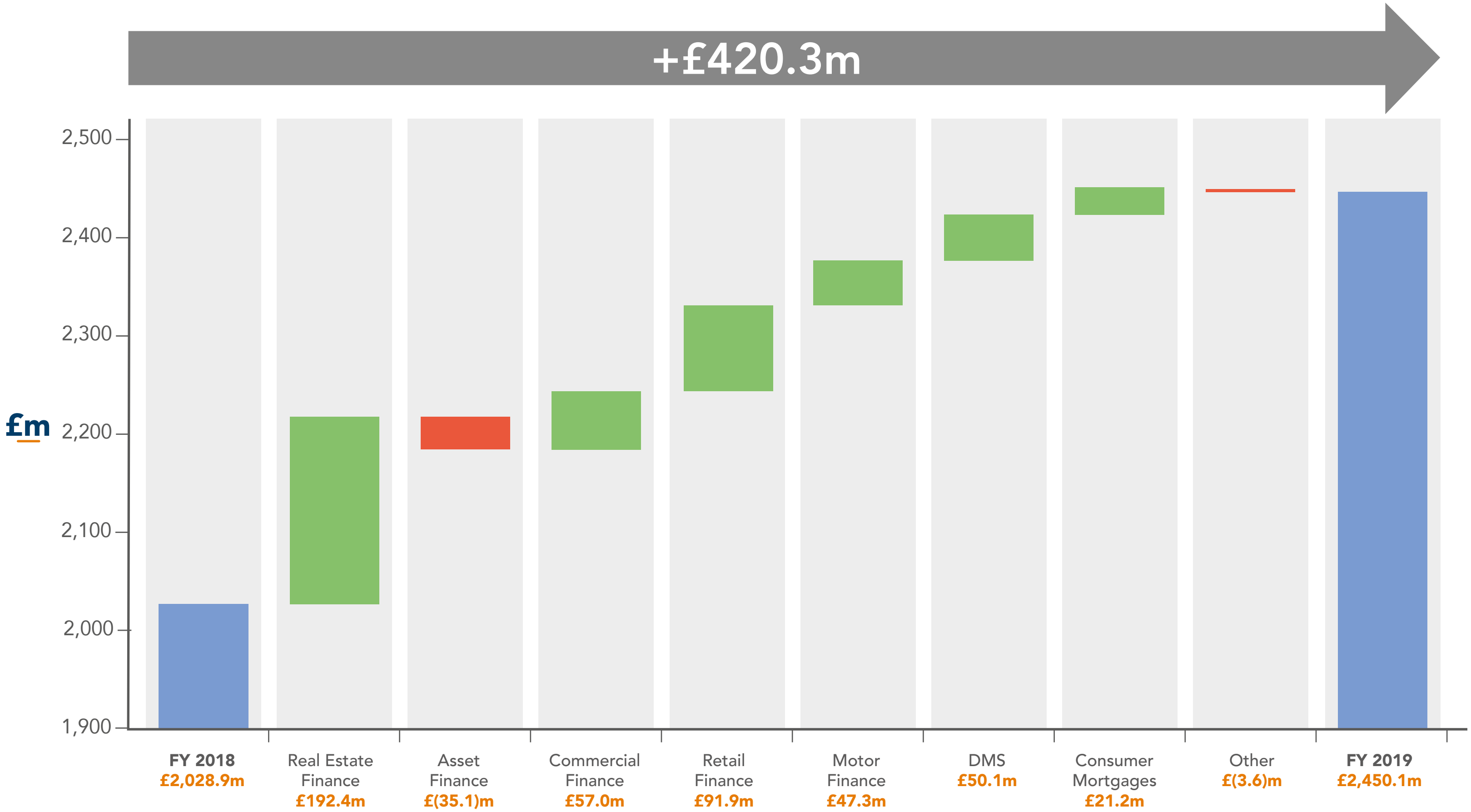
£m	FY 2019	FY 2018
Cash and balances at central banks	105.8	169.7
Debt securities held to maturity	25.0	149.7
Loans and advances to banks	48.4	44.8
Loans and advances to customers	2,450.1	2,028.9
Other assets	53.5	51.2
Total Assets	**2,682.8**	**2,444.3**
Deposits from customers	2,020.3	1,847.7
Wholesale funding	308.5	263.5
Tier 2	50.6	50.4
Other liabilities	49.3	45.6
Total Liabilities	**2,428.7**	**2,207.2**
Total Shareholders' equity	254.1	237.1
Total liabilities and shareholders' equity	**2,682.8**	**2,444.3**
Loan to deposit ratio	**121.3%**	**109.8%**
Customer numbers	**1,598,256**	**1,279,783**
BoE asset encumbrance*	**16.5%**	**15.8%**
Equity per Share (£)	**13.75**	**12.83**

- Loan book has exceeded **£2.4bn** up **20.8%** over prior year (2018: £2.0bn)
- Deposits from customers up **9.3% to £2.0bn**
- Modest utilisation of TFS and ILTR
- 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 7.2% to £254.1m**

**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.*

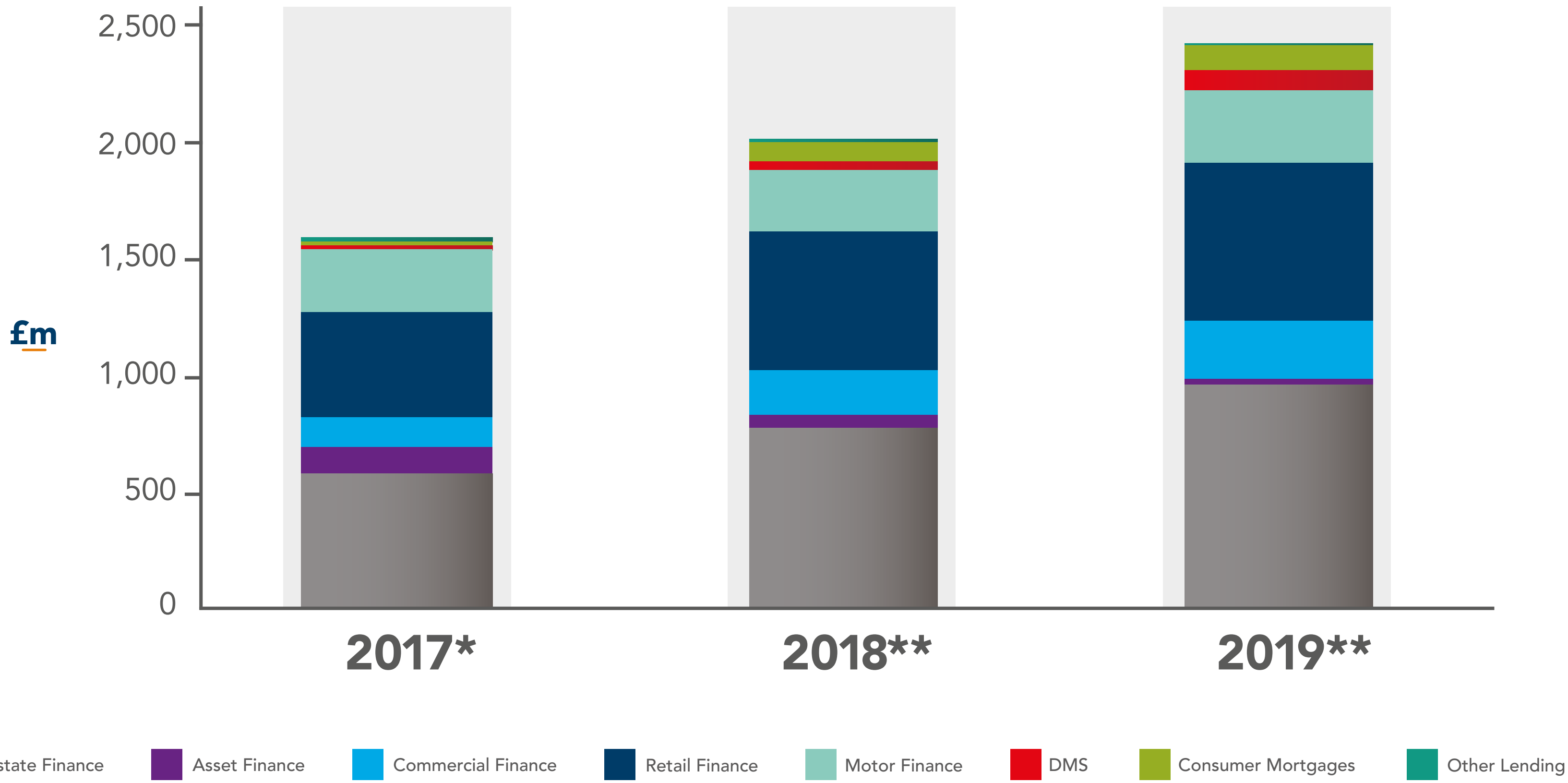
LENDING BRIDGE

Increase of £420.3m (20.7%) year on year



CUSTOMER LOAN PROGRESSION

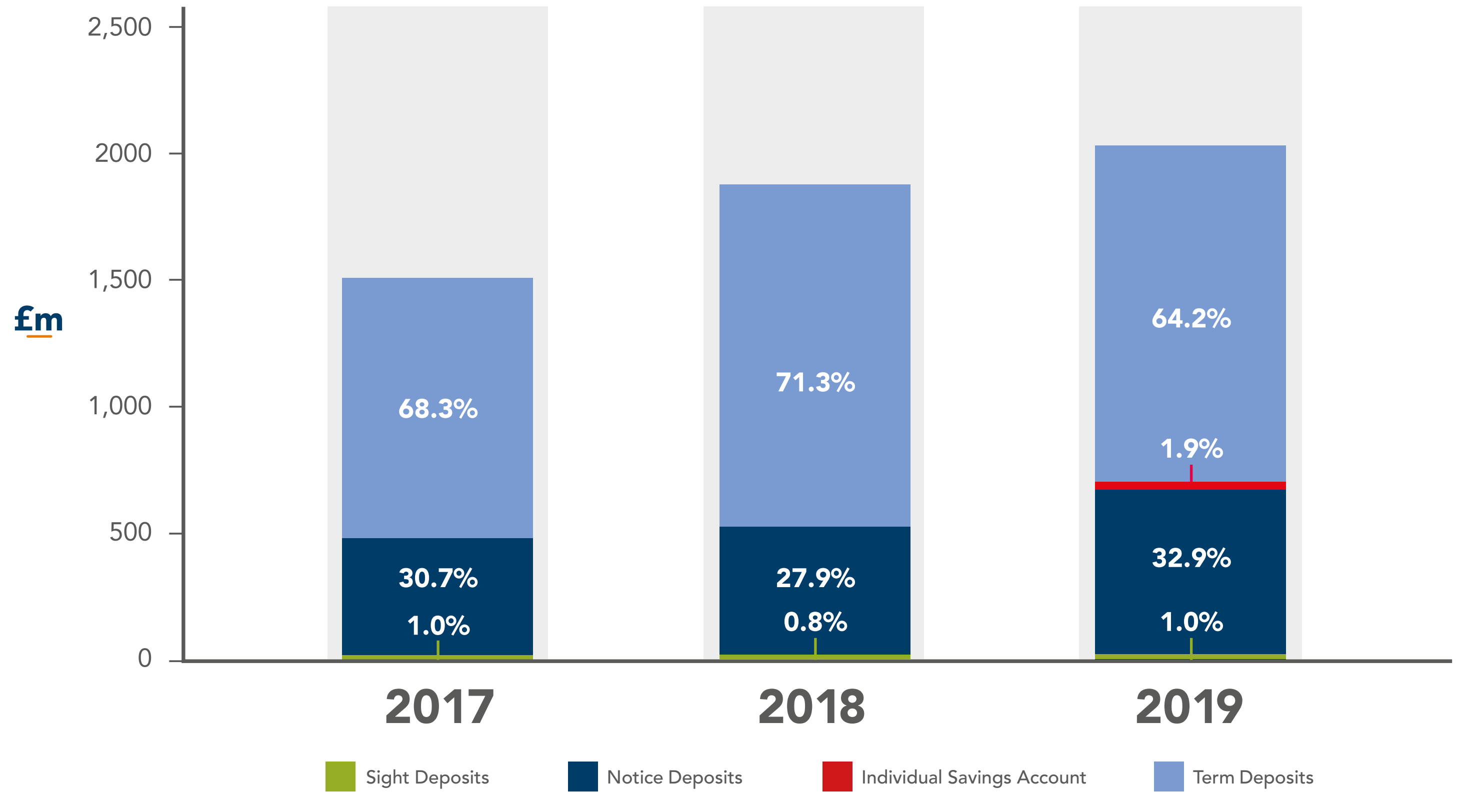
Increase on YE 2018 of £421.2m (20.8%) on a continuing basis



*On an IAS 39 basis.
**On an IFRS 9 basis.

CUSTOMER DEPOSIT PROGRESSION

Increase on YE 2018 of £171.9m (9.3%)



STRATEGIC PRIORITIES DELIVERING FOR FURTHER GROWTH

Organic growth

- Motor transformation underway with first provision of Trade and Forecourt Finance delivered under the V12 Vehicle Finance brand
- Continuing to invest in people, platforms and premises to ensure strong and sustainable growth and enhance customer experience
- SME businesses – continued growth in the Real Estate Finance and Commercial Finance businesses

Broadening product offerings

- Fixed rate ISA launched in April 2019 and Easy Access Account launched post year end
- New business mix continued to reduce credit risk

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 Retail Finance assets aids capital and liquidity conservation

Medium term profit growth

- Double-digit profit growth in 2018 and 2019

OUTLOOK IMPACTED BY COVID-19

COVID-19 outbreak will bring significant challenges to the UK and global economy:

- Potentially significant dampening of demand which will impact new business volumes
- Disruption to businesses could drive up unemployment and hence impairments
- Government interventions introduced to attempt to mitigate these factors
- Duration and impact of the outbreak currently unclear

Full impact on the Group not yet clear:

- Stress testing indicates that the Group will maintain required levels of capital and liquidity throughout the crisis
- No final dividend proposed for 2019
- Future dividend payments under review
- Forward guidance currently suspended
- The balance sheet has started to contract after Q1 2020 due to material reductions in Motor and Retail Finance new business
- Group focused on supporting its workforce, customers and business partners during the crisis

SUMMARY

2019 Performance:

- Positive momentum has continued delivering strong profit growth: Statutory PBT up **11.5%** and adjusted PBT up **12.0%**
- Healthy capital and liquidity positions maintained
- Improving book quality had positive impact on profit
- Motor transformation has resulted in Trade and Forecourt Financing proposition going live and will now focus on consumer prime proposition
- Benefits of diverse and flexible business model demonstrated by ability to take advantage of market opportunities

Outlook:

- Focus throughout the crisis will be on supporting our workforce and customers, mitigating risk and preserving capital
- The Group entered the crisis with a positive 2019 result, reduced cost of risk and strong start to 2020
- Robust balance sheet and effective contingency plans leave us well placed to navigate the crisis and emerge ready to progress our strategic agenda

SECTION 3

APPENDICES

CUSTOMER FEEDBACK AND AWARDS

Deposits

Customer feedback from feefo
4.5 stars

“Straightforward and professional.”

“Prompt and efficient service, as usual.”

“Great service so far. Thanks Secure Trust!”

“Offered an excellent service, top rate for my money and keep me regularly informed of my investment.”

“Simple and easy to open account on line.”

“Easy to set up account and very helpful on the phone. A good rate of interest too.”

“The service came well up to expectations.”

“Excellent service and fast response.”

“Brilliant all round service.”

“Easy to set up, excellent rates and website easy to navigate.”

“All my questions and requests were dealt with in a professional way.”

“Firstly, they offered the best return on our money within a ‘safe’ investment scheme. Secondly, they were very easy and straight forward to deal with.”

All scores and comments as of December 2019.

CUSTOMER FEEDBACK AND AWARDS

Motor Finance

Customer feedback from feefo
4.7 stars

“Excellent service get a reminder txt the week before payment is due. Was quick and easy to sort finance out.”

“Efficient, all arranged for me in less than 24 hours. Would definitely recommend.”

“Very good customer service and always gives plenty of warning when payments due. Process of obtaining loan very quick.”

“Easy straight forward set up. Excellent communication.”

“I would definitely recommend Moneyway and I would use them again.”

“Perfect, helpful attentive service throughout calls. Prompt text reminders. Upon requesting paperwork arrives within the week. Helpful and patient staff. Would recommend.”

“Moneyway service have been fantastic, helping me to afford a new car. Their customer service is one of the best I’ve used. I needed to change my payment date so gave them a call and was only on phone for about 5 minutes. Quick, professional and I would highly recommend them.”

“Everything was straight forward from the word go and they are helpful and polite when you speak with a member of their team.”

All scores and comments as of December 2019.

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 straight forward 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 December 2019.

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 as if it wasn't for the help and support in making my decision on choosing them for my finance 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 December 2019.

CUSTOMER FEEDBACK AND AWARDS

V12 Retail Finance

Customer feedback from feefo
4.9 stars

“A very fast and very smooth service. I would recommend V12 and I would definitely use them again.”

“They are fast, efficient; great value for money and absolutely NOT a faceless finance house. Their people are absolute stars. They will be my go to option for large retail purchases; I'll use them in preference to credit cards; and cheaper too!”

“Service was excellent, would recommend them to others and would also use them again if needed.”

V12 Retail Finance

Customer feedback from Trustpilot
4.9 stars

“Always brilliant to deal with. Quick and reliable, been using V12 for a few years. 5 Stars all day.”

“You guys have made my dreams come true. I have been a musician my whole life and I have used V12 more than 10 times already. They make it possible for me to break down very expensive items over periods of time otherwise I couldn't justify spending that cash all at once. They have let me and my career in music breathe.”

“In my experience one doesn't leave feedback positive or otherwise for credit/loan companies but it seems V12 are the exception; no nonsense finance on my purchases, good rates so they are not ripping you off, great customer service! it is one of those companies where you feel you are talking to a human being, not a "The Computer says No" automation like so many other companies. Very happy with them indeed.”

All scores and comments as of December 2019.

BUSINESS TO BUSINESS FEEDBACK

Commercial Finance

"In the past, it has been difficult for us to secure an asset-based facility due to the complexities of the whisky market.

Secure Trust Bank took the time to understand our business model and was able to take a flexible and common sense approach to the lending criteria. They understood that the value of our whisky stock increases over time, meaning that the facility can grow as our business expands."

David Robinson,
Chief Financial Officer, The Lakes Distillery

Real Estate Finance

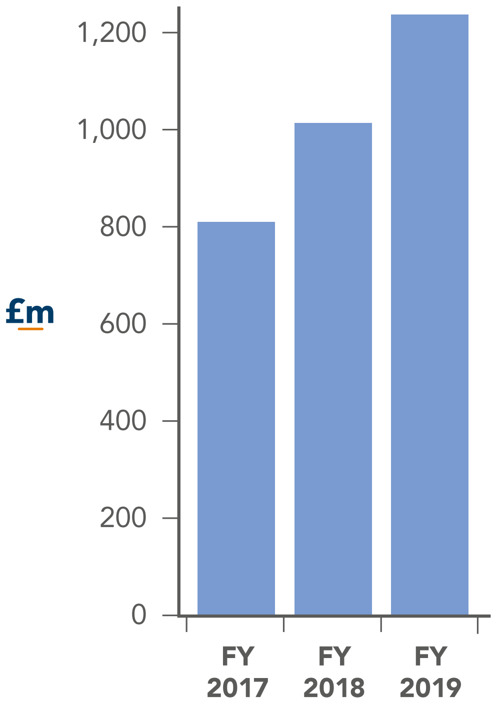
"Staycity's aparthotel is a fantastic addition to our mixed-use portfolio and demonstrates our ability to develop across all asset classes. Secure Trust Bank believed in our vision for this site and we are delighted to be partnering with such a supportive lender."

Marc Eden,
Investment and Legal Director, Regal London

All comments as of December 2019.

BUSINESS FINANCE

Business Finance Loan book £m



Business Finance	FY 2017	FY 2018	FY 2019
Revenue £m	48.0	61.2	68.9
Impairments £m	(0.9)	(2.7)	(0.9)
Loan book £m	824.0	1,027.3	1,241.6

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

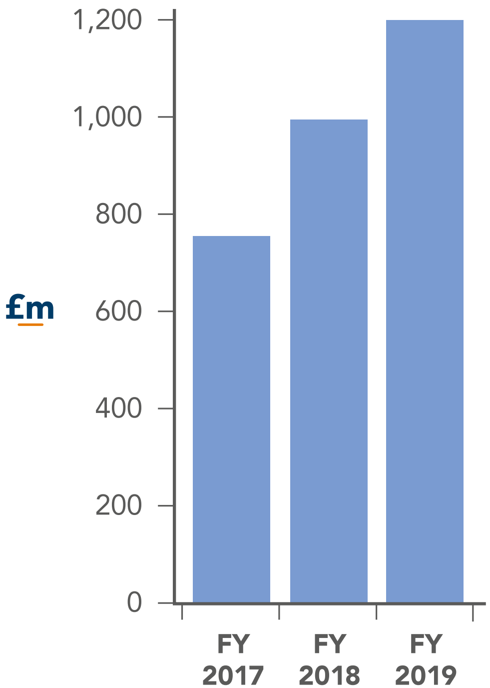
- Provides a full range of asset based lending solutions including invoice factoring and discounting
- Also provides SME commercial owner occupiers with finance to buy the property they trade from
- Key factors to the strength of the business: **the speed of decision making and strong risk management**
- 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	FY 2017	FY 2018	FY 2019
Revenue £m	102.8	119.8	136.5
Impairments £m	(34.6)	(30.8)	(31.6)
Loan book £m	759.0	990.4	1,200.9

FY 2017 Consumer Financials have been restated to include Consumer Mortgages results, which is now categorised with Consumer Finance FY 2018 onwards

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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