SECURE TRUST BANK PLC

Secure Trust Bank

Straightforward transparent banking

2018 YEAR END RESULTS

28 MARCH 2019

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SECTION 1

INTRODUCTION & BUSINESS REVIEW

PAUL LYNAM | CHIEF EXECUTIVE OFFICER

A YEAR OF SIGNIFICANT PROGRESS

- FY 2018 adjusted ROAE of **13.1%** vs 8.9% (FY 2017), an increase of 47.2%
- FY 2018 adjusted PBT of **£36.7m** vs £27.0m (FY 2017), an increase of 35.9%
- FY 2018 adjusted EPS of **161.8p** vs 116.4p (FY 2017), an increase of 39.0%
- FY 2018 loans of **£2,028.9m** vs £1,598.3m (FY 2017), an increase of 26.9%
- IFRS 9 FY 2018 cost of risk of **1.8%** vs 2.4% (FY 2017, IAS 39), a 25.0% reduction

- Continued investment delivering growth strategy
- Successful repositioning of the balance sheet and focus on lower-risk lending in attractive market segments
- Significant income growth in both Business and Consumer finance
- Higher quality book has significantly reduced cost of risk and offset IFRS 9 impact
- Increased returns and growth: Statutory PBT up **39%**, Basic EPS up **42%**
- Healthy capital and liquidity position
- Positive momentum into 2019 with the Group well placed to achieve its strategic objectives

DELIVERY OF GROWTH STRATEGY DRIVING RETURNS

Continued Delivery of Growth Strategy

- Loan book has exceeded **£2.0bn** for the first time, up **27%** over prior year (2017*: **£1.6bn**)
- Book remains diversified with SME business at **50.6%** of lending assets
- Customer numbers are up **29%** to **1,279,783** (2017*: **989,528**)
- Continuing high levels of customer and employee satisfaction

Increased Returns and Growth

- Total statutory PBT is up **39%** to **£34.7m** (2017*: **£25.0m**)
- Total adjusted PBT is up **36%** to **£36.7m** (2017*: **£27.0m**)
- Adjusted return on average equity at **13.1%** (2017*: **8.9%**)
- Proposed final dividend of **64** pence (2017: 61 pence)
- Total 2018 dividend of **83** pence (2017: 79 pence)
- Adjusted EPS is up **39%** to 161.8p (2017*: 116.4p)

**Statutory, adjusted PBT, loan book, adjusted return on average equity, adjusted EPS, and customer numbers are reported on a continuing operations basis, which excludes Personal Lending Division (PLD) that was sold pre 31 December 2017*

CONTINUED GROWTH IN DIVERSE LOAN BOOK

	Business Finance 50.6% of loan book (FY 2017* 52.6%)			Consumer Finance 44.6% of loan book (FY 2017* 45.4%)			Consumer Mortgage Lending 4.2% of loan book (FY 2017* 1.1%)
	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
% change	32.5%	(46.1)%	54.2%	34.9%	109.0%	9.3%	413.3%
Loan book FY 2018 £m	769.8	62.8	194.7	597.0	32.3	276.4	84.7
Cost of risk (IFRS 9) FY 2018 %	0.1%	2.4%	0.0%	3.8%	0.0%	4.2%	0.5%
Loan book FY 2017 £m*	581.0	116.5	126.3	442.6	15.6	253.0	16.5
Cost of risk (IAS 39) FY 2017 %	0.0%	0.9%	0.1%	3.5%	0.0%	8.0%	0.0%
Loan book Consensus 2020**	1189.8	6.8	416.9	702.8	n/a	371.2	187.6
Net revenue margin FY 2018	3.6%	5.0%	6.2%	10.3%	24.6%	15.3%	2.6%
Net revenue margin FY 2017	3.9%	4.9%	6.5%	10.9%	25.2%	15.2%	1.6%
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

2017 Consumer Financials have been restated to include DMS results, which is now categorised with Consumer Finance FY 2018 onwards.
**Adjusted to take account of transition to IFRS 9.*
***Consensus formed from forecasts by Edison, Canaccord, KBW, Peel Hunt and Shore Capital for the year ending 31 December 2020.*

STRATEGIC REPOSITIONING AND TARGETED INVESTMENT

De-risking and repositioning of Group balance sheet to support future growth

- Motor Finance ceased sub prime loan originations, leading to new business volume in 2018 being of higher credit quality and resulting in reduced impairments despite change to IFRS 9 accounting standards
- Strategic decision not to engage in markets exhibiting signs of overheating. Group has ceased origination of new residential mortgages business until market conditions improve
- The repositioning has resulted in a lower risk book. Cost of risk for 2018 on an IFRS 9 basis is 1.8% (1.5% on an IAS 39 basis being 38% lower than 2017 which was 2.4%) whilst overall improving returns

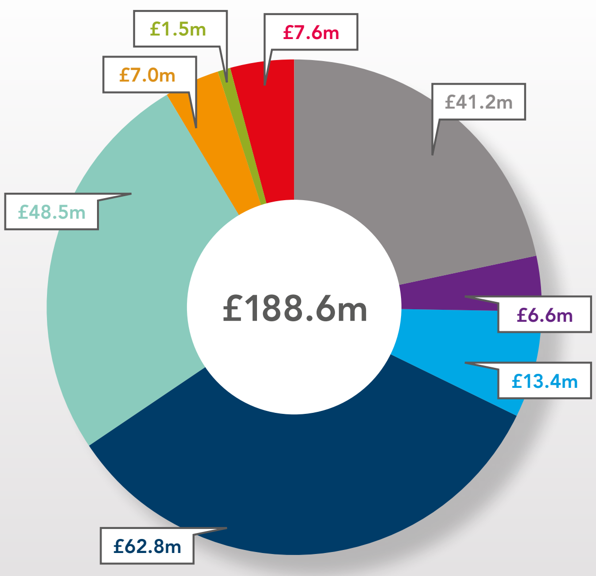
Continued Investment

- Motor Finance strategy to expand near-prime and prime market share and provide dealer stocking finance. Significant investment in senior leadership in Motor Finance in 2018 augmented by new platform to be delivered across 2019–2021
- Continued focus on growth in Real Estate Finance business, which has significant potential due to continued shortage of new UK housing stock
- Retail Finance continues to invest in initiatives to further enhance system capabilities
- Continued expansion of Commercial Finance regional footprint, opening offices in Birmingham, Leeds and London during 2018
- £1m investment made in DMS enhancing capabilities at a time when this division has seen its strongest period of growth

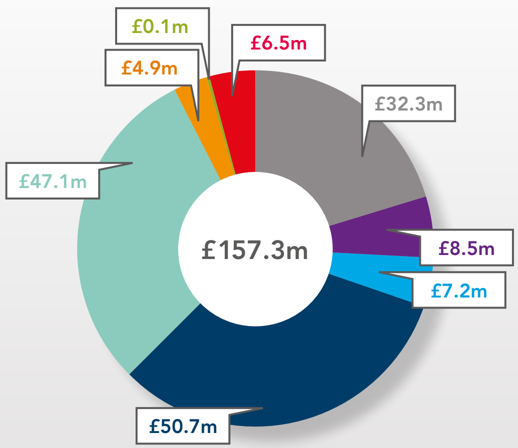
INCOME DIVERSIFIED ACROSS LENDING TYPE

Income growth across the majority of businesses

INCOME DIVERSITY 2018



INCOME DIVERSITY 2017



KEY

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

Continuing income before interest expense, commission expense and impairment losses.

WELL-POSITIONED FOR FURTHER EARNINGS GROWTH

- Group strategy remains one of responsible lending across a diverse portfolio of attractive segments
- Group lending portfolio is appropriately positioned for current macroeconomic conditions
- No exposure to higher risk unsecured consumer lending and legacy subprime motor portfolio run-down to immaterial levels
- Group enters 2019 with healthy capital positions (CET 1 ratio **13.8%**) and significant surplus liquidity over minimum regulatory requirements
- Short duration nature of the Consumer asset portfolio also means Group can react quickly to both opportunities and threats
- Clear market opportunity exists to deliver prime and near-prime products and services, and provide dealer stocking finance, through a new Motor Finance lending platform
- Programme of work underway to deliver Motor Finance business transformation, delivering enhanced system capabilities and broader product range
- Internet banking facilities also launched in 2018 to widen reach and improve accessibility of Group's savings products, at lower overall funding rates

STRATEGY YIELDING STRONG RETURNS

Significant shareholder value created since 2011 IPO

- **£269.4m** 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 **13.8%**
- Leverage ratio of **10.0%** well above the PRA minimum
- Equity per share at IPO **£1.66**
- Equity per share at FY 2018 of **£12.83 (673%)** increase on equity per share at IPO after **£109.7m** 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

NEERAJ KAPUR | CHIEF FINANCIAL OFFICER

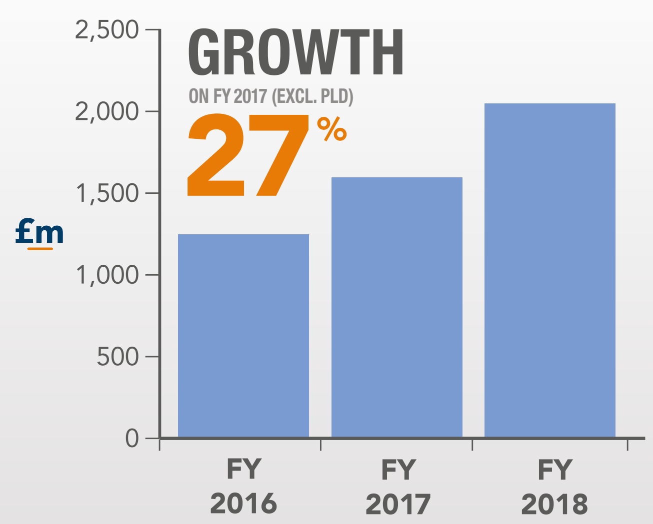
SUSTAINABLE POSITIVE PROGRESS

Higher returns driven by growth and de-risked balance sheet

Continuing Operations (£m)	FY 2018 CONTINUING	FY 2017 CONTINUING
Gross interest income	169.2	141.3
Interest expense	(35.5)	(26.7)
Net interest income	133.7	114.6
Impairment losses	(32.4)	(33.5)
Statutory PBT	34.7	25.0
Adjusted PBT	36.7	27.0
Loan book	2,028.9	1,598.3
Deposits	1,847.7	1,483.2
Loan to deposit ratio	109.8%	107.8%
Customers	1,279,783	989,528
Total risk exposure	1,824.6	1,446.1
CET1 ratio*	13.8%	16.5%
Total capital ratio	16.3%	16.8%
Basic EPS (pence)	153.2	107.7
Adjusted EPS (pence)	161.8	116.4

Key Performance Indicators	FY 2018 CONTINUING	FY 2017 CONTINUING
Adjusted ROAA	1.4%	1.3%
Adjusted ROAE	13.1%	8.9%
Adjusted RORE**	14.8%	13.5%

Total Lending Assets £m



FY 2017 results exclude PLD trading profits.
** Group consolidated statutory basis **Adjusted return on required equity (required equity is calculated as 12% of average total risk exposure (TRE))*

SUMMARY INCOME STATEMENT

Growth in higher quality assets driving strong earnings growth with reduced impairments

Continuing Operations £m	FY 2018	FY 2017	% change
Net interest income	133.7	114.6	16.7%
Net fee, commission and other income	17.9	14.9	20.1%
Operating income	**151.6**	**129.5**	**17.1%**
Impairment losses	(32.4)	(33.5)	(3.3)%
Operating expenses	(84.5)	(71.3)	18.5%
Profit on Sale of NSF shares	0.0	0.3	(100.0)%
Statutory profit before tax	**34.7**	**25.0**	**38.8%**
Adjusted profit before tax	**36.7**	**27.0**	**35.9%**
Basic EPS (pence) (excl. PLD)	153.2	107.7	42.2%
Adjusted EPS (pence)	161.8	116.4	39.0%
Proposed FY dividend per share (pence)	83	79	5.1%
Cost to income ratio	55.7%	55.1%	-
Adjusted ROAE	13.1%	8.9%	-

- **16.7% increase in net interest income**
  - Significant growth has been maintained across both Consumer Finance and Business Finance, whilst continuing to de-risk the balance sheet due to ongoing economic and political uncertainties
- **Impairment losses down 3.3%**
  - Strong collections performance and better credit quality has more than offset the acceleration of losses brought about by IFRS 9
  - Impairments in Business Finance remain very modest
- **Operating expenses up 18.5%**
  - Reflecting continuing investment in people, leadership and infrastructure to achieve growth ambitions
  - In particular, Motor Finance is continuing to develop initiatives to enhance system capabilities and to deliver a broader range of products, expected to further improve the credit quality and performance of the portfolio
- **Proposed FY dividend per share up 5.1%**
  - Interim dividend of **19p** paid in September 2018 and proposed full year dividend of **83p** per share

KPI SUMMARY

Higher Returns Driven by Growth and De-risked Balance Sheet

Key Performance Indicator (Returns)	FY 2018	FY 2017
EPS (Basic)	153.2	107.7
EPS (Adjusted)	161.8	116.4
Adjusted ROAA	1.4%	1.3%
Adjusted ROAE	13.1%	8.9%
Adjusted RORE	14.8%	13.5%

Key Performance Indicator (Costs)	FY 2018	FY 2017
Cost of risk	1.8%*	2.4%**
Cost of funding	2.0%	1.9%
Total cost to income ratio	55.7%	55.1%

Key Performance Indicator (Income)	FY 2018	FY 2017
Net interest margin	7.4%	8.1%
Net revenue margin	8.3%	9.1%
Gross revenue margin	10.4%	11.1%

Key Performance Indicator (Capital & Funding)	FY 2018	FY 2017
Loan to deposit ratio	109.8%	107.8%
Common equity tier 1 ratio	13.8%	16.5%
Total capital ratio	16.3%	16.8%
Leverage ratio	10.0%	12.3%

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

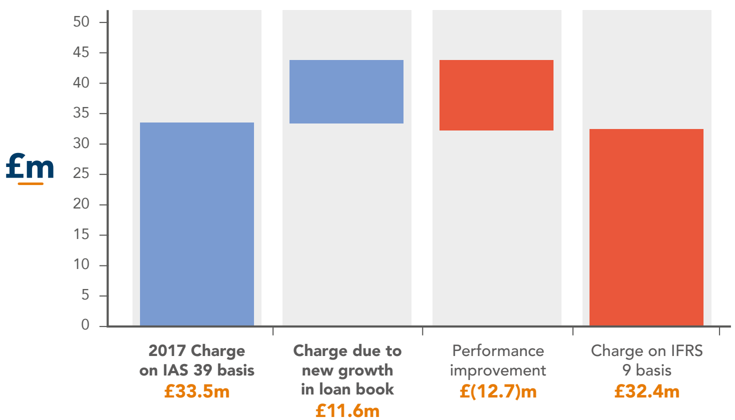
IMPAIRMENT LOSSES

Impact of the new accounting standard on results

Significant changes brought about by IFRS 9

- Requires accounting for impairment losses on an expected rather than incurred loss basis
- Introduces much higher up front levels of provision for expected losses, while not affecting overall impairment losses expected over the lifetime of a loan
- No impact on actual cash flows received

Full year 2018 impairment charge



A significant level of performance improvement has resulted in a 2018 provision charge (IFRS 9) broadly in line with 2017 (IAS 39), despite loan book growth and IFRS 9 methodolgy introducing much higher upfront levels of provisioning.

Impact of the new standard has been offset by improved performance

- Impact on transition of **£25.8m** net of tax, through opening reserves, primarily driven by Motor Finance and Retail Finance back books
- The increase in provisions due to accelerated recognition has been offset by performance improvement arising from the strategic repositioning of the group balance sheet, particularly in respect of Motor Finance lending
- Cost of risk for 2018 on an IFRS 9 basis is **1.8%** (1.5% on an IAS 39 basis, being **38%** lower than 2017 at 2.4% on a similar basis). The 2018 impairment provision based on IAS 39 is estimated at £27.8m (2017: £33.5m)
- The impact on transition of **£25.8m** affects CET 1 capital, but transitional relief agreed by regulators allowed 95% to be added back in 2018 and the following fixed amounts to be added back in future years: 2019: 85%, 2020: 70%, 2021: 50%, 2022: 25%
- IFRS 9 transitional arrangements also permits further CET 1 add back on the incremental increase in provisions in respect of non-impaired loans

CAPITAL ANALYSIS

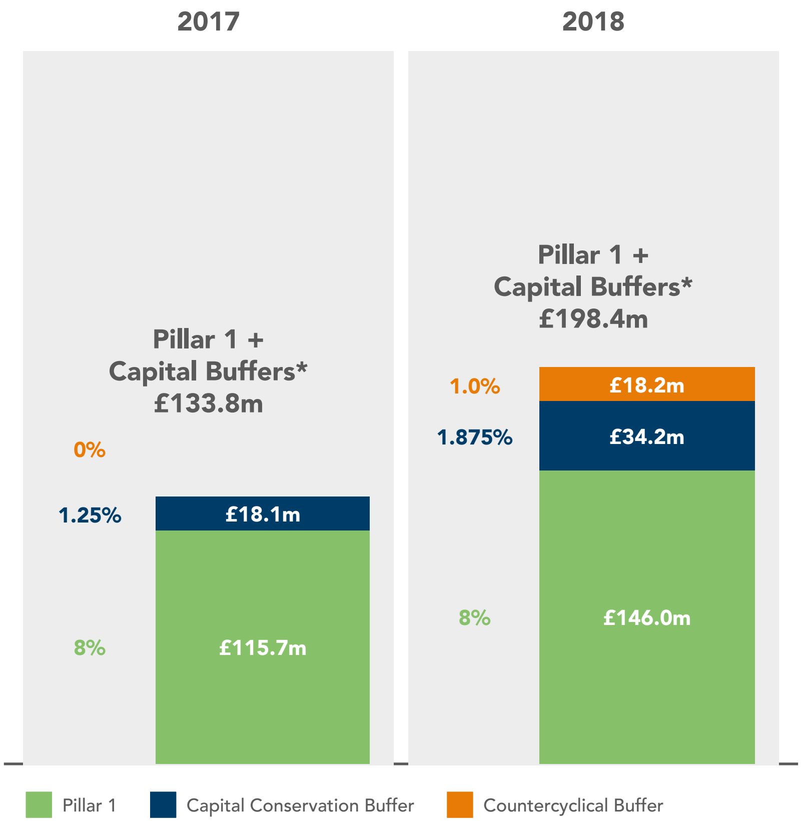
Progressive Capital Strategy

- The Group's capital management policy is focused on optimising shareholder value in a safe and sustainable manner
- There is a clear focus on delivering organic growth and ensuring capital resources are sufficient to support planned levels of growth
- Total capital resources have increased 22% to £297.5m driven by increases in both CET1 Capital and Tier 2 Capital
- Growth in retained earnings (net of dividends and after adding back the IFRS 9 transition adjustment) has resulted in CET1 Capital increasing 5% to £251.8m
- The Group raised £50m of Tier 2 Capital during 2018 (at an annual coupon of 6.75%), which is stated opposite net of unamortised issue costs and capped at 25% of the total regulatory capital requirement

** Tier 2 Other comprised the collective allowance for impairment of loans and advances. Under IFRS 9, there is no longer a collective allowance*

CAPITAL ANALYSIS (CONTINUED)

Healthy Capital Ratios and Increased Capital Buffers

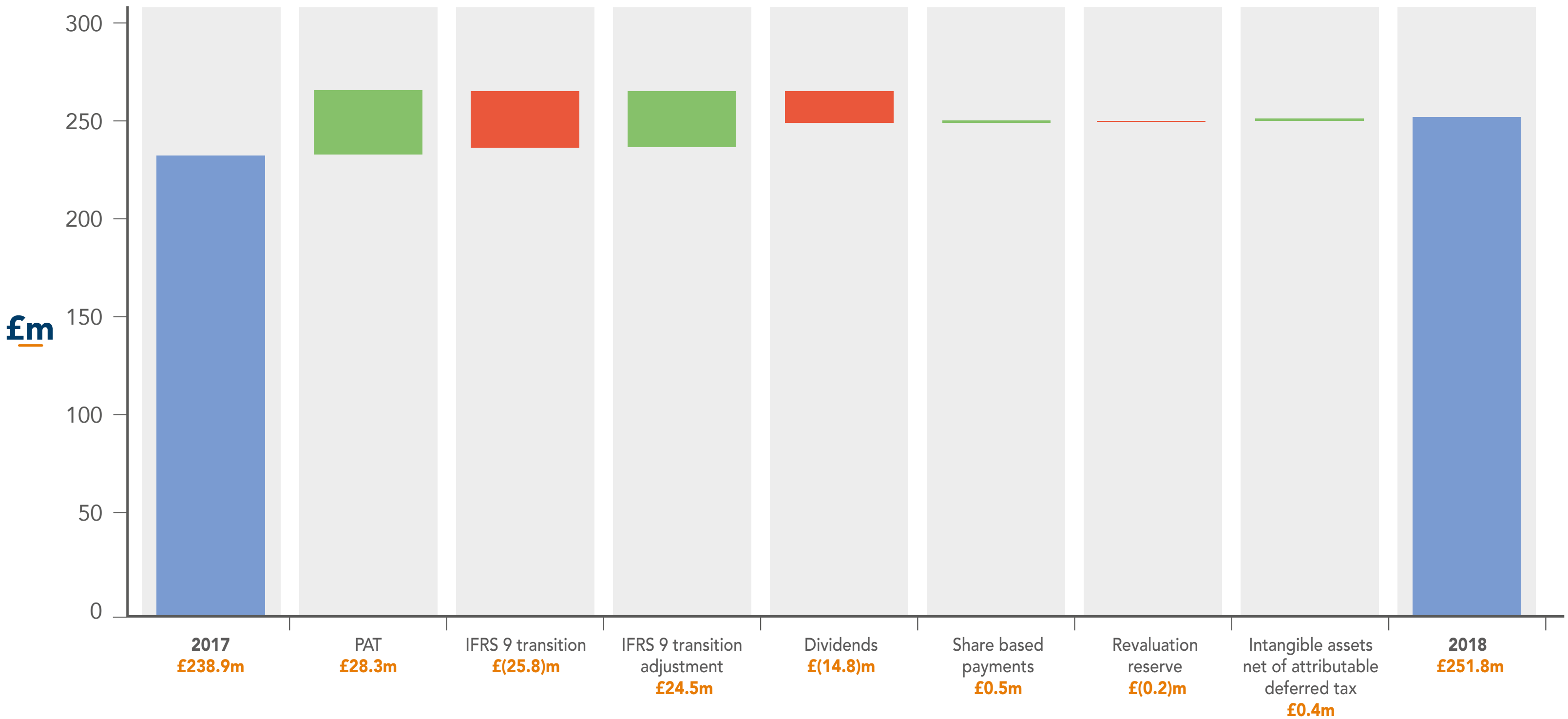


- The improvements in the Group's range and size of capital resources leave it well positioned to continue to fund balance sheet growth while meeting increasing levels of regulatory capital buffers
- The capital conservation and countercyclical buffers have increased 190% to £52.4m
- The Group's 2018 CET1 capital levels are healthy with a CET1 ratio of 13.8% (2017: 16.5%) and a total capital ratio of 16.3% (2017: 16.8%)
- The year on year movement in the CET1 ratio is a function of the investment of capital to support the strong growth in the loan portfolios. The year on year movement in the total capital ratio also reflects the impact of the issuance of Tier 2 capital
- Both ratios are comfortably ahead of the minimum regulatory requirements and demonstrate capacity to continue growing customer lending balances in 2019

The Pillar 1 + Capital Buffers are calculated using PRA prescribed percentages of the Group's Total Risk Exposure*
The graph above excludes the Pillar 2 additional capital add-on that is calculated in line with the Total Capital Requirement issued by the PRA

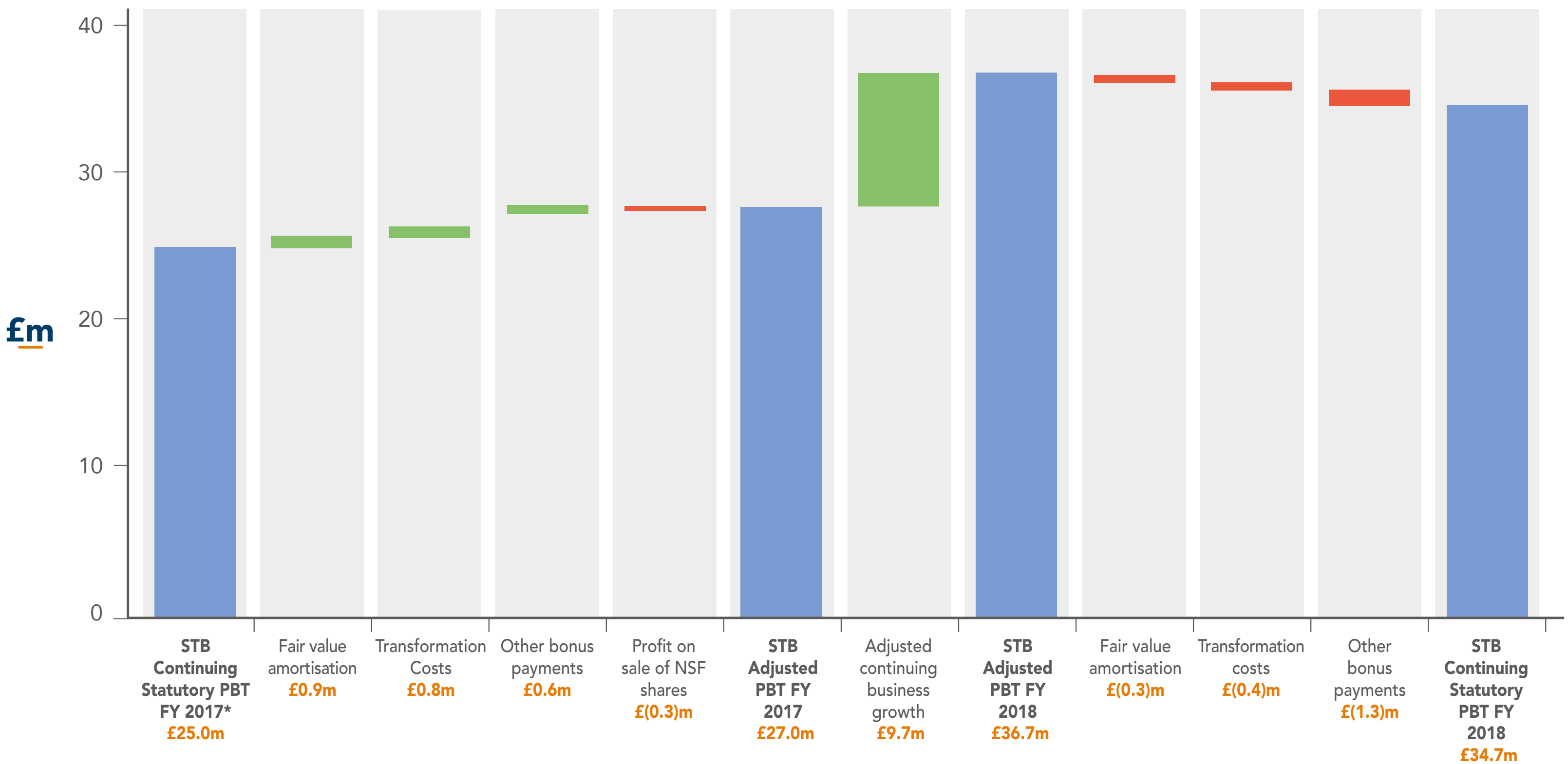
CET 1 CAPITAL BRIDGE

- CET1 of **£251.8m** reflecting an increase on FY 2017 of **£12.9m (5%)** and primarily driven by the increase in Group profits net of dividends.
- The **£25.8m** negative impact caused by the IFRS 9 transition has been largely offset by the **£24.5m** IFRS 9 transition adjustment, where **95%** of the initial transition adjustment (net of attributable deferred tax) is added back to eligible Tier 1 capital.



PROFIT BRIDGE

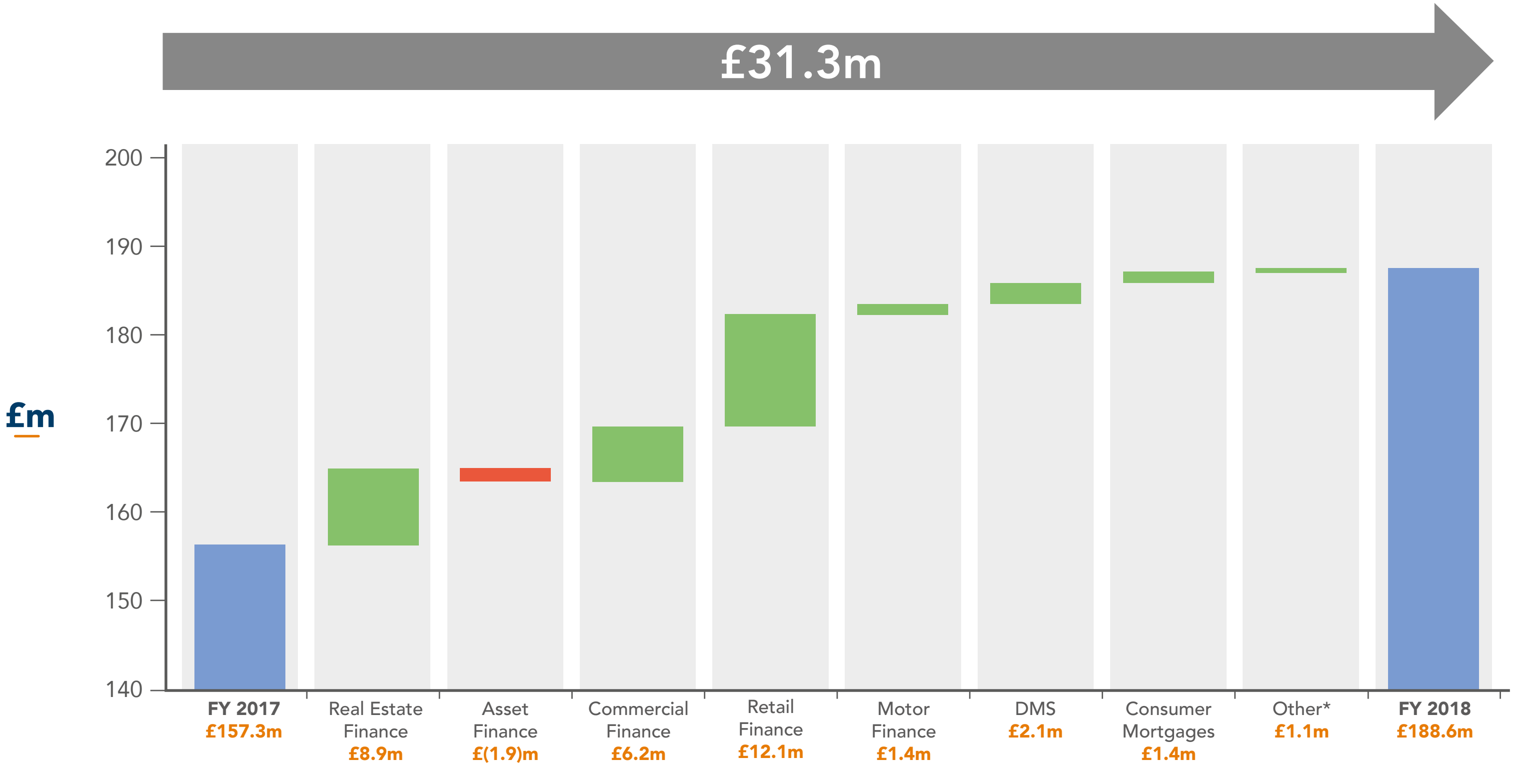
Statutory continuing PBT of £34.7m reflecting an increase on FY 2017 of £9.7m (39%)



*PBT is on a continuing basis and excludes the gain on sale of PLD.

INCOME BRIDGE

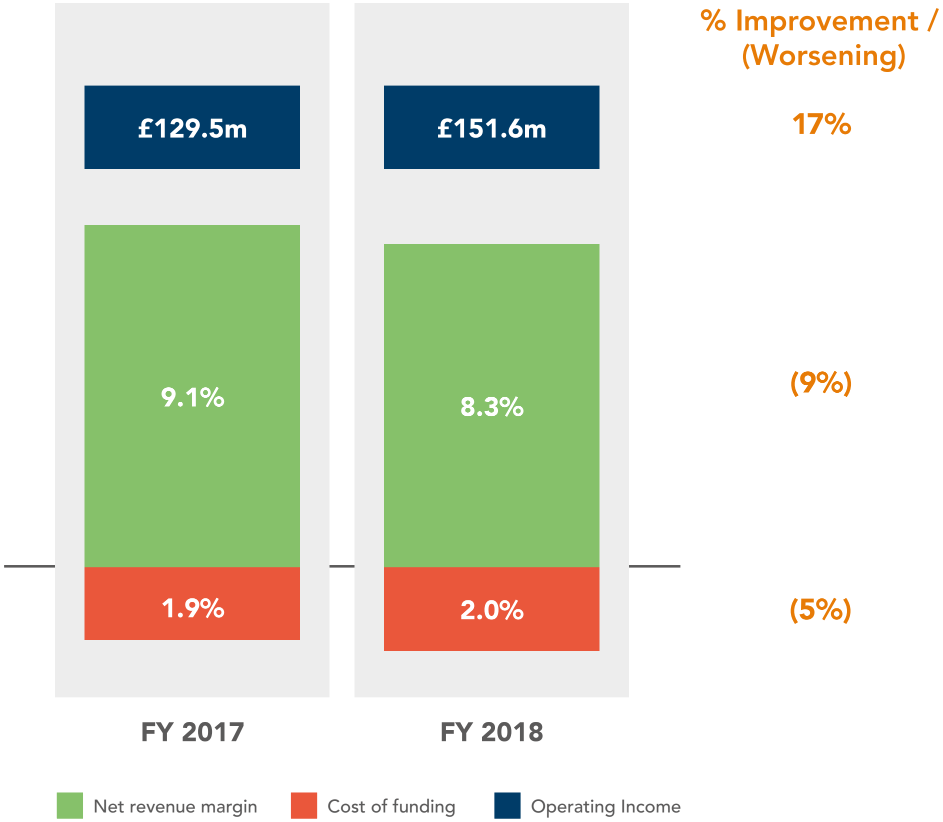
Increase on FY 2017 of £31.3m (20%) on a continuing basis



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

EVOLVING NET REVENUE MARGIN

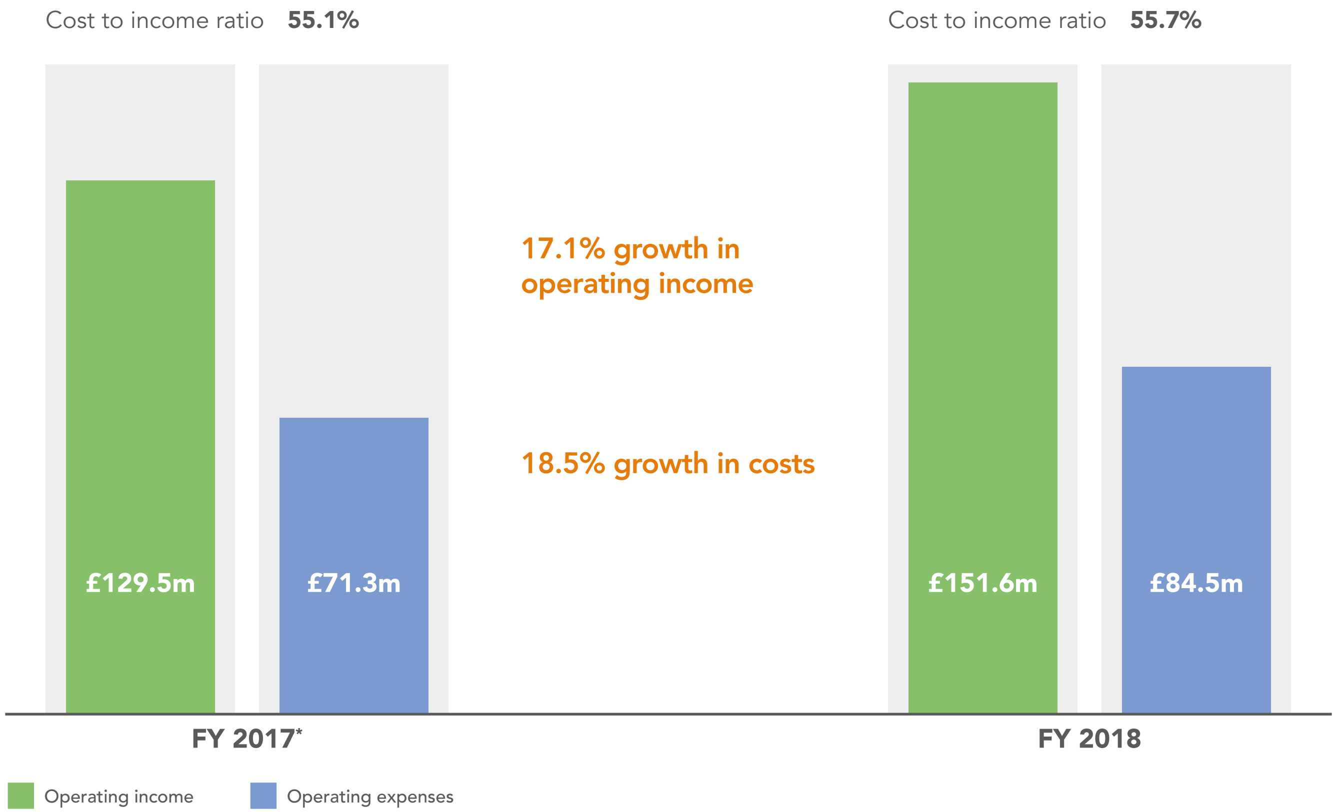
Successful shift towards lower risk, lower margin lending on a continuing basis



- Reduction in net revenue margin reflects the ongoing shift to lower risk, lower margin lending, but also the changing mix of the FY 2018 loan book
- The impact on the Group of the rise in the Bank of England base rate during FY 2018 was limited, given the predominantly fixed rate deposits funding. FY 2018 cost of funds includes the cost of subordinated debt raised during the year
- The new Deposits platform is providing the ability to offer a wider range of products that are serviced by the customer online. As this continues to build momentum, the Group will be able to provide incremental retail funding at lower cost of funding

INVESTING IN BUSINESS GROWTH AND NEW PRODUCT LINES

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



*Reported on a continuing basis excluding PLD.

BALANCE SHEET SUMMARY

£m	FY 2018 Continuing Operations	FY 2017* Continuing Operations
Cash and balances at central banks	169.7	226.1
Debt securities	149.7	5.0
Loans and advances to banks	44.8	34.3
Loans and advances to customers	2,028.9	1,598.3
Other assets	51.2	27.9
Total assets	**2,444.3**	**1,891.6**
Deposits from customers	1,847.7	1,483.2
Wholesale funding	263.5	113.0
Tier 2	50.4	–
Other liabilities	45.6	46.3
Total liabilities	**2,207.2**	**1,642.5**
Total shareholders' equity	237.1	249.1
Total liabilities and shareholders' equity	**2,444.3**	**1,891.6**
Loan to deposit ratio	**109.8%**	**107.8%**
Customer numbers	**1,279,783**	**989,528**
BoE asset encumbrance**	**15.8%**	**10.6%**

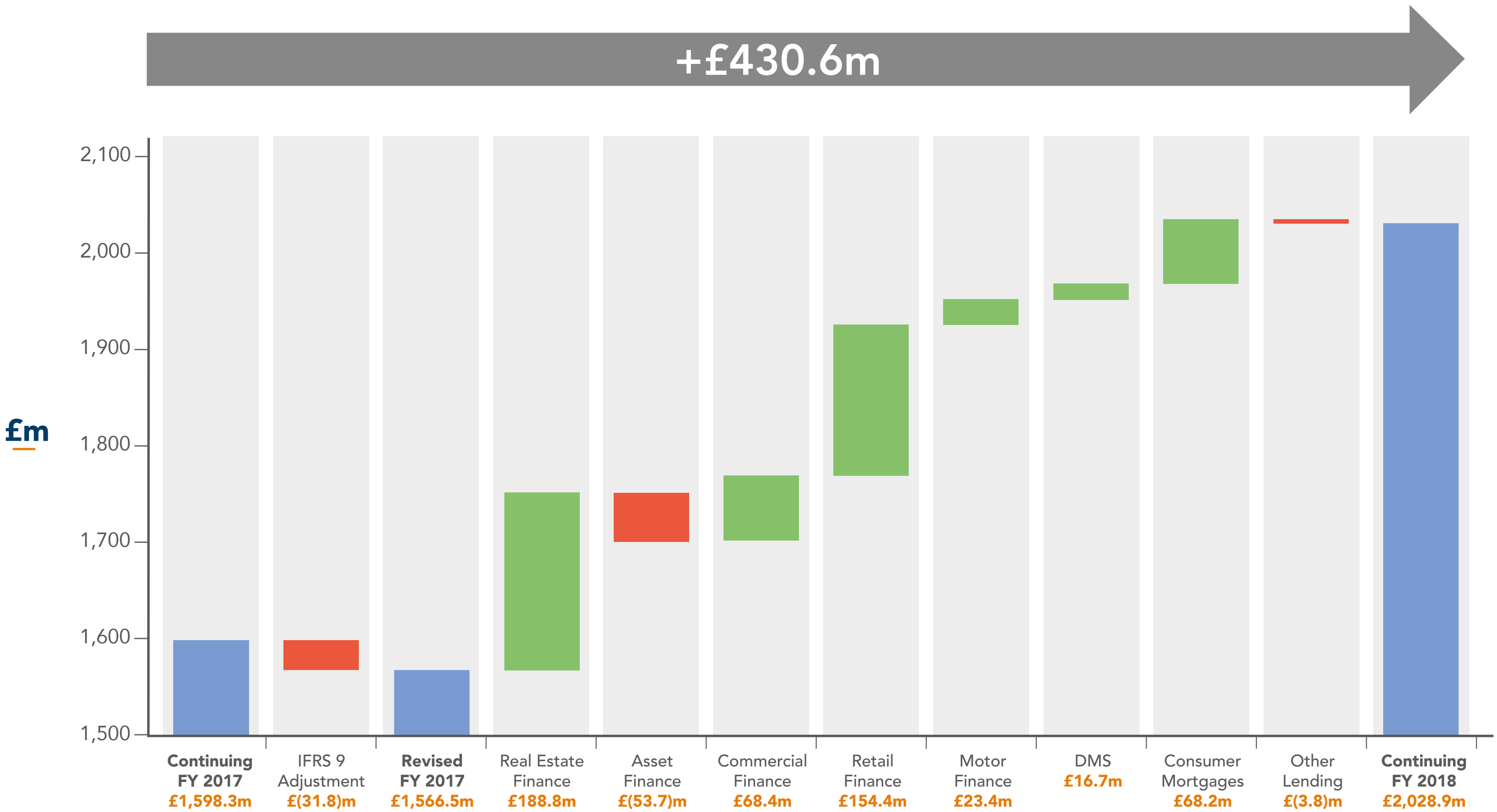
On a continuing basis:

- Loan book has exceeded **£2.0bn** for the first time, up **27%** over prior year (2017: £1.6bn)
- Customer numbers **up 29% to 1,280k**
- Deposits from customers up **25% to £1,847.7m**
- Modest utilisation of TFS
- 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 **down 5% to £237.1m** as a result of the IFRS 9 impact (2018 shareholders equity increased **6%** to **£262.9m** pre IFRS 9 impact)

**On an IAS 39 basis.*
***BoE asset encumbrance is the process by which STB assets are pledged with the Bank of England in order to secure funding under the FLS and TFS. STB limits asset encumbrance to 25% of total assets on loans that the Bank can pledge.*

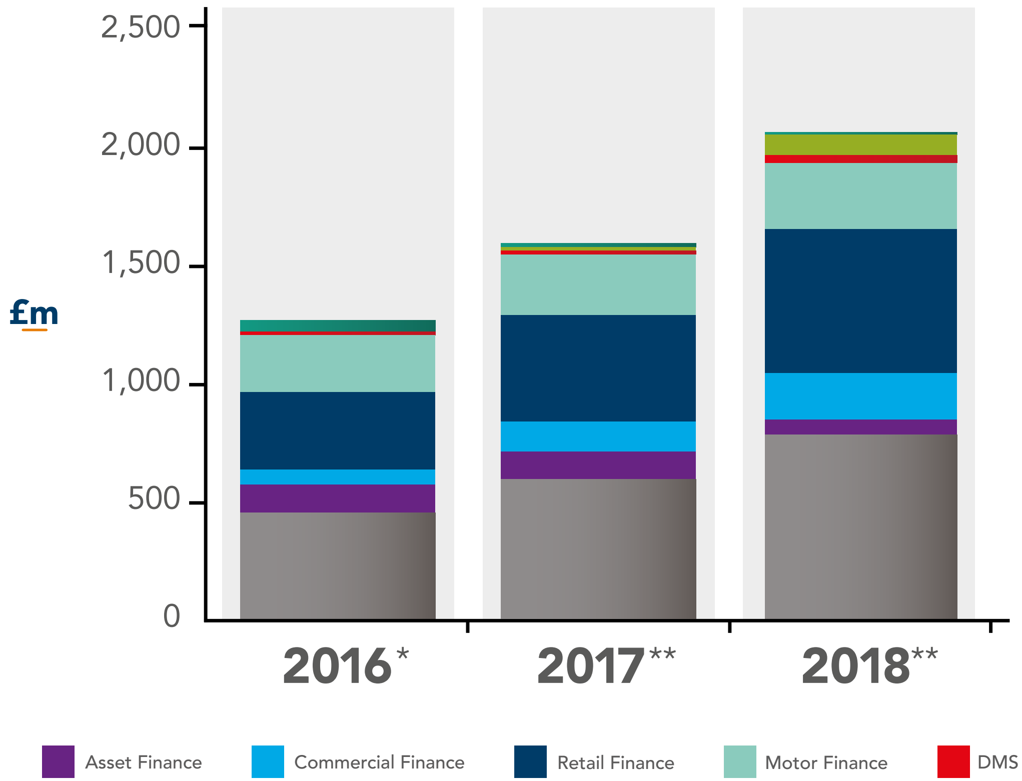
LENDING BRIDGE

Increase on FY 2017 of £430.6m (27%) on a continuing basis



CUSTOMER LOAN PROGRESSION

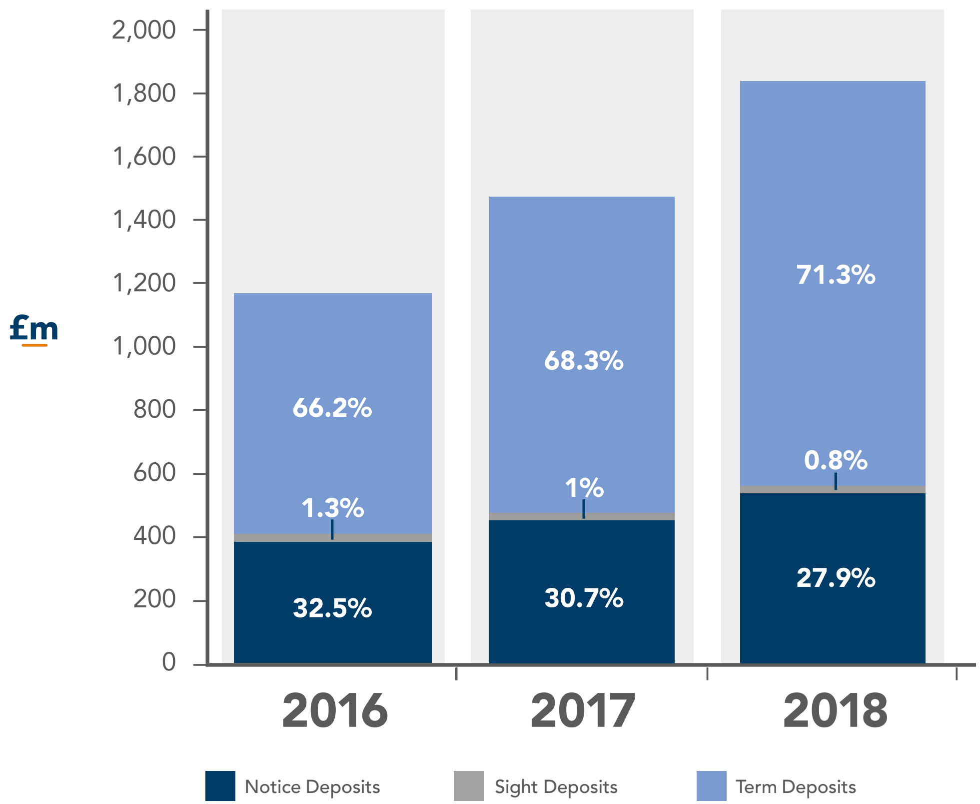
Increase on FY 2017 of £430.6m (27%) on a continuing basis



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

CUSTOMER DEPOSIT PROGRESSION

Increase on FY 2017 of £364.5m (25%), weighted towards term deposits



STRATEGIC PRIORITIES TO DELIVER FURTHER GROWTH

Organic growth

- Continuing to invest in our people and platforms to ensure sustainable and significant growth as well as enhance customer experience, particularly in Retail Finance and Motor Finance businesses
- SME businesses – accelerate momentum of growth especially in the Commercial Finance businesses, supported by further rollout of the regional office network

Diversification

- New Deposit products to be launched on a new digital platform in 2019 with self-service functionality that will lower the Group's cost of funding

M&A Activity

- The Group looks to accelerate growth plans and broaden its strategic options
- Actively pursuing new business opportunities that provide a good strategic fit and meet risk appetite

NAVIGATING THE BROADER ENVIRONMENT

Capital and liquidity management and de-risked balance sheet will protect the Group and continue momentum of profitable growth in the context of:

- Continuing economic and political uncertainty
- The increase in required capital buffers
- The changes that IFRS 9 has brought into the Group's reporting

Capitalise on potential regulatory opportunities to provide a more level playing field for Challenger Banks including:

- MREL (Minimum Requirement for own funds and Eligible Liabilities) capital requirements
- Basel Committee new capital regime (capital floors)
- British Business Bank programmes, particularly within Real Estate Finance
- Potential minimum variable savings rate imposed by FCA

SUMMARY AND OUTLOOK

- Strategic repositioning has delivered strong profit growth with reduced risk
  - Statutory PBT up **39%** and adjusted PBT up **36%**
  - Impairment losses down **3.3%** and cost of risk reduced from FY 2017 2.4% (IAS 39 basis) to FY 2018* **1.8%** (IFRS 9 basis)
- Entered 2019 with positive momentum, healthy capital positions and very strong liquidity
- Clear market opportunity in our chosen segments
- Well-positioned to pursue our strategy and accelerate future growth

*FY 2018 (1.5% on an IAS 39 basis).

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SECTION 3

APPENDICES

CONSISTENT GROUP STRATEGY

- The Group's strategy is to build on its current position as an established UK specialist lender through a focus on carefully selected and attractively priced segments of the consumer and business markets, prudent underwriting and a prudent approach to capital and liquidity

Organic Growth

- Organic growth in responsible lending across a diverse portfolio of attractive segments
- Supplement organic growth through continued investment in broadening the Group's product offerings where appropriate

Diversification

- Maintain a well-diversified lending portfolio to mitigate against economic and political uncertainty
- The Group has and will continue to proactively accelerate or temper growth across business divisions dictated by market conditions
- The short duration nature of the Consumer loan book means the Group can react quickly to both market opportunities and threats

M&A

- Pursuing disciplined strategic M&A activity
- Use M&A to accelerate growth in portfolios that are less mature in their market

CONSISTENT GROUP STRATEGY (CONTINUED)

Optimise Capital and Liquidity Strategies

- Controlled and sustainable growth is one of the Group's top strategic priorities
- Unchanged capital management policy which is focused on optimising shareholder value over the long term
- The Group continues to manage its liquidity on a conservative basis by holding High Quality Liquid Assets and utilising predominantly retail funding from customer deposits

Leadership

- Continue to refresh expertise in our core businesses including recruiting highly experienced leaders with a history of strong business performance

MOTOR FINANCE STRATEGY

Strategy Overview

- Expand operations into the Prime Credit market, under a new brand, in a safe and compliant manner
- Long-term market opportunity for innovative and technology led funding providers to deliver positive shareholder outcomes
- Target market is the middle tier independent and lower /middle tier franchise dealer segments
- Full product suite proposed including HP, PCP and Unit Stocking
- Retain and grow current broker and online introducer relationships with near-prime HP and PCP volumes
- Incremental Top 200 Franchise and Top 50 Independent dealer relationships also sought for near-prime HP and PCP volumes

How will STB Win?

- Leading edge technology making it easy for introducers and consumers to do business with us
- Low cost to serve, allowing target returns to be achieved with competitive customer APR and introducer commissions
- Full product range proposed, including dealer stocking funding, creating the best possible outcomes for target introducers
- Creation of a new dealer sales team using profiled leads to engage with the right dealer opportunities
- Continued product innovation facilitated by configurable technology, supported internally, allowing faster cycles of change

MOTOR FINANCE STRATEGY (CONTINUED)

Strategy Overview

Transformation Programme Requires Significant Investment

Technology

- Already selected a leading edge technology from a scaled vendor to minimise supplier risk and enable rapid delivery

Change Management

- Dedicated transformation team already assembled, led by an experienced Transformation Director who has worked with STB chosen principal IT vendor and implemented the same technology

People

- Targeted and phased recruitment programme already underway to enrich skills and deliver the business and operational process re-engineering required to deliver the strategy

Achievable Plan Delivering Sustainable Results

- Achievable plan targeting a small market share increase from current c0.6% to c2.1% by 2023
- Phased transformation approach, led by a highly experienced Transformation Director, designed to minimise business disruption
- Resultant diversification of product portfolio and market segments is forecast to treble lending balances over a 5 year period
- Improved credit quality will drive higher quality, sustainable earnings

CUSTOMER FEEDBACK AND AWARDS

V12

Customer feedback from feefo
4.8 stars

“Great! I do recommend! You do have options to choose what works for you, very friendly staff.”

“Great service, reasonable interest rates and fast service, thanks.”

“The service we received was brilliant, was really quick to do everything on my phone with no complicated steps. I would absolutely recommend.”

“Very good service with quick application and reliable credit check have used V12 3 times and its always been quick and easy process.”

“Service was efficient and quick. Would highly recommend and currently have other accounts in place – therefore I would use the service again.”

“Easy to apply all information required supplied quickly and easily. Would recommend as a hassle free route to fund your purchase a great rate.”

All scores and comments as of December 2018.

CUSTOMER FEEDBACK AND AWARDS

Deposits

Customer feedback from feefo
4.3 stars

“Quick and easy application. Fast account opening. Confirmations and updates received at every step. Highly recommended!”

“The service was prompt, easy to understand and polite. I can only say positive things about that company.”

“Simple and straightforward process. I would recommend to others.”

“Easy to set up. Good correspondence throughout informing me of the investment progress.”

“Very efficient could understand the speaker quite clearly, very important at my age...”

“Good info provision, allowing a smooth path to setting up a new account. I appreciated receiving letters in the post confirming account details and transactions.”

All scores and comments as of December 2018.

CUSTOMER FEEDBACK AND AWARDS

Motor Finance

Customer feedback from feefo
4.7 stars

“Great service really helped me out and no problems with friendly staff.”

“Always been helpful all staff very polite and would recommend.”

“Excellent service, great rate.”

“A very good experience.”

“Highly customer-focused.”

“Quick, easy, and I now have a lovely car.”

All scores and comments as of December 2018.

BUSINESS TO BUSINESS FEEDBACK

Motor Finance

“Since UK Car Finance began its working relationship with Moneyway we have seen many changes, innovations and improvements. The entire culture of the business seems geared up to making everything easy, straightforward and above all else, sensible. From the systems, account management team to their processes, Moneyway are without doubt, a business we enjoy working with and look forward to working in partnership with them for many years to come.”

Craig Rutherford,
CEO, UK Car Finance Ltd

“Moneyway have been great to deal with in 2018, The Regional support team have been very helpful and we get lots of good feedback from the sites. The improvements made in Pay-out times and ease of use have certainly helped lift their reputation.”

Kris Hood,
Group F&I Development Leader, Pendragon Plc

All comments as of December 2018.

BUSINESS TO BUSINESS FEEDBACK

Commercial Finance

“Prima Electronics is a fantastic business with great prospects for the future. Cambridge is widely known as a hub for tech start-up businesses, most of which will not have the capabilities to produce the electronic components needed to develop products. The plan now is to build on the solid foundations laid by the directors, and expand its services to all areas of the UK.

Secure Trust Bank Commercial Finance made an excellent partner in this transaction. Working with a lender that has a long-term view was essential, and Secure Trust Bank offered a facility that can be flexible and grow in-line with the business. We look forward to continuing our work with the team as we strive for Prima’s national expansion.”

Nick Russel,
Chairman, Prima Electronics

Real Estate Finance

“We wanted to express our appreciation of the way Secure Trust Bank have assisted us and joined us in progressing this complicated and exciting project. From the outset the bank has shown real enthusiasm and have committed a lot of time to absorb and assist with the best way forward. You have readjusted the facility to ensure that our progress is both enjoyable and comfortable. We are impressed by the way you are very approachable which has ensured that any complications that have arisen have been resolved without holding up progress.

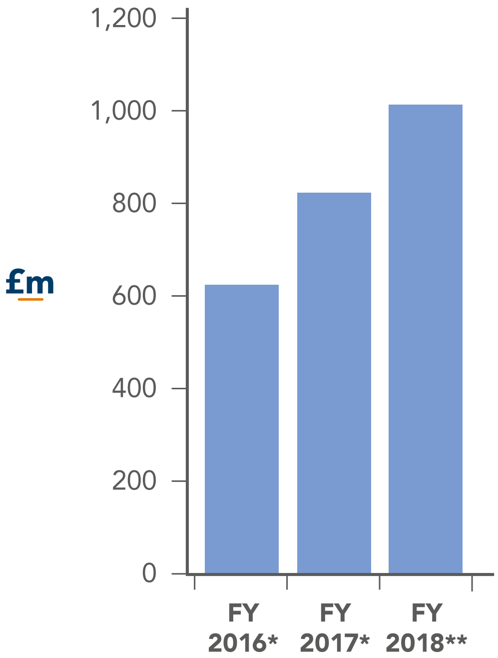
We are very pleased that we made the decision to go with Secure Trust Bank on this venture and a big thank you from our team to the bank.”

Charles Kamenou and Gabriel Kamenou,
Directors, Neobrand No. 2 Limited

All comments as of December 2018.

BUSINESS FINANCE

Business Finance Loan book £m



Business Finance	FY 2016*	FY 2017*	FY 2018**
Gross Revenue £m	40.8	48.0	61.2
Impairments £m	(0.9)	(0.9)	(2.7)
Loan book £m	631.0	824.0	1,027.3

*On an IAS 39 basis.
**On an IFRS 9 basis.
Continuing income before interest expense, commission expense and impairment losses.

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

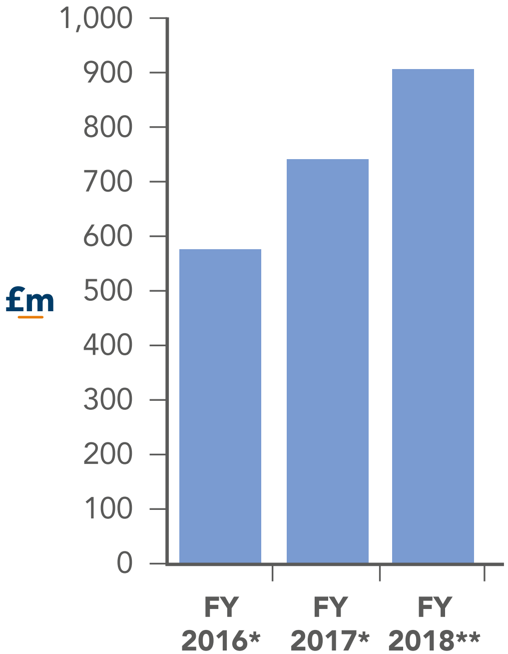
- Provides a full range of asset based lending solutions including invoice factoring and discounting
- Also provides SME commercial owner occupiers with finance to buy the property they trade from
- Key factors to the strength of the business: **the speed of decision making and strong risk management**
- 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 2016*	FY 2017*	FY 2018**
Gross Revenue £m	80.9	102.7	118.3
Impairments £m	(24.1)	(34.6)	(30.6)
Net loan book £m (excl. PLD)	575.6	742.5	905.7

**On an IAS 39 basis.*
***On an IFRS 9 basis.*
2016-2017 Consumer Financials have been restated to include DMS results, which is now categorised with Consumer Finance FY 2018 onwards
Continuing income before interest expense, commission expense and impairment losses.

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

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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