Full Year Results 2024

27 February 2025

This is
Relationship Banking

Agenda

Overview
Daniel Frumkin, Chief Executive Officer

Financial performance
Marc Page, Chief Financial Officer

Strategy
Daniel Frumkin, Chief Executive Officer

Q&A
Daniel Frumkin, Chief Executive Officer
Marc Page, Chief Financial Officer

Transformational year proves ability to deliver ambitious guidance

Outperformed 2024 Guidance

- **Exit NIM of 2.65%** vs guidance of 2.50%
- **£13m underlying profit in H2'24** vs guidance of returning *during* Q4'24
- **Cost savings delivered**

Delivered strong growth momentum

- **71% YoY growth** in new Corporate/ Commercial/ SME loan originations
- **Credit approved pipeline for Corporate/Commercial/SME** already at **>50% of total 2024 lending**
- **Credit approved Mortgage pipeline up 47% YoY**, with c.50% >200bps above swaps
- **Opened 110k new personal and 36k new business current accounts**

Proved competitive advantage

- **Local relationship-led service model** key differentiator to larger banks
- **Breadth of deposit and lending services for Corporate and Commercial** key differentiator to challenger banks
- **Stores support growth** on both sides of the balance sheet; drive brand awareness, lower funding costs and deepen connections with local businesses and communities

Delivery in 2024 creates momentum

Delivered significant strategic progress in 2024

Cost Discipline

- **Delivered significant cost actions**
  - £80 million of annualised run-rate savings delivered in 2024
  - Further benefits from operating model changes to come through
- **Formed a strategic collaboration with Infosys:**
  - Enhances scalability of infrastructure
  - Work ongoing to enhance digital capabilities, improve automation, refine data, and embed further AI capabilities

Cost of Deposits

- **Managed down excess deposits**
  - Run-off of expensive tactical deposits raised in Q4'23
  - Exit Cost of Deposits (CoD) is 1.40% as at Dec'24, down from a peak CoD of 2.29% in Feb'24
  - Further one-year fixed term deposits have matured in January and February 2025

Asset Rotation

- **Completed two portfolio sales**
  - £2.5 billion mortgage portfolio sale completed in Q3'24
  - £584 million unsecured personal loans[1] portfolio
- **Significant growth in Corporate / Commercial / SME and specialist mortgage**
  - **71% YoY growth** in new Corporate/ Commercial/ SME loan originations
  - Year-on-year Corporate and Commercial **credit approved pipeline** lending up **66%**
  - Year-on-year **credit approved offers** issued for mortgages, >200bps above swaps, is at **380%**

Net Interest Income up 20% and Revenue up 15% half-on-half

[1] Unsecured personal loans announced post period end

Guidance building to best-in-class performance

Bold RoTE guidance confirmed

2025	2026	2027+
Mid-to-upper single digit	Double digit	Mid-to-upper teens thereafter

Driven by:

Continued NIM expansion driven by asset rotation and CoD

Exit NIM :

2025	2026	2027
3.00%-3.25%	3.60%-4.00%	4.00%-4.50%

+

Continued cost discipline and control

2025 costs 4-5% lower than 2024

Cost to income ratio :

2026	2027	2028
75%-70%	65%-60%	55%-50%

By 2027, Metro Bank will be generating **one of the best RoTE of any High Street bank**

Financial performance

Marc Page
Chief Financial Officer

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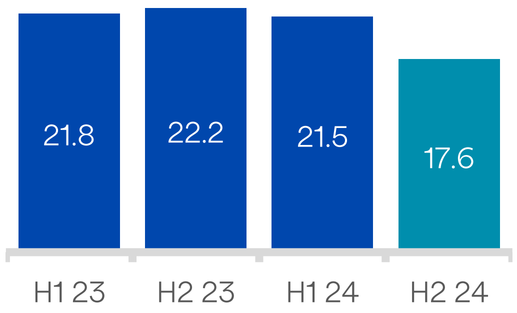
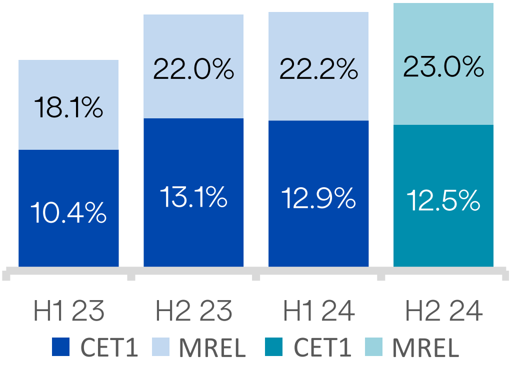
Delivering against guidance and returning to underlying profitability in H2’24

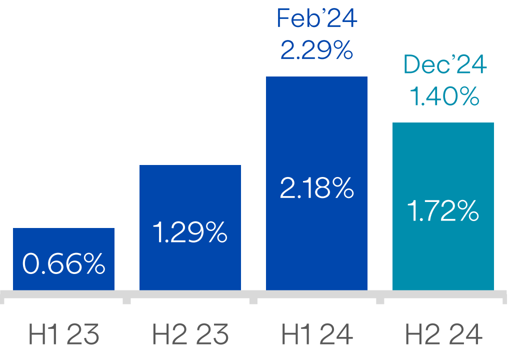
Reduced assets



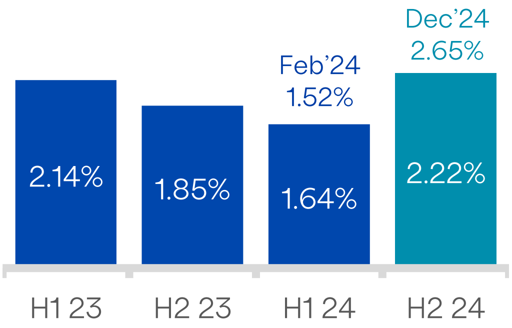
Improved capital position



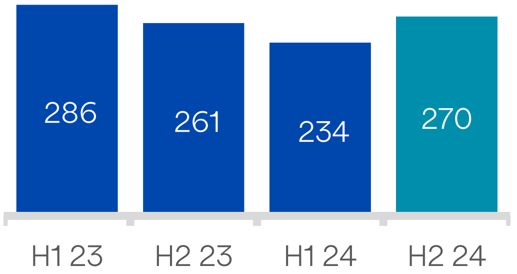
Lowered cost of funds



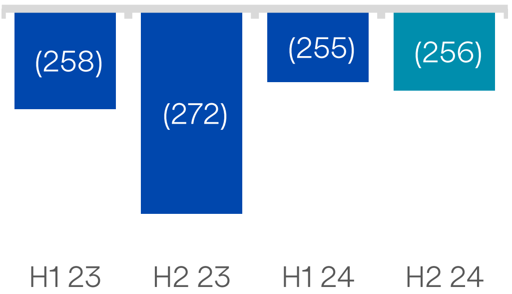
Improved NIM



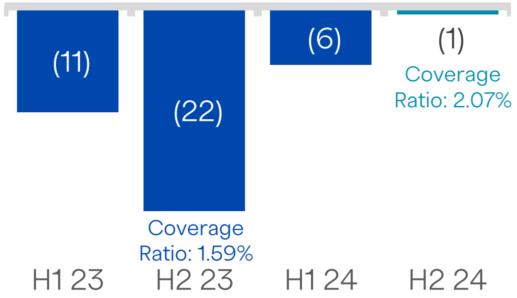
Improved revenue



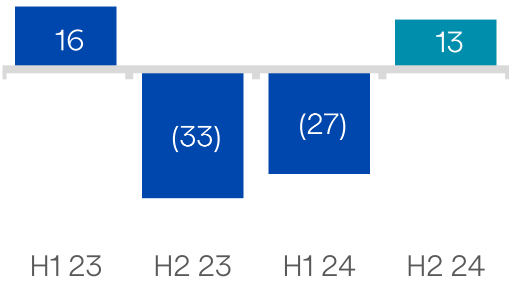
Lowered cost



Benign credit position



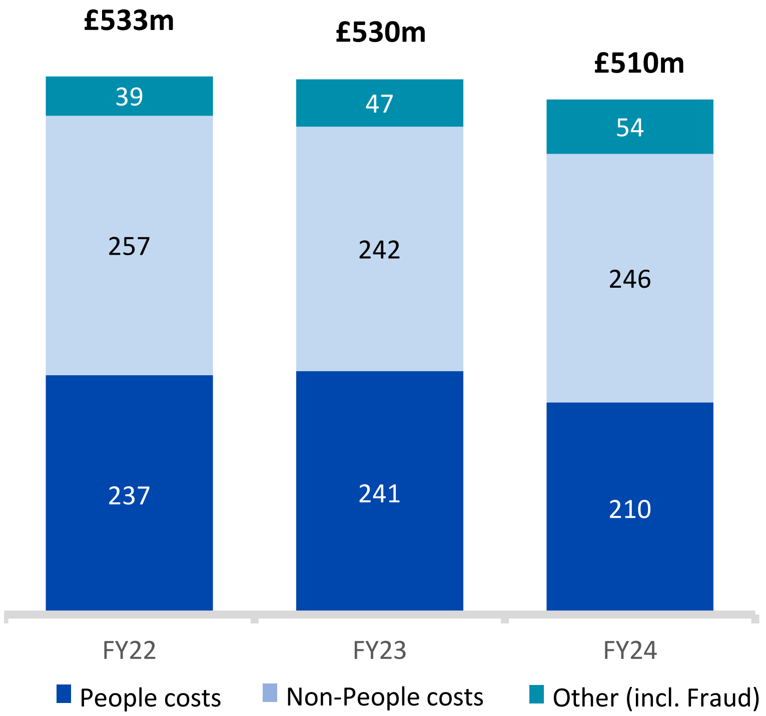
Increased underlying PBT



Statutory profit after tax of £42.5m for full year

Continued cost discipline, with £80m annualised run-rate savings delivered in 2024

Total underlying operating expenses



Operating model transformation

- **Reduced on-shore headcount by ~1,500 (33%) within 12 months**

2024 Entry rate[1]	Q2'24	Q3'24	2024 Exit rate[2]
4,458	3,530	3,320	2,972

Repositioned Store & call centre offerings

Strategic partnership with Infosys

~1,500 fewer heads =
~£67m exit run-rate savings

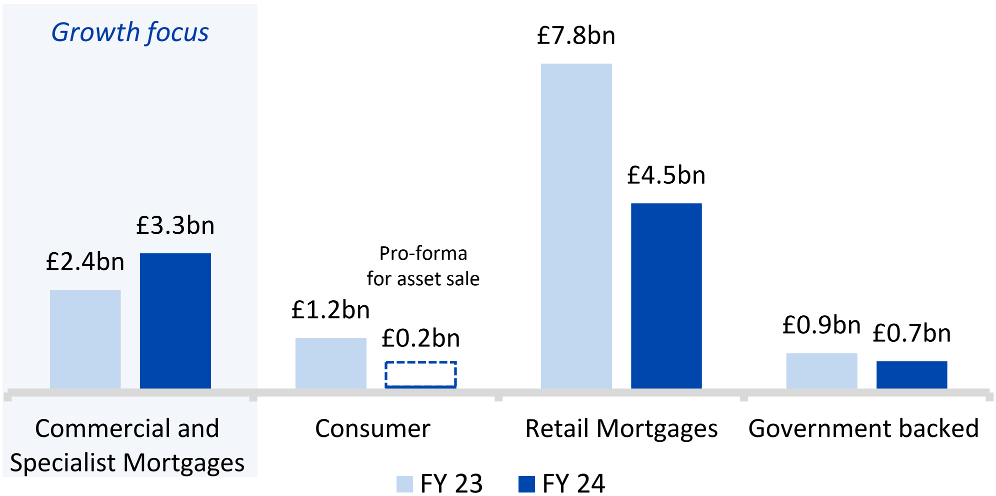
Guiding to a 4-5% year-on-year reduction in costs for 2025

- Full year operating model benefits to materialise in 2025 from annualisation effect
- **Continued Infosys collaboration** (strategic outsourcing partner) in 2025 to enhance digital capabilities, improve automation, refine data, and embed further AI capabilities

[1] As at 1 January 2024
[2] As at 31 December 2024

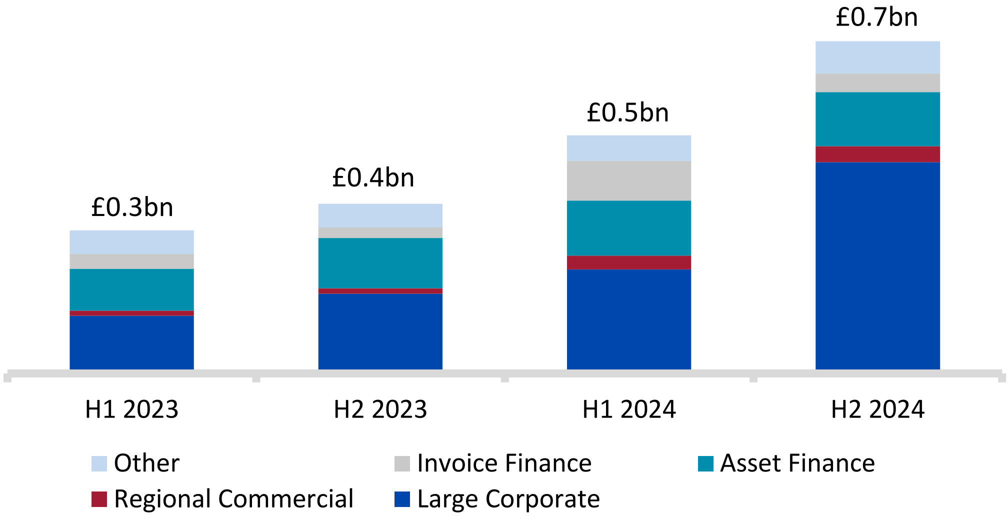
Strong growth in Corporate and Commercial lending in line with strategy

Continued improvements in lending mix[1]



- **Asset rotation** continues towards higher-yielding commercial and specialist mortgages
- Accelerated by **£2.5 billion mortgage sale completed** in September 2024 and £584 million unsecured personal loans portfolio sale announced in February 2025

YoY gross new Commercial lending grew by 71%

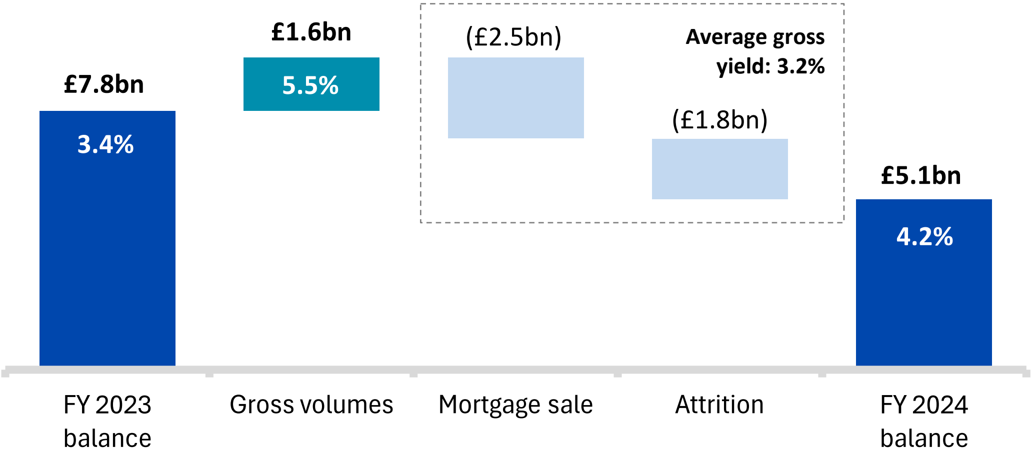


- **71% YoY growth** in Corporate/Commercial/SME new loan originations
- Credit approved pipeline for Corporate/Commercial/SME at start of 2025 is two times bigger than start of 2024
- Average originations **350bps** above Bank of England base rate

[1] £4.5 billion in FY24 Residential Mortgages is the run-off book. FY24 Commercial and Specialist Mortgages includes £0.7 billion specialist mortgage growth

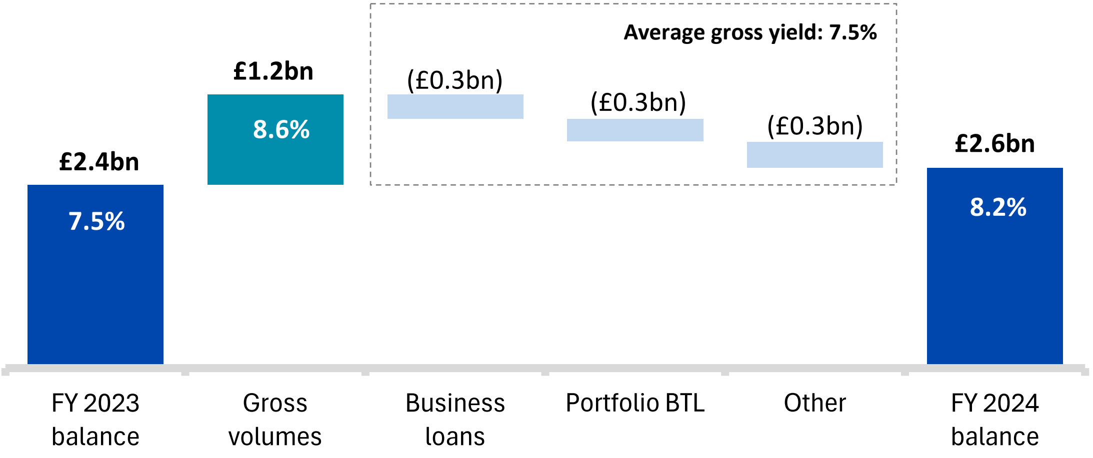
Active asset rotation to maximise risk adjusted returns

Targeted Mortgage mix shift to optimise returns



- Successfully launched Limited Company Buy to Let and HMO propositions in H2'24
- Yield over swaps continues to increase, targeting **>200bps** over prevailing swap rate by H1'25
- Average risk weights are broadly unchanged

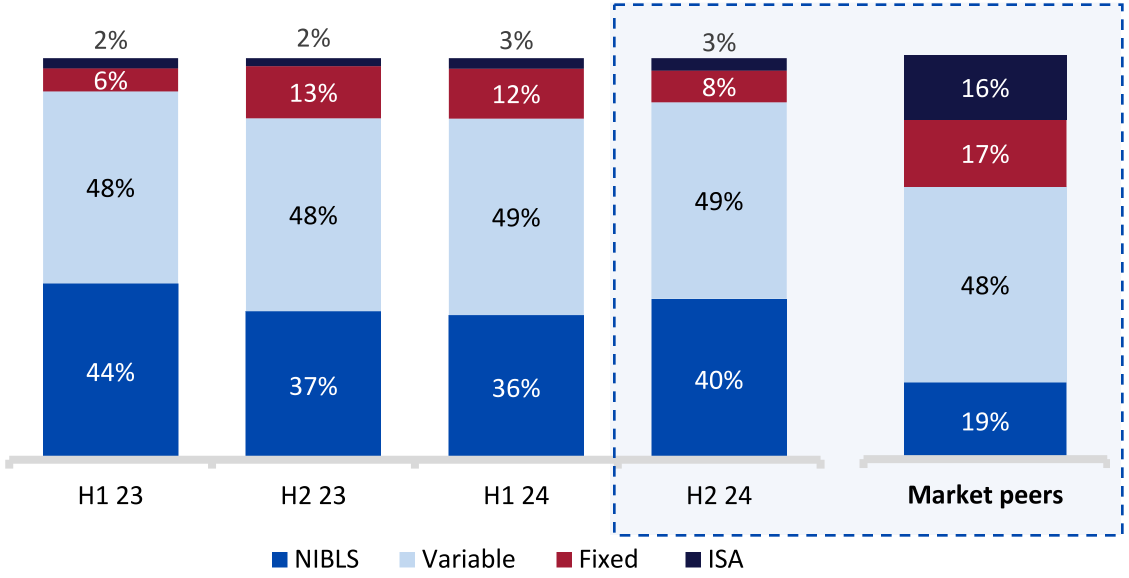
New Commercial originations >3.5% over base rate drive YoY improvements in yield



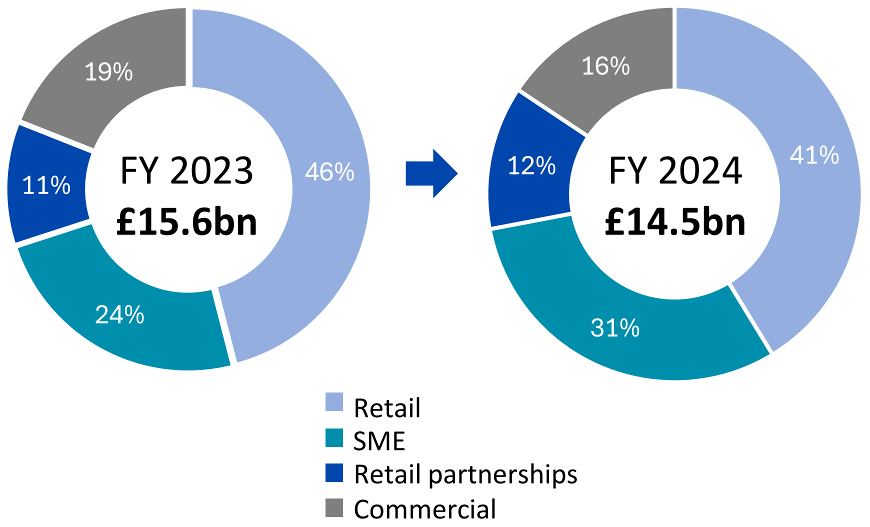
- 78% of new Corporate and Commercial lending was non-broker led, c.30% of this came from refinancing existing customers
- Attrition from lower yielding sub-asset classes
- **Stable performance** and **credit quality** of new Commercial lending remains high, more details can be found in Appendix
- Average risk weights are broadly unchanged

Relationship deposit mix provides enduring pricing advantages

NIBLs remain double the market average [1]



SME deposit growth is replacing tactical Retail run off to deliver strong LCR at 337% (Loans to deposits 62%)



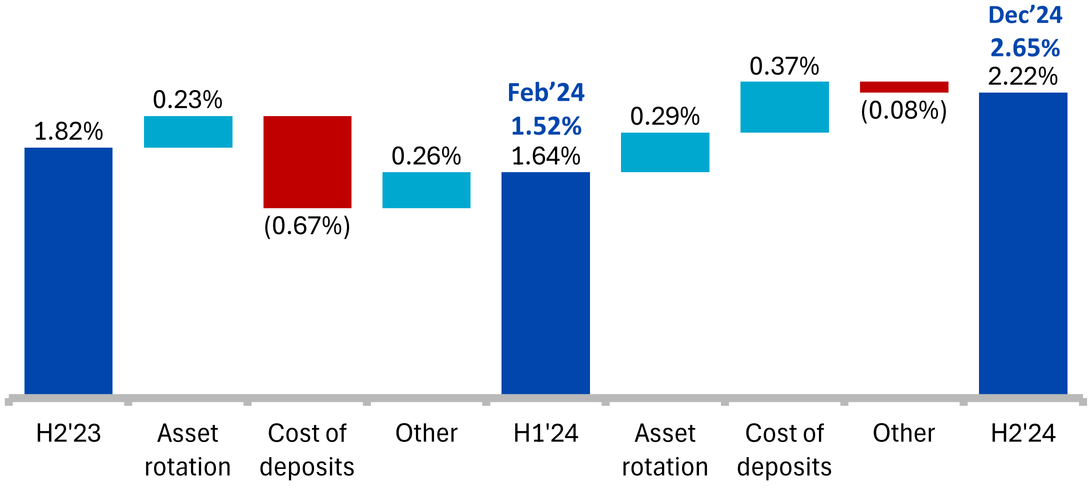
- **Run-off of expensive tactical deposits** raised in Q4'23 has been actively managed from Feb'24 peak
- **LCR remains strong at 337%**, with £2.8 billion of cash providing further opportunity to continue optimisation of funding

- The core customer deposit base continues to be predominantly Retail and SME
- In line with strategy, the growth focus is to increase SME and Commercial balances through our relationship banking model

[1] BoE Bank stats publicly available data as at end of January 2025

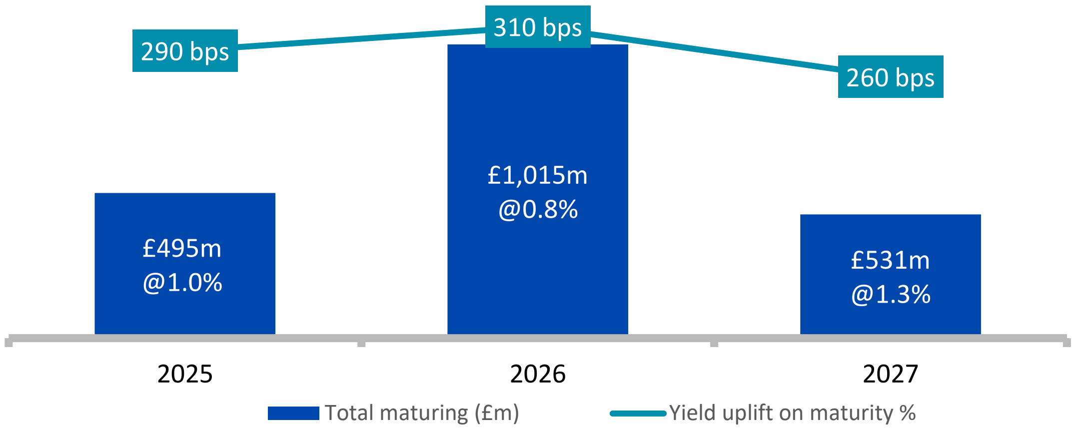
NIM improvement driven by effective asset and liability management

Strong NIM expansion



- Successful completion of mortgage sale in Q3 2024
- **Early repayment of TFSME**[1] in Q4 2024 from proceeds of mortgage sale
- **Asset rotation momentum** due to pivot towards higher yielding assets
- **Deposit optimisation** from Feb'24 peak drives 89 bps uplift in NIM
- We continue to consider our **opportunities to optimise** the capital structure to drive NIM and earnings growth

Future benefit from Treasury asset repricing[2]



	2025	2026	2027
Cumulative annualised uplift			
Underlying PBT (£m)	**16**	**48**	**63**
RoTE (%)	**2.0%**	**6.0%**	**7.7%**
NIM (%)	**0.10%**	**0.30%**	**0.38%**

[1] Bank of England Term Funding Scheme

[2] Calculations compiled on an annualised/ run-rate basis (i.e. not adjusted for in-year phasing of maturities). RoTE uplift quoted based on static December 2024 tangible equity. Compiled on a contractual basis, excluding behavioural assumptions. Refer to Appendix for rate curve assumptions used in calculation

Strong Guidance Confirmed

	2025	2026	2027	2028
NIM	Exit NIMs to be between 3.00%-3.25%	Exit NIMs to be between 3.60%-4.00%	Exit NIMs to be between 4.00%-4.50%	
Costs	4%-5% year-on-year cost reduction	Cost-to-income to be between 75%-70%	Cost-to-income to be between 65%-60%	Cost-to-income to be between 55%-50%
ROTE	Mid-to-upper single digit	Double digit	Mid-to-upper teens	

Guidance statements are predicated on modelling assumptions, including interest rate curves and capital requirements, as provided in the Appendix

Strategy

Daniel Frumkin
Chief Executive Officer

CHAMPION OF WOMEN'S AND GIRLS' CRICKET

Strategic pillars remain the roadmap for continued future growth

Revenue	Costs	Balance Sheet Optimisation	Infrastructure	Communications
Delivered				
Grew Corporate and Commercial originations by 71% year-on-year 20% of H2 mortgage lending at >200bps above swaps Net Interest Income up 20% and Revenue up 15% Half-on-Half	£80 million of annualised run-rate savings delivered in 2024 Total on-shore headcount reduced by ~30% from 4,458 to 2,972 Cost actions have had limited impact on relationship channels Strong strategic collaboration forged with Infosys	£2.5 billion mortgage portfolio sale, with TFSME repaid from proceeds £584 million unsecured personal loans portfolio sale, CET1 and MREL accretive	Improve AIDA (AI agent) to allow more time to service customers Rolled out new mortgage platform/ new products Trialling AI agent to support Corporate lending and credit New technology in store to track customer interactions	Launched 'Relationship Banking' brand positioning and visual identity Laid out clear path to growth Amplified our unique culture Redesigned onboarding journey Launched Girls in Cricket fund in partnership with ECB, with 21% increase in girls' teams in 2024
Near Term Focus				
c.50% of mortgage pipeline has a margin >200bps above swaps Corporate/Commercial credit approved pipeline already at >50% of 2024 lending Complete the unsecured personal loans sale	Infosys working with Metro Bank to automate/introduce new tooling Discipline around supplier costs and contract removals Refine user profiles to reduce IT expenses	Look for opportunities to accelerate asset rotation Continue to optimise balance sheet to fund exceptional growth Continue to optimise for risk adjusted returns on capital	Rollout AI agent for Corporate lending and Corporate credit Infosys building new general ledger and people system Embed upgraded financial crime and fraud infrastructure	Amplify Metro Bank's position as UK SME champion through our relationship banking proposition Reinforce our colleague value proposition and unique culture Train more coaches for Girls in Cricket Fund

Strategic pillars remain the roadmap for continued future growth

Revenue

Costs

Balance Sheet Optimisation

Infrastructure

Comms

Delivered

Balance Sheet Optimisation

£2.5 billion mortgage portfolio sale, with TFSME repaid from proceeds

£584 million unsecured personal loans portfolio sale, CET1 and MREL accretive

Infrastructure

Improve AIDA (AI agent) to allow more time to service customers

Rolled out new mortgage platform / new products

Trialling AI agent to support Corporate lending and credit

New technology in Stores to track customer interactions

Near Term Focus

Balance Sheet Optimisation

Look for opportunities to accelerate asset rotation

Continue to optimise balance sheet to fund exceptional growth

Continue to optimise for risk adjusted returns on capital

Infrastructure

Rollout AI agent for Corporate lending and Corporate credit

Infosys building new general ledger and people system

Embed upgraded financial crime and fraud infrastructure

Uniquely positioned to serve Corporate, Commercial and SME customers

Local relationship-led service model unrivalled by larger banks

Strong expertise in SME/ Commercial/ Corporate business, supported by skilled relationship managers and credit professionals

- **Local, service-led relationship banking model**
- We have **31 specialist colleagues in the Credit Risk Underwriting and Business & Credit Support,** with an **average 25 years' experience,** with strict adherence to risk appetite
- Strong expertise with over **370 colleagues** across all Commercial/ Corporate/SME areas, with an **average experience of 20-25 years**
- **Hired 36 additional colleagues** into Commercial and Corporate Banking with an **average experience of 16-18 years** in lending

Commitment to relationship banking and **focus on stores**

- Our **store presence** creates **customer loyalty** and enables **relationship building and low-cost deposit generation**
- **UK bank branch numbers** have more than halved since 2015, however **we are committed to maintaining existing stores-based model** and establishing a presence in underpenetrated regions

Value proposition in **the 'sweet spot' between a full-service and specialist challenger bank**

- **Only bank offering dedicated relationship management** across all business sizes, while **others tend to offer** that to businesses with at **least £1-2mn in annual turnover**
- **78%** of new lending in 2024 was **non-broker led**, c.30% of this came from **refinancing existing customers**

Breadth of services a key differentiator to challenger banks

A sophisticated suite of lending and deposit products

- Deposit Service
- Cash Management
- Foreign Exchange
- Business Loans (fixed/variable)
- Business Credit Card and Overdraft
- Revolving Credit Facilities and Leveraged Finance
- Asset Finance and Invoice Finance
- Current Accounts

Dedicated capability for businesses of all sizes

- Corporate teams
- Regional Commercial teams
- Real Estate
- Private Banking
- SME
- Partnerships
- Asset Finance
- Invoice Finance
- Local Business Manager in every store
- Local Directors

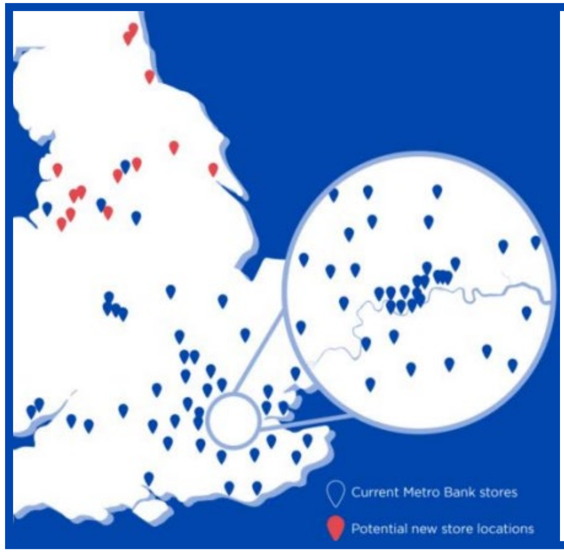
Stores remain a pivotal enabler of future growth on both sides of the balance sheet

Stores are a key brand differentiator

- **Stores provide a hub for business / commercial teams and customers alike,** providing a location to establish new and deepen existing FAN relationships
- **Stores are a primary channel for Business and Retail account openings**
- They create a foundation to **grow brand awareness when entering geographically new markets**, enables future aspiration for nationwide coverage, and drives halo model to supporting digital acquisition within local markets
- They are **fundamental to holistically servicing and meeting needs of customers** given relationship banking led Business Banking / SME proposition

Digital halo effect

- **Stores are enabling online as well as offline sales** and their contribution considered on a 'catchment' basis
- **70% of customers who open a current account online live within 5 miles of a Store**

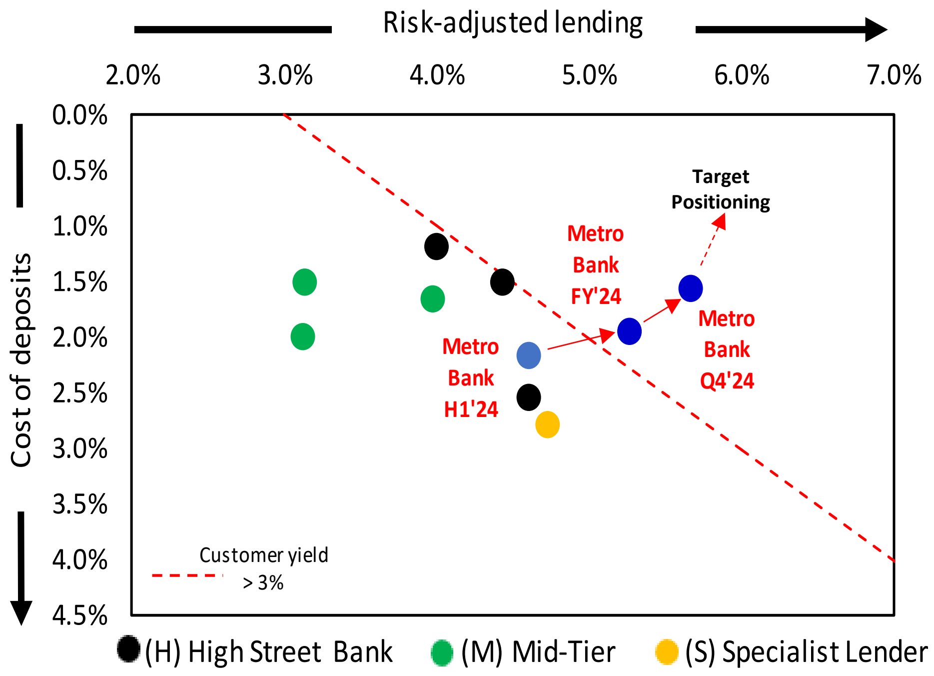


- Metro Bank will **open three new stores in 2025**: Chester, Gateshead and Salford
- **All stores more profitable today than 12 months ago**
- **Commitment to open 8 further stores** around England

Why Metro Bank wins

Structurally advantaged to deliver best-in-class risk adjusted returns

- **Local relationship led service model**
- **Generating low-cost deposits**
- **Funding lending into specialist and high yielding segments**



By 2027, Metro Bank will be generating **one of the best RoTE of any High Street bank**

Q&A

Daniel Frumkin, Chief Executive Officer
Marc Page, Chief Financial Officer

Appendices

CHAMPION OF WOMEN'S AND GIRLS' CRICKET

P&L

£m	FY24	FY23	YoY	H2 2024	H1 2024	HoH
Net interest income	377.9	411.9	(8)%	206.0	171.9	20%
Net fees and other income	125.4	131.9	(5)%	63.4	62.0	2%
Net gaines/(losses) on sale of assets	0.2	2.7	(93)%	0.1	0.1	0%
Total underlying revenue	**503.5**	**546.5**	**(8)%**	**269.5**	**234.0**	**15%**
Underlying operating costs	(510.4)	(530.2)	(4)%	(255.8)	(254.6)	0%
Expected credit loss expense	(7.1)	(33.2)	(79)%	(0.9)	(6.2)	(85)%
Underlying profit / (loss) before tax	**(14.0)**	**(16.9)**	**(17)%**	**12.8**	**(26.8)**	**>100%**
Non-underlying items	(198.1)	47.4		(191.4)	(6.7)	
Statutory taxation	254.6	(1.0)		254.2	0.4	
Statutory profit / (loss) after tax[1]	**42.5**	**29.5**	**-**	**75.6**	**(33.1)**	**-**
Underlying EPS (pence)	(2.1)	(8.4)	6.3	1.9	(3.9)	5.8
Net interest margin	1.91%	1.98%	(7)bps	2.22%	1.64%	58bps
Cost of deposits	1.95%	0.97%	98bps	1.72%	2.18%	(46)bps
Underlying cost to income ratio	101%	97%	4ppts	95%	109%	(14)ppts
Cost of risk[2]	0.06%	0.26%	(20)bps	0.01%	0.10%	(9)bps

[1] We recognised a deferred tax asset on unused tax losses and subsequently recorded a statutory profit after tax of £42.5 million for the full year (2023: £29.5 million)
[2] Cost of Risk (CoR) is the annualised credit impairment charge, expressed as a percentage of average gross lending

Balance sheet

£m	FY24	FY23	YoY	H1 2024	HoH
Loans and advances to customers	9,013	12,297	(27)%	11,543	(22)%
Treasury assets	7,301	8,770	(17)%	8,819	(17)%
Other assets	1,268	1,178	8%	1,127	11%
Total assets	**17,582**	**22,245**	**(21)%**	**21,489**	**(18)%**
Deposits from customers	14,458	15,623	(7)%	15,726	(8)%
Deposits from central banks	400	3,050	(87)%	3,050	(87)%
Debt securities	675	694	(3)%	675	0%
Other liabilities	866	1,744	(50)%	934	(7)%
Total liabilities	**16,399**	**21,111**	**(22)%**	**20,385**	**(20)%**
Shareholders' funds	1,183	1,134	4%	1,104	7%
Total equity and liabilities	**17,582**	**22,245**	**(21)%**	**21,489**	**(18)%**
Risk weighted assets	6,442	7,533	(14)%	7,239	(11)%
Loan to deposit ratio	62%	79%	(17)ppts	73%	(11)ppts
Book value per share	1.76	1.70	4%	1.64	7%
Tangible book value per share	1.21	1.40	(14)%	1.37	(12)%
Liquidity coverage ratio	337%	332%	5ppts	365%	(28)ppts

[1] Cost of Risk (CoR) is the annualised credit impairment charge, expressed as a percentage of average gross lending.

Guidance Modelling Inputs

NIM	• Mortgage lending originations > 200bps above prevailing reference rate SWAP from H1'25 • Commercial lending originations continuing at > 350bps above prevailing Bank of England base rate • Benefit from fixed rate treasury and mortgage maturities across 2025-2028
Costs	• Year-on-year 4-5% reduction in cost for 2025 • Cost to income ratios in 2026, 2027 and 2028 to be between 75%-70%, 65%-60% and 55%-50% respectively

Lending	• Total lending to grow at an 8 – 11% CAGR (adjusting for unsecured personal loans portfolio sale) over the next few years
	• Future lending book composition by early 2029:
	    • Back book mortgages (c.£4.5bn) will run-off
	    • Mortgages as a % of total lending declines to c.30%
	    • Commercial as a % of total lending grows to c.70%
	    • All other lending broadly runs-off during the period
	• Balance weighted cost of risk across 2025 to 2028 to be between 0.40%-0.60%
	• Risk weight density increases to over 40% in 2025, approaching c.50% by early 2029

Deposits	• Ongoing optimisation on deposits to reduce cost of funding and focus on improving deposit mix • Deposit growth from 2025 to 2028 in line with 2-3% CAGR
Rates	• Predicated on average base rates of - FY25: 4.29%, FY26: 4.04%, FY27: 3.93%, FY28: 3.82%

Summary capital and liquidity metrics

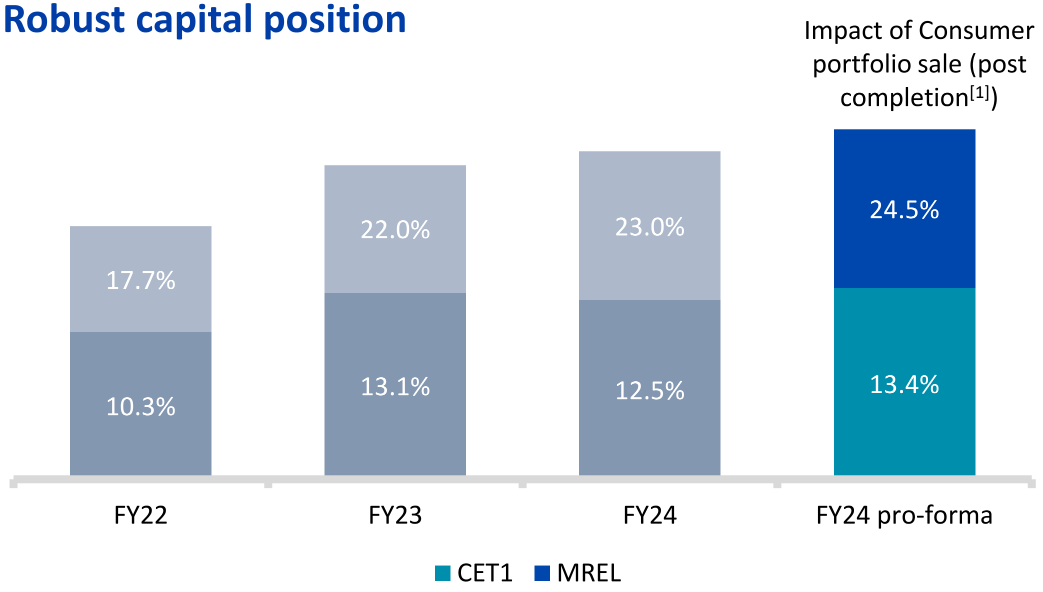
		Updated capital requirements from 1st April 2025	FY24 pro-forma for unsecured asset sale	FY24	H124	FY23
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital		819	808	937	985
2	Tier 1 capital		819	808	937	985
3	Total capital		969	958	1,087	1,135
	Risk–weighted exposure amounts					
4	Total risk–weighted exposure amount		6,090	6,442	7,239	7,533
	Capital ratios (as a percentage of risk–weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)		13.4%	12.5%	12.9%	13.1%
6	Tier 1 ratio (%)		13.4%	12.5%	12.9%	13.1%
7	Total capital ratio (%)		15.9%	14.9%	15.0%	15.1%
	Additional own funds requirements based on SREP (as a percentage of risk–weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	0.7%	0.2%	0.2%	0.2%	0.2%
UK 7b	Additional AT1 SREP requirements (%)	0.2%	0.1%	0.1%	0.1%	0.1%
UK 7c	Additional T2 SREP requirements (%)	0.3%	0.1%	0.1%	0.1%	0.1%
UK 7d	Total SREP own funds requirements (%)	9.2%	8.4%	8.4%	8.4%	8.4%
	Combined buffer requirement (as a percentage of risk–weighted exposure amount)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	2.0%	2.0%	2.0%	2.0%	2.0%
11	Combined buffer requirement (%)	4.5%	4.5%	4.5%	4.5%	4.5%
UK 11a	Overall capital requirements (%)	13.7%	12.9%	12.9%	12.9%	12.9%
12	CET1 available after meeting the total SREP own funds requirements (%)		8.7%	7.8%	8.2%	8.4%
	Leverage ratio					
13	Total exposure measure excluding claims on central banks		13,948	14,417	17,185	18,420
14	Leverage ratio excluding claims on central banks (%)		5.9%	5.6%	5.5%	5.3%
	Liquidity Coverage Ratio[1]					
15	Total high–quality liquid assets (HQLA) (Weighted value – average)			7,189	6,509	5,056
UK 16a	Cash outflows – Total weighted value			2,184	2,279	2,335
UK 16b	Cash inflows – Total weighted value			413	242	256
16	Total net cash outflows (adjusted value)			1,854	2,037	2,079
17	Liquidity coverage ratio (%)			444%	319%	244%
	Net Stable Funding Ratio[2]					
18	Total available stable funding			16,676	18,361	18,277
19	Total required stable funding			10,475	12,512	13,442
20	NSFR ratio (%)			160%	147%	136%

Required capital levels driven by annual ICAAP process with the largest drivers of change being:
- Modification in the refined approach
- Changes in approach to interest rate risk in the banking book

[1] LCR is based on 12-month average
[2] NSFR is based on 4-quarter average

Balance sheet optimisation supported by strong capital position

Robust capital position



	FY24	FY24 Pro-forma for asset sale[1]	Min. req. including buffers[2]	Min. req. excluding buffers[2]
RWA (£'bn)	6.4	6.1	-	-
CET1	12.5%	13.4%	9.2%	4.7%
Tier 1	12.5%	13.4%	10.8%	6.3%
Total Capital	14.9%	15.9%	12.9%	8.4%
Total Capital + MREL	23.0%	24.5%	21.2%	16.7%

- Year-on-year MREL ratio improved to 23.0% at FY 2024, up 100bps from 22.0%, reflecting ongoing focus on capital management
- On a pro forma basis (post completion of the unsecured personal loan sale) results in an improvement in MREL of c152 bps to 24.5% and CET1 of c92 bps to 13.4%
- We continue to consider our opportunities to optimise the capital structure to drive growth momentum in delivering strategy

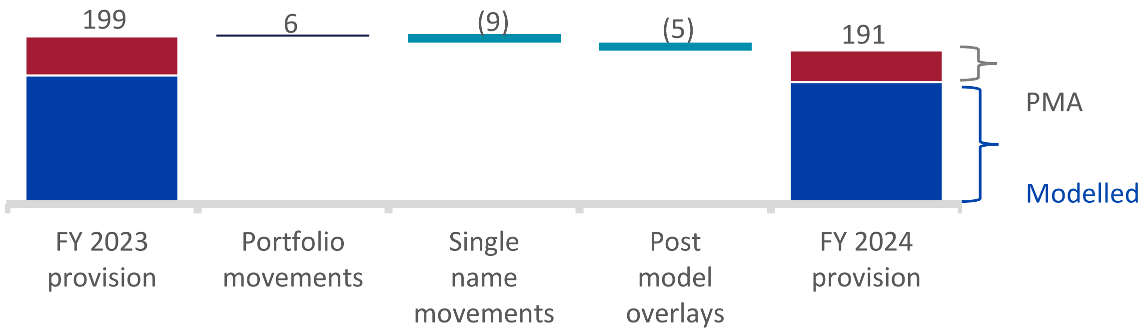
[1] FY24 pro-forma capital impact is based on completion of the performing unsecured personal loans portfolio sale
[2] Minimum requirements including buffers are not inclusive of updated requirements post the annual ICAAP process

Asset quality

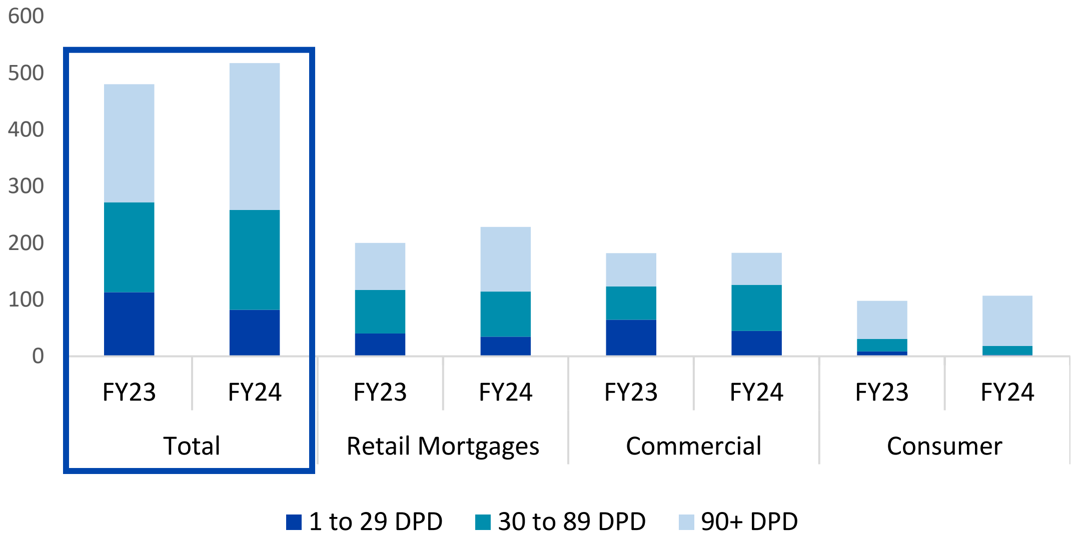
ECL Expense (including write-offs)

	ECL Expense[1] (£m)		Cost of Risk[2] (%)		Coverage Ratio[3] (%)	
	FY23	FY24	FY23	FY24	FY23	FY24
Retail Mortgages	(1)	(2)	(0.01)	(0.03)	0.24%	0.29%
Commercial Lending	(11)	(0)	(0.30)	(0.01)	2.11%	2.04%
Consumer Lending	46	7	3.29	0.71	8.36%	14.43%
Total	**33**	**7**	**0.26**	**0.06**	**1.59%**	**2.07%**

Movement in loan loss provision[4]

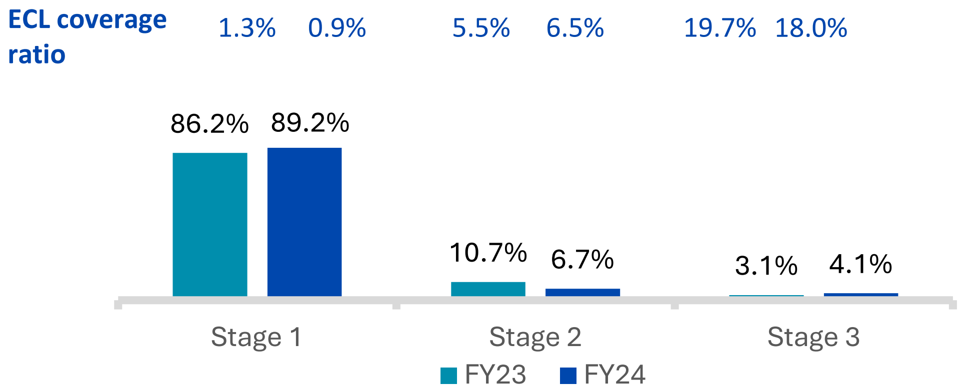


Days past due, lending balance[5]



Commercial excl. Gov Backed Lending

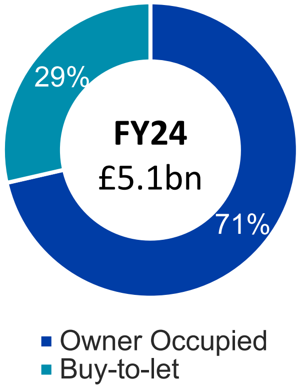
Balance by IFRS9 stage



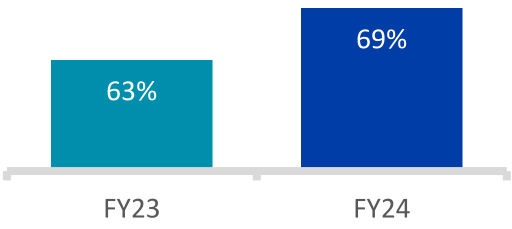
(1) Total ECL expense for FY 2024 and FY 2023 incorporates other financial adjustments
(2) Cost of Risk (CoR) is the annualised impairment expense, expressed as a percentage of average gross lending
(3) Coverage Ratio is the calculated as stock divided by the gross lending balances
(4) The difference between ECL expense and ECL provision movement relates to write-offs adjustments
(5) FY 24 Retail Mortgages days past due has increased due to the mortgage sale.

Retail mortgages – overview

Retail mortgage portfolio

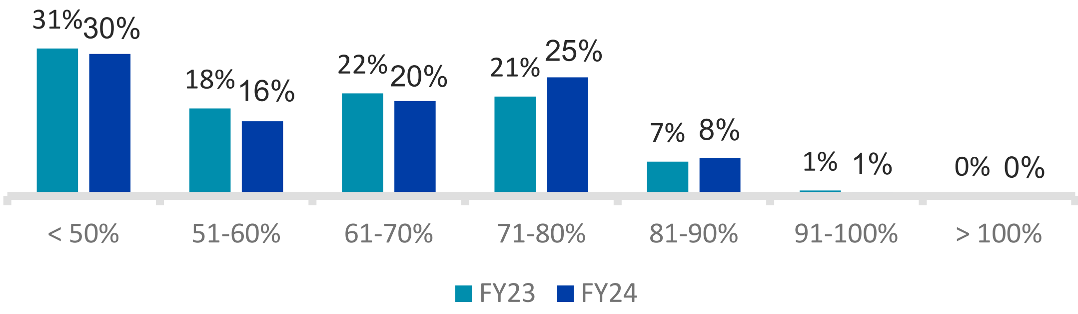


New lending loan-to-value

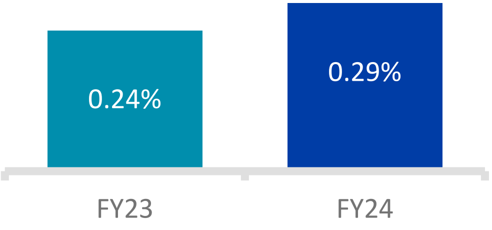


Retail mortgages loan-to-value

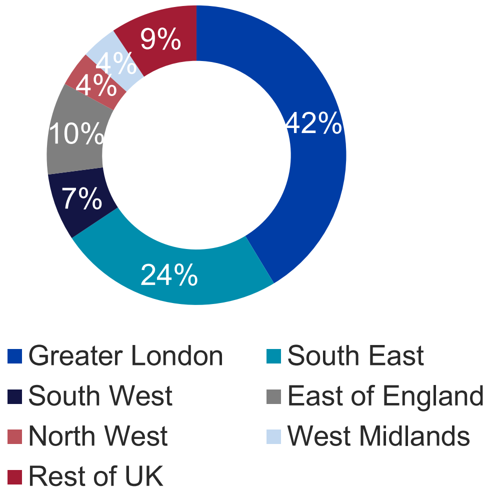
Average retail LTV: 59% at FY24 vs 58% at FY23



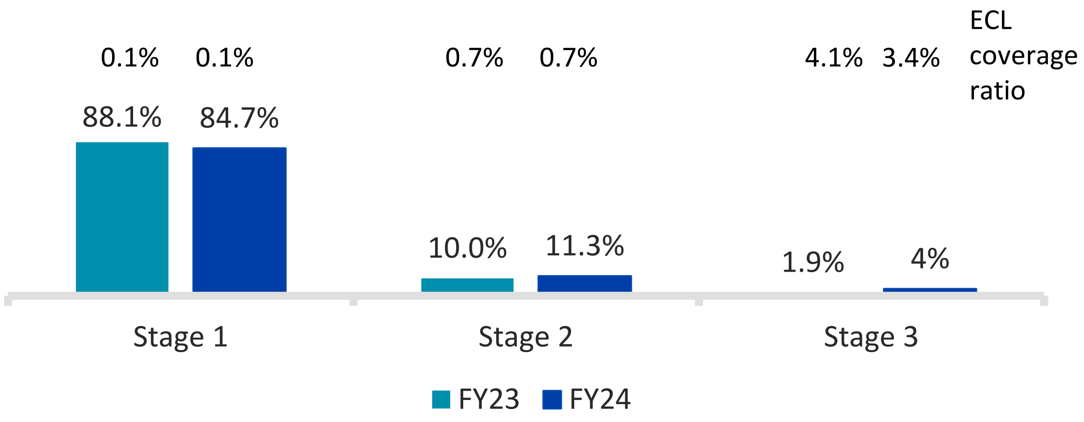
ECL coverage ratio [1]



Geographical split



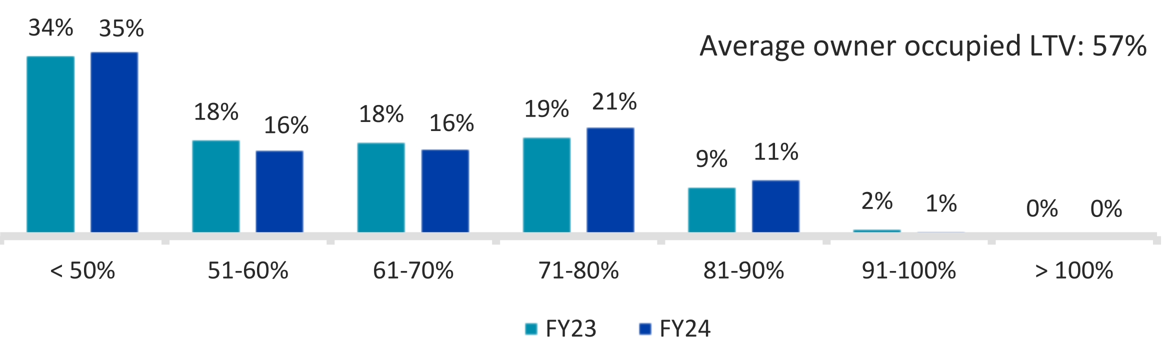
Balance by IFRS9 stage [1]



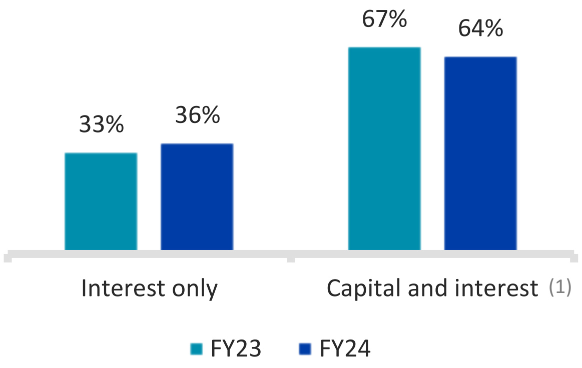
1. FY24 ECL coverage ratio and Stage 2 & 3 proportion increases are driven by mortgage asset sale.

Retail mortgages – LTV and repayment type

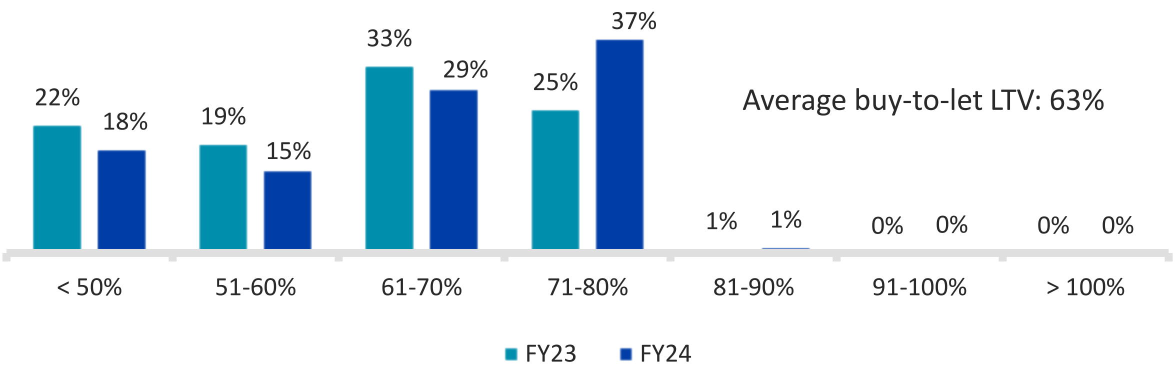
Owner Occupied Loan-to-value profile



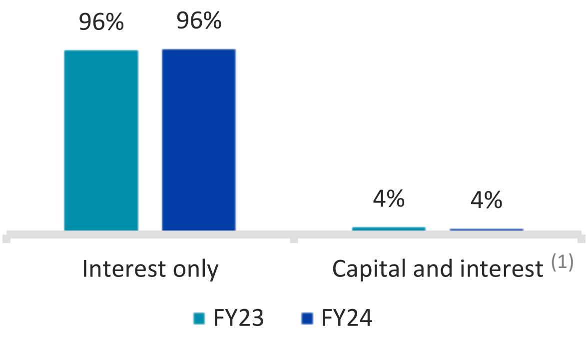
Owner Occupied Repayment type



Buy to Let Loan-to-value profile



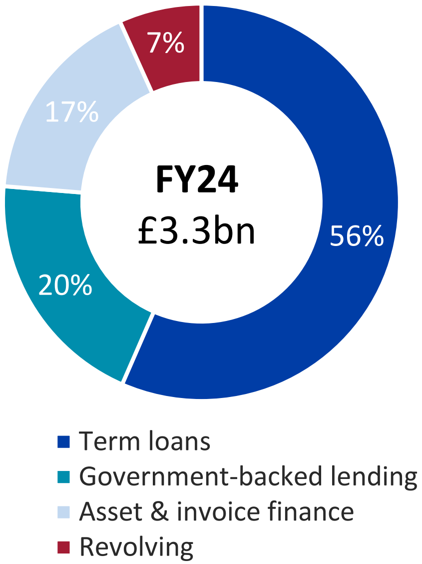
Buy to Let Repayment type



1. Interest only reflects loans where the full balance is subject to interest only repayment

Commercial – overview

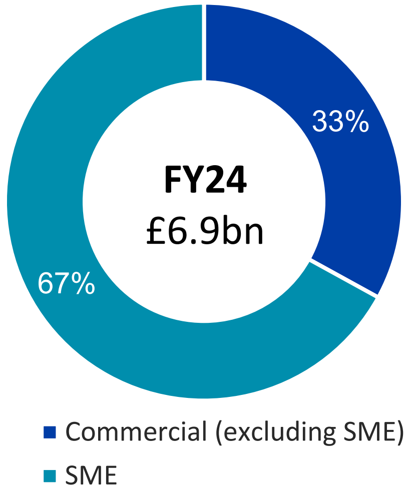
Commercial lending portfolio



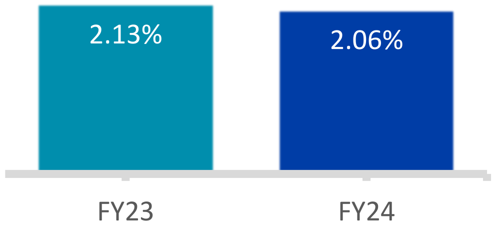
Term loans by industry sector

Industry sector (£m)	31 Dec 2024	31 Dec 2023
Real estate (PBTL)	283	465
Real estate (other term loans)	413	509
Hospitality	442	368
Health & Social Work	430	298
Legal, accountancy & consultancy	207	150
Other	413	430

Commercial customer deposits

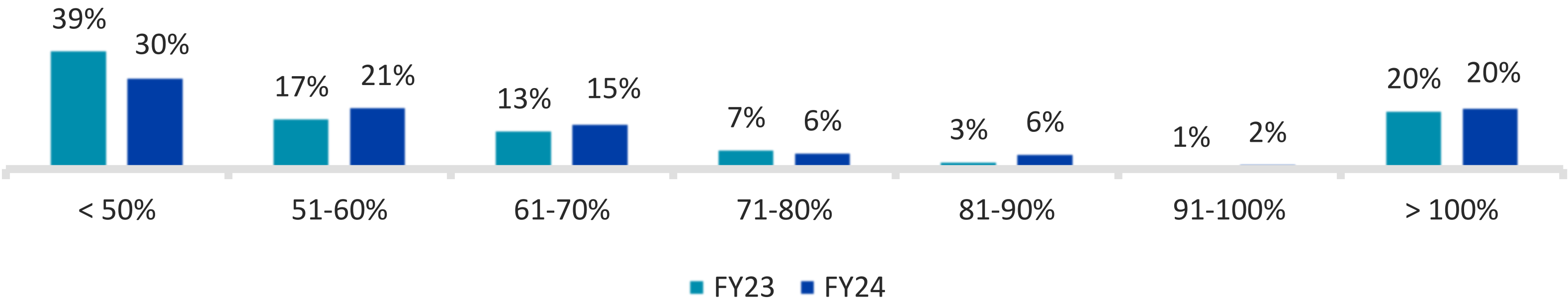


ECL coverage ratio



Commercial term lending (excluding BBLS) loan-to-value[1]

Average commercial LTV 56% at FY24 vs 55% at FY23

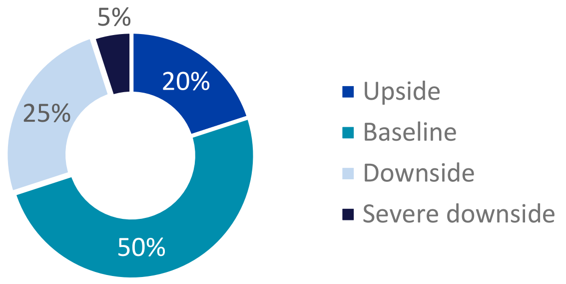


1. Commercial term loans excluding BBLS, AF, IF

Macroeconomic scenarios used for IFRS9 provisioning assessment

Application of scenarios and weighting

- Four probability weighted scenarios: Baseline (50%); Upside (20%), Downside (25%) and Severe Downside (5%)
- Macroeconomic forecasts provided by Moody's Analytics (December 2024)



Macroeconomic scenarios

Macroeconomic variable	Scenario	2025	2026	2027	2028	2029
Unemployment (%)	Baseline	4.41%	4.50%	4.59%	4.67%	4.76%
	Upside	3.78%	3.64%	3.78%	4.07%	4.36%
	Downside	6.32%	7.22%	7.25%	6.89%	6.27%
	Severe Downside	7.55%	8.32%	8.19%	7.99%	7.33%
House Price Index (YoY%)	Baseline	2.24%	3.89%	2.62%	1.47%	2.07%
	Upside	16.62%	7.03%	0.06%	-2.57%	-0.26%
	Downside	-9.01%	-5.62%	1.88%	4.22%	5.37%
	Severe Downside	-15.20%	-9.60%	2.29%	2.91%	4.64%
UK GDP (YoY%)	Baseline	2.08%	1.18%	2.07%	1.43%	1.87%
	Upside	5.65%	1.42%	2.02%	1.46%	2.08%
	Downside	-3.50%	1.49%	3.28%	1.43%	1.79%
	Severe Downside	-4.61%	0.15%	4.56%	2.26%	1.85%
BoE Interest Rate (%)	Baseline	4.10%	2.75%	2.50%	2.50%	2.50%
	Upside	4.28%	2.97%	2.56%	2.50%	2.50%
	Downside	2.71%	1.11%	1.38%	1.72%	1.95%
	Severe Downside	2.13%	0.76%	0.75%	0.94%	1.04%
5-year Mortgage Rate (%)	Baseline	4.51%	4.24%	3.95%	3.96%	4.00%
	Upside	4.74%	4.25%	3.95%	3.95%	4.00%
	Downside	3.51%	2.41%	2.44%	3.09%	3.71%
	Severe Downside	2.81%	2.08%	1.96%	2.43%	3.29%
Commercial Real Estate (CRE) Index (YoY%)	Baseline	-0.86%	0.45%	-0.31%	-1.34%	-1.04%
	Upside	14.42%	2.33%	-3.27%	-5.24%	-3.08%
	Downside	-16.02%	-5.62%	0.83%	1.97%	2.75%
	Severe Downside	-25.06%	-8.49%	2.57%	1.24%	3.06%

Statutory to Underlying reconciliation

Year ended 31 December 2024 £'million	**Statutory basis**	Impair/WO's PPE/intangible assets	Net C&I costs	Transformation costs	Remediation costs	Mortgage sale	Capital raise and refinancing	**Underlying basis**
Net interest income	377.9	-	-	-	-	-	-	377.9
Net fee and commission income	93.2	-	-	-	-	-	-	93.2
Net gains on sale of assets	(101.4)	-	-	-	-	(101.6)	-	0.2
Other income	35.6	-	(3.4)	-	-	-	-	32.2
Total revenue	**405.3**	**-**	**(3.4)**	**-**	**-**	**101.6**	**-**	**503.5**
General operating expenses	(489.0)	-	3.4	31.1	21.3	0	0.1	(433.1)
Depreciation and amortisation	(77.3)	-	-	-	-	-	-	(77.3)
Impairment and write offs of property, plant & equipment and intangible assets	(44.0)	44.0	-	-	-	-	-	-
Total operating expenses	**(610.3)**	**44.0**	**3.4**	**31.1**	**21.3**	**-**	**0.1**	**(510.4)**
Expected credit loss expense	(7.1)							(7.1)
Loss before tax	**(212.1)**	**44.0**	**-**	**31.1**	**21.3**	**101.6**	**0.1**	**(14.0)**