

PRESS RELEASE
Secure Trust Bank PLC
15 May 2025
For immediate release

SECURE TRUST BANK PLC

Q1 2025 Trading Update
Continued net lending growth towards £4bn ambition

Secure Trust Bank PLC ("Secure Trust Bank", "STB" or the "Group"), a leading specialist lender, is pleased to announce its trading update for the first quarter ended 31 March 2025. The Group delivered continued growth in net lending and is trading in line with management expectations.

Highlights

	Q1'25	Q4'24	QoQ % Change	Q1'24	YoY % Change
Net lending	£3,725.4m	£3,608.5m	3.2%	£3,372.6m	10.5%
Deposits	£3,372.8m	£3,244.9m	3.9%	£2,921.8m	15.4%

Net lending

The net loan book grew by 3.2% in the quarter (to £3.7bn) and 10.5% year-on-year. In Q1'25 Business Finance and Consumer Finance net lending balances grew by 4.9% and 1.8% respectively. This reflected strong pipeline conversion from Q4'24. The Group is within reach of its £4 billion net lending ambition in the near term.

Deposits

Customer deposits grew by 3.9% in the quarter (to £3.4bn) to support our lending objectives and were 15.4% higher compared to Q1'24. In Q1 the Group repaid a further £98m of TFSME ahead of maturity with a further £30m repaid since the end of the quarter. 74% of all TFSME funding has now been repaid, with £102m outstanding.

Debt sale completed

In early April, the Group sold £25.8m of defaulted Vehicle Finance loan balances that had built up through 2024 following the secondary impacts of the FCA's Borrowers in Financial Difficulty review. This transaction is the first of several initiatives that will allow operational resources to be deployed more effectively to manage early-stage arrears and defaults.

David McCreadie, Chief Executive Officer, said:

"The Group delivered strong net lending growth in the period, moving closer towards our £4 billion net lending ambition. We continue to manage the trajectory towards this level prudently. We are monitoring for potential impacts of the current turbulence in global markets and across the geopolitical landscape.

I am pleased that we have completed the first key initiative that significantly reduces the excess stock of defaulted loans in Vehicle Finance. We also completed the implementation of our new operating model and are on track to deliver the previously announced £8m of annualised cost savings from Project Fusion¹ by the end of this year. We are looking ahead with confidence."

¹ Project Fusion savings measured against FY 2021 cost base.

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Forward looking statements

This announcement contains forward-looking statements about the business, strategy and plans of STB and its current objectives, targets and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about STB's or management's beliefs and expectations, are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. STB's actual future results may differ materially from the results expressed or implied in these forward-looking statements as a result of a variety of factors. These include economic and business conditions, risks from failure of clients, customers and counterparties, market related risks including interest rate risk, risks regarding market conditions outside STB's control, expected credit losses in certain scenarios involving forward looking data, operational risks, legal, regulatory, or governmental developments, and other factors. The forward-looking statements contained in this announcement are made as of the date of this announcement, and (except as required by law or regulation) STB undertakes no obligation to update any of its forward-looking statements.

About STB

Secure Trust Bank is an established, well-funded and capitalised UK retail bank with a 72 year trading track record. Secure Trust Bank operates principally from its head office in Solihull, West Midlands, and had 904 employees (full-time equivalent) as at 31 December 2024. The Group's diversified lending portfolio currently focuses on two sectors:

- (i) Business Finance through its Real Estate Finance and Commercial Finance divisions; and
- (ii) Consumer Finance through its Vehicle Finance and Retail Finance divisions.

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

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