

Metro Bank Holdings PLC

Interim results

Trading update H1 2025

6 August 2025

Metro Bank Holdings PLC (LSE: MTRO LN) ("Metro Bank")

Legal Entity Identifier: 984500CDDEAD6C2EDQ64

Interim results for half year ended 30 June 2025

Strategic actions drive strong financial performance

- **Underlying profit before tax of £45 million in H1 2025** – more than treble the profit in H2 2024
- **Revenue up 22% year-on-year** to £286 million
- **Operating costs down 8% year-on-year**
- **Exit Net Interest Margin at June 2025 of 2.95%**, up 117 bps year-on-year
- **Exit Cost of Deposits, at 1.02%**, the lowest of any UK high street bank
- **Record £1 billion of new corporate/ commercial/SME lending in H1 2025**, twice the lending originated in H1 2024, with a £800 million credit approved pipeline for H2 2025
- **Future benefit expected from changes to MREL regime**

Daniel Frumkin, Chief Executive Officer at Metro Bank, said:

"Metro Bank's strong performance in the first half of the year reflects the successful execution of our strategy and decisive actions we have taken. We trebled profits, doubled new lending to corporate, commercial and SME customers, meaningfully reduced operating costs and optimised funding to have the lowest cost of deposits of any UK high street bank.

As we celebrate our 15-year anniversary, our unique relationship-led model, specialist lending expertise and expanding store network allows us to support customers, communities and help businesses to grow. This differentiates Metro Bank and fuels our growth.

Looking ahead, we have a clear path to growth, delivering mid-to-upper teens RoTE by 2027, with cost of deposits and operating costs both already below levels needed to meet 2027 targets. We are confident in reconfirming guidance, as the actions we have already taken continue to build momentum to 2027 and beyond."

Key Financials

£ in millions

	H1 2025	H2 2024	Change from H2 2024	H1 2024	Change from H1 2024
Assets	16,428	£17,582	(7%)	£21,489	(24%)
Loans	8,715	£9,013	(3%)	£11,543	(24%)
Deposits	13,363	£14,458	(8%)	£15,726	(15%)
Loan to deposit ratio	65%	62%	3pp	73%	(8pp)
CET1 capital ratio	12.8%	12.5%	30bps	12.9%	(10bps)
Total capital ratio (TCR)	18.9%	14.9%	400bps	15.0%	390bps
MREL ratio	27.0%	23.0%	400bps	22.2%	480bps
Liquidity coverage ratio	315%	337%	(22pp)	365%	(50pp)

£ in millions

	H1 2025	H2 2024	Change from H2 2024	H1 2024	Change from H1 2024
Total underlying revenue ¹	£286.1	£269.5	6%	£234.0	22%
Underlying profit/(loss) before tax ²	£45.1	£12.8	252%	(£26.8)	268%
Statutory profit/(loss) before tax	£43.1	(£178.6)	(124%)	(£33.5)	(>200%)
Statutory profit/(loss) after tax ³	£30.4	£75.6	(60%)	(£33.1)	(>100%)
Net interest margin	2.87%	2.22%	65bps	1.64%	123bps
Lending yield	5.67%	5.48%	19bps	5.18%	49bps
Cost of deposits	1.16%	1.72%	(56bps)	2.18%	(102bps)
Cost of risk	0.14%	0.01%	13bps	0.10%	4bps
Earnings per share	4.5p	11.2p	(6.7p)	(4.9p)	9.4p
Book value per share	£2.17	£1.76	£0.41	£1.64	£0.53
Tangible net asset value per share	£1.61	£1.57	£0.04	£1.38	£0.24

1. Underlying revenue excludes grant income recognised relating to the Capability & Innovation fund

2. Underlying loss before tax is an alternative performance measure and excludes impairment and write-off of property, plant & equipment (PPE) and intangible assets, transformation costs, remediation costs, net profit/(loss) on portfolio sales and costs associated with capital raise

3. H2 2024 profit after tax reflects recognition of Deferred Tax Asset in the period

Investor presentation

A presentation for investors and analysts will be held at 9AM (UK time) on 6 August 2025. The presentation will be webcast on:

<https://webcast.openbriefing.com/metro-h125/>

For those wishing to dial-in:

From the UK dial: +44 800 189 0158

From the US dial: +1 855 979 6654

Access code: 289883

Other global dial-in numbers: <https://www.netroadshow.com/events/global-numbers?confid=67110>

Financial performance for the half year ended 30 June 2025

Deposits

£ in millions

	H1 2025	H2 2024	Change from H2 2024	H1 2024	Change from H1 2024
Demand: current accounts	£5,682	£5,791	(2%)	£5,662	0%
Demand: savings accounts	£6,991	£7,534	(7%)	£8,108	(14%)
Fixed term: savings accounts	£690	£1,133	(39%)	£1,956	(65%)
Deposits from customers	£13,363	£14,458	(8%)	£15,726	(15%)

Deposits from customers includes:

Retail customers (excluding retail partnerships)	£5,000	£5,968	(16%)	£7,170	(30%)
SMEs ⁴	£4,492	£4,442	1%	£4,224	6%
	£9,492	£10,410	(9%)	£11,394	(17%)
Retail partnerships	£1,913	£1,785	7%	£1,734	10%
Commercial customers (excluding SMEs ⁴)	£1,958	£2,263	(13%)	£2,598	(25%)
	£3,871	£4,048	(4%)	£4,332	(11%)

4. SME defined as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50 million, and/or an annual balance sheet total not exceeding €43 million and have aggregate deposits less than €1 million.

- **Excess liquidity has been successfully managed down**, with high-cost fixed term deposits now comprising just 5% of the book, down 39% half-on-half. **Total customer deposits ended H1 2025 at £13.4 billion** (H2 2024: £14.5 billion, H1 2024: £15.7 billion). The core customer deposit base continues to be predominantly Retail and SME.
- **Cost of deposits for H1 2025 was 1.16%, with an exit cost of deposits at June 2025 of 1.02%- the lowest of any UK high street bank.** Cost of deposits are already below the level needed to meet 2027 guidance.
- **Stores remain a key element to the Group's service offering and strategy, as an enabler of our relationship-based approach.** Metro Bank opened a new store in Chester in July 2025, and two new stores are set to open in Gateshead and Salford later in 2025, with all locations selected to support both local consumers and our growing corporate, commercial and SME banking offer and local communities.

Loans

£ in millions

Gross loans and advances to customers

Less: allowance for impairment

Net loans and advances to customers

	H1 2025	H2 2024	Change from H2 2024	H1 2024	Change from H1 2024
Gross loans and advances to customers	£8,882	£9,204	(3%)	£11,739	(24%)
Less: allowance for impairment	(£167)	(£191)	(13%)	(£196)	(15%)
Net loans and advances to customers	£8,715	£9,013	(3%)	£11,543	(24%)

Gross loans and advances to customers consists of:

Commercial lending⁵

Specialist Mortgages lending

Target segments

Government-backed lending⁶

Consumer lending

Prime Mortgages lending

Total run-off books

Commercial lending ⁵	£3,083	£2,661	16%	£2,437	27%
Specialist Mortgages lending	£1,247	£700	78%	-	-
Target segments	£4,330	£3,361	29%	£2,437	78%
Government-backed lending ⁶	£514	£653	(21%)	£787	(35%)
Consumer lending	£133	£745	(82%)	£1,003	(87%)
Prime Mortgages lending	£3,905	£4,445	(12%)	£7,512	(48%)
Total run-off books	£4,552	£5,843	(22%)	£9,302	(51%)

5. Includes CLBILS.

6. BBLs, CBILs and RLS.

- **Balances in the Group's target lending segments of corporate, commercial and SME, and specialist mortgage lending grew by 29% half-on-half, and 78% year-on-year, to £4.3 billion.** Together with legacy books in run-off, which at H1 2025 totalled £4.6 billion, total gross loans at H1 2025 were £8.9 billion. **Total net loans at H1 2025 were £8.7 billion.**
- **Loan to deposit ratio at H1 2025 was 65%,** providing further capacity for growth.
- **Commercial loans (excluding BBLs, CBILs and RLS) increased by 16% at H1 2025 to £3.1 billion** (H2 2024: £2.7 billion, H1 2024: £2.4 billion) **following £1 billion of new gross lending in H1 2025- a Metro Bank record.** Growth in new corporate, commercial and SME lending continues to be offset by attrition, particularly in commercial real estate and portfolio buy-to-let. The DTV of the portfolio at H1 2025 was 59% (H2 2024: 56%, H1 2024: 57%) and the portfolio has a coverage ratio of 2.09% (H2 2024: 1.98%, H1 2024: 2.08%).
- **Specialist Mortgages increased by 78% half-on-half to £1.2 billion. Together with the Prime Mortgage book in run-off, total Retail mortgages were £5.2 billion at H1 2025,** and remain the largest component of the lending book at 58% (H2 2024: 56%, H1 2024: 64%). The Debt to Value (DTV) of the portfolio at H1 2025 was 60% (H2 2024: 59%, H1 2024: 61%). Metro Bank's operating model is tailored to more complex underwriting which enables the Group to meet the needs of more customers and scale underserved markets whilst offering improved risk-adjusted returns.
- **Cost of risk for H1 2025 remained low, at 0.14% (H2 2024: 0.01%, H1 2024: 0.10%).** The credit quality of new lending continues to be strong and the Group retains its prudent approach to provisioning.
- **Overall arrears rates have improved and non-performing loans have reduced. Arrears levels have decreased to 4.9% at H1 2025** (H2 2024: 5.6%, H1 2024: 3.8%) and non-performing loans have **reduced to 5.42% at H1 2025** (H2 2024: 5.48%, H1 2024: 3.75%).
- **The loan portfolio remains highly collateralised and prudently provisioned.** The ECL provision at H1 2025 was £167 million with a coverage ratio of 1.88%. The level of post-model overlays currently sits at £23 million or 14% of the ECL stock, up from 10% at H2 2024.

Profit and Loss Account

- **Underlying profit before tax of £45 million in H1 2025 is more than treble H2 2024, driven by improvements in net interest income and continued cost reduction** (H2 2024: profit £13 million, H1 2024: loss £27 million).
- **Underlying costs reduced 8% half-on-half, to £235 million** (H2 2024: £256 million, H1 2024: £255 million).
- **Net interest margin for H1 2025 was 2.87% (H2 2024: 2.22%, H1 2024: 1.64%), with an exit net interest margin of 2.95% already nearing guidance of 3.00%-3.25% by December 2025.** Structural improvements to net interest margin reflect lower cost of deposits and increased asset yields.
- **Underlying net interest income increased by 8% half-on-half to £223 million** (H2 2024: £206 million, H1 2024: £172 million), reflecting the continued transition towards higher yielding assets and a reduction in cost of deposits.
- **Underlying net fee and other income has remained flat half-on-half at £63 million** (H2 2024: £63 million, H1 2024: £62 million).
- **Expected credit loss expense was £6 million for H1 2025** (H2 2024: £1 million, H1 2024: £6 million) reflecting a continued

benign credit environment.

- **Statutory profit before tax of £43 million for the half-year ended 30 June 2025** (H2 2024: loss of £179 million, H1 2024: loss of £34 million). **Statutory profit after tax for the half was £30 million** (H2 2024: £76 million (following £254 million Deferred Tax Asset recognition), H1 2024: loss of £33 million).

Capital, Funding and Liquidity

	Position H1 2025	Position H2 2024	Minimum requirement including buffers ⁷	Minimum requirement excluding buffers ⁷
Common Equity Tier 1 (CET1)	12.8%	12.5%	9.7%	5.2%
Tier 1	16.6%	12.5%	11.4%	6.9%
Total Capital	18.9%	14.9%	13.7%	9.2%
Total Capital + MREL	27.0%	23.0%	22.9%	18.4%
Risk Weighted Assets (£ million)	6,437	6,442	-	-

7. CRD IV buffers

- **Capital position now optimised for growth following the £250 million AT1 securities issuance and completion of £584 million unsecured personal loan portfolio sale in H1 2025.**
- **Metro Bank's MREL ratio at H1 2025 was 27.0% a 400bps improvement half-on-half** (H2 2024: 23.0%, H1 2024: 22.2%) **and 410bps above regulatory minimum requirements (including buffers).**
- **The Bank remains focused on optimising risk-adjusted returns on regulatory capital.**
- **Total RWAs remained flat half-on-half at £6.4 billion (H2 2024: £6.4 billion),** reflecting the £584 million sale of the unsecured personal loans portfolio.
- **RWA density at H1 2025 was 39% compared to 37% at H2 2024** reflecting the continued pivot to corporate, commercial and SME lending.
- **Future benefits are expected from recently announced changes in Bank of England's revised Statement of Policy on MREL.** The Group expects to be reclassified as a transfer firm with MREL capital equal to minimum capital requirements. Given this, there are no current plans to raise future MREL. The Group continues to review its liability structure on an economic basis in the context of its ongoing regulatory and liquidity needs.
- **Strong liquidity and funding position maintained.** All customer loans are fully funded by customer deposits. **Loan to deposit ratio at H1 2025 was 65%.**
- **Liquidity Coverage Ratio (LCR)** at H1 2025 was 315% (H2 2024: 337%, H1 2024: 365%), with cash balances in excess of £2 billion.
- **Net Stable Funding Ratio (NSFR)** at H1 2025 was 165% (H2 2024: 169%, H1 2024: 153%).
- The Treasury portfolio of £6.4 billion includes £4.0 billion of investment securities, of which **80% are rated AAA and 20% are rated AA**. Of the total investment securities, 93% is held at amortised cost and 7% is held at fair value through other comprehensive income.
- Over the **next 2.5 years approximately £1.5 billion of fixed rate treasury assets will mature** at an average blended yield of just over 1%. These will be replaced by asset with yields in line with or greater than the prevailing base rate.

Existing guidance reconfirmed

ROTE	<ul style="list-style-type: none"> • Mid-to-upper single digit in 2025, double-digit in 2026 and mid-to-upper teens thereafter
NIM	<ul style="list-style-type: none"> • Continued NIM expansion driven by asset rotation, and exit NIMs in 2025, 2026 and 2027 to be between 3.00%-3.25%, 3.60%-4.00% and 4.00%-4.50%, respectively
Costs	<ul style="list-style-type: none"> • 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

Metro Bank Holdings PLC

Summary Balance Sheet and Profit & Loss Account

(Unaudited)

Balance Sheet

£ in millions

Assets

Loans and advances to customers

Treasury assets⁸

Other assets⁹

Total assets

Liabilities

Deposits from customers

Deposits from central banks

Debt securities

Other liabilities

Total liabilities

Total shareholder's equity

Total equity and liabilities

HoH change	H1 2025	H2 2024	H1 2024
(3%)	£8,715	£9,013	£11,543
(13%)	£6,386	£7,301	£8,819
5%	£1,327	£1,268	£1,127
(7%)	£16,428	£17,582	£21,489
(8%)	£13,363	£14,458	£15,726
-	£400	£400	£3,050
1%	£685	£675	£675
(40%)	£522	£866	£934
(9%)	£14,970	£16,399	£20,385
23%	£1,458	£1,183	£1,104
(7%)	£16,428	£17,582	£21,489

8. Comprises investment securities and cash & balances with the Bank of England.

9. Comprises property, plant & equipment, intangible assets and other assets.

Profit & Loss Account

£ in millions

Underlying net interest income

Underlying net fee and other income

Underlying net gains on sale of assets

Total underlying revenue

Underlying operating costs

Expected credit loss expense

Underlying profit/(loss) before tax

Impairment and write-off of property plant & equipment and intangible assets

Transformation costs

Remediation costs

Portfolio sale

Capital raise and refinancing

Statutory profit/(loss) before tax

Statutory taxation

Statutory profit/(loss) after tax

HoH change	H1 2025	H2 2024	H1 2024
8%	£222.9	£206.0	£171.9
0%	£63.4	£63.4	£62.0
(>100%)	(£0.2)	£0.1	£0.1
6%	£286.1	£269.5	£234.0
(8%)	(£234.7)	(£255.8)	(£254.6)
>100%	(£6.3)	(£0.9)	(£6.2)
>100%	£45.1	£12.8	(£26.8)
	(£0.1)	(£43.7)	(£0.3)
	(£7.8)	(£26.6)	(£4.5)
	£0.4	(£19.5)	(£1.8)
	£5.5	(£101.6)	-
	-	-	(£0.1)
>100%	£43.1	(£178.6)	(£33.5)
	(£12.7)	£254.2	£0.4
(60%)	£30.4	£75.6	(£33.1)

Key metrics

Earnings per share

Average weighted number of basic ordinary shares in issue

Net interest margin (NIM)

Lending yield

Cost of deposits

Cost of risk

Arrears rate

Underlying cost: income ratio

Book value per share

Tangible net asset value per share

Risk weighted assets (RWAs)

Risk weight density (RWAs / total assets)

Loan to deposit ratio

H1 2025	H2 2024	H1 2024
4.5p	11.2p	(4.9p)
673.0m	672.9m	672.7m
2.87%	2.22%	1.64%
5.67%	5.48%	5.18%
1.16%	1.72%	2.18%
0.14%	0.01%	0.10%
4.9%	5.6%	3.8%
82%	95%	109%
£2.17	£1.76	£1.64
£1.61	£1.57	£1.38
£6,437m	£6,442m	£7,239m
39%	37%	36%
65%	62%	73%

Enquiries

For more information, please contact:

Metro Bank PLC Investor Relations

Stella Gavaletakis/ Daniel Ainscough

+44 (0) 20 3402 8900

IR@metrobank.plc.uk

Metro Bank PLC Media Relations

Victoria Gregory

+44 (0) 7773 244608

pressoffice@metrobank.plc.uk

FGS Global

Mike Turner

+44 (0) 7766 360900

Metrobank-lon@fgsglobal.com

ENDS

About Metro Bank

Metro Bank provides corporate, commercial and SME banking and specialist mortgage lending, alongside retail and private banking services. Metro Bank offers relationship banking through a network of 76 stores in the UK, telephone banking from UK-based contact centres and digital banking via mobile app and online.

Metro Bank Holdings PLC (registered in England and Wales with company number 14387040, registered office: One Southampton Row, London, WC1B 5HA) is the listed entity and holding company of the Metro Bank group.

Metro Bank PLC (registered in England and Wales with company number 6419578, registered office: One Southampton Row, London, WC1B 5HA) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. 'Metrobank' is a registered trademark of Metro Bank PLC. Eligible deposits are protected by the Financial Services Compensation Scheme. For further information about the Scheme, refer to www.fscs.org.uk.

Metro Bank is an independent UK bank – it is not affiliated with any other bank or organisation. Please refer to Metro Bank using the full name.

Dissemination of a Regulatory Announcement that contains inside information in accordance with the Market Abuse Regulation (MAR), transmitted by EQS Group.

The issuer is solely responsible for the content of this announcement.

ISIN: GB00BMX3W479

Category Code: IR

TIDM: MTRO

LEI Code: 984500CDDEAD6C2EDQ64

OAM Categories: 1.2. Half yearly financial reports and audit reports/limited reviews

3.1. Additional regulated information required to be disclosed under the laws of a Member State

Sequence No.: 398026

EQS News ID: 2179956

End of AnnouncementEQS News Service
