Metro Bank Holdings PLC

Unaudited half year results

Trading update H1 2026

4 August 2026

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

Legal Entity Identifier: 984500CDDEAD6C2EDQ64

Results for the half year ended 30 June 2026

Strong performance through strategic execution

- **Underlying profit before tax of £61 million,** the most profitable half in Metro Bank's history and a 34% increase year-on-year
- **Record growth of 43% year-on-year in core lending** as Metro Bank wins market share
- **Continued NIM expansion,** with exit NIM at June 2026 of 3.25%, up 30bps year-on-year
- **Return on Tangible Equity[1] of 7.5%,** with clear path to target of greater than 13% in Q4 2026
- Metro Bank maintains the **lowest Cost of Deposits of any UK High Street bank**
- **Reaffirming all guidance for FY 2026 and beyond,** including RoTE greater than 13% in Q4 2026, greater than 15% in 2027, and greater than 18% in 2028- firmly positioning Metro Bank as one of the UK market leaders

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

"The first half of the year has been another period of strong momentum and strategic delivery for Metro Bank. Our continued progress reflects a business executing with discipline across revenue growth, cost management and improving returns.

Our relationship banking model is delivering a clear competitive advantage. We continue to invest in growth, signing three new store leases to bring Metro Bank to new communities, and adding new products and services in response to customer demand. Alongside the lowest cost of deposits of any UK High Street bank, our growing mix of higher-yielding corporate, commercial and specialist mortgage lending is driving stronger risk-adjusted returns.

As we move into the next half of the year, our record-high credit approved pipeline gives us a strong platform for further targeted lending which, along with the repricing of treasury assets, will deliver additional NIM and RoTE uplift. We look ahead with confidence and are reaffirming all guidance, including RoTE greater than 13% in Q4 2026, greater than 15% in 2027, and greater than 18% in 2028."

1. Statutory profit after tax attributable to ordinary shareholders as a percentage of average tangible equity (equity excluding other equity instruments, intangible assets and deferred tax assets). Guidance statements are predicated on modelling assumptions including interest rate curves, capital requirements, and adjustments for material exceptional items

Key Financials

£ in millions	H1 2026	H1 2025	Change from H1 2025	H2 2025	Change from H2 2025
Assets	£17,025	£16,428	4%	£16,475	3%
Loans	£9,074	£8,715	4%	£8,823	3%
Deposits	£13,216	£13,363	(1%)	£13,445	(2%)
Loan to deposit ratio	69%	65%	4pp	66%	3pp
CET1 capital ratio	12.3%	12.8%	(50bps)	12.5%	(20bps)
Tier 1 capital ratio	15.8%	16.6%	(80bps)	16.1%	(30bps)
Total capital ratio (TCR)	17.9%	18.9%	(100bps)	18.4%	(50bps)
Total capital plus MREL ratio	25.3%	27.0%	(170bps)	26.1%	(80bps)
Liquidity coverage ratio	270%	315%	(45pp)	306%	(36pp)

£ in millions	H1 2026	H1 2025	Change from H1 2025	H2 2025	Change from H2 2025
Total underlying revenue[2]	£301.0	£286.1	5%	£299.0	1%
Underlying profit before tax[3]	£60.6	£45.1	34%	£53.0	14%
Statutory profit before tax	£60.7	£43.1	41%	£44.1	38%
Statutory profit after tax	£49.0	£30.4	61%	£39.3	25%
Net interest margin	3.18%	2.87%	31bps	3.10%	8bps
Exit NIM	3.25%	2.95%	30bps	3.17%	8bps
Lending yield	5.78%	5.67%	11bps	5.71%	7bps
Cost of deposits	0.98%	1.16%	(18bps)	0.96%	2bps
Cost of risk	0.22%	0.14%	8bps	0.18%	4bps
Earnings per share	4.7p	4.5p	0.2p	3.3p	1.4p
Book value per share	£2.26	£2.17	£0.09	£2.20	£0.06
Tangible net asset value per share	£1.66	£1.61	£0.05	£1.63	£0.03

2. Underlying revenue excludes grant income recognised relating to the Capability & Innovation fund and net profit/(loss) on portfolio sales
3. Underlying profit/(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, and net profit/(loss) on portfolio sales

Investor presentation

A presentation for investors and analysts will be held at 9AM (UK time) on 4 August 2026. The presentation will be webcast on:

https://webcast.openbriefing.com/metrobank-h126/

For those wishing to dial-in:

From the UK dial: +44 808 189 0158

From the US dial: +1 855 979 6654

Access code: 502331

Other global dial-in numbers: https://www.netroadshow.com/events/global-numbers?confId=93403

Financial performance for the half year ended 30 June 2026

Loans

£ in millions	H1 2026	H1 2025	Change from H1 2025	H2 2025	Change from H2 2025
Gross loans and advances to customers	**£9,208**	**£8,882**	**4%**	**£8,993**	**2%**
Less: allowance for impairment	(£134)	(£167)	(20%)	(£170)	(21%)
Net loans and advances to customers	**£9,074**	**£8,715**	**4%**	**£8,823**	**3%**
Gross loans and advances to customers consists of:					
Commercial lending[4]	£4,021	£3,083	30%	£3,570	13%
Specialist Mortgages lending	£2,162	£1,247	73%	£1,657	30%
Target segments	**£6,183**	**£4,330**	**43%**	**£5,227**	**18%**
Government-backed lending[5]	£281	£514	(45%)	£369	(24%)
Consumer lending	£71	£133	(47%)	£114	(38%)
Prime Mortgages lending	£2,673	£3,905	(32%)	£3,283	(19%)
Total run-off books	**£3,025**	**£4,552**	**(34%)**	**£3,766**	**(20%)**

4. Includes corporate, commercial, SME and CLBILS.
5. BBLS, CBILS and RLS.

- **Balances in the Group's target lending segments of corporate, commercial and SME, and specialist mortgages grew by 43% year-on-year, to £6.2 billion.** Together with legacy books in run-off, which at H1 2026 totalled £3.0 billion, total gross loans at H1 2026 were £9.2 billion. **Total net loans at H1 2026 were £9.1 billion**.

- **Loan to deposit ratio at H1 2026 was 69%,** providing capacity for growth.

- **Commercial lending (excluding BBLS, CBILS and RLS) increased by 30% year-on-year to £4.0 billion** (H1 2025: £3.1 billion, H2 2025: £3.6 billion) **following £1 billion of new gross lending in H1 2026.** 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 Debt to Value (DTV) of the portfolio at H1 2026 was 67% (H1 2025: 59%, H2 2025: 67%) and the portfolio has a coverage ratio of 1.75% (H1 2025: 2.09%, H2 2025: 2.07%)

- **Specialist Mortgages increased by 73% year-on-year to £2.2 billion** (H1 2025: £1.2 billion, H2 2025: £1.7 billion)**. Together with the Prime Mortgage book in run-off, total retail mortgages were £4.8 billion at H1 2026** and remain the largest component of the lending book at 53%.

    - The DTV of the portfolio at H1 2026 was 62% (H1 2025: 60%, H2 2025: 60%). 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 2026 remained low, at 0.22%** (H1 2025: 0.14%, H2 2025: 0.18%). 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 3.9% at H1 2026 (H1 2025: 4.9%, H2 2025: 4.7%) and non-performing loans have reduced to 4.39% at H1 2026 (H1 2025: 5.42%, H2 2025: 5.14%).

- **The loan portfolio remains appropriately provisioned.** The ECL provision at H1 2026 was £134 million with a coverage ratio of 1.46%. The reduction in allowance for impairment half-on-half was driven by the sale of non- performing unsecured personal loans held within our run-off portfolio.

Deposits

£ in millions	**H1 2026**	**H1 2025**	**Change from H1 2025**	**H2 2025**	**Change from H2 2025**
Demand: current accounts	£5,717	£5,682	1%	£5,862	(2%)
Demand: savings accounts	£6,865	£6,991	(2%)	£6,901	(1%)
Fixed term: savings accounts	£634	£690	(8%)	£682	(7%)
Deposits from customers	**£13,216**	**£13,363**	**(1%)**	**£13,445**	**(2%)**
Deposits from customers includes:					
Retail customers (excluding retail partnerships)	£4,626	£5,000	(7%)	£4,765	(3%)
SMEs[6]	£4,644	£4,492	3%	£4,734	(2%)
	£9,270	**£9,492**	**(2%)**	**£9,499**	**(2%)**
Retail partnerships	£1,616	£1,913	(16%)	£1,832	(12%)
Commercial customers (excluding SMEs[6])	£2,330	£1,958	19%	£2,114	10%
	£3,946	**£3,871**	**2%**	**£3,946**	**0%**

6. 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.

- **Underlying momentum in the franchise remains strong,** with over 12,000 new business current accounts and over 35,000 new personal current accounts opened in the half.

- **Metro Bank's relationship-led strategy continues to provide a strategic funding advantage,** with current accounts comprising 43% of the book. The bank continues to actively manage down high-cost non-relationship deposits.

- **Total customer deposits ended H1 2026 at £13.2 billion** (H1 2025: £13.4 billion, H2 2025: £13.4 billion). The core customer deposit base continues to be predominantly Retail, with growth in SMEs and Commercial customers in line with the Group's strategy.

- **Cost of deposits for H1 2026 was 0.98%** (H1 2025: 1.16%, H2 2025: 0.96%)**- the lowest of any UK High Street bank.**

- **Stores remain a key element to the Group's service offering and strategy, as an enabler of our relationship-based approach.** The Group signed three new leases in the period, in Leeds, Newcastle, and Nottingham, and continues to actively seek new attractive locations to support our growing corporate, commercial and SME banking offer and local communities.

Profit and Loss Account

- **Underlying profit before tax of £61 million for H1 2026, the highest in Metro Bank's history, and a fourth consecutive half of growth in underlying profit** (H1 2025: £45 million, H2 2025: £53 million).

- **Net interest margin for H1 2026 was 3.18%** (H1 2025: 2.87%, H2 2025: 3.10%)**, with an exit net interest margin at June 2026 of 3.25%.** We continue to progress in line with guidance of reaching 3.40% to 4.00% by December 2026, supported by asset rotation and maturities of low-yielding treasury assets across H2 2026.

- **Underlying net interest income increased by 8% year-on-year to £242 million** (H1 2025: £223 million, H2 2025: £237 million)**,** reflecting the continued transition towards higher yielding assets.

- **Underlying revenue increased by 5% year-on-year to £301 million** (H1 2025: £286 million, H2 2025: £299 million).

- **Underlying operating costs reduced 2% year-on-year, to £231 million,** (H1 2025: £235 million, H2 2025: £238 million). Overall operating costs for 2026 are expected to be broadly flat to 2025, reflecting planned technology investments in H2 2026.

- **Expected credit loss expense was £10 million for H1 2026,** reflecting a continued benign credit environment (H1 2025: £6 million, H2 2025: £8 million).

- **Statutory profit after tax for H1 2026 was £49 million** (H1 2025: £30 million, H2 2025: £39 million).

Capital, Funding and Liquidity

	Position H1 2026[7]	Minimum requirement including buffers[8]	Minimum requirement excluding buffers[8]
Common Equity Tier 1 (CET1)	12.3%	9.7%	5.2%
Tier 1	15.8%	11.4%	6.9%
Total Capital	17.9%	13.7%	9.2%
Total Capital plus MREL	25.3%	13.7%	9.2%
Risk Weighted Assets (£ million)	£7,038	-	-

7. Capital figures as at 30 June 2026 include our profit for the half
8. Combined buffers

- **Capital position is well optimised for growth.**

- **Metro Bank's Total Capital plus MREL ratio at H1 2026 was 25.3%,** 11.6% above regulatory minimum requirements (including buffers)

- **Effective 1 January 2026, the Group was reclassified as a transfer firm under the MREL regime, with MREL set equal to minimum capital requirements.** The Group continues to review its liability structure on an economic basis in the context of its ongoing regulatory and liquidity needs.

- **The Bank remains focused on optimising risk-adjusted returns on regulatory capital.**

- **In line with strategy, total RWAs increased year-on-year to £7.0 billion** (H1 2025: £6.4 billion, H2 2025: £6.7 billion), reflecting continued asset rotation into higher-density corporate, commercial and SME lending. **RWA density at H1 2026 was 41%** (H1 2025: 39%, H2 2025: 41%).

- **Strong liquidity and funding position maintained** with all customer loans fully funded by customer deposits. **Loan to deposit ratio at H1 2026 was 69%.**

- **Liquidity Coverage Ratio (LCR) at H1 2026 was 270%** (H1 2025: 315%, H2 2025: 306%), with cash balances in excess of £2 billion.

- **Net Stable Funding Ratio (NSFR) at H1 2026 was 155%** (H1 2025: 165%, H2 2025: 161%).

- The Treasury portfolio of £6.5 billion includes £4.1 billion of investment securities, of which **70% are rated AAA and 30% are rated AA-** all of which are Government-issued or Government-guaranteed debt. Of the total investment securities, 95% is held at amortised cost and 5% is held at fair value through other comprehensive income.

- Over the **next 1.5 years approximately £1.4 billion of fixed rate treasury assets will mature** at an average blended yield of just over 1%. These will be replaced by assets with yields in line with or greater than the prevailing base rate.

Guidance

RoTE	• RoTE to be 13% or greater in Q4 2026, 15% or greater in 2027, and 18% or greater in 2028
NIM	• Exit NIMs to be between 3.40-4.00% for 2026 and 3.75%-4.50% for 2027
Costs	• Cost income ratio to be between 75-70% for 2026, 65-60% for 2027, and 55-50% for 2028 • Costs for 2026 flat versus 2025

Guidance statements are predicated on modelling assumptions including interest rate curves, capital requirements, and adjustments for material exceptional items

Metro Bank Holdings PLC

Summary Balance Sheet and Profit & Loss Account

(Unaudited)

Balance Sheet *£ in millions*	**YoY change**	**H1 2026**	**H1 2025**	**H2 2025**
Assets				
Loans and advances to customers	4%	£9,074	£8,715	£8,823
Treasury assets[9]	2%	£6,530	£6,386	£6,345
Other assets[10]	7%	£1,421	£1,327	£1,307
Total assets	**4%**	**£17,025**	**£16,428**	**£16,475**
Liabilities				
Deposits from customers	(1%)	£13,216	£13,363	£13,445
Deposits from central banks	0%	£400	£400	£400
Debt securities	(1%)	£675	£685	£684
Other liabilities	>100%	£1,210	£522	£462
Total liabilities	**4%**	**£15,501**	**£14,970**	**£14,991**
Total equity	**5%**	**£1,524**	**£1,458**	**£1,484**
Total equity and liabilities	**4%**	**£17,025**	**£16,428**	**£16,475**

9. Comprises investment securities and cash & balances with the Bank of England.
10. Comprises property, plant & equipment, intangible assets and other assets.

Profit & Loss Account *£ in millions*	**YoY change**	**H1 2026**	**H1 2025**	**H2 2025**
Underlying net interest income	8%	£241.5	£222.9	£237.4
Underlying net fee and other income	(13%)	£55.1	£63.4	£61.4
Underlying net gain on sale of assets	>100%	£4.4	(£0.2)	£0.2
Total underlying revenue	**5%**	**£301.0**	**£286.1**	**£299.0**
Underlying operating costs	2%	(£230.6)	(£234.7)	(£238.0)
Expected credit loss expense	(56%)	(£9.8)	(£6.3)	(£8.0)
Underlying profit/(loss) before tax	**34%**	**£60.6**	**£45.1**	**£53.0**
Impairment and write-off of property plant & equipment and intangible assets		£0.8	(£0.1)	(£0.6)
Transformation costs		(£1.0)	(£7.8)	(£6.6)
Remediation costs		£0.3	£0.4	(£1.6)
Portfolio sales		-	£5.5	(£0.1)
Statutory profit/(loss) before tax	**41%**	**£60.7**	**£43.1**	**£44.1**
Statutory taxation		(£11.7)	(£12.7)	(£4.8)
Statutory profit after tax	**61%**	**£49.0**	**£30.4**	**£39.3**

Key metrics	H1 2026	H1 2025	H2 2025
Earnings per share	4.7p	4.5p	3.3p
Net interest margin (NIM)	3.18%	2.87%	3.10%
Exit NIM	3.25%	2.95%	3.17%
Lending yield	5.78%	5.67%	5.71%
Cost of deposits	0.98%	1.16%	0.96%
Cost of risk	0.22%	0.14%	0.18%
Arrears rate	3.9%	4.9%	4.7%
Underlying cost: income ratio	77%	82%	80%
Book value per share	£2.26	£2.17	£2.20
Tangible net asset value per share	£1.66	£1.61	£1.63
Risk weighted assets (RWAs)	£7,038m	£6,437m	£6,711m
Risk weight density (RWAs / total assets)	41%	39%	41%
Loan to deposit ratio	69%	65%	66%

Enquiries

For more information, please contact:

Metro Bank PLC Investor Relations

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 78 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.

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