JOIN THE REVOLUTION
the Metro Bank revolution

Metro Bank is the revolution in British Banking

- A full service retail & commercial bank
- Britain’s first new High Street bank in over 100 years
- Founded by Vernon W. Hill, II, founder of Commerce Bancorp (CBH) in the US

Key highlights

- Unique customer-service led model, offering 7-Day store banking with mobile, internet and telephony
- 60 state-of-the-art stores, targeted to grow to 200-250 nationally over time
- New, scalable IT platform with no legacy issues
- No legacy, regulatory, credit or funding issues
in a huge market ripe for disruption

- Total UK Deposit market is £2.3 trillion\(^{(1)}\)
- Highly concentrated market, dominated by ‘Big 6’ in retail and ‘Big 5’ in business

A model focused on creating FANS...  
...highest growth rates with lowest deposits\(^{(2)}\)

Overall Quality of Service

<table>
<thead>
<tr>
<th>Retail</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. first direct</td>
<td>1. Handelsbanken</td>
</tr>
<tr>
<td>2. METRO BANK</td>
<td>2. METRO BANK</td>
</tr>
<tr>
<td>4. COVENTRY</td>
<td>4. BARCLAYS</td>
</tr>
<tr>
<td>5. Santander</td>
<td>5. LLOYDS BANK</td>
</tr>
<tr>
<td>7. HALIFAX</td>
<td>7. BANK OF SCOTLAND</td>
</tr>
<tr>
<td>8. Yorkshire Bank</td>
<td>Yorkshire Bank</td>
</tr>
<tr>
<td>9. LLOYDS BANK</td>
<td>9. HSBC UK</td>
</tr>
<tr>
<td>10. NatWest</td>
<td>10. Allied Irish Bank (All)</td>
</tr>
<tr>
<td>11. TSB</td>
<td>11. TSB</td>
</tr>
<tr>
<td>12. BANK OF SCOTLAND</td>
<td>The co-operative Bank</td>
</tr>
<tr>
<td>13. HSBC UK</td>
<td>13. Clydesdale Bank</td>
</tr>
<tr>
<td>14. Royal Bank of Scotland</td>
<td>Clydesdale Bank</td>
</tr>
</tbody>
</table>

Cost of Deposits H1 18 (%)

- Close Brothers
- Santander
- Nationwide
- CYBG
- RBS
- Lloyds
- BARCLAYS

Source: CMA Service Quality Surveys 2018\(^{(3)}\)

(1) June 2018, Bank of England. (2) Deposit CAGR shown to FY 17 (Dec-17) for Barclays and DSB; FY 18 (Apr-18) for Nationwide; H1 18 (Jun-18) for Lloyds, RBS, Santander, Virgin Money and Metro Bank; and H1 18 (Mar-18) for CYBG. Cost of Deposits calculated based on FY 17 (Dec-17) for Barclays, Lloyds and DSB; FY 18 (Dec-18) for Santander UK; H1 18 (Jun-18) for Metro Bank, RBS and Virgin Money; H1 18 (Mar-18) for CYBG; and FY 18 (Apr-18) for Nationwide. RBS figures based on the values of customer accounts. (3) 16012 adults across Great Britain interviewed between Sept 2017 and June 2018.
it’s all about building the brand

**Legendary Brands**
(Experiences)

**Emotional Brands**
(Feelings)

**Basic Brands**
(Brand Promise)
and creating fans

**Model** Value Differentiating

+ **Culture** Unique

+ **Execution** Fanatical

= **FANS!** not customers
the Metro Bank model

• Growth retailers *NOT* bankers

• Unique deposit driven/retail focus

• Customers will trade lower rates for a better *RETAIL EXPERIENCE*

• Great business creates *FANS NOT CUSTOMERS*

• Growth is essential to success & value

• Become a power retailer
• Create a culture to match your model

• Culture must be very clear & pervasive
  “Buy in or opt out”

• Hire for attitude, train for skills

• Over-train

• Over-reinforce

• Make everyone an owner
with fanatical execution

• **Believe** in your model
• **Over-invest** in facilities & people
• **Demand** 100% execution
• One person to say **YES**, two to say **NO**
• **Best** of every delivery channel
• **No** stupid rules
no stupid rules

- 7 Day store banking
- Instant account opening in store or online
- Free pens
- Instant debit/credit card printing in store
- Free coin counting
- Block and unblock card on mobile app
delivers a unique culture and model to create fans

Our NPS score, brand awareness and service recognition…

- Net Promoter Score (NPS) at c.80%\(^{(1)}\)
- Brand recognition at 88%\(^{(2)}\)
- Competition and Markets Authority’s (CMA) inaugural service quality rankings:
  - **Second overall** for service quality in both personal and business banking
  - Only provider to be ranked **top five** for qualifying business and personal services

\(\text{(1) Whole bank rolling 12 month annual NPS (Jul 18) }\)
\(\text{(2) In London. Source:YouGov (Jul18) }\)
which drives our loan, deposit and asset growth

<table>
<thead>
<tr>
<th>Date</th>
<th>Loans</th>
<th>Deposits</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/06/2015</td>
<td>£2.2bn</td>
<td>£3.8bn</td>
<td>£4.6bn</td>
</tr>
<tr>
<td>30/06/2016</td>
<td>£4.6bn</td>
<td>£6.6bn</td>
<td>£8.4bn</td>
</tr>
<tr>
<td>30/06/2017</td>
<td>£7.8bn</td>
<td>£9.8bn</td>
<td>£13.1bn</td>
</tr>
<tr>
<td>30/06/2018</td>
<td>£12.0bn</td>
<td>£13.7bn</td>
<td>£19.1bn</td>
</tr>
<tr>
<td>30/09/2018</td>
<td>£13.1bn</td>
<td>£14.8bn</td>
<td>£20.6bn</td>
</tr>
</tbody>
</table>

Annual growth rate:
- Loans: 77%
- Deposits: 54%
- Assets: 62%

(1) Annual growth rates calculated as at 30th June 2018
it’s about the **EXPERIENCE** integrated across every channel and continuously evolving

Legacy-free IT and state-of-the-art stores offer best-in-class service however, wherever and whenever the customer chooses. Developer portal enables us to form partnerships & innovative services to harness the opportunities of open banking.

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**ONLINE**
Simple and secure

- State of the art current account online opening in **just 10 minutes**, including selfie ID&V

![Best digital onboarding strategy 2018 (1)]

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**IN STORE**
Open 7 days, early ‘till late

- >80% of retail accounts opened in under 30 mins*
- SME accounts opened same day

![#1 for Service in branches (2)]

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**ON THE APP**
Customer-led digital journey

- Instant in-app card blocking/unblocking
- AI-powered “Insights” money management tool launched

![Best Banking App (highly commended) (3)]

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**OVER THE PHONE**
Open 24/7, 365 days a year

- Skill based routing connecting FANS to Colleagues instantly
- Enhanced customer ID&V analytics

![Best Current Account Provider for Call Centre Service (highly commended) (3)]

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*(1) Retail Banker International Global Awards 2018  (2) CMA Service Quality Surveys 2018  (3) Moneywise Customer Service Awards 2018
* December 2017
combining the best of digital

- **Insights**: Best in-class AI-powered personal financial management
- Live for **retail customers**
- **Market-leading** customer service
- Uses AI to drive spending insight
- Offers **spend analysis and alerts** to help customers make smarter financial decisions
- **Personalised** service – customers can rate the insights to see more of the ones find helpful
- Launch for **business customers** in 2019
- **Gateway for further broadening** our service offering
with our uniquely branded state-of-the-art stores
in our growing network
where safe deposit boxes provide regular reliable income

Stores open more than 1 year

safe deposit box income covers 80% of base store rent
with Ealing an example of how store contribution grows

<table>
<thead>
<tr>
<th>£’000</th>
<th>Y1 May-14</th>
<th>Y2 May-15</th>
<th>Y3 May-16</th>
<th>Y4 May-17</th>
<th>Y5 May-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of customer accounts</td>
<td>10,399</td>
<td>17,603</td>
<td>24,949</td>
<td>31,870</td>
<td>38,784</td>
</tr>
<tr>
<td>Deposits</td>
<td>44,581</td>
<td>153,232</td>
<td>226,255</td>
<td>290,347</td>
<td>402,444</td>
</tr>
<tr>
<td>Average deposit growth per month</td>
<td>£3.7m</td>
<td>£9.1m</td>
<td>£6.1m</td>
<td>£5.3m</td>
<td>£9.3m</td>
</tr>
<tr>
<td>Total income(1)</td>
<td>812</td>
<td>2,903</td>
<td>4,498</td>
<td>6,931</td>
<td>9,519</td>
</tr>
<tr>
<td>People costs</td>
<td>647</td>
<td>669</td>
<td>699</td>
<td>702</td>
<td>834</td>
</tr>
<tr>
<td>Property costs</td>
<td>837</td>
<td>776</td>
<td>795</td>
<td>841</td>
<td>829</td>
</tr>
<tr>
<td>Other costs</td>
<td>162</td>
<td>126</td>
<td>111</td>
<td>195</td>
<td>168</td>
</tr>
<tr>
<td>Store operating expenses(2)</td>
<td>1,646</td>
<td>1,571</td>
<td>1,605</td>
<td>1,738</td>
<td>1,831</td>
</tr>
<tr>
<td>Store contribution</td>
<td>(834)</td>
<td>1,332</td>
<td>2,893</td>
<td>5,193</td>
<td>7,687</td>
</tr>
</tbody>
</table>

- Grand opening in June 2013

(1) Total income includes store specific fee income (such as revenue from Safe Deposit Boxes), together with a share of the whole bank’s net interest margin, allocated based on the store’s deposit balance as a proportion of the whole bank’s deposit balance

(2) Store operating expenses do not include any share of Head Office costs
with strong average deposit growth per store

GBP to USD average exchange rate used 1.30
(1) Quarterly deposit growth per store, annualised (2) 9M 2018
increasing store contribution and performance

Annual cohorts start and grow faster

Store contribution increases for new and existing stores (quarterly)

- For stores open 12 months + average deposits per store is £283.4m ($368.4m)
- All stores open 18 months or more in positive contribution
- The existing network is the engine of growth
  - 33% comp store growth in deposits for stores open 12 months+
  - 30% and 30% for stores open 24 months+ and 36 months+

(1) 2010 excludes Holborn
as we continue to win low cost sticky deposits

- Current account growth of 38% YoY, now 30% of deposits
- Annual deposit growth of 38%
  - Retail 32% growth
  - Commercial 42% growth
- Deposit mix: commercial 54% and retail 46%
- Cost of deposits at 59bps 9M 2018 and 61bps Q3 2018, an increase from 59bps Q2 2018, reflecting the base rate rise from 0.50% to 0.75% in August

FY Cost of deposits

(1) 9M 2018
leading to a simple, liquid, predominantly deposit-funded balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018 (£’m)</th>
<th>Q2 2018 (£’m)</th>
<th>QoQ Growth</th>
<th>Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td>13,121</td>
<td>12,013</td>
<td>9%</td>
<td>52%</td>
</tr>
<tr>
<td>Treasury assets(1)</td>
<td>6,698</td>
<td>6,453</td>
<td>4%</td>
<td>24%</td>
</tr>
<tr>
<td>Other assets(2)</td>
<td>748</td>
<td>669</td>
<td>12%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>20,567</strong></td>
<td><strong>19,135</strong></td>
<td><strong>7%</strong></td>
<td><strong>41%</strong></td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>14,813</td>
<td>13,736</td>
<td>8%</td>
<td>38%</td>
</tr>
<tr>
<td>BoE funding scheme drawings</td>
<td>3,801</td>
<td>3,801</td>
<td>0%</td>
<td>79%</td>
</tr>
<tr>
<td>Debt securities</td>
<td>249</td>
<td>249</td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>300</td>
<td>252</td>
<td>19%</td>
<td>-50%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>19,163</strong></td>
<td><strong>18,038</strong></td>
<td><strong>6%</strong></td>
<td><strong>42%</strong></td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>1,404</td>
<td>1,097</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>20,567</strong></td>
<td><strong>19,135</strong></td>
<td><strong>7%</strong></td>
<td><strong>41%</strong></td>
</tr>
</tbody>
</table>

- With an 89% loan to deposit ratio at 30 September 2018, the balance sheet is intrinsically liquid
- Stable deposits, with a long behavioural life and no “hot money”
- £3.8bn TFS drawings, invested in liquidity
- 129% LCR ratio at 30 June 2018 (31 December 2017: 141%)
- As at 30 June 2018, 91% of the liquidity portfolio was cash, government bonds and AAA-rated instruments(3)

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(1) Comprises investment securities, cash & balances with the Bank of England, and loans and advances to banks
(2) Comprises property, plant and equipment, intangible assets and other assets
(3) Remainder is all investment grade
enabling us to grow our lending at low risk

High loan growth at low risk increasing our LTD ratio

- **Strong organic momentum** in lending across all asset classes
  - 89% loan to deposit ratio in Q3 2018, increasing from 82% in FY 2017
  - 52% YoY loan growth in Q3 2018

- **Supplemented by purchase** of seasoned UK mortgage portfolio for £523m in Q1 2018. 3 seasoned mortgage portfolios have been purchased for a total consideration of £1.47bn

- **Loan portfolio remains highly collateralised**, with average debt to value at June 18 of c.60%

- Non-performing loans (90 days+ in arrears) reduced to 0.15% of loan balances for Q3 2018 (Q2 2018 0.17%)

- Cost of risk remained low at 0.07% in 9M 2018 (9M 2017 0.10%)

Lending portfolio split as at 30 June 2018 (total £12.0bn)

- Retail: 68% of portfolio
  - £8.1bn
  - £5.8bn
  - £0.2bn

- Commercial: 32% of portfolio
  - £3.9bn
  - £2.3bn
  - £0.3bn

- Residential mortgages
- Residential mortgages BTL
- Consumer lending
- Professional BTL
- Asset & Invoice Finance
driving strong results with 9 quarters of increasing profitability

<table>
<thead>
<tr>
<th>Our Progress</th>
<th>9M 2018</th>
<th>9M 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer accounts</td>
<td>1,520k</td>
<td>1,124k</td>
<td>+35%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>£14.8bn</td>
<td>£10.8bn</td>
<td>+38%</td>
</tr>
<tr>
<td>Net average deposit growth per store/month</td>
<td>£6.3m</td>
<td>£6.5m</td>
<td>-3%</td>
</tr>
<tr>
<td>Net customer loans</td>
<td>£13.1bn</td>
<td>£8.6bn</td>
<td>+52%</td>
</tr>
<tr>
<td>Loan to deposit ratio</td>
<td>89%</td>
<td>80%</td>
<td>+9pp</td>
</tr>
<tr>
<td>Underlying profit before tax (1)</td>
<td>£39.2m</td>
<td>£13.2m</td>
<td>+197%</td>
</tr>
<tr>
<td>Underlying EPS</td>
<td>32.6p</td>
<td>11.7p</td>
<td>+179%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underlying (loss)/profit before tax (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
</tr>
<tr>
<td>£(9.6)m</td>
</tr>
</tbody>
</table>

(1) Underlying profit before tax excludes Listing Share Awards, the FSCS levy, impairment of property, plant & equipment (“PPE”) and intangible assets, and costs relating to the RBS alternative remedies package application.

(2) Quarterly underlying (loss)/profit excludes the costs of the FSCS levy which are including in the full year total. In 2017 the FSCS levy was £0.6m (2016: £0.7m)
### Generating Increasing Returns

<table>
<thead>
<tr>
<th></th>
<th>9M 2018 (£'m)</th>
<th>9M 2017 (£'m)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>241.1</td>
<td>171.7</td>
<td>40%</td>
</tr>
<tr>
<td>Fees and other income</td>
<td>45.0</td>
<td>35.2</td>
<td>28%</td>
</tr>
<tr>
<td>Net gains on sale of assets</td>
<td>8.7</td>
<td>2.3</td>
<td>278%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>294.8</strong></td>
<td><strong>209.2</strong></td>
<td><strong>41%</strong></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(217.4)</td>
<td>(166.7)</td>
<td>30%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(32.2)</td>
<td>(24.3)</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Operating Cost</strong></td>
<td><strong>(249.6)</strong></td>
<td><strong>(191.0)</strong></td>
<td><strong>31%</strong></td>
</tr>
<tr>
<td>Credit impairment charges</td>
<td>(6.0)</td>
<td>(5.0)</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Underlying profit before tax</strong></td>
<td><strong>39.2</strong></td>
<td><strong>13.2</strong></td>
<td><strong>197%</strong></td>
</tr>
<tr>
<td>Underlying taxation</td>
<td>(9.4)</td>
<td>(3.5)</td>
<td>169%</td>
</tr>
<tr>
<td><strong>Underlying profit after tax</strong></td>
<td><strong>29.8</strong></td>
<td><strong>9.7</strong></td>
<td><strong>207%</strong></td>
</tr>
</tbody>
</table>

#### Ratios:

- **Customer net interest margin**: 2.21% (9M 2018) vs. 2.19% (9M 2017), +2bps
- **Customer net interest margin + fees**: 2.67% (9M 2018) vs. 2.69% (9M 2017), -2bps
- **Net interest margin**: 1.82% (9M 2018) vs. 1.97% (9M 2017), -15bps
- **Underlying cost to income ratio**: 85% (9M 2018) vs. 91% (9M 2017), -6pp

#### Key Points:

- **9M 2018 pre-tax profits up 197% over 9M 2017 to £39.2m**
- **Positive operating jaws** with revenue up 41% YoY and opex up 31% led to 85% C:I ratio
- Customer NIM at 2.21% YTD and 2.21% 3Q, a 1bps improvement QoQ, reflects LTD increase from 87% to 89%
- Competitive pressure in the mortgage market is a headwind to asset yields
- Fees present an opportunity to bridge to c3.0% NIM plus fees
- 9M 2018 NIM reduced YoY due to incremental TFS drawings, and in the quarter, NIM was impacted by debt servicing of the Tier 2
with proactive management of regulatory requirements

Well above minimum capital requirements...

- **Current Total Capital Position (Sep-18):**
  - **CET1:** 15.7%
  - **Tier 1:** 9.7%
  - **T2:** 3.4%

- **Required Cap:**
  - **CET1:** 12.1%(1)
  - **Tier 1:** 2.4%

...and on track to meet MREL requirements with debt

- **Future MREL Transitional Requirement (1 Jan 2020):**
  - **MREL eligible debt:** £700m
  - **Regulatory Buffers:** 3.5%(3)

**Key Points:**

- **Leverage Ratio:** 5.7%
- **Target:** >4%

- **We will optimise and further diversify** our capital base as we grow
- **We will raise appropriate debt** to satisfy our transitional MREL requirement by 1st January 2020
  - MREL is a “bail-in” debt framework, similar to TLAC in the US
  - AIRB migration for residential mortgages is expected during 2H19, with appropriate provision in place if this slips

**Notes:**

1. Total capital requirement comprises 8.0% Pillar 1; 1.7% Pillar 2A; 2.4% Capital Conservation buffer (CCB) and Countercyclical buffer (CCyB); excludes any confidential buffers, if applicable
2. Currently all satisfied with CET1, but 1.8% can be AT1
3. Assumes an increase in CCB and CCyB
4. Can be made up of CET1, AT1, T2, and other MREL eligible capital. MREL—minimum requirement for own funds and eligible liabilities.
which enables significant further growth in both deposits and lending

Current market share is c.0.6% (1)
- £50bn implies c.2%,
- £100bn implies c.4%,
- £200bn implies c.9%

(1) Based on total UK Deposit market size of £2.3tr
Source: Bank of England Data, June 2018
as we progress towards our mid-term targets

<table>
<thead>
<tr>
<th>Our Targets</th>
<th>2020 Targets</th>
<th>2023 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>c.£27.5bn</td>
<td>£50-55bn</td>
</tr>
<tr>
<td>Stores</td>
<td>c.100</td>
<td>140-160</td>
</tr>
<tr>
<td>Monthly deposit growth /store</td>
<td>£5.5–6.5m</td>
<td>£5.5-6.5m</td>
</tr>
<tr>
<td>Loan to Deposit Ratio</td>
<td>85-90%</td>
<td>85-90%</td>
</tr>
<tr>
<td>Customer NIM + Fees(^{(1)})</td>
<td>c.3%</td>
<td>c.3%</td>
</tr>
<tr>
<td>Cost:Income Ratio</td>
<td>c.60%</td>
<td>55-58%</td>
</tr>
<tr>
<td>Cost of Risk</td>
<td>c.0.20%</td>
<td>0.15-0.30%</td>
</tr>
<tr>
<td>Leverage Ratio(^{(2)})</td>
<td>&gt;4.0%</td>
<td>&gt;4.0%</td>
</tr>
<tr>
<td>ROE</td>
<td>c.11.5%</td>
<td>17-19%</td>
</tr>
</tbody>
</table>

**Note:** Equity raise impacts 2020 ROE target but not 2023

(1) Assumes one further 25bps base rate increase to 2020, and an additional 25bps increase to 2023

(2) BoE Tier 1 Leverage calculation
Glossary

**Basel III Framework**: Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision. The measures aim to strengthen the regulation, supervision and risk management of banks. The standards were implemented in the EU in January 2014.

**Risk weighted assets (RWA)**: A measure of our assets adjusted for their associated risk. Risk weightings are applied in accordance with the Basel Capital Accord as implemented by the Prudential Regulation Authority (‘PRA’).

**Common equity tier 1 capital (CET1)**: The highest quality form of regulatory capital under CRD IV that comprises common shares issued and related share premium, retained earnings and other reserves less specified regulatory adjustments.

**CET1 Ratio**: CET1 capital as a percentage of risk-weighted assets.

**Tier 1 Capital**: It captures Core Tier 1 capital plus other Tier 1 securities in issue but is subject to certain deductions as defined by the PRA.

**Tier 1 Ratio**: Tier 1 capital as a percentage of risk weighted assets. It is a measure of a bank’s financial strength defined by the PRA.

**Tier 2 Capital**: It includes qualifying subordinated debt and other Tier 2 securities in issue, eligible collective impairment allowances, unrealised available for sale equity gains and revaluation reserves. It is subject to certain deductions as defined by the PRA.

**Regulatory leverage ratio**: The ratio of our common equity tier 1 capital compared to our total assets.

**Standardised approach**: A method for calculating credit risk and operational risk capital requirements under CRD IV. Credit risk capital requirements are calculated using External Credit Assessment Institutions ratings and supervisory risk weights. Operational risk capital requirements are calculated by the application of a supervisory defined percentage charge to our gross income.

**Internal Ratings-Based approach (IRB)**: A methodology of estimating the credit risk within a portfolio by utilising internal risk parameters to calculate credit risk regulatory capital requirements. There are two approaches to IRB: Foundation IRB and Advanced IRB.

**Minimum Requirements for own funds and Eligible Liabilities (MREL)**: The Bank of England uses its statutory powers to require banks to hold MREL qualifying debt to be ‘bailed-in’ and assist in resolving a bank if it were to enter resolution.

**Liquidity Coverage Ratio (LCR)**: The LCR promotes the short-term resilience of a bank’s liquidity risk profile. It does this by ensuring that a bank has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted into cash easily and immediately in private markets to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

**Term funding scheme (TFS)**: A scheme implemented by the Bank of England which provides funding to banks and building societies at rates close to Base Rate. It is designed to encourage lenders to reflect cuts in Base Rate in the interest rates faced by households and businesses.

**IFRS 9**: A new accounting standard adopted from 1 January 2018. It specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

**IFRS 16**: A new accounting standard adopted from 1 January 2019. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

**Financial Conduct Authority (FCA)**: The FCA focuses on the regulation of conduct by both retail and wholesale financial services firms. Its objective is to maintain the integrity of the UK’s financial markets.

**Prudential Regulation Authority (PRA)**: As a prudential regulator, the PRA has a general objective of promoting the safety and soundness of banks, building societies, credit unions, insurers and major investment firms.

**Financial Services Compensation Scheme (FSCS)**: The UK’s statutory fund of last resort for customers of authorised financial services firms.

**Net Promoter Score (NPS)**: A standard loyalty metric which is calculated based on customers providing a rating on a 0 to 10 scale. Those who respond with a score of 9 to 10 are labelled ‘promoters’, 0 to 6 labelled ‘detectors’ and 7 or 8 labelled ‘passives’. The NPS is then calculated by taking the percentage of respondents classified as detractors away from those identified as promoters. NPS can be as low as −100 (everybody is a detractor) or as high as +100 (everybody is a promoter).
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