H1 2025 Interim Results

6 August 2025

This is
Relationship Banking

Agenda

Overview
Daniel Frumkin, Chief Executive Officer

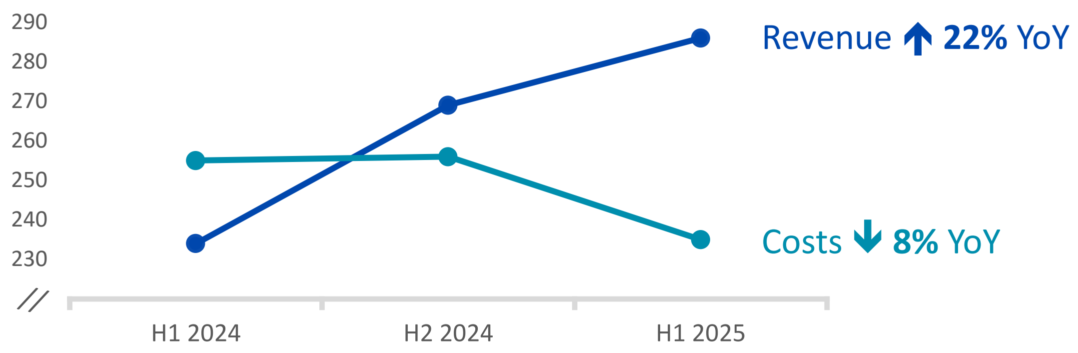
Financial performance
Marc Page, Chief Financial Officer

Strategy driving the future
Daniel Frumkin, Chief Executive Officer

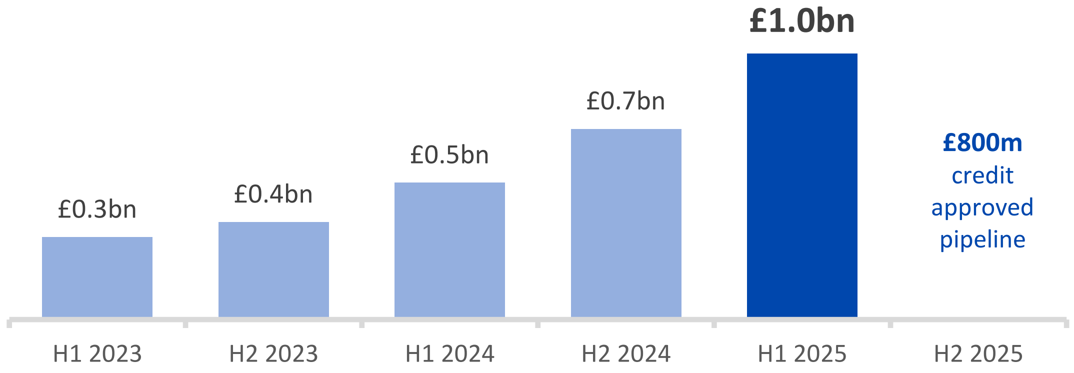
Q&A
Daniel Frumkin, Chief Executive Officer
Marc Page, Chief Financial Officer

Strategic actions deliver strong performance

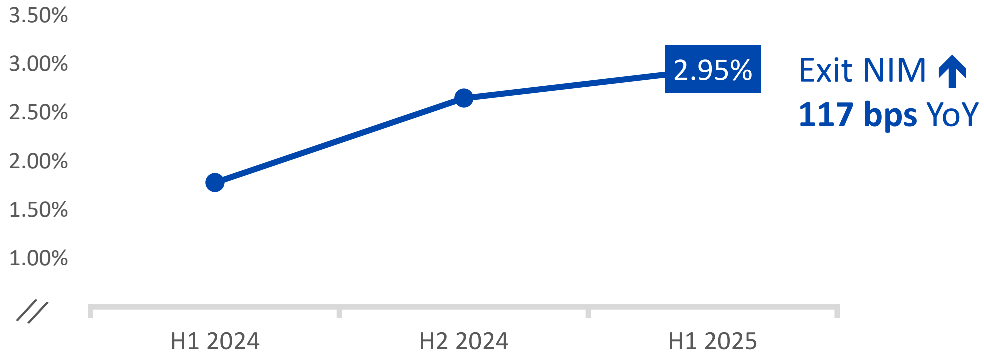
£45m underlying profit in H1'25 - up 268% YoY



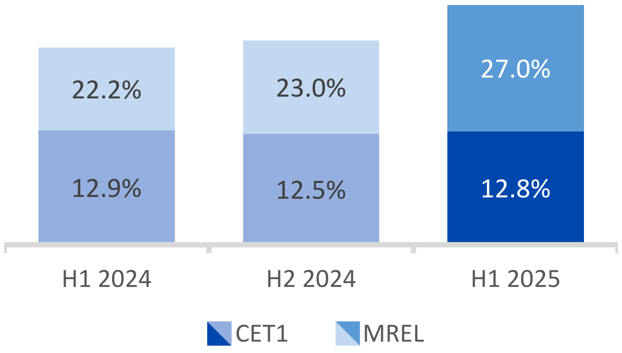
Record growth in Corporate & Commercial



Significant exit NIM expansion



Capacity for growth



Future benefit expected from changes to MREL regime

Clear path to delivering mid-to-upper teens RoTE by 2027

Strategic Driver	H1 delivery	Further action to hit guidance
Cost Discipline	8% reduction half-on-half, ahead of guidance, driven by continued cost discipline	**Maintain discipline. Costs below run-rate needed to hit 2027 guidance**
Cost of Deposits (CoD)	June 2025 exit CoD of 1.02% following proactive managing down of excess liquidity	**Maintain discipline. CoD below level needed to hit 2027 guidance**
Treasury Asset Repricing	£0.5bn fixed-rate assets repricing in 2025, with further repricing of £1.0bn in 2026 and £0.5bn in 2027	**Allow for passage of time. 6.6% RoTE uplift by 2027**
Asset Rotation	- £1bn new Corporate, Commercial and SME lending - £800m Corporate, Commercial and SME credit approved pipeline - New Specialist Mortgage products driving yield enhancements - Prime mortgage book continues to attrite - down £0.5bn	**Continued scope for significant scaling of Corporate, Commercial and SME lending and Specialist Mortgages**

Why we are winning

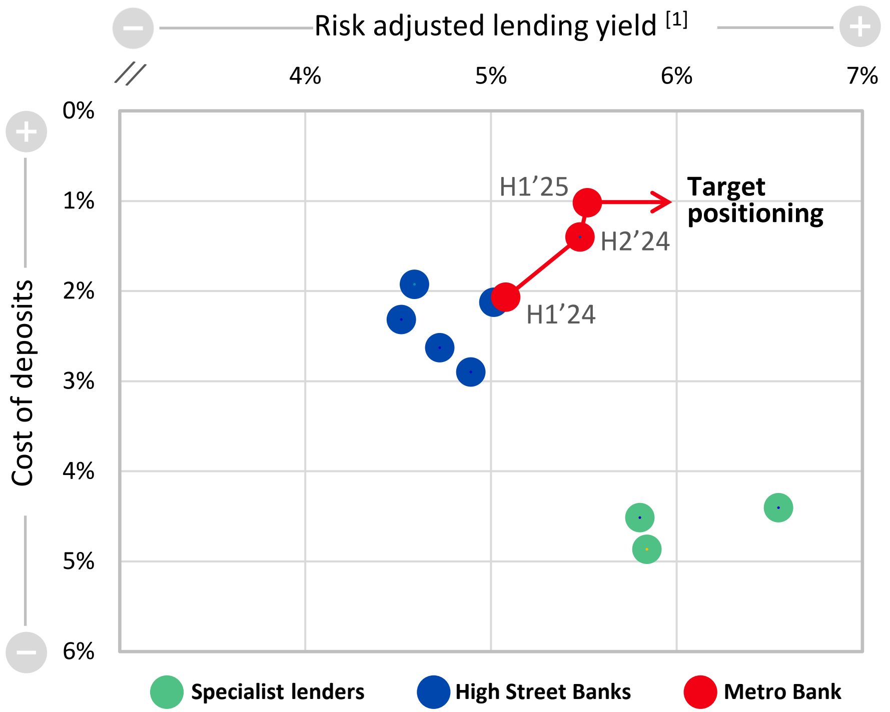
Structurally advantaged to deliver best-in-class risk adjusted returns

Local relationship-led service model

Generating low-cost deposits

Efficiently scalable

Funding high-yield specialist lending



[1] Risk-adjusted lending yield accounts for 100bps base rate reduction observed in the period. Information taken from published FY24 annual reports

Actions taken build confidence in reconfirming guidance

	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	

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

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

Financial Performance

Marc Page
Chief Financial Officer

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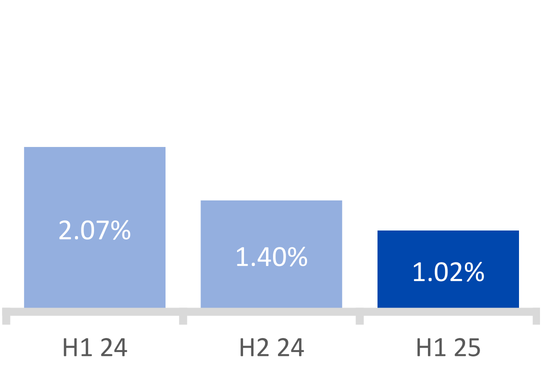
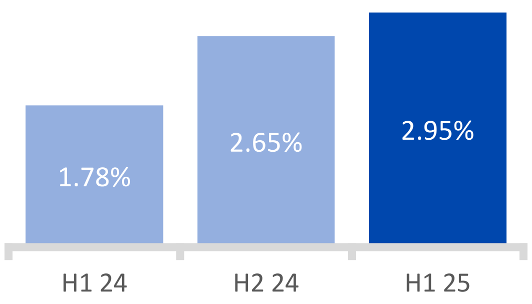
Relationship Banking

Trading momentum in H1 2025 drives significant increase in profitability

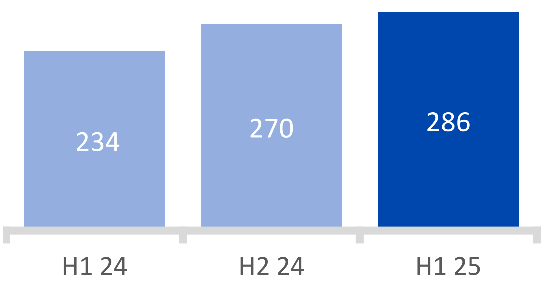
Lowered exit cost of deposits



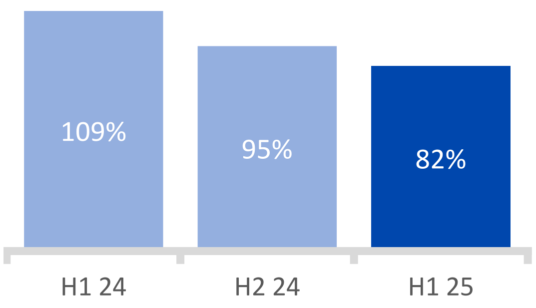
Increased exit NIM



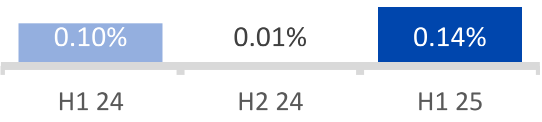
Increased revenue (£m)



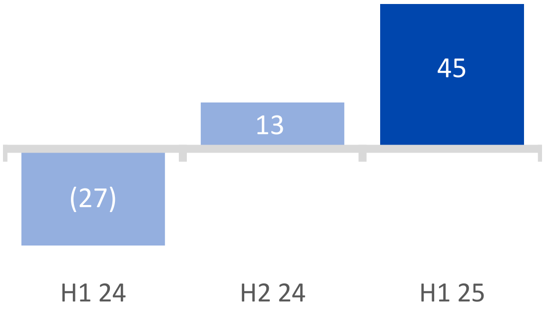
Lowered cost:income ratio



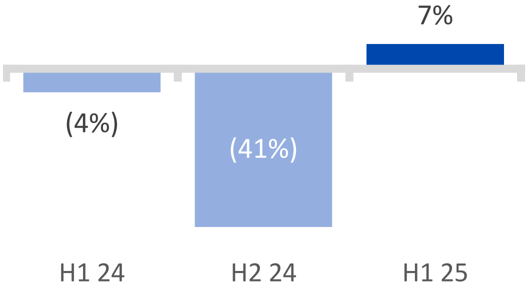
Benign Cost of Risk[1]



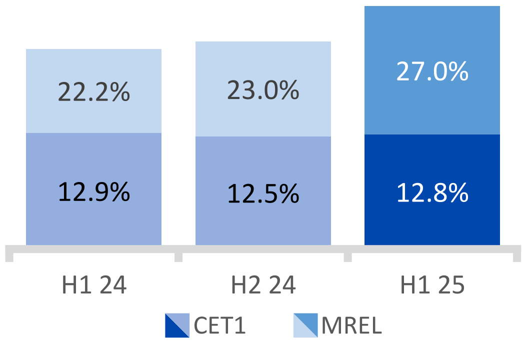
Increased underlying PBT (£m)



Increased RoTE



Robust capital position



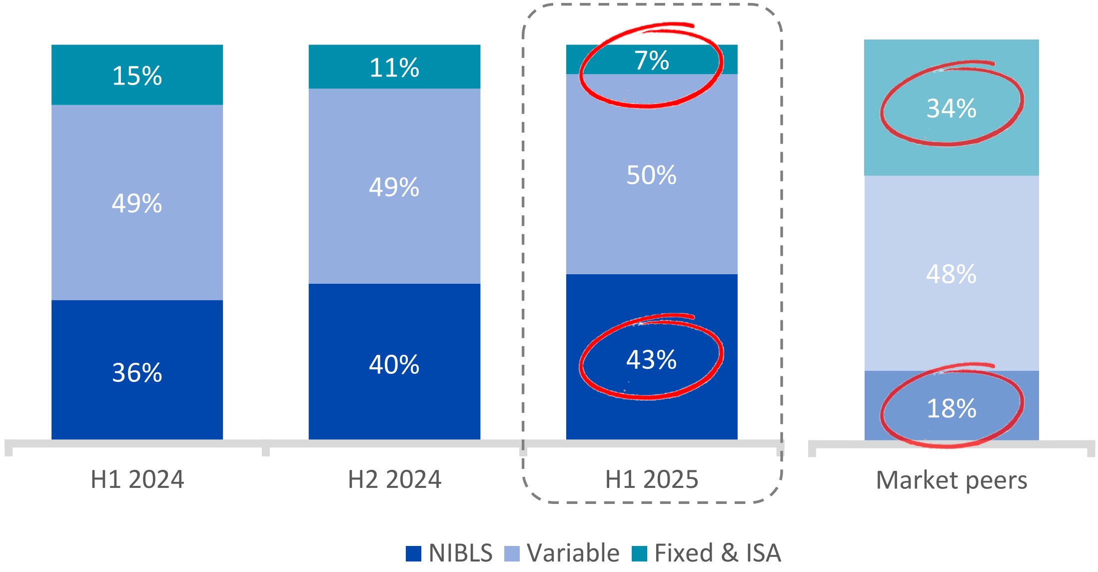
[1] Cost of Risk (CoR) is the annualised credit impairment charge, expressed as a percentage of average gross lending. Half on half increase primarily driven by sale of the performing unsecured personal loans portfolio in H1 2025

Structural growth drivers

1. Managed **cost of deposit** reductions
2. Reduced **operating costs**
3. Repricing of **Treasury assets**
4. Active **asset rotation**

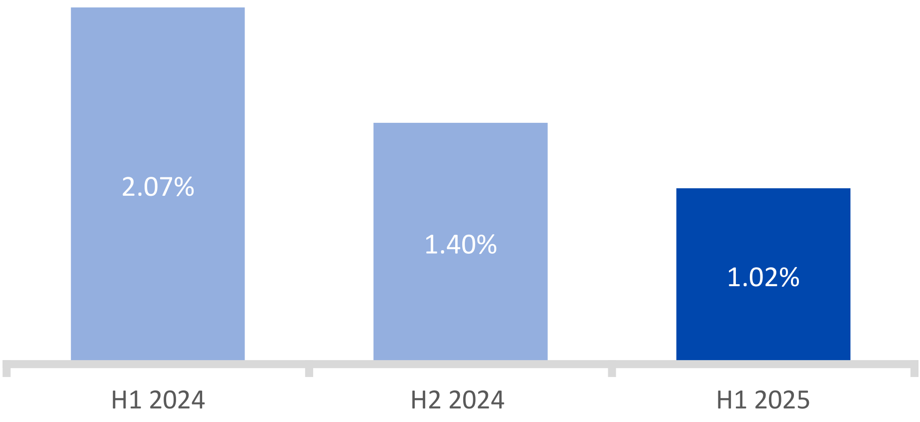
❶ Optimised cost of deposits, providing lasting strategic advantage

NIBLs remain double the market average[1]



- **NIBLs provide strategic advantage,** and allow Metro Bank to have lower proportion of higher-cost fixed term/ISA deposits
- LCR of 315%, LTD of 65%

Active deposit optimisation drives exit CoD down 38bps

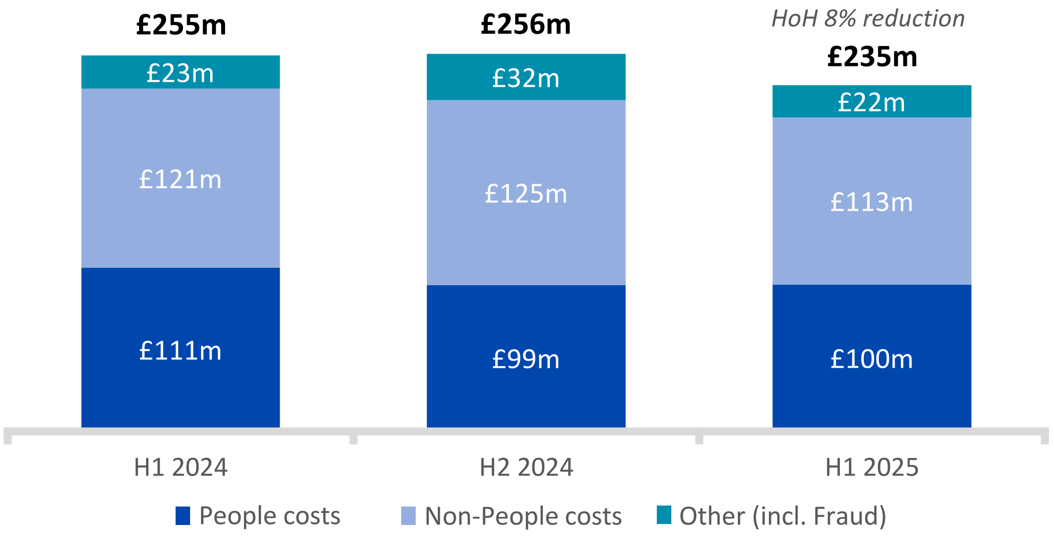


- **Proactively managed down expensive tactical deposits**
- Exit CoD of 1.02%, **best on the High Street**, expected to be broadly maintained in H2 2025

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

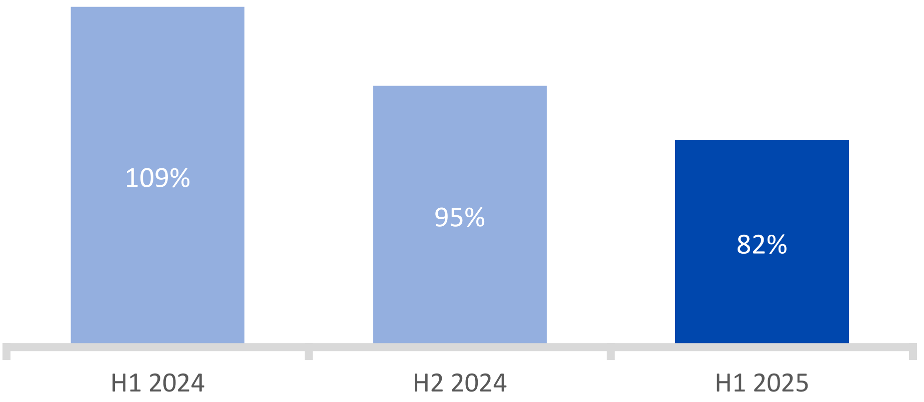
❷ Continued operating cost discipline delivering 8% reduction in H1 2025

Underlying operating costs reduced further



- Embedded inflation, growth marketing campaigns, and regional store expansion will increase costs in H2'25
- **Expect FY 2025 costs to be 4-5% lower than 2024**

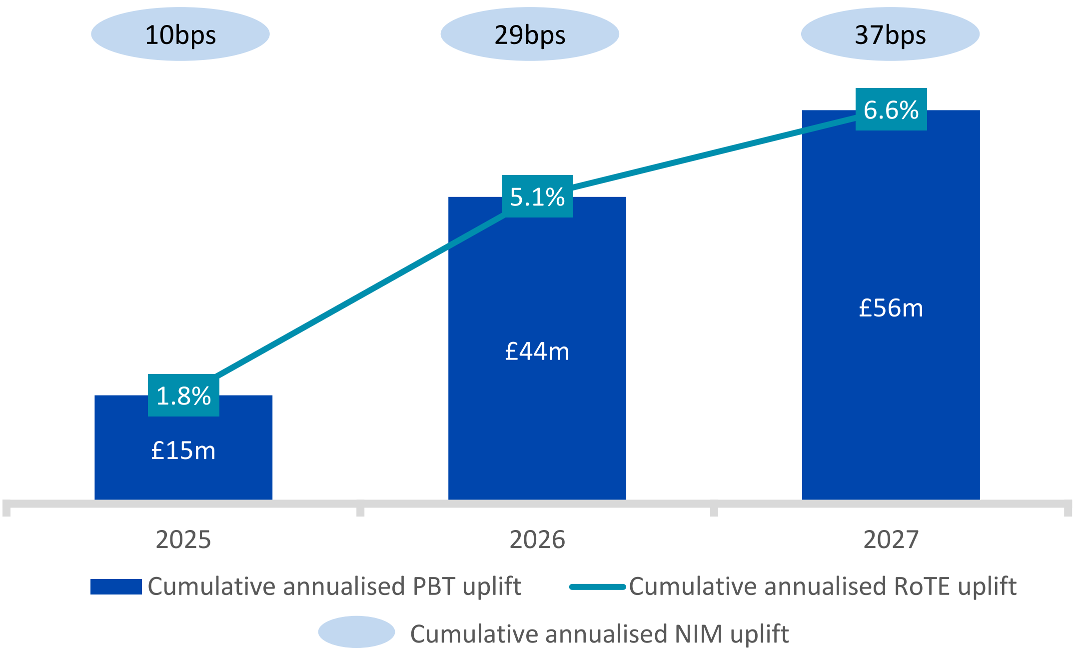
Continued improvements in cost to income ratio



- **Strategic pivot driving both increased revenues and decreased costs,** thereby reducing cost: income ratio

❸ Treasury asset repricing presents revenue tailwinds

Future benefit from Treasury asset repricing [1]



[1] Calculations compiled on an annualised/ run-rate basis (i.e. not adjusted for in-year phasing of maturities). RoTE and NIM uplift quoted based on static June 2025 tangible equity and interest earning assets. Compiled on a contractual basis, excluding behavioural assumptions. Calculations use forwards curves at 29 July 2025 to approximate base rate expectations.

Benefit builds to £56m annualised PBT uplift entering 2028 [1]

£m	2025	2026	2027
Balance maturing	495	1,015	531
Yield uplift on maturity	3.12%	2.79%	2.33%
Cumulative annualised PBT uplift	15	44	56
Cumulative annualised RoTE uplift	1.8%	5.1%	6.6%
Cumulative annualised Exit NIM uplift	0.10%	0.29%	0.37%

Significant benefit in 2026 that carries forward to 2027

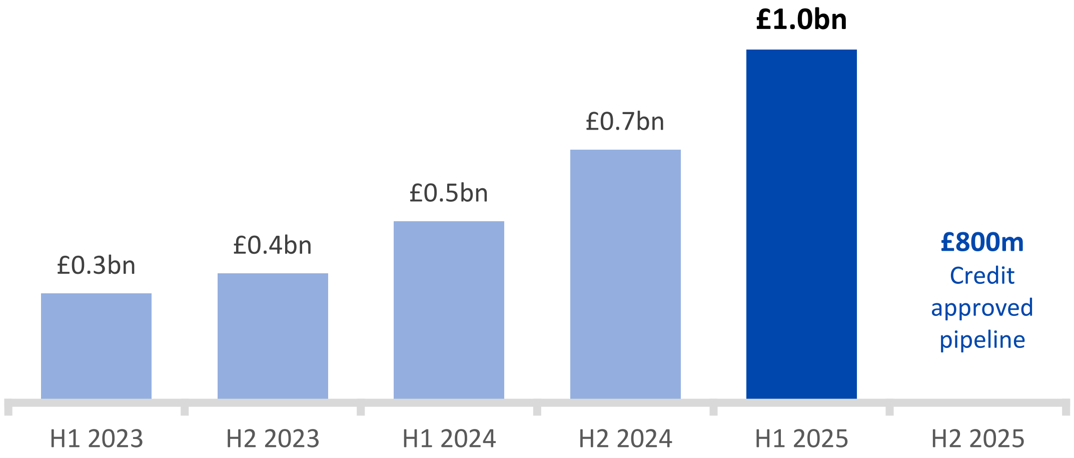
❹ Record growth in Corporate and Commercial lending

Increased core business lines by 29% in H1 2025

Lending balances £bn	H2 2024	H1 2025	HoH %	HoH
Commercial	2.7	3.1	16%	0.4
Specialist mortgages	0.7	1.2	78%	0.5
Core business lines	**3.4**	**4.3**	**29%**	**0.9**
Government backed	0.7	0.5	(21%)	(0.1)
Consumer	0.7	0.1	(82%)	(0.6)
Prime mortgages	4.4	3.9	(12%)	(0.5)
Run-off books	**5.8**	**4.6**	**(22%)**	**(1.2)**
Total	**9.2**	**8.9**	**(3%)**	**(0.3)**

- **Run-off portfolios down 22% half-on-half**, driven by actively managing attrition
- Average weighted lifetime of prime mortgage book is 2.25 years

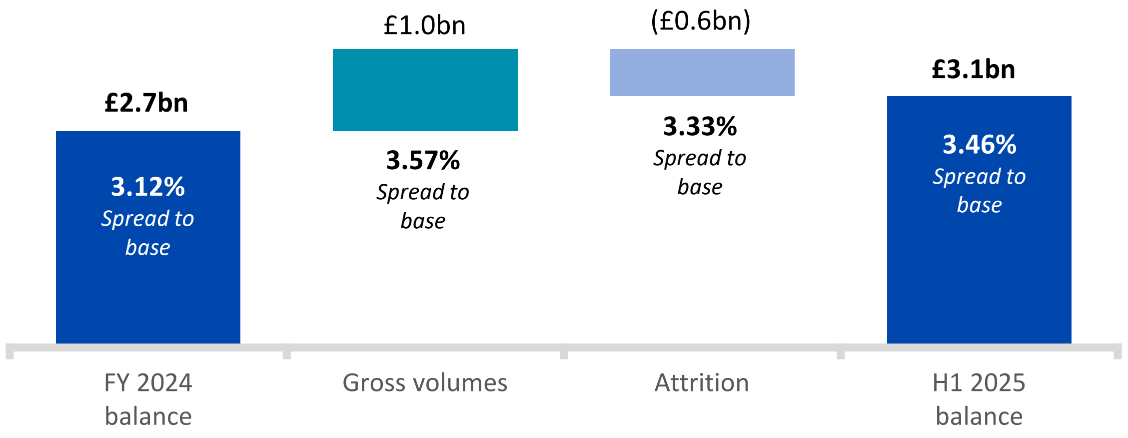
Doubled Corporate and Commercial lending year-on-year



- **Record £1 billion** new corporate/ commercial/SME lending in H1’25, twice H1’24 lending
- **£800 million credit approved pipeline**, the largest in Metro Bank’s history

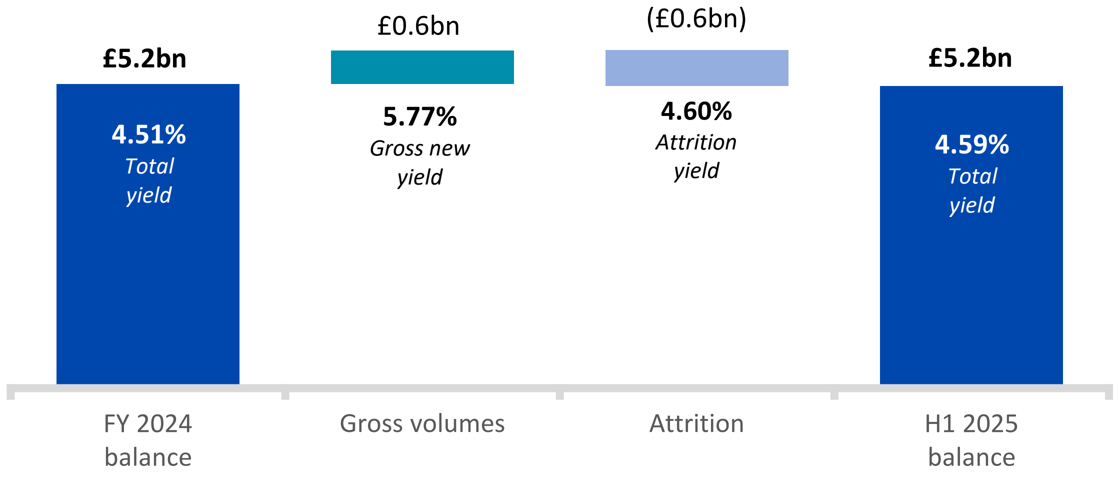
❹ Asset rotation strategy driving improved yields

£1bn new Commercial originations >350bps over base rate



- **70% of new lending direct through Relationship Managers**
- Attrition from lower yielding sub-asset classes
- **Asset quality remains strong**

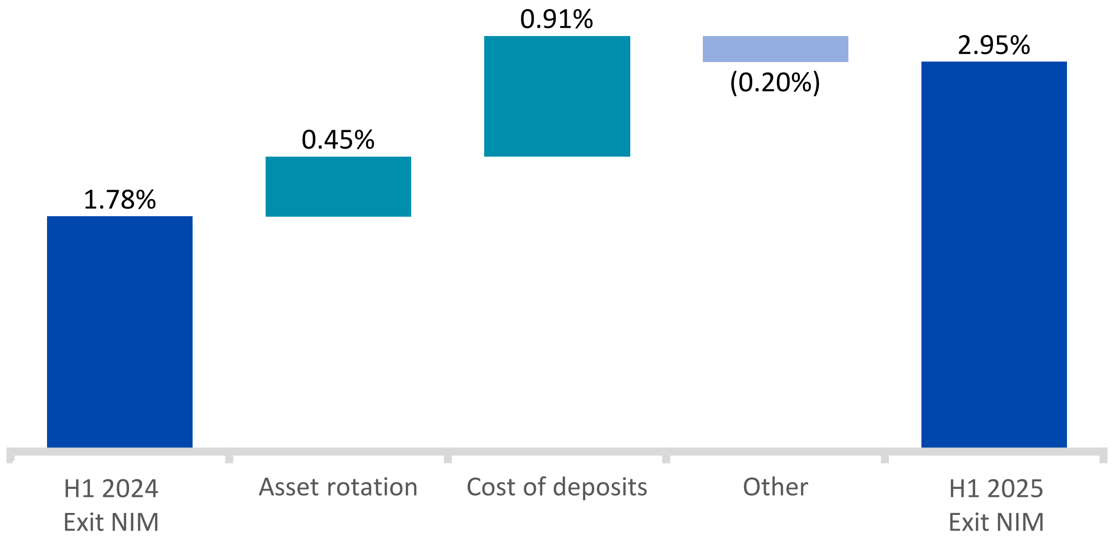
Targeted Mortgage mix shift drives increased yield



- **Targeting >200bps over swap rate**
- Continue to launch new specialist mortgage products (Limited BTL, HMO and MUFB)

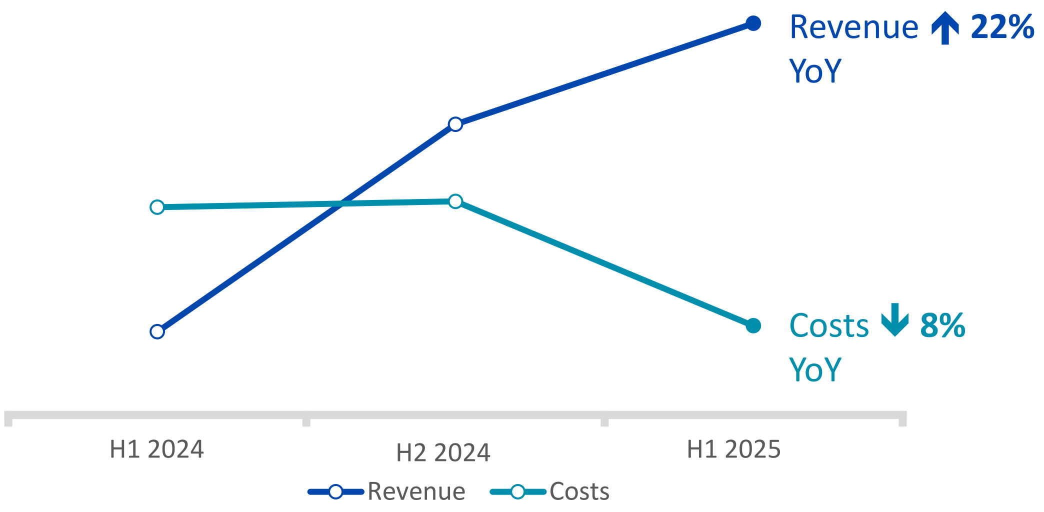
Execution of structural growth drivers increase NIM and widen jaws

Active asset rotation and CoD reduction drives NIM expansion



- **H1’25 exit NIM of 2.95%,** already nearing Dec’25 guidance of 3.00-3.25%
- NIM growth driven by **actions taken to reduce CoD and rotate assets**

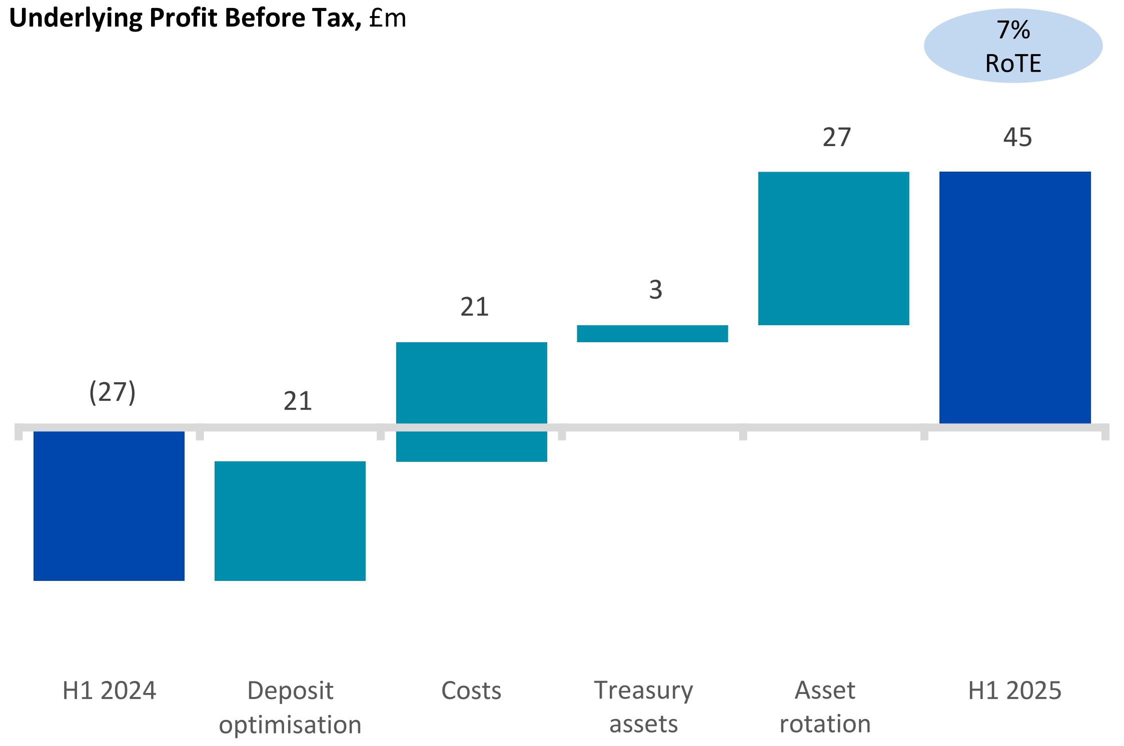
Strategic actions drive significant increase in operating jaws



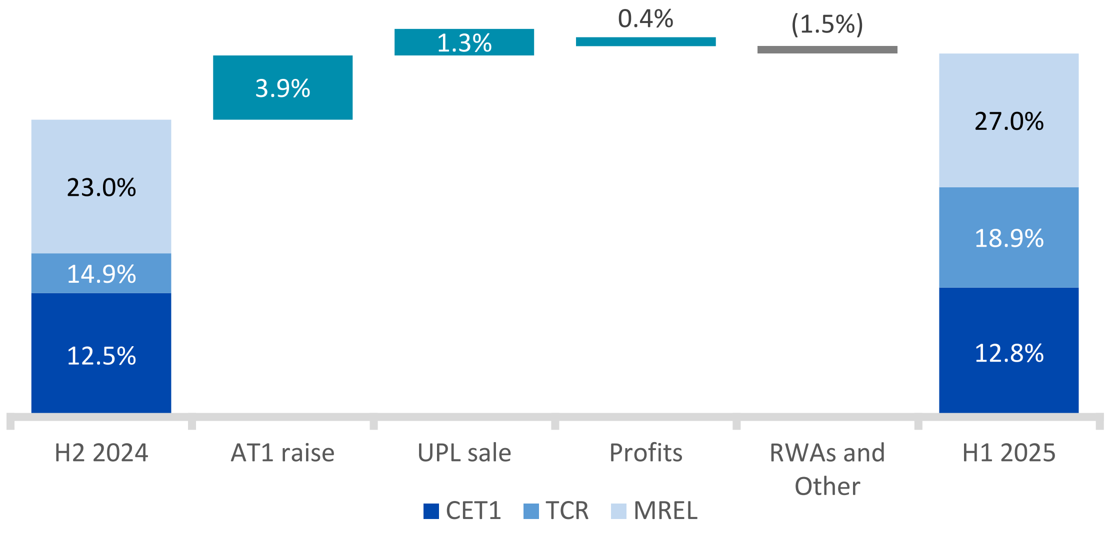
- **Revenue growth even with** headwinds of **100 bps BoE rate reduction** and **much smaller balance sheet**
- **£45m Underlying Profit Before Tax**

Significant increase in profit adds to materially strengthened capital position

Management action drives profitability



Capital position driven by profits, AT1 raise and UPL sale [1]



	H1 2025	H2 2024	H1 2024
Risk weighted assets (£m)	6,437	6,442	7,239
Underlying return on RWAs[2]	1.4%	0.4%	(0.7)%

Future benefit expected from changes to MREL regime, with Metro Bank expecting to be designated a transfer firm

[1] AT1 stands for inaugural Additional Tier 1 securities. UPL stands for Unsecured Personal Loans portfolio sale completed Q1 2025
[2] Calculated as underlying profit/(loss) before tax over ***average*** RWAs for the period

Actions taken build confidence in reconfirming guidance

	2025	2026	2027	2028
NIM	Exit NIMs to be between 3.00%-3.25% H1 2025: 2.95% exit NIM	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 H1 2025: 8% HoH 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 H1 2025: 7%	Double digit	Mid-to-upper teens	

Clear path to delivering mid-to-upper teens RoTE by 2027

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

Strategy driving the future

Daniel Frumkin
Chief Executive Officer

METRO BANK

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OFFICIAL CHAMPION OF WOMEN'S AND GIRLS' CRICKET

Strategic pillars provide confidence in delivering guidance

Costs

- **1,700/38% fewer on-shore colleagues**
- Reduced **store hours**
- Reduced **call centre hours**
- **Restructured** front-line distribution

Scalability

Infrastructure

- Strategic partnership with **Infosys**
- Upgraded **financial crime** capabilities
- New **fraud** technologies
- Upgraded **call centre infrastructure**

Capability

Communication

- Launched **brand refresh**
- On-going strength **ECB partnership** and Metro Bank **Girls in Cricket Fund**
- Increased **colleague engagement**

Culture

Balance Sheet Optimisation

- Sold **£2.5bn** Residential Mortgages
- Sold **£584m** Unsecured Personal Loans
- Raised **£250m** AT1
- Future benefit expected from **MREL regime**

Capacity

Revenue

- **Tripled new Corporate and Commercial Lending** from H1'23
- **Credit Approved Pipeline** of £800m– more than all lending done in 2023
- **New specialist mortgage products** (Limited Co. BTL, HMO and MUFB)
- **Increased regional expansion in the North**
- **Two thirds of new Commercial lending from outside London**

Confidence

Why we are winning

Local relationship-led service model

Only bank offering **dedicated relationship management** to business of all sizes

76 Stores
Longest opening hours on the High Street

79
Commercial Directors & **Business** Managers

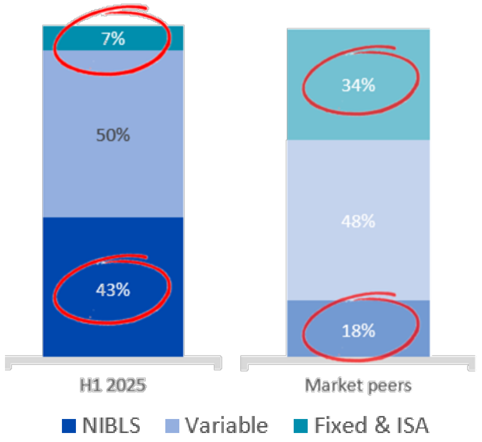
54
Local Directors across England and Wales

102
Local Business Managers operating in stores

Generating low-cost deposits

1.02%
Exit Cost of Deposits- the lowest of any UK High Street Bank

NIBLs over double the market average



Efficiently scalable

Strategic partnership
with Infosys driving **automation**, **efficiency** and **scalability**

38%
Fewer colleagues than 18 months ago

4-5%
Year on year **reduction** in operating costs 2024-2025

Why we are winning

Funding high-yield specialist lending

70%
Of new Corporate lending came **direct through Relationship Managers**

All Commercial lending independently underwritten
by colleagues with average **20-25 years' experience**

Strong experience in Corporate and Commercial
>400 colleagues with avg. **20 years' experience**. 55 new hires in the year attracted over 1,200 applicants

Established as a **Specialist Mortgage provider of choice**

Local **relationship-led service model** unrivalled by larger banks

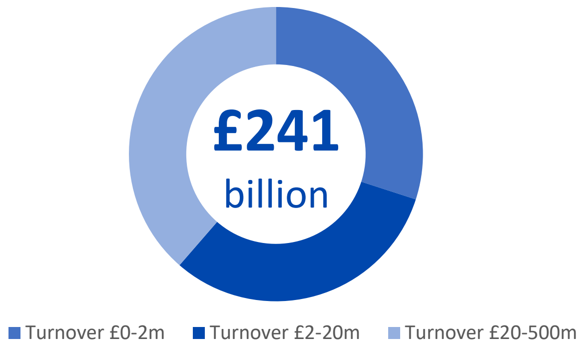
Breadth of services a key differentiator to challenger banks

1 in 15 SMEs
Have an **existing relationship** with Metro Bank

HMO, MUFB and Ltd. Company BTL
Mortgages launched in past 12 months

Near Prime and Shared Ownership
Mortgages to launch in next 6-12 months

To achieve 2027 guidance, **Metro Bank needs to capture only a fraction** of total addressable **SME & Commercial market** [1]



[1] Source: McKinsey value pools analysis

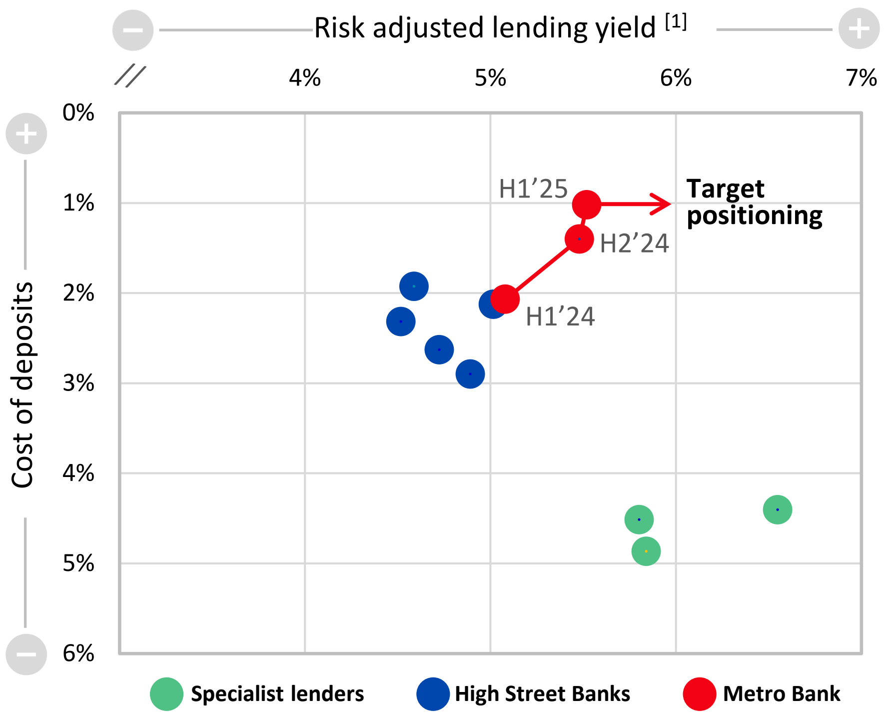
£54 billion
Forecast addressable **Specialist Mortgage market** by 2029 [2] – **Metro Bank targeting only a small portion** of this

[2] Source: together Residential property market report 2024/25

Why we are winning

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

- **Local relationship-led service model**
- **Generating low-cost deposits**
- **Efficiently scalable**
- **Funding high-yield specialist lending**



[1] Risk-adjusted lending yield accounts for 100 bps base rate reduction observed in the period. Information taken from published FY24 annual reports

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

Q&A

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Appendices

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CHAMPION OF WOMEN'S AND GIRLS' CRICKET

P&L

£m	H1 2025	H2 2024	H1 2024	HoH	YoY
Net interest income	222.9	206.0	171.9	8%	30%
Net fees and other income	63.4	63.4	62.0	0%	2%
Net gains/(losses) on sale of assets	(0.2)	0.1	0.1	>(100%)	>(100%)
Total underlying revenue	**286.1**	**269.5**	**234.0**	**6%**	**22%**
Underlying operating costs	(234.7)	(255.8)	(254.6)	8%	8%
Expected credit loss expense	(6.3)	(0.9)	(6.2)	>100%	2%
Underlying profit / (loss) before tax	**45.1**	**12.8**	**(26.8)**	**>100%**	**>100%**
Non-underlying items	(2.0)	(191.4)	(6.7)	(99%)	(70%)
Statutory taxation[1]	(12.7)	254.2	0.4	>(100%)	>(100%)
Statutory profit / (loss) after tax[1]	**30.4**	**75.6**	**(33.1)**	**(60%)**	**>100%**
Earnings per share	4.5	11.2	(4.9)	(6.7)	9.4
Net interest margin	2.87%	2.22%	1.64%	65bps	123bps
Cost of deposits	1.16%	1.72%	2.18%	(58bps)	(102bps)
Underlying cost to income ratio	82%	95%	109%	(13pp)	(27pp)
Cost of risk[2]	0.14%	0.01%	0.10%	13bps	4bps

[1] H2 2024 profit after tax reflects recognition of Deferred Tax Asset in the period
[2] Cost of Risk (CoR) is the annualised credit impairment charge, expressed as a percentage of average gross lending

Balance sheet

£m	H1 2025	H2 2024	H1 2024	HoH	YoY
Loans and advances to customers	8,715	9,013	11,543	(3%)	(24%)
Treasury assets	6,386	7,301	8,819	(13%)	(28%)
Other assets	1,327	1,268	1,127	5%	18%
Total assets	**16,428**	**17,582**	**21,489**	**(7%)**	**(24%)**
Deposits from customers	13,363	14,458	15,726	(8%)	(15%)
Deposits from central banks	400	400	3,050	-	(87%)
Debt securities	685	675	675	1%	1%
Other liabilities	522	866	934	(40%)	(44%)
Total liabilities	**14,970**	**16,399**	**20,385**	**(9%)**	**(27%)**
Shareholders' funds	1,458	1,183	1,104	23%	32%
Total equity and liabilities	**16,428**	**17,582**	**21,489**	**(7%)**	**(24%)**
Risk weighted assets	6,437	6,442	7,239	(0%)	(11%)
Loan to deposit ratio	65%	62%	73%	3pp	(8pp)
Book value per share	2.17	1.76	1.64	0.41	0.53
TNAV per share	1.61	1.57	1.38	0.04	0.24
Liquidity coverage ratio	315%	337%	365%	(22bps)	(50bps)

Guidance Modelling Inputs as provided in FY 2024 results

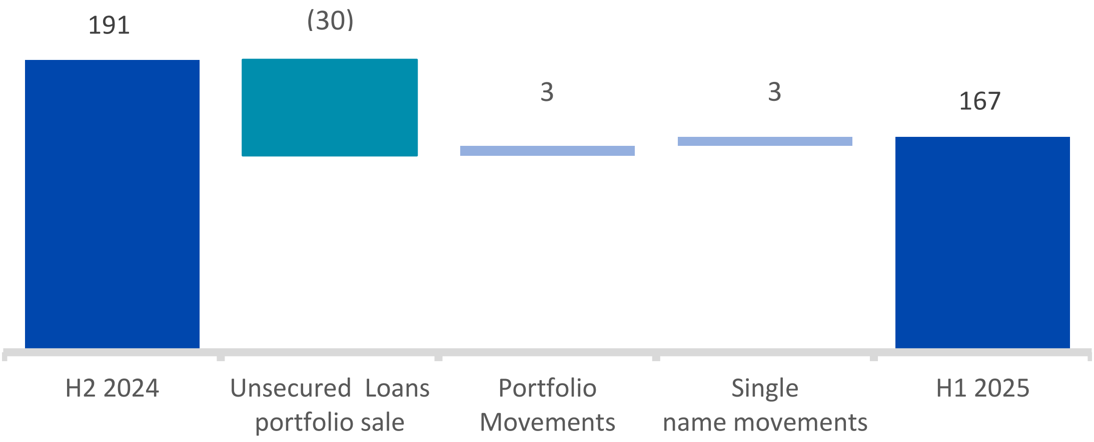
NIM	• Mortgage lending originations > 200bps above prevailing reference rate SWAP from H1'25 • Commercial lending originations continuing at > 350bps above prevailing Bank of England base rate • Benefit from fixed rate treasury and mortgage maturities across 2025-2028
Costs	• Year-on-year 4-5% reduction 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%

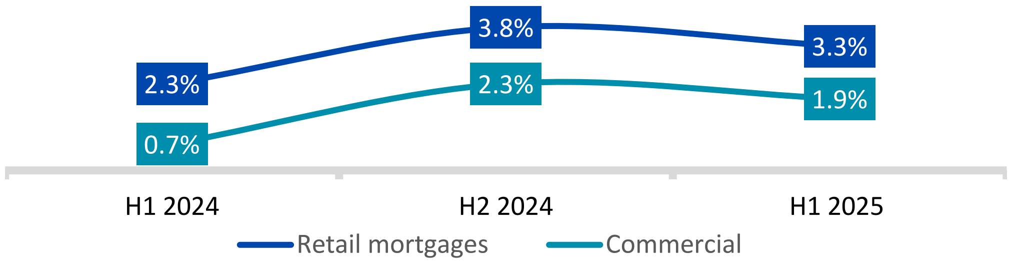
Strong asset quality with continued benign expected credit loss

Expected Credit Loss (£m)[1]

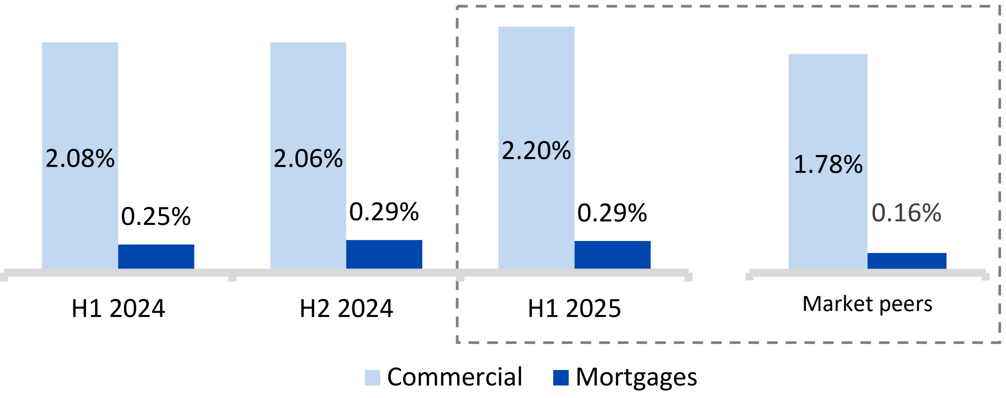


- **Benign impairment expense of £6 million** for H1 2025
- **Improving arrears rates in H1 2025** highlights the **strong asset quality** with resilient credit performance across all portfolios
- **Prudent coverage ratios versus market peers** across Commercial and Mortgage portfolios
- **Robust underwriting criteria** and agile approach to credit risk management

Stable arrears trends across all portfolios[2]



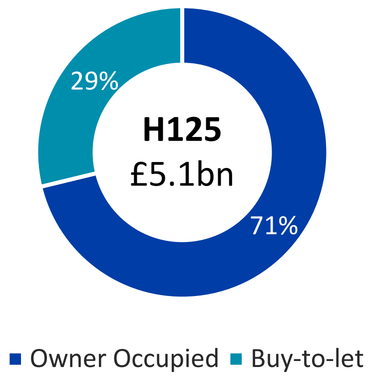
Prudent coverage ratios versus market peers[3]



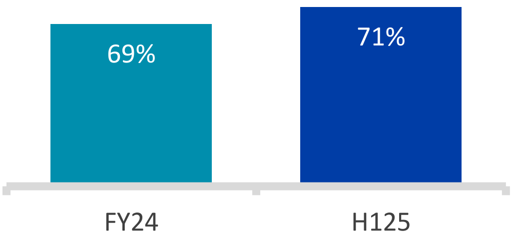
[1] The difference between ECL expense and ECL provision movement relates to write-offs adjustments
[2] Commercial excludes government back lending, Asset Finance and Invoice Finance
[3] Coverage Ratio is the calculated as stock divided by the gross lending balances. Market peers based on PRA benchmarking data as at Q1 2025 based on an average of 5 peer banks

Retail mortgages – overview

Retail mortgage portfolio

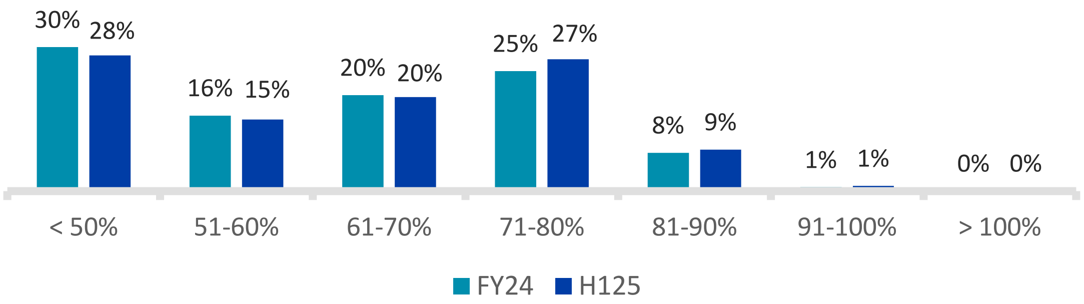


New lending loan-to-value

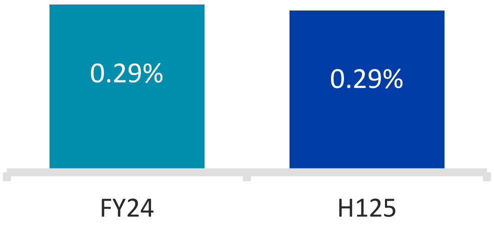


Retail mortgages loan-to-value

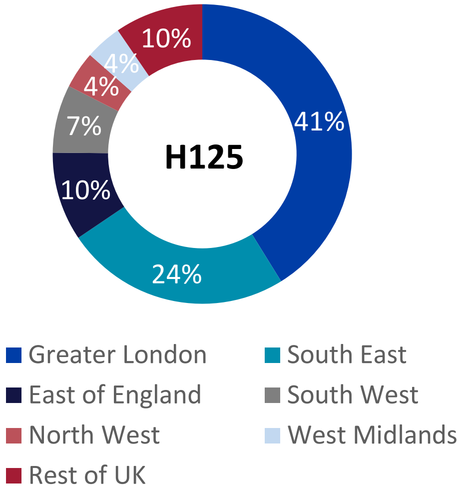
Average retail LTV: 60% at H125 vs 59% at FY24



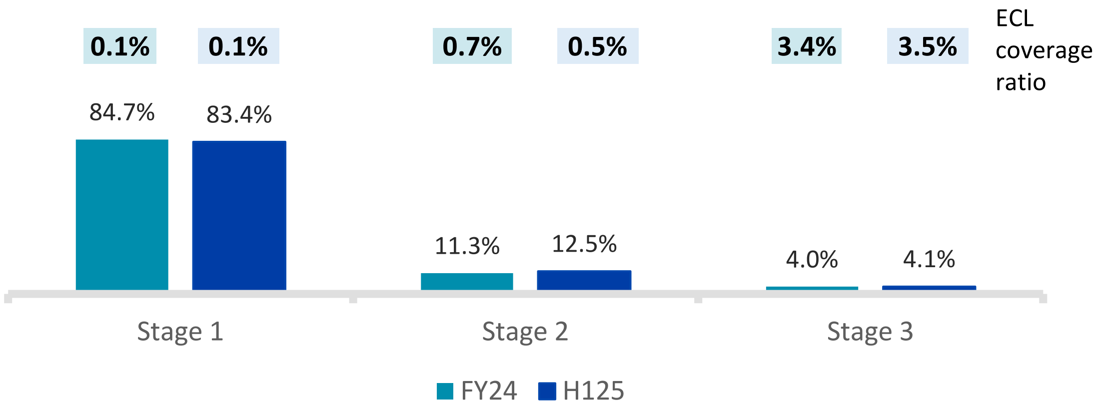
ECL coverage ratio



Geographical split

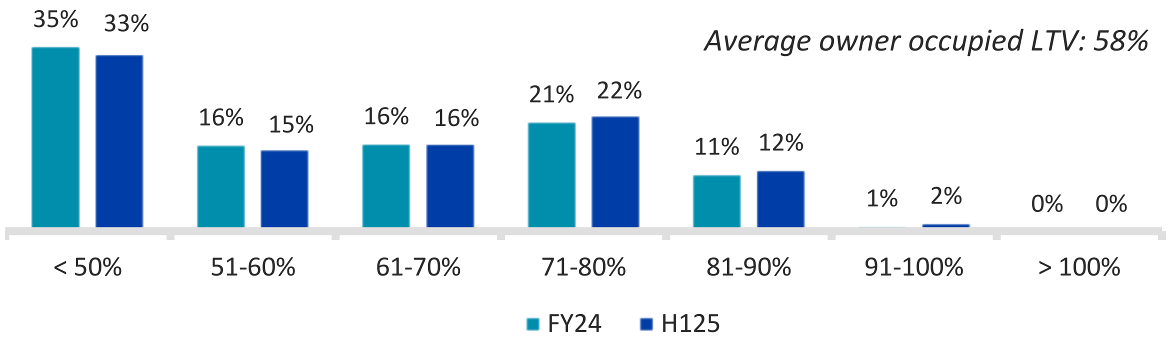


Balance by IFRS9 stage

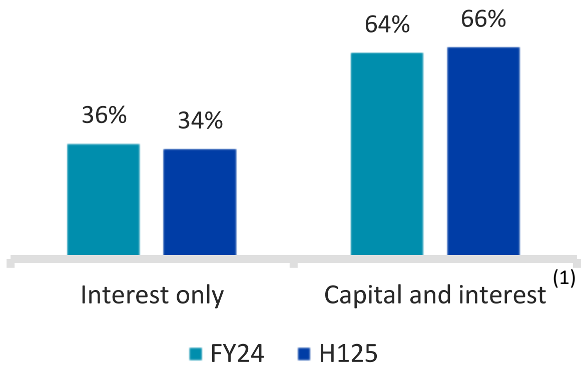


Retail mortgages – LTV and repayment type

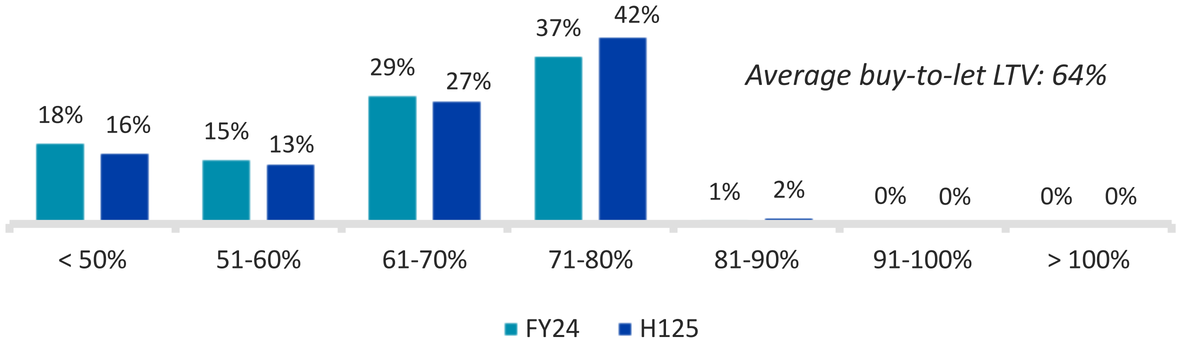
Owner Occupied Loan-to-value profile



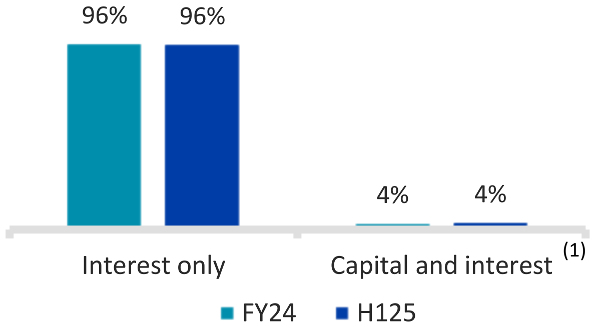
Owner Occupied Repayment type



Buy to Let Loan-to-value profile



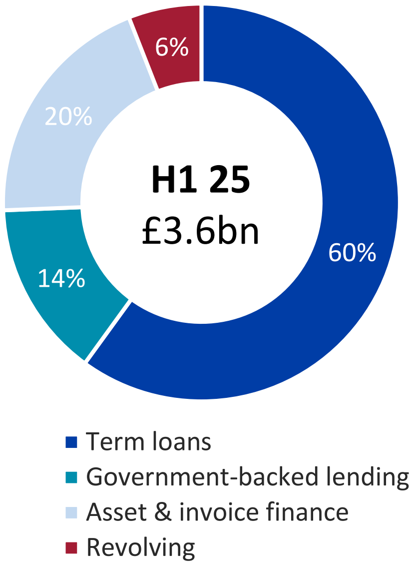
Buy to Let Repayment type



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

Commercial – overview

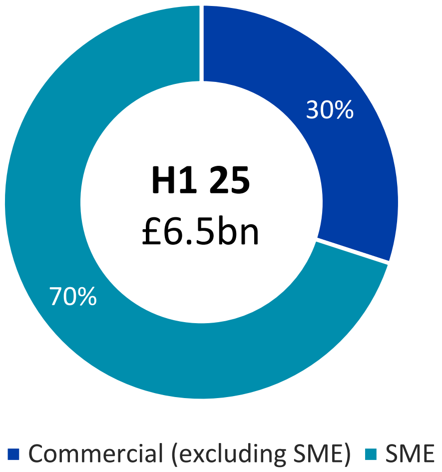
Commercial lending portfolio



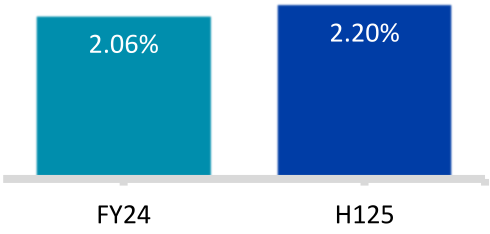
Term loans by industry sector

Industry sector (£m)	30 Jun 2025	31 Dec 2024
Real estate (PBTL)	229	283
Real estate (other term loans)	445	414
Hospitality	547	442
Health & Social Work	513	430
Legal, accountancy & consultancy	267	207
Other	427	413

Commercial customer deposits

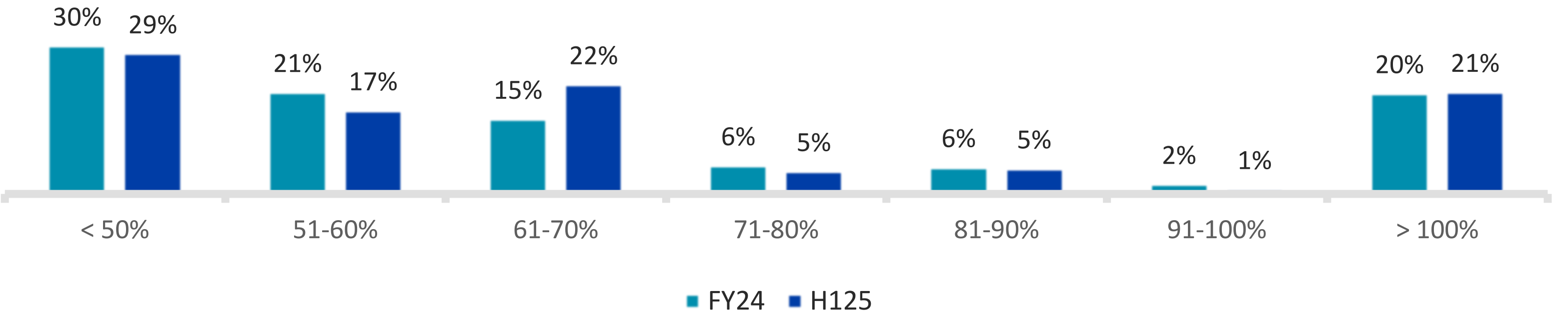


ECL coverage ratio



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

Average commercial LTV 59% at H125 vs 56% at FY24



1. Commercial term loans excluding BBLS

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 (June 2025)

Macroeconomic scenarios

Macroeconomic variable	Scenario	2025	2026	2027	2028	2029
Unemployment (%)	Baseline	4.59%	4.67%	4.68%	4.70%	4.76%
	Upside	4.20%	3.85%	3.81%	3.99%	4.25%
	Downside	5.52%	7.37%	7.44%	7.23%	6.63%
	Severe Downside	5.75%	8.70%	8.34%	8.21%	7.73%
House Price Index (YoY%)	Baseline	4.21%	3.23%	2.58%	1.44%	2.06%
	Upside	10.81%	13.40%	2.45%	-2.52%	-1.41%
	Downside	-0.79%	-9.15%	-2.10%	2.86%	5.62%
	Severe Downside	-2.79%	-16.35%	-2.90%	2.54%	4.16%
UK GDP (YoY%)	Baseline	1.34%	1.30%	1.78%	1.84%	1.81%
	Upside	3.57%	2.81%	1.81%	1.76%	1.98%
	Downside	-1.31%	-1.95%	3.34%	2.39%	1.74%
	Severe Downside	-1.66%	-3.22%	3.26%	3.57%	1.90%
BoE Interest Rate (%)	Baseline	3.85%	2.84%	2.50%	2.50%	2.50%
	Upside	3.98%	3.28%	2.60%	2.50%	2.50%
	Downside	3.34%	1.21%	1.11%	1.59%	1.83%
	Severe Downside	2.66%	0.84%	0.66%	0.87%	0.98%
5-year Mortgage Rate (%)	Baseline	4.19%	4.07%	3.97%	3.95%	3.99%
	Upside	4.42%	4.15%	3.97%	3.94%	3.99%
	Downside	3.72%	2.51%	2.20%	2.77%	3.40%
	Severe Downside	3.07%	1.88%	1.87%	2.14%	2.85%
Commercial Real Estate (CRE) Index (YoY%)	Baseline	1.09%	0.46%	-0.25%	-0.98%	-0.70%
	Upside	10.44%	8.51%	-1.16%	-5.07%	-3.92%
	Downside	-9.90%	-9.86%	-1.62%	1.49%	3.44%
	Severe Downside	-13.85%	-18.91%	-0.13%	1.60%	2.79%

Statutory to Underlying reconciliation

Half ended 30 June 2025 £'million	**Statutory basis**	Impair/WO's PPE/intangible assets	Net C&I costs	Transformation costs	Remediation costs	Portfolio Sales	**Underlying Basis**
Net interest income	222.9	-	-	-	-	-	222.9
Net fee and commission income	45.8	-	-	-	-	-	45.8
Net gains on sale of assets	5.3	-	-	-	-	(5.5)	(0.2)
Other income	18.8	-	(1.2)	-	-	-	17.6
Total revenue	**292.8**	**-**	**(1.2)**	**-**	**-**	**(5.5)**	**286.1**
General operating expenses	(212.3)	-	1.2	7.8	(0.4)	-	(203.7)
Depreciation and amortisation	(31.0)	-	-	-	-	-	(31.0)
Impairment and write offs of property, plant & equipment and intangible assets	(0.1)	0.1	-	-	-	-	0.0
Total operating expenses	**(243.4)**	**0.1**	**1.2**	**7.8**	**(0.4)**	**-**	**(234.7)**
Expected credit loss expense	**(6.3)**	**-**	**-**	**-**	**-**	**-**	**(6.3)**
Profit before tax	**43.1**	**0.1**	**-**	**7.8**	**(0.4)**	**(5.5)**	**45.1**