



Close Brothers Group plc Business Update

17 March 2026



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A stack of blue pipes in a factory setting. The pipes are arranged in a grid pattern, with the foreground pipes in sharp focus and the background pipes blurred. The lighting is warm and industrial, with a yellowish glow in the background.

Introduction

Mike Morgan
Group Chief Executive

Agenda



10:15am
Mike Morgan, Group Chief Executive



10:35am
Matt Roper, CEO Commercial



10:55am
Ian Cowie, CEO Retail



11:15am
Phil Hooper, CEO Property



11:35am
Fiona McCarthy,
Group Chief Finance Officer

11:50am
Q&A

Transitioning to a focused specialist bank

A long track record of lending into the UK economy



Close Brothers today

A focused specialist bank providing lending and deposit taking in the UK & Ireland

c.2 million
customers

c.2,600
employees

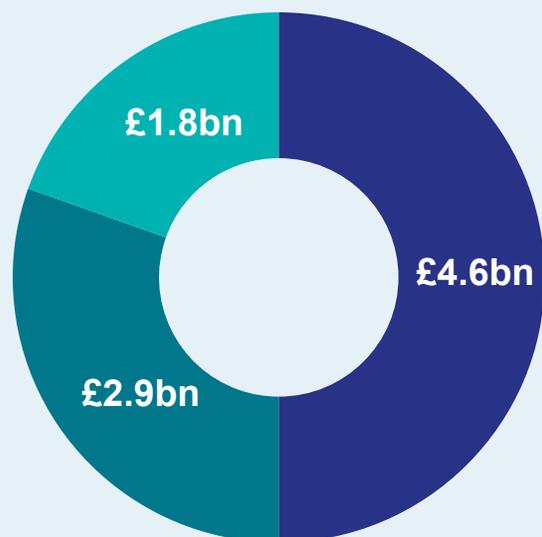
31
office locations

£9.2 billion
loan book

£7 billion
lent into the UK economy in FY 2025

Loan book (31 Jan 26)

£9.2bn¹



■ Commercial 50%
■ Retail 31%
■ Property 19%

Commercial

Funding solutions to SMEs through direct sales force and third-party distribution channels

Retail

Motor and Premium Finance solutions to consumers and small businesses through a network of intermediaries in the UK and Ireland

Property

Residential development finance to established UK property developers, funding for commercial properties, and bridging and refurbishment loans

Note: 1. Numbers may not cast due to rounding.

Close Brothers business model

Helping people and businesses thrive

1. Disciplined pricing and underwriting

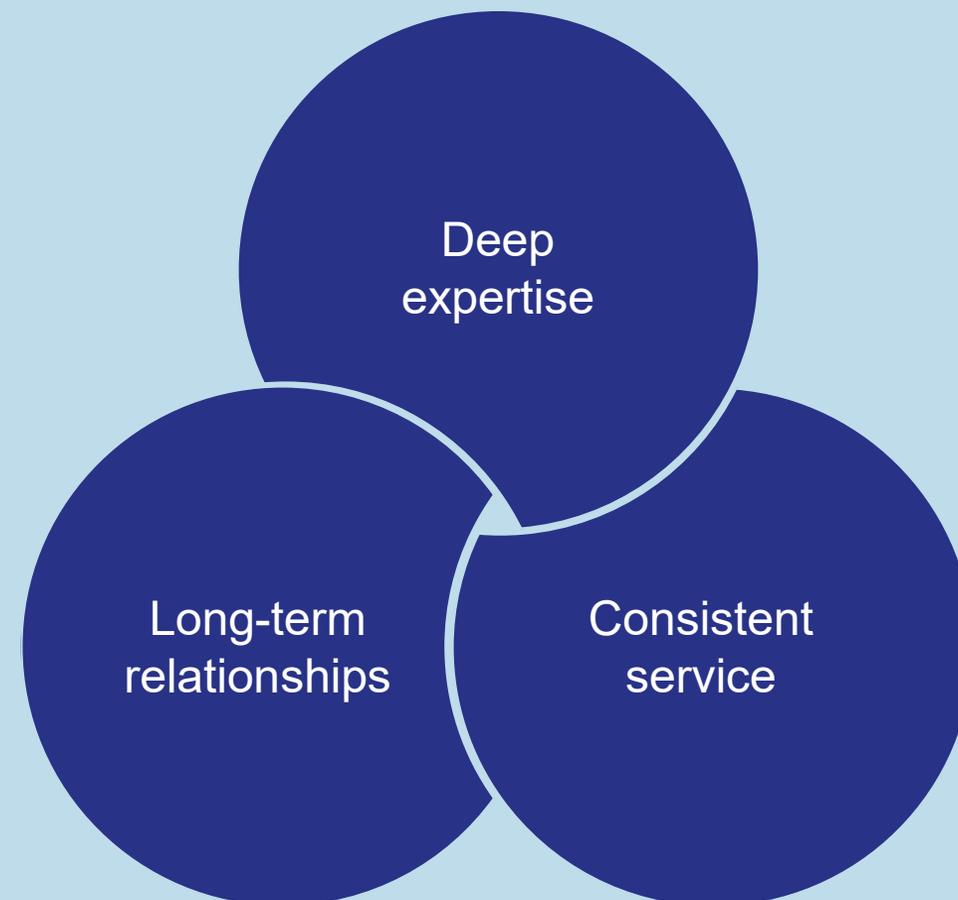
2. Prudent management of financial resources

3. Customer-centric approach

4. Conservative approach to risk

5. Diversified portfolio of banking businesses

6. Our distinctive culture



Customer focused

Key attributes that remain central to our high-touch proposition



Relationship-led, expert service



Fast and easy to do business with



Consistency, trust and reliability



Customer-centricity and deep understanding

Customer sentiment scores (2025)

Asset Finance

CSAT¹

92%

Motor Finance

Customer Net Ease²

+65

Property Finance

CSAT¹

88%

Invoice Finance

CSAT¹

87%

Motor Finance

Dealer NPS³

+72

Savings online

CSAT¹

82%

Notes:

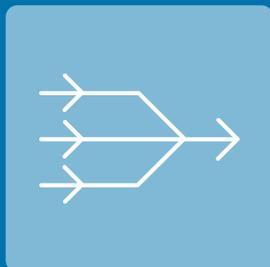
1. Customer satisfaction score.

2. Net ease measures how easy a customer's interactions with us are.

3. Net promoter score.

A clear strategy to rebuild returns

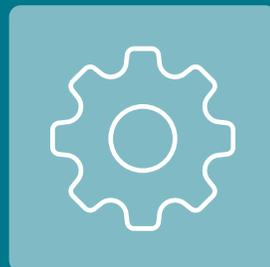
Simplification phase largely complete, focus now on optimising the cost base and growth



Simplify

Exit or restructure underperforming or non-core businesses

Completed sale of CBAM, Winterflood and Brewery Rentals, and repositioning of Premium Finance



Optimise

Cost reduction and a step-change in profitability

Significant transformation programme underway



Grow

Drive sustainable growth across our chosen markets

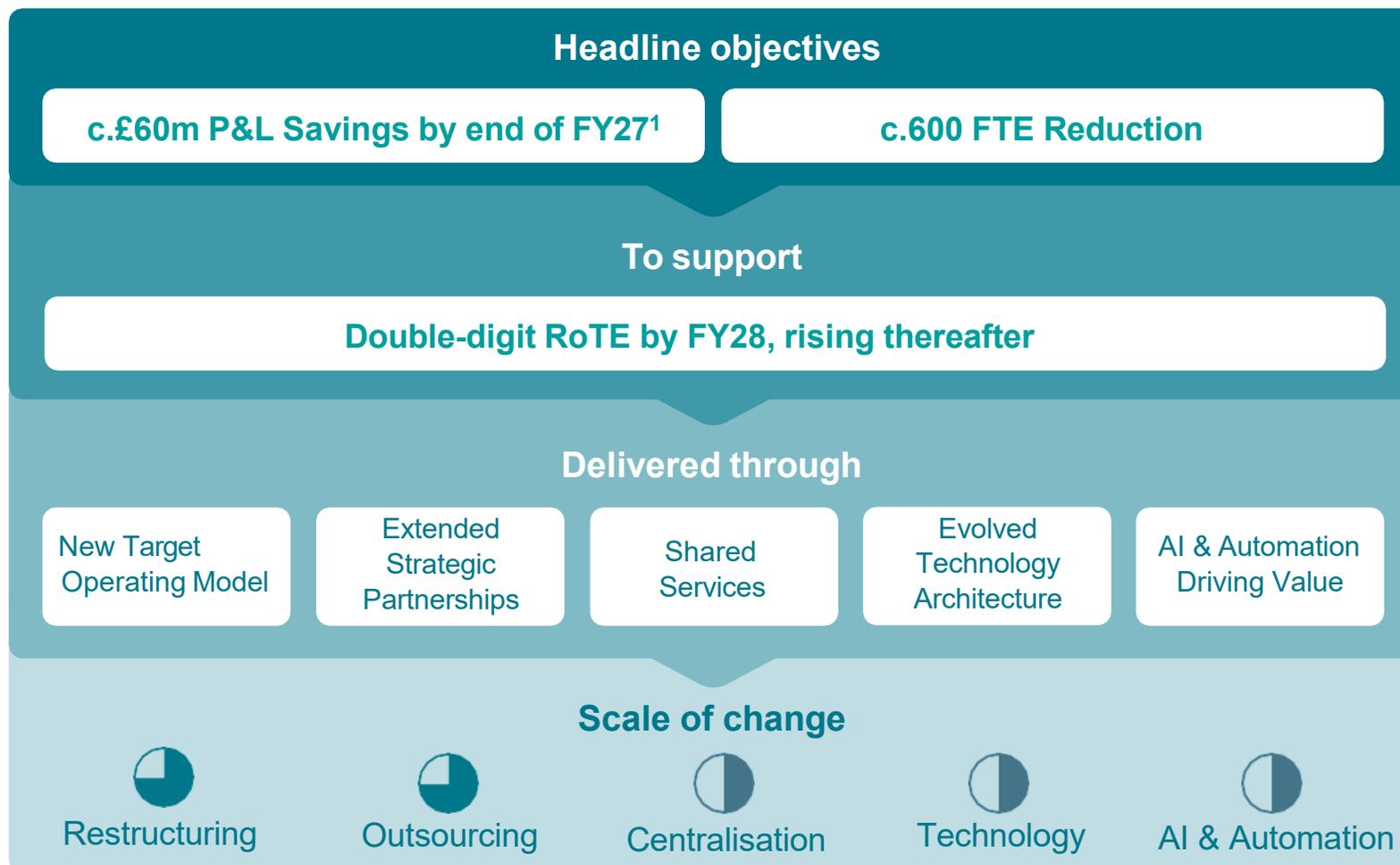
Actively pursuing growth opportunities

**Double-digit
RoTE by
FY28, rising
thereafter**



Optimise: Operating model transformation and cost reduction

Increasing competitiveness, resilience and cost efficiency



Bank-wide transformation programme progressing at pace

Protecting our differentiators and distinctive culture while modernising the proposition and creating scalability

Strong early momentum: expect to deliver c.£25m annualised cost savings in FY26 (vs c.£20m previous target) and c.£60m annualised savings by end of FY27

Note: 1. On an annualised basis.



Optimise: Creating a competitive platform for efficient growth

A targeted set of specialist lending businesses supported by a modern, centralised and efficient back-office

From...

Federated structure run as separate businesses

Localised business operations embedded in front-office

High degree of tailored business support from central functions

Reliance on manual processes

Complex IT estate

Manual underwriting across all credit segments

c.2,600 FTE

To...

Simplified and focused go-to-market with fewer businesses

Shared services with strong customer focus retained

Hub model providing high-quality support

Increased automation and AI

Modern application, data and cloud infrastructure

Automated and AI-assisted underwriting for smaller tickets

c.2,000 FTE by FY 2028



Optimise: Embedding AI and Automation

A key enabler of the strategy

AI unlocking value for Close Brothers across 5 focus areas:

Examples of AI use cases delivered or being explored:

Cost reduction

Automate, improve accuracy and resource allocation

Operational Efficiency

Streamline processes and improve employee productivity

Risk Mitigation

Strengthen monitoring, prediction and control

Customer Experience

Personalisation, responsiveness and consistency at scale

Innovation & Growth

Proposition enhancements and faster lending decisions

▶ **Motor Complaints** – AI logs, triages and manages workflow for complaints. 77k+ cases processed to date, 17 FTE benefit

▶ **Microsoft Copilot Deployment** – very strong adoption supported by training enablement at all levels to unlock productivity gains

▶ **Fraud Detection** – launched a 3rd party AI solution in Motor to identify suspicious activity and reduce risk

▶ **Outsource Partner Quality** – successful proof-of-concept to use AI to quality assure contact centre outsource partner performance

▶ **Sales Support** – Empowering sales teams with AI-based customer and demand segmentation



Driving growth in our chosen markets

Strong market positions and attractive growth opportunities

1. Market growth opportunity

- SME demand expected to grow as business confidence and investment recovers
- Increasing access to finance amongst SMEs

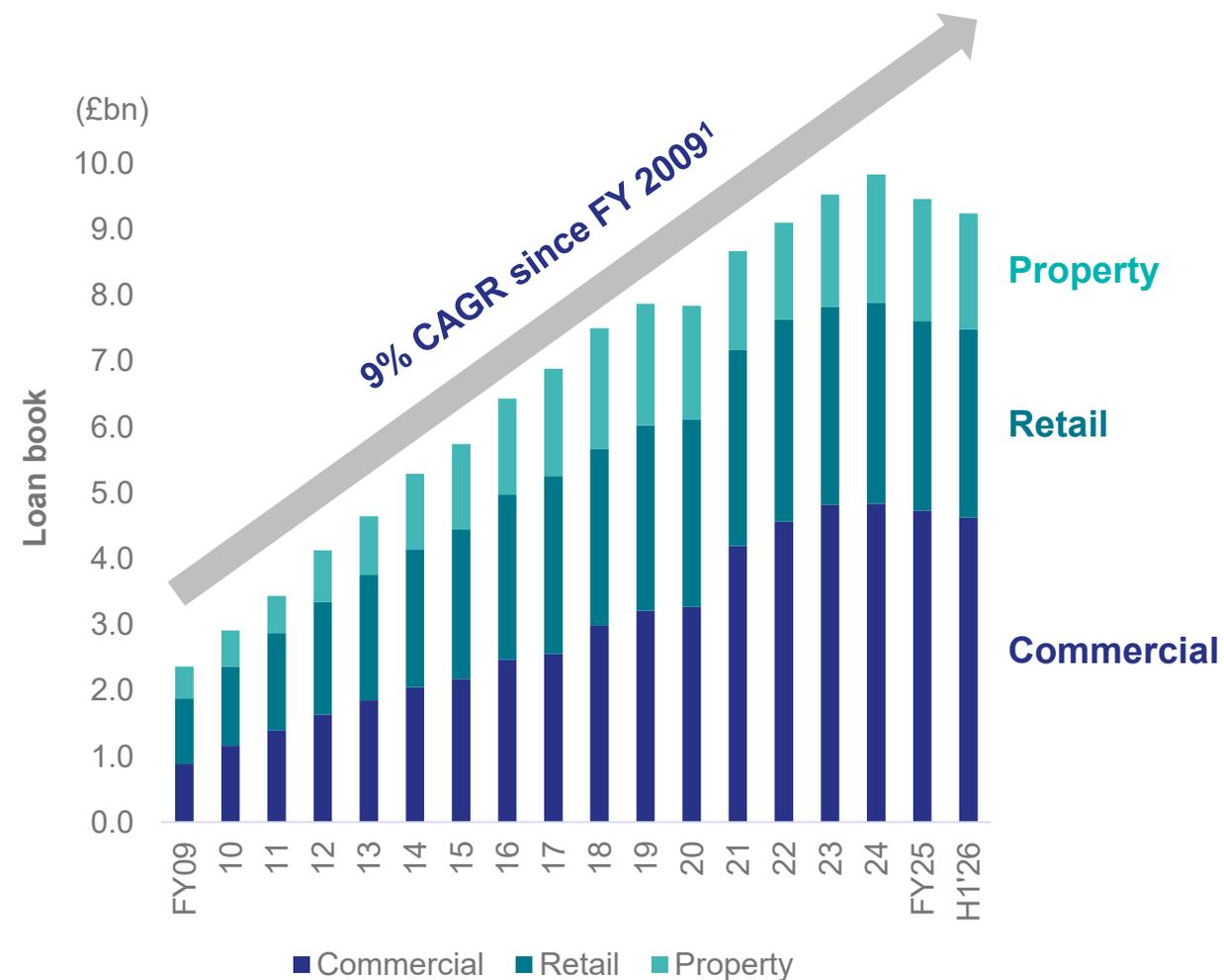
2. Increase market share

- Maximise existing opportunity in our core markets
- Leveraging our established market positions and high levels of repeat business
- Enhanced customer proposition post transformation

3. Extend product and proposition

- Target new products/sectors
- Partnerships and government schemes
- Ireland

Targeting 5-10% p.a. loan book growth through the cycle



Summary

The strategic priority is reshaping the group to improve returns



Simplify

Three core divisions
Attractive specialist markets
Strong, differentiated businesses
with sustainable returns



Optimise

Lower cost, more efficient
operating model
Scalable structure
Tech-enabled modernisation



Grow

Market growth opportunity
Increase market share
New products and propositions

Double-digit RoTE by FY28, rising thereafter



Commercial division

Matt Roper

CEO Commercial

Divisional overview: Commercial

Specialist SME and corporate lending

- Supports over **28,000 SMEs** across the **UK & Ireland**
- Delivered through **~800 colleagues** and a blended origination model comprising a direct sales force with asset and sector expertise and a range of intermediary partners
- Two divisions with **strong market positions** that together deliver **resilient, secured SME lending** with strong recurring revenue and clear growth capacity

Asset Finance

- Specialist financing for SMEs and individuals including hire purchase, lease and loans
- Distribution: Direct (67%) and Intermediated (33%)
- Market share: 4.2%¹

Invoice Finance

- Working-capital solutions for SMEs through invoice discounting, debt factoring and asset-based lending (ABL)
- Distribution: Direct (37%) and Intermediated (63%)²
- Market share: 6.3%³

Notes:

1. FLA Industry Statistics 12 months to December 2025.
2. Includes a range of introducers such as accountants, brokers, advisory firms.
3. UK Finance data for 12 months to December 2025.
4. Excluding Rentals businesses and Novitas.

Commercial Key Metrics (FY25)⁴

6.4% NIM	60% E/I
0.5% Bad debt	£96m AOP



Track record of growth through the cycle

Driven by new initiatives and consistent lending appetite

Loan book

11% CAGR

From FY09 to H1'26

Margins

NIM decline reflects higher rate environment, change in mix and legacy products – expected to stabilise at c.6%

Credit losses

Consistent low bad debt with one-off COVID-19 spike

Track record of key financials¹



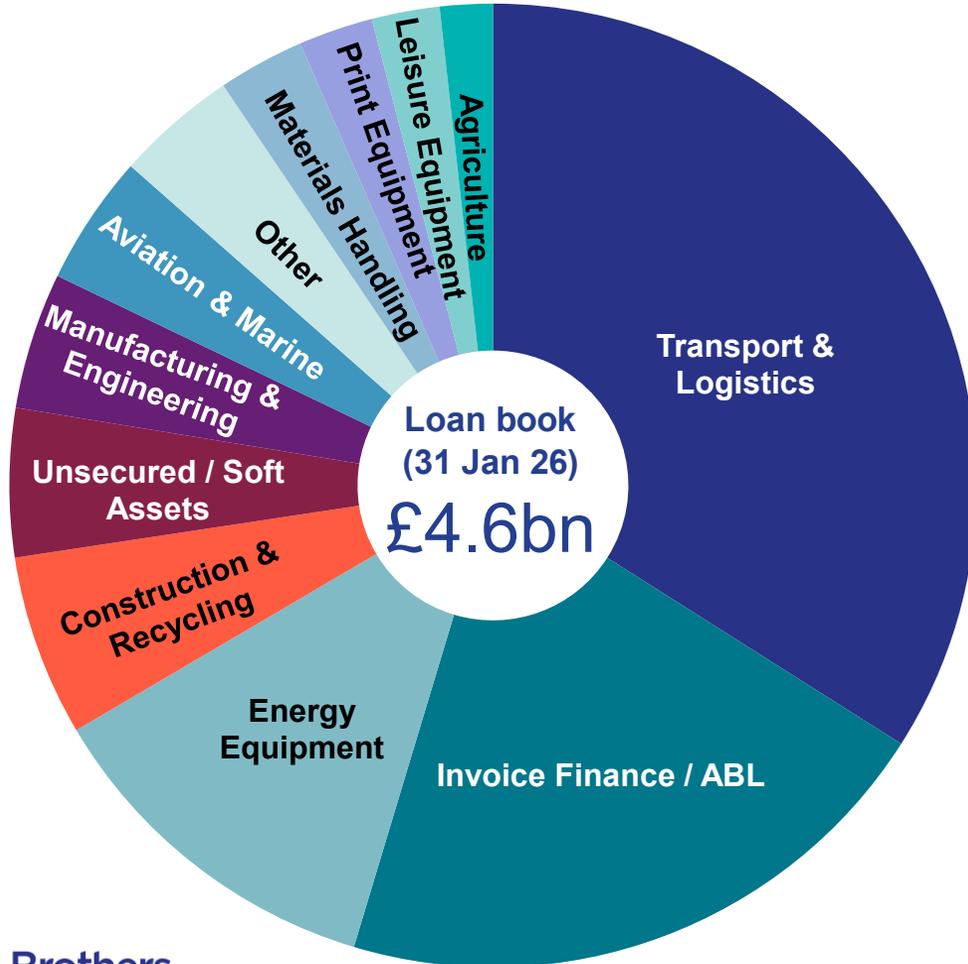
Notes:

- 1. Excluding Novitas and Rentals businesses from FY17 onwards.
- 2. Asset Ireland included within Asset Finance.

Our lending

We fund a diverse range of assets and specialist businesses

Commercial loan book – split by asset type



How we win

Differentiated through service, expertise and relationships

- 1 **Excellent service makes us the lender of choice in our chosen markets**
- 2 **We pride ourselves on supporting businesses through the credit cycle**
- 3 **Deep expertise in both Asset Finance and Invoice Finance is unique**
- 4 **Our dual channel strategy (direct and intermediated) is a key differentiator**

Commercial has been lending to SMEs for over **40 years**

The average tenure of our staff is **9 years**

c.60% of business is directly sourced

We employ **experts** in every asset class we fund

We have a direct sales force of **>100** colleagues covering all of the UK & Ireland

We write **£2bn** of new business annually

Our customer satisfaction scores (CSAT) consistently **>85%**

90% of our lending is **secured**

Operating in attractive markets

The largest Asset and Invoice Finance franchise in the UK and Ireland outside of the clearing banks

UK Asset Finance Market

4.2%
Close Brothers
market share¹

Industry
£40.3bn
New business¹

YoY market growth

- +1% Total asset finance market
- +4% Asset finance lending to SMEs

Market trends

SME sector showing stronger demand

Fragmented market with long tail of small independent lenders

Close Brothers is 3rd largest asset finance lender in UK (after Lombard and HSBC)³

UK Invoice Finance Market

6.3%
Close Brothers
market share²

Industry
£16.9bn
Advances²

YoY market growth

- +7% Invoice finance market

Resilient market with consistent demand

Reduced appetite from high street banks at SME end

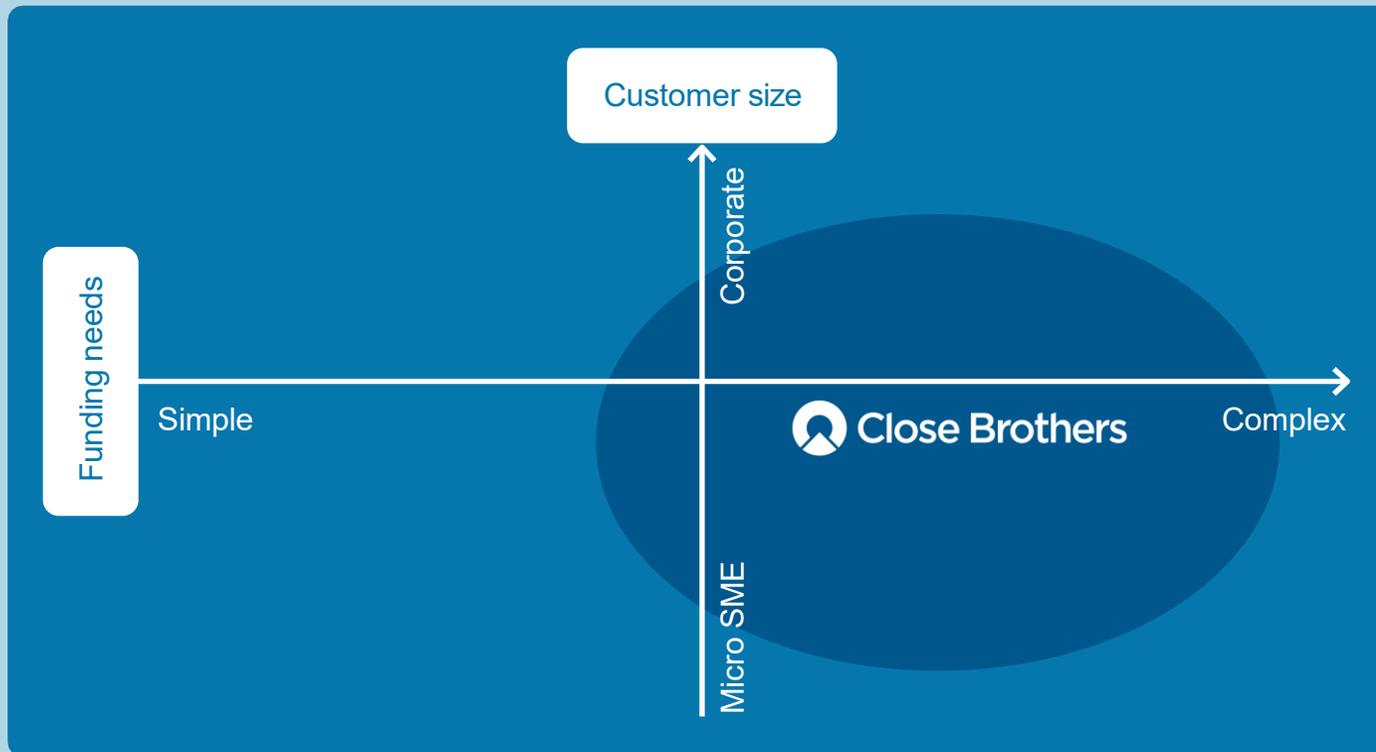
Close Brothers is largest independent invoice finance provider in the UK

Notes: 1. FLA Industry Statistics for 12 months to December 2025. Of the £40.3bn of new business, £24bn is SME lending and this segment has grown by 4% YoY.
2. UK Finance data for 12 months to December 2025. 3. AFUK50 2025.

Our opportunity

Specialist lender of choice for SMEs in the UK and Ireland

Where Close Brothers plays in the SME lending market

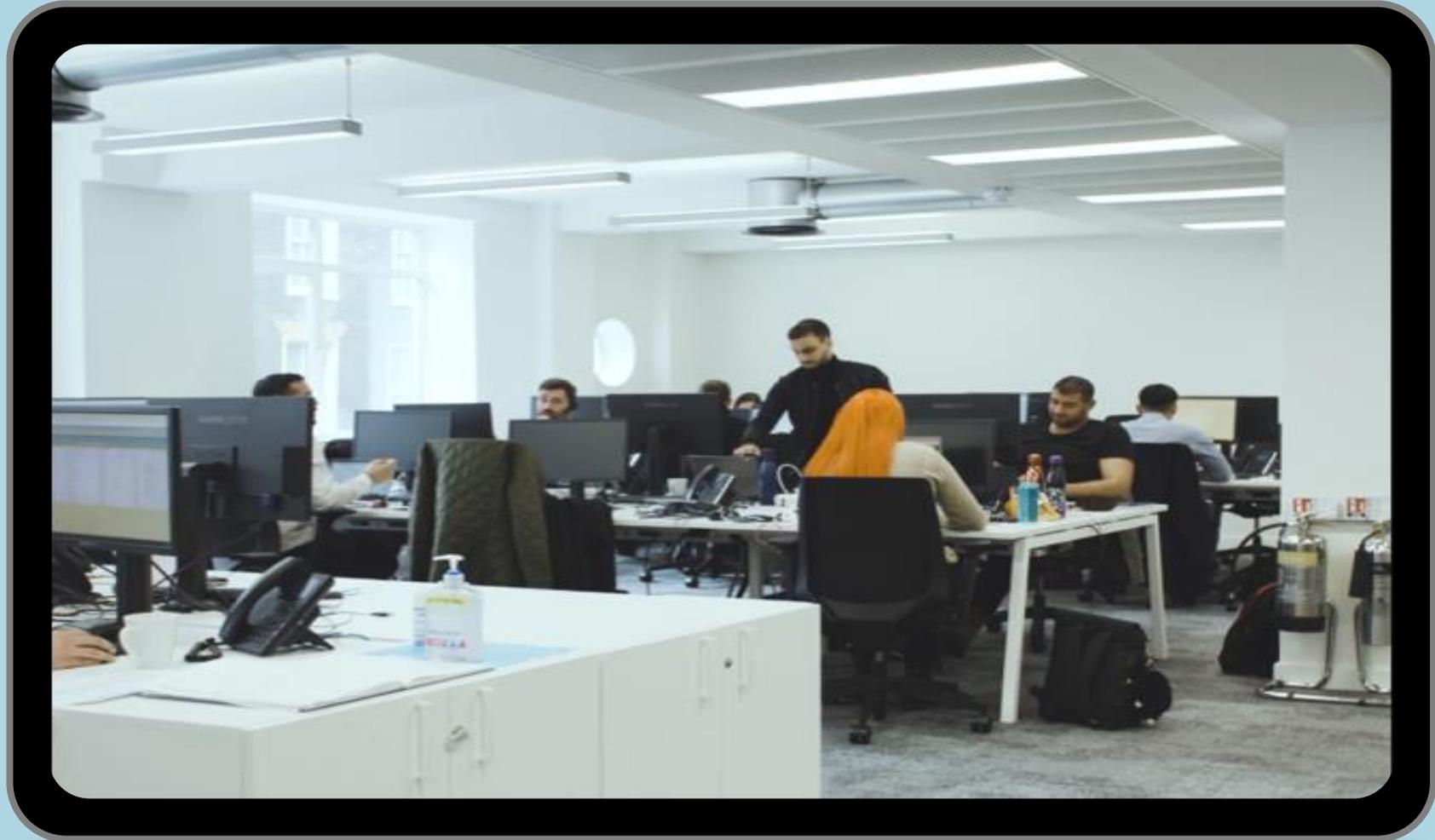


- Targeting the niche sectors underserved by high-street lenders and fintech players
- 60% of lending to SMEs comes from outside the Big 5 banks – up from 40% in 2012¹
- Helping SMEs that value high-quality service and asset / sector expertise

Note: 1. House of Lords, Financial Services Regulation Committee "Private markets: Unknown unknowns" report, published 9 January 2026.

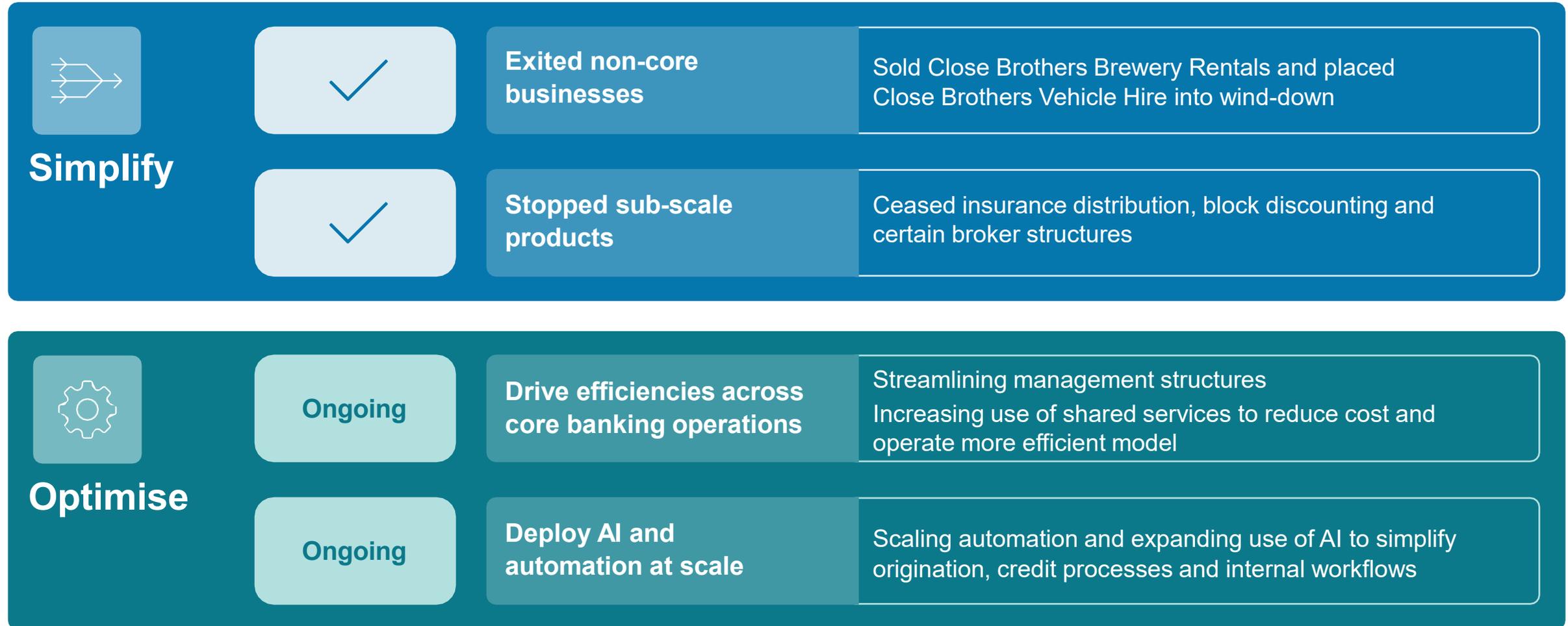
Case study: Twenty 20 Capital

Enabling growth for our customers



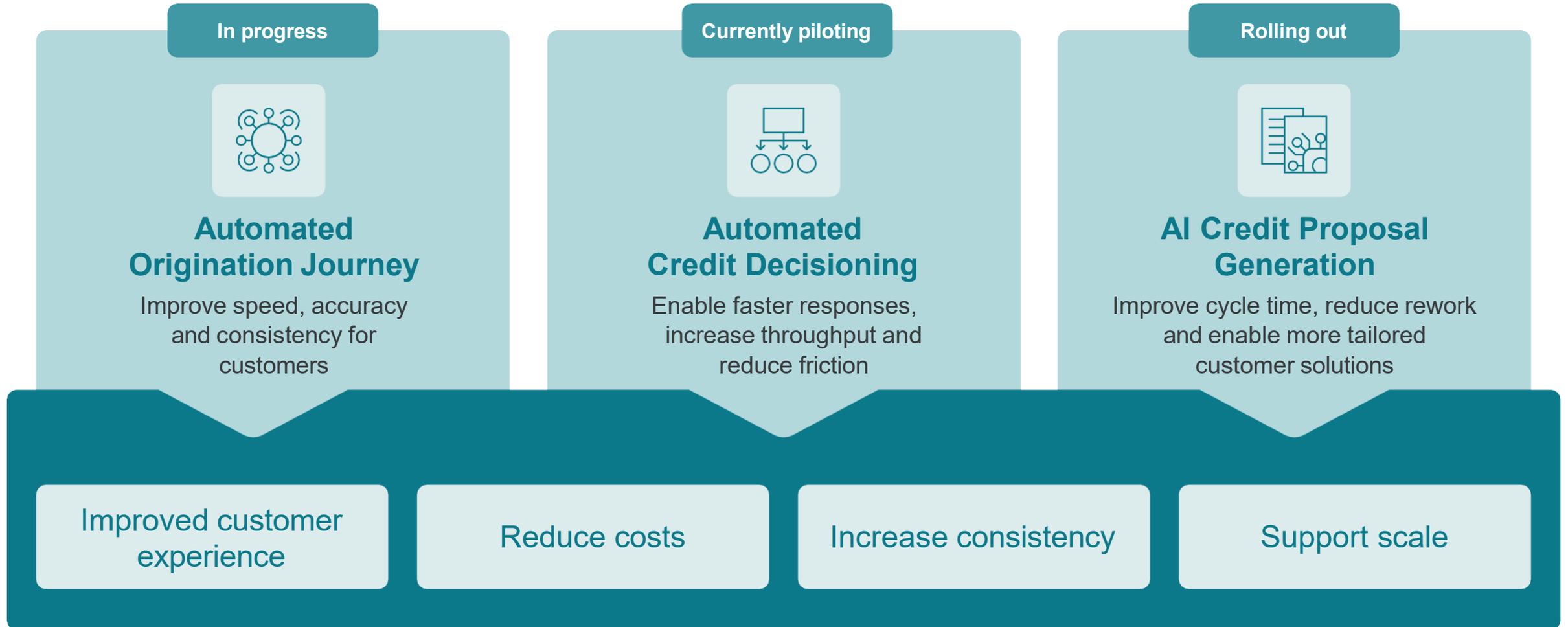
Cost transformation

Creating a simple, efficient and technology-enabled business



Using AI and automation

Enhancing customer experience and supporting future growth



Growth engines in the Commercial business

Targeting 5-10% p.a. loan book growth driven by specialist segments and new product expansion

Invoice Finance: Increasing market share

Core book growth as clearing banks retrench

Growing demand for larger, multi-asset ABL facilities

5-10%
growth p.a.



Option to accelerate via bolt-on M&A

Asset Finance: Building scale in higher growth specialist areas

Core business

c.5%
growth p.a.

High growth specialist areas

Wholesale Fleet
Energy
Aviation & Marine

5-10%
growth p.a.

Commercial: New products and propositions

Relaunched dedicated broker proposition

Loan book has grown by £50m, >20% YTD

c.10%
growth p.a.

Commercial Mortgages

Potential to build loan book to £100m+

Commercial: Partnerships



Growth Guarantee Scheme

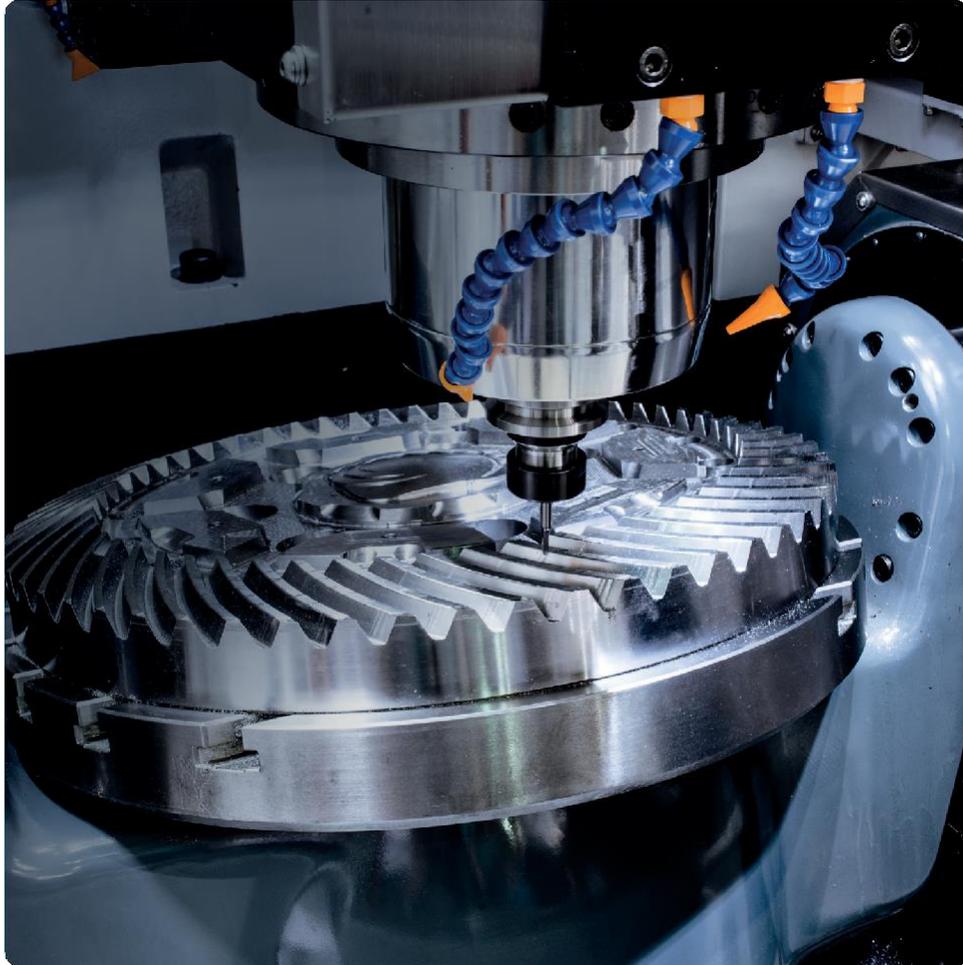
c.£140m of new business in last 12 months

ENABLE Guarantee

Transaction agreed in August 2025

Key takeaways

A resilient, specialist business with leading market positions in both Asset Finance and Invoice Finance



Positioning the business for the next decade

Transitioning to a **simplified and more scalable** operating model

Strong levers for disciplined growth, focused on opportunities where **expertise, speed and relationships matter most**

Delivering improved efficiency, deeper competitive differentiation and **meaningful improvement in returns**



Retail division

Ian Cowie
CEO Retail

Divisional overview: Retail

Three specialist franchises

- Motor Finance, Premium Finance and Savings deliver through diversified intermediary partnerships, generating strong margins and supporting the group's stable retail deposit base

Motor

- Point of sale finance for predominantly used cars
- Distributed via dealers, brokers and commercial partners
- Helping customers finance vehicle purchases

Premium

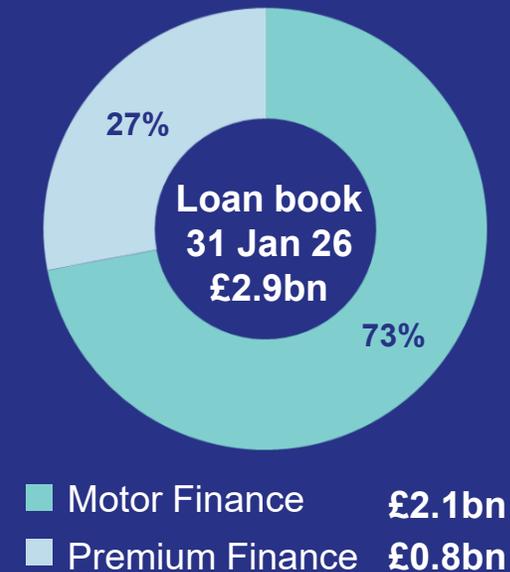
- Instalment payments for insurance policies
- Delivered through broker partnerships
- Makes insurance payments more manageable

Savings

- Retail and business deposits
- Sourced through digital channels, aggregators and relationship managers
- Support customers' long-term financial goals

Retail Key Metrics (FY25)

8.3% NIM	74% E/I
1.5% Bad debt	£19m AOP



Track record of growth through the cycle

Consistent growth, stable margins, disciplined credit

Loan book

7% CAGR

From FY09 to H1'26

Margins

Disciplined pricing with NIM consistently at

~8.5%

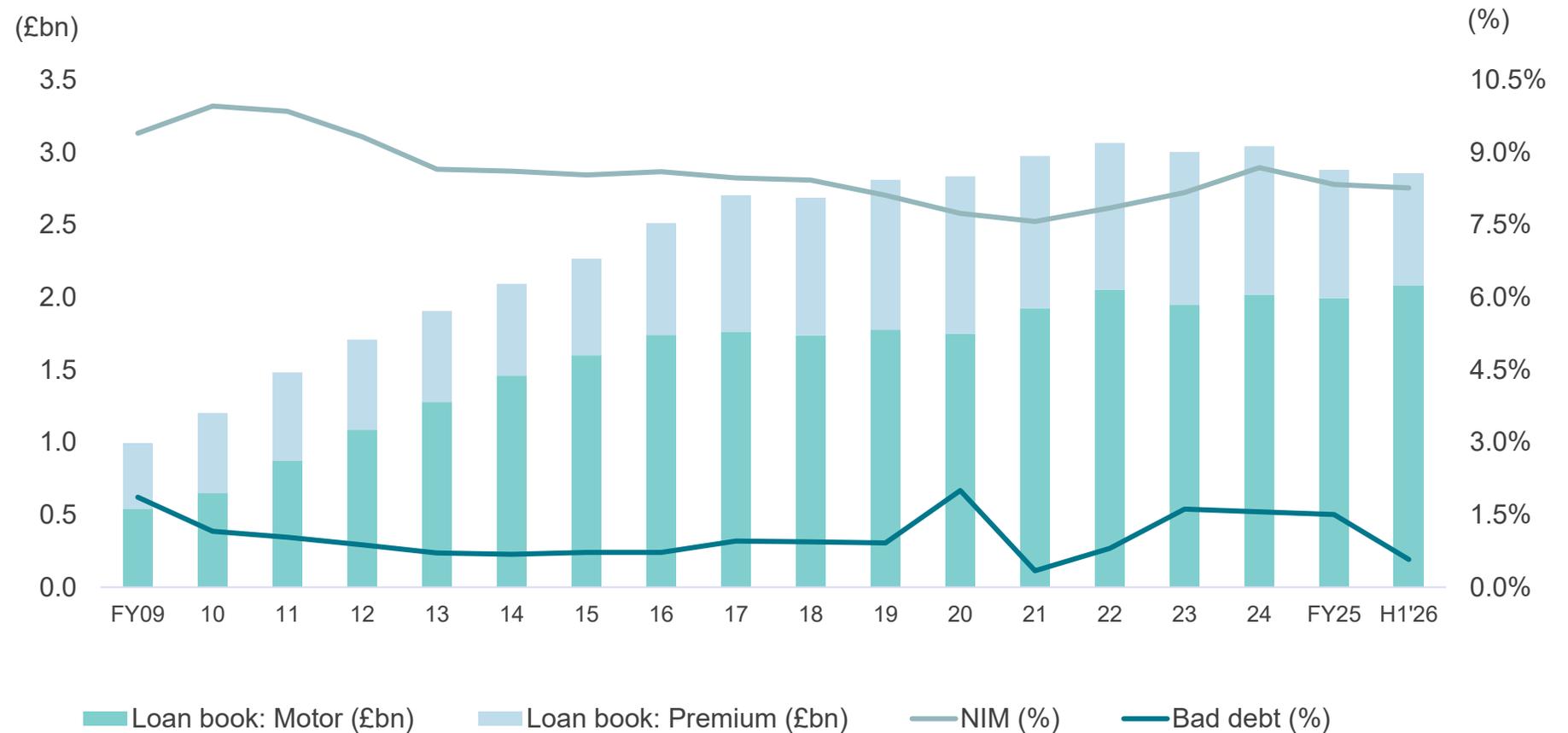
Credit losses

3-year average¹

~1.5%

with prudent and stable underwriting

Track record of key financials



How we win across our Retail markets

Strong relationships with key intermediaries and well-established market positions



A partnership approach to helping our dealers and brokers grow



Established brand and strong market following



Consistency and dependability for lending through the cycle



Expertise and reliability of response

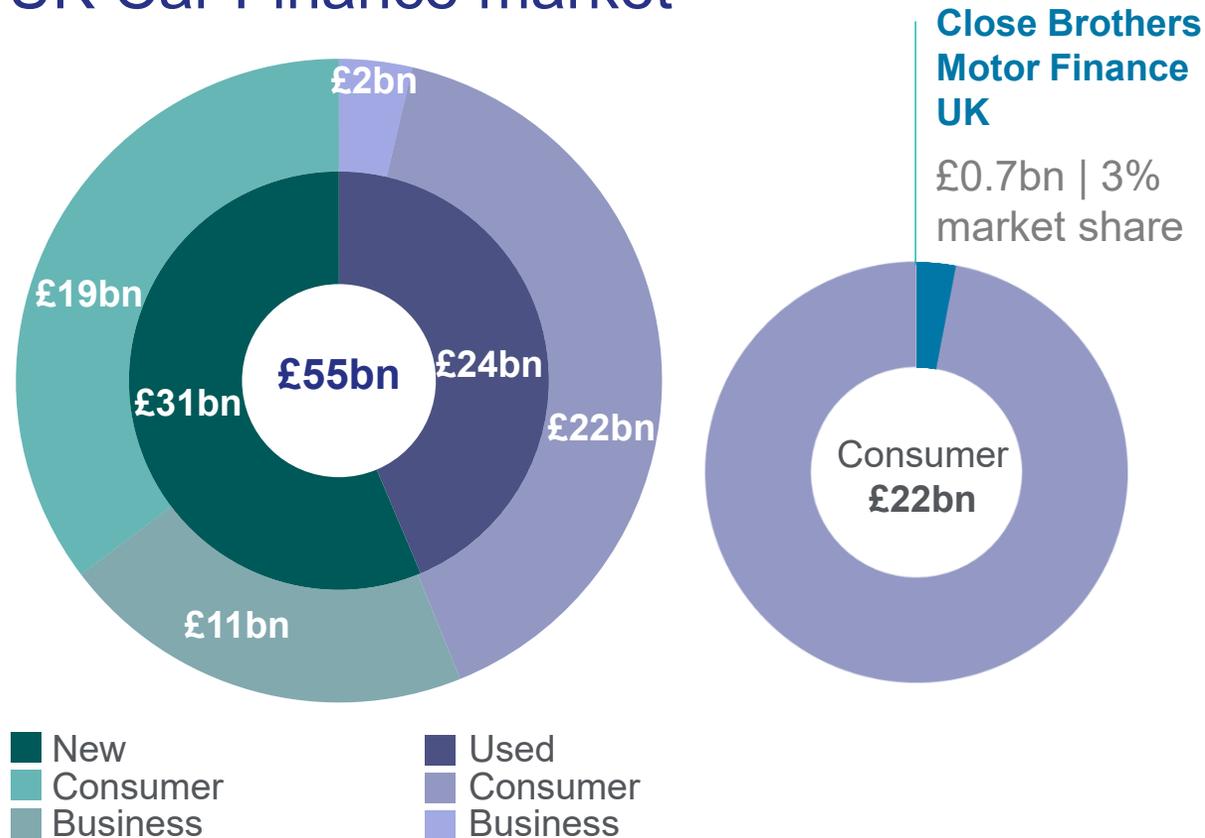


Adding value through human engagement

Motor Finance UK market

Opportunity to build market share in a growing market

UK Car Finance market¹



Notes:

1. Source: SMMT and FLA statistics 2025, point of sale data, and excludes ROI. Numbers may not cast due to rounding.
2. Source: Auto Trader Group plc, UK Car Market 2026 Outlook

CBMF Market Share

- UK – 3% of used car finance market
- Ireland – 11.5% of €1.1bn used car finance market, up from 8.5% in 2024

Overall Used Car Market

- **Scale:** Used car transactions ~4x higher compared to new cars¹
- **Outlook:** Expected to grow ~3% in 2026²

“Be where the consumer chooses finance”

Reach

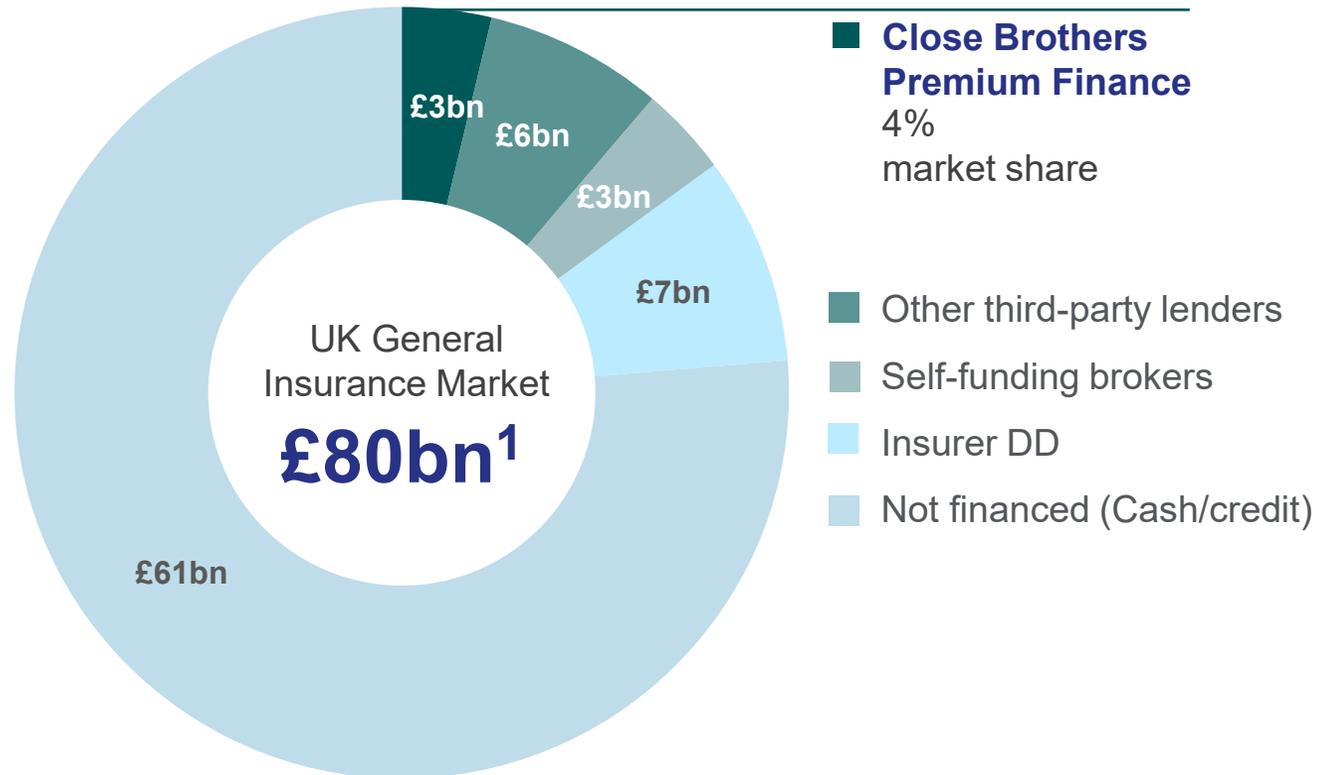
- Support 100,000+ new customers annually
- Provide 400+ dealerships with stock funding
- Partner with 3,400 UK and 450 Irish dealers and brokers

Channel Diversification

- 40% of **UK** and 25% of **Irish volumes** come from non-dealer channels

Premium Finance market

Small number of specialist premium finance providers



Notes:

1. Source: GlobalData's UK Top 25 General Insurance Competitor Analytics, and CBPF management estimates

Premium finance is a vitally important product

The market size is split broadly 50:50 between Personal and Commercial lines

The Personal Lines market

- 48% of UK motor and home insurance policies use premium finance
- FCA Market Study published in February 2026

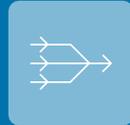
The Commercial Lines market

- Characterised by long-term contracts and multi-year agreements
- Prevalence of large national and super regional brokers

Retail strategy reset

Creating a platform for sustainable growth

Guiding principles



Simplify

Simpler & safer business



Optimise

Invest in technology, digital, automation to improve efficiency



Grow

Accelerating growth in markets we understand

Actions

- 1 Operating model simplification and restructuring – complemented by offshoring
- 2 New collections and recoveries platform to enable customer self-service
- 3 Optimising processes using our established automation capabilities
- 4 AI embedded in operations – e.g. complaints handling, fraud detection
- 5 Platform modernisation and partner integration – faster, scalable origination and servicing

Motor strategic priorities

Building a scalable proposition that supports future growth without increasing costs



Cost optimisation

Boosting origination efficiency through technology investments

Consolidating operational footprint into five hubs

Increasing automation and digitising processes

Offshore partnerships to support customer servicing

Improving underwriting efficiency



Growth

Deepening and diversifying Dealer and Broker relationships

Improving customer retention by expanding product options, such as Electric Vehicles

Expanding our reach through commercial partnerships

Ireland – continue to build out proposition

Digital integration to improve Customers, Dealers, and Partners experience

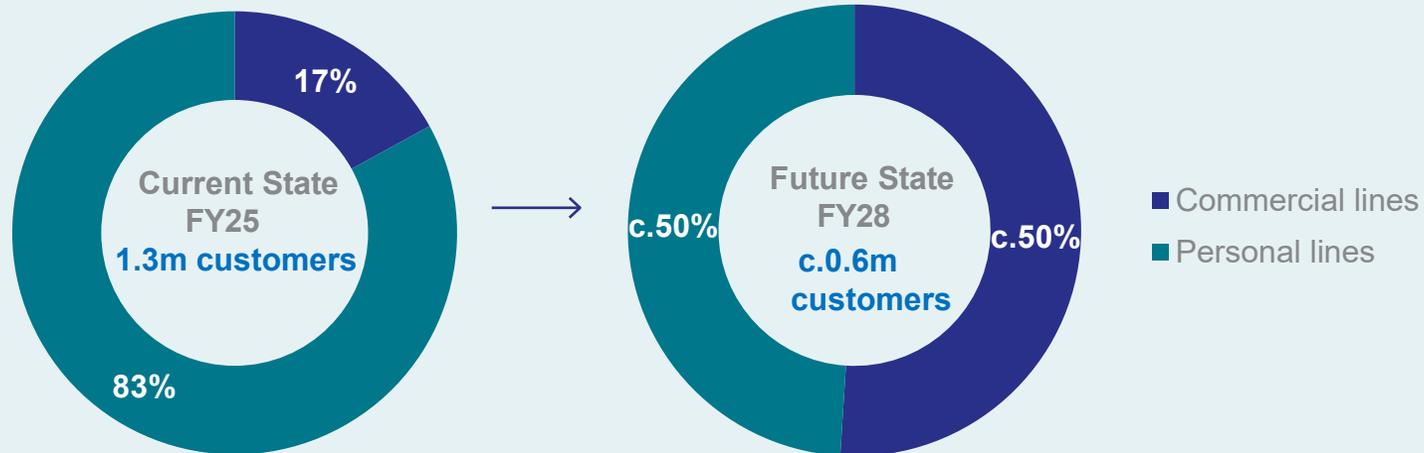
Technology Enablers

- Adopt the **Next Generation Loan Origination system** to minimise manual tasks and enable long-term savings
- Utilise automated, **cloud-based platforms** to reduce costs and support growth

Premium: Focus on Commercial Lines

Improved return profile and lower cost-to-serve

UK customer numbers



UK loan book trajectory

Loan book drops over FY26 and FY27 as c.£300m of personal lines loan book runs off, before return to growth with focus on Commercial proposition



Repositioning Premium Finance toward the higher-returning Commercial Lines

- Future customer base split c.50:50 Personal Lines consumers and SMEs / Corporates
- Commercial Lines to grow from c.55% of the book to c.85%
- Higher income per case and reduced cost base, leading to improved profitability and returns

Premium strategic priorities

Simplify, Optimise, Grow in action



Cost Optimisation

Exiting ~100 Personal Lines brokers

Business right-sized and premises rationalised

Certain customer servicing and complaints processes offshored to South Africa

More efficient onboarding journey for customers and brokers, enabled by digital and automation



Growth

New Commercial Lines broker opportunities

Evolving proposition and broker experience

Enhanced underwriting capability writing larger and more complex deals

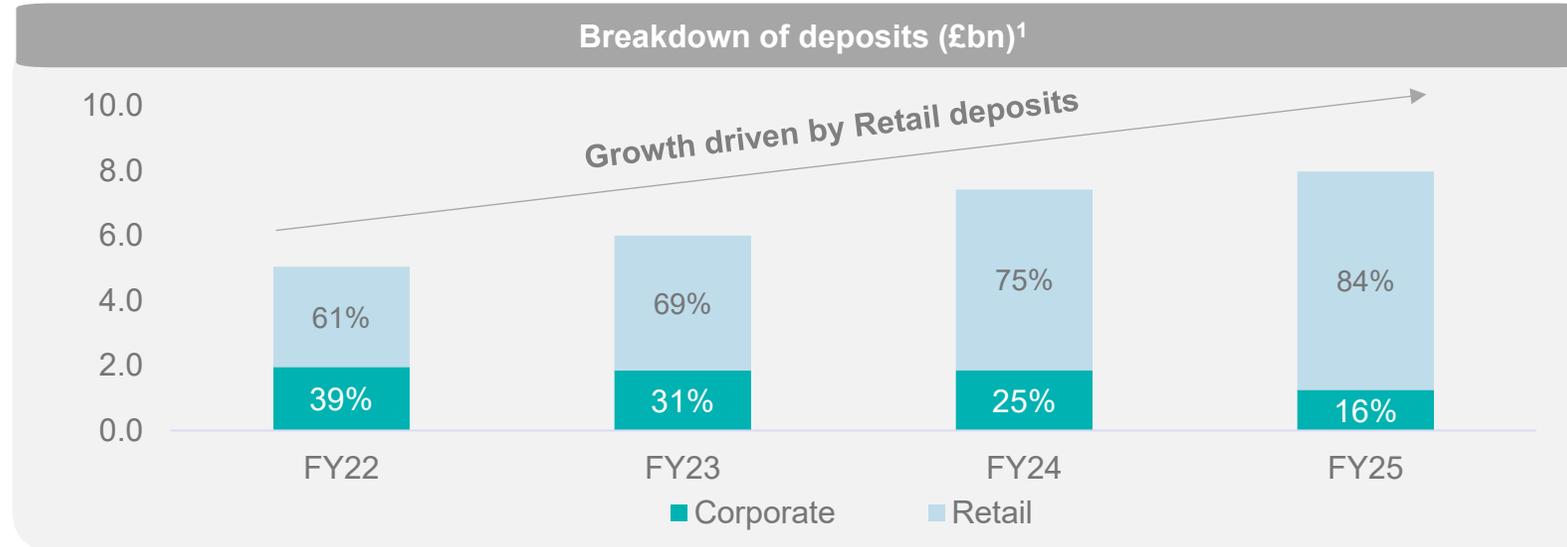
Increase existing finance penetration

Technology Enablers

- **Modernising core platforms** enabling scalability with greater agility
- **Deeper integration** with market leading software houses

Building our Savings franchise

Resilient funding capability focused on product diversification and sustainable growth



Developing customer base through targeted proposition



Diversify funding



Enhance and optimise digital channels



Grow deposit aggregator relationships

+1.1bn
20% YoY growth in Retail deposits in FY25

100k
Savings customers following 33% YoY growth

86%
of retail customers now digital, allowing a scalable proposition



May 2023

Easy Access Non-ISA launched



July 2024

Customer growth surpasses 82k+



September 2024

SME online launched



January 2026

Relaunch of Notice Account



Coming Soon

ISAs via Hargreaves Lansdown



Future considerations

Easy Access ISA, Limited Access Saver

Notes:

1. Customer deposits presented exclude those held outside of Savings, Retail division.

Key takeaways

Simplified franchise driving improved returns through cost efficiency and growth



Strong recovery and a clear runway after significant regulatory and market disruption

Strategic reset well underway with **operating model simplified** and seamless transition to offshore roles

Clear priorities focused on **cost efficiency** and **growth**, enabled through continued investment in digital and automation

Driving growth through market share gains and extending our proposition, contributing to **sustainably stronger returns**

Customer testimonials



Property division

Phil Hooper
CEO Property

Divisional overview: Property

Specialist development and bridging finance

- Personalised, flexible finance to property developers and investors across the UK and Northern Ireland
- Combines medium-term property development finance with short-term specialist lending



- Secured residential development finance across living subsectors for experienced professionals
- Market leader in UK residential development finance over many years
- Customer base over 500 developers, providing lending solutions from £1m-£50m
- Coverage across mainland UK and Northern Ireland



- Short-medium term, secured lending including refurbishment and bridging loans
- Flexible structures to support transitional property assets
- 400 customers with loans from £50k-£10m
- Coverage focused on London and the South East

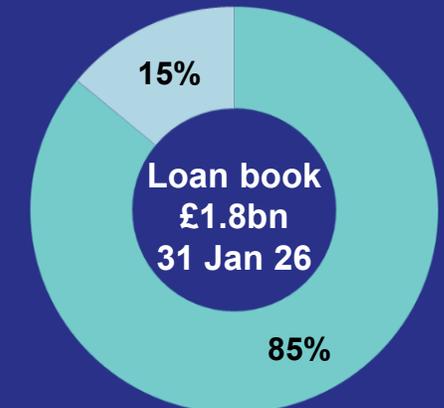
Property Key Metrics (FY25)

6.9%
NIM

26%
E/I

1.5%
Bad debt

£67m
AOP



■ Property Finance £1.5bn
■ Commercial Acceptances £0.3bn

Track record of growth despite the cyclical nature of the property market

A market-leader in property development finance and bridging finance

Loan book

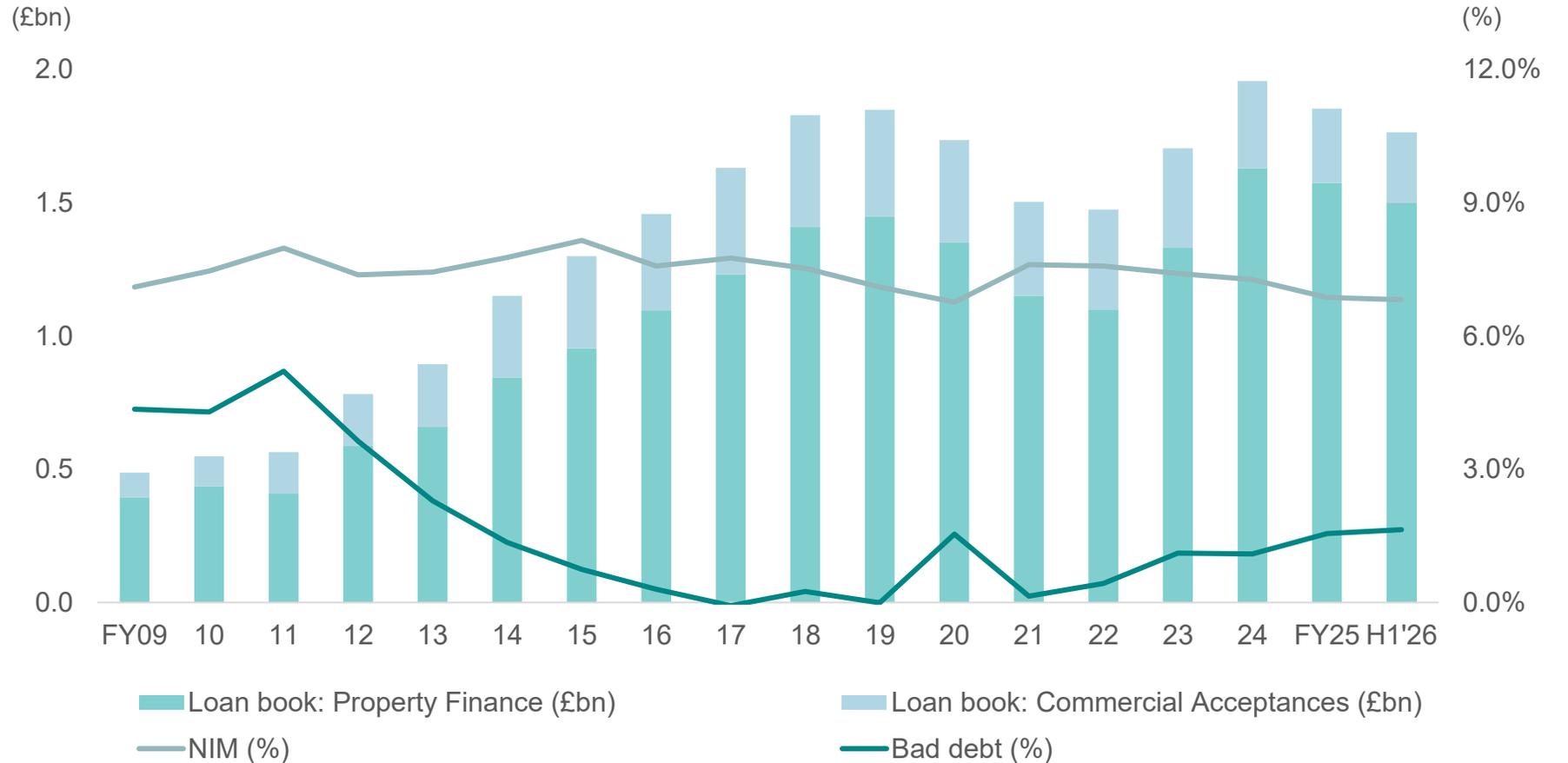
8% CAGR

From FY09 to H1'26

Stable margins

and low levels of bad debt reflecting balanced and cautious underwriting

Track record of key financials



Differentiation and competitive advantage

Highly experienced direct sales team with longstanding customer relationships

CBPF has been Lending to SMEs for **50 years**

72% of our loan book is repeat business

We have **c.75** members of staff, across **6** specialist regional locations

The average tenure of our staff is **10 years**

~40% of loan book is customers we've been lending to for over **10 years**

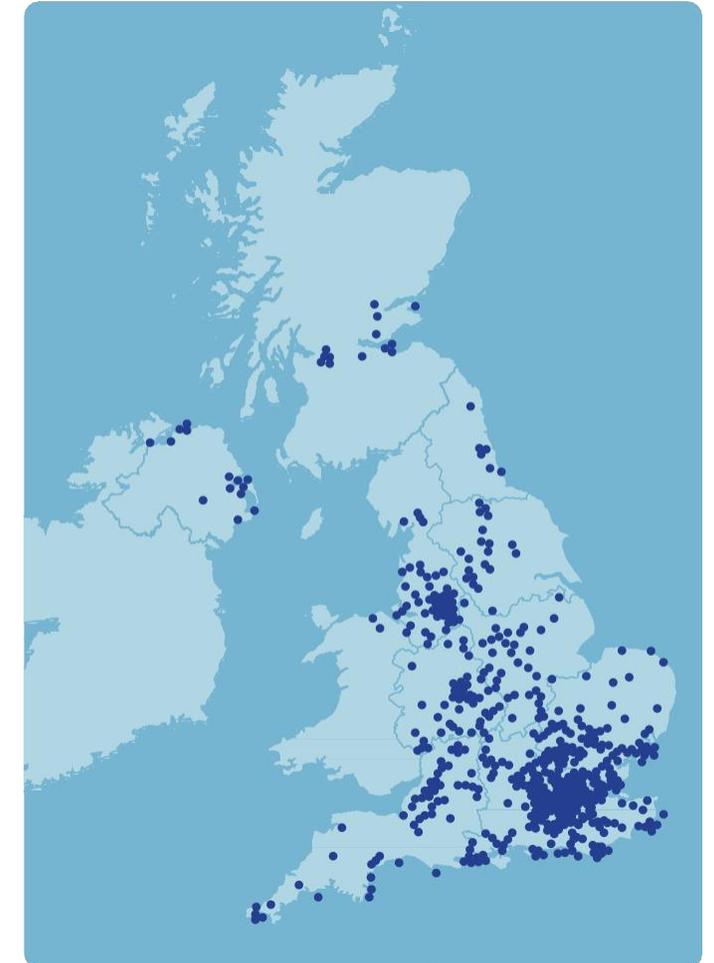
CSAT score of **88%**

90% of Property Finance and **75%** CA business is directly sourced

38% of our loan book is lending to family businesses

"We make it as simple as possible. We do what we say, and we deliver on time."

Loan book by geography



How we win business

Consistent, reliable service and recognised sector expertise



Fast, responsive credit decisions and operations



Reputation for consistent support through the economic cycles



Sector expertise in property asset classes and first-class customer service



Being a long-term partner who our customers can trust

Market overview

Attractive long-term outlook

Market themes

Structural undersupply driving demand

- Planning reform and brownfield initiatives create opportunities
- Reducing interest rates and buyer incentives

Strong institutional appetite in living sectors

- Build-to-Rent and Purpose-Built Student Accommodation

SME developers remain essential in UK housing delivery

- Opportunity to follow customers into new growth sectors

Short-term cyclical headwinds persist

- Delays and inflationary pressures, particularly around build and labour costs, in a highly competitive market for raw materials

Competitive landscape

- High-street banks focused on low-risk conventional schemes
- Private credit funds growing with higher levels of risk
- Challengers / specialists are main competitors but vary in structuring depth and cycle resilience

Strategic priorities: Growth plan

Extending into new sectors and product innovation

Growth outlook

1

Maintain and grow core book in SME Build-to-Sell

2

Expansion into high-demand living sectors (e.g. PBSA, BTR)

3

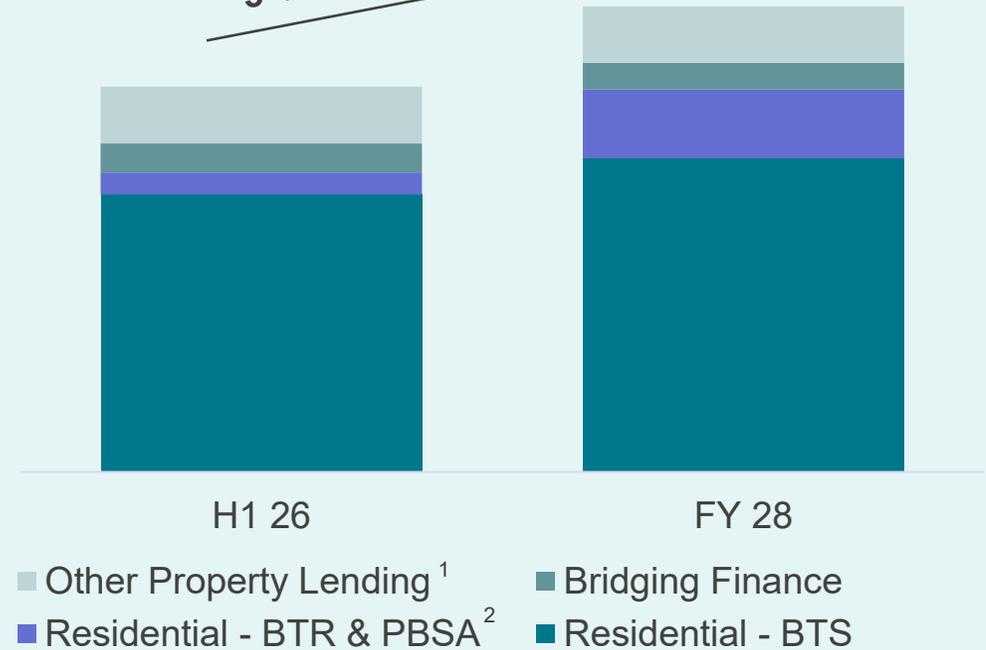
Accelerate regional penetration and presence

4

Innovative product development (e.g. RCF, CA Revolve)

Evolution of loan book

5-10% p.a. loan book growth



Notes:

1. Other Property Lending includes investment term loans and commercial development finance.
2. PBSA (Purpose-built student accommodation); BTR (Build-to-rent)

Case Study 1: Residential development finance

Bespoke RCF for a strong regional housebuilder

£38m Multi-Site Revolving
Credit Facility

Allows Fernham to deliver
their 3-year pipeline

Initial 8 sites will deliver 266
private units and 149 affordable



FERNHAM
HOMES

Case Study 2: Student accommodation

Broadening our offering into a new sector but maintaining our consistent, partnership approach

£31m Purpose Built Student
Accommodation loan

195 student housing units in
prime regional location

Expertise of Structured
Finance Team



Customer testimonials

Reputation for supporting our clients through the cycle



Key takeaways

Market-leading property lender with proven track record of high returns through the cycle



Continued **expansion of our core proposition** into new sectors and through **product innovation**

A high quality, **high return** specialist lending business built on **longstanding customer relationships**

Leading positions in residential property development and bridging finance

Long term **structural growth opportunity** despite near term headwinds



Financial update

Fiona McCarthy
Group Chief Finance Officer

Financial position

The path to double-digit returns

Simplification to focus on businesses with potential for growth and improved returns

Through the cycle **loan book growth of 5-10% p.a.** in our core businesses

c.£60m of gross annualised cost savings by the end of FY27

Further opportunities for **capital and funding optimisation**

Underpinned by consistent **low bad debt** and **strong NIM**

Our target: double-digit RoTE by FY28, and rising thereafter



Simplification

The actions to simplify the group have created a strong foundation for improved returns

Refocusing the group

Sale of CBAM

Sale of Winterflood

Sale of Brewery Rentals

Exiting Vehicle Hire

Refocusing Premium Finance on
Commercial Lines

Closed down Novitas

On stronger fundamentals

- Lower cost base
- Greater scope for efficiencies
- Loan book growth potential
- Strong NIM
- Resilient bad debt performance
- Higher return potential

Financial targets

Medium term expectations

Current

Net interest margin	7.2% FY 2025, 7.1% HY 2026
Loan book	£9.2bn at 31 January 2026
Bad debt ratio	1.0% FY 2025, 0.8% HY 2026
CET1 ratio	14.3% at 31 January 2026
Group costs	£445m FY 2025
Expense: income ratio	65% FY 2025
FTE	~2,600 FY 2025

Medium term

Slightly below 7%
5-10% growth p.a. through the cycle
Below long-term average of 1.2%
12%-13% over the medium term
£410-430m by FY 2028
<60% by FY 2028
~2,000 by FY 2028



Optimise: Cost reduction

Transformation programme on track to deliver target savings earlier than planned

FY26

Execution of in-flight initiatives

- Simplifying management structures
- Retail outsourcing
- Premium Finance restructure
- Tech and Change simplification
- Supplier cost optimisation
- 3rd party adviser spend reduction

FY27

New operating model transition

- Removal of federated structure
- Shared services for operations and functions
- Increased outsourcing with key partners
- Ramp up AI and automation

FY28+

Further opportunities

- AI and automation at scale
- Further outsourcing and enterprise shared services
- Organisational design changes to drive long-term efficiency

Savings

Previous target: c.£20m annualised
Latest view: c.£25m annualised

Previous target: £20m+ p.a. in FY27 and FY28 (annualised)
Latest view: further c.£35m annualised by end FY27

Total

c.£60m

Cost to achieve

c.£10-15m

c.£30-40m

c.£40-55m

FTE impact

~200

~400

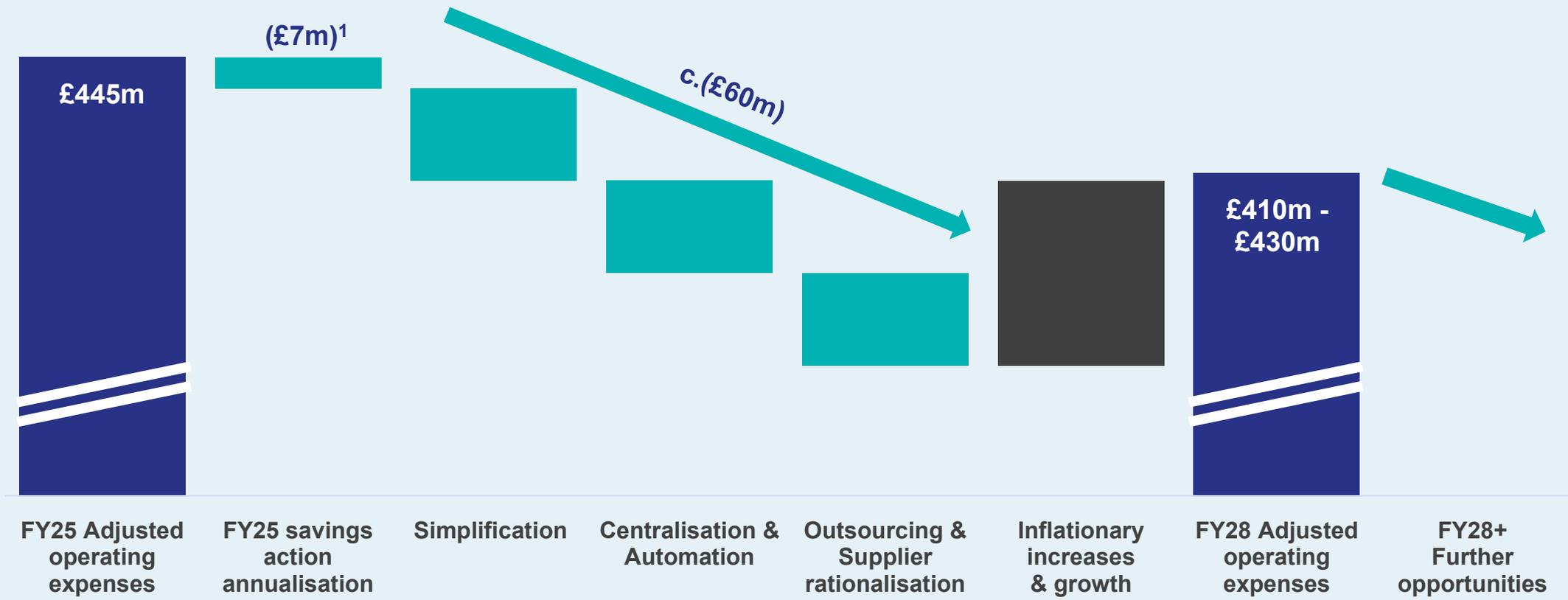
~600



Optimise: Cost reduction

Full benefit of cost savings to be realised by FY28

Group adjusted operating expenses



Note: 1. A remaining £7 million benefit of FY25 annualised cost savings recognised in FY26.

Funding and liquidity optimisation

Continuing to assess opportunities to optimise our prudent and diverse funding model

Prudent and diverse funding position

- Conservative maturity profile (“Borrow Long, Lend Short”)
- Access to wide range of retail and wholesale funding sources

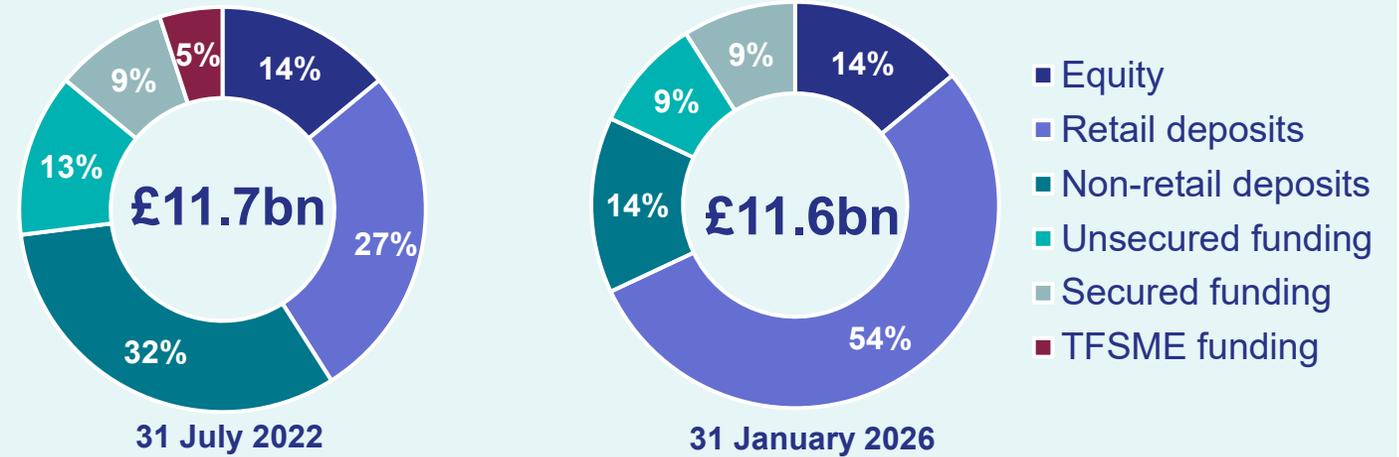
Growth in retail deposit base and product diversification

- Opportunity to further optimise funding cost and maturity
- New products including Easy Access

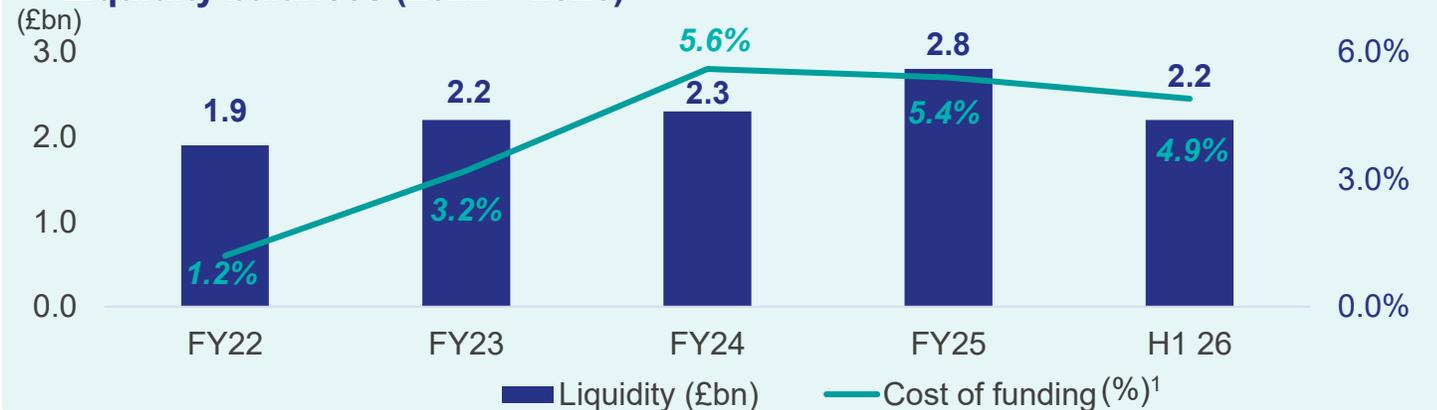
Scope to further optimise balance sheet

- Normalisation of surplus liquidity from recent elevated levels
- Ongoing review of funding mix to optimise cost

Funding sources (2022 – 2026)



Liquidity balances (2022 – 2026)



Capital allocation

Priority remains absorbing regulatory impacts and supporting loan book growth

CET1 capital ratio of 14.3% at 31 January 2026, after existing motor provision of £300m

1) Absorb regulatory impacts

– Motor commissions redress, Basel 3.1

2) Grow loan book and invest in transformation

– Driving increase in RoTE and capital generation

3) Shareholder distributions

– Resumption of ordinary dividend and/or share buybacks

Targeting
CET1 capital ratio of
12-13%
over the medium term

Summary and financial outlook

Building a strong foundation for scalable returns

FY 2026

Mobilisation and early savings

Simplification

c.£25m annualised cost savings
(~200 FTE reduction)

FY 2027

Implementation of operating model

Further c.£35m annualised cost savings
(~400 FTE reduction)

Increasing benefit from growth initiatives

FY 2028

Full benefit realisation

Costs £410-430m

Loan book £10bn+

FTE c.2,000

Double-digit RoTE

Further cost saving opportunities

5-10% loan book growth p.a.
Ongoing funding and capital optimisation

A close-up, low-angle shot of a yellow snowplow blade clearing a snowy road. The blade is in the foreground, pushing a pile of snow. The background shows a snowy landscape with trees and a building, slightly out of focus. The overall scene is bright and wintry.

Conclusion

Mike Morgan

Group Chief Executive

Concluding remarks

Executing a clear plan to reduce costs, drive growth and improve returns



Attractive specialist markets



Strong, differentiated businesses



Three clear strategic priorities



Significant cost reduction



Operating model transformation



Disciplined growth through the cycle

Double-digit RoTE by FY28, rising thereafter

Q&A

A close-up photograph of a person's hand in a blue suit sleeve pointing at a laptop screen. The screen displays several data visualization elements: a line graph with multiple colored lines at the top, a bar chart below it, and a circular gauge or pie chart in the foreground. The background is softly blurred, showing a desk and a plant. The overall lighting is cool and professional.

Appendix

Business overviews

Business overview: Commercial

Appendix

	Asset Finance	Invoice Finance
Core proposition	Commercial asset financing, hire purchase and leasing solutions	Debt factoring, invoice discounting and asset-based lending
Distribution	Direct – 67% Intermediated – 33%	Direct – 37% Intermediated – 63% ¹
SME customers	26.8k	1.6k
Geography	UK and Ireland	UK, Ireland and Germany
Loan book	£3.6bn	£1.0bn
Average loan size	c.£50k	c.£600k
Average loan maturity	c.3-4 years	c.40 months
Market share	4.2% ² market share	6.3% ³ market share

Notes: 1. Includes a range of introducers such as accountants, brokers, advisory firms. 2. Source: FLA Industry Statistics 12 months to December 2025. 3 UK Finance data for 12 months to December 2025.

Business overview: Retail

Appendix

	Motor Finance	Premium Finance
Core proposition	Used Cars, LCVs and other small vehicles (e.g. Motorcycles)	Helping businesses and customers pay for their insurance in monthly instalments
Distribution	Intermediated	Intermediated
Dealers / brokers	~3,850 (UK and ROI)	~1,100 (UK and ROI)
Geography	UK and Channel Islands – 4 hubs Ireland – 1 hub	UK, Ireland
Loan book	£2.1bn	£0.8bn
Average loan size	£10k	Consumers - £700 SMEs - £1.5k Corporates - £18k
Average loan maturity	4 years	10 months
Market share	3% ¹ market share	4% ² market share

Notes: 1. SMMT and FLA statistics 2025, point of sale data, and excludes ROI. 2 GlobalData's UK Top 25 General Insurance Competitor Analytics, and CBPF management estimates.

Business overview: Property

Appendix

	Property Finance	Commercial Acceptances
Core lending segment	<ul style="list-style-type: none"> Residential Development Finance includes Build-to-sell (BTS), Build-to-rent (BTR), Purpose-Built Student Accommodation (PBSA) Commercial Development finance Investment term loans 	<ul style="list-style-type: none"> Bridging Finance, including auction sales Residential Refurbishment/Trading finance, including Houses in Multiple Occupation (HMOs) Residential Portfolio Lending Cash flow lending against property assets
Customers	<ul style="list-style-type: none"> >500 SME developers, housebuilders, PBSA & BTR operators 	<ul style="list-style-type: none"> 400 developers, investors and traders
Geography	<ul style="list-style-type: none"> c.55% of lending in London and South-East, remainder across the UK incl. Northern Ireland 	<ul style="list-style-type: none"> c.90% of lending in London and South-East
Loan book	<ul style="list-style-type: none"> £1.5bn; c.7,000 new homes currently funded Average loan size: £4.3m 	<ul style="list-style-type: none"> £0.3bn; c.1,100 new homes currently funded Average loan size: £760k
Loan Criteria	<ul style="list-style-type: none"> Loan range: £1m-£50m+ Typical LTV: 55%-65% of GDV Loan term: Development - 12-36 months 	<ul style="list-style-type: none"> Loan range: £50k-£10m Typical LTV: 55%-65% of GDV Loan Term: Bridging, refurbishment, trading loans - 6-12 months