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Shawbrook Group PLC
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Shawbrook Group plc - Q1 2026 Trading Update

Shawbrook Group plc ('Shawbrook' or the 'Group') today issues its trading update for the three months ended 31 March 2026 ('Q1 2026') alongside guidance for FY26.

Q1 2026 highlights

	31-Mar-2026	31-Dec-2025	Change
Loan book (including OTD)[1]	**19.7bn**	19.2bn	+2.6%
Customer deposits	**18.7bn**	18.4bn	+1.8%
CET1 ratio %	**12.6**	12.4	+0.2%
Total capital ratio %	**14.9**	14.8	+0.1%
3-month-plus arrears %	**1.7**	1.6	+0.1%

Marcelino Castrillo, Chief Executive Officer, commented:
"Q1 2026 has delivered tangible progress against the strategic priorities we set out at the full year. Financial performance was strong in the first quarter, driven by continued growth and cost discipline. The loan book grew 2.6% in the quarter to £19.7 billion, with cost of deposits reducing to 3.71%. Asset quality remained robust and we strengthened our capital position by issuing £250 million of AT1 securities in April 2026.

We see attractive opportunities for growth within the specialist markets we serve, underpinned by a TAM of c.£300bn. Our proven specialist model and disciplined underwriting allow us to capture those opportunities, while remaining alert to the macroeconomic backdrop.

Our confidence underpins the FY26 guidance we are setting out today, as well as reiterating our medium-term guidance."

FY26 guidance
We set out FY26 guidance below and reiterate the Group's medium-term guidance[2].

Metric	FY26 guidance
Loan book (including OTD)	c.£21 billion
Cost to income ratio	<38%
CET1 ratio	>13.2% (pre-Basel 3.1)[3]
Underlying return on tangible equity	c.17%
Dividend policy	Maiden ordinary dividend in respect of FY26 results, payable in FY27

Strategic progress

- **Loan book** (including OTD) increased to £19.7 billion (31 December 2025: £19.2 billion), supported by selective originations across our specialist segments and continued execution of our originate-to-distribute strategy.
- **Deposit balances** increased to £18.7 billion (31 December 2025: £18.4 billion), with the stock cost of deposits reducing to 3.71% (FY 2025: 3.88%) and the cost of new retail funding aligned to our expectations.
- **Asset quality** remained robust; 3-month-plus arrears[4] were 1.7% (FY 2025: 1.6%), within management expectations.
- **CET1 ratio** increased to 12.6% (31 December 2025: 12.4%)[5]. Capital generation in the quarter was in line with expectations and consistent with our trajectory toward the FY26

guidance range of >13.2% pre-Basel 3.1, reflecting the typical first-quarter step-up in operational risk-weighted assets.

- **Total capital ratio and AT1 issuance.** In April 2026, we completed the issuance of a £250 million AT1 instrument in conjunction with a tender offer of the Group's existing £124 million AT1 securities. This increases the Group's total capital ratio from 14.9% to 16.0%, had the AT1 issue taken place as at 31 March 2026.
- **Originate-to-distribute**. We disposed of our residual interest in the £510 million Lanebrook Mortgage Transaction 2024-1 as part of our OTD strategy.
- **ThinCats update.** Following the Group's acquisition of ThinCats in Q4 2025, we completed the purchase of a c.£160 million loan portfolio, originated and serviced by ThinCats, further building scale in our targeted SME segment.

Footnotes:

1. As at 31 March 2026, the Group's OTD balances increased to £1.8 billion, resulting in a loan book of £17.9 billion (December 2025: £17.8 billion).
2. Medium-term guidance: Loan book growth of low double digits (based on a CAGR from FY24); Cost to income ratio of mid 30s; Underlying profit before tax growth of mid-high teens; Underlying return on tangible equity of high-teens; Maiden ordinary dividend in respect of FY26 results and a CET1 ratio of 12-13%.
3. The CET1 ratio guidance includes the foreseeable dividend expected to be paid in 2027.
4. The Group calculates its arrears measure by including all accounts that are greater than 3 contractual payments down at month end but excluding loans that are term expired. This is then divided by the total loan book, excluding term expired loans. ABL and Development Finance loans are excluded from the arrears measure given there is no concept of arrears in these products. Purchased or Originated Credit-Impaired loans are also excluded.
5. Includes Bank of England levy of £2.6 million (Q1 2025: £2.5 million) and operational risk RWAs of £1,174 million (31 December 2025: £1,046 million), reflecting the annual recalibration of operational risk capital requirements effective 1 January 2026, equivalent to c.13bps of CET1. Total RWAs as at 31 March 2026 were £12,331 million (31 December 2025: £12,003 million).

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About Shawbrook
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