

Metro Bank

Metro Bank is the revolution in British Banking. Founded in 2010, we offer retail, business, commercial and private banking services. We are committed to providing our FANs with unparalleled levels of service and convenience, offering award-winning app and digital services. Our Stores continue to be open longer than any of our high street peers, which is important to our community values.

2022 Full Year Results Summary

<i>£ in millions</i>	As at 31 December 2022	As at 31 December 2021	Change from FY 2021
Assets	£22,119	£22,588	(2%)
Loans	£13,102	£12,290	7%
Deposits	£16,014	£16,448	(3%)
Loan to deposit ratio	82%	75%	7pps

Daniel Frumkin, Chief Executive Officer at Metro Bank said:

"I'm pleased with Metro Bank's performance over the past year and the successful completion of our transformation plan. We returned to profitability, resolved our legacy issues and further strengthened the foundations for future sustainable growth. While I remain confident in the underlying business, material headwinds do exist, including the macro-economic environment and increasing competition for liabilities. We have established the basis to transition back to being a profitable growth engine, committed to serving our communities through our network of stores, digital offerings and stand-out customer service, as seen in the latest CMA results."

Highlights

- **Profitable in Q4 2022 on an underlying basis** as a result of the bank's commitment to strong cost control and the successful balance sheet optimisation strategy
- **Financials significantly improved year-on-year:**
 - **Underlying revenue increased 31%** reflecting the shift in deposit and asset mix, the impact of the higher Bank of England base rate, and a recovery in customer activity
 - **NIM improved by 52bps** reflecting the successful balance sheet optimisation strategy of shifting towards higher yielding assets and rolling off more expensive fixed term deposits, also supported by the higher Bank of England base rate.
 - **Underlying costs reduced 3%** despite inflationary pressures reflecting management actions to control cost and leverage the fixed cost base for profitable growth.
- **Completed turnaround; 2023 is a transitional year** and the bank will focus on serving customers and maintaining cost discipline whilst continuing to invest in infrastructure and build sustainably.
- **Resuming Store expansion** in the important economic areas and communities that make up the North of England, supported by funding from the Capability and Innovation Fund.
- **Continued commitment to customers, communities and colleagues**, voted the highest rated high street bank for overall service quality for personal customers and the best bank for service in-store for personal and business customers⁵ for the 10th time in a row.

5) Competition and Market Authority's Service Quality Survey February 2023

Financial Services Compensation Scheme

Eligible deposits are covered by a statutory Deposit Guarantee Scheme. If insolvency of any bank should occur, eligible deposits would be repaid up to £85,000 by the Deposit Guarantee Scheme.

This repayment covers a maximum of £85,000 per bank. This means that all eligible deposits at the same bank are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with £80,000 and a current account with £20,000, he or she will only be repaid £85,000.

Metro Bank PLC. Registered in England and Wales. Company number: 6419578. Registered office: One Southampton Row, London, WC1B 5HA. 'Metrobank' is the registered trade mark of Metro Bank PLC. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Most relevant deposits are protected by the Financial Services Compensation Scheme. For further information about the Scheme refer to the FSCS website www.fscs.org.uk.

Full Year 2022 Headlines

Balance sheet

Total assets	£22.1bn
Total loans	£13.1bn
Total deposits	£16.0bn
Loan/deposit ratio	82%

Revenue and profit

Total underlying revenue ¹	£522.1m
Underlying loss before tax ²	(£50.6m)
Statutory loss before tax	(£70.7m)
Cost of deposits	20bps
Net interest margin	192bps

Regulatory ratios

Total Capital & MREL	17.7%
<i>Regulatory min</i>	17% ³
<i>Including buffers</i>	20.5% ⁴
CET1	10.3%
<i>Regulatory min</i>	4.8% ³
<i>Including buffers</i>	8.3% ⁴
Leverage ratio	4.2%
Liquidity coverage ratio (LCR)	213%

- 1) Underlying revenue excludes income recognised relating to the Capability and Innovation Fund and the mortgage portfolio sale
- 2) Underlying loss before tax excludes the impairment and write-off of property, net BCR costs, plant & equipment (PPE) and intangible assets, transformation costs, remediation costs, business acquisition and integration costs, mortgage portfolio sale and costs related to holding company insertion.
- 3) Based on capital requirements at 31 December 2022, excluding all buffers.
- 4) Based on capital requirements at 31 December 2022 plus buffers, excluding any confidential PRA buffer, if applicable.

About Metro Bank

Metro Bank services 2.7 million customer accounts and is celebrated for its exceptional customer experience. It is the highest rated high street bank for overall service quality for personal customers and the best bank for service in-store for personal and business customers, in the Competition and Markets Authority's Service Quality Survey in February 2023. Metro Bank has also been awarded "2023 Best Lender of the Year – UK" in the M&A Today, Global Awards, "Best Mortgage Provider of the Year" in 2022 MoneyAge Mortgage Awards, "Best Business Credit Card" in 2022 MoneyNet Personal Finance Awards, "Best Business Credit Card 2022", Forbes Advisor, "Best Current Account for Overseas Use" by Forbes 2022 and accredited as a top ten Most Loved Workplace 2022. It was "Banking Brand of The Year" at the MoneyNet Personal Finance Awards 2021 and received the Gold Award in the Armed Forces Covenant's Employer Recognition Scheme 2021.

Credit Rating

Long Term:	B with stable outlook
Short Term:	B