



Standard Bank
Isle of Man Limited

**SUMMARY FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

Standard Bank Isle of Man Limited
Summary financial statements for the year ended 31 December 2022

Contents

	Page
General information	2
Financial review	3
Summary financial statements	4 – 5
Independent auditor's report	6
Contacts	7

Standard Bank Isle of Man Limited

Summary financial statements for the year ended 31 December 2022

General Information

Directors

P L Schlebusch (Chairman)
W P T Thorp
I M McArdle
A A J Doherty
G M Vogel
S Kennedy
L J Nelson (Appointed on 20 May 2022)
L Francis (Appointed on 27 September 2022)
Y Sanni (Appointed on 21 February 2023)
J C N Peake (Resigned on 23 February 2022)
I W Hamilton (Resigned on 20 May 2022)
C E Till (Resigned on 27 September 2022)
M Nienaber (Resigned on 31 December 2022)

Secretary

H Cullen

Registered office

Standard Bank House
One Circular Road
Douglas
Isle of Man
IM1 1SB

Contacts

Telephone: +44 (0) 1624 643643
Facsimile: +44 (0) 1624 643800
E-mail: personalbanking@standardbank.com
Website: www.international.standardbank.com

The directors present the summary financial statements of Standard Bank Isle of Man Limited (the "Bank") for the year ended 31 December 2022 which have been prepared in accordance with the applicable requirements of the Financial Services Act 2008 and the regulations (the Financial Services Rule Book) made thereunder. It is a summary of information contained in the Bank's audited financial statements for the year ended 31 December 2022 ("the full annual financial statements"), as approved by the Board of Directors on 9 March 2023 and signed on its behalf on 10 March 2023. The independent auditor has issued an unqualified report on the full annual financial statements. The auditor has an obligation to report by exception under the Isle of Man Companies Acts 1931 to 2004 if in their opinion: (a) they have not received all the information and explanations they require for their audit; (b) proper books of accounts have not been kept, or proper returns adequate for their audit have not been received from branches not visited by them; (c) the financial statements are not in agreement with the books of account and returns; and (d) certain disclosures of directors' loans and remuneration specified by law have not been complied with. The auditor in their report on the full annual financial statements reported no exceptions on the above-mentioned items.

The summary financial statements are derived from the Bank's full annual financial statements but do not contain the equivalent detailed note disclosures or additional information regarding the Bank's results and its state of affairs.

Copies of the full annual financial statements are available on request from the registered office of the Bank.

The Bank is a wholly owned subsidiary company of Standard Bank Offshore Group Limited which is incorporated in Jersey. The ultimate holding company is Standard Bank Group Limited, a company registered in the Republic of South Africa.

Copies of the financial statements of Standard Bank Group Limited are available on <https://reporting.standardbank.com>.

Standard Bank Isle of Man Limited

Summary financial statements for the year ended 31 December 2022

Financial Review

For the year ended 31 December 2022

Performance commentary

The Bank recorded a 293.2% increase in net profit for the year from £14.1m to £55.4m. The increase year-on-year ("YoY") was driven by an uplift in revenue of 111.9% (£50.2m) driven by balance sheet growth and higher customer lending supported by increases in base rates. This was partially offset by operating expenses including management charges and franchise fees which grew by 15.6% (£4.5m) and 116.9% (£1.6m) respectively.

Income

Net interest income ("NII") accounted for a substantial proportion of the 111.9% uplift in revenue, growing by 242.5% from £21.3m in 2021 to £73.1m in 2022. The growth was driven by underlying deposit and loan growth. SBSA placements margins increased from 68bps to 462bps during the period. Additionally, there was significant NII growth driven by USD and GBP interest rate changes as a result of the Federal Reserve System ("Fed") and Bank of England ("BoE") raising base rates by 425bps and 325bps respectively for the year ending 31 December 2022 compared to the prior year.

Non-interest revenue ("NIR") grew by 14.5% (£3.3m) excluding the impact of negative valuation of hedges (£2.7m). The increase was mainly due to fee income growth driven by average growth in client loans and deposits in addition to pricing revisions and client foreign exchange ("FX") revenue growth driven by increases in FX overall margins.

Expenses

Total operating expenses increased 15.6% YoY (£4.5m) mainly driven by; increase in personnel expenses due to inflationary impact and additional hires (£1.3m), increase in franchise fees driven by revenue growth (£1.6m), increase in other operating costs was largely due to higher recoveries in outsourced services including technology, data and HR operations (£1.3m) as well as website development initiatives (£270k) and increased business travel due to relaxed COVID travel restrictions (£147k). The cost-to-income ratio reduced from 64.9% to 35.4% YoY.

Loans and advances

Loans and advances to customers grew 25.0% YoY due to the Bank's continued strategic focus on loan book growth.

Loans and advances to Standard Bank South Africa ("SBSA") increased by 12.08% YoY. The increase was mainly driven by the growth of the deposit book which funded a combination of client loans, placements with SBSA and sovereign debt. The Bank maintained a proportion of assets with external counterparties during the year in line with its credit rating response plan.

Capital

The Bank remains well capitalised, with a Total Capital Ratio ("TCR") at year end of 14.1% (2021: 13.0%) prior to capitalising the profits for 2022, well above the minimum jurisdictional regulatory requirement of 10%.

Dividends

There was no dividend paid or declared during the year ended 31 December 2022 (2021: £20m).

Funding and liquidity

The Bank's liquidity position remained strong and within approved risk appetite and tolerance limits. The Bank's investment in sovereign debt increased during the year and closed at £2,029m (2021: £2,007m).

Standard Bank Isle of Man Limited
Summary financial statements for the year ended 31 December 2022

Summary statement of comprehensive income for the year ended 31 December 2022

	2022 £'000	2021 £'000
Profit for the year after income tax	55,411	14,092
Total other comprehensive income	6,167	(1,321)
Total comprehensive income for the year	61,578	12,771

Summary statement of financial position as at 31 December 2022

Assets

Loans and advances to banks - Group	1,556,199	1,388,455
Loans and advances to banks - Other	32,890	77,890
Loans and advances to customers	975,791	780,942
Financial investments at amortised cost	2,028,781	2,006,510
Equity instruments at fair value through OCI	1,146	1,255
Derivative financial instruments	40,644	38,578
Property, plant, equipment and right of use assets	4,587	4,691
Other assets	5,198	1,905
Retirement benefit asset	1,773	406
Total assets	4,647,009	4,300,632

Liabilities

Deposits from banks	32,865	31,584
Derivative financial instruments	31,228	30,340
Deposits from customers	4,274,875	4,003,169
Current tax liability	6,281	1,697
Deferred tax liability	250	41
Other liabilities and provisions	32,320	25,975
Total liabilities, excluding shareholder's funds	4,377,819	4,092,806

Equity shareholder's funds

Share capital	5,000	5,000
Retained earnings	250,976	194,779
Non-Cumulative Additional Tier 1 Capital Notes	10,550	10,550
Equity instruments at fair value through OCI	1,146	531
Cashflow hedging reserve	3,242	(206)
Post-employment benefits reserve	(1,724)	(2,828)
Equity shareholder's funds	269,190	207,826
Total liabilities and shareholder's funds	4,647,009	4,300,632

Standard Bank Isle of Man Limited
Summary financial statements for the year ended 31 December 2022

Notes to the summary financial statements
For the year ended 31 December 2022

1. Basis of compliance

The Bank's full annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

2. Contingent liabilities and commitments

To meet the financial needs of customers the Bank enters into various irrevocable commitments and contingent liabilities. Although these obligations may not be recognised on the statement of financial position, they carry credit risk and are therefore part of the overall risk of the Bank.

Guarantees

Guarantees commit the Bank to make payments on behalf of customers in the event of a specific act. Guarantees and standby letters of credit carry the same credit risk as loans.

The total financial guarantees are as follows:

	2022 £'000	2021 £'000
Financial guarantees	<u>2,991</u>	<u>3,427</u>

Loan commitments

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent cash requirements.

However, the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

Total loan commitments as at 31 December 2022 amount to £20.5m (2021: £61.5m), which represent non-cancellable facilities. The Bank also had unconditionally cancellable facilities of £50.0m (2021: £85.0m).

3. Immediate and ultimate holding company

The Bank is a wholly owned subsidiary of Standard Bank Offshore Group Limited, a company incorporated in Jersey. The ultimate holding company is Standard Bank Group Limited, a company registered in the Republic of South Africa.

The summary financial statements on pages 4 to 5 are extracts from the full annual financial statements, which were approved by the board of directors on 9 March 2023 and were signed on its behalf on 10 March 2023 by L J Nelson and L Francis.

The summary financial statements for the year ended 31 December 2022 were approved by:

L J Nelson
Director

L Francis
Director

For and on behalf of Standard Bank Isle of Man Limited on 12 April 2023.

Standard Bank Isle of Man Limited

Report of the independent auditor on the summary financial statements to the directors of Standard Bank Isle of Man Limited

Our opinion

In our opinion, the accompanying summary financial statements of Standard Bank Isle of Man Limited (the "Company") are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

Summary financial statements

The Company's summary financial statements derived from the audited financial statements of the Company for the year ended 31 December 2022 comprise:

- the summary statement of financial position as at 31 December 2022;
- the summary statement of comprehensive income for the year then ended; and
- the related notes.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and auditor's report thereon. The summary financial statements and the audited financial statement do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 13 March 2023.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

This report, including the opinion, has been prepared for and only for the company's directors in accordance with Rule 2.22 of the Financial Services Rule Book and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man
12 April 2023

Standard Bank Isle of Man Limited
Summary financial statements for the year ended 31 December 2022

Contacts

Standard Bank Isle of Man Limited
Standard Bank House
One Circular Road
Douglas Isle of Man IM1 1SB
Telephone: +44 (0)1624 643643
Facsimile: +44 (0)1624 643800
E-mail: personalbanking@standardbank.com
Website: www.international.standardbank.com