



Metro Bank PLC  
Q1 Trading Update 2016  
April 20, 2016

## METRO BANK REPORTS RECORD GROWTH IN DEPOSITS AND LOANS

Metro Bank PLC (LSE: MTRO) has delivered a strong trading performance in the first quarter of 2016 as it continues to create Britain's leading growth bank.

Q1 2016 saw record growth in deposits (+£790m); record organic growth in lending (+£586m); and record customer account acquisition (+62,000).

### Q1 Highlights

- Completion of a £400m capital raise
- Listing on the main market of the London Stock Exchange
- Total deposits up 75% year-on-year to £5,898m
- Record net deposit growth per store per month of £6.6m (\$9.5m)
- Total loans increased 125% year-on-year to £4,129m
- Revenue up 60% year-on-year
- Underlying loss after tax<sup>1</sup> down to £7.9m (compared to £10.2m in Q4 2015)
- Underlying loss after tax<sup>1</sup> improved by 23% quarter-on-quarter

Note: all figures contained in this trading update are unaudited

<i>Quarter ending £ in millions</i>	<b><u>31 March 2016</u></b>	<b><u>31 December 2015</u></b>	<b><u>% Change In Qtr.</u></b>	<b><u>31 March 2015</u></b>	<b><u>% Change In Year</u></b>
<b>Assets</b>	£7,388	£6,148	+20%	£4,244	+74%
<b>Loans</b>	£4,129	£3,543	+17%	£1,833	+125%
<b>Deposits</b>	£5,898	£5,108	+15%	£3,375	+75%
<b>Total Revenue<sup>2</sup></b>	£37.7	£34.1	+11%	£23.6	+60%
<b>Underlying profit/ (loss) after tax</b>	£(7.9)	£(10.2)	+23%	£(8.5)	+7%

<sup>1</sup> Underlying loss after tax excludes listing and related costs of £3.2m. Statutory loss after tax £11.1m.

<sup>2</sup> Excludes gains on sale of investment securities

**Craig Donaldson, Chief Executive Officer said:**

"We have had a strong opening quarter in 2016. I am particularly pleased with the momentum and quality of our lending; net lending increased by 125% per cent year on year to £4.1 billion driven by strong growth in both residential mortgages and commercial lending.

Total deposits increased 75% year-on-year to £5,898m with deposits coming from a diversified mix of both businesses and retail customers.

We continue to move towards profitability with revenue up 60% year-on-year and the underlying quarterly loss after tax down to £7.9m (compared to £10.2m in the final quarter of 2015); an improvement of 23% quarter-on-quarter."

**Vernon Hill, Chairman and Founder said:**

"We continue to create a banking revolution by building Metro Bank into a major banking force in the UK. Our constant focus on customer service and convenience across all our channels, supported by our flexible IT and powerful AMAZE culture, continues to differentiate us, and provide a compelling competitive advantage in the UK market. Every day we welcome new customers into our stores and make them Fans with our exceptional customer service."

**Highlights for the Quarter Ended 31 March 2016**

**IM The bank completed a £400m capital raise and listed on the London Stock Exchange in March 2016.**

**IM As of 31 March total assets were £7,388m, up from £6,148m at 31 December 2015 and £4,244m at 31 March 2015; representing year-on-year growth of 74% and 20% growth in the quarter.**

**IM Record net deposit growth per store per month of £6.6m (\$9.5m) in Q1 2016 versus £6.3m in Q4 2015, and £5.3m in Q1 2015. Comparative store deposit growth (a measure of deposit growth using deposit numbers from stores that have been operating for more than a full year) is 66%.**

**IM As of 31 March total deposits were £5,898m, up from £5,108m at 31 December 2015 and £3,375m at 31 March 2015; representing year-on-year growth of 75% and 15% in the quarter. Deposits for the first quarter grew £790m. Deposits from commercial customers represent 53% of 31 March 2015 total deposits (December 2015: 53%).**

	31 March 2016 £'000	31 March 2015 £'000	Annual Growth Rate
Demand: non-interest bearing	1,586,602	930,103	71%
Demand: interest bearing	2,475,779	1,623,483	53%
Fixed term	1,835,851	821,815	123%
<b>Deposits from customers</b>	<b>5,898,232</b>	<b>3,375,401</b>	<b>75%</b>
Deposits from customers include:			
Deposits from retail customers	2,775,317	1,565,850	77%
Deposits from corporate customers	3,122,915	1,809,551	73%

- IM Total loans as of 31 March were £4,129m, up from £3,543m at 31 December 2015 and £1,833m at 31 March 2015; an increase of 125% year-on-year, and a 17% increase in the quarter.** Loans to commercial customers represent 34% of total lending as of 31 March (December 2015: 36%).

	31 March 2016 £'000	31 March 2015 £'000	Annual Growth Rate
<b>Gross Loans and advances to customers</b>	<b>4,135,867</b>	<b>1,839,328</b>	
Less: allowance for impairment	(7,294)	(6,546)	
<b>Net Loans and advances to customers</b>	<b>4,128,573</b>	<b>1,832,782</b>	<b>125%</b>
Gross loans and advances to customers include:			
Commercial loans	1,427,439	835,374	71%
Residential mortgages	2,566,158	940,931	173%
Consumer and other loans and advances	142,270	63,023	126%

- IM Customer acquisition continues to be very strong.** Customer accounts have increased from 655,000 on 31 December 2015 to 717,000 at 31 March 2016; a quarterly net increase of 62,000 accounts. An increase of 45% year-on-year and a 9% increase in the quarter.
- IM Underlying loss after tax has improved by 23% quarter-on-quarter to £7.9m (compared to £10.2m in Q4 2015).** This excludes Listing costs of £3.2m leading to a Statutory loss after tax of £11.1m.
- IM Asset quality remains strong. Loan loss reserve as a percentage of total loans was 0.18% at 31 March 2016 compared to 0.36% at 31 March 2015.**
- IM Kings Road Chelsea (store 41) opened on 15 April.**
- IM Capital ratios remain robust and well above regulatory requirements.** Common Equity Tier 1 Capital ("CET1") as a percentage of risk weighted assets is 25%. Regulatory Leverage ratio is 9%.
- IM** The bank has appointed RBC Capital Markets and Jefferies Hoare Govett as joint corporate brokers.

### Analyst and investor call

An analyst and investor call will be held as follows:

<p>Date: Wednesday 20 April 2016  Time: 2.00pm (London time)  Dial: +44 (0)20 3139 4830  Dial: +44 (0)808 237 0030 (UK Toll Free)  Participant Pin: 67377918#  URL for International Dial in numbers:  <a href="http://events.arkadin.com/ev/docs/NE_FEL_Events_International_Access_List.pdf">http://events.arkadin.com/ev/docs/NE_FEL_Events_International_Access_List.pdf</a>  An operator will assist you in joining the call.</p>
--

**For more information, please contact:**

*Metro Bank PLC Press Office*  
Deborah Lewis  
+44 (0)20 3427 1485  
[pressoffice@metrobank.plc.uk](mailto:pressoffice@metrobank.plc.uk)

*Metro Bank PLC Investor Relations*  
Jo Roberts  
+44 (0) 20 3402 8900  
[IR@metrobank.plc.uk](mailto:IR@metrobank.plc.uk)

**ENDS**

**About Metro Bank**

**Retail banking:**

- 7 day a week store banking (8am-8pm Monday to Friday, 8am-6pm Saturday, 11am-5pm Sunday and bank holidays), 362 days of the year
- The ultimate in new account opening convenience, with a rapid opening procedure and on the spot bank cards and cheque books (Account Opening conditions apply. All Metro Bank products are subject to status and approval.)
- Free coin counting at every store, for customers and non-customers alike, with the Metro Bank Magic Money Machine™
- A friendly welcome to dogs and their owners, with water bowls and dog biscuits on hand for man's best friend - dogs rule at Metro Bank!

**Business banking:**

- The bank for entrepreneurs: Metro Bank offers tailored business banking services including a full range of lending and cash management solutions

**Private banking:**

- Private by name, personal by nature: Metro Bank Private Banking provides bespoke banking solutions for customers' personal and commercial interests

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.

We're 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](http://www.fscs.org.uk).

All Metro Bank products are subject to status and approval.

**Forward looking statements**

This announcement contains certain forward looking statements with respect to the business, strategy and plans of Metro Bank PLC and its current goals and expectations relating to its future financial condition and performance. Such statements are not historical facts, nor are they guarantees of future performance.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future.

# Metro Bank PLC

## Balance Sheet and Profit & Loss Account

Balance Sheet	Annual Growth Rate	2016		2015	
		31-Mar	31-Dec	31-Mar	
		£'000	£'000	£'000	
<b>Assets</b>					
Loans and advances to customers	125%	4,128,573	3,542,548	1,832,782	
Treasury assets <sup>1</sup>		2,906,176	2,281,940	2,083,752	
Other assets <sup>2</sup>		353,254	323,534	327,460	
<b>Total assets</b>	<b>74%</b>	<b>7,388,003</b>	<b>6,148,022</b>	<b>4,243,994</b>	
<b>Liabilities</b>					
Deposits from customers	75%	5,898,232	5,107,656	3,375,401	
Other liabilities		691,357	633,191	413,663	
<b>Total liabilities</b>		<b>6,589,589</b>	<b>5,740,847</b>	<b>3,789,064</b>	
<b>Total shareholder's equity</b>	<b>76%</b>	<b>798,414</b>	<b>407,175</b>	<b>454,930</b>	

Profit & Loss Account	Annual Growth Rate	2016		2015	
		Q1	Q4	Q1	
		£'000	£'000	£'000	
Net interest income		30,507	27,413	17,750	
Fee and other income		7,240	6,638	5,874	
Net gains on sale of securities		40	254	3,890	
<b>Total revenue</b>	<b>37%</b>	<b>37,787</b>	<b>34,305</b>	<b>27,514</b>	
Operating expenses <sup>3</sup>		(47,349)	(46,812)	(38,045)	
<b>Underlying loss before tax</b>	<b>9%</b>	<b>(9,562)</b>	<b>(12,507)</b>	<b>(10,531)</b>	
Underlying taxation		1,617	2,332	2,029	
<b>Underlying loss after tax</b>	<b>7%</b>	<b>(7,945)</b>	<b>(10,175)</b>	<b>(8,502)</b>	
Listing and related costs		(3,107)	(1,465)	-	
Impairment of PPE and intangible assets (net of tax)		-	(7,699)	-	
Write down of deferred tax asset		-	(2,651)	-	
<b>Statutory loss after tax</b>		<b>(11,052)</b>	<b>(21,990)</b>	<b>(8,502)</b>	

<sup>1</sup> Comprises investment securities, cash & balances with the Bank of England, and loans and advances to banks

<sup>2</sup> Comprises property, plant & equipment, intangible assets and other assets

<sup>3</sup> Includes credit impairment charge