



**Standard Bank
Jersey Limited**

**SUMMARY FINANCIAL
STATEMENTS FOR
THE YEAR ENDED
31 DECEMBER 2023**

Standard Bank Jersey Limited
Summary financial statements for the year ended 31 December 2023

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General Information

Directors

P L Schlebusch (Chairman)
A E Icton
W P T Thorp
P M Yates
C G Molteno
A M John
L J Nelson
O O Sanni (Appointed on 21 February 2023)
G M Vogel (Resigned on 12 June 2023)

Secretary

H Cullen

Registered office

Standard Bank House
47 – 49 La Motte Street
St Helier
Jersey
JE2 4SZ
Channel Islands

Contacts

Telephone: +44 (0) 1534 881 188
Facsimile: +44 (0) 1534 881 199
E-mail: personalbanking@standardbank.com
www.international.standardbank.com

The directors present the summary financial statements of Standard Bank Jersey Limited (the "Bank") for the year ended 31 December 2023. It is a summary of information contained in the Bank's audited financial statements for the year ended 31 December 2023 ("the full annual financial statements"), as approved by the Board of Directors and signed on its behalf on 13 March 2024. The full annual financial statements have been delivered to the Registrar of Companies and the independent auditor's report was not qualified in any respect.

The principal activities of the Bank are banking and related financial services activities.

The information contained within these summary financial statements has been prepared in accordance with the requirements of the Banking Business (Jersey) Law 1991. Additional information to allow for a full understanding of the results of the Bank and state of affairs of the Bank has been submitted to the Jersey Financial Services Commission, as required by the Banking Business (Jersey) Law 1991. In accordance with Banking Business (Accounts, Auditors and Reports) (Jersey) Order 2023, the Bank has decided to adopt the summarised form of financial statements for publication purposes.

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 to depositors 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 parent 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>.

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Financial Review

For the year ended 31 December 2023

Performance commentary

The Bank recorded a net profit for year of £61.9m, up 150.9% compared to prior year of £24.7m. The increase year-on-year ("YoY") was driven by a 67.1% (£51.9m) uplift in net operating income. This was primarily driven by Net Interest Income of 91.4% (£40.9m) above prior year due to higher interest income from existing client loans, financial instruments and loans and advances to banks. This was partially offset by growth in staff and operating expenses of 21.1% (£10.6m).

Income

Net interest income ("NII") accounted for a substantial proportion of the 67.1% uplift in net operating income, growing by 91.4% from £44.8m in 2022 to £85.8m in 2023. The increase was driven by asset margin expansion on the back on the back of BoE and Fed base rate hikes up to 5.5% from 3.5% at close of 2022 and by 100bps to 5.5% respectively.

Net non-interest revenue ("NIR") grew by 14.7% (£5.3m), excluding the impact of positive valuation of hedges (£3.3m). The increase is mainly driven by higher management fees charged to fellow Group subsidiaries (£6.7m) following an update to the cost allocation methodology, partially offset by higher retrocessions due to increased transactional activity YoY.

Expenses

Total expenses increased by 21.1% (£10.6m). Personnel expenses excluding incentives increased by 12% (£2.4m) driven by an increase in basic salary due to salary inflationary increases and higher headcount. Operating expenses excluding franchise fees increased by 29% (£6.7m) mainly driven by IT consultancy charges.

Other Comprehensive Income

Other comprehensive income movement of £5.0m was mainly driven by impact of change in fair value of outstanding cashflow hedges (£3.1m) and remeasurement of post-employment benefits (£1.4m).

Loans and advances

Weighed down by difficult credit conditions, loan growth declined by 4.9% YoY mainly due to repayments, which offset new bookings.

Loans and advances to SBSA decreased by 43.1% YoY. This mainly due to the impact of a glidepath agreement with the Jersey Financial Services Commission to reduce SBJ's exposure to SBSA.

Capital

The Bank remains well capitalised with Total Capital Ratio ("TCR") at year end of 18.8% (2022: 17.3%) prior to capitalising the profits for 2023, above the jurisdictional minimum regulatory requirement of 10.0%. The expected credit loss provision remained immaterial.

Dividends

The Board approved and paid a dividend of £24.8m during the year ended 31 December 2023 (2022: £nil).

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 decreased during the year and closed at £1,545m (2022: £1,712m).

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Summary statement of comprehensive income for the year ended 31 December 2023

	2023 £'000	2022 £'000
Profit for the year after income tax	61,907	24,675
Total other comprehensive income	(380)	4,615
Total comprehensive income for the year	61,527	29,290

Summary statement of financial position as at 31 December 2023

Assets

Loans and advances to banks - Group	75,851	133,239
Loans and advances to banks - Other	22,977	21,159
Loans and advances to customers	809,885	851,979
Financial investments at amortised cost	1,544,707	1,712,172
Equity instruments at fair value through OCI	940	764
Derivative financial instruments	4,429	15,944
Intangible assets	1,582	2,312
Property, plant, equipment and right of use assets	7,957	7,039
Other assets	15,021	14,021
Retirement benefit asset	2,568	2,677
Deferred tax asset	1,489	10
Total assets	2,487,406	2,761,316

Liabilities

Deposits from banks	4,967	15,474
Derivative financial instruments	570	1,886
Deposits from customers	2,222,745	2,544,050
Current tax liability	8,093	3,095
Other liabilities and provisions	47,799	28,898
Total liabilities, excluding shareholder's funds	2,284,174	2,593,403

Equity shareholder's funds

Share capital	36,300	36,300
Share premium	7,734	7,734
Non-Cumulative Additional Tier 1 Capital Notes	21,270	21,270
Retained earnings	144,660	108,961
Post-employment benefits reserve	(9,466)	(9,174)
Cashflow hedging reserve	1,794	2,058
Equity instruments at fair value through OCI	940	764
Equity shareholder's funds	203,232	167,913
Total liabilities and shareholder's funds	2,487,406	2,761,316

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Notes to the summary financial statements
For the year ended 31 December 2023

1. Basis of compliance

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

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 in the statement of financial position, they do contain 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 as at 31 December 2023 amount to £8.7m (2022: £1.6m).

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 2023 amount to £10.8m (2022: £29.7m), which represent non-cancellable facilities. The Bank also had unconditionally cancellable facilities of £62.6m (2022: £80.4m).

In the routine operations of the Bank, it is not uncommon to be periodically subject to potential and actual litigation or claims, the outcome of which is frequently uncertain as to timing and whether any liability or asset exists. Management reviews the relevant cases and consults with in-house and external legal counsel, as appropriate, at the balance sheet date. Due to inherent uncertainties involved in determining whether the Bank has a present obligation and because the amount or impact may not be readily quantifiable, provisions in this regard are not considered necessary except as specifically disclosed. Whilst the Directors consider that the liabilities are fairly stated on the basis of the information currently available to them at the balance sheet date, adjustments may be required for any material potential and actual claims as they develop.

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 and signed on its behalf on 13 March 2024 by L J Nelson and C G Molteno.

The summary financial statements for the year ended 31 December 2023 were approved by:

L J Nelson
Director

C G Molteno
Director

For and on behalf of Standard Bank Jersey Limited on 2 April 2024.

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Contacts

Standard Bank House
PO Box 583
47–49 La Motte Street
St. Helier Jersey JE4 8XR
Telephone: +44 (0)1534 881 188
Facsimile: +44 (0)1534 881 199
E-mail: personalbanking@standardbank.com
Website: www.international.standardbank.com