



Skipton International Limited

2024 Half Year Results Update (Unaudited)

June 2024



Welcome

Jim Coupe, Chief Executive Officer, Skipton International



Welcome to Skipton International's 2024 Half Year presentation.

Skipton had a robust half year, with a Profit before Tax of £18m and Return on Equity at 23%. The mortgage book performed well despite market conditions, with the current book standing at £2,176m. This was split between Channel Island lending at £831m and UK lending at £1,345m. Arrears stand at just 1 in 400 mortgages.

Our savings products were recognised for an historic third consecutive year at the Moneyfacts Consumer Awards, for 'Best Offshore Account Provider' and we are proud two times winners of the Mortgage Introducer 'Top Mortgage Employer' Award. Customer service has always been at the heart of our ethos, and we proudly maintained our Feefo Platinum 'Trusted Provider' status for the fifth time.

The Skipton Community Fund continues to help more good causes across the Channel Islands, in addition to our ongoing sponsorships of community event such as the Skipton Boxing Day Dip and Jersey's homeless charity, The Sanctuary Trust.

I would like to thank my colleagues for their exemplary hard work so far this year.

I hope you enjoy reading our 2024 Half Year results update.

A handwritten signature in black ink that reads "J Coupe". The signature is written in a cursive, flowing style.

Skipton's Vision, Mission and Values

Vision

Skipton's vision is to be the most recommended Channel Island bank.

Mission

Skipton's mission is to help customers achieve their property owning and savings goals through delivery of quality products and an unrivalled customer experience.

Values

Skipton's values are centred on Trust, Ownership and One Team.



Balance Sheet

Skipton is a mortgage and savings bank providing mortgages secured on residential properties in the Channel Islands and United Kingdom.

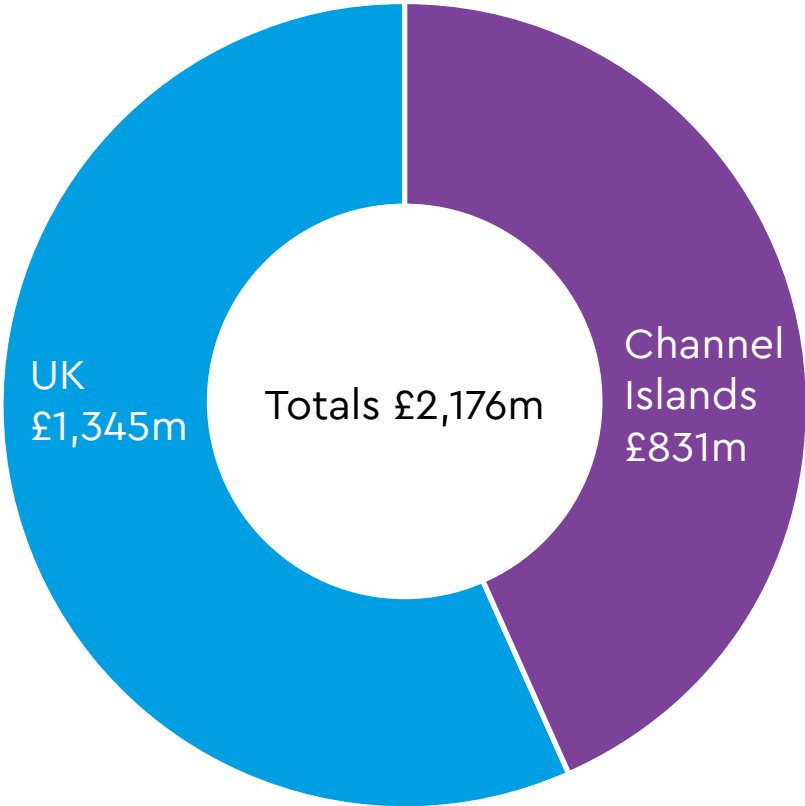
The average loan-to-value of the mortgage portfolio is 50%.

Arrears are currently 1 in a 400 mortgages.

Mortgages are funded by deposits from individuals predominantly located across the Crown Dependencies and UK, plus trusts and corporate customers.

Liquidity is held in High Quality Liquid Assets, which are directly owned (or secured against) UK Treasury Bills and Supranational assets. Remaining liquid assets are maintained as cash at banks or debt securities from A1 or higher rated issuers.

Mortgage Book

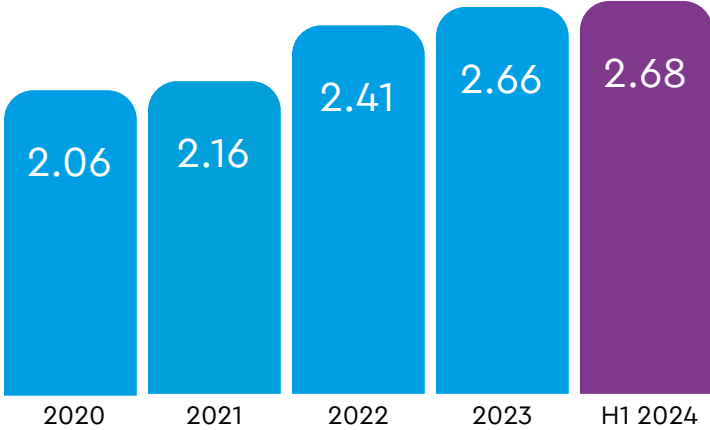


Balance Sheet

	H1 2024 £m	H1 2023 £m
Liquid Assets	473	428
Mortgages	2,125	1,946
Other Assets	81	151
Total Assets	2,679	2,525
Deposits	2,399	2,260
Other Liabilities	124	146
Share Capital	15	15
Reserves	141*	104
Total Liabilities and Equity	2,679	2,525

*Includes unaudited YTD profit.

Total Assets (£bn)



Mortgage Highlights

Gross mortgage lending in 2024 to end of June was £121m (H1 2023: £210m).

The average indexed loan-to-value of mortgages was 50% (2023: 50%).

The UK mortgage book currently represents 62% of the total mortgage book and is a key growth area.

The Channel Islands mortgage book is mature and the absolute value is now fairly static.

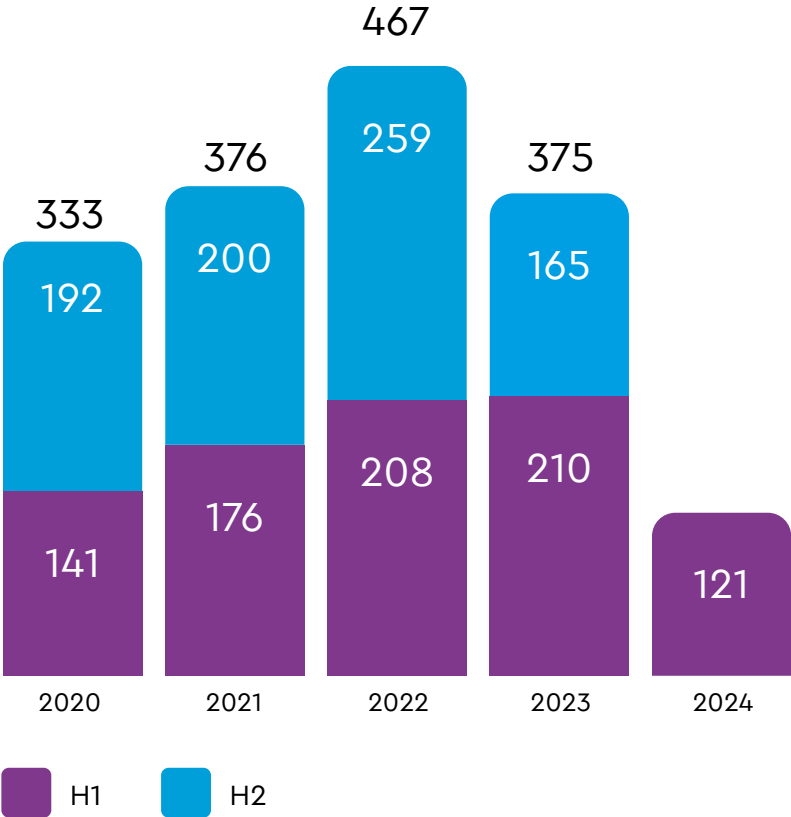
Credit risk appetite has remained broadly similar to last year.

Skipton supports first time buyers, the Guernsey Housing Association Scheme and the Andium Homes Scheme in Jersey.

Skipton does not have any commercial or sub-prime mortgages or unsecured lending.

Skipton is licensed under the Lending, Credit and Finance (Bailiwick of Guernsey) Law 2022.

Gross Mortgage Lending (£m)



Mortgage Book Quality

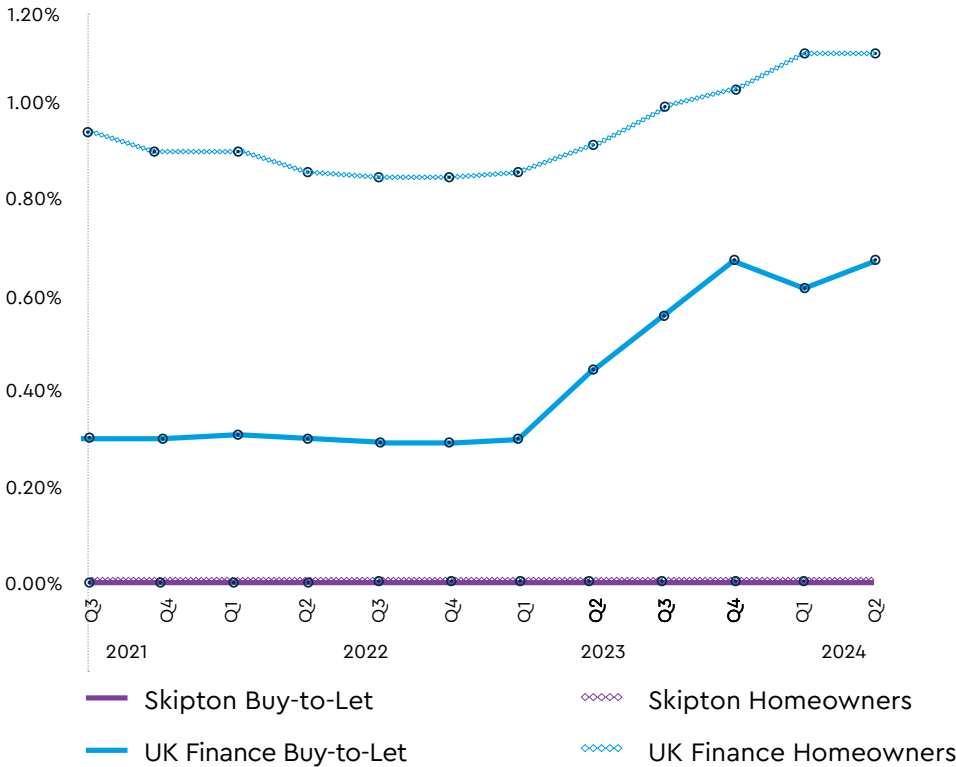


Residential mortgages in arrears by three months or more is 0.07% (2023: 0.04%).



Skipton has only ever repossessed two properties since 2002.

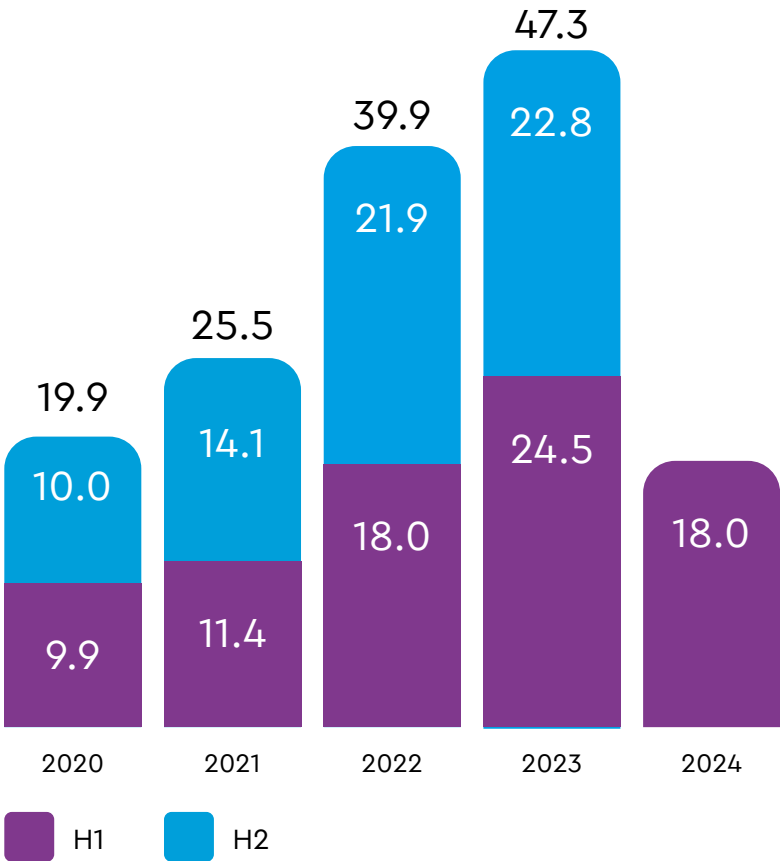
Arrears over 2.5% of Mortgage Balance



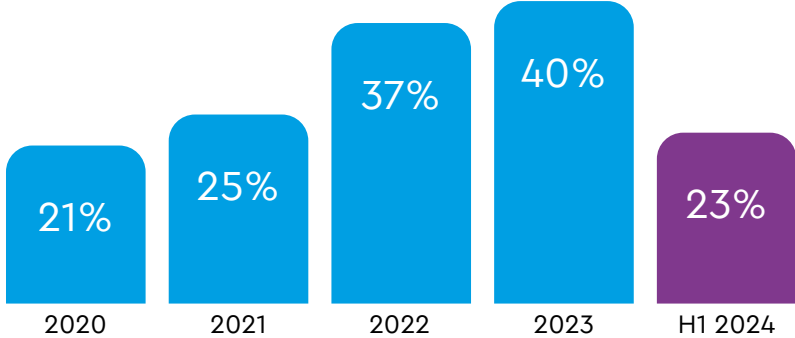
(Sourced from UK Finance mortgage arrears data, consolidating data from more than 250 firms in the UK)

Profit Performance

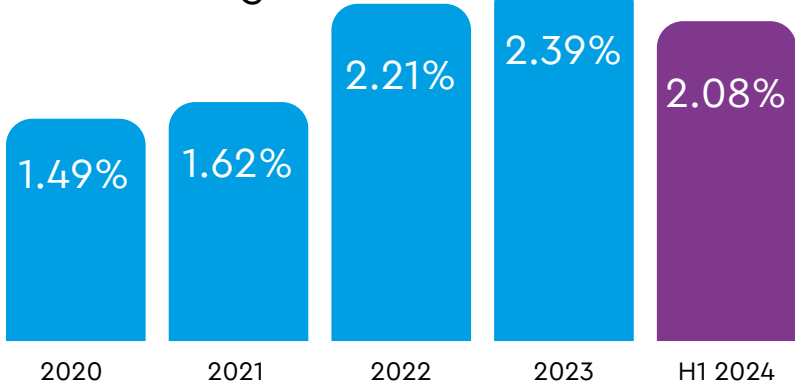
Profit Before Tax (£m)



Return on Equity



Interest Margin



Liquidity



Skipton holds sufficient liquidity to meet all of its internal and regulatory minimum requirements.



At 30 June 2024, Skipton's Liquidity Coverage Ratio was 198%, well above the regulatory minimum of 100%.



At 30 June 2024 Skipton's Net Stable Funding Ratio was 149%.



At 30 June 2024, Skipton's liquidity as a percentage of deposit liabilities was 19.4%.



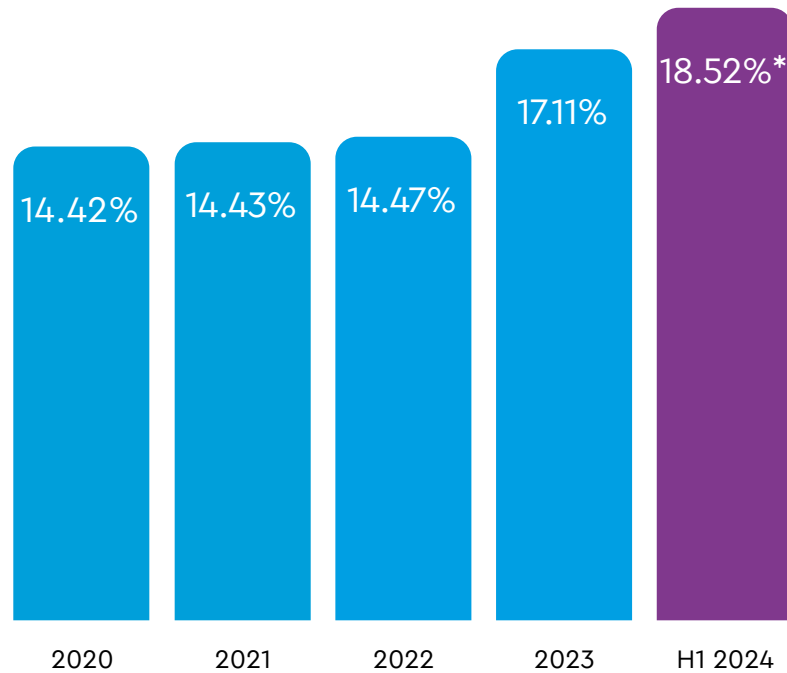
Skipton maintains a diverse stock of quality liquid assets with strong credit ratings.



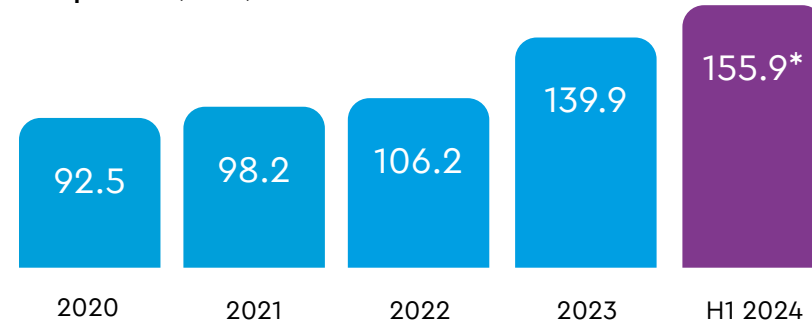
Skipton accepts US Dollar accounts.

Skipton's Capital Strength

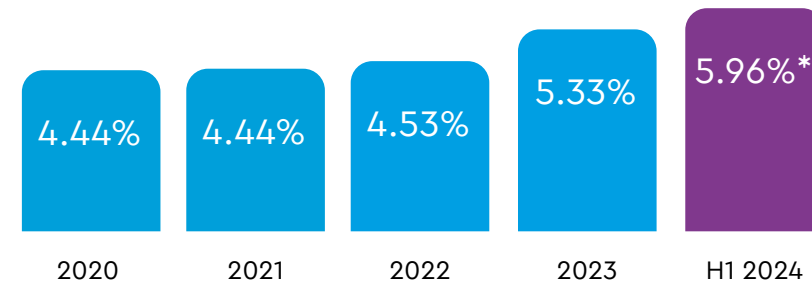
Common Equity Tier 1



Capital (£m)



Leverage Ratio



*including unaudited YTD profit

Summary and Focus



Profit before tax:
H1 2024: £18.1m
H1 2023: £24.5m



Net Interest
Margin was 2.08%
2023 H1: 2.48%



Maintained
excellent asset
quality with very
low arrears.



Delivered a strong
CET1 capital and
Leverage ratio of
18.52% and 5.96%
respectively at
June 2024, including
unaudited profit.



Delivered a
strong return
on equity
of 23%.
H1 2023: 42%



Excellent Feefo
score of 4.7/5
stars for service.

Business Information

<p><u>Full Name and Legal Status</u> Skipton International Limited. Company Number: 30112. No subsidiaries.</p>	<p><u>Registered Address</u> Tudor House The Bordage St Peter Port Guernsey GY1 6DS</p>	<p><u>Shareholder</u> <u>Skipton Building Society</u> owns 100% of Skipton's £15m share capital. Skipton Building Society is the 4th largest building society in the UK with assets exceeding £38.7bn.</p>	<p><u>Governance</u> <u>Board of Directors</u>, comprising two nominee directors from Skipton Building Society; three independent Channel Island resident Non Executive Directors and two Guernsey resident Executive Directors.</p>
<p><u>Credit Rating</u> Skipton International Limited does not have its own credit rating.</p>	<p><u>Authorised and regulated by:</u> The Guernsey Financial Services Commission (GFSC) GFSC Reference: 91343 Regulatory Permissions – Banking Licence.</p>	<p><u>Lending, Credit and Finance Law:</u> Skipton International Ltd is licensed under the Lending, Credit and Finance (Bailiwick of Guernsey) Law 2022.</p>	<p><u>Deposit Compensation Scheme</u> Skipton International is a participant in the Guernsey Banking Deposit Scheme. Details at www.dcs.gg</p>

Business and Financial Highlights



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