

Third Quarter 2021 Trading Update

<i>£ in millions</i>	30 September 2021	30 June 2021	Change from half year 2021	30 September 2020	Change from Q3 2020
Assets	£22,767	£23,013	(1)%	£22,140	3%
Loans¹	£12,315	£12,325	0%	£15,085	(18%)
Deposits	£16,412	£16,620	(1)%	£15,622	5%
Loan to deposit ratio	75%	74%	1pp	97%	(22)pp

Q3 total deposits of £16,412 million were 1% below Q2 as the Bank managed the deposit mix, and benefitted from the continued roll-off of higher-cost fixed term deposits and growth in current account and instant access balances. Maintaining a high-quality deposit mix remains a near-term focus for 2021.

Q3 total net loans of £12,315 million were broadly flat and reflected growth in consumer unsecured lending and specialist mortgages, offset by the attrition of lower-yielding residential mortgages and commercial term loans including the initial repayment of BBLS². Front-book yield continued to improve benefitting from the mix shift towards higher-yielding lending categories, partially offset by pricing pressures in the mortgage market. Credit impairments were benign, in line with guidance provided at the half year. The year-on-year decrease in loan to deposit ratio reflected the £3.1 billion mortgage portfolio disposal completed in February 2021 and the increase in deposits in the period. The Bank continues to hold an elevated liquidity position.

The Bank's MREL resources currently exceed its requirement of 20.5%³, however as indicated at the half year, the Bank is comfortable operating within buffers.

Daniel Frumkin, Chief Executive Officer at Metro Bank, said:

"The Bank has continued to deliver against its strategic priorities during the quarter. We have seen improvements in our lending mix from our expanded product offering. We are seeing signs of a gradual return to normality and have adopted a hybrid way of working for office-based colleagues. We remain focused on executing on our plans and returning the Bank to sustainable profitable growth."

1. At 30 September 2020 the loans balance includes £3.1 billion of mortgages since disposed, the disposal completed on 2 February 2021
2. Government supported Business Bounce Back Loans
3. MREL requirement of 18.0% plus capital conservation buffer (CCoB) of 2.5%, excluding any confidential PRA buffer, if applicable

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About Metro Bank

Metro Bank services more than two million customer accounts and is celebrated for its exceptional customer experience. It is the highest rated high street bank for overall service quality and best bank for service in-store for personal and business customers in the Competition and Market Authority's Service Quality Survey in August 2021. It was recognised as 'Bank of the Year' at the 2020 MoneyAge Awards and 'Banking Brand of The Year' at the MoneyNet Personal Finance Awards 2021, received Gold Award in the Armed Forces Covenant's Employer Recognition Scheme 2021 and won Best Open Banking Partnership – Commercial at the inaugural Open Banking Expo Awards 2021.

The community bank offers retail, business, commercial and private banking services, and prides itself on giving customers the choice to bank however, whenever and wherever they choose, and supporting the customers and communities it serves. Whether that's through its network of 78 stores open seven days a week, 362 days a year; on the phone through its UK-based 24/7 contact centres; or online through its internet banking or award-winning mobile app: the bank offers customers real choice.

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