



Skipton International Limited

## 2024 Results Update

December 2024 (audited)



# Welcome

Jim Coupe, Chief Executive Officer, Skipton International



Welcome to Skipton International's 2024 results presentation.

Skipton International delivered strong profitability in 2024, despite continuing economic uncertainties and inflationary pressures, both domestic and global. In 2024 the bank delivered a Profit before tax of £31 million. Return On Equity returned to trend at 19.9%, following the prior year's 39.9%, which was flattered by rises in base rates.

The mortgage book decreased slightly due to lower completions in the year of £167 million (2023 was £375 million). There were just 23 mortgages in any form of arrears at year end, representing around 1 in 330 accounts. There were just 10 arrears cases of three months and over.

Whilst the book is performing well, management considered it prudent to increase the IFRS 9 expected credit losses provision by £0.4m. Skipton maintained strong levels of liquidity with a Liquidity Coverage Ratio of 298% at year end (2023: 196%). Our savings products were recognised for an historic fourth 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.

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. In a year that had its moments of turbulence in the financial markets I would like to thank my colleagues for their hard work and exemplary focus on customer service, which delivered our sixth consecutive Feefo Platinum Trusted Service Provider award.

I hope you enjoy reading our 2024 results update.

A handwritten signature in black ink, which appears to read 'J Coupe'.

# Skipton's Vision, Mission and Values

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## 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

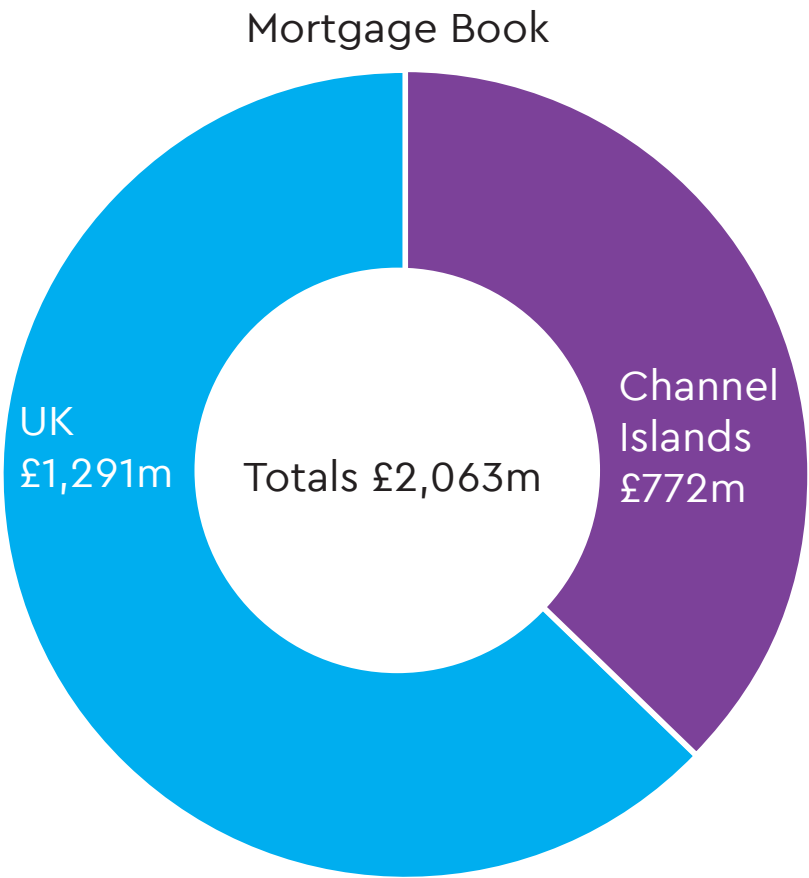
Skipton is a mortgage and savings bank providing mortgages secured on residential properties in the Channel Islands and United Kingdom.

The average loan-to-value of the mortgage portfolio is 52%.

Arrears are currently 1 in a 330 mortgages.

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

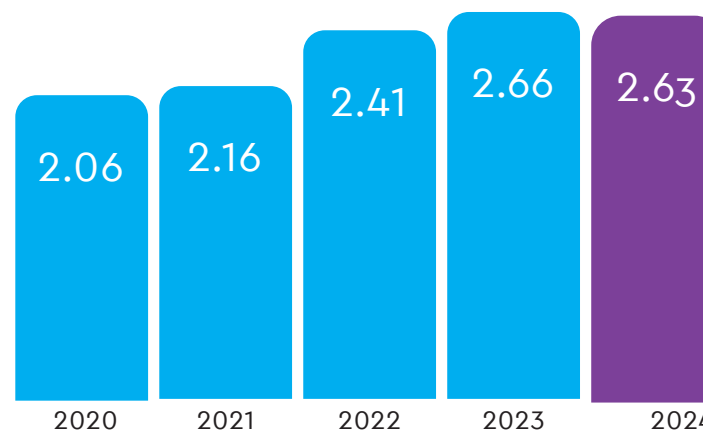
Liquidity is held in High Quality Liquid Assets, which are directly owned (or secured against) UK Treasury Bills, Gilts and Supranational assets. Remaining liquid assets are maintained as cash at banks or debt securities from A1 or higher rated issuers.



# Balance Sheet

|                                     | 2024<br>£m   | 2023<br>£m   |
|-------------------------------------|--------------|--------------|
| Liquid Assets                       | 512          | 481          |
| Mortgages                           | 2,063        | 2,105        |
| Other Assets                        | 58           | 72           |
| <b>Total Assets</b>                 | <b>2,633</b> | <b>2,658</b> |
| Deposits                            | 2,418        | 2,446        |
| Other Liabilities                   | 63           | 72           |
| Share Capital                       | 15           | 15           |
| Reserves                            | 137          | 125          |
| <b>Total Liabilities and Equity</b> | <b>2,633</b> | <b>2,658</b> |

Total Assets (£bn)



# Mortgage Highlights

Gross mortgage lending in 2024 to end of December was £167m (2023: £375m).

The average indexed loan-to-value of mortgages was 52% (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.

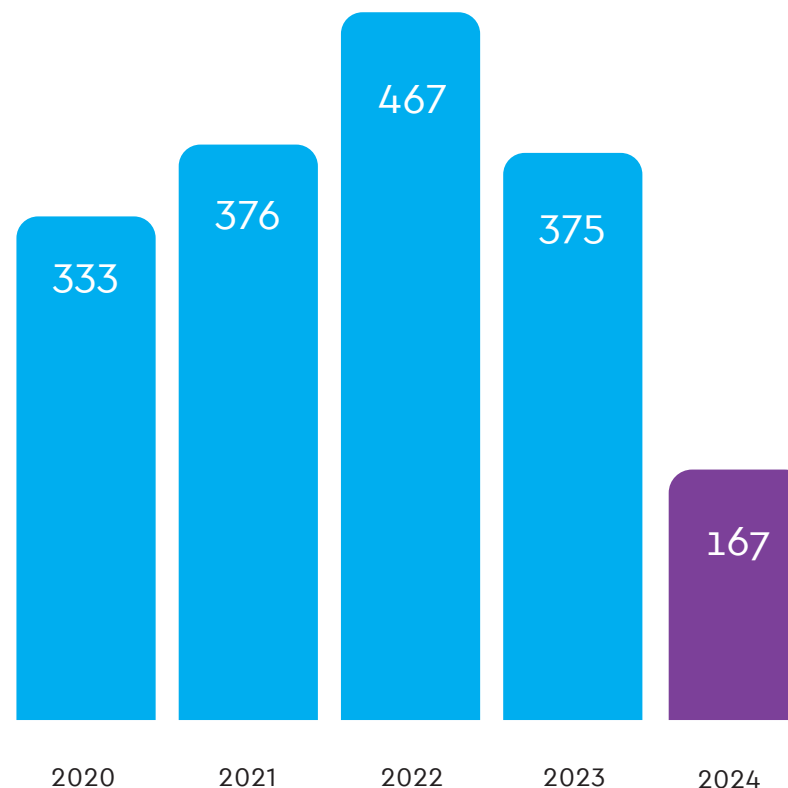
Credit risk appetite has remained broadly similar to last year.

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

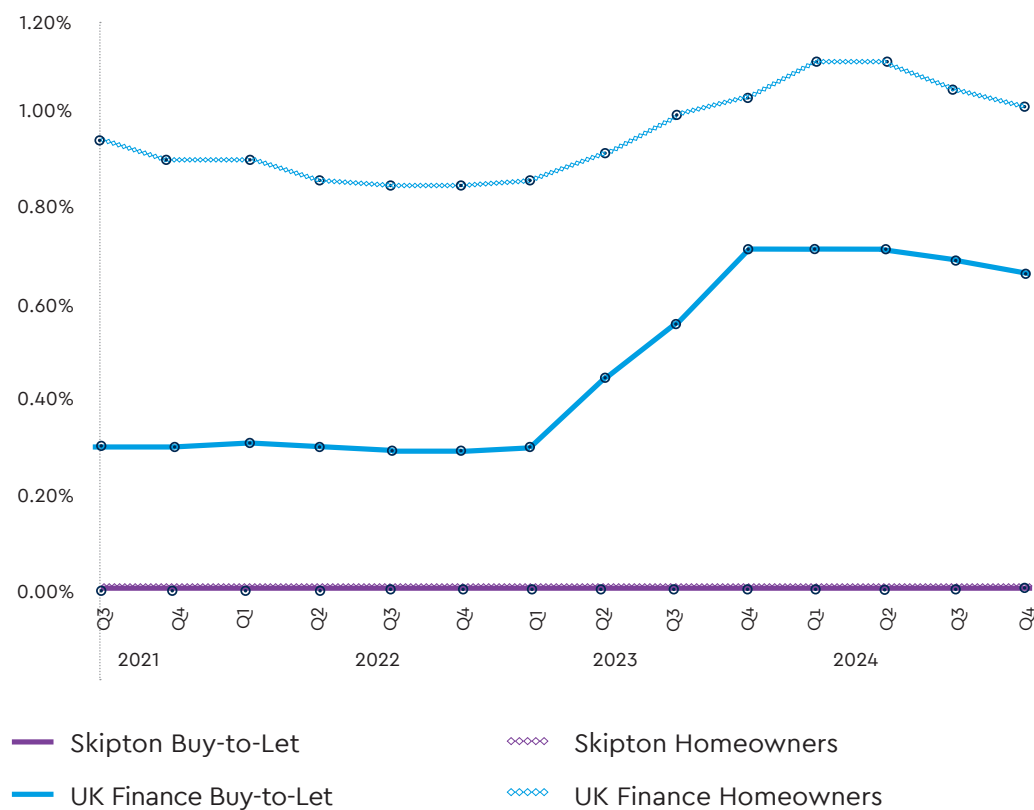


Residential mortgages in arrears by three months or more is 0.04% (2023: 0.04%).



Skipton has only ever repossessed two properties since 2002.

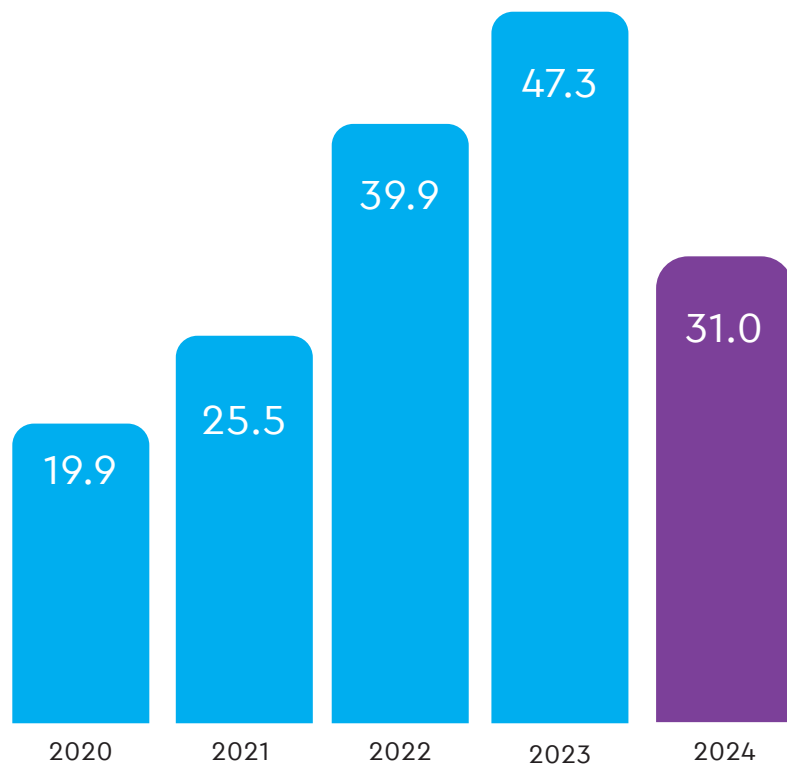
## Arrears over 2.5% of Mortgage Balance



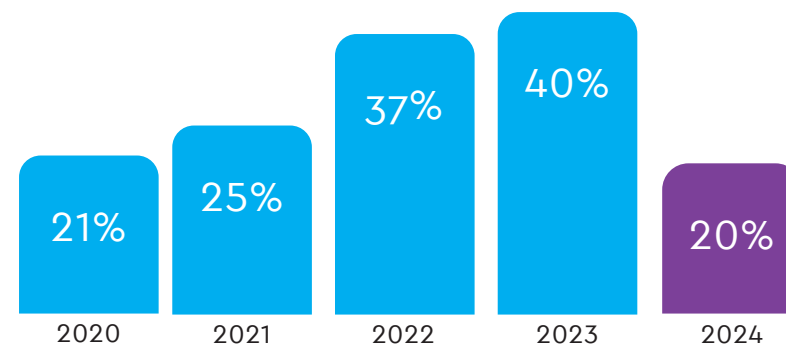
(Sourced from UK Finance mortgage arrears data, consolidating data from more than 250 firms in the UK)

# Profit Performance

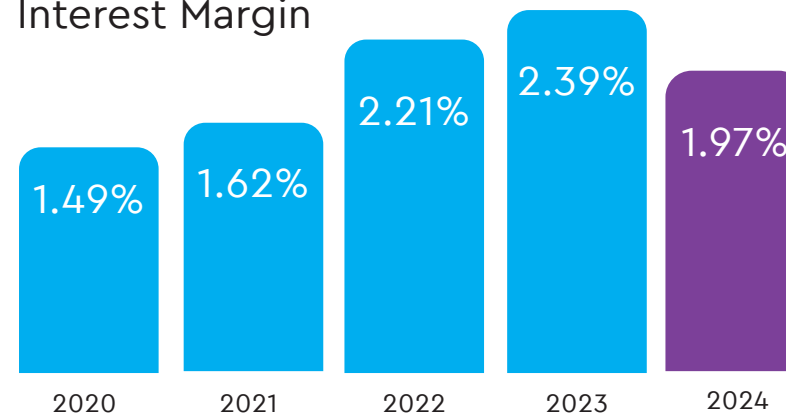
Profit Before Tax (£m)



Return on Equity



Interest Margin





# Liquidity

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



At 31 December 2024, Skipton's Liquidity Coverage Ratio was 298%, well above the regulatory minimum of 100%.



At 31 December 2024, Skipton's Net Stable Funding Ratio was 155%.



At 31 December 2024, Skipton's liquidity as a percentage of deposit liabilities was 21.2%.



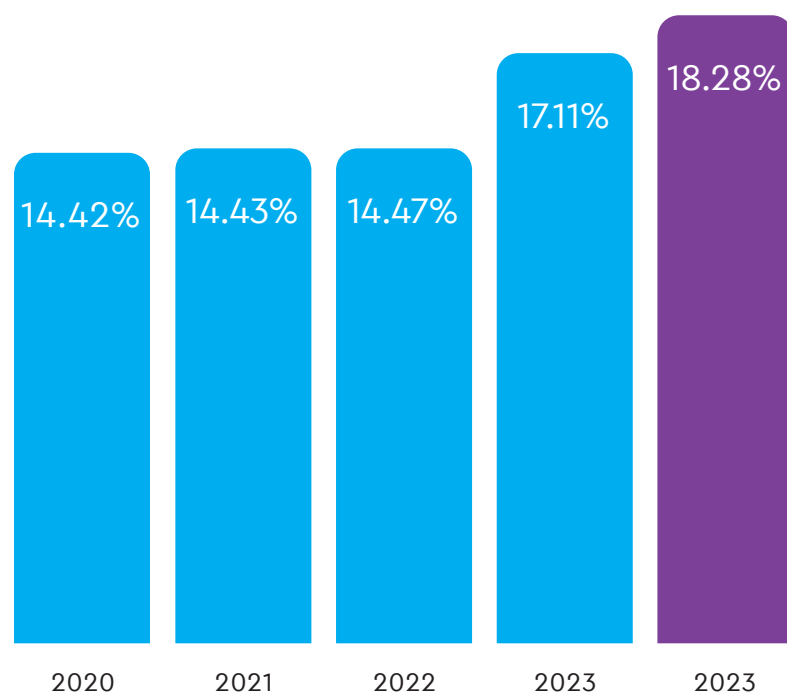
Skipton maintains a diverse stock of quality liquid assets with strong credit ratings.



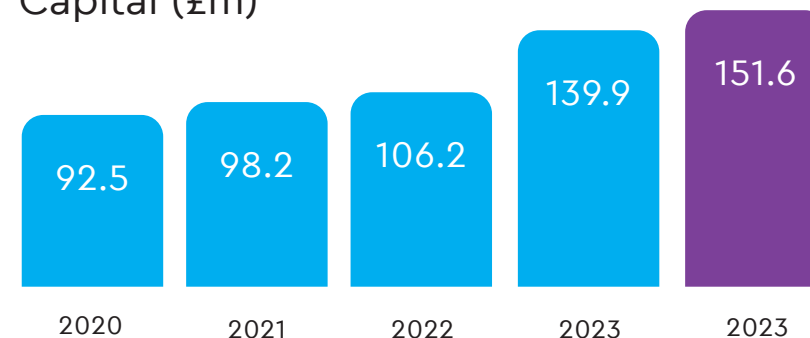
Skipton accepts US Dollar accounts.

# Skipton's Capital Strength

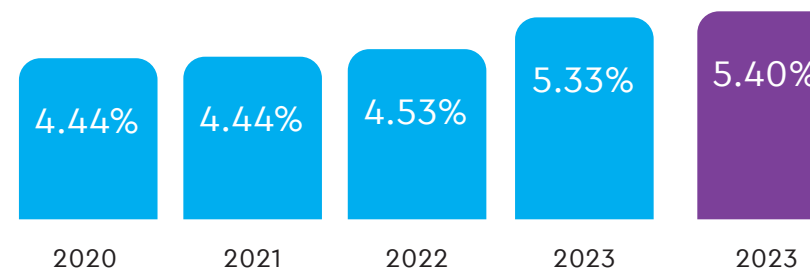
Common Equity Tier 1



Capital (£m)



Leverage Ratio



# Summary and Focus

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Profit before tax:  
FY 2023: £47.3m  
FY 2024: £31.0m



Net Interest  
Margin was 1.97%  
(2023 FY: 2.39%)



Maintained  
excellent asset  
quality with very  
low arrears.



Delivered a strong  
CET1 capital and  
Leverage ratio of  
18.28% and 5.40%  
respectively at  
2024, including  
audited profit.



Delivered a  
strong return  
on equity  
of 20%.  
FY 2023: 40%



Excellent Feefo  
score of 4.7/5  
stars for service.

# Business Information

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Full Name and  
Legal Status

Skipton International  
Limited.  
Company Number: 30112.  
No subsidiaries.

Registered Address

Tudor House  
The Bordage  
St Peter Port  
Guernsey  
GY1 6DS

Shareholder

Skipton Building Society  
owns 100% of Skipton's  
£15m share capital. Skipton  
Building Society is the 4th  
largest building society  
in the UK with assets  
exceeding £37bn.

Governance

Board of Directors,  
comprising two nominee  
directors from Skipton  
Building Society; three  
independent Channel  
Island resident Non  
Executive Directors and  
two Guernsey resident  
Executive Directors.

Credit Rating

Skipton International  
Limited does not have its  
own credit rating.

Authorised and  
regulated by:

The Guernsey Financial  
Services Commission  
(GFSC)  
GFSC Reference: 91343  
Regulatory Permissions –  
Banking Licence.

Lending, Credit and  
Finance Law:

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

Deposit Compensation  
Scheme

Skipton International is a  
participant in the Guernsey  
Banking Deposit Scheme.  
Details at  
[www.dcs.gg](http://www.dcs.gg)

# Business and Financial Highlights

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Website  
[www.skiptoninternational.com](http://www.skiptoninternational.com)