



Wyelands Bank

Annual Report Summary 2018



Growing Together



AT A GLANCE

Who we are: helping businesses trade, grow and create jobs

Wyelands Bank works with businesses to support industrial growth, enabling them to trade more easily around the world and to create jobs.

We support small and medium businesses by providing the working capital solutions they need to trade effectively, filling a vital gap in the market.

We understand that every business is unique and tailor solutions that meet a business' individual needs.

Our approach is innovative yet simple with direct access to decision makers.

Because we do this well, we can provide savers with competitive and attractive products.

Our vision is long-term, to develop partnerships that provide opportunities to grow together.

We are a British bank focused on domestic and global trade.



Wyelands Bank

Growing Together

Our offer: supporting businesses across the supply chain

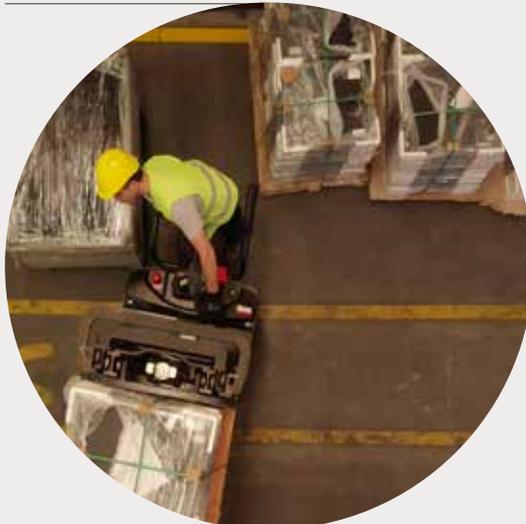
We provide firms, wherever they are in the supply chain, with finance solutions based on the value of their assets.

We offer receivable finance, inventory finance, trade finance and asset finance. These can be on their own or blended as part of our flexible asset-based lending solution.

RECEIVABLE FINANCE



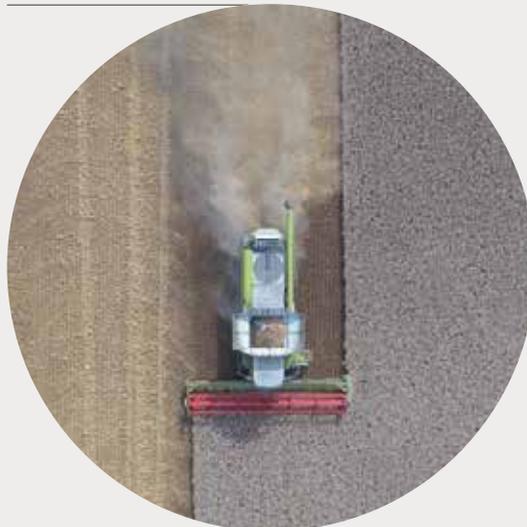
INVENTORY FINANCE



TRADE FINANCE



ASSET FINANCE

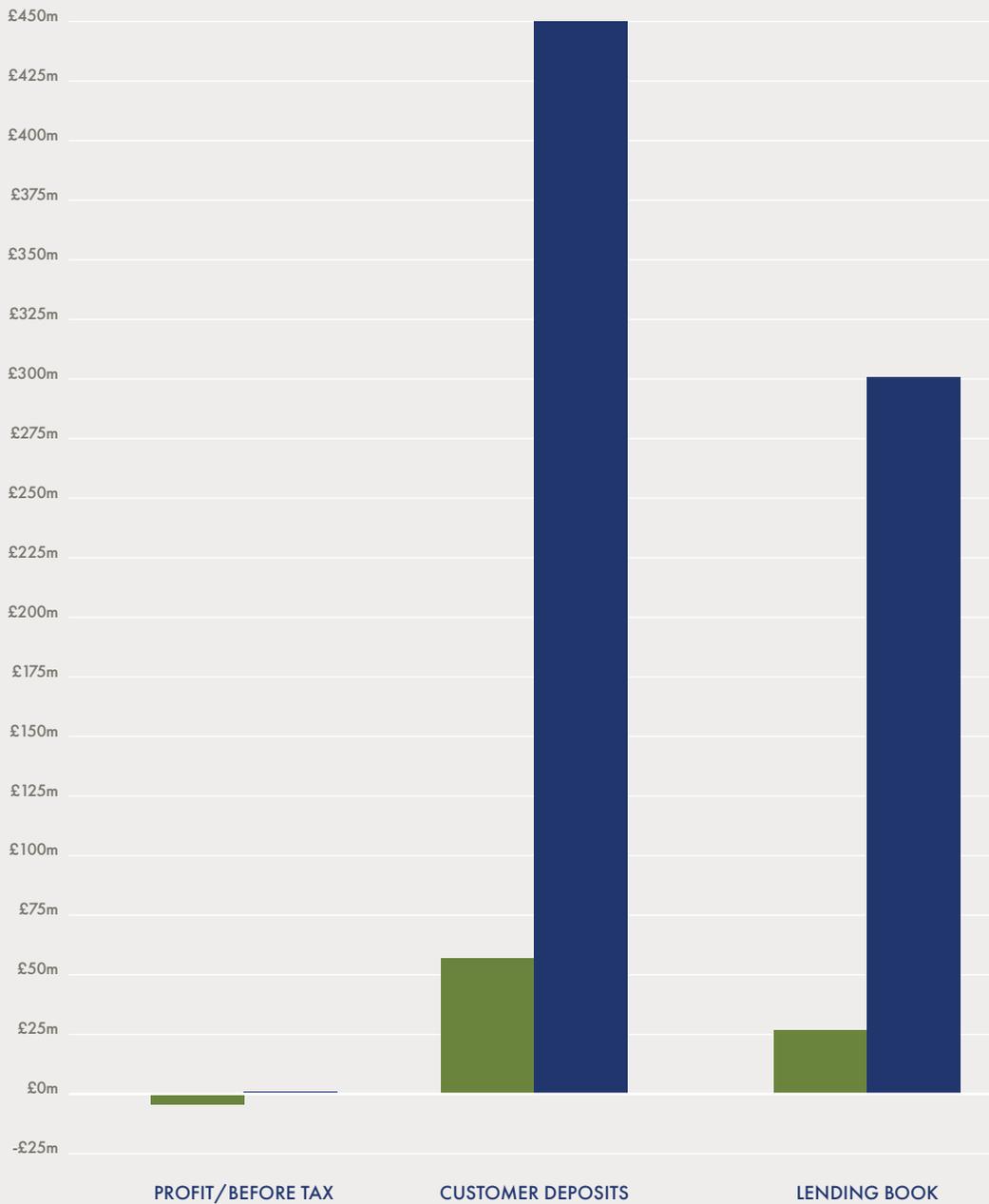




Our performance: more than meeting our targets in the first full year

We have made steady progress in our first full year of operation. In the year to 30 April 2018, we achieved a break-even position, well ahead of our original business plan.

■ 30 April 2017 ■ 30 April 2018



COMMON EQUITY TIER 1 RATIO

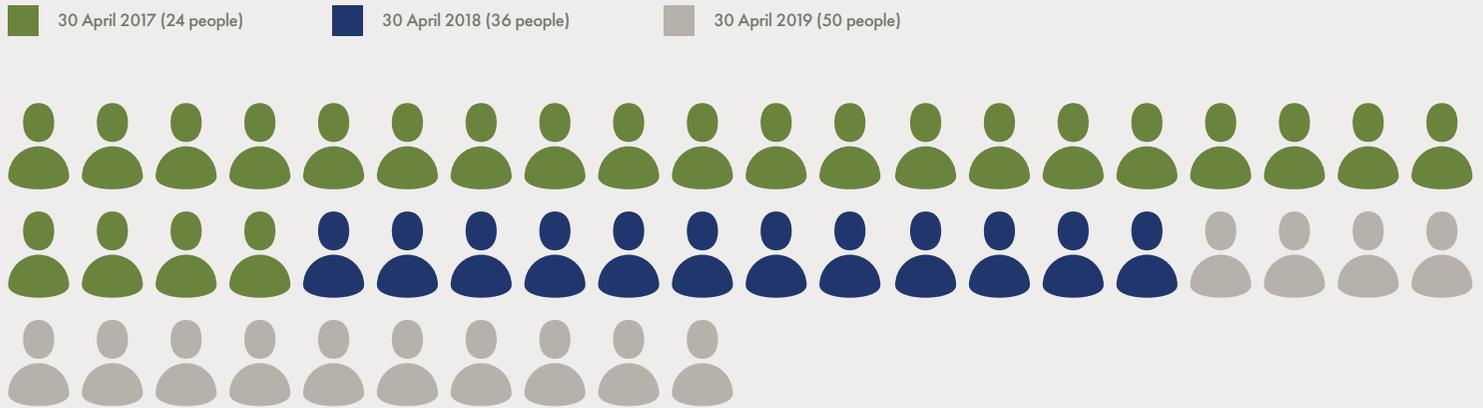


NET INTEREST MARGIN



CREDIT QUALITY

Staff numbers: trebled the number of employees during period of rapid growth



We believe that if we are to do the best for our customers, we need to help our people do their best work too. Supporting them to do that, particularly during this period of rapid expansion, is one of our priorities.

“The key targets we set ourselves were to support small and medium businesses, and provide savers with attractive products, and to do this in a clear and straightforward way.

“I am delighted that we have largely achieved our initial aspirations.”

Iain Hunter, CEO



Our strategy: continue to work closely with our customers, so they can realise their potential and grow

We focus on solutions, not product silos. We will:

1

Support small and medium sized businesses (SMEs) by providing financial solutions to finance their growth and to create jobs.

5

Continue to work with customers who are trading around the world.

2

Provide savers with competitive and attractive products.

6

Build our support for businesses at all points in the industrial and manufacturing supply chain.

3

Continue to develop our consultative offer to provide customers with the right combination of asset-based lending (trade, receivables, inventory and asset finance) and stand-alone asset finance.

7

Introduce new services to help businesses, and take away the jargon to make the customer service straightforward.

4

Develop our expertise by supporting businesses in key industries and sectors: commodities, aerospace, automotive, energy, steel and aluminium, and food and beverages.



COMMODITIES



AEROSPACE



AUTOMOTIVE



ENERGY



STEEL &
ALUMINIUM



FOOD &
BEVERAGES

Where we have done business

A British bank providing finance to support global trade.



- | | |
|------------------|-------------------------|
| 1 Australia | 16 Netherlands |
| 2 Austria | 17 Norway |
| 3 Belgium | 18 Poland |
| 4 Canada | 19 Romania |
| 5 China | 20 Singapore |
| 6 Czech Republic | 21 South Africa |
| 7 Finland | 22 South Korea |
| 8 France | 23 Spain |
| 9 Germany | 24 Sweden |
| 10 Hong Kong | 25 Taiwan |
| 11 India | 26 Thailand |
| 12 Ireland | 27 United Arab Emirates |
| 13 Italy | 28 United Kingdom |
| 14 Malaysia | 29 United States |
| 15 Mexico | |

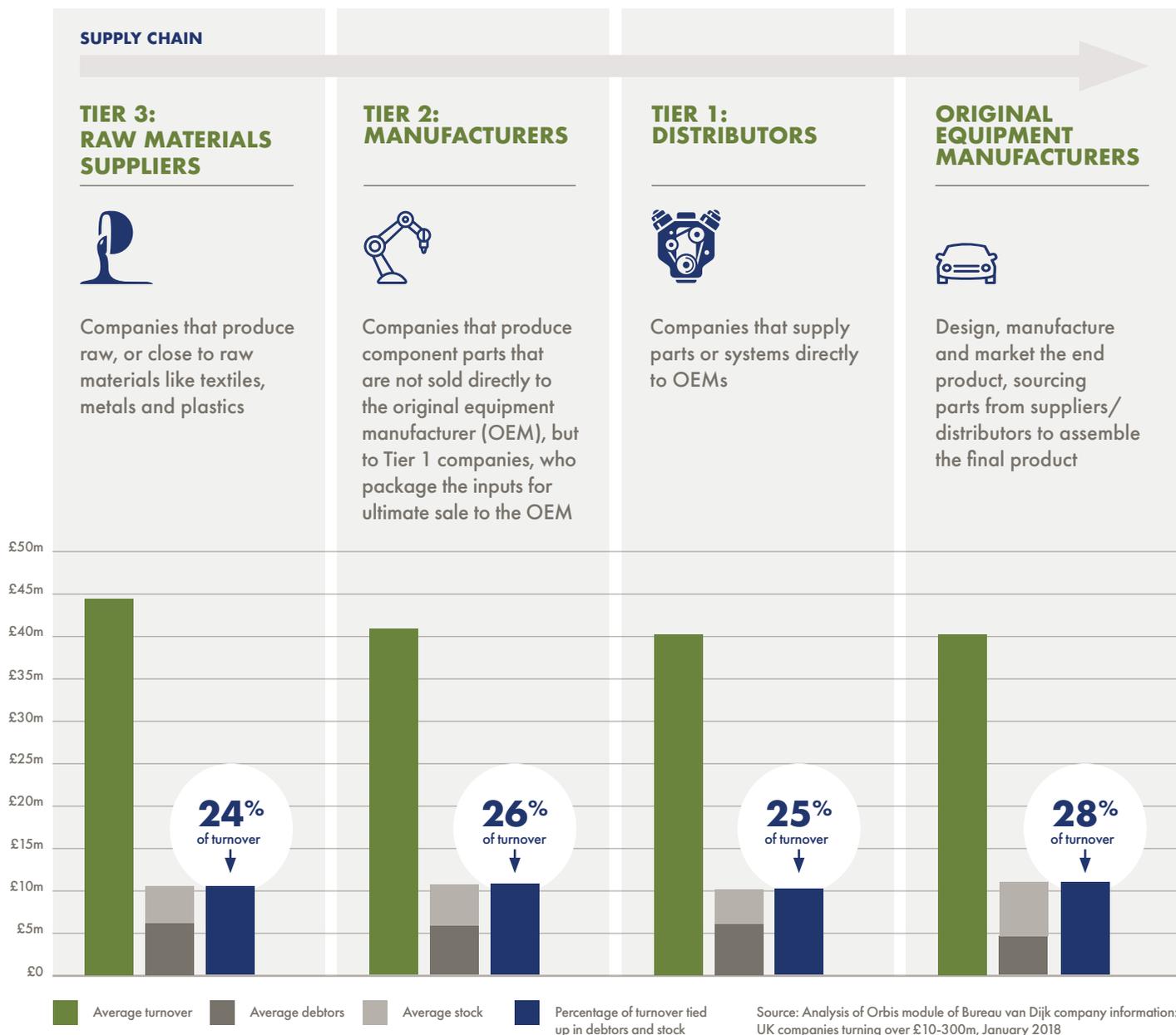


The industrial and manufacturing market opportunity

Wherever businesses sit in the supply chain, they will have a different mix of assets they can use to raise finance. We aim to help them do that as efficiently as possible.

Different stages in the supply chain

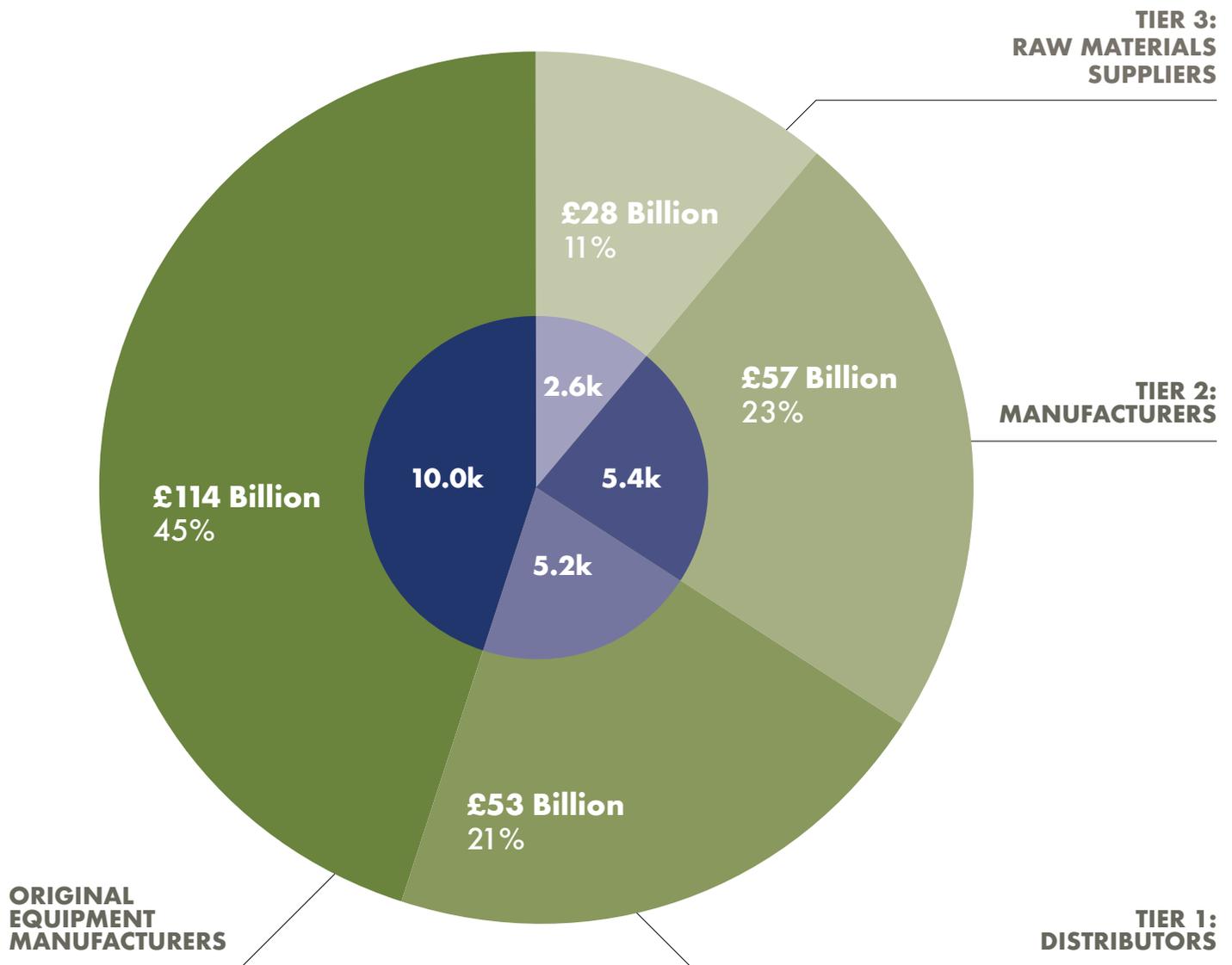
Typically, mid-sized manufacturing businesses turning over £10-300 million will have 25% of their turnover tied up in debtors and stock. They can use this to raise finance.



A £252 billion industry-wide opportunity

■ Total Potential Assets
 ■ Number of businesses

“UK mid-sized manufacturers have £252 billion in assets that they could use to access working capital”





VALUES

We work closely with our customers to provide simple solutions

It is easy for a new bank to say it will do things differently. What matters is how we deliver on that.

We are guided by our values.

They are at the heart of what we do.

PASSIONATE

We are passionate about working in close partnership with our customers.

CUSTOMER DRIVEN

Only by knowing each customer individually can we understand how best to help.

SOLUTIONS FOCUSED

No business is the same, so we develop tailor-made solutions for each customer.

STRAIGHTFORWARD

We strive to make things simple, straightforward and easy to manage.

“We all work together for our common goals and values. We support and work collaboratively with our partners and customers to create sustainable solutions. When we do this, we grow individually and collectively.”

Growing Together





CHAIRMAN'S REVIEW

We are still in our early days. Our first full financial year has seen a strong performance and many positive achievements.

We have developed in line with our original strategy:

- We now provide services to more than 21,000 customers, whether depositors or borrowers
- We are focused on providing all our customers with a service which meets their needs, to help them manage their savings or to grow their businesses and create jobs
- We continue to work to enhance our core trade and working capital solutions business
- We are looking for ways to expand our product offering and our customer base within our areas of expertise.

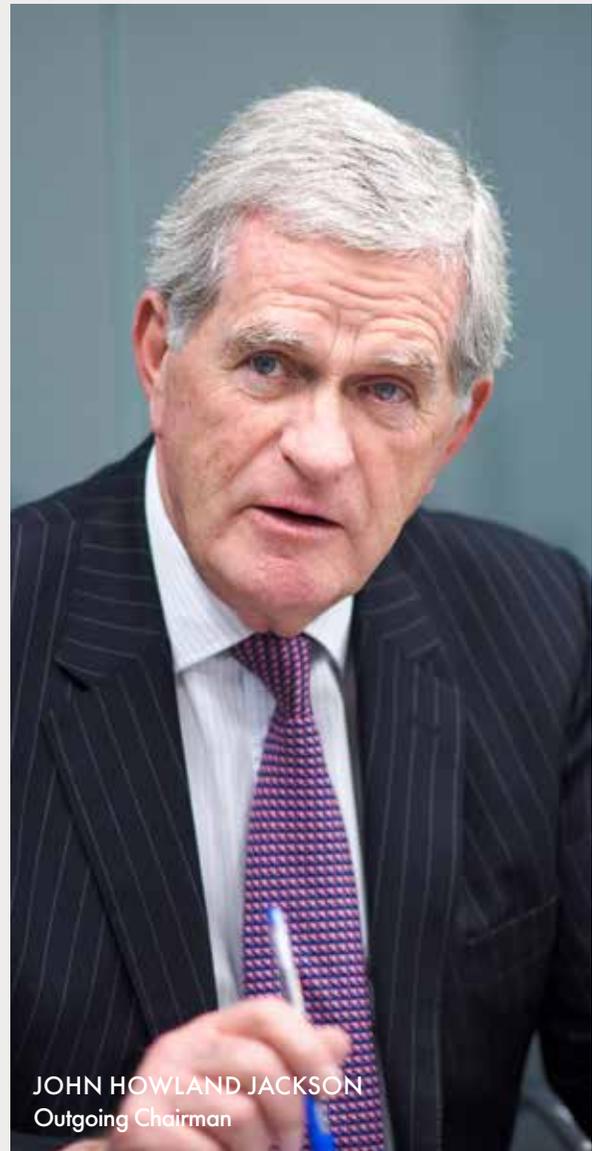
The board and executive management team are committed to setting the correct tone from the top. To do the right thing for our customers. To provide high-quality industry and product knowledge. To be straightforward and transparent in our dealings. And to execute efficiently.

“We are committed to setting the correct tone”

While there will always be more to do, we have made great progress in all these areas. I am confident that we can look forward to further successes.

We are extremely grateful to Mr Sanjeev Gupta, whose family trust is the controlling shareholder of the Bank. Through the trust he has committed significant levels of capital to support our growth. His broader business interests within the Gupta Family Group Alliance (GFG) have also been an important source of business introductions.

“Still in our early days, we have had a strong first full year with many positive achievements”



JOHN HOWLAND JACKSON
Outgoing Chairman

“We seek to diversify our assets and broaden our product range”

As we seek to diversify our assets and broaden our product range in the year to come his continuing support will remain critical.

I would also like to pay tribute to Iain Hunter, our chief executive, and his entire team for their hard work. It is not easy to start up a new bank from scratch.

During this year, the team has:

- Launched our retail deposit offer
- Met their stretch targets for lending assets
- Doubled the number of staff employed

At the same time, they have maintained a very disciplined approach to all the risk and compliance requirements essential to any bank. And they have stayed on top of a constantly-evolving regulatory and technological landscape.

“We can look ahead to another year of expansion and opportunity”

Their achievements mean we can look ahead to another year of expansion and opportunity.

Finally, I am delighted to introduce John Crompton as the new chairman of the Bank. After two years in the role I will be stepping down, though remaining on the board. I wish John and the team every success they richly deserve.



JOHN HOWLAND JACKSON
Outgoing Chairman

John Crompton, our new Chairman



John Crompton, formerly of Morgan Stanley and HSBC, has taken over from John Howland Jackson to become Wyelands Bank Chairman. John has spent over 30 years in banking and capital markets. He began his banking career with Morgan Stanley, in London, New York and Hong Kong. He also worked for HM Treasury including roles as senior corporate finance advisor, and as Head of Market Investments at UKFI.



CEO'S REVIEW

The Bank marked its first anniversary in December 2017 and so, these accounts represent our first full financial year.

We have sought to become a specialist provider of financial solutions: straightforward and customer driven, focusing on a select number of sectors.

The key targets we set ourselves were to support small and medium businesses, and provide savers with attractive products, and to do this in a clear and straightforward way.

“We have largely achieved our initial aspirations”



IAIN HUNTER
Chief Executive Officer

I am delighted that we have largely achieved our initial aspirations. Indeed, the Bank even made a modest profit in its first full year.

We are not resting on our laurels. Further investment is needed in IT, infrastructure and most importantly in our staff as we seek to build upon our positive story.

We aim to move into new products, territories and sectors over the coming year.

Customer lending: growth in line with expectations

Our growth in customer lending has been in line with our strategy, expectations and appetite. The year ending April 2018, saw volumes of approximately £600m and lending asset balances of £301m.

Many of our early customers have come back to us for repeat business. There have been no credit losses. We are fortunate to have had introductions through GFG, our shareholder's collective group of companies.

“We will support more customers in the SME market”

As we develop, we will support more customers in the SME market. We will take a customer-driven but disciplined approach to trade and working capital financing.

We aim to develop long-term relationships that are global in nature.

Customer deposits: savings offers in the UK and Germany

During the year, we successfully launched our UK savings deposits. These include 35-day and 95-day notice accounts and 6, 12 and 24-month fixed rate term deposits.

Our offer is simple and the customer experience has been well received.

We have attracted more than 4,000 UK savers, growing every day, and also offer deposit services in Germany. We are evaluating other relationships in this broad space.

“Our savings offer is simple and has been well received”

In total, we have raised over £450m across our savings products. We will build the deposit base with products that mature in line with our lending plans.

Service quality: building the Bank with customer service at the heart

We have acquired additional office space in central London to provide the capacity for the growth ahead.

We will continue to build the team and invest in the core systems. This will ensure that the quality of service and the speed of funding to customers remain at the heart of our offer.



IAIN HUNTER
Chief Executive Officer





OUR DIRECTORS

Board and management

The board has seen some significant change during the year with the appointments of Steve Reid, David Smith and John Crompton. John Crompton has since become chairman of the Bank, as John Howland-Jackson stepped down after nearly two years in the role.

All new board members bring a variety of skills. These include significant experience in retail and the customer journey and credit and risk. It will be invaluable as we continue to grow.

The depth of expertise has been further supported by the appointment of Neil Sawbridge as the Chief Financial Officer and board member.



Incoming Chairman

JOHN CROMPTON

John Crompton has spent over 30 years in banking and capital markets. He began his banking career with Morgan Stanley, working in London, New York and Hong Kong. More recently he has held senior roles at Merrill Lynch and HSBC. He has also worked on three occasions for HM Treasury: as a graduate entrant in the mid-1980s, as its senior corporate finance advisor in the mid-2000s, and as Head of Market Investments at UKFI. There he was responsible for managing the Treasury's investments in RBS and Lloyds Banking Group from 2008-2010.

John is a Non-Executive Director of ICE Benchmark Administration, chairs the Advisory Board of Issufy, a capital markets fintech business, and acts as a senior advisor to Canson Capital Partners, a private equity-focused corporate finance boutique. He is a former member of the Takeover Panel, and is a governor of the Trinity Laban Conservatoire of Music and Dance.



Independent Non-Executive Director, Outgoing Chairman

JOHN HOWLAND JACKSON

John is a veteran senior banker with over 40 years' experience at some of the world's largest financial institutions, including the ING Group, NatWest Markets, Nomura Securities and J.P.Morgan. He has worked extensively throughout Europe, the Middle East and the Asia-Pacific region and has substantial management experience covering strategic and business development as well as regulatory and risk control.

John is currently also Chairman of Nikko Asset Management Europe and is by background a qualified barrister.



Chief Executive Officer

IAIN HUNTER

Iain joined the Bank as Chief Executive Officer in September 2015 having previously held several senior management roles within CIT Bank Limited including the roles of Chief Executive Officer and Chief Risk Officer.

He is an experienced, energetic and driven business leader who has successfully delivered business plans supporting a multitude of asset classes and liability strategies often within a significant change management environment.



Chief Financial Officer

NEIL SAWBRIDGE

Neil is an experienced Chief Financial Officer who joined the Bank in December 2017. He has over 30 years of experience in finance, tax and business development roles with AT&T Capital, Newcourt Credit Group, Dell Financial Services and the CIT Group. As CFO he helped establish CIT Bank Limited in the UK and CIT Group's European Leasing businesses headquartered in Dublin.

He qualified as a chartered accountant and chartered tax adviser with Coopers & Lybrand.



Independent Non-Executive Director, Chairman of the Audit Committee

IAN GOMES

Ian Gomes spent his professional career with KPMG with 23 years at Partner level with wide ranging depth and breadth of client facing and senior roles in the UK, Middle East and India.

He has substantial financial services experience as auditor and advisor besides leading forensic investigations for regulatory authorities. He is a Fellow of the Institute of Chartered Accountants in England and Wales.



Independent Non-Executive Director, Chairman of the Remuneration and Nominations Committee

STEVE REID

Steve has spent his entire career in the financial services industry. During this time, he has held executive roles with the Woolwich Building Society, Barclays Bank, National Australia Group Europe and as CEO of Allied Irish Bank (UK). Steve is a fellow of the Chartered Institute of Bankers in Scotland.

In particular, he has extensive retail banking experience with a strong focus on managing credit, operational and conduct risk complimented by a keen commercial acumen. He also has a deep understanding of how to deliver customer-friendly processes and propositions and in embedding customer centric values across organisations.



Non-Executive Director

JAY HAMBRO

Jay is presently the Chief Investment Officer of the GFG Alliance and Chief Executive Officer of Mining and Energy of SIMEC. He was formerly the Executive Chairman of IRC limited, the Hong Kong listed Sino-Russian industrial commodities producer.

He is a Fellow of the Institute of Materials, Minerals and Mining and an Independent Non-Executive Director of IRC limited and Cellmark AB. He holds a Bachelor of Arts in Business Management and is a liveryman of the Worshipful Company of Goldsmiths.



Non-Executive Director and Chair of Risk Committee

DAVID SMITH

A seasoned international banker with extensive business and risk management experience gained in a 29 year career with Citigroup. David reached the highest level of credit approval authority within Citigroup and was actively involved in the development of credit policy, as well as in risk management training. He set up and ran a risk management training and consulting business for 10 years. David currently acts as an Independent Non-Executive Director. A natural leader and strategic thinker with broad international and emerging market experience. Has strong interpersonal and excellent communication skills and enjoys working in diverse cultural environments.



Non-Executive Director

SIMON GRENFELL

Simon has over 26 years experience in banking, financial markets and commodities. His previous roles have included Head of Global Market Commodities at Natixis, Head of Origination and Syndication (Commodities) at Deutsche Bank and Co-Head of Commodity Market Division at Macquarie.

Previous board experience includes as a Non-Executive Director of Crescent Gold (ASX) and a board member of Macquarie Bank (Europe) Limited.

Simon has a Bachelor of Economics degree from ANU (Canberra) and a Master of Science in Development Finance from University of London. Simon is a Papal Knight (St Gregory the Great) as well as a Knight of the Order of Malta (and a member of its Government Council). He is also a Patron of the Hay Festival and a Liveryman of the Worshipful Company of World Traders.



“We help business access better finance solutions so they can trade grow and create jobs”



INCOME STATEMENT

Statement of comprehensive income for the year ended 30 April 2018

	As at 30 April 2018 £'000	As at 30 April 2017 £'000
Interest receivable and similar charges	17,248	583
Interest payable and similar charges	(4,921)	(46)
Net interest income	12,327	537
Fees and commissions payable	(1,402)	(2)
Other operating expenses	(2,835)	(146)
Operating income	8,090	389
Administrative expenses	(7,809)	(4,557)
Depreciation and amortisation	(242)	(239)
Total operating expenses	(8,051)	(4,796)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE	39	(4,407)
Tax on profit/(loss) on ordinary activities	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	39	(4,407)
Other comprehensive expense		
Items that are or may be reclassified subsequently to profit or loss		
Available-for-sale financial assets - net change in fair value	(95)	(8)
Total comprehensive expenses for the year	(56)	(4,415)

There is no income tax relating to the above item in other comprehensive expense.

Important note

This summary is not intended to contain sufficient information to allow for a full understanding of the results of the Bank or of the state of affairs of the Company. For full details, the 2018 Annual Report and Accounts, the Auditors Report on those accounts and the Directors Report should be consulted.

A copy of the Report on the full accounts can be obtained by contacting the Bank or on Companies House. (www.companieshouse.gov.uk).

Report of the Auditor

The Auditor's Report on the full accounts for the year ended 30th April 2018 was unmodified.

STATEMENT OF FINANCIAL POSITION

Statement of financial position as at 30 April 2018

	As at 30 April 2018 £'000	As at 30 April 2017 £'000
ASSETS		
Cash and cash equivalents	65,608	11,172
Loans and advances to customers	301,261	27,129
Financial assets designated at fair value through profit and loss	101,956	65,047
Financial assets designated as available-for-sale	76,904	24,420
Derivative financial assets	213	829
Tangible assets	52	55
Intangible assets	1,802	1,345
Other assets	57,919	521
Prepayments and accrued income	960	277
Total assets	606,675	130,795
LIABILITIES		
Current liabilities		
Customer deposits	506,293	107,349
Other liabilities	635	479
Derivative financial liabilities	3,206	-
Accruals	2,715	1,113
Total liabilities	512,849	108,941
EQUITY		
Called up share capital	102,998	30,970
AFS reserve	(103)	(8)
Accumulated losses	(9,069)	(9,108)
Total equity	93,826	21,854
TOTAL LIABILITIES AND EQUITY	606,675	130,795

These financial statements were approved by the board on 22nd August 2018

Wyelands Bank Plc,
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www.wyelandsbank.co.uk

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