EDISON

Manx Financial Group

H124 results

Well prepared for potential headwinds

Banks

Manx Financial Group (Manx) posted its highest ever first half year profit in the six months to 30 June, with PBT of £3.5m increasing 16% y-o-y. Lending growth, particularly that of higher-yielding Payment Assist (PAL) loans, continues to offset higher funding costs. Management noted the growing macroeconomic risks to wider trading conditions, but Manx should nonetheless benefit from falling interest rates and the immediately accretive acquisition of the outstanding shareholding in PAL.

Year end	Operating income (£m)	PBT (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/20	16.4	2.0	1.35	0.00	11.9	N/A
12/21	20.0	3.0	1.96	0.24	8.2	1.5
12/22	26.1	5.2	2.93	0.38	5.5	2.4
12/23	31.5	7.0	3.51	0.46	4.6	2.8

Note: *EPS is fully diluted.

Loan growth offset funding costs

H124 net interest income increased compared with both H123 (+6%) and H223 (8%). Funding costs continued to increase but should soon benefit from falling interest rates. Net interest margin was lower versus H123 but began to stabilise in the period as a result of the higher average lending yield. Including increased gains on securities and an offsetting increase in net fee expenses, total operating income increased 8% to £17.6m and was 16% up on H223. The impairment charge of £3.3m was flat compared with H123 but increased on H223 (£0.7m) as loss reserves were strengthened, including swift remedial action to correct some emerging pockets of credit quality deterioration at PAL. Net attributable earnings increased 25% versus H123, with EPS of 2.07p (+24%) and book value per share of 31.8p. The return on equity (ROE) was 13.5%.

Continuing growth opportunities

Manx estimates that bringing forwards the acquisition of the outstanding shareholding in PAL, at a cost of £5m, will generate a £4m saving compared with the original option terms. We estimate immediate earnings accretion of more than 10% on an annualised basis, and uplifts in book value per share and ROE. Notwithstanding its cautious approach to near-term market conditions, Manx sees good opportunities for further selective lending growth, for which the commencement of UK deposit taking will provide attractive and deeper access to funding. Manx has a prudent lending strategy and a disciplined approach to provisioning. Its loan book has significant asset backing and provisions against expected loan losses have been further strengthened.

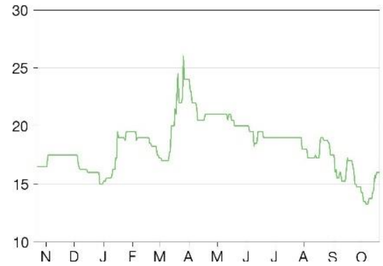
Valuation: P/BV of 0.6x with mid-teens RoAE

Manx shares are trading at a discount of c 30% to the H124 diluted book value per share of 23.6p. The return on average equity (RoAE) has averaged 14.7% in the past three years and in H124 (13.5%) was double the peer average. To trade in line with peers, Manx would need to be trading at c 0.8x P/BV, or c 18% above its current price.

21 October 2024

Price	**16p**
Market cap	**£19m**
Common Equity Tier 1 (CET1) ratio	12.0%
Shares in issue	119.5m
Free float	50.0%
Code	MFX
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(5.9)	(15.8)	(3.0)
Rel (local)	(7.1)	(17.1)	(13.3)
52-week high/low		26p	13p

Business description

Manx Financial Group is an Isle of Man based diversified financial services group. Through its subsidiaries such as Conister Bank and Payment Assist, the group operates in resilient niche lending and financing markets in both the UK and the Isle of Man.

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Well prepared for potential headwinds

Manx Financial Group, headquartered in the Isle of Man, is an independent banking and financial services group with roots dating back to 1935. Led by CEO Douglas Grant since 3 November 2021, the group operates several subsidiaries specialising in lending services for retail and commercial clients in the Isle of Man and the UK. Key subsidiaries include Conister Bank, Conister Finance and Leasing, MFX, PAL, Blue Star Business Solutions, Edgewater Associates, Ninkasi Rentals and Finance, and The Business Lending Exchange. The group's operations encompass a wide range of services from banking and specialist lending to FX and advisory. Manx has a strong track record of growth, achieved through a combination of organic development and selected acquisitions that augment the range of services that it offers and enable it to build market share in chosen markets. Over the past five years, Manx's loan book and net trading profit have both more than doubled (annual compound growth of 17% and 15% respectively).

Following the grant of a UK branch bank licence late last year, Conister Bank has commenced UK retail deposit taking, which provides it with a strategically important alternative source of liquidity to support the bank's UK lending growth. The new deposit-taking platform is web-based and entirely automated, allowing customers to be onboarded within a matter of minutes. The platform represents a key component of Conister's technology drive to build a competitive advantage.

PAL, with c 100,000 customers, is a good example of the organic opportunity to cross-sell existing products across a wider customer base. The recent acquisition of the remaining 49.9% interest demonstrates Manx's ability to build out its franchise without taking excessive risk and the PAL acquisition in its entirety should be self-financing by the earnings contribution of PAL itself. Further full or partial acquisition opportunities are under review, including in the UK general insurance market, where Manx sees a good opportunity for cross-selling to its existing customer base.

In its interim report, management struck an understandably cautious tone in describing the potential for global political and macroeconomic developments to have a negative impact on economic growth and trading conditions. While the Isle of Man economy is performing well, with credit ratings agency Moody's expecting GDP growth to reach 3% by 2025 (1.5% in 2023), in the much larger UK economy (c 84% of Manx's lending), the new government has set a challenging objective of balancing its well-flagged tax increases with its dual aim of fostering economic growth. Notwithstanding the expected further decline in interest rates, management is not planning for market conditions to be as favourable as has recently been the case.

H124 results

H124 PBT of £3.5m was more than 16% ahead of the prior year period (£3.0m). Although high interest rates and their upward pressure on funding costs continued to act as a drag on net interest margin (NIM), this was more than offset by lending growth and an increased yield on lending, primarily reflecting an increase in higher-margin PAL lending (an average yield of c 25% pa). Net interest income increased by 6% compared with H123 and by 8% compared with H223.

NIM should benefit from the decline in interest because, while nearly all loans and deposits are at fixed rates, the deposit book matures more quickly than the loan book and will reprice to lower interest rates faster.

Net fee expenses of £1.7m were £0.9m higher than in H123, offset by an additional £1.0m of gains on securities, leaving total operating income up 8% to £17.6m.

The cost to income ratio was stable at c 61% compared with H123 (FY23: 65%), with staff costs held flat at c £6.2m but other expenses increasing by c £0.9m, primarily reflecting the non-recurrence of a VAT credit in the prior year period.

Net operating income (before impairments) increased 7% or £0.5m versus H123 and compared with H223 it was £1.9m higher, driven by higher core operating income.

Impairments charges for loans and advances of £3.3m were similar to H123 but well above H223 (c £0.8m) and were reflected in increased provisions and increased cover of impaired loans, primarily relating to some underlying credit quality deterioration identified in some parts of PAL's lending book. The PAL loan portfolio is characterised by short durations (an average c 10 months) and granularity, facilitating early identification of potential issues with individual customers and the swift corrective action that Manx has undertaken.

PBT of £3.5m was 16% up on H123, and net attributable profit of £2.4m was up 25%. The faster growth of net attributable profit primarily reflects a lower share of minority interests in PAL and, to a much lesser extent, Ninkasi Rentals & Finance (90% owned).

Exhibit 1: H124 income statement summary

£m unless stated otherwise	H124	H123	H124/H123	H223	H124/H223	FY23
Net interest income	17.3	16.4	6%	16.0	8%	32.4
Net fee income	(1.7)	(0.8)	110%	(2.5)	(34%)	(3.3)
Core operating income	15.7	15.6	0%	13.4	16%	29.0
Other operating income	0.3	0.1	344%	0.3	(9%)	0.4
Gains on securities and asset revaluations	1.7	0.7	152%	1.4	17%	2.1
Total operating income	17.6	16.3	8%	15.2	16%	31.5
Operating expenses	(10.8)	(10.0)	8%	(10.3)	5%	(20.3)
Operating profit before impairments	6.8	6.3	7%	4.9	40%	11.2
Impairment on loans and advances to customers	(3.3)	(3.3)	0%	(0.8)	293%	(4.1)
Profit before tax	3.5	3.0	16%	4.0	(12%)	7.0
Income tax expense	(0.7)	(0.5)	50%	(0.4)	80%	(0.9)
Net profit	2.8	2.5	10%	3.6	(23%)	6.1
Minority interests	(0.4)	(0.6)	(39%)	(0.2)	55%	(0.9)
Net attributable profit	2.4	1.9	25%	3.4	(28%)	5.3
EPS (p)	2.07	1.67	24%	2.91	(29%)	4.59
Diluted EPS (p)	1.59	1.30	22%	2.21	(28%)	3.51
Key ratios						
NIM (net interest income/average assets)	7.1	8.2		7.1		7.5
Cost of risk	1.8	2.1		0.5		1.3
Cost income ratio (%)	61.4	61.2		68.0		64.5
ROE (%)	13.4	12.7		20.3		16.4

Source: Manx Financial Group data

Manx says that, while PAL had a difficult start to this year, it nonetheless contributed £1.9m before tax (H123: £1.5m) and Manx fully expects it to have a major positive impact on the group's full year results. Among the group's other subsidiaries, the MFX foreign exchange advisory business reported record profits of £0.5m (H123: £0.4m), benefiting from continuing financial market volatility; Edgewater Associates, an Isle of Man independent financial advisor, increased profits to £0.3m (H123: £0.1m); and UK-based sub-prime lender The Business Lending Exchange earned £0.4m (H123: £0.3m). All other major operating subsidiaries traded well and contributed a further £0.5m on a consolidated basis.

Loans and deposits continue to increase

The loan book increased 9% to £372.8m versus H123 (£343.2m) and was 3% higher than at the end of FY23. Customer deposits have continued to grow at a faster rate than lending, increasing 23% to £409.3m compared with H123, and by 5% compared with end-FY23. The loan deposit ratio of 91% was slightly down on H223. Meanwhile, excess liquidity is generating a positive return from short-term UK government treasury bills. H124 high-quality liquid assets (UK treasury bills plus cash) amounted to £95.9m, almost double the H123 level and up from £88.2m at end-FY23.

Conister Banks's Tier 1 capital ratio increased c 50bps to 12.0% and we estimate the total capital ratio is 16.1%.

Book value per share (BVPS) increased 6% to 31.8p compared with the end of FY23 and was up 17% year-on-year. Reflecting a £0.6m increase in intangible assets (related to the group's digital investments, including its online UK deposit-taking platform), net tangible assets per share of 13.5p was broadly in line with end-FY23 and 14% above the H123 level. The continuing strong level of profitability was reflected in a return on average tangible equity of 26% and a return on book value of 13%.

Exhibit 2: Key H124 balance sheet data

£m unless stated otherwise	H124	H123	H124/H123	H223	H124/H223
Customer loans (net)	372.8	343.2	9%	362.7	3%
Goodwill	10.6	10.6		10.6	
Other assets	118.9	65.9		107.5	
Total assets	502.2	419.7	20%	480.7	4%
Customer deposits	409.3	332.5	23%	390.4	5%
Loan notes	41.4	39.5		39.3	
Other liabilities	14.8	15.7		15.0	
Total liabilities	465.5	387.7	20%	444.7	5%
Net assets	36.7	32.0	15%	36.0	2%
Book value per share (p)	31.8	27.1	17%	30.1	6%
Tangible book value per share (p)	13.5	11.9	14%	13.6	(1%)
Loan as % deposits	91.1	103.2		92.9	
Common Equity Tier 1 ratio (%)	12.0	0.0		10.9	
Total capital ratio (%)	0.0	0.0		15.9	

Source: Manx Financial Group

The key changes in the loan mix in the past 18 months have been the run-off of government-backed lending schemes and the continued strong growth in unsecured personal loans. Driven by PAL, unsecured personal loans have increased by 62% over the past year, from £75.2m to £122.0m, and from 21% of the total book to 31%.

Exhibit 3: Gross lending composition and growth

	Net lending (£m)			Y-o-y growth in net lending			Split of loan book		
	H123	H223	H124	H123	H223	H124	H123	H223	H124
HP balances	102.5	119.5	121.5	58%	37%	19%	28%	31%	31%
Finance lease balances	21.0	24.9	26.2	-12%	16%	25%	6%	7%	7%
Unsecured personal loans	75.2	88.6	122.0	106%	78%	62%	21%	23%	31%
Vehicle stocking plans	1.9	2.0	1.5	4%	3%	-19%	1%	1%	0%
Wholesale funding arrangements	25.2	21.5	11.8	42%	-30%	-53%	7%	6%	3%
Block discounting	54.9	47.5	37.8	90%	3%	-31%	15%	12%	10%
Secured commercial loans	12.7	25.8	31.6	-3%	102%	150%	4%	7%	8%
Secured personal loans	1.0	1.1	0.9	-32%	-42%	-6%	0%	0%	0%
Government backed loans	47.6	41.3	32.0	-27%	-26%	-33%	13%	11%	8%
Property secured	19.2	10.1	9.6	N/A	N/A	-50%	5%	3%	2%
Total net loans	**361.1**	**382.3**	**395.0**	**42%**	**24%**	**9%**	**100%**	**100%**	**100%**

Source: Manx Financial Group

Increased provision cover

Manx has a prudent lending strategy and a disciplined approach to provisioning. Its loan book is a well-secured book, with the group holding underlying assets as collateral for hire purchase (HP), finance leases, vehicle stocking plans, block discounting, secured commercial and personal loans and wholesale funding arrangements. Exhibit 4 provides an analysis of its credit risk and the level of provisioning. Impaired loans carried on the balance sheet have shown no material increase and are well provided for.

Loans are categorised from A to C, indicating varying levels of risk, with A being the least risky and C posing the highest risk.

Out of the total gross loans and advances of £395.0m in H124, £33.3m were classified as stage 3 and overdue by 30 days (end-FY23: £32.5m). As a percentage of the gross loan book these represented 8.4% (compared to 8.5% at end-FY23 and 9.4% at end-FY22). During H124, Manx increased its provisions against stage 3 loans by £2.6m, taking cover to 66%, up from 60% at end-FY23 (55% at end-FY22). At end-FY23 (no H124 data is available), including assets held as collateral, stage 3 loans were fully covered.

Note, stage 1 loans are not deemed credit impaired with payments up to date to 30 days. Stage 2 loans are not deemed credit impaired, but payments are over 30 days overdue. Stage 3 loans are deemed credit impaired, and this includes all loans where payments are more than 90 days overdue.

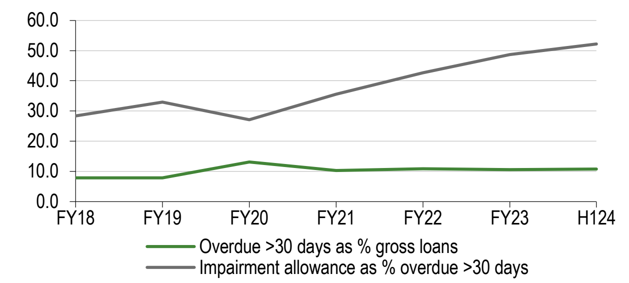
Exhibit 4: Credit risk analysis

£m	H124					FY23			
	Stage 1	Stage 2	Stage 3	Total		Stage 1	Stage 2	Stage 3	Total
Grade A	352.4			352.4		342.0			342.0
Grade B		9.3	4.5	13.8			7.8	3.7	11.5
Grade C		0.0	28.7	28.7			0.0	28.8	28.8
Allowance for impairment	**(0.3)**	**(0.0)**	**(22.0)**	**(22.3)**		**(0.2)**		**(19.4)**	**(19.6)**
Carrying value	**352.2**	**9.2**	**11.3**	**372.7**		**341.8**	**7.8**	**13.1**	**362.7**
Impairment coverage	0%	0%	66%	6%		0%	0%	60%	5%
Current	340.7			340.7		333.7			333.7
Overdue < 30 days	11.8			11.8		8.2			8.2
Overdue > 30 days		9.3	33.3	42.5			7.8	32.5	40.3
Total	**352.4**	**9.3**	**33.3**	**395.0**		**342.0**	**7.8**	**32.5**	**382.3**
Collateral			N/A					**13.4**	
Collateral coverage			N/A					41%	
Total impairment and collateral coverage			N/A					101%	

Source: Manx Financial Group

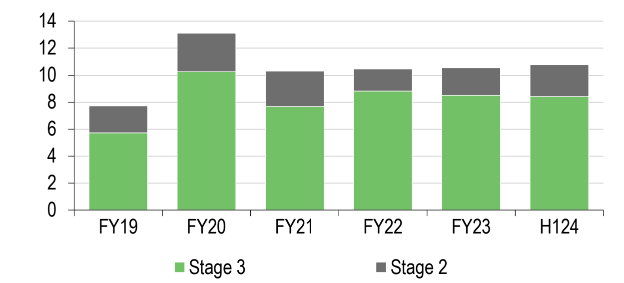
There was a slight increase in the share of loans overdue by 30 days, to £42.5m (end-FY23: £40.3m) or 10.8% of total gross loans (end-FY23: 10.5%), but this remains consistent with the past three years (average), as does the percentage of gross loans classified as stage 2 and 3. This underscores the quality of the loan book and reflects the credit strength observed in the industry.

Exhibit 5: Overdue loans and impairment allowance



Source: Manx Financial Group

Exhibit 6: Stage 2 and 3 as a percentage of gross loans



Source: Manx Financial Group

PAL is attractive financially and strategically

PAL is the UK's leading automotive repair point-of-sale finance provider and distributes through prominent national organisations such as Halfords and Formula One. Prior to acquiring its initial 50.1% interest in PAL in September 2022, Manx had worked with the company for some years, providing it with finance through Conister bank. As a result, it knew the management well and had a good understanding of PAL's business.

The PAL acquisition was a significant transaction for Manx, with the £4.2m paid for the initial 50.1% stake representing almost 15% of end-FY22 equity. As part of the transaction, Manx retained an option to buy the remaining 49.9% stake for a variable cash consideration. The variable consideration was set at two times the average PAL net profits in the three years to end-2024, capped at £5m and with the option then to be exercised at any point until PAL declared its dividend for FY26.

However, an agreement with the PAL minority shareholders has allowed Manx to bring forward its acquisition of their holding, and this was completed during September. The consideration was £5m, which Manx estimates will represent a saving of c £4m in the cost of acquiring the additional stake compared with the terms of the option. The savings estimate is primarily based on Manx's expectations for PAL's financial performance in the FY24–26 financial years, and the dividends that may otherwise have been paid to the PAL minority shareholders. This indicates an expectation of PAL's earnings over FY24–26 of up to £8m in aggregate. As a result, the acquisition, in its entirety, will have been fully self-financed by the earnings of PAL at a prospective multiple of less than 4x earnings. Moreover, the minority acquisition should be immediately accretive to earnings and Manx is very optimistic for PAL's further growth.

Accretion to earnings and book value

Based on the FY23 results, for which there is full disclosure available, assuming that the group had owned 100% of PAL throughout the year, and assuming foregone interest on the additional investment at 5% pa, we estimate that EPS would have been 12% higher at 5.13p rather than the 4.59p reported. The accretion is at a similar level for H124.

The transaction is also accretive to BVPS because the cash consideration has no impact on shareholders' equity while the equity attributable to shareholders increases (because of the elimination of the PAL minority interest). The return on BVPS also increases because the earnings accretion is greater than the BVPS accretion.

Tangible book value per share (TBVPS) is reduced by the increased goodwill on the transaction, but the return on TBVPS rises materially.

The returns on BVPS and TBVPS in the table below are based on closing book values to better represent the full year impact.

Exhibit 7: PAL earnings and book value accretion (based on FY23 data)

£m	FY23 reported	Annualised adjustments		FY23 pro forma
	With 50.1% ownership		If Manx owned 100%	%
Income statement				
Profit before tax	7.0	(0.3)	6.8	
Income Tax	(0.9)	0.0	(0.9)	
Net profit	6.1	(0.2)	5.9	
Minority interest	(0.9)	0.9	0.0	
Net attributable profit	5.3	0.6	5.9	
EPS (p)	4.59		5.13	12%
Balance sheet				
Net assets	36.0		36.0	
Minority interest	(1.0)	1.0	(0.1)	
Attributable net assets (BV)	34.9		35.9	
Intangibles	14.8	4.0	18.9	
Tangible net assets (TBV)	20.1		17.0	
Diluted BVPS (p)	22.4		23.1	3%
Diluted TBVPS (p)	12.9		10.9	-15%
Return on closing BV	15.1%		16.5%	16bps
Return on closing TBV	26.3%		34.7%	

Source: Manx Financial Group FY23 data, Edison Investment Research forecast pro-forma. Note: We have assumed the cash consideration of £5m is funded with cash and that interest is foregone at 5% pa or £250m pa pre-tax. We have assumed the interest cost is tax deductible at the 10% rate that applies to Manx's Isle of Man banking activities.

The increase in goodwill is at the group level and, therefore, should have no impact on Conister Bank's capital ratios.

Valuation

In this section we compare Manx with a selection of diverse small- and mid-cap UK banks and specialist lenders. As no consensus forecasts are available for Manx, we have relied on recently reported data, including reported fully diluted FY23 EPS of 5.3p, the average ROE in the three years to end-FY23 and diluted book value per share.[1]

On this basis, Manx shares are trading at a clear discount to peers based on 2023 P/E and P/BV metrics, despite generating a well above average ROE. While Manx assumes a conservative payout ratio (c 10%), reflecting its growth trajectory, FY23 DPS increased by 21%, and relative to peers its dividend yield has become increasingly attractive. Close Brothers has suspended payments to rebuild its capital base ahead of expected remediation costs linked to car finance commissions, Metro Bank is yet to move into sustained profitability and the Vanquis Bank dividend reflected in the table below is like to be substantially cut from the 6.0p trailing distribution given its accounting restatements in respect of loan provisioning.

Exhibit 8: Peer comparison table

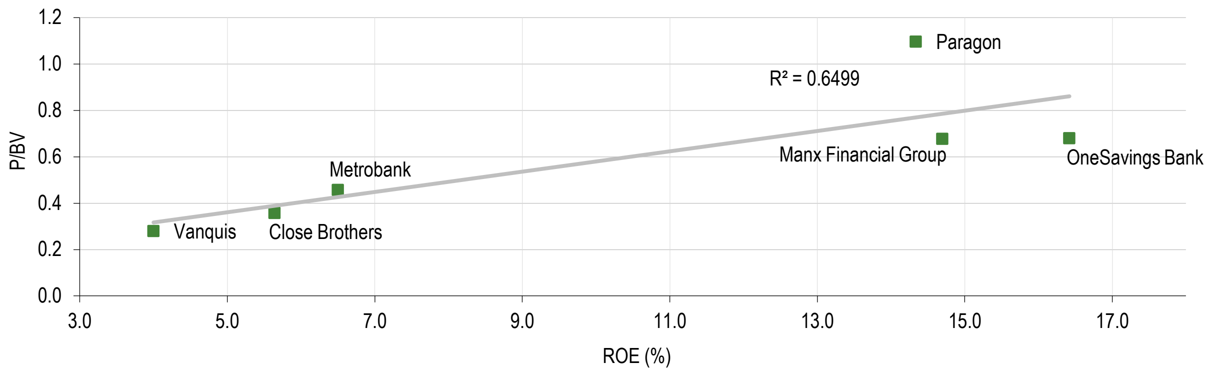
	Price (p)	Market cap (£m)	P/E 2023 (x)	P/BV CY1 (x)	P/BV CY2 (x)	ROE CY1 (%)	ROE CY2 (%)	Trailing dividend yield (%)
Close Brothers	391	587	6.3	0.4	0.4	5.1	5.6	0.0
Metro Bank	72	480	N/A	0.5	0.5	(4.1)	6.5	0.0
OneSavings Bank	391	1,474	5.3	0.8	0.7	15.6	16.4	8.2
Paragon	768	1,589	8.8	1.2	1.1	14.2	14.3	4.9
Vanquis Bank	58	149	8.1	0.2	0.3	(2.0)	4.0	10.3
Manx	16	19	4.6	0.7	0.7	14.7	14.7	2.8
Average		**716.5**	**6.6**	**0.6**	**0.6**	**7.3**	**10.3**	**4.4**

Source: LSEG Data & Analytics, Edison Investment Research. Note: Priced at 18 October 2024.

1 Manx has outstanding bonds amounting to almost £3m nominal that are convertible into ordinary shares at various prices of between 8p and 9p per share.

In Exhibit 9, we visually analyse the relationship between ROE and P/BV for all peers, constructing a regression line for comparison. We have based this on forward looking data (CY2) so as to better reflect more normalised levels of profitability as some of the current distortions (accounting restatements, remediation payments) drop out. It is worth noting that for Manx, we utilise its diluted book value, while for peers, undiluted values are applied. Our observation indicates that Manx trades slightly below the regression line. To trade closer in line with peer valuations, Manx would need to be trading closer to 0.8x book, implying c 18% upside from its current share price.

Exhibit 9: ROE versus P/BV



Source: LSEG Data & Analytics, Edison Investment Research. Note: Priced at 18 October 2024.

Exhibit 10: Financial summary

Year-end 31 December	FY19	FY20	FY21	FY22	FY23
£m except where stated					
Profit and loss					
Net interest income	17,929	15,470	17,980	24,352	32,361
Net commission income	(1,630)	384	1,282	1,150	(3,330)
Other income	233	551	785	571	2,452
Total operating income	**16,532**	**16,405**	**20,047**	**26,073**	**31,483**
Total operating expenses	(11,632)	(11,394)	(12,789)	(16,890)	(20,305)
Operating profit pre impairments & exceptionals	4,900	5,011	7,258	9,183	11,178
Impairment charges on loans	(1,900)	(3,950)	(4,360)	(3,990)	(4,135)
Associates	124	54	32	18	0
VAT recovery	(101)	906	113	0	0
Operating profit post impairments	**3,023**	**2,021**	**3,043**	**5,211**	**7,043**
Non-recurring items	0	0	1	0	0
Profit before tax	**3,023**	**2,021**	**3,044**	**5,211**	**7,043**
Corporation Tax	(350)	(53)	(234)	(537)	(903)
Tax rate	12%	3%	8%	10%	13%
Profit after tax	2,673	1,968	2,810	4,674	6,140
Minority interests	0	(33)	(16)	(343)	(852)
Net income attributable to equity shareholders	**2,673**	**1,935**	**2,794**	**4,331**	**5,288**
Shares and per share ratios					
Average basic number of shares in issue (m)	131.1	119.0	114.3	114.8	115.3
Average diluted number of shares in issue (m)	172.8	155.5	150.8	153.8	155.7
Period end shares in issue (m)	131.1	114.1	114.3	115.1	116.2
Reported EPS (p)	2.04	1.63	2.44	3.77	4.59
Reported diluted EPS (p)	1.66	1.35	1.96	2.93	3.51
Reported DPS (p)	0.00	0.00	0.24	0.38	0.46
NAV per share (p)	12.2	14.4	15.7	17.7	20.7
Tangible NAV per share (p)	9.4	10.1	10.7	10.7	13.6
Income ratios and per share					
Net interest/average loans	10.9	8.3	8.5	9.4	9.9
Impairments /average loans	1.2	2.1	2.1	1.5	1.3
Cost income ratio	70.4	69.5	63.8	64.8	64.5
Return on average equity	12.7	8.7	11.8	15.9	16.4
Return on average TNAV	16.9	12.3	17.6	28.6	32.6
Balance sheet					
Net customer loans	179,370	193,143	229,251	291,475	362,653
Other assets	73,517	74,818	79,502	87,786	118,052
Total assets	252,887	267,961	308,753	379,261	480,705
Total customer deposits	209,933	218,285	253,459	304,199	390,421
Other liabilities	20,635	27,241	30,309	45,292	54,300
Total liabilities	230,568	245,526	283,768	349,491	444,721
Net assets	22,319	22,435	24,985	29,770	35,984
Minorities	0	84	56	189	1,041
Shareholders' equity	22,319	22,351	24,929	29,581	34,943
Reconciliation of movement in equity					
Opening net assets					
Profit in period	2,673	1,968	2,809	4,674	6,140
Other comprehensive income	(77)	(292)	236	538	318
Ordinary dividends	0	0	(185)	(217)	(342)
Minority changes from subsidiaries	0	(1,560)	(310)	(210)	0
Closing net assets	22,319	22,435	24,985	29,770	35,984
Balance sheet ratios					
Loans as % deposits	85.4	88.5	90.4	95.8	92.9
Loans to equity (x)	8.0	8.6	9.2	9.7	9.8
Stage 3 as % loans	3.5	7.2	4.4	4.5	3.6
Impairments as % stage 3 loans gross	45.3	34.7	47.8	49.2	60.4
Total capital ratio (%)	16.9	19.1	19.1	15.1	15.9

Source: Manx Financial Group, Edison Investment Research

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