

Fairbairn Private Bank Limited

Abridged consolidated financial statements

For the year ended 31 December 2009

Fairbairn Private Bank Limited

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Fairbairn Private Bank Limited

(Incorporated in Jersey, Channel Islands)

Directors and officers

H Askari (resigned 30 June 2009)
J C Averty
T Boardman (appointed 14 October 2009)
G Cookman (appointed 12 March 2009)
A G K Hamilton
G J Horton
N M E James
T D Mackay
D Macready
D Stearn (appointed 15 January 2009)

Secretary

N M E James

Registered office

31 The Esplanade
St Helier
Jersey
Channel Islands

Auditors

KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

Fairbairn Private Bank Limited

Directors' report

The Directors submit their report and the abridged consolidated financial statements for the year ended 31 December 2009.

Format

The information contained within these abridged financial statements has been prepared in accordance with the requirements of the Companies (Jersey) Law 1991 and the Banking Business (Jersey) Law 1991. Additional information to allow for a full understanding of the results of the Group and state of affairs of the Group and Company, has been submitted to the Finance and Economics Committee of the States of Jersey as required by the Banking Business (Jersey) Law 1991. In accordance with the Banking Business (General Provisions) (Amendment) (Jersey) Order 1994, Fairbairn Private Bank Limited has decided to adopt the summarised form of financial statements.

Principal activities

Fairbairn Private Bank Limited ('The Company') is a bank domiciled in Jersey. The Company is licensed by the Jersey Financial Supervision Commission to carry on the business of banking in all its aspects including the management of clients' investments and the acceptance of sterling and foreign currency time deposits. Trustee and company administration services are also provided through the Company's wholly owned subsidiaries, Fairbairn Trust Limited, Fairbairn Corporate Services Limited and Fairbairn Fiduciary Services Limited.

Results

The retained profit for the year after tax amounted to £6,456,000 (2008: £8,849,000) which has been carried forward to revenue reserves.

Dividend

A dividend of £4,000,000 (2008: £3,000,000) was paid during the year.

Directors

The present Board and those Directors who served during the year are shown on page 1.

Auditors

The Auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with article 109 of the Companies (Jersey) Law 1991.

By order of the Board

NME James
Secretary

31 The Esplanade
St Helier
Jersey
Channel Islands



Statement of the independent auditors to the members of Fairbairn Private Bank Limited

Pursuant to the Banking Business (General Provisions) (Jersey) Order 2002

We have examined the abridged financial statements set out on pages 5 to 8.

This statement is made solely to the Company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the abridged financial statements in accordance with applicable Jersey law. Our responsibility is to report to you our opinion on the consistency of the abridged financial statements with the full annual financial statements and Directors' Report and their compliance with the relevant requirements of the Banking Business (General Provisions) (Jersey) Order 2002 and guidance notes issued by the Jersey Financial Services Commission, applicable to the abridged financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 "The auditor's statement on the summary financial statements" issued by the UK Auditing Practices Board. Our report on the Company's full annual financial statements describes the basis of our audit opinion on those financial statements. We have not considered the effects of events between the date of signing the full annual financial statements on 26 March 2010 and the date of this report. Our reports on the full annual financial statements and Directors' Report contained therein were unqualified.



Statement of the independent auditors to the members of Fairbairn Private Bank Limited (continued)

Opinion

In our opinion the abridged financial statements are consistent with the full annual financial statements and Director's report of Fairbairn Private Bank Limited for the year ended 31 December 2009 and comply with the requirements of the Banking Business (General Provisions) (Jersey) Order 2002 and guidance notes issued by the Jersey Financial Services Commission, applicable to the abridged financial statements.

KPMG Audit LLC
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

11 May 2010

Note: The maintenance and integrity of the Fairbairn Private Bank Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements or audit report since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fairbairn Private Bank Limited

Abridged consolidated statement of financial position as at 31 December 2009

	<i>Notes</i>	2009	2008
		£'000	£'000
Assets			
Money market assets		625,991	724,742
Loans and advances to customers		265,009	213,393
Loans and advances to group undertakings		71,194	36,456
Property and equipment		628	866
Other assets		4,251	37,460
		<hr/>	<hr/>
Total assets		967,073	1,012,917
		<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Deposits from customers		896,287	915,552
Other liabilities		12,478	40,159
		<hr/>	<hr/>
Total liabilities		908,765	955,711
		<hr/>	<hr/>
Shareholders' equity			
Paid up and issued share capital		400	400
Share premium		5,600	5,600
Reserves		2,687	7,379
Retained earnings		49,621	43,827
		<hr/>	<hr/>
Total shareholders' equity		58,308	57,206
		<hr/>	<hr/>
Total liabilities and shareholders' equity		967,073	1,012,917
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 9 form part of these abridged financial statements.

These abridged financial statements were approved by the Board of Directors on 10 May 2010 and were signed on their behalf by:

G J Horton
Director

N M E James
Director

Fairbairn Private Bank Limited

Abridged company statement of financial position as at 31 December 2009

	<i>Notes</i>	2009	2008
		£'000	£'000
Assets			
Money market assets		308,348	413,474
Loans and advances to customers		68,687	51,452
Loans and advances to group undertakings		58,850	10,833
Property and equipment		327	482
Other assets		1,604	11,456
Investments in subsidiaries		3,050	3,050
		<hr/>	<hr/>
Total assets		440,866	490,747
		<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Deposits from customers		412,354	447,707
Other liabilities		5,179	20,672
		<hr/>	<hr/>
Total liabilities		417,533	468,379
		<hr/>	<hr/>
Shareholders' equity			
Paid up and issued share capital		400	400
Share premium		5,600	5,600
Reserves		5,253	6,919
Retained earnings		12,080	9,449
		<hr/>	<hr/>
Total shareholders' equity		23,333	22,368
		<hr/>	<hr/>
Total liabilities and shareholders' equity		440,866	490,747
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 9 form part of these abridged financial statements.

These abridged financial statements were approved by the Board of Directors on 10 May 2010 and were signed on their behalf by:

G J Horton
Director

N M E James
Director

Fairbairn Private Bank Limited

Notes to the abridged consolidated financial statements

(forming part of the abridged consolidated financial statements for the year ended 31 December 2009)

1 Basis of preparation

These abridged financial statements are derived from the audited annual financial statements of the Company for the year ended 31 December 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

2 Accounting policies

These abridged financial statements incorporate accounting policies that are consistent with those adopted in the Company's annual financial statements and with those of previous years.

3 Contingent liabilities and commitments

a) Commitments

The Group has no capital commitments at 31 December 2009 (2008: £Nil).

There are commitments outstanding that have been entered into during the normal course of business. These comprise unutilised client loan facilities of £20,216,000 for the Group (2008: £11,958,000), which includes £12,864,000 for the Company (2008: £4,131,000).

b) Contingent liabilities

The Group has issued guarantees of £3,668,000 (2008: £5,927,000) during the year.

There are commitments under non-cancellable operating leases as follows:

	Land and Buildings			
	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Operating lease commitments:				
Within one year	445	445	169	169
Between two and five years	1,780	1,780	676	676
Greater than five years	1,780	2,225	676	845
	4,005	4,450	1,521	1,690

Fairbairn Private Bank Limited

Notes to the abridged consolidated financial statements (continued)

(forming part of the abridged consolidated financial statements for the year ended 31 December 2009)

3 Contingent liabilities and commitments (continued)

The Company's subsidiary, Fairbairn Private Bank (IOM) Limited, is licensed by the Isle of Man Financial Supervision Commission ("IOMFSC") to conduct deposit-taking activities. All retail deposit-taking institutions in the Isle of Man are members of the statutory Isle of Man Depositors' Compensation Scheme under the Compensation of Depositors Regulations 2008 as amended by the Compensation of Depositors (Amendment) Regulations 2008 ("the Scheme").

The Scheme provides compensation to a maximum of 100% of the first £50,000 or currency equivalent of individual depositors and £20,000 in any other case, subject to a maximum of £200,000,000 for all participants, in the event of the failure of a participant institution to meet its obligations to depositors.

Such a failure triggers the payment of a levy by each participant calculated at 0.125% of average deposit liabilities over such period preceding the levying of the contribution as deemed appropriate by the Scheme Manager, with a minimum annual contribution of £35,000 and a maximum annual contribution of £350,000.

On 8 October 2008, the banking licence granted to Kaupthing Singer and Friedlander (Isle of Man) Limited ("Kaupthing S&F") was suspended and on 27 May 2009 Kaupthing S&F was placed into liquidation, thus triggering the provisions of the Scheme.

During the year Fairbairn Private Bank (IOM) Limited paid an initial contribution of £350,000 to the Scheme and has made a provision amounting to £700,000 in respect of estimated future contributions to the Scheme which may be required.

4 Investments in subsidiaries

Name	Activity	Holding	Place of incorporation	Cost £'000
Direct subsidiaries				
Fairbairn Private Bank (IOM) Limited	Banking & asset management	100%	Isle of Man	3,000
Fairbairn Corporate Services Limited	Corporate services	100%	Jersey	0.1
Fairbairn Nominees (Jersey) Limited	Nominee	100%	Jersey	0.1
Fairbairn Trust Limited	Trust	100%	Jersey	25
Fairbairn Fiduciary Services Limited	Trust	100%	Jersey	25
Indirect subsidiaries				
Fairbairn Nominees (IOM) Limited	Nominee	100%	Isle of Man	2
Fairbairn Trust (IOM) Limited	Trust (Dormant)	100%	Isle of Man	500
Fairbairn Nominees (UK) Limited	Nominee	100%	Isle of Man	2

Fairbairn Private Bank Limited

Notes to the abridged consolidated financial statements (continued)

(forming part of the abridged consolidated financial statements for the year ended 31 December 2009)

5 Ultimate holding company

As at 31 December 2009 Fairbairn Private Bank Limited was a subsidiary of Nedgroup International Holdings Limited which is incorporated in the Isle of Man. The ultimate holding company and controlling party is Old Mutual plc, which is incorporated in England and Wales.

6 Audited financial statements

A copy of the full audited financial statements is available on request at the Company's registered office.