

Fairbairn Private Bank (IOM) Limited

Abridged financial statements

For the year ended 31 December 2010

Fairbairn Private Bank (IOM) Limited

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Fairbairn Private Bank (IOM) Limited

Directors and officers

Directors

J C Averty
T A Boardman
G Cookman (resigned 20 July 2010)
A G K Hamilton
G J Horton
N M E James
T D Mackay
D Macready
D M Stearn

Secretary

N M E James

Registered office

St Mary's Court
20 Hill Street
Douglas
Isle of Man
IM1 1EU

Auditors

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



Statement of the independent auditors to the member of Fairbairn Private Bank (IOM) Limited

We have examined the abridged financial statements for the year ended 31 December 2010 set out on pages 3 to 6.

This statement is made solely to the Company's member, as a body, in accordance with applicable Isle of Man law. Our work has been undertaken so that we might state to the Company's member 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 member 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 Isle of Man 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 Rule 2.26 of the Financial Services Rule Book 2009 and guidance notes issued by the Isle of Man Financial Supervision Commission, applicable to the abridged financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 "The auditor's statement on the summary financial statements in the United Kingdom" issued by the Auditing Practices Board. Our report on the Company's full annual financial statements describes the basis of our audit opinion on those financial statements and Directors' report. Our reports on the full annual financial statements and Directors' Report contained therein were unqualified.

Opinion

In our opinion the abridged financial statements are consistent with the full annual financial statements and Director's report of Fairbairn Private Bank (IOM) Limited for the year ended 31 December 2010 and comply with the requirements of Rule 2.26 of the Financial Services Rule Book 2009 and guidance notes issued by the Isle of Man Financial Supervision Commission, applicable to the abridged financial statements.

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

29 March 2011

Note: The maintenance and integrity of the Fairbairn Private Bank (IOM) 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 the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fairbairn Private Bank (IOM) Limited

Abridged Statement of financial position

as at 31 December 2010

	<i>Notes</i>	2010 £'000	2009 £'000
Assets			
Money market assets		284,279	317,643
Loans and advances to customers		164,320	196,321
Loans and advances to group undertakings	4	66,754	31,863
Property and equipment		227	301
Other assets		2,898	2,487
Investments in subsidiaries	5	504	504
Total assets		518,982	549,119
Liabilities			
Deposit liabilities		476,444	502,532
Other liabilities		7,227	9,724
Total liabilities		483,671	512,256
Shareholder's equity			
Paid up and issued share capital		5,000	5,000
Reserves		583	433
Retained earnings		29,728	31,430
Total shareholder's equity		35,311	36,863
Total liabilities and shareholder's equity		518,982	549,119

The notes on pages 4 to 6 form part of these abridged financial statements.

These abridged financial statements were approved by the Board of Directors on 17 March 2011 and were signed on their behalf by:

G J Horton
Director

N M E James
Director

Fairbairn Private Bank (IOM) Limited

Notes to the abridged financial statements

(forming part of the abridged financial statements for the year ended 31 December 2010)

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 2010, 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 Company has no capital commitments at 31 December 2010 (2009: £Nil).

There are commitments outstanding that have been entered into during the normal course of business. These comprise unutilised client loan facilities of £6,257,000 (2009: £7,352,000).

b) Contingent liabilities

The Company has issued guarantees of £2,131,000 (2009: £2,549,000).

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

	Land and Buildings	
	2010	2009
	£'000	£'000
Operating lease commitments:		
Within one year	296	276
Between two and five years	1,186	1,104
Greater than five years	889	1,104
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	2,371	2,484
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Fairbairn Private Bank (IOM) Limited

Notes to the abridged financial statements (continued)

(forming part of the abridged financial statements for the year ended 31 December 2010)

3 Contingent liabilities and commitments (continued)

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 the Company paid a contribution of £350,000 (2009: £350,000) to the Scheme and holds a further provision of £350,000 in respect of estimated future contributions to the Scheme which may be required.

During 2009, the Company received the sum of £246,000 being the return to the Company of contributions made in relation to the collapse of Bank of Credit and Commerce International SA and in respect of which the Company had contributed to the original Depositors' Compensation Scheme in 1991 and 1993.

4 Loans and advances to group undertakings

	2010 £'000	2009 £'000
Fairbairn Private Bank Limited	41,837	19,251
Nedbank Limited – London Branch	24,914	12,612
Fairbairn Trust Limited	3	-
	<u>66,754</u>	<u>31,863</u>

Fairbairn Private Bank (IOM) Limited

Notes to the abridged financial statements (continued)

(forming part of the abridged financial statements for the year ended 31 December 2010)

5 Investments in subsidiaries

Name	Activity	Holding	Place of incorporation	Cost £'000
Fairbairn Trust (IOM) Limited	Trust (Dormant)	100%	Isle of Man	500
Fairbairn Nominees (IOM) Limited	Nominee	100%	Isle of Man	2
Fairbairn Nominees (UK) Limited	Nominee	100%	Isle of Man	2
				<hr/>
				504
				<hr/> <hr/>

6 Ultimate holding company

The Company's immediate parent undertaking is Fairbairn Private Bank Limited, a company incorporated in Jersey, Channel Islands. The ultimate holding company is Old Mutual plc, which is incorporated in England and Wales.

7 Audited financial statements

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