

**How do you build a  
growth company in a  
slow growth world?**

# FANS!



not customers

**M**ETRO  
BANK

# building the brand

# FANS!



not customers

**Legendary Brands**  
(Experiences)

**Emotional Brands**  
(Feelings)

**Basic Brands**  
(Brand Promise)

# building the brand

**Model** *Value Differentiating*

+ **Culture** *Unique*

+ **Execution** *Fanatical*

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= **FANS!**  
not customers

# *Commerce* *Bank*

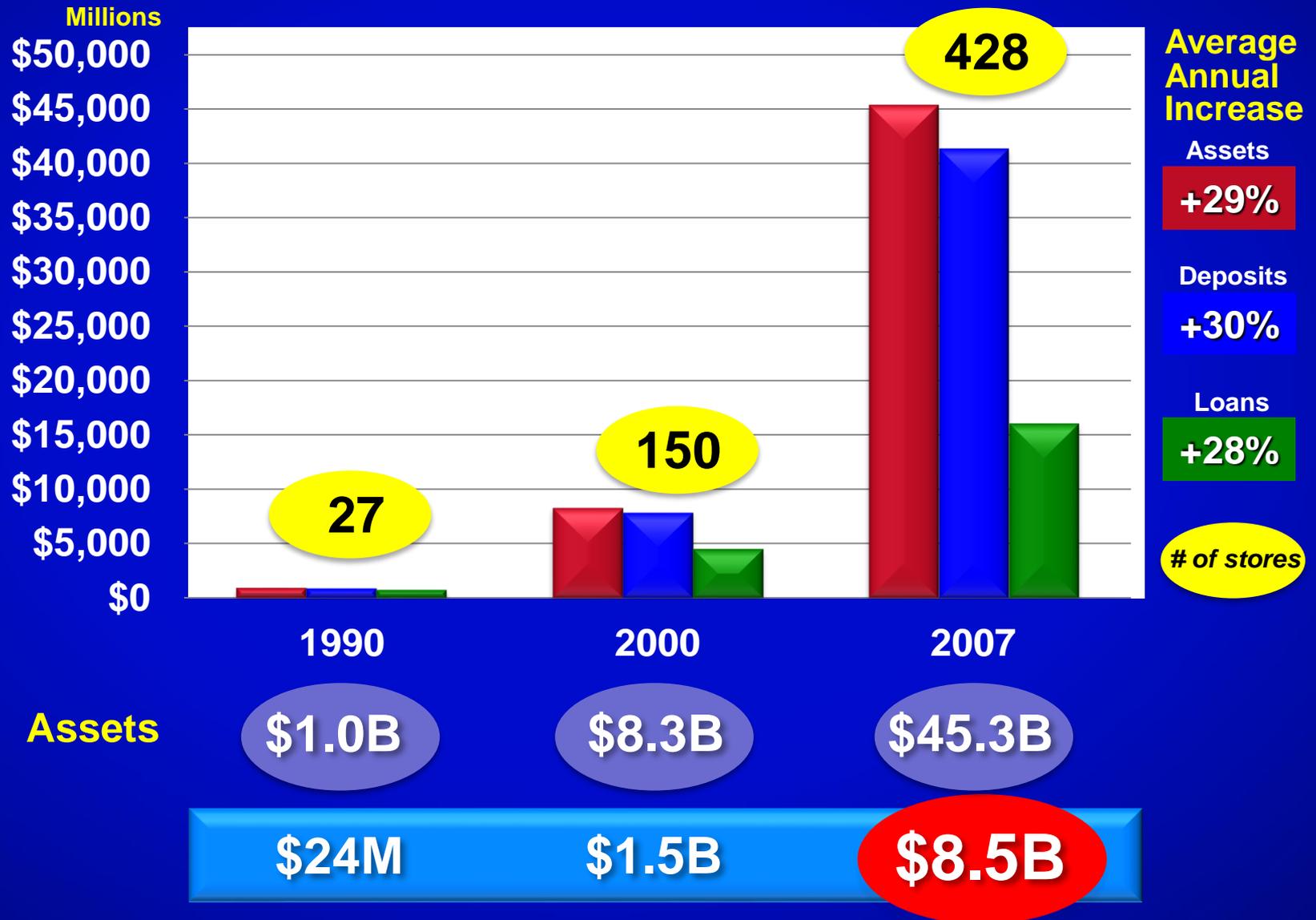
*Most beloved*



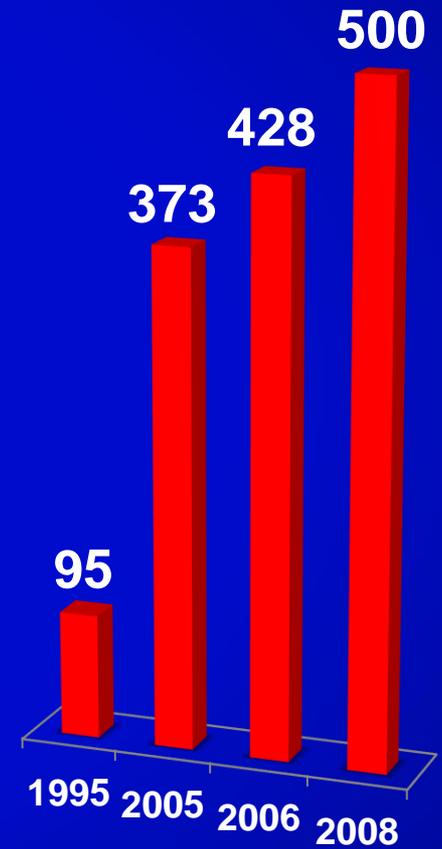
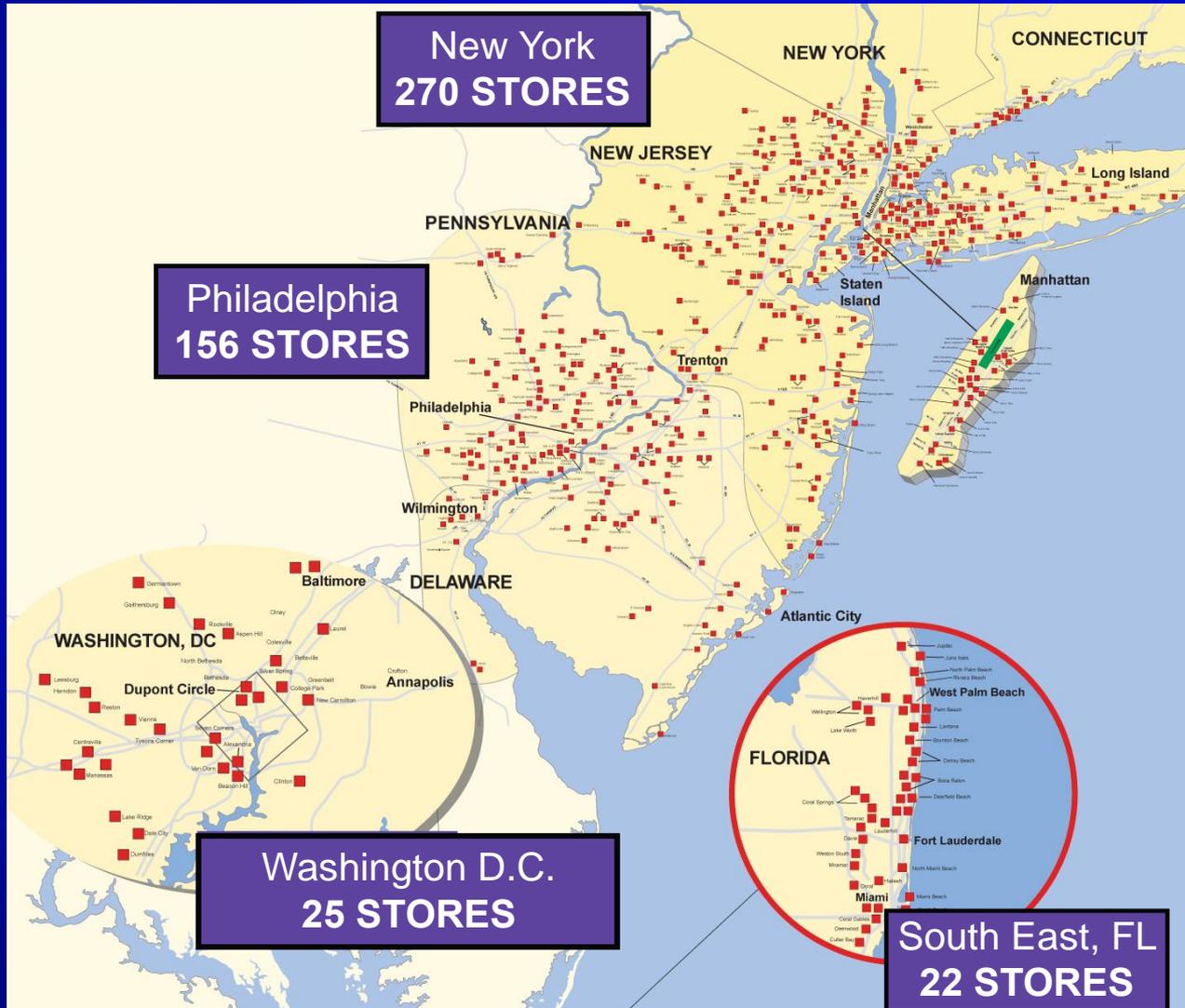
by its

**Shareholders  
& Customers**

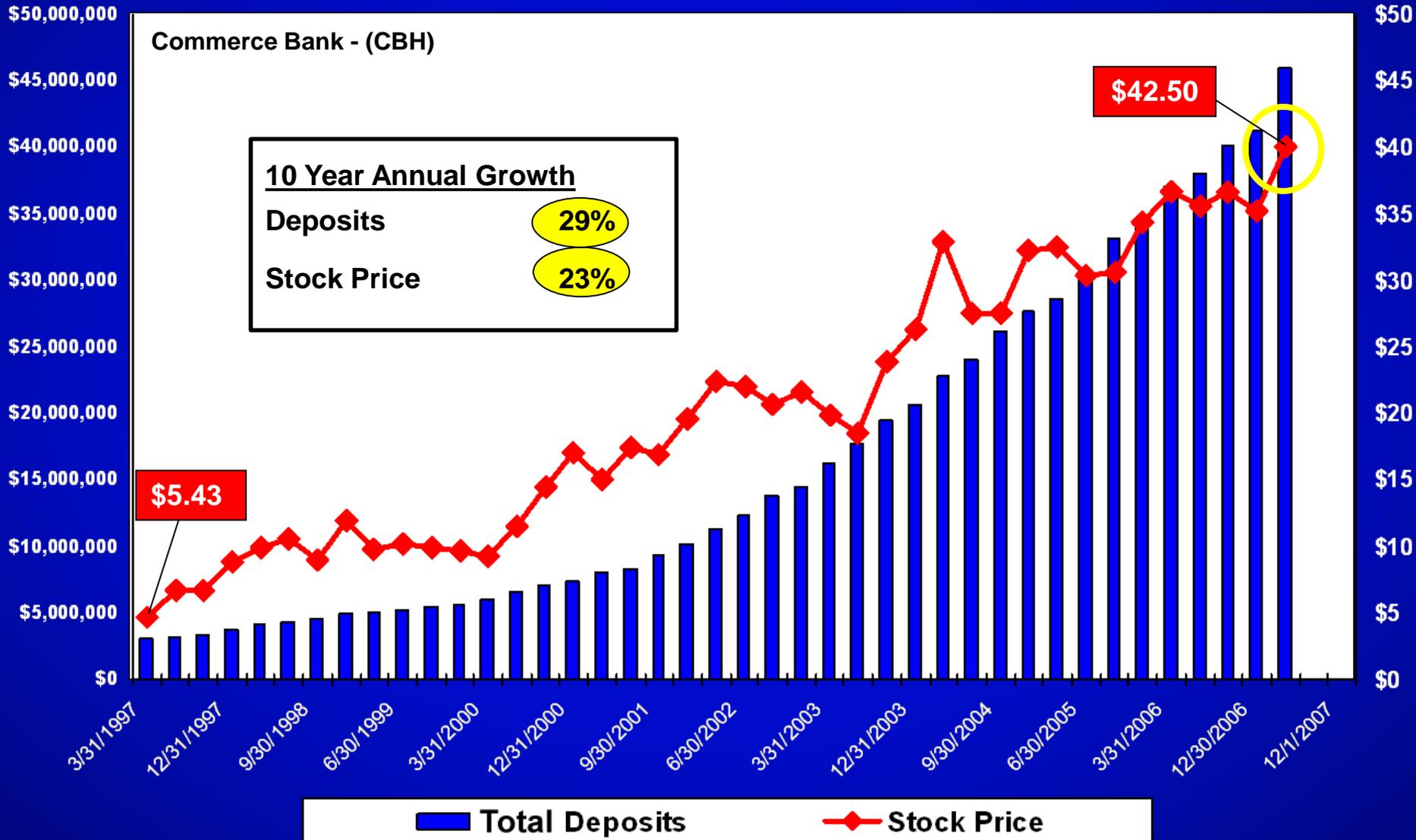
# commerce bank growth model



# commerce bank store growth



# commerce bank deposits – stock price



# chiefs in the 20-20-20 club

Members of the Forbes 20-20-20 Club are chief executives who've held the top job for 20 years at a company with publicly traded shares for at least 20 years, who have presided over at least a 20% annual return since the company went public.

Chief Executive Officer	Company	Tenure As Chief (years)	Annualized Total Return During Tenure
Lawrence J. Ellison	Oracle	30	31%
Howard Solomon	Forest Labs	30	29
Warren E. Buffett	Berkshire Hathaway	37	27
<b>Vernon W. Hill II</b>	<b>Commerce Bancorp</b>	<b>34</b>	<b>23</b>
Harold M Messmer Jr.	Robert Half Int'l.	21	23
Alan I Kirshner	Markel	21	22
Leslie H. Wexner	Limited Brands	44	21

**M**ETRO  
BANK



# metro bank



- Britain's first new High Street bank in over 100 years
- Founded by Vernon W. Hill II, founder of Commerce Bancorp (CBH)
- 7-Day Store banking
- c. £10B in deposits
- Market cap £2.7B
- c. 1M customer accounts
- c. 150 store target in Metro London

# a revolution in british banking

- Totally new with no legacy reputation, regulatory, credit or funding issues
- Based on the Commerce Bank, retail model  
*The most successful in America*
- Completely deposit funded: No wholesale funding
- New state of the art information technology
- Complete commercial bank  
50% Consumer 50% Business
- c.1,000,000 accounts



# building a brand

**Model** *Value Differentiating*

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= **FANS!**  
  
not customers

# the metro bank model

- Growth retailers **NOT** bankers
- Unique deposit driven/retail focus
- Customers will trade lower rates for a better **RETAIL EXPERIENCE**
- Great business creates **Fans Not Customers**
- Growth is essential to success & value
- Become a power retailer

# the metro bank culture

- Create a culture to match your model
- Culture must be very clear & pervasive  
*“Buy in or opt out”*
- Hire for attitude, train for skills
- Over-train
- Over-reinforce
- Make everyone an owner



# fanatical execution

- Believe in your model
- Over-invest in facilities & people
- Demand 100% execution
- One person to say **YES**,  
two to say **NO**
- No stupid bank rules



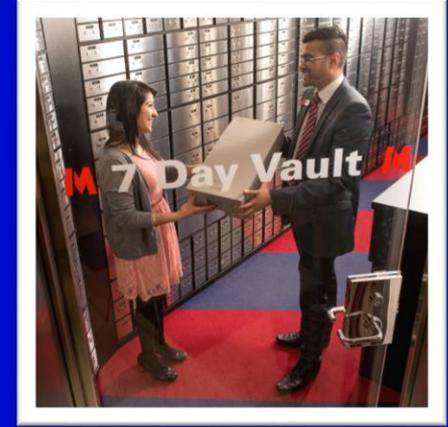
# kill a stupid rule



*7 Day Store Banking*



*Free Coin Counting*



*Safe Deposit Boxes*



*Free Pens*



**dogs rule!**

at **METRO**  
BANK

# the disruptor

- £2.6T UK deposit market controlled by 5 legacy banks
- Exceptional convenience & service model
- 84% London brand awareness
- 58 stores by Dec 2017, c.110 stores by 2020
- Funded with £1B in private offering
- 5 year annual compounded growth\*:  
deposits 102%    loans 143%
- 5% of UK deposit market - £100B/deposits
- Listed on the London Stock Exchange - MTRO



# METRO BANK

## PROMISE

- ☑ **surprise & delight**  
every customer
- ☑ **deliver unlimited convenience**
  - 📍 in-store    💻 online
  - 📞 mobile    📱 phone
- ☑ **no stupid bank rules**
- ☑ **satisfaction guaranteed**

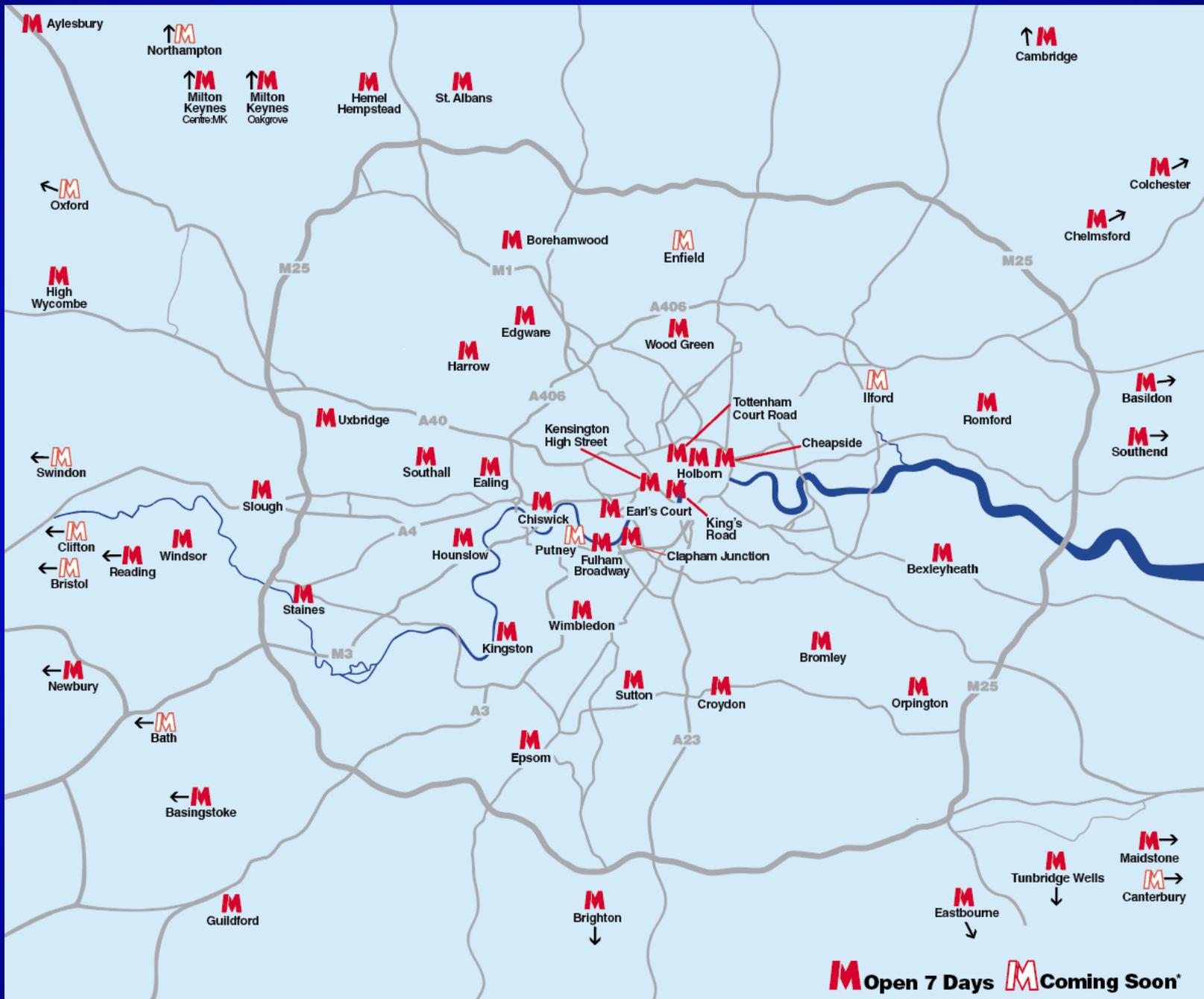
# join the revolution

The best of every channel.



- Best-in-class Commercial banking platform launched
- Apple Pay<sup>®</sup> and Android Pay<sup>™</sup>
- Redesigned website
- First UK challenger bank to join Faster Payments Scheme
- Upgraded mobile app - Personal and Small Business Customers





# reading





fairer  
FINANCE

GOLD RIBBON  
Bank accounts

# metro bank voted no.1 in customer service

2 NOVEMBER 2014



## THE SUNDAY TIMES

**MONEY MADE EASY**  
YOUR FIVE-MINUTE GUIDE TO...  
**BANK CUSTOMER SERVICE**



"THE established high street banks have some of the worst customer satisfaction ratings, with building societies and new "challenger" banks topping the tables instead.

"A new survey, conducted by the consumer group Fairer Finance, has highlighted how some of the big names are failing their customers, driving growing numbers of them to vote with their feet.

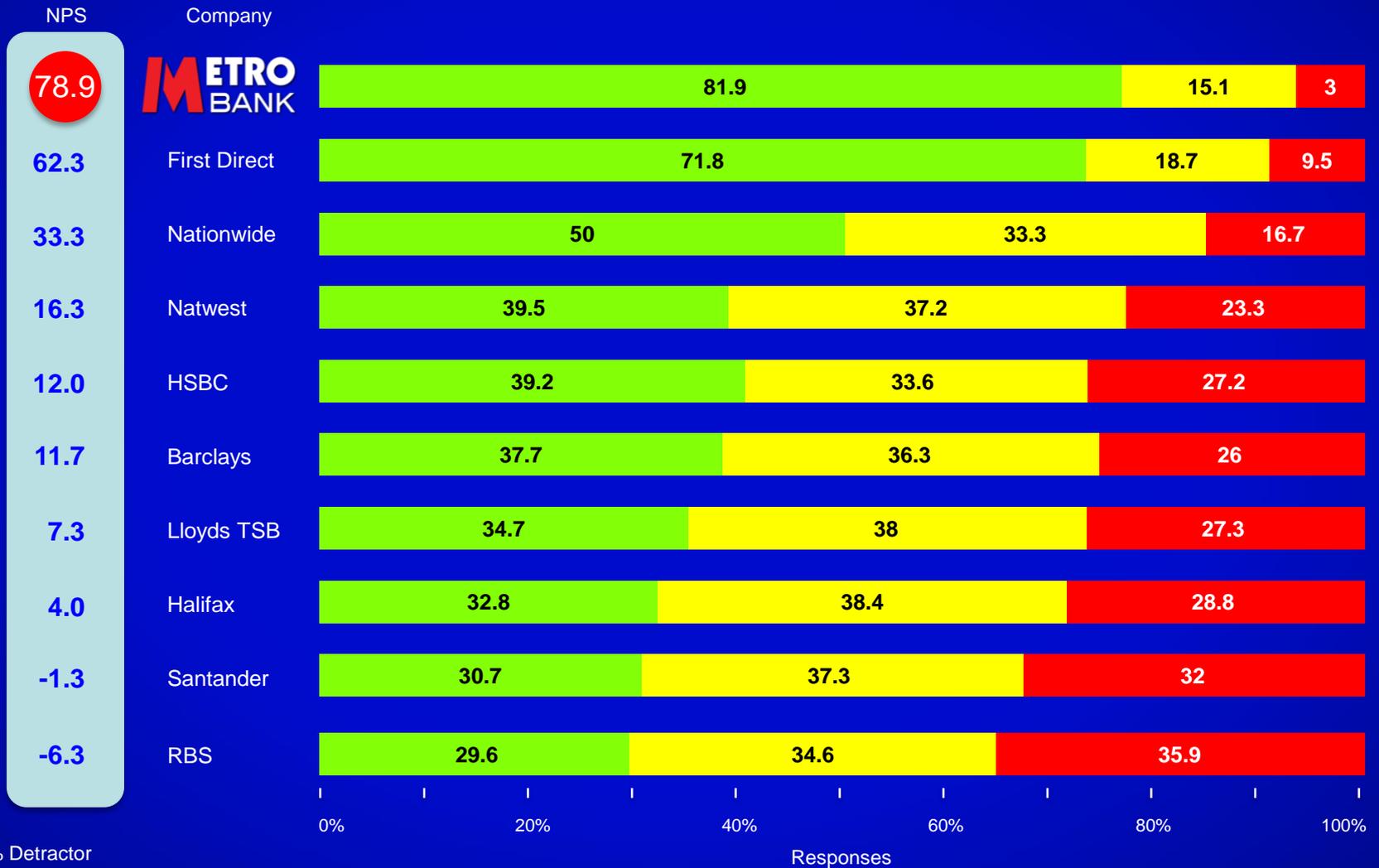
**"The top overall score went to Metro bank with 93%."**

**METRO**  
BANK

**93%**

First Direct	83%
Halifax	63%
TSB	54%
Lloyds Bank	35%
Barclays	30%
Santander	25%
Royal Bank of Scotland	6%

# net promoter score



■ % Detractor  
■ % Passive  
■ % Promoter

Metro Bank September 2014 SatMetrix Account Opening Survey  
 All competitors May 2013 - Dec 2013 Satmetrix 2012 European Consumer Benchmark Reports - Banking - UK

# awards



## Most Trusted Financial Provider

JULY 2016



Gold Ribbon for  
Customer Service

SEPTEMBER 2015



Game-Changing  
Partnership with Zopa

MARCH 2016



Visionary Award for  
Financial Services

DECEMBER 2015



Best Savings Provider  
for Existing Customers

NOVEMBER 2015

# assets, deposits & loan growth

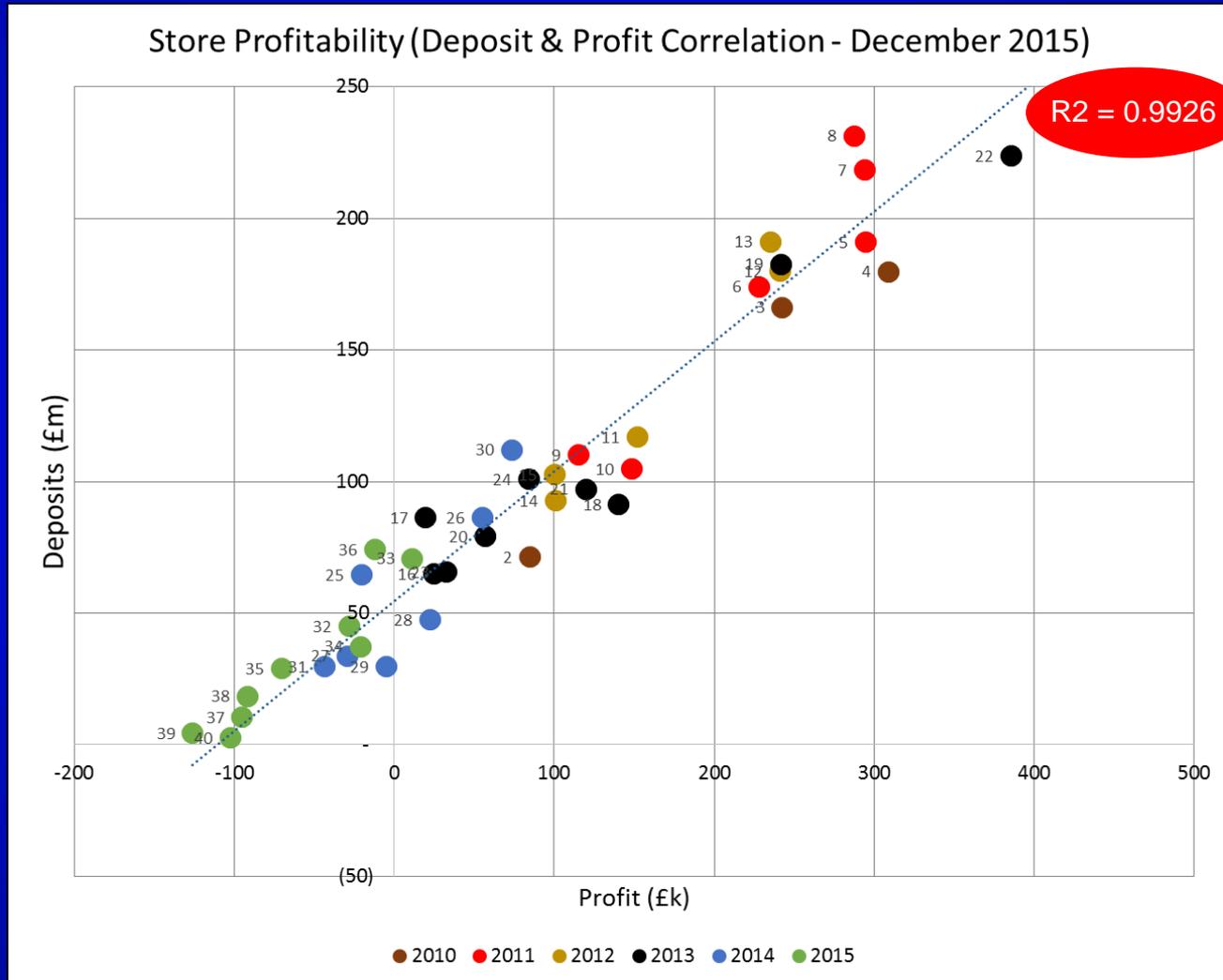


# safe deposit box income vs. store rent expense



- **Stores open more than 1 year**  
safe deposit box income covers **81%** of base store rent
- **Stores open 6-12 months**  
safe deposit box income covers **73%** of base store rent

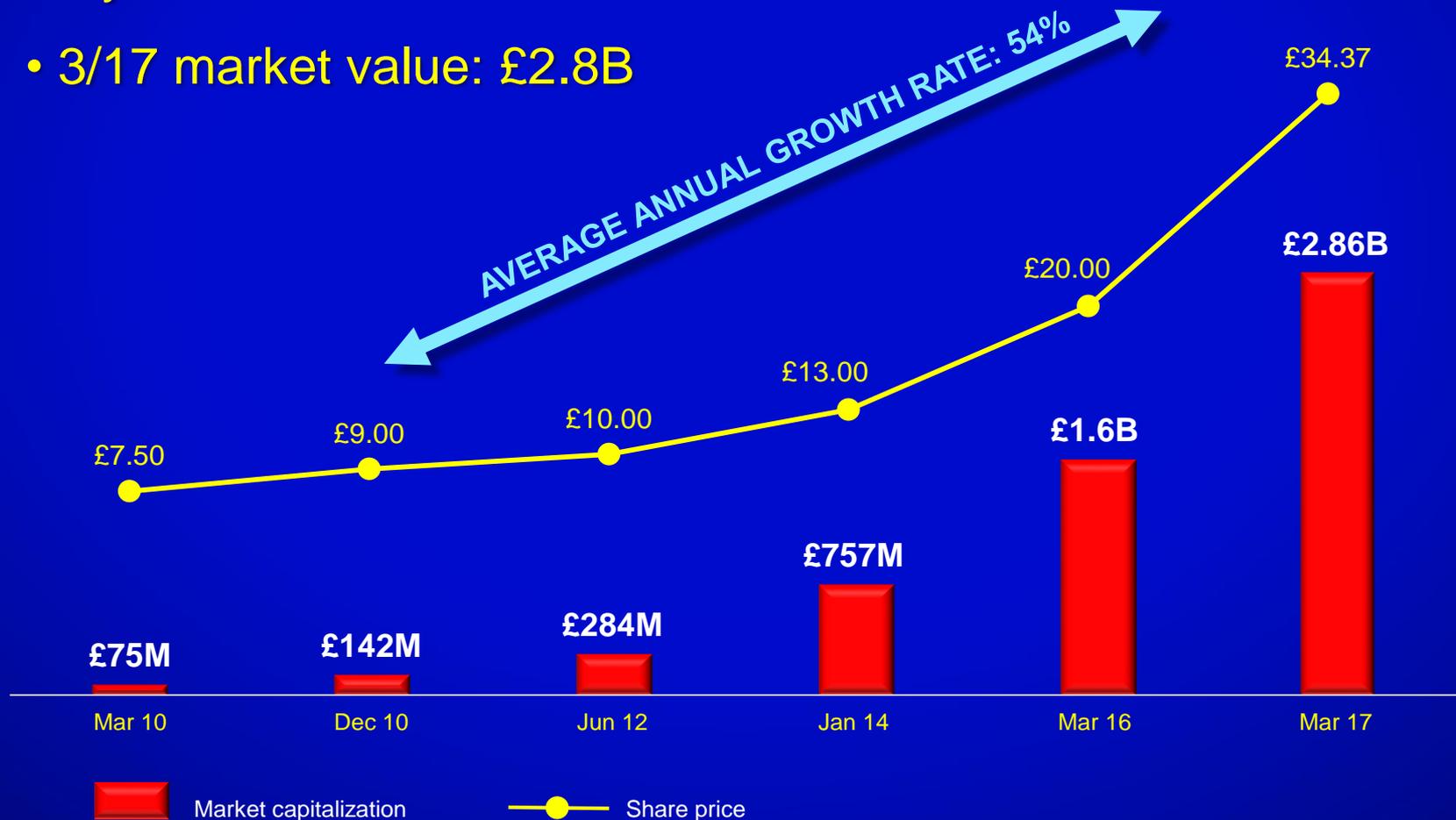
# store profitability correlation by store opening date



Holborn Store excluded from analysis.

# shareholder return

- MTRO listed March 2016
- 1 year shareholder return 72%
- 3/17 market value: £2.8B



# performance targets

	31/12/16		31/12/20
Deposits	£8B	→	£27.5B
Market Share			1.2%
Loans	£5.9B	→	£22B
Return on Equity	–		18%

# analyst recommendations

Analyst	Recommendation	Price Target
	Buy	4,500p
	Sector Perform	3,750p
	Outperform	3,700p
	Underweight	2,600p
	Sell/Neutral	2,300p

# summary

- Emotional brands create massive value
- Building **FANS!** not Customers creates great brands
- Your brand is:
  - Who you are
  - What you are
  - What your Customers expect
- Every decision will strengthen or weaken your brand
- Always improve your model
- Great brands create great value in any market



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