

# Summary financial statement

## 2010/2011

for the year ended 31 March 2011

The Directors have pleasure in presenting the summary financial statement of Nationwide International Limited (the Company) for the year ended 31 March 2011. It is a summary of information contained in the Company's audited financial statements for the year ended 31 March 2011, as approved by the Board of Directors on 25 May 2011. Those financial statements have been audited and delivered to the Registrar of Companies in the Isle of Man. The Auditor's report was not qualified in any respect.

The summary financial statement is derived from the Company's annual financial statements and Directors' report and does not contain sufficient information to allow for a full understanding of the Company's results and its state of affairs.

Copies of the full audited financial statements are available to depositors on request from the offices of Nationwide International Limited at PO Box 217, 5-11 St. Georges Street, Douglas, Isle of Man, IM99 1RN.

		2011 £000	2010 £000
<b>Results for the year</b>	Profit for the year before taxation	30,190	16,383
	Taxation on profit for the year	(2,882)	(1,606)
	Profit for the year after taxation	<u>27,308</u>	<u>14,777</u>
<b>Financial position at end of year</b>			
<b>Assets</b>	Cash and balances with banks	8,248	12,186
	Funds placed with parent company	4,896,781	4,240,278
	Prepaid expenses	68	63
	Property, plant and equipment	154	284
	Deferred tax asset	136	129
	Total assets	<u>4,905,387</u>	<u>4,252,940</u>
<b>Liabilities</b>	Due to customers	4,736,701	4,111,651
	Other liabilities	8,355	7,972
	Current tax liabilities	2,876	2,999
	Retirement benefit obligation	1,166	1,050
	Depositors' Compensation Scheme	350	525
		<u>4,749,448</u>	<u>4,124,197</u>
<b>Shareholders' equity</b>	Share capital	28,500	28,500
	General reserve	127,439	100,243
	Total shareholders' equity and liabilities	<u>4,905,387</u>	<u>4,252,940</u>

### Directors at 31 March 2011

<b>Chairman</b>	Andrew Hutchinson ( <i>resigned 19 April 2010</i> ) Robin Bailey ( <i>appointed 2 June 2010</i> )
<b>Directors</b>	Carl Gandy, Managing Director ( <i>deceased 1 March 2011</i> ) Phillip Dunne, Managing Director ( <i>appointed 14 March 2011</i> ) Anthony Barber ( <i>resigned 1 January 2011</i> ) Peter Pell-Hiley Peter Stafford Ashley Lillie Judith Fullerton ( <i>Alternate Director</i> ) ( <i>resigned 8 December 2010</i> ) Jackie Bowman ( <i>Alternate Director</i> ) Sean Mc Groggan ( <i>appointed 22 September 2010</i> ) Michael Henthorn ( <i>appointed 1 January 2011</i> )
<b>Secretary</b>	Nigel Tebay ( <i>resigned 19 November 2010</i> ) Simon Cain ( <i>appointed 19 November 2010</i> )

**Registered office and principal place of business**  
Nationwide International Limited  
5-11 St Georges Street  
Douglas, Isle of Man

**Auditor**  
PricewaterhouseCoopers LLC  
Chartered Accountants  
Douglas, Isle of Man

## Depositors' Compensation Scheme

The majority of licensed 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 2010 "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, 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 0.175% 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 £50,000 and a maximum annual contribution of £500,000.

The aggregate of all the amounts which may be levied on participants by the Scheme Manager shall not exceed:

- (a) £100,000,000 in respect of all defaults occurring during any period of ten consecutive financial years; or
- (b) £200,000,000 in respect of all defaults occurring throughout the currency of the Scheme.

The Scheme referred to above replaces earlier schemes including the 2008 Scheme.

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 2008. During the year the company paid a contribution of £350,000 (2010: £350,000) to the 2008 Scheme and has made a provision amounting to £175,000 (2010: £350,000) in respect of estimated future contributions to the 2008 Scheme.

Also during the year, the company received the sum of £0 (2010: £372,281) 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.

## Report of the independent auditor to the shareholders of Nationwide International Limited on the summary financial statement

The accompanying summary financial statement, which comprises the summary balance sheet as at 31 March 2011 and the summary income statement for the year then ended, is derived from the audited financial statements of Nationwide International Limited for the year ended 31 March 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 25 May 2011. Those financial statements, and the summary financial statement, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statement does not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statement, therefore, is not a substitute for reading the audited financial statements of Nationwide International Limited.

### Directors' Responsibility for the Summary Financial Statement

The directors are responsible for the preparation of a summary of the audited financial statement in accordance with the Financial Services Rule Book.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statement based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

### Opinion

In our opinion the summary financial statement derived from the audited financial statements of Nationwide International Limited for the year ended 31 March 2011 is consistent, in all material respects, with those financial statements, in accordance with the Financial Services Rule Book.

PricewaterhouseCoopers LLC  
Chartered Accountants  
Douglas, Isle of Man

29 July 2011

A wholly owned subsidiary of Nationwide Building Society  
Nationwide International Limited, PO Box 217, 5-11 St Georges Street, Douglas, Isle of Man, IM99 1RN  
Registered in the Isle of Man No. 52214  
Licensed by the Isle of Man Financial Supervision Commission.