

## Warning Notice Statement 22/2

- 1.1 On 17 January 2022, the Financial Conduct Authority (the FCA) gave Metro Bank plc (Firm Reference Number: 488982) and certain individuals a warning notice each, proposing to take action in respect of the conduct summarised in this statement.

**IMPORTANT:** A warning notice is not the final decision of the FCA. The firm and the individuals have the right to make representations to the Regulatory Decisions Committee (RDC) which, in the light of those representations, will decide on the appropriate action and whether to issue decision notices. The RDC is a committee of the FCA board which decides whether the FCA should give certain statutory notices described as within its scope by the FCA's Handbook.

If a decision notice is issued to the firm and / or the individuals respectively, they have the right to refer the matter to the Upper Tribunal which would reach an independent decision on the appropriate action for the FCA to take, if any.

If either the RDC or the Upper Tribunal decides that no further action should be taken, the FCA will publish a notice of discontinuance provided it has the firm's or the individual's consent (as applicable).

- 1.2 The following is a summary of the reasons why the FCA gave each of Metro Bank and the individuals a warning notice:

- The FCA considers that:
  - Metro Bank, which is a premium listed company, published inaccurate information concerning its risk weighted assets ('RWA') in an announcement issued on 24 October 2018 ('the announcement').
  - In publishing the announcement, Metro Bank breached Listing Rule 1.3.3R (misleading information must not be published) by failing to take reasonable care to ensure that it was not misleading, false or deceptive and did not omit anything likely to affect the import of the information.
- The FCA considers that the relevant individuals were knowingly concerned in the above breach by Metro Bank.

- 1.3 In particular, the FCA considers that:

- The statement in the announcement that Metro Bank's RWA totalled £7,398 million as at 30 September 2018 was inaccurate. The RWA figure included Metro Bank's incorrect application of risk weights to certain of its commercial loan portfolios.
- In the period leading up to the announcement, Metro Bank had acknowledged the above error internally and recognised that it should be remediated. By no later than 11 September 2018, Metro Bank also had confirmation from independent external consultants that an incorrect risk weighting had been

applied. At the time of the announcement, an ongoing review was being conducted to determine the amount of the necessary correction, but Metro Bank was aware that it would be substantial.

- Despite this, Metro Bank failed to consider the need to address these matters in the announcement or otherwise qualify the inaccurate RWA figure, or to seek appropriate legal or professional advice.
- At material times the individuals were aware of the above matters, but failed to ensure that they were appropriately addressed in the announcement.

1.4 The UK listing regime relies on disclosure and transparency to allow investors to make fully informed decisions. The FCA considers that, as a result of the above failings, investors and potential investors in Metro Bank were not given full or accurate information in the announcement and could have been misled accordingly.