Preliminary results 2010

28 September 2010

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Agenda

1. **Introduction – Preben Prebensen, Group Chief Executive**
2. Financial review – Jonathan Howell, Group Finance Director
3. Business update – Preben Prebensen, Group Chief Executive
4. Q&A

Introduction

Financial year 2010 highlights

- **Good** performance – adjusted operating profit £121.3 million (2009: £113.7 million), up 7%

- **Very strong result** in Banking
  - Record closing loan book up 23% to £2.9 billion (2009: £2.4 billion)
  - Highest profit contribution to date - £79.5 million (2009: £54.0 million)

- Overall **good performance** from Securities, particularly Winterflood

- Subdued result for Asset Management, impacted by strategic investment

- Maintained total **dividend** of 39.0p

- Strong capital position
  - **13.9%** tier 1 capital ratio (2009: 14.8%)

Agenda

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4. Q&A

Financial highlights

Close Brothers

Summary income statement, continuing operations[1]

£ million	2010	2009	% change
Adjusted operating income[2]	**531.7**	**502.1**	**6%**
Adjusted operating expenses[3]	(347.0)	(328.5)	6%
Impairment losses on loans and advances	(63.4)	(59.9)	6%
Adjusted operating profit[4]	**121.3**	**113.7**	**7%**
Operating margin[5]	22%	20%	
Expense/income ratio[6]	66%	68%	

Notes:
1 Results from continuing operations for 2009 excludes the trading result and gain on sale of the Corporate Finance division, the sale of which completed on 1 July 2009
2 Operating income before exceptional items
3 Total operating expenses excluding exceptional expenses, impairment losses on goodwill and amortisation of intangible assets on acquisition
4 Before exceptional items, impairment losses on goodwill and amortisation of intangible assets on acquisition
5 Adjusted operating profit on adjusted operating income, excluding associate income
6 Adjusted operating expenses on adjusted operating income, excluding associate income

Financial highlights

Close Brothers

Summary income statement, continuing operations (continued)

£ million	2010	2009	% change
Adjusted operating profit	**121.3**	**113.7**	**7%**
Exceptional items and other adjustments			
of which:			
Exceptional items[1]	(15.0)	(6.0)	
Impairment losses on goodwill	(6.5)	(19.0)	
Amortisation of intangible assets on acquisition	(0.5)	(0.4)	
Operating profit before tax	**99.3**	**88.3**	**12%**
Tax	(32.8)	(26.1)	26%
Minority interests	(0.6)	(0.3)	100%
Profit attributable to shareholders	**65.9**	**61.9**	**6%**
Basic EPS (continuing operations)	46.0p	43.6p	6%
Adjusted EPS[2] (continuing operations)	61.3p	60.5p	1%
Ordinary dividend per share	39.0p	39.0p	-
Return on opening equity[3]	12%	10%	

Notes:
1 Exceptional items in 2010 comprised of impairments on two investments - a seed investment in a European investment fund and a long held equity stake in Plus Markets Group (2009 comprised £6.0 million of restructuring costs)
2 Before exceptional items, impairment losses on goodwill and amortisation of intangible assets on acquisition
3 Adjusted operating profit after tax and minority interests on opening total equity, excluding associate income

Financial highlights

Close Brothers

Performance by division

Adjusted operating profit (continuing operations)

£ million	2010	2009	% change
Adjusted operating profit	121.3	113.7	7%
Of which:			
Banking	79.5	54.0	47%
Securities	59.3	64.9	(9)%
Asset Management	3.3	12.0	(73)%
Group	(20.8)	(17.2)	21%

- **Banking** had a **very strong** performance
  - **Loan book** at a **record high**
  - Strong **net interest margin** and **disciplined lending**
- Good performance in **Securities**
  - Improved performance from **Winterflood** and **Seydler**
  - Offset by **lower contribution** from **Mako** due to exceptional prior year
- Subdued performance in **Asset Management**
  - **Period of transformation** with investment spend focused on Private Client initiatives

Financial highlights

Summary balance sheet

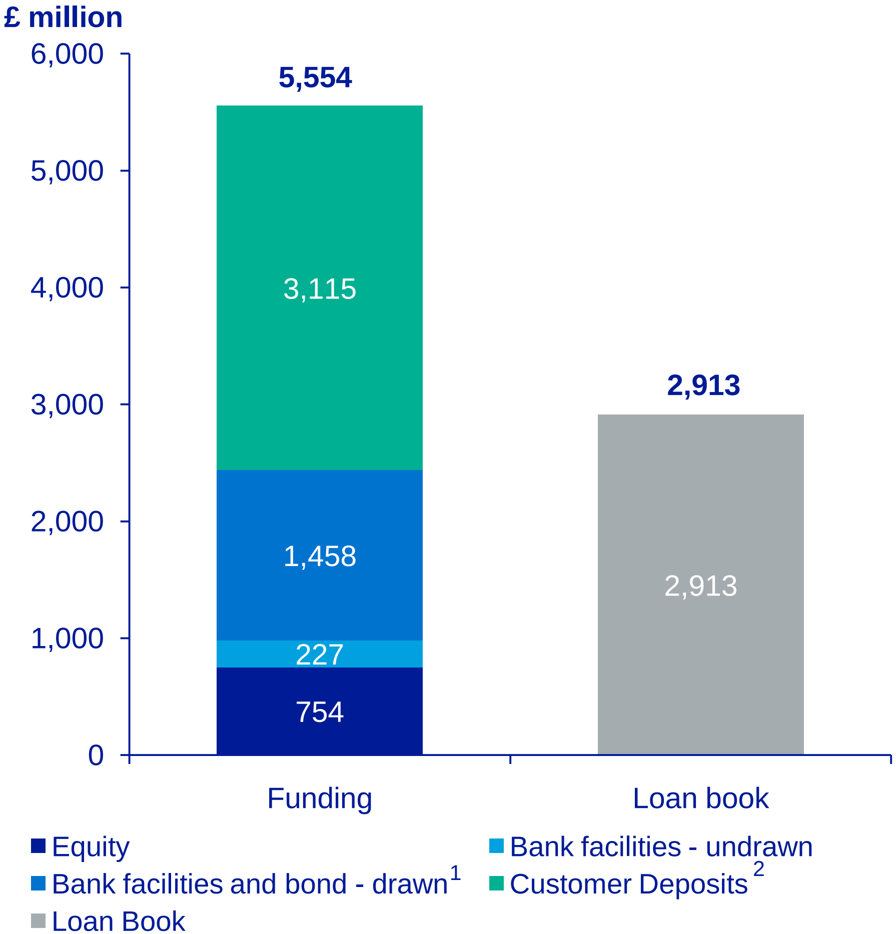
£ million	31 July 2010	31 July 2009	Change
Assets			
Cash and loans and advances to banks[1]	611.2	198.2	413.0
Settlement balances, long trading positions and loans to money brokers[2]	713.3	728.9	(15.6)
Loans and advances to customers	2,912.6	2,364.9	547.7
Non trading debt securities	1,582.1	2,261.3	(679.2)
Intangible assets	107.5	107.6	(0.1)
Other assets	332.9	358.4	(25.5)
Total assets	**6,259.6**	**6,019.3**	**240.3**
Liabilities			
Settlement balances, short trading positions and loans from money brokers	597.8	590.7	7.1
Deposits by banks	48.1	48.0	0.1
Deposits by customers	3,115.5	2,919.6	195.9
Borrowings	1,472.0	1,436.9	35.1
Other liabilities	271.8	326.4	(54.6)
Total liabilities	**5,505.2**	**5,321.6**	**183.6**
Equity	754.4	697.7	56.7
Total liabilities and equity	**6,259.6**	**6,019.3**	**240.3**

Notes:
1 Includes £452.7 million (31 July 2009: £1.7 million) cash at central banks
2 Includes £54.1 million (31 July 2009: £37.9 million) of long trading positions in debt securities for the purpose of this summary balance sheet. These are included within "Debt Securities" on the consolidated balance sheet in the group's financial statements

Funding and liquidity

Maintained strong funding position whilst increasing long term flexibility

Funding position at 31 July 2010



- Maintained strong overall funding position at **£5.6 billion**, up from £5.4 billion and well above £2.9 billion loan book
  - **Facilities and group bond** of £1.7 billion with **22 month** maturity comfortably **exceeding** 12 month average maturity of loan book
- **Customer deposits** increased to £3.1 billion and remained resilient
- **Post year end**, additional **£0.9 billion** funding raised, with average maturity of 19 months
  - £310 million syndicated facility with 2.5 year term
  - £300 million repurchase agreement, average term over 1 year
  - £275 million securitisation

Notes:
1 Bank facilities exclude £13.7 million (31 July 2009: £27.2 million) of loans and overdrafts included in total borrowings in the group's financial statements
2 Excludes £1.2 million of deposits (31 July 2009: £1.1 million) held within the Securities division

Capital

Strong capital position maintained despite significant loan book growth

£ million	31 July 2010	31 July 2009
Core tier 1 capital	603.3	581.9
Total regulatory capital	683.8	651.6
Risk weighted assets (notional)[1]	4,338.7	3,936.8
Core tier 1 capital ratio	**13.9%**	**14.8%**
Total capital ratio	**15.8%**	**16.6%**

- Increased **tier 1 capital** to £603 million, and a **strong** core tier 1 capital ratio of **13.9%**
  - Reduced ratio reflects significant loan book growth
  - **Strong capital position** providing adequate **flexibility**
  - **No material impact** expected from new Basel regime
- RWAs increased £402 million, 10%, as a result of **loan book growth**

Note:
1 Notional risk weighted assets calculated under Basel II include a notional adjustment for Pillar 1 operational and market risk requirements

Banking

Key figures

£ million	2010	2009	% change
Adjusted operating income	**272.0**	**235.5**	**15%**
Adjusted operating expenses	(129.1)	(121.6)	6%
Impairment losses on loans and advances	(63.4)	(59.9)	6%
Adjusted operating profit	**79.5**	**54.0**	**47%**
Closing loan book	**2,913**	**2,365**	**23%**
Bad debt ratio[1]	**2.4%**	**2.6%**	
Key Financial Ratios			
Operating margin	29%	23%	
Expense/income ratio	47%	52%	
Compensation ratio	26%	28%	
Return on opening equity	**20%**	**12%**	
Return on net loan book[2]	3.0%	2.3%	

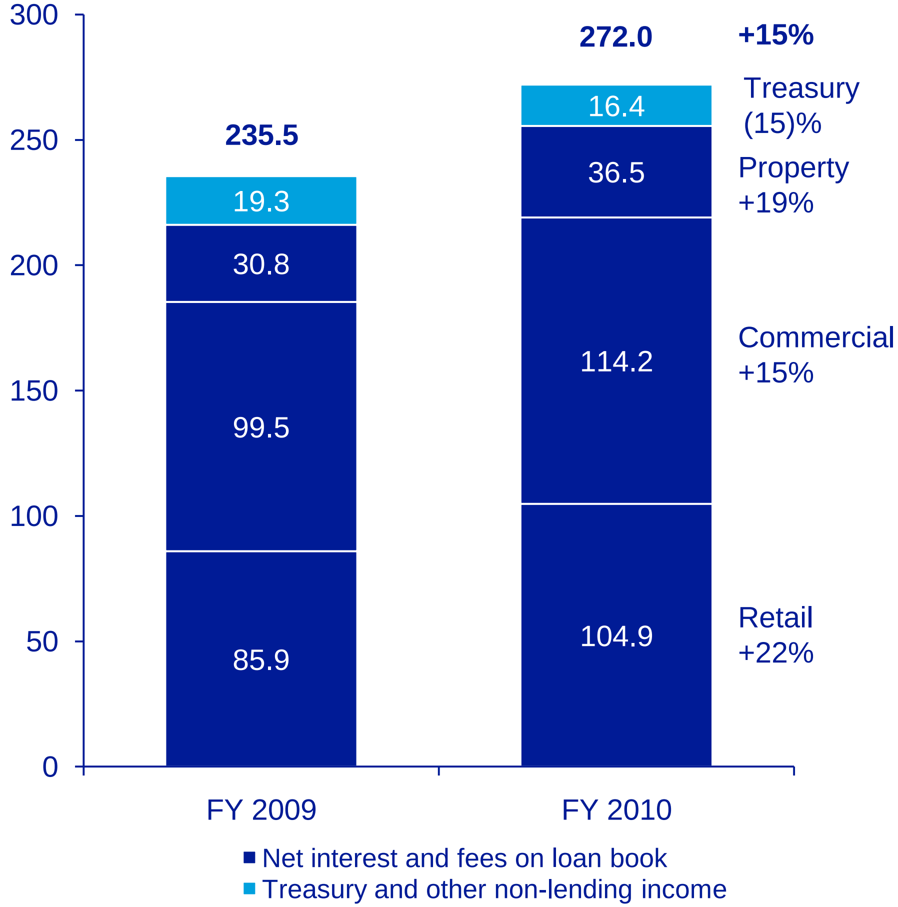
Notes:
1 Impairment losses on average net loans and advances to customers
2 Banking division adjusted operating profit before tax on the average net loans and advances to customers
All KFRs exclude associate income, exceptional items, impairment losses on goodwill and amortisation of intangible assets on acquisition

Banking

Income analysis

Adjusted operating income by type

£ million



Key metrics

	2010	2009	% change
Net interest and fees on loan book (£ million)	256	216	18%
Average loan book (£ million)	2,639	2,299	15%
Net interest margin[1]	9.7%	9.4%	

- **Net interest and fees** on loan book of £256 million, up **18%** reflecting strong increases in Retail and Property:
  - Increase in **net interest margin** with good demand in Retail
  - Whilst retaining **disciplined approach** to lending in **core markets**
- **Lower returns** on cash and money market assets impacting **treasury income**

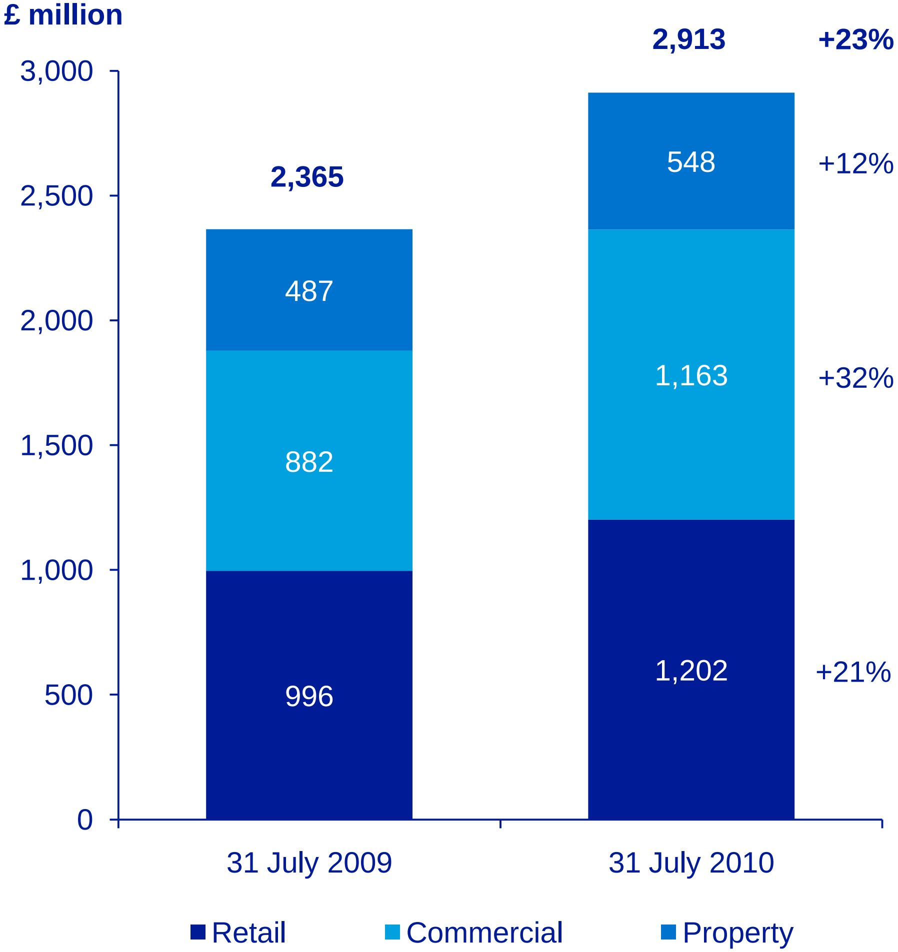
Note:
1 Net interest and fees on average net loans and advances to customers

Banking

Loan book analysis

Loan book size by business unit

£ million



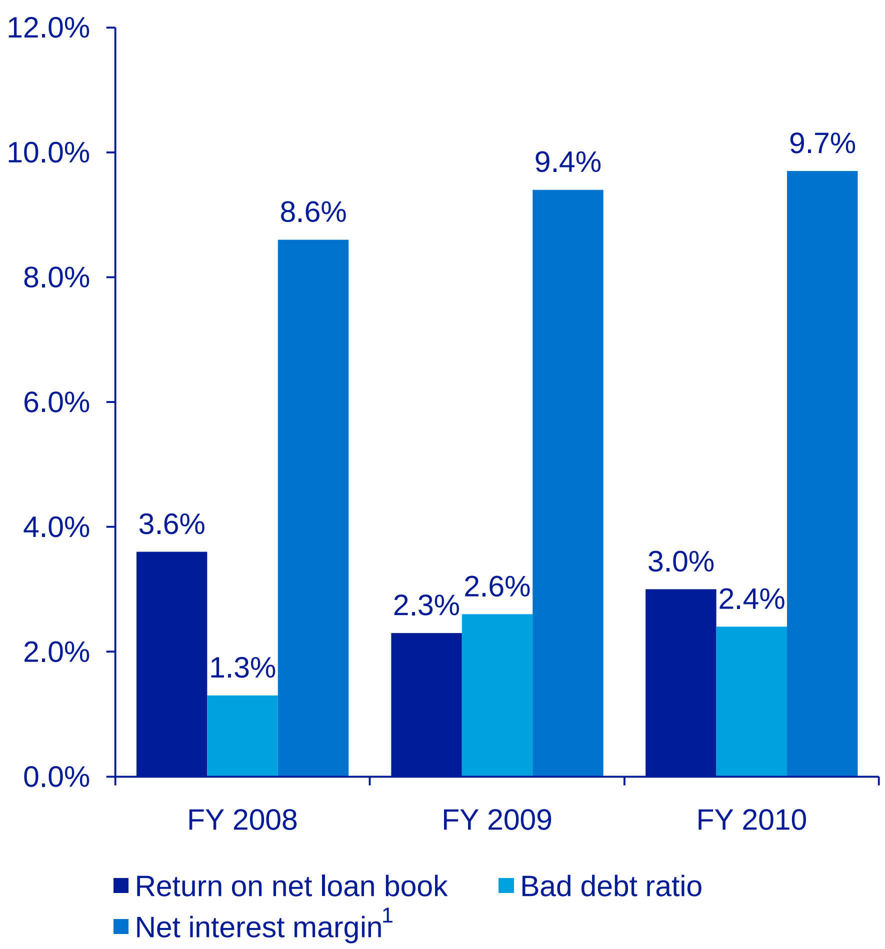
- Loan book at **record high of £2.9 billion**, up 23%, including 19% organic
  - **4%** increase due to **acquisition** of £94 million invoice financing loan book in January 2010
- **Retail** loan book increased **21%** and **Commercial** up **32%** as a result of:
  - Investment in **front line sales capabilities** and **infrastructure** resulting in good new business levels and increased market share
  - Active positioning to benefit from **continued good demand**
  - Acquisition growth in invoice finance
- **Property** increased **12%,** particularly in H2
  - Improved credit profile of borrower

Note:
A full breakdown by line of business is provided in the Appendix

Banking

Key ratios

Margin and bad debt analysis



- Reduction in FY 2010 bad debt ratio to **2.4%**
  - **Shorter term Retail businesses** benefited from modest improvement in economic environment
  - Longer term **Commercial** and **Property** yet to see **material improvement** in bad debts
- Reduction in bad debt ratio to 2.4% combined with **net interest margin** increase to **9.7%** resulted in:
  - Improved return on net loan book to 3.0% (FY 2009: 2.3%)

Note:
1 Net interest and fees on average net loans and advances to customers

Securities

Key figures

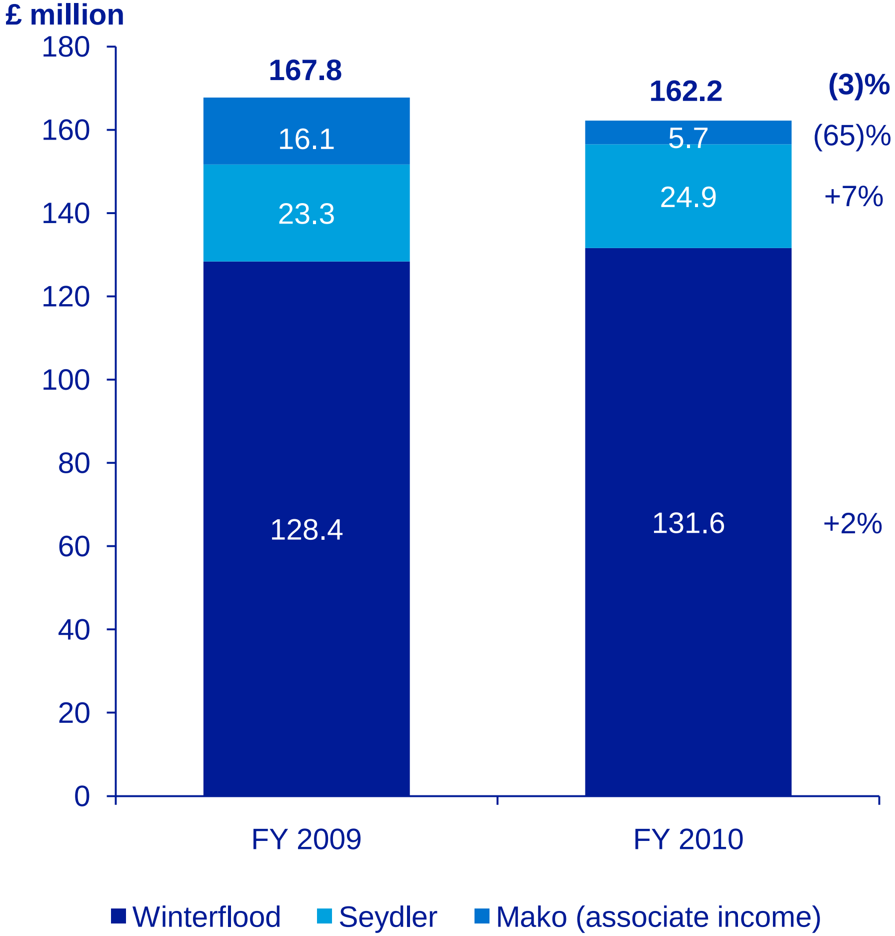
£ million	2010	2009	% change
Adjusted operating income	**162.2**	**167.8**	**(3)%**
Adjusted operating expenses	(102.9)	(102.9)	-
Adjusted operating profit	**59.3**	**64.9**	**(9)%**
Of which:			
Winterflood	48.7	47.3	3%
Seydler	4.9	1.5	227%
Mako	5.7	16.1	(65)%
Key Financial Ratios			
Operating margin	34%	32%	
Expense/income ratio	66%	68%	
Compensation ratio	45%	46%	
Return on opening equity	**39%**	**35%**	

Note:
All KFRs exclude associate income, exceptional items, impairment losses on goodwill and amortisation of intangible assets on acquisition.

Securities

Income analysis

Adjusted operating income by business



Key metrics

	2010	2009	% change
Winterflood bargains per trading day	47k	42k	10%
Winterflood income per bargain	£11.18	£11.98	(7)%

- **Winterflood's** good performance reflects
  - **10% increase** in **average bargains** per trading day
  - **Reduction** in **overall market volumes**, particularly in H2, leading to lower spreads and reduced income per bargain
  - **Consistent trading** with **only 4** loss days in 252 trading days
- Improved performance at **Seydler**, particularly in **equity sales** and **capital markets**
- Reduced market volumes impacted **Mako's** performance relative to **exceptional prior year**

Asset Management

Close Brothers

Key figures

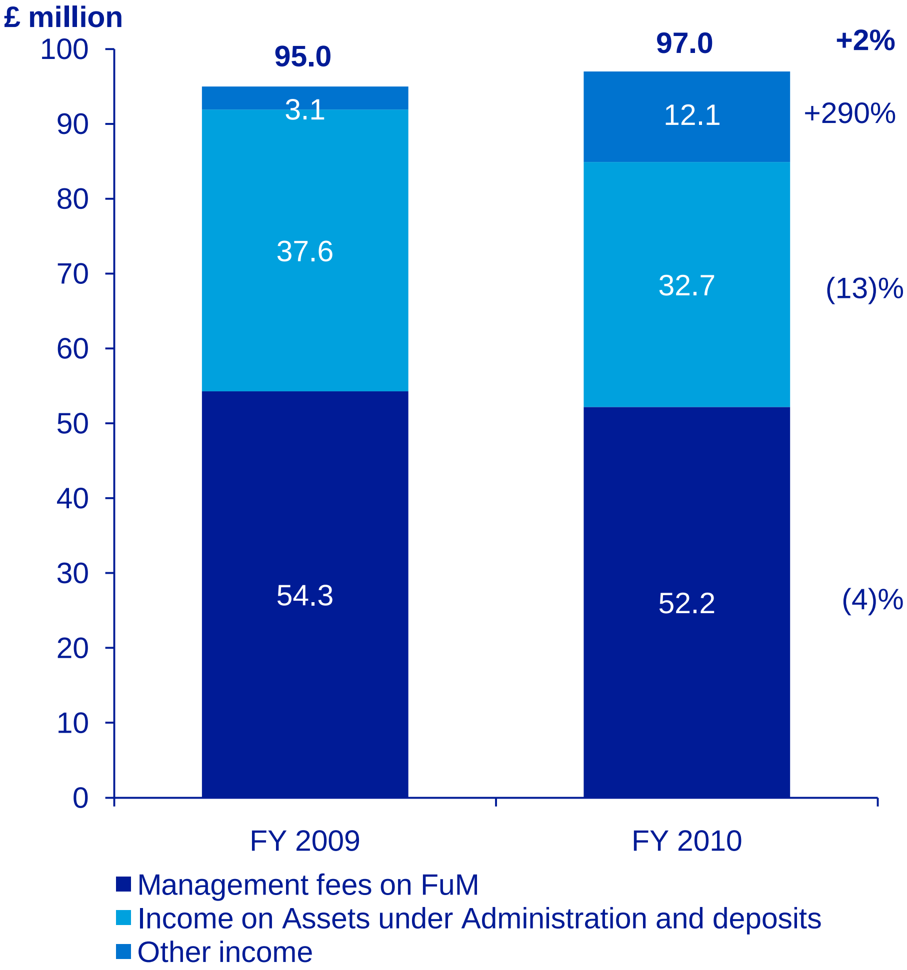
£ million	2010	2009	% change
Adjusted operating income	**97.0**	**95.0**	**2%**
Adjusted operating expenses	(93.7)	(83.0)	13%
Adjusted operating profit	**3.3**	**12.0**	**(73)%**
Closing FuM	**7,428**	**6,839**	**9%**
Of which:			
Private Clients	3,871	3,349	16%
Institutional	3,557	3,490	2%
Key Financial Ratios			
Operating margin	3%	13%	
Expense/income ratio	97%	87%	
Compensation ratio	57%	57%	
Return on opening equity	2%	6%	

Note:
All KFRs exclude associate income, exceptional items, impairment losses on goodwill and amortisation of intangible assets on acquisition.

Asset Management

Income analysis

Adjusted operating income by type



Key metrics

	2010	2009	change
Average FuM (£ million)	7,133	7,517	(5)%
Revenue margin[1]	73 bps	72 bps	1 bp

- Reduction of 4% in management fees on FuM, despite **stable revenue margin,** reflecting:
  - **5% lower average FuM** at £7.1 billion following deconsolidations in FY 2009
- Income on offshore AuA and deposits affected by reduced margins in **low interest rate** environment
- Other income of £12 million includes **one off investment gains** of £6 million

Note:
1 Management fees on FuM / average FuM

Asset Management

Close Brothers

Resilient net new funds in Private Client business

Movement in Funds under Management

£ million	Private Clients	Institutional	Total
1 August 2009	**3,349**	**3,490**	**6,839**
New funds raised	**583**	**507**	**1,090**
Redemptions, realisations and withdrawals	(362)	(739)	(1,101)
Net new funds	221	(232)	(11)
Market movement	301	299	600
31 July 2010	**3,871**	**3,557**	**7,428**
% change	16%	2%	9%
Net new funds % of opening FuM	7%	(7)%	**0%**
Market movement % of opening FuM	9%	9%	**9%**
FTSE 100			**14%**

- **9% increase** in FuM due to market movements
  - Broadly **neutral net new** funds as good Private Client inflows offset by Institutional outflows
- **Progress since year end**
  - Acquisition of IFA business with over £650 million in client assets, providing **South West hub** to accelerate growth opportunities with **established infrastructure**

Outlook

2011 financial year

- The group has made a **sound start** to the year
  - **Banking** division seeing continued good loan book growth
  - The **Securities** division made a more modest start to the year reflecting current market conditions
  - **Asset Management** likely to deliver a small loss in the year as investment in strategy continues
- Overall, we expect the group to deliver a **satisfactory performance** for the year

Agenda

1. Introduction – Preben Prebensen, Group Chief Executive
2. Financial review – Jonathan Howell, Group Finance Director
3. **Business update – Preben Prebensen, Group Chief Executive**
4. Q&A

Business update

Strategic priorities

- Focus activities around **three divisions** - **Banking**, **Securities** and **Asset Management**
  - Banking – **a leader** in specialised finance in the UK
  - Securities – through **Winterflood, a leader** in UK market-making
  - Asset Management – investing to **become a leader** in UK wealth and asset management

Business update

Banking

- **Build on specialised lending position** and opportunities in **environment**
- Streamlined **divisional structure**
- Strengthened **management team**
- **Developed new products** and **extending existing lines**
  - Retail – expand beyond second hand motor market **to new car and franchise** dealers
  - Commercial – expand into **larger deals**, focus on **new sectors** including agriculture and clean energy
- Extended **branch network** in UK
  - Northern Ireland, Scotland and South West

Business update

Banking

- Added front line loan **origination capacity**
  - Commercial – around 30 **new sales staff**
  - Retail – increased **front line sales** by around 30 people
  - Property – additional 5 **business development staff**

- **Efficient investment** for growth
  - Overall **headcount up 11%**
  - Expense/income **ratio down to 47%** (2009: 52%)

Business update

Banking

- Significant **growth in loan book** with demonstrable **growth in market share**
  - Asset – share of new business grew from **4% to 6%**
  - Invoice – **13%** of independent market, up from 8%
  - Motor – share of used car independent dealership market increased from **5% to 9%**
  - Premium – approaching 5% of overall market, share of independent space **very substantial**
  - Property – **leading provider** of residential development lending <£5 million

Business update

Securities - Winterflood

- **Key driver** of the Securities business
  - Contributed over 80% of divisional profit
- **Leading** UK market-maker
- Registered in **over 3,300 UK securities** – double nearest competitor
- Model **focused on trading and technology**
- **Market-maker**, not a proprietary trader
- **Consistent performance**
  - Only 4 loss days of 252 trading days in FY 2010

Business update

Securities - Winterflood

- **Maintain market leadership** in core market-making businesses
  - Continue to invest in **technology**

- **Opportunities to expand** outside non-core business:
  - **US** – build out broker/dealer relationships
  - **Europe** – explore market opportunities to capture retail order flow
  - **Outsourced dealing and execution services** – solutions to asset management industry utilising execution capabilities and technology infrastructure

Business update

Securities

Seydler

- Well positioned for :
  - Development of Frankfurt **floor based trading platform**
  - Increased **equity and debt capital market activity**

Mako

- Continue to have **strong position** in core **derivatives market-making** business
  - **Well placed** when market conditions improve
- Growth in **investment management** through Pelagus

Business update

Asset Management

- **Subdued financial performance** but significant **transformation and change**
- Assessed **capabilites, strengths and existing businesses**
- Build on opportunities in **current environment**
  - **Significant change** in the landscape driven by **regulation**
- Undertook **research** to identify **client preferences** and **opportunities**
- **Developed clear strategy** to achieve **leadership in UK wealth and asset management**
  - Focus on **affluent**, **high net worth** and selective **institutional**
  - Supported by integrated **investment capabilities**
  - Leverage Close Brothers **brand**

Business update

Asset Management – strategic approach and progress

Private Clients		Institutional
UK affluent £100k to £1m	UK HNW £1m to £5m	Institutional £10m +

Discrete channels to market

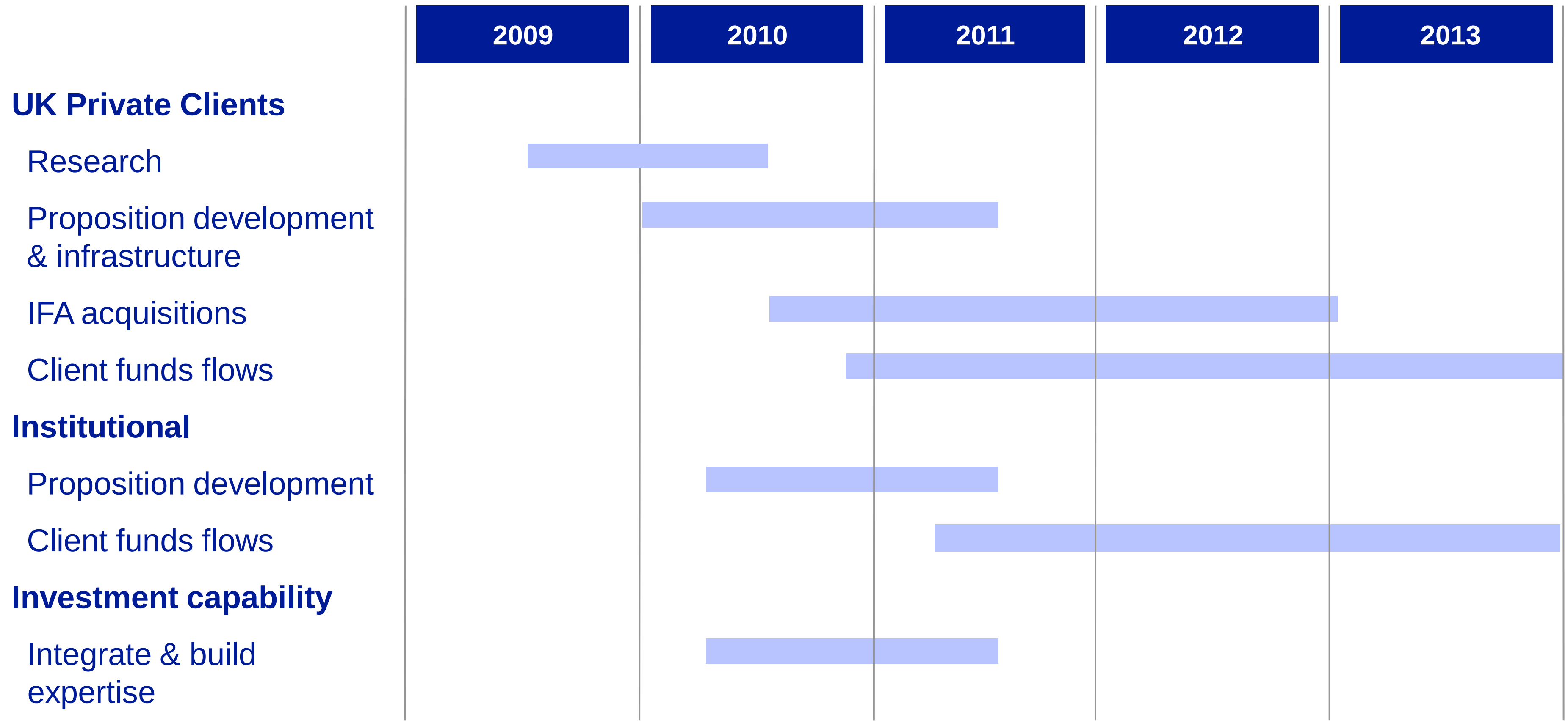
Investment capabilities

Brand

- **Progress on the UK wealth strategy**:
  - Defined strategy – project team, £860 million collectives launch
  - IFA client acquisitions – dedicated team, over £700 million client assets including Chartwell
  - IFA organic – sales team in place, importance of collectives

Business update

Asset Management – timeline



Business update

Conclusion

- **Good** overall result in financial year 2010
- **Banking** – performing well, looking to further extend leadership position
- **Securities** – good businesses. Winterflood – leader and well positioned as market volumes return
- **Asset Management** – undergoing transformation with clear strategy to build leadership position

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Preliminary results 2010

28 September 2010

Appendix

Page

Segmental analysis

Close Brothers

Summary income statement

£ million	Banking	Securities	Asset Management	Group	Continuing operations	Discontinued operations	Total
Year ended 31 July 2010							
Adjusted operating income	272.0	162.2	97.0	0.5	531.7	-	531.7
Administrative expenses	(118.3)	(100.9)	(91.9)	(20.6)	(331.7)	-	(331.7)
Depreciation and amortisation	(10.8)	(2.0)	(1.8)	(0.7)	(15.3)	-	(15.3)
Impairment losses on loans and advances	(63.4)	-	-	-	(63.4)	-	(63.4)
Adjusted operating profit/(loss)	79.5	59.3	3.3	(20.8)	121.3	-	121.3
Exceptional items and other adjustments[1]	(0.5)	-	(6.5)	(15.0)	(22.0)	-	(22.0)
Operating profit/(loss) before tax	79.0	59.3	(3.2)	(35.8)	99.3	-	99.3
Year ended 31 July 2009							
Adjusted operating income	235.5	167.8	95.0	3.8	502.1	36.3	538.4
Administrative expenses	(112.3)	(100.5)	(80.8)	(20.2)	(313.8)	(37.7)	(351.5)
Depreciation and amortisation	(9.3)	(2.4)	(2.2)	(0.8)	(14.7)	(1.0)	(15.7)
Impairment losses on loans and advances	(59.9)	-	-	-	(59.9)	-	(59.9)
Adjusted operating profit/(loss)	54.0	64.9	12.0	(17.2)	113.7	(2.4)	111.3
Exceptional items and other adjustments[2]	(0.4)	(0.9)	(23.4)	(0.7)	(25.4)	12.4	(13.0)
Operating profit/(loss) before tax	53.6	64.0	(11.4)	(17.9)	88.3	10.0	98.3

Notes:
1 Exceptional items and other adjustments in 2010 comprised £15.0 million of impairment on investment assets, £6.5 million impairment losses on goodwill and £0.5 million amortisation of intangible assets on acquisition
2 Exceptional items and other adjustments in 2009 comprised £6.0 million of restructuring costs, £19.0 million impairment losses on goodwill and £0.4 million amortisation of intangible assets on acquisition

Segmental analysis

Close Brothers

Summary balance sheet at 31 July 2010

£ million	Banking	Securities	Asset Management	Group[1]	Total
Cash and loans and advances to banks	493.5	26.8	90.4	0.5	611.2
Settlement balances, long trading positions and loans to money brokers[2]	-	713.3	-	-	713.3
Loans and advances to customers	2,898.0	-	14.6	-	2,912.6
Non trading debt securities	1,448.1	2.0	132.0	-	1,582.1
Interests in associates	-	73.4	0.3	-	73.7
Intangible assets	29.6	28.7	49.0	0.2	107.5
Other assets	168.3	15.5	52.9	22.5	259.2
Intercompany balances	(475.7)	(27.5)	515.9	(12.7)	-
Total assets	4,561.8	832.2	855.1	10.5	6,259.6
Settlement balances, short trading positions and loans from money brokers	-	597.8	-	-	597.8
Deposits by banks	37.8	-	10.3	-	48.1
Deposits by customers	2,469.1	1.2	645.2	-	3,115.5
Borrowings	1,167.8	4.9	1.5	297.8	1,472.0
Other liabilities	148.5	59.9	47.7	15.7	271.8
Intercompany balances	377.7	73.6	17.5	(468.8)	-
Total liabilities	4,200.9	737.4	722.2	(155.3)	5,505.2
Equity	360.9	94.8	132.9	165.8	754.4
Total liabilities and equity	4,561.8	832.2	855.1	10.5	6,259.6

Notes:
1 Consists of the central functions as well as various non trading head office companies and consolidation adjustments
2 Includes £54.1 million of long trading positions in debt securities for the purpose of this summary balance sheet. These are included within "Debt Securities" on the consolidated balance sheet in the group's financial statements

Segmental analysis

Close Brothers

Summary balance sheet at 31 July 2009

£ million	Banking	Securities	Asset Management	Group	Total
Cash and loans and advances to banks	27.9	24.3	145.3	0.7	198.2
Settlement balances, long trading positions and loans to money brokers[1]	-	728.9	-	-	728.9
Loans and advances to customers	2,352.6	-	12.3	-	2,364.9
Non trading debt securities	1,999.5	4.4	257.4	-	2,261.3
Interests in associates[2]	-	71.6	0.3	-	71.9
Intangible assets	24.4	29.3	53.9	-	107.6
Other assets	189.1	17.2	56.2	24.0	286.5
Intercompany balances	(332.6)	(27.6)	379.7	(19.5)	-
Total assets	4,260.9	848.1	905.1	5.2	6,019.3
Settlement balances, short trading positions and loans from money brokers	-	590.7	-	-	590.7
Deposits by banks	33.0	-	15.0	-	48.0
Deposits by customers	2,241.9	1.1	676.6	-	2,919.6
Borrowings	1,417.6	18.2	1.1	-	1,436.9
Other liabilities	186.1	69.7	50.0	20.6	326.4
Intercompany balances	91.6	71.9	21.5	(185.0)	-
Total liabilities	3,970.2	751.6	764.2	(164.4)	5,321.6
Equity	290.7	96.5	140.9	169.6	697.7
Total liabilities and equity	4,260.9	848.1	905.1	5.2	6,019.3

Notes:
1 Includes £37.9 million of long trading positions in debt securities for the purpose of this summary balance sheet. These are included within "Debt Securities" on the consolidated balance sheet in the group's financial statements
2 Previously the interest in the group associate Mako had been presented in "Group" for the purposes of the segmental balance sheet. This has been reclassified to "Securities" in line with changes in internal management reporting

Banking

Loan book breakdown

£ million	31 July 2010 £ million	31 July 2009 £ million	Change %
Retail	**1,201.9**	**995.4**	**21%**
Premium finance	553.6	455.5	22%
Motor finance[1]	648.3	539.9	20%
Commercial	**1,162.9**	**882.3**	**32%**
Invoice finance[2]	262.1	170.3	54%
Asset finance	900.8	712.0	27%
Property	**547.8**	**487.2**	**12%**
Closing loan book	**2,912.6**	**2,364.9**	**23%**

Notes:
1 Includes £82.8 million (31 July 2009: £96.4 million) Close Finance Channel Islands loan book previously shown separately
2 Includes impact of £93.8 million GMAC invoice financing loan book acquired in January 2010

Banking

Typical lending statistics by business

	Typical LTV %[1]	Average loan size[2]	Typical loan maturity[3]
Asset finance	80%	£21.0k	3 yrs
Premium finance	90%	£0.6k	10 mths
Property finance	50-60%	£754.5k	12-18 mths
Motor finance	75%	£4.5k	2-3 yrs
Invoice finance	80%	£222.7k	2-3 mths

Notes: Figures are for illustrative purposes only.
1 Typical LTV on new business. Motor Finance is based on the retail price of the vehicle financed
2 At 31 July 2010
3 Typical loan maturity for new business on a behavioural basis

Group net expenses

Consistent underlying performance

Group central functions

£ million	2010	2009	% change
Adjusted operating income	0.5	3.8	(87%)
Adjusted operating expenses	(21.3)	(21.0)	1%
Adjusted operating loss	(20.8)	(17.2)	21%

- **Controlled costs** despite investing in central resources
  - FY 2010 adjusted operating expenses of £21.3 million **flat on prior year** and **broadly in line with last 5 years** (ave. £23 million)
- FY 2010 adjusted operating loss of £20.8 million
  - Income of £0.5 million reduced due to FX gain in FY 2009
- **Transparent** reporting of group expenses - **no central cost allocation**
  - Staff costs c. 75%
- Central function **critical to existing operations and business growth**
  - Include Group Executive, Finance, Audit, Risk, Investor Relations, Legal/Compliance, Human Resources, Corporate Development

Funding maturity profile

Overall funding position remained strong

£ million	Total	<3 months	3-12 months	1-2 years	2-5 years	>5 years
Loans and overdrafts from banks[1]	762	397	215	150	-	-
Promissory notes	219	-	-	-	21	198
Subordinated loan capital	75	-	-	-	30	45
Loans against FRN portfolio	402	-	402	-	-	-
Drawn facilities	**1,458**	**397**	**617**	**150**	**51**	**243**
Undrawn facilities	227	62	50	95	20	-
Deposits by customers[2]	3,115	1,570	1,301	186	56	2
Total available funding – 31 July 2010	**4,800**	**2,029**	**1,968**	**431**	**127**	**245**
Total available funding – 31 July 2009	**4,721**	**1,684**	**723**	**1,819**	**399**	**96**
Movement	**79**	**345**	**1,245**	**(1,388)**	**(272)**	**149**

Notes:
1 Drawn facilities exclude £13.7 million (31 July 2009: £27.2 million) of non-facility overdrafts included in total borrowings in the group's financial statements
2 Excludes £1.2 million (31 July 2009: £1.1 million) of deposits < 12 months held within the Securities division