Preliminary Results 2012

25 September 2012

Close Brothers

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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

FY 2012 highlights

- **Solid overall performance** in the **current market environment** – adjusted operating **profit up 2%** to **£134 million**
- **Banking** achieved another **strong performance** with **20% loan book growth** and **27%** increase in adjusted operating profit
- **Securities** maintained a **strong position** but **performance** affected by **difficult market conditions**
- **Asset Management substantially completed restructuring** and now **positioned for future profitability**
- Maintained **strong funding, liquidity and capital position**
- **Dividend per share** increased **4% to 41.5p**

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Financial Highlights

Solid performance in 2012 financial year

£ million	2012	2011[1]	% change
Adjusted operating income	**531.7**	**548.5**	**(3)%**
Adjusted operating profit	**134.2**	**131.2**	**2%**
Adjusted EPS	**67.3p**	**64.8p**	**4%**
Dividend per share	**41.5p**	**40.0p**	**4%**
Return on opening equity	**12.5%**	**13.1%**	
Financial Ratios			
Operating margin	24%	24%	
Expense/income ratio	65%	64%	
Compensation ratio	38%	40%	

Notes:
Adjusted operating income, operating profit and EPS exclude the effect of exceptional items, goodwill impairment and amortisation of intangible assets on acquisition
All financial ratios exclude associate income, exceptional items, goodwill impairment and amortisation of intangible assets on acquisition and are in respect of continuing operations
[1] 2011 figures are in respect of continuing operations. Continuing operations excludes the operating results and loss on disposal after tax and non-controlling interests of the group's UK offshore and Cayman Islands businesses, the sales of which completed in June 2011

Income Statement

Exceptional items and tax

£ million	2012	2011[1]	% change
Exceptional items	**5.6**	**(46.9)**	
Of which:			
Disposal of Mako[2]	5.6	(36.0)	
Restructuring costs in Asset Management	-	(15.4)	
Investment gains	-	4.5	
Goodwill impairment	-	(3.7)	
Amortisation of intangible assets on acquisition	(4.9)	(2.1)	
Profit before tax (after exceptional items)	**134.9**	**78.5**	**72%**
Tax[3]	(33.5)	(35.1)	(5)%
Profit attributable to shareholders	**99.7**	**42.7**	**133%**
Basic EPS (after exceptional items)	**68.6p**	**29.6p**	**132%**

Notes:

[1] 2011 figures are in respect of continuing operations. Continuing operations excludes the operating results and loss on disposal after tax and non-controlling interests of the group's UK offshore and Cayman Islands businesses, the sales of which completed in June 2011

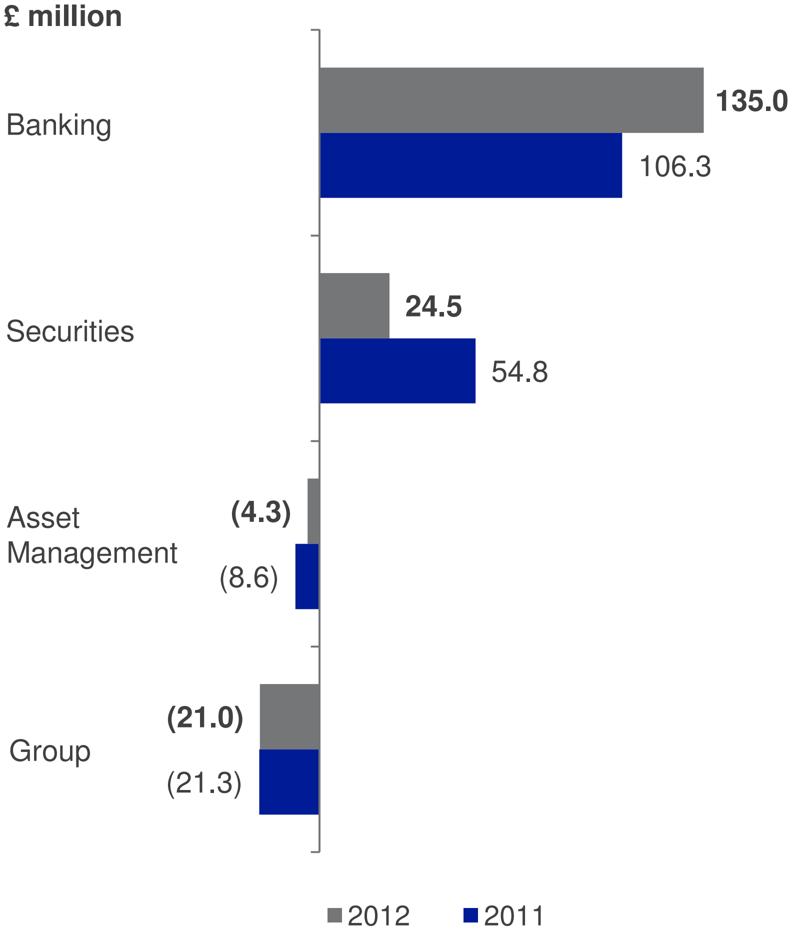
[2] 2012 relates principally to foreign exchange gains realised on disposal. 2011 relates to an impairment of the group's investment in Mako following the sale agreement announced in September 2011

[3] The effective tax rate of 25% in 2012 is in line with the UK corporation tax rate of 25%

Performance by division

Significant movement within the divisions in current market environment

Adjusted operating profit/(loss)[1]



- Another **strong performance in Banking** with **27%** growth in **profit**
  - **20%** loan book growth
  - Continued **strong NIM** and **lower bad debt**
- **Securities impacted by difficult market conditions** and **profit reduced 55%**
  - **Winterflood** affected by sustained **low retail investor risk appetite**
  - **Low trading volumes** in challenging market environment for **Seydler**
- **Asset Management** substantially completed **restructuring** and reduced operating loss
  - Good **growth in private clients AuM**

Note:
[1] 2011 figures are in respect of continuing operations. Continuing operations excludes the operating results and loss on disposal after tax and non-controlling interests of the group's UK offshore and Cayman Islands businesses, the sales of which completed in 2011

Summary balance sheet

Managing resources prudently with a focus on quality and efficiency

- **Total assets increased 4% to £6.4 billion**
  - **Loan book up 20%** to **£4.1 billion**, 65% of balance sheet
  - Reduced **treasury assets** while **maintaining liquidity**
- **Securities assets and liabilities reduced** reflecting lower trading activity
- Increased **funding** to support **loan book growth**
  - **Customer deposits** increased to £3.4 billion
  - **Borrowings** up to **£1.3 billion**

Summary Balance Sheet

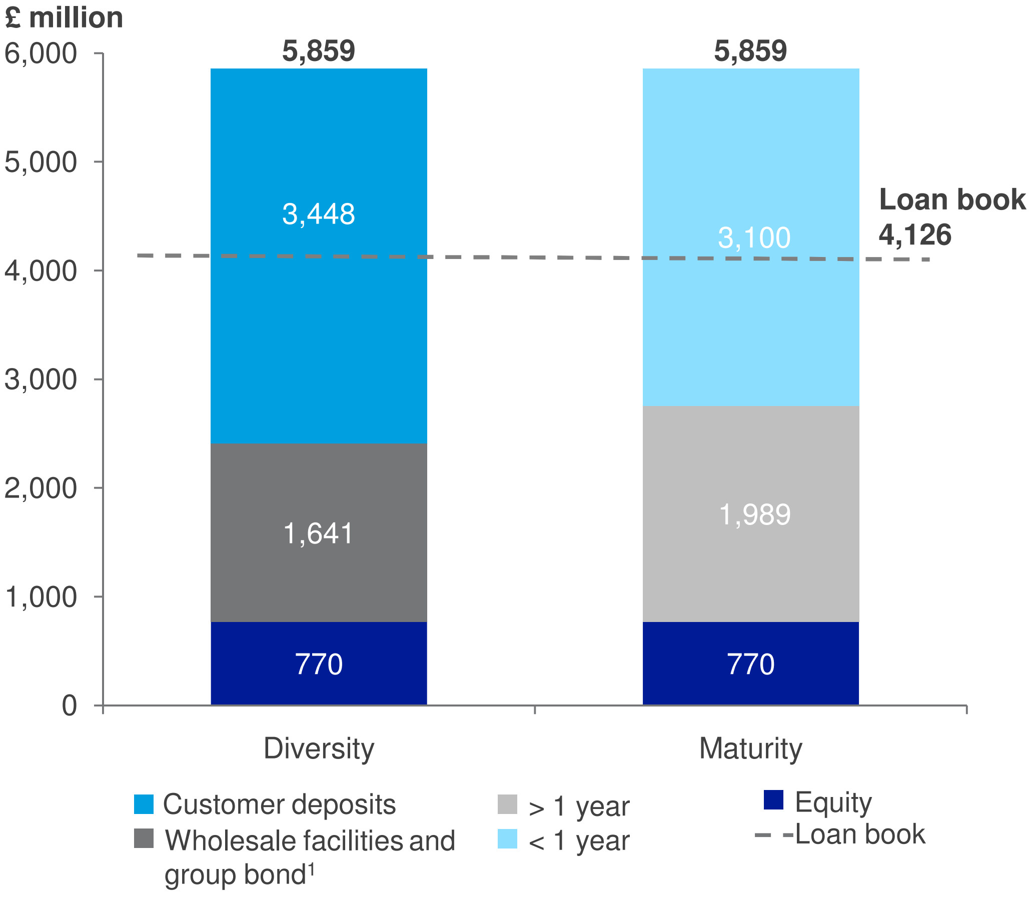
£ million	31 July 2012	31 July 2011	Change
Assets			
Treasury assets[1]	1,060	1,405	(345)
Loans and advances to customers	4,126	3,435	691
Securities assets[2]	599	707	(108)
Other[3]	571	562	9
Total assets	**6,356**	**6,109**	**247**
Liabilities			
Deposits by customers	3,448	3,171	277
Borrowings	1,322	1,126	196
Securities liabilities[4]	502	585	(83)
Other	314	499	(185)
Total liabilities	**5,586**	**5,381**	**205**
Equity	770	728	42
Total liabilities and equity	**6,356**	**6,109**	**247**

Notes:
[1] Includes gilts, certificates of deposit, floating rate notes and deposits at the Bank of England
[2] Includes settlement balances, long trading positions and loans to money brokers
[3] Includes loans and advances to banks, intangible assets and other assets
[4] Includes settlement balances, short trading positions and loans from money brokers

Funding

Strong funding position with continued focus on diversity and maturity

Funding position at 31 July 2012



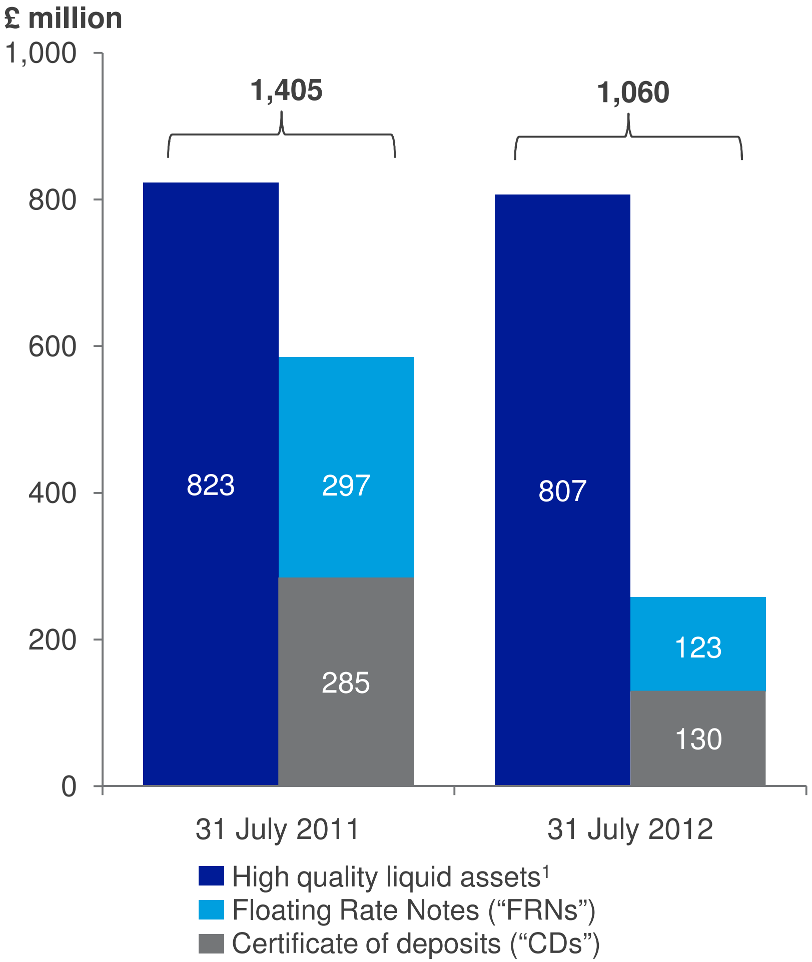
- Total funding up to **£5.9 billion, 142%** of loan book
- Maintained **access to diverse funding sources**
  - **Raised £0.5 billion** securitisation on motor finance book
  - **Deposits** increased £0.3 billion to **£3.4 billion**
- Maintained **prudent maturity profile** relative to loan book
  - **Term funding[2] increased** £0.3 billion to **£2.8 billion**
  - **Covers 67% of loan book** with **weighted average maturity** of **27 months[3]**

Notes:
[1] Includes £331.9 million (31 July 2011: £410.2 million) of undrawn facilities and excludes £13.0 million (31 July 2011: £32.7 million) of non-facility overdrafts included in borrowings in the group's financial statements
[2] Funding with a residual maturity > 1 year, including equity, wholesale facilities, customer deposits and group bond
[3] Excluding equity

Treasury assets and liquidity

Maintaining high quality liquidity while optimising efficiency

Treasury assets



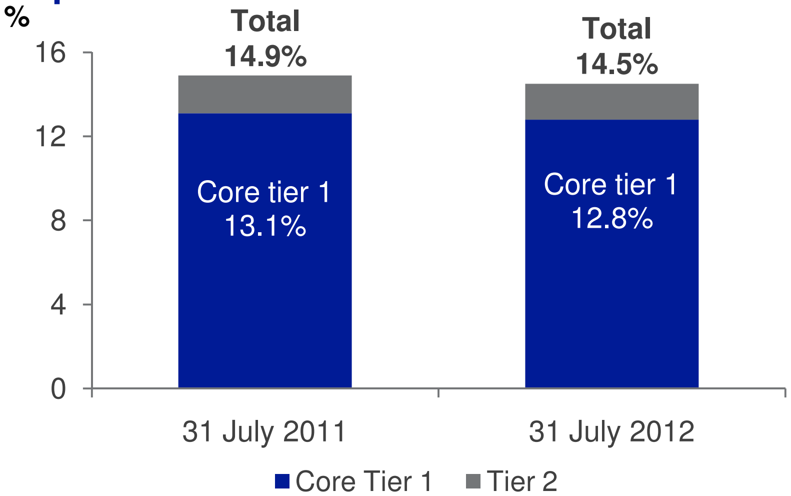
- Maintained **strong** and **high quality liquidity position**
  - **High quality liquid assets**, Bank of England deposits and gilts, stable at **£0.8 billion**
  - **Comfortably above regulatory requirements**
- Overall **treasury assets** reduced to **£1.1 billion** reflecting **reduction in less liquid CDs and FRNs**
  - **FRN run off substantially complete**

Note:
[1] Includes £706.8 million (31 July 2011: £594.4 million) deposits with Bank of England and £100.1 million (31 July 2011: £228.8 million) gilts

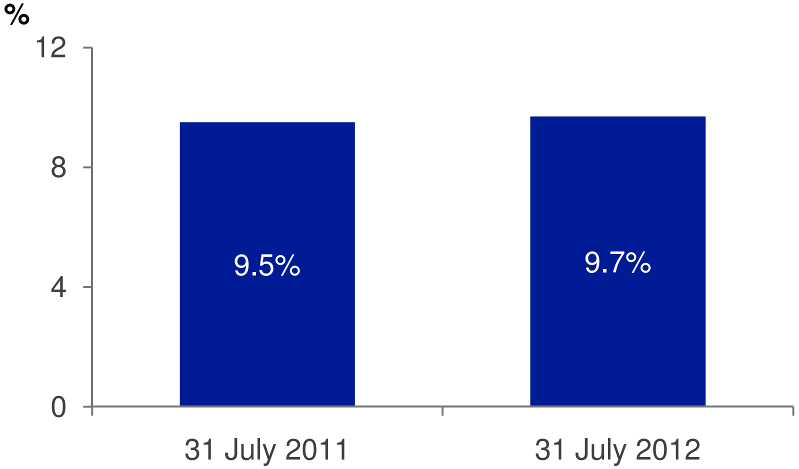
Capital

Strong capital position maintained

Capital ratio



Leverage ratio[1]



£ million	31 July 2012	31 July 2011	% change
Core tier 1 capital ratio	12.8%	13.1%	
Leverage ratio[1]	9.7%	9.5%	
Core tier 1 capital	621	589	5%
Total regulatory capital	703	669	5%
Risk weighted assets	4,860	4,493	8%

- **Strong capital position** maintained while **employing capital for growth**
  - Core tier 1 capital ratio of **12.8%**
- Group remains **comfortably above** regulatory requirements and industry benchmarks
  - **No impact** expected from **Basel III**
- **8% increase in RWAs** reflects strong loan book growth, partly offset by lower debt securities
- **Strong leverage ratio of 9.7%**

Note:
[1]Core tier 1 capital divided by total assets adjusted for intangible assets and certain off-balance sheet exposures

Banking

Strong financial performance

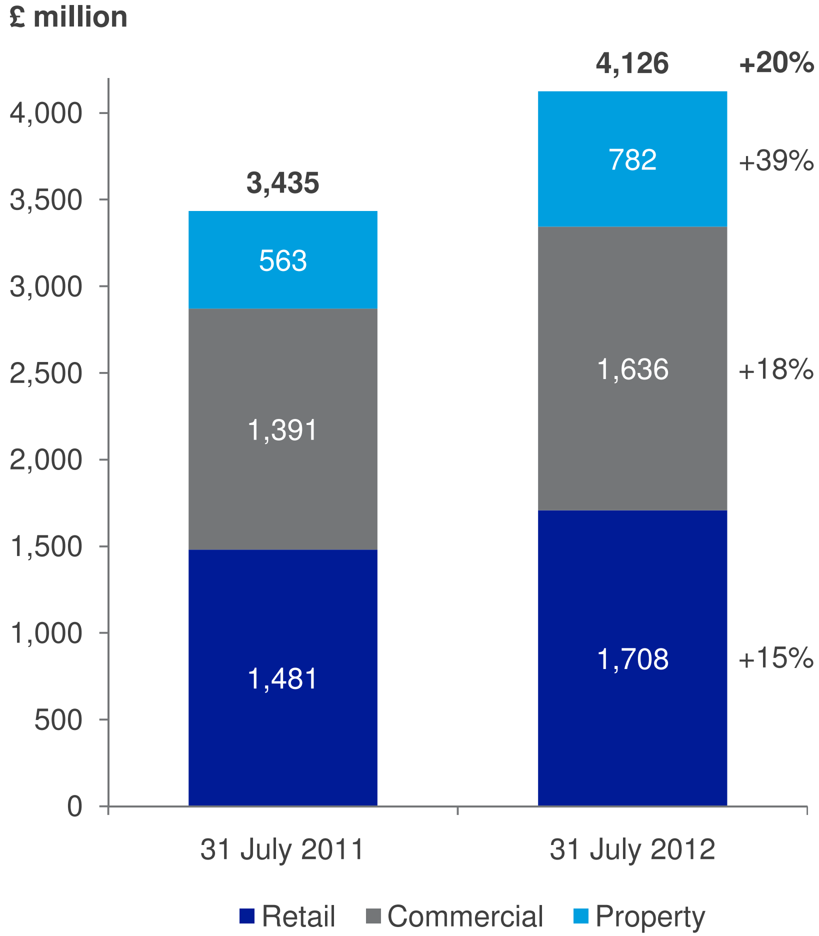
£ million	2012	2011	% change
Net interest and fees on loan book	354.0	312.3	13%
Treasury and other non-lending income	7.5	13.7	(45)%
Adjusted operating income	**361.5**	**326.0**	**11%**
Adjusted operating expenses	(168.9)	(154.5)	9%
Impairment losses on loans and advances	(57.6)	(65.2)	(12)%
Adjusted operating profit	**135.0**	**106.3**	**27%**
Financial Ratios			
Operating margin	37%	33%	
Expense/income ratio	47%	47%	
Compensation ratio	27%	27%	
Return on opening equity	22%	21%	

Note:
All financial ratios exclude associate income, exceptional items, goodwill impairment and amortisation of intangible assets on acquisition

Banking

Strong growth in favourable conditions

Loan book size by business unit



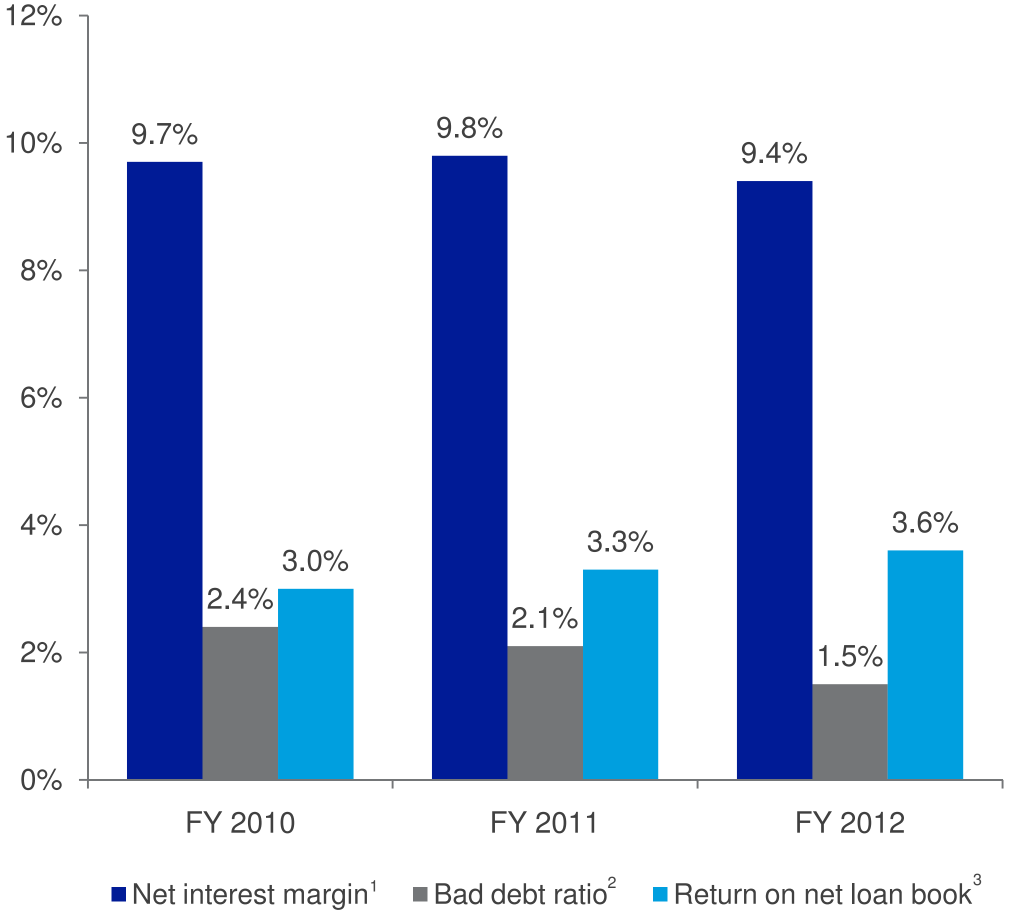
- **Strong loan book growth** of **20%** overall in a continued **favourable market environment**
- **Retail increased 15%**
  - **Motor finance** benefiting from continued strong demand and wider geographic coverage
  - More modest growth in **Premium finance**
- **Commercial increased 18%**
  - Strong growth in **Asset finance** reflecting increase in sales capacity
  - **Invoice finance** flat in competitive market
- **Property increased 39%**
  - **Maintained credit quality** on new business
  - Remains around **20%** of total loan book

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

Banking

Performance ratios remain favourable

Performance ratios



Notes:
[1] Net interest and fees on average loan book
[2] Impairment losses on average net loans and advances to customers
[3] Adjusted operating profit before tax on average net loans and advances to customers

- **Return on net loan book** increased to **3.6%**
  – Reflects **consistent, prudent lending criteria**
- **Strong net interest margin** maintained at **9.4%**
  – Modest reduction on **strong prior year**
- **Bad debt ratio improved** to **1.5%**
  – Reduction in **Commercial** and **Property**
  – **Retail** remained at **low levels**

Securities

Performance reflects difficult market conditions throughout the year

£ million	2012	2011	% change
Adjusted operating income	**101.4**	**158.7**	**(36)%**
Of which:			
Winterflood	73.2	124.5	(41)%
Seydler	21.0	31.6	(34)%
Mako	7.2	2.6	177%
Adjusted operating expenses	(76.9)	(103.9)	(26)%
Adjusted operating profit	**24.5**	**54.8**	**(55)%**
Financial Ratios			
Operating margin	18%	33%	
Expense/income ratio	82%	67%	
Compensation ratio	46%	45%	
Return on opening equity	13%	39%	

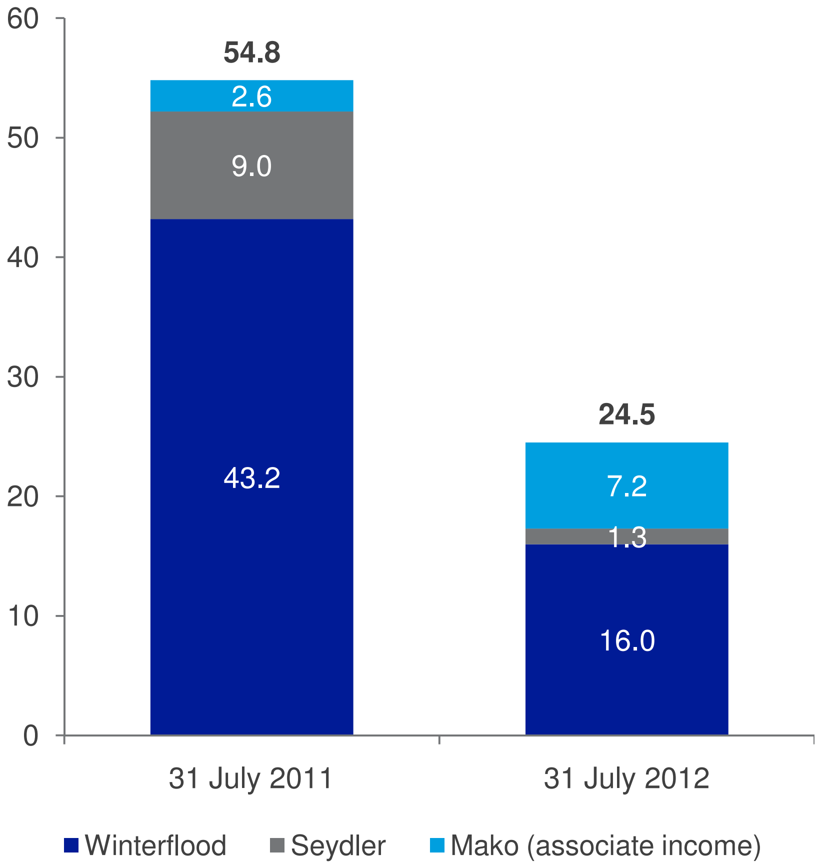
Note:
All financial ratios exclude associate income, exceptional items, goodwill impairment and amortisation of intangible assets on acquisition

Securities

Performance by business

Adjusted operating profit by business

£ million



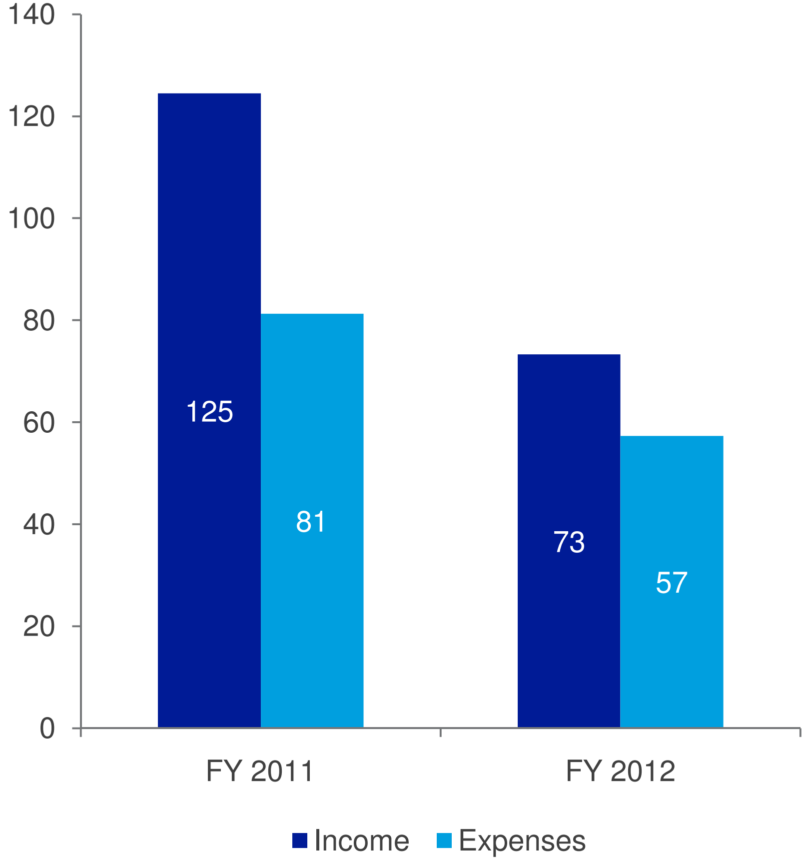
- **Winterflood's** performance substantially lower reflecting **low retail risk appetite** and client trading activity
  - AOP of **£16 million** at 10 year low
- **Seydler's** profit down to £1 million with **low trading volume** and **capital markets activity**
- Mako associate income of £7 million reflecting **increased volatility in Q1**
  - **Phased sale agreed** in September 2011, current investment **27%**

Securities

Winterflood – affected by low retail investor risk appetite

Income and expenses

£ million



Key figures

	2012	2011
Average bargains per day	47k	48k
Income per bargain	£6.18	£10.39
Loss days	13	1

- **Income** substantially impacted by **reduced client trading activity,** particularly in AIM and small cap stocks
  - **Average bargains per day** broadly stable at **47k** reflecting smaller bargain sizes on order book
  - **Income per bargain** of **£6.18** due to lower **client trading activity** and **mix**
- **Expenses** reduced 30% reflecting **variable cost structure**

Asset Management

Small loss in the year reflecting final stages of restructuring

£ million	2012	2011	% change
Income on AuM	68.5	58.4	17%
Advice and other services[1]	*30.6*	*17.5*	*75%*
Investment management	*37.9*	*40.9*	*(7)%*
Other income[2]	1.1	5.4	(80)%
Adjusted operating income	**69.6**	**63.8**	**9%**
Adjusted operating expenses	(73.9)	(72.4)	2%
Adjusted operating loss	**(4.3)**	**(8.6)**	**(50)%**
Financial ratios			
Operating margin	(6)%	(13)%	
Expense/income ratio	106%	113%	
Compensation ratio	64%	65%	
Return on opening equity	(2)%	(9)%	

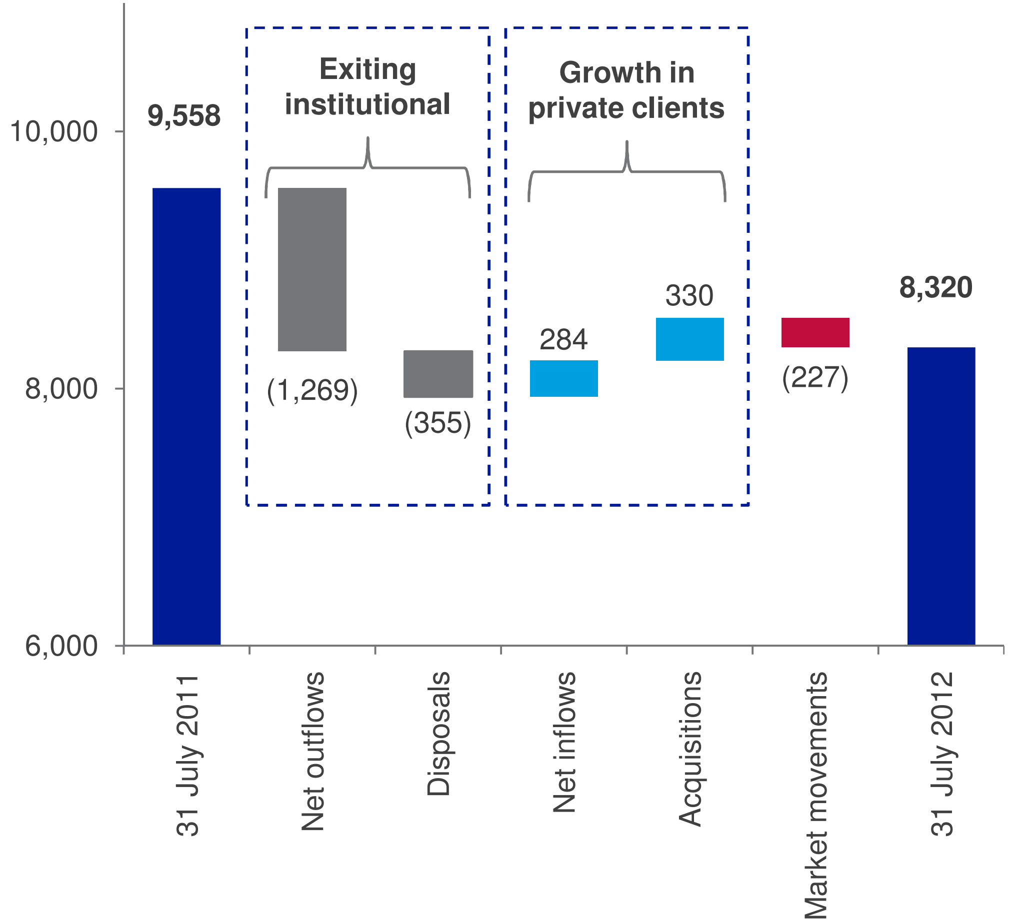
Notes:
Prior year income numbers have been represented to reflect the division's increased focus on the managed and advised private client business.
[1] Income from financial advice and other services, excluding investment management income
[2] Interest income and expense, income on investment assets and other income

Asset Management

Increased focus on private clients

AuM

£ million

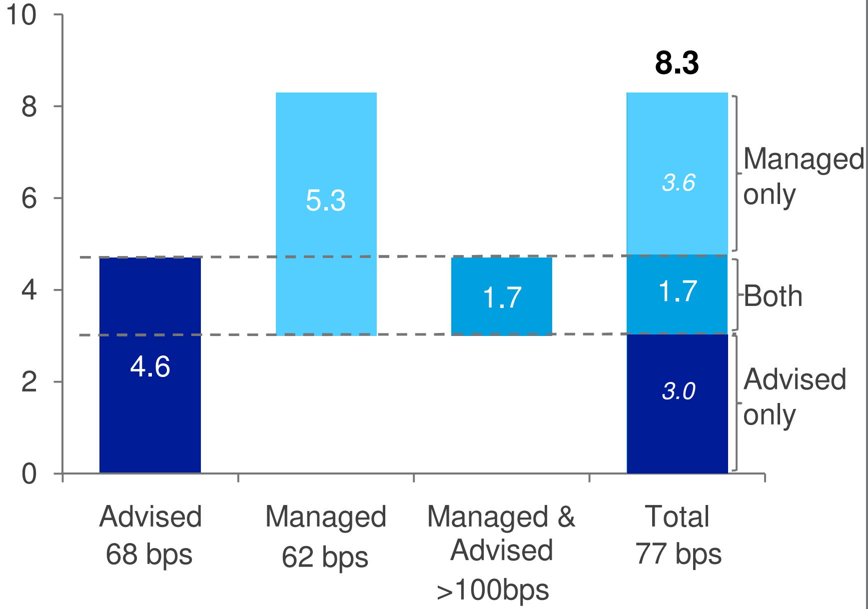


- **Total AuM** reduced to **£8.3 billion** as exiting institutional
- **Reduction in institutional assets**
  - Redemption of **client assets** and closure of non core funds
  - Sale of **OLIM's property fund management business**
- **Continued growth in private clients**
  - **Net new funds £0.3 billion** from both in-house advisers and third party sales
  - **Acquisition** of Scott-Moncrieff

Asset Management

Income drivers – AuM and revenue margin

AuM at 31 July 2012 (£ billion)



Income on AuM (£ million)

	2012	2011	% change
Advice and other services	30.6	17.5	75%
Investment management	37.9	40.9	(7)%
Total	**68.5**	**58.4**	**17%**
Revenue margin (bps)[1]	*77*	*71*	

- Total AuM **£8.3 billion** at 31 July 2012
  - **£4.6 billion advised AuM**[2]
    - Includes £1.7 billion (36%) invested in Close Brothers products
  - **£5.3 billion managed AuM**
- AuM generates **two sources of income**:
  - **Advice and other services** income increased 75% due to acquisitions
    - 68 bps margin on total advised AuM
  - **Investment management** income reduced 7% due to decline in institutional business
    - 62 bps margin on total managed AuM
- Overall revenue margin of **77 bps**, expected to increase with sales of new proposition
  - Increase in assets **both managed and advised**
  - **Initial fees** on new **advice** business

Notes:
[1] Based on average AuM of £8.9 billion (2011: £8.2 billion)
[2] Includes financial planning and self directed assets

Agenda

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2. Financial review – Jonathan Howell, Group Finance Director

3. **Business update – Preben Prebensen, Group Chief Executive**

4. Q&A

Business update

Overview

- **Delivering on strategic priorities**
  - Captured **growth** in **Banking** while maintaining distinctive model
  - Maintained **leading market position** in difficult environment for **Securities**
  - Substantially completed **restructuring** in **Asset Management**

- **Prudent management of financial resources**
  - **Strong capital** and leverage ratios, **prudent funding** and **liquidity**

- **Demonstrating strength of business models**
  - **Ability to adapt** to changes in **market environment**

Business update

Banking

Strategic priorities

- Capture **sustainable growth** while maintaining **distinctive, specialist** lending model
- Expanding our **client franchise**
  - Building **strong relationships** with clients and intermediaries
- Maintaining a **consistent approach** to **lending** and **credit quality**
  - **Credit metrics** and **performance ratios** remain **consistent**
- **Managing** our **resources for growth**
  - **Investing in infrastructure** for long-term efficiency
  - **Maintaining local expertise** and integrated model

Business update

Banking – Maintaining our consistent approach to credit, loan book quality, and core lending principles

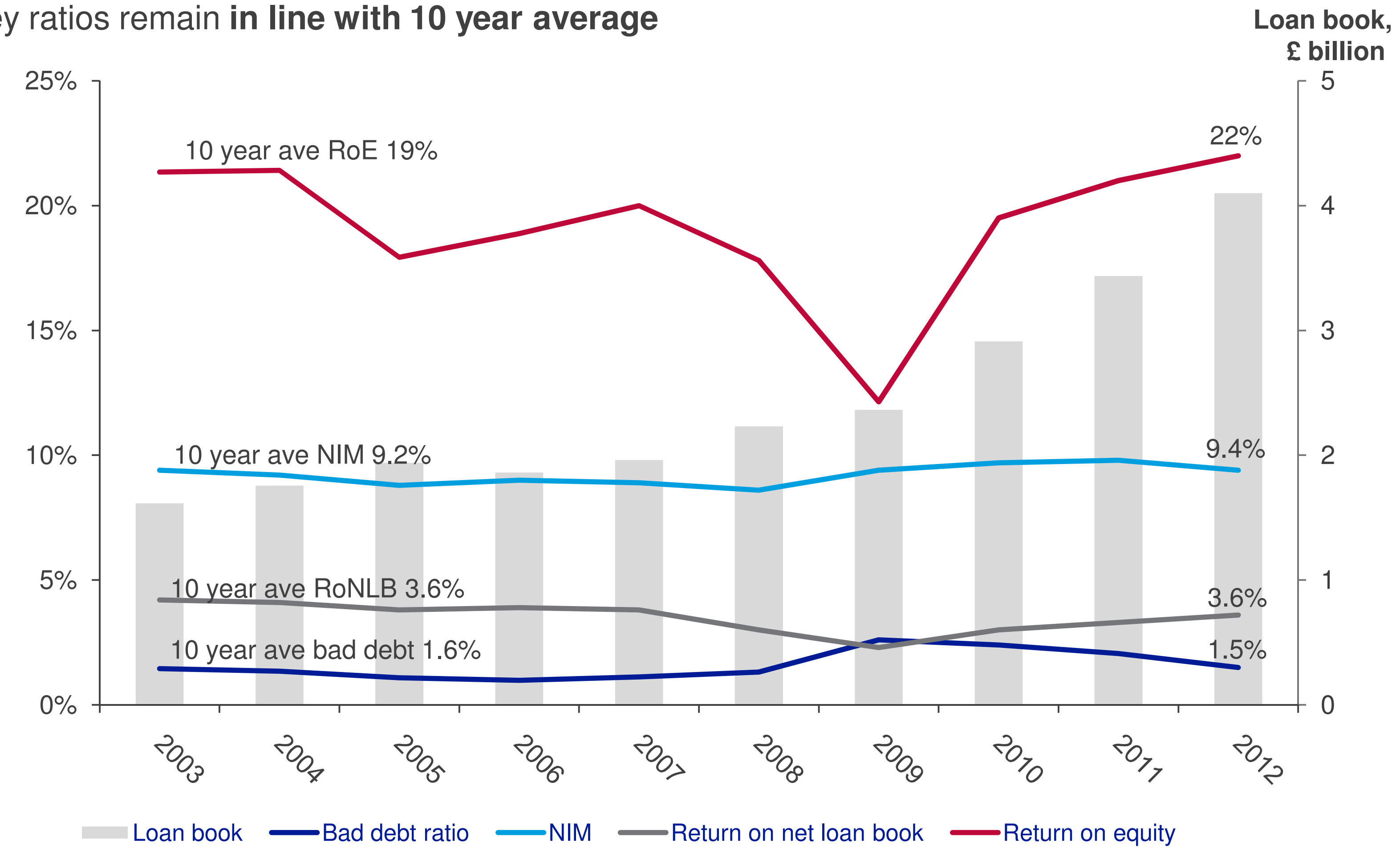
- **Unchanged, conservative credit appetite**
  - High proportion of **secured lending**
  - **Diversity of lending** by asset and customer
  - **Low average loan size**
  - **Short term** maturity
- **Composition** of loan book **broadly unchanged**
  - 40% Retail, 40% Commercial and 20% Property

Key Credit Attributes at 31 July 2012

Business update

Banking – Delivering consistent and strong returns through the cycle

- **Three year loan book CAGR 20% – 10 year CAGR 11%**
- Key ratios remain **in line with 10 year average**



Business update

Securities

Strategic priorities

- **Continued focus** on **strategic priorities**
  - **Maximise revenue** in all market conditions
  - **Manage costs** and **maximise profitability**
  - **Maintain leading market positions**

- Winterflood focus on **managing core market-making business** in difficult markets
  - **Selectively exploring opportunities** for increased flow

- **Seydler** impacted by difficult conditions in Germany but **remains well placed** for recovery

Business update

Winterflood – significant market dislocation impacting trading performance

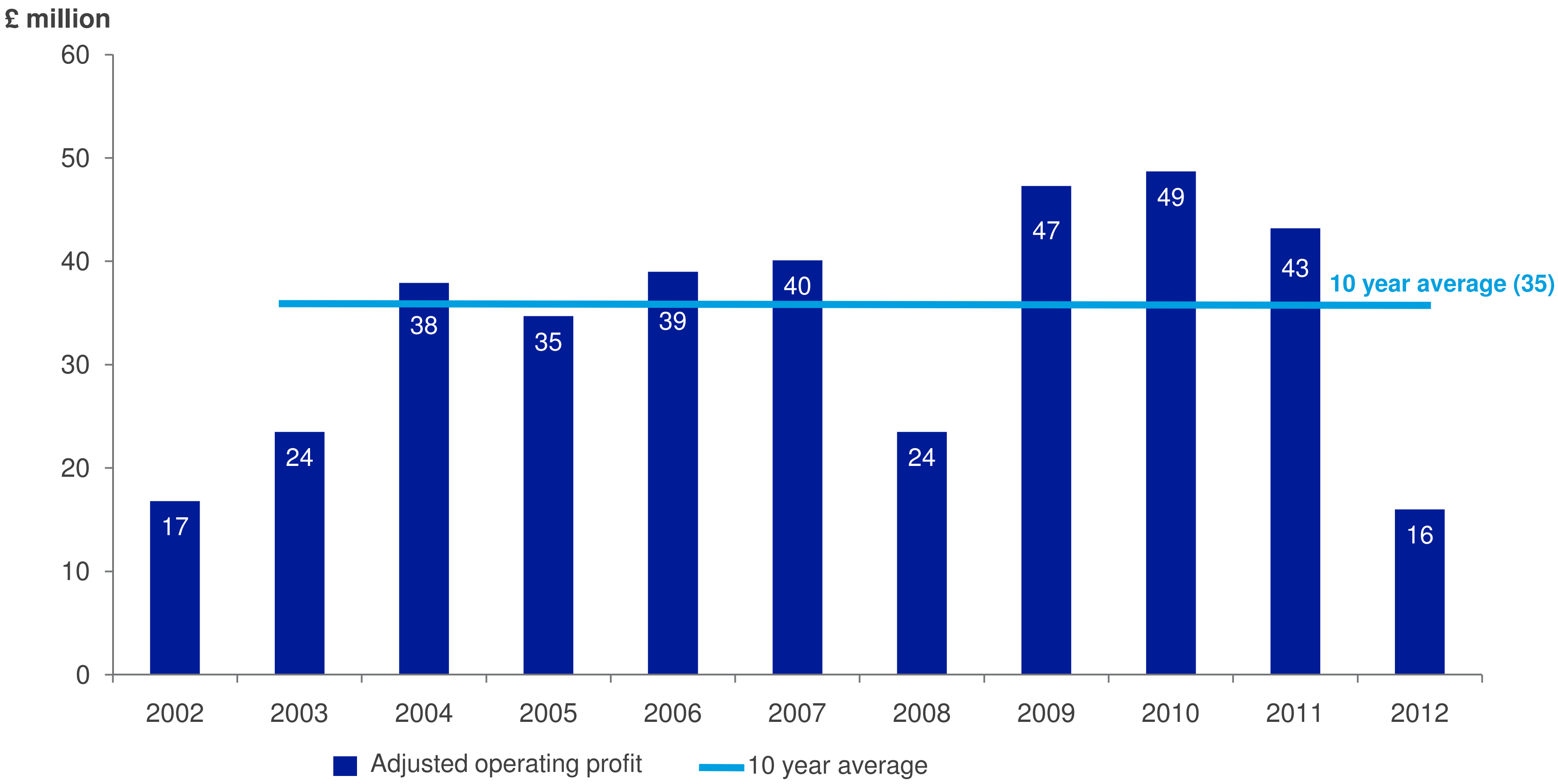
- Performance affected by **very difficult market environment**
  - Significant levels of **economic uncertainty**
  - **Decline in retail investor risk appetite** – retail market volumes overall down 25% YoY[1]
  - **Reduction** in industry wide **primary activity**

- Winterflood **well positioned** to manage impact of current environment
  1) **Trading profitably in all market conditions**
     - Around **100 skilled traders and salesforce**
     - **Conservative risk** appetite and **tight trading** limits
  2) **Strength of market position**
     - **Leading market-maker** in UK, serving over 300 stockbrokers
     - **Diversified** by product and market
  3) **Flexibility of cost base**
     - Focus on core market-making – **low fixed cost base**

Note:
[1] Measured as LSE principal to agent volumes

Business update

Winterflood – Consistently profitable over time



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Loss days	23	15	5	5	4	1	14	7	4	1	13

Business update

Asset Management

- **Significant strategic transformation** over last 3 years, with focus on **private client market**
  - **Disposed** of non-core businesses
  - **Acquired** 4 private client businesses
  - **Launched new client propositions**
  - Deployed new **technology platform**
  - Strengthened **distribution** and **support**

Business update

Asset Management – Restructuring substantially completed in FY 2012

- Rolled out **new client propositions** and **platform**
  - **Advice proposition live since November 2011**
  - **New technology platform** supporting **advised** and **self directed** clients
- Completed range of **investment management** products
  - Full range of **direct**, **multi-manager** and **passive** fund ranges, **SMAs** and **bespoke portfolios**
  - **Strong performance** since launch
- Significant **investment** in business now complete
- Good **new business momentum**
  - Net inflows **£284 million** (2011: £249 million)[1]
  - New advice proposition **well received** with growing pipeline
- **Awards** and **external endorsement**

Note:
[1] Private clients only

Business update

Asset Management – Next steps and clear path to profitability

	Measure	FY 2012	FY 2013-15	Drivers
Revenue	Revenue margin	77 bps	100 bps by FY 2015	• Sales of new integrated proposition to **existing** advised clients • Increasing sales to **new** clients over time
	Net inflows	£284m[1]	Accelerating from FY 2014	• **Organic growth** through multiple distribution channels
Profit	Operating margin	(6)%	>15% by FY 2015	• **Revenue growth** • **Stabilising fixed cost** base

Note
[1] Private clients only

Outlook

Well positioned for 2013 financial year

- **External market environment uncertain** but **confident in our businesses**
- In **Banking** continue to see prospects for **loan book** and **profit growth**
- In **Securities,** low market activity continues but Winterflood remains **well positioned**
- **Asset Management** substantially completed its restructuring – **now placed** to move into **profitability during 2013 financial year**
- Overall, group is **well positioned** for the current financial year

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Close Brothers

Appendix

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Page

Segmental analysis

Summary income statement

£ million	Banking	Securities	Asset Management	Group	Continuing operations	Discontinued operations[3]	Total
Full year 2012 to 31 July							
Adjusted operating income/(expense)	361.5	101.4	69.6	(0.8)	531.7	-	531.7
Administrative expenses	(153.4)	(74.7)	(73.0)	(19.4)	(320.5)	-	(320.5)
Depreciation and amortisation	(15.5)	(2.2)	(0.9)	(0.8)	(19.4)	-	(19.4)
Impairment losses on loans and advances	(57.6)	-	-	-	(57.6)	-	(57.6)
Adjusted operating profit/(loss)	**135.0**	**24.5**	**(4.3)**	**(21.0)**	**134.2**	**-**	**134.2**
Exceptional items and other adjustments[1]	(0.6)	5.6	(4.3)	-	0.7	-	0.7
Operating profit/(loss) before tax	**134.4**	**30.1**	**(8.6)**	**(21.0)**	**134.9**	**-**	**134.9**
Full year 2011 to 31 July							
Adjusted operating income/(expense)	326.0	158.7	63.8	-	548.5	31.5	580.0
Administrative expenses	(142.2)	(101.8)	(72.0)	(20.6)	(336.6)	(28.4)	(365.0)
Depreciation and amortisation	(12.3)	(2.1)	(0.4)	(0.7)	(15.5)	(1.1)	(16.6)
Impairment losses on loans and advances	(65.2)	-	-	-	(65.2)	-	(65.2)
Adjusted operating profit/(loss)	**106.3**	**54.8**	**(8.6)**	**(21.3)**	**131.2**	**2.0**	**133.2**
Loss on disposal of discontinued operations	-	-	-	-	-	(24.9)	(24.9)
Exceptional items and other adjustments[2]	(0.6)	(36.0)	(20.6)	4.5	(52.7)	(4.5)	(57.2)
Operating profit/(loss) before tax	**105.7**	**18.8**	**(29.2)**	**(16.8)**	**78.5**	**(27.4)**	**51.1**

Notes:
[1] Includes exceptional income on the partial sale of Mako and amortisation of intangible assets
[2] Includes restructuring costs in Asset Management as part of the transformation, impairment of investment in Mako and amortisation of intangible assets on acquisition and goodwill impairment
[3] Discontinued operations includes the operating result and loss on disposal of the group's UK offshore and Cayman Islands businesses, the sales of which completed in June 2011

Segmental analysis

Summary balance sheet at 31 July 2012

£ million	Banking	Securities	Asset Management	Group	Total
Cash and loans and advances to banks	789.7	14.8	11.9	0.4	816.8
Settlement balances, long trading positions and loans to money brokers	-	598.5	-	-	598.5
Loans and advances to customers	4,125.9	-	-	-	4,125.9
Non trading debt securities	353.0	-	-	-	353.0
Investment in associate	-	21.8	-	-	21.8
Intangible assets	44.2	28.6	66.8	0.1	139.7
Other assets	233.4	16.8	30.0	19.9	300.1
Intercompany balances	-	-	-	-	-
Total assets	**5,546.2**	**680.5**	**108.7**	**20.4**	**6,355.8**
Settlement balances, short trading positions and loans from money brokers	-	501.7	-	-	501.7
Deposits by banks	88.0	-	-	-	88.0
Deposits by customers	3,443.1	5.0	-	-	3,448.1
Borrowings	1,115.7	2.1	-	204.5	1,322.3
Other liabilities	136.8	33.7	42.2	13.2	225.9
Intercompany balances	267.3	49.2	33.9	(350.4)	-
Total liabilities	**5,050.9**	**591.7**	**76.1**	**(132.7)**	**5,586.0**
Equity	495.3	88.8	32.6	153.1	769.8
Total liabilities and equity	**5,546.2**	**680.5**	**108.7**	**20.4**	**6,355.8**

Segmental analysis

Summary balance sheet at 31 July 2011

£ million	Banking	Securities	Asset Management	Group	Total
Cash and loans and advances to banks	668.4	24.7	15.1	1.1	709.3
Settlement balances, long trading positions and loans to money brokers	-	706.9	-	-	706.9
Loans and advances to customers	3,435.3	-	-	-	3,435.3
Non trading debt securities	810.2	-	-	-	810.2
Investments in associates	-	33.4	-	-	33.4
Intangible assets	41.1	26.3	65.5	0.2	133.1
Other assets	219.0	20.4	27.5	13.5	280.4
Intercompany balances	1.3	(23.8)	8.2	14.3	-
Total assets	**5,175.3**	**787.9**	**116.3**	**29.1**	**6,108.6**
Settlement balances, short trading positions and loans from money brokers	-	585.4	-	-	585.4
Deposits by banks	192.8	-	-	-	192.8
Deposits by customers	3,167.4	3.1	-	-	3,170.5
Borrowings	790.4	0.5	1.7	333.1	1,125.7
Other liabilities	171.5	66.8	51.3	16.3	305.9
Intercompany balances	405.7	35.3	25.2	(466.2)	-
Total liabilities	**4,727.8**	**691.1**	**78.2**	**(116.8)**	**5,380.3**
Equity	447.5	96.8	38.1	145.9	728.3
Total liabilities and equity	**5,175.3**	**787.9**	**116.3**	**29.1**	**6,108.6**

Funding maturity profile

Prudent funding maturity

£ million	Total	<3 months	3-12 months	1-2 years	2-5 years	>5 years
Loans and overdrafts from banks[1]	192	-	176	16	-	-
Debt securities in issue	1,040	7	350	485	198	-
Subordinated loan capital	77	2	-	-	-	75
Drawn facilities	**1,309**	**9**	**526**	**501**	**198**	**75**
Undrawn facilities	332	-	297	35	-	-
Deposits by customers	3,448	1,262	1,007	956	222	1
Equity	770	-	-	-	-	770
Total available funding – 31 July 2012	**5,859**	**1,271**	**1,830**	**1,492**	**420**	**846**
Total available funding – 31 July 2011	**5,402**	**1,318**	**1,623**	**983**	**474**	**1,004**
Movement	**457**	**(47)**	**207**	**509**	**(54)**	**(158)**

Note:
[1] Drawn facilities exclude £13.0 million (31 July 2011: £32.7 million) of non-facility overdrafts included in borrowings in the group's financial statements

Banking

Loan book and lending statistics by business

Loan book	31 July 2012 £ million	31 July 2011 £ million	% change
Retail	**1,707.8**	**1,481.5**	**15%**
Motor finance	1,086.8	870.8	25%
Premium finance	621.0	610.7	2%
Commercial	**1,635.9**	**1,390.7**	**18%**
Asset finance	1,327.2	1,079.2	23%
Invoice finance	308.7	311.5	(1)%
Property	**782.2**	**563.1**	**39%**
Closing loan book	**4,125.9**	**3,435.3**	**20%**

Lending statistics	Typical LTV[1]	Average loan size[2]	Typical loan maturity[3]	Number of customers
Motor finance	75-85%	£5k	2-3 yrs	200k (inc 20k SMEs)
Premium finance	90%	£600	10 mths	1.8m (inc 200k SMEs)
Asset finance	80-85%	£35k	3-4 yrs	23k
Invoice finance	80%	£270k	2-3 mths	1k
Property finance	50-60%	£800k	6-18 mths	750

Notes: Lending statistic figures are for illustrative purposes only
[1] Typical LTV on new business. Motor Finance is based on the retail price of the vehicle financed. Premium finance LTV based on premium advanced
[2] Approximations at 31 July 2012
[3] Typical loan maturity for new business on a behavioural basis