



Close Brothers Group

Interim results 2010

16 March 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

First half highlights

- **Good first half** performance – adjusted operating profit £62.5 million (2009: £64.9 million)
- **Strong result** in Banking benefiting from current **favourable conditions** and **consistent approach to lending**
- Continued **good performance** from Securities, particularly Winterflood
- Conditions remain **challenging** for Asset Management although Private Clients remained **resilient**
- **Interim dividend** of 13.5p (2009: 13.5p) reflects good performance
- **Sound level of funding** and **strong capital position**
–14.5% tier 1 capital ratio



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Financial highlights

Summary income statement, continuing operations⁽¹⁾

£ million	First half 2010 to 31 January	First half 2009 to 31 January	% change	Full year 2009 to 31 July
Adjusted operating income⁽²⁾	261.8	249.1	5%	502.1
Adjusted operating expenses ⁽³⁾	(168.7)	(160.8)	5%	(328.5)
Impairment losses on loans and advances	(30.6)	(23.4)	31%	(59.9)
Adjusted operating profit⁽⁴⁾	62.5	64.9	(4)%	113.7
Operating margin ⁽⁵⁾	23%	22%		20%
Expense/income ratio ⁽⁶⁾	65%	68%		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 fixed assets on acquisition

(4) Before exceptional items, impairment losses on goodwill and amortisation of intangible fixed assets on acquisition

(5) Adjusted operating profit on adjusted operating income

(6) Adjusted operating expenses on adjusted operating income, excluding associate income



Financial highlights

Summary income statement, continuing operations (continued)

£ million	First half 2010 to 31 January	First half 2009 to 31 January	% change	Full year 2009 to 31 July
Adjusted operating profit	62.5	64.9	(4)%	113.7
Exceptional items and other adjustments ⁽¹⁾	(0.2)	(23.4)	(99)%	(25.4)
Operating profit before tax	62.3	41.5	50%	88.3
Tax	(16.0)	(14.1)	13%	(26.1)
Minority interests	(0.2)	(0.1)	100%	(0.3)
Profit attributable to shareholders	46.1	27.3	69%	61.9
Return on opening equity⁽²⁾	12%	10%		10%
Basic EPS (continuing operations)	32.2p	19.2p	68%	43.6p
Adjusted EPS ⁽³⁾ (continuing operations)	32.4p	34.9p	(7)%	60.5p
Ordinary dividend per share	13.5p	13.5p	-	39.0p

Notes:

(1) Exceptional items and other adjustments in H1 2010 includes £0.2 million of amortisation of intangibles on acquisition. H1 2009 includes £4.1 million of exceptional expenses, £19 million impairment of goodwill and £0.3 million of amortisation of intangibles on acquisition.

(2) Adjusted operating profit after tax and minority interests on opening total equity, excluding associates

(3) Before exceptional items, impairment losses on goodwill and amortisation of intangible fixed assets on acquisition



Financial highlights

Performance by division

Adjusted operating profit (continuing operations)

£ million	First half 2010	First half 2009	% change	Full year 2009
Adjusted operating profit	62.5	64.9	(4)%	113.7
Of which:				
Banking	36.5	32.0	14%	54.0
Asset Management	2.7	6.6	(59)%	12.0
Securities	34.0	33.2	2%	64.9
Group	(10.7)	(6.9)	(55)%	(17.2)
<i>% of total⁽¹⁾</i>				
<i>Banking</i>	<i>50%</i>	<i>45%</i>		<i>41%</i>
<i>Asset Management</i>	<i>4%</i>	<i>9%</i>		<i>9%</i>
<i>Securities</i>	<i>46%</i>	<i>46%</i>		<i>50%</i>

Note:
(1) Before group net expenses

- Strong performance in **Banking**
 - Successfully taken advantage of **favourable business conditions**
 - **Continuing good demand** for specialist lending, particularly Retail and Commercial
 - **Loan book growth across** all businesses and **margin expansion**
- Modest start for **Asset Management**
 - Continued challenging conditions but good **growth in Private Clients FuM**
- Good performance in **Securities**
 - **Strong volumes** at Winterflood offset by more normal market conditions for Mako



Financial highlights

Summary balance sheet

£ million	31 January 2010	31 July 2009	Change
Assets			
Cash and loans and advances to banks	445.8	198.2	247.6
Settlement balances, long trading positions and loans to money brokers ⁽¹⁾	782.0	728.9	53.1
Loans and advances to customers	2,577.7	2,364.9	212.8
Non trading debt securities	1,655.3	2,261.3	(606.0)
Intangible assets	112.2	107.6	4.6
Other assets	335.1	358.4	(23.3)
Total assets	5,908.1	6,019.3	(111.2)
Liabilities			
Settlement balances, short trading positions and loans from money brokers	671.6	590.7	80.9
Deposits by banks	39.7	48.0	(8.3)
Deposits by customers	2,892.4	2,919.6	(27.2)
Borrowings	1,290.2	1,436.9	(146.7)
Other liabilities	278.8	326.4	(47.6)
Total liabilities	5,172.7	5,321.6	(148.9)
Equity	735.4	697.7	37.7
Total liabilities and equity	5,908.1	6,019.3	(111.2)

Note:

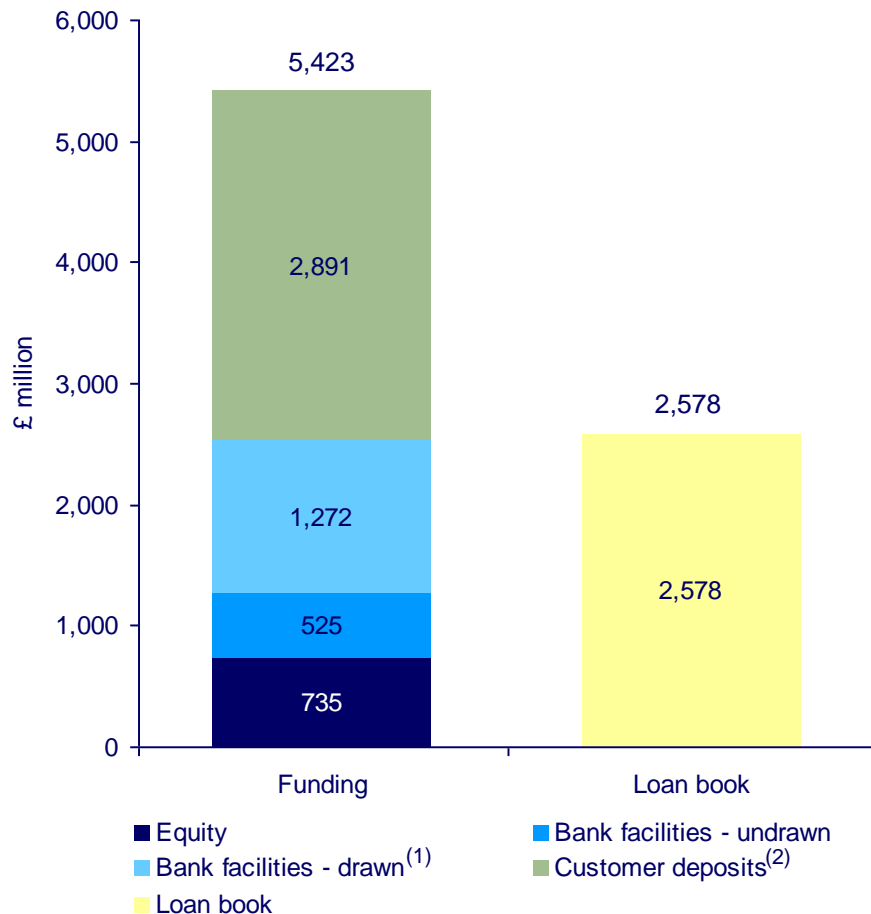
(1) Includes £67 million of long trading positions in debt securities for the purpose of this summary balance sheet. These are included within "Debt Securities" on the consolidated balance sheet in the group's financial statements



Funding and liquidity

Maintained strong and diversified funding position

Funding position at 31 January 2010



Notes:

(1) Bank facilities exclude £18 million of loans and overdrafts included in total borrowings in the group's financial statements

(2) Excludes £1 million of deposits (31 July 2009: £1 million) held within the Securities division

- Total funding of £5.4 billion, **no significant change** from prior year end
 - **18 month** average facility **maturity exceeds** 11 month average loan book maturity
 - **Facilities maintained** at £1.8 billion with no significant maturities or new facilities raised
- **Good funding position**
 - Focus on **cost efficiency** and **long-term flexibility**
- **First time rating** of A3 and A assigned by Moody's and Fitch respectively to **Close Brothers Group**
- Post period end, CBG raised **£200 million, 2017 maturity bond** providing additional long-term flexibility



Capital

Strong capital position maintained

£ million	31 January 2010	31 July 2009
Core tier 1 capital	590.7	581.9
Total regulatory capital	661.5	651.6
Risk weighted assets (notional) ⁽¹⁾	4,079.4	3,936.8
Core tier 1 capital ratio	14.5%	14.8%
Total capital ratio	16.2%	16.6%

- RWAs increased £143 million (4%) as a result of loan book growth
- Overall core tier 1 capital ratio **broadly stable** at 14.5%
- Strong capital position allows group to **support businesses** and pursue **growth opportunities**

Note:

(1) Notional risk weighted assets include a notional adjustment for Pillar 1 operational and market risk requirements



Banking

Key figures

£ million	First half 2010 to 31 January	First half 2009 to 31 January	% change	Full year 2009 to 31 July
Adjusted operating income	128.3	115.4	11%	235.5
Adjusted operating expenses	(61.2)	(60.0)	2%	(121.6)
Impairment losses on loans and advances	(30.6)	(23.4)	31%	(59.9)
Adjusted operating profit	36.5	32.0	14%	54.0
Closing loan book	2,578	2,308	12%	2,365
Bad debt ratio⁽¹⁾	2.5%	2.1%		2.6%
Key Financial Ratios				
Operating margin	28%	28%		23%
Expense / income ratio	48%	52%		52%
Compensation ratio	27%	30%		28%
Return on net loan book ⁽²⁾	3.0%	2.8%		2.3%
Return on opening equity	18%	15%		12%

Notes:

(1) Impairment losses on average net loans and advances to customers

(2) Banking division adjusted operating profit before tax on the average net loan book

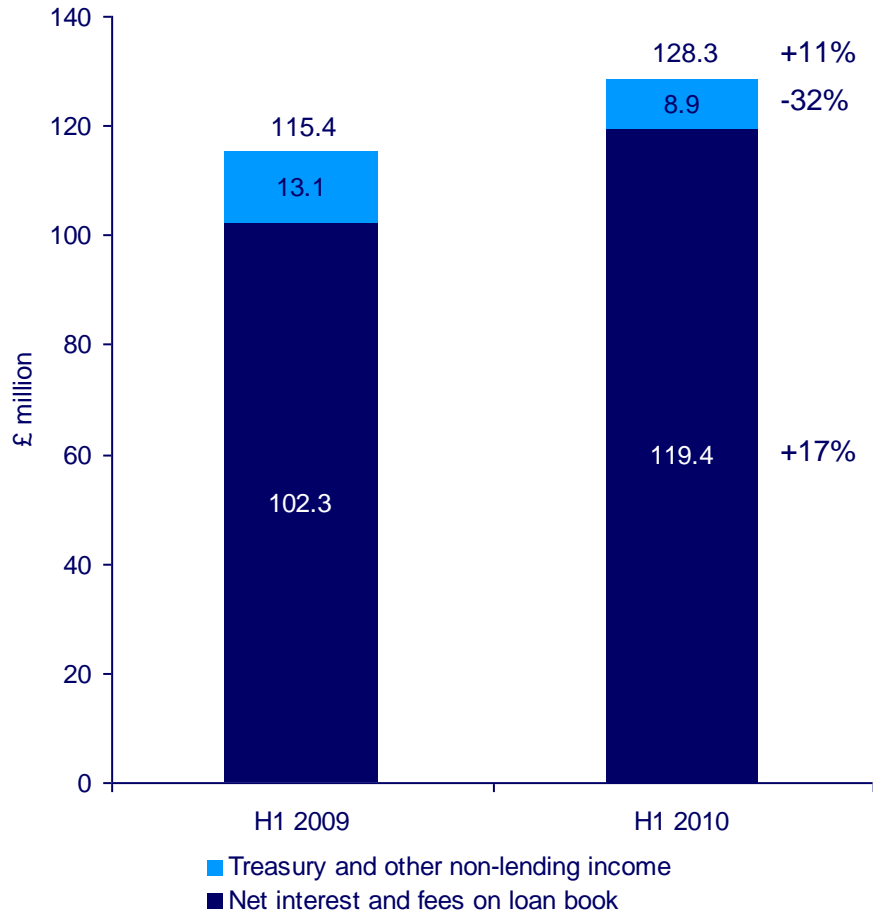
All KFRs exclude associate income, exceptional items, impairment losses on goodwill and amortisation of intangible fixed assets on acquisition



Banking

Income analysis

Adjusted operating income by type



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

Key metrics

	First half 2010	First half 2009	% change	Full year 2009
Average loan book (£ million)	2,471	2,270	9%	2,299
Net interest margin ⁽¹⁾	9.7%	9.0%		9.4%

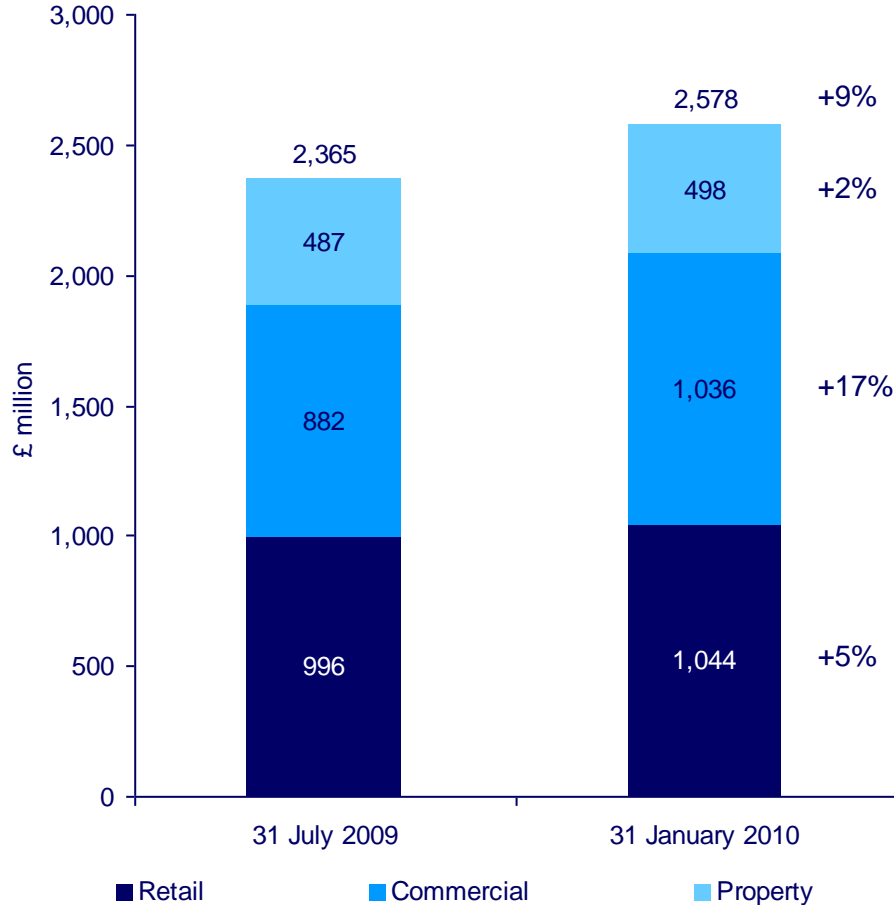
- Growth in **net interest and fees on loan book** reflects **good demand** for specialist lending services, particularly in Retail
- Businesses have successfully capitalised on **favourable conditions**
- Treasury and other non-lending income impacted by **lower returns** on **money market assets**



Banking

Loan book analysis

Loan book size by business unit



Note:

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

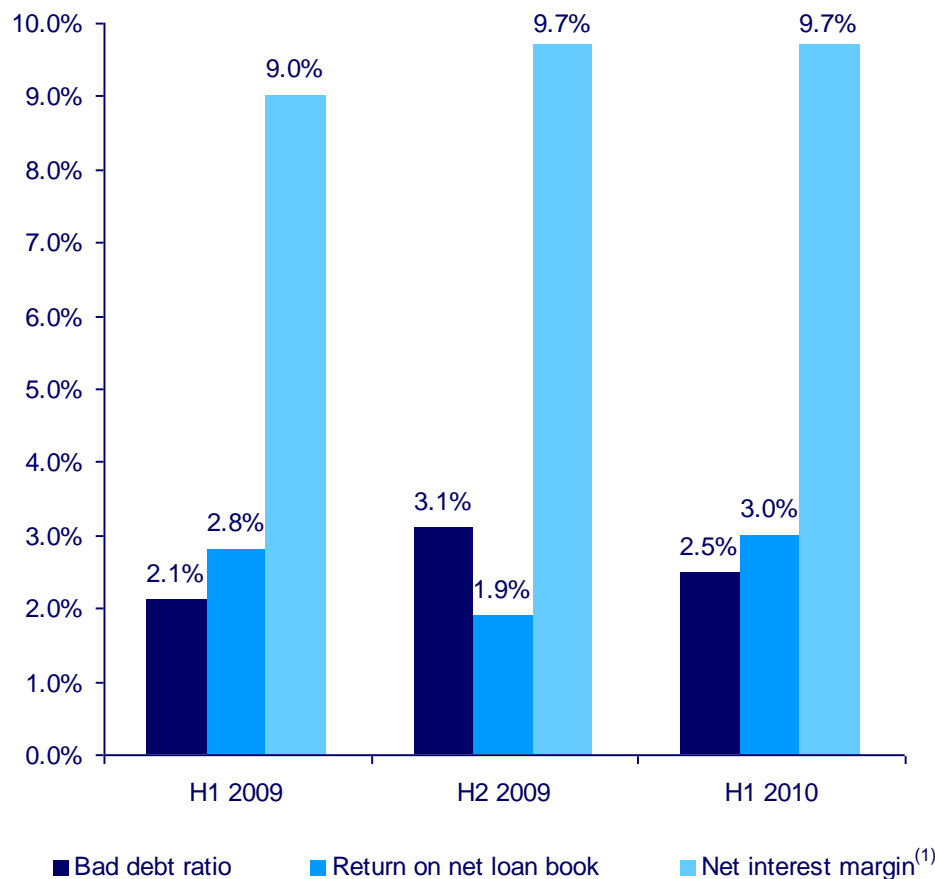
- £213 million or **9% growth** in loans and advances to customers to £2.6 billion (31 July 2009: £2.4 billion)
 - **5% organic growth**
 - **4%** due to **acquisition** of £94 million invoice financing loan book in January 2010
- **5% growth in Retail** loan book
 - Good demand in motor and premium finance, particularly personal insurance lines
- **17% growth in Commercial** loan book
 - Good new business levels in asset finance
 - Acquisition growth in invoice finance partly offset by ongoing impact of economic environment on clients
- **2% growth in Property** reflecting good demand but selective lending



Banking

Bad debt analysis

Margin and bad debt analysis



- **H1 2010** bad debt ratio increased to **2.5%** (H1 2009: 2.1%)
- Bad debt ratio **reduced** from **H2 2009** level of 3.1% reflecting **stable economic environment**
 - principally driven by **shorter-term Retail businesses**
- Stronger net interest margin more than offset increase in bad debts to **improve return on net loan book** to 3.0% (H1 2009: 2.8%)
- Outlook for bad debts remains **sensitive to economic environment**

Note:

(1) Net interest and fees on average net loans and advances to customers



Asset Management

Key figures

£ million	First half 2010 to 31 January	First half 2009 to 31 January	% change	Full year 2009 to 31 July
Adjusted operating income	43.5	49.9	(13)%	95.0
Adjusted operating expenses	(40.8)	(43.3)	(6)%	(83.0)
Adjusted operating profit	2.7	6.6	(59)%	12.0
Closing FuM	7,289	6,870	6%	6,839
Of which:				
<i>Private Clients</i>	3,695	3,130	18%	3,349
<i>Funds</i>	3,594	3,740	(4)%	3,490
Key Financial Ratios				
Operating margin	6%	13%		13%
Expense / income ratio	94%	87%		87%
Compensation ratio	59%	58%		57%
Return on opening equity	3%	7%		6%

Note:

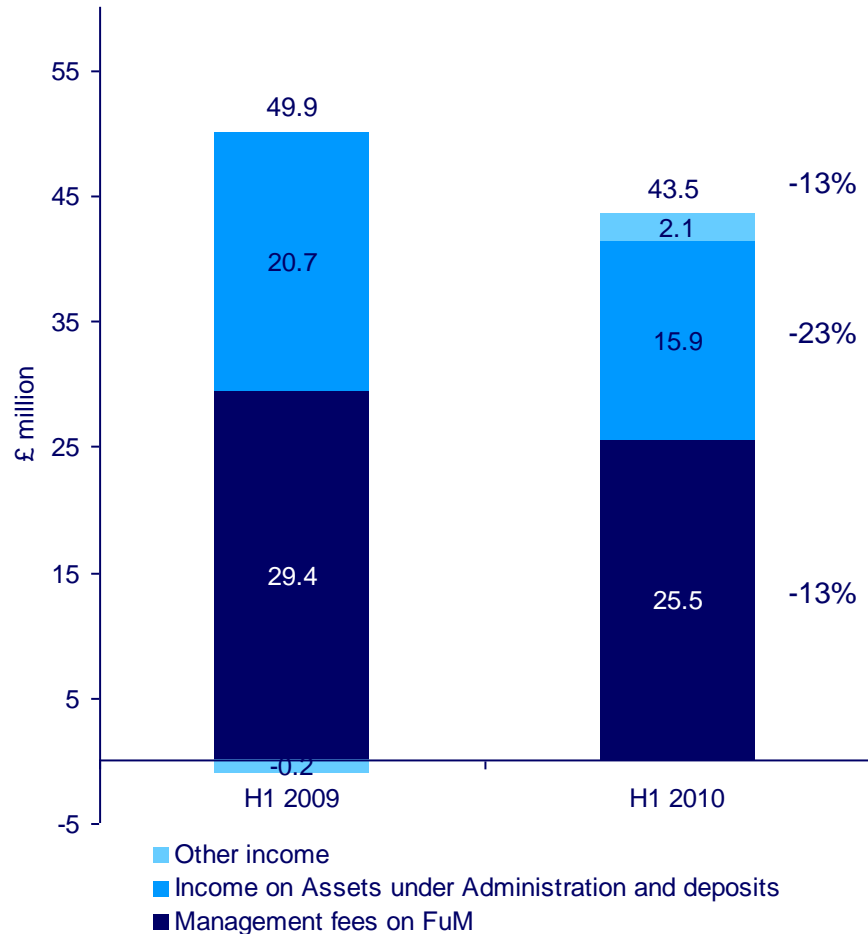
All KFRs exclude associate income, exceptional items, impairment losses on goodwill and amortisation of intangible fixed assets on acquisition.



Asset Management

Income analysis

Adjusted operating income by type



Note:
(1) Management fees on FuM / average FuM

Key metrics

	First half 2010	First half 2009	Change	Full year 2009
Average FuM (£ million)	7,064	7,533	(6)%	7,517
Revenue margin ⁽¹⁾	72bps	78bps	(6bps)	72bps

- 13% reduction in management fees on FuM reflecting lower average FuM and revenue margin
- Revenue margin reduction to 72bps reflects **deconsolidation** of private equity businesses in H1 2009
 - **Stabilised** since 2009 financial year
- Income on AuA and deposits affected by **low interest rate** environment



Asset Management

Resilient net new funds in Private Client business

Movement in Funds under Management

£ million	Private Clients	Funds	Total
1 August 2009	3,349	3,490	6,839
<i>New funds raised</i>	264	246	510
<i>Redemptions, realisations and withdrawals</i>	(173)	(347)	(520)
Net new funds	91	(101)	(10)
Market movement	255	205	460
31 January 2010	3,695	3,594	7,289
% change	10%	3%	7%
<i>Net new funds % of FuM</i>	3%	(3%)	-
<i>Market movement % of FuM</i>	8%	6%	7%
<i>FTSE 100</i>			13%



Securities

Key figures

£ million	First half 2010 to 31 January	First half 2009 to 31 January	% change	Full year 2009 to 31 July
Adjusted operating income	89.6	80.8	11%	167.8
Adjusted operating expenses	(55.6)	(47.6)	17%	(102.9)
Adjusted operating profit	34.0	33.2	2%	64.9
<i>of which:</i>				
<i>Winterflood</i>	27.6	18.7	48%	47.3
<i>Seydler</i>	3.0	1.8	67%	1.5
<i>Mako</i>	3.4	12.7	(73)%	16.1
Key Financials Ratios				
Operating margin	35%	30%		32%
Expense / income ratio	65%	70%		68%
Compensation ratio	46%	44%		46%
Return on opening equity	46%	30%		35%

Note:

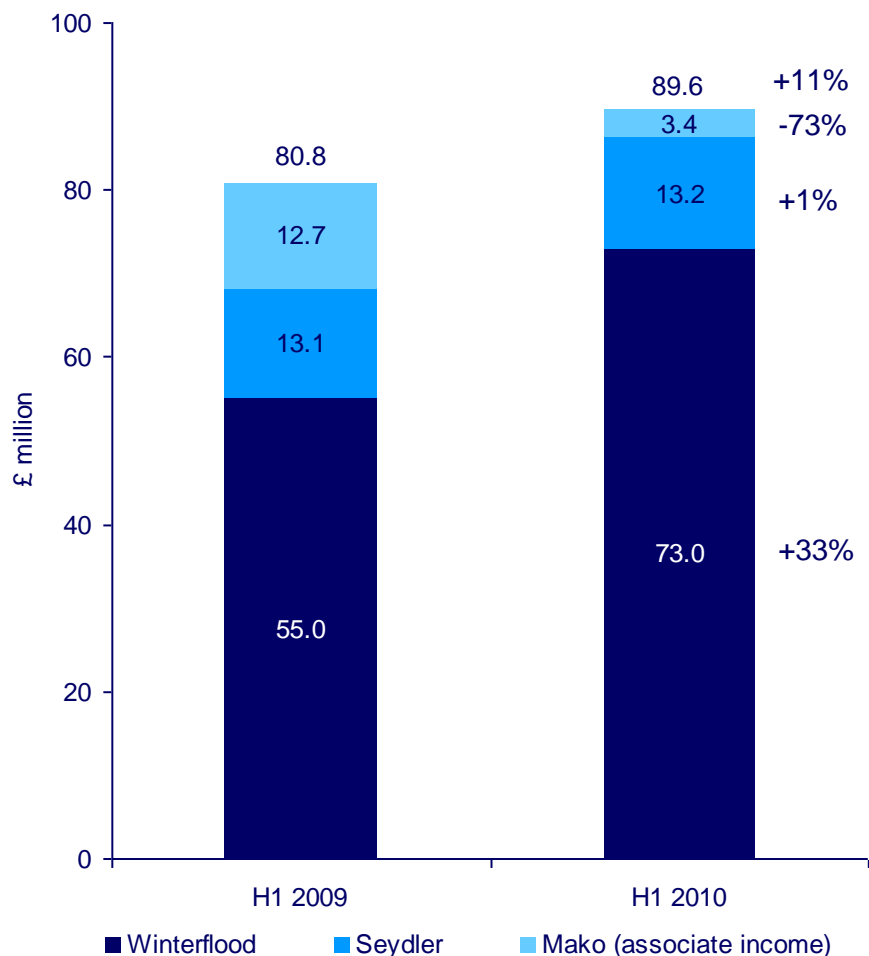
All KFRs exclude associate income, exceptional items, impairment losses on goodwill and amortisation of intangible fixed assets on acquisition.



Securities

Income analysis

Adjusted operating income by business



Key metrics

	First half 2010	First half 2009	% change	Full year 2009
Winterflood bargains per day	45k	38k	20%	42k
Winterflood income per bargain	£12.80	£11.46	12%	£11.98

- **Winterflood** strong performance reflects
 - 20% increase in average bargains per day due to **equity markets recovery** and **strong retail demand**
 - Income per bargain increased year on year although broadly stable on H2 2009
 - **Only 2** loss days in 126 trading days
- **Seydler** performance **resilient**
- **Mako** associate income reflects **low volatility** environment



Outlook

2010 financial year

- **Strong and well positioned businesses** which are well placed for **future growth opportunities**
 - In **Banking**, expect continued **solid performance** however bad debts sensitive to economic environment
 - In **Asset Management**, current overall level of **performance likely to continue** in second half, reflecting ongoing investment spend in Private Clients
 - In **Securities**, Winterflood had a quieter February and March
- **Confident** in delivering **solid overall** result for full year, subject to prevailing market conditions



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1. Introduction – Preben Prebensen, Group Chief Executive
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4. Q&A



Business update

Strategic priorities

- Focus activities around **three divisions - Banking, Asset Management and Securities**
- Build on **strong, established franchises** in each division
 - **Invest** in core competencies of **specialised lending, market-making and private client wealth management**
 - Identify **organic growth opportunities** and **selected infill acquisitions** to **develop existing strategies**
- Maintain **strong Group capital ratios, credit rating, funding and liquidity position**
 - Flexibility to capitalise on future growth opportunities
- **Strengthened** central functions now support divisional initiatives



Business update

Banking

Strong and distinctive business model focused on **specialist, secured, short term** lending

Retail

Premium finance
Motor finance
Channel Islands

- **Intermediated lending** to over 1.2 million consumers and 200,000 SMEs
- 3,000 **insurance brokers** and 5,500 **motor dealers**

Commercial

Asset finance
Invoice finance

- **Direct lending** to 17,000 SMEs
- UK, Ireland and Germany

Property

Property finance including
Commercial Acceptances

- **Short-term** residential development and bridging finance
- c. 500 **property developers**
- UK borrowers only

Treasury

Deposit taking and funding



Business update

Banking

Favourable current environment

- **Continued demand** for division's specialist lending
- Some businesses increasing **market share**
- Remain **committed** to lending through challenging markets
- **Upgraded quality** of business and clients
- **Firmly positioned** for the future

Growth opportunities

- Leverage **established** platform
- Extension of product lines into **adjacent areas**
- Broaden **client** base
- **Geographic** expansion
- **Infill acquisitions** with strategic fit

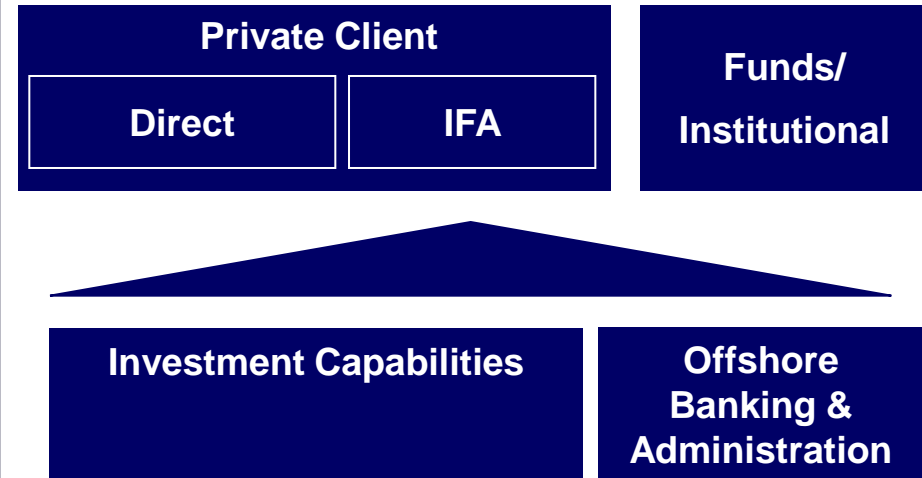


Business update

Asset Management

- Division **repositioning** many of its businesses with **clear plan** for growth
 - Ongoing process of strategy development and investment in **Private Clients, Funds and Banking and Administration**
- **Private Clients** is immediate focus - business strategy has been refined and **implementation** underway
 - **Key hires**
 - Head of Wealth Management; IFA team
 - **IFA opportunities**
 - Acquisition of IFA clients – first deal close to completion, in discussions with a number of other IFAs
- Build out of **investment management capabilities**
 - Bought out minority stake of **Fortune**
 - **Nancy Curtin** appointed CIO

Strategic development model



- Developing **institutional** strategy
- Continue to **develop offshore** Banking and Administration capabilities



Business update

Securities

Securities division has interesting businesses with similar characteristics

- Strong **leadership** and **experienced** people
- **Technology** is a source of strength and competitive advantage
- **Risk management** remains the key focus
- **Succeeded** in challenging financial markets
- Committed to providing **liquidity** whilst remaining well capitalised and profitable
- Group benefits from **counter cyclical** nature of three businesses
- **Market leader** with interesting growth prospects



Business update

Securities

- **Winterflood**

- Capture additional **US order flow** in UK equities
 - 3rd party developed US retail platform for global equities with WINS chosen as **small/mid-cap partner**
 - Entered into arrangement with **US broker-dealer**
 - Niche **outsourcing execution** opportunities
- Expand **institutional** business

- **Seydler**

- Expand **fixed income** activity and build on existing **designated sponsoring** capacity in German small/mid cap market

- **Mako**

- Build on **investment management** activities beyond successful Pelagus Capital Fund



Conclusion

- **Robust, well positioned businesses with clear strategy**
 - In **Banking** – taking advantage of current favourable environment to **pursue growth** and **upgrade quality of business**
 - In **Securities** – expand Winterflood’s access to client flows and **focus on core competencies** of businesses
 - **Asset Management** – currently **repositioning** business, particularly in Private Clients
- **Flexible and diverse funding** and strong capital position to support **current requirements and growth initiatives**



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16 March 2010

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Segmental analysis

Summary income statement

£ million	Banking	Asset Management	Securities	Group	Continuing operations	Discontinued operations	Total
First half 2010 to 31 January							
Adjusted operating income	128.3	43.5	89.6	0.4	261.8	-	261.8
Adjusted operating expenses	(61.2)	(40.8)	(55.6)	(11.1)	(168.7)	-	(168.7)
Impairment losses on loans and advances	(30.6)	-	-	-	(30.6)	-	(30.6)
Adjusted operating profit	36.5	2.7	34.0	(10.7)	62.5	-	62.5
Exceptional items and other adjustments ⁽¹⁾	(0.2)	-	-	-	(0.2)	-	(0.2)
Operating profit before tax	36.3	2.7	34.0	(10.7)	62.3	-	62.3
First half 2009 to 31 January							
Adjusted operating income	115.4	49.9	80.8	3.0	249.1	17.3	266.4
Adjusted operating expenses	(60.0)	(43.3)	(47.6)	(9.9)	(160.8)	(20.2)	(181.0)
Impairment losses on loans and advances	(23.4)	-	-	-	(23.4)	-	(23.4)
Adjusted operating profit	32.0	6.6	33.2	(6.9)	64.9	(2.9)	62.0
Exceptional items and other adjustments ⁽²⁾	(0.3)	(22.4)	-	(0.7)	(23.4)	(0.1)	(23.5)
Operating profit before tax	31.7	(15.8)	33.2	(7.6)	41.5	(3.0)	38.5

Notes:

(1) Exceptional items and other adjustments in H1 2010 comprised £0.2 million amortisation of intangible fixed assets on acquisition

(2) Exceptional items and other adjustments in H1 2009 comprised £4.2 million of restructuring costs, £19.0 million impairment losses on goodwill and £0.3 million amortisation of intangible fixed assets on acquisition



Segmental analysis

Summary balance sheet at 31 January 2010

£ million	Banking	Asset Management	Securities	Group	Total
Cash and loans and advances to banks	230.0	197.5	17.6	0.7	445.8
Settlement balances, long trading positions and loans to money brokers ⁽¹⁾	-	-	782.0	-	782.0
Loans and advances to customers	2,562.9	14.8	-	-	2,577.7
Non trading debt securities	1,507.6	143.3	4.4	-	1,655.3
Intangible assets	28.3	54.7	29.1	0.1	112.2
Other assets	151.0	56.7	17.8	109.6	335.1
Intercompany balances	(395.8)	424.3	(27.7)	(0.8)	-
Total assets	4,084.0	891.3	823.2	109.6	5,908.1
Settlement balances, short trading positions and loans from money brokers	-	-	671.6	-	671.6
Deposits by banks	25.5	14.2	-	-	39.7
Deposits by customers	2,221.5	669.9	1.0	-	2,892.4
Borrowings	1,279.9	5.9	4.4	-	1,290.2
Other liabilities	169.8	44.3	50.2	14.5	278.8
Intercompany balances	59.1	18.2	0.3	(77.6)	-
Total liabilities	3,755.8	752.5	727.5	(63.1)	5,172.7
Equity	328.2	138.8	95.7	172.7	735.4
Total liabilities and equity	4,084.0	891.3	823.2	109.6	5,908.1

Note:

(1) Includes £66.9 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



Segmental analysis

Summary balance sheet at 31 July 2009

£ million	Banking	Asset Management	Securities	Group	Total
Cash and loans and advances to banks	27.9	145.3	24.3	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	257.4	4.4	-	2,261.3
Intangible assets	24.4	53.9	29.3	-	107.6
Other assets	189.1	56.5	17.2	95.6	358.4
Intercompany balances	(332.6)	379.7	(27.6)	(19.5)	-
Total assets	4,260.9	905.1	776.5	76.8	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	676.6	1.1	-	2,919.6
Borrowings	1,417.6	1.1	18.2	-	1,436.9
Other liabilities	186.1	50.0	69.7	20.6	326.4
Intercompany balances	91.6	21.5	0.3	(113.4)	-
Total liabilities	3,970.2	764.2	680.0	(92.8)	5,321.6
Equity	290.7	140.9	96.5	169.6	697.7
Total liabilities and equity	4,260.9	905.1	776.5	76.8	6,019.3

Note:

(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



Banking

Loan book split

£ million	31 January 2010	31 July 2009	Change %
Premium finance	487	456	7%
Motor finance	469	444	6%
Close Finance Channel Islands	88	96	(9)%
Retail	1,044	996	5%
Invoice finance	254	170	49% ⁽¹⁾
Asset finance	782	712	10%
Commercial	1,036	882	17%
Property	498	487	2%
Total loans and advances to customers	2,578	2,365	9%

Note:

(1) Includes impact of £94 million GMAC invoice financing loan book acquired in January 2010



Banking

Typical lending statistics by business

	Typical LTV % at issue	Average loan size ⁽¹⁾	Typical loan maturity
Asset Finance	70-80%	£19.3k	2-3 yrs
Premium Finance	90%	£0.6k	10 mths
Property Finance	50-60%	£811.3k	12-18 mths
Motor Finance	75%	£4.2k	2-3 yrs
Invoice Finance	80%	£217.2k	2-3 mths

Notes: Figures are for illustrative purposes only.
(1) At 31 January 2010



Funding maturity profile

No significant maturities in the period

£ million	Total	<3 months	3-12 months	1-2 years	2-5 years	>5 years
Loans and overdrafts from banks ⁽¹⁾	1,175	38	1,012	50	75	-
Promissory notes	22	-	-	-	-	22
Subordinated loan capital	75	-	-	-	-	75
Drawn facilities	1,272	38	1,012	50	75	97
Undrawn facilities	525	213	112	195	5	-
Deposits by customers ⁽²⁾	2,891	1,587	593	629	82	-
Total available funding - 31 January 2010	4,688	1,838	1,717	874	162	97
Total available funding - 31 July 2009	4,721	1,684	724	1,819	399	96
Movement	(33)	154	993	(945)	(237)	1

Notes:

(1) Drawn facilities exclude £18 million (31 July 2009: £27 million) of non-facility overdrafts included in total borrowings in the group's financial statements

(2) Excludes £1 million (31 July 2009: £1 million) of deposits < 12 months held within the Securities division



Re-presentation of H1 2009 financial statements

- On the face of the **balance sheet**, some line items have been combined to simplify presentation with full breakdown provided in the notes
- In the **income statement**, certain fee and interest income and expense lines have also been re-presented. This does not affect operating income, profit, or any reported KFRs or key drivers⁽¹⁾

Old presentation

New presentation

Debt securities: long trading positions⁽²⁾

Certificate of deposits classified as loans and receivables

FRN's held to maturity and available for sale⁽³⁾

Gilts and government guaranteed debt⁽⁴⁾



Debt securities

Equity shares valued at fair value

Equity shares: long trading positions⁽²⁾

Equity shares classified as available for sale⁽³⁾



Equity shares

Intangible assets: goodwill

Intangible assets: other



Intangible assets

Prepayments and accrued income

Other receivables



Prepayments, accrued income and other assets

Settlement accounts

Debt securities and equity shares: short trading positions



Settlement balances and short positions

Other liabilities

Current tax liabilities

Accruals and deferred income



Accruals, deferred income and other liabilities

Notes:

(1) These changes have resulted in a £8.5 million increase in H1 2009 interest income and a £1.2 million increase in H1 2009 interest expense with a decrease in fee and commission income of £14.3 million, and a decrease in fee and commission expense of £7.0 million

(2) Combined in 2009 Interim Report as debt securities and equity shares: long trading positions. For breakdown see notes 9 and 10 in 2010 interim results announcement

(3) As disclosed in note 9 in 2009 Interim Report

(4) Purchased in the second half of FY 2009 (31 January 2009: £nil)

