

**Close Brothers Group plc**

**Country-by-Country Reporting for the year ended 31 July 2016**

The following table is disclosed in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 for the year ended 31 July 2016:

**AUDITED**

<b>Country<sup>1</sup></b>	<b>Description of Activity</b>	<b>Revenues £m<sup>2</sup></b>	<b>Profit before tax £m<sup>3</sup></b>	<b>Tax paid £m<sup>4</sup></b>	<b>Public subsidies received £m<sup>5</sup></b>	<b>Average number of full time employees<sup>6</sup></b>
<b>United Kingdom</b>	Financial services	652.7	208.8	51.9	-	2,865
<b>Channel Islands</b>	Financial services	6.0	3.8	0.1	-	22
<b>Germany</b>	Specialist lending	3.6	0.4	0.3	-	32
<b>Ireland<sup>7</sup></b>	Specialist lending	25.1	15.5	1.4	-	27
<b>Group Total<sup>8</sup></b>		<b>687.4</b>	<b>228.5</b>	<b>53.7</b>	<b>-</b>	<b>2,946</b>

Notes:

1. A list of the group's subsidiaries including country of incorporation can be found in Note. 31 "Investments in subsidiaries" of the Close Brothers Group plc Annual Report 2016. We have also considered the location of management and the location of customers from which revenues are generated.
2. Operating income from continuing operations.
3. Operating profit before tax from continuing operations.
4. Cash paid net of any cash refund received.
5. There were no public subsidies received for the year ended 31 July 2016.
6. Calculated as average number of employees on a monthly full time equivalent basis.
7. No subsidiaries in Ireland, information relates to group's Irish branches.
8. Agreed to Close Brothers Group plc consolidated financial statements at 31 July 2016.

## **Independent Country-by-Country Reporting Assurance Report to the Members of Close Brothers Group plc**

We have been engaged by the Directors of Close Brothers Group plc (“the Company”) to conduct a reasonable assurance engagement relating to the Country-by-Country Reporting (“CBCR”) disclosures set out on the Company’s website for the year ended 31 July 2016.

In our opinion, the CBCR disclosures for the year ended 31 July 2016 have been prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

### **Respective responsibilities of the directors and assurance provider**

The Directors are responsible for preparing the CBCR disclosures in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our responsibility is to express a conclusion on the CBCR disclosures based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE 3000”), issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether the CBCR disclosures have been prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our engagement provides reasonable assurance as defined in ISAE 3000. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Our procedures consisted primarily of:

- consideration of the risk of material misstatement of the CBCR disclosures;
- obtained an understanding of the design and implementation of internal controls relevant to collection of the information used to prepare the CBCR disclosures;
- reviewed management’s scoping documentation and rationale for determining the entities in scope for the CBCR in comparison with the relevant rules and guidance;
- understood and reviewed the key assumptions and critical judgements made in preparing the consolidated scope CBCR disclosures;
- tested underlying data on a sample basis. These procedures included:
  - based on the group structure, tested a sample of entities to verify they have been appropriately included or excluded from the CBCR scope of consolidation;
  - verified the name, nature of activities and geographical location of a sample of institutions;



- for amounts disclosed in respect of turnover, average number of employees, profit or loss before tax, corporation tax paid and public subsidies received, tested a sample to ensure:
  - agreement to underlying records; and
  - disclosures are in accordance with the CBCR regulations and requirements; and
- performed an overall test to reconcile each disclosure item at total level and legal entity level to underlying source information and other financial information, such as audited financial statements, as appropriate.

Our report is made solely to the Company's members, as a body, in accordance with ISAE 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our work, this report, or for the conclusions we have formed.

#### **Independence**

In conducting our engagement, we have complied with APB Ethical Standards for Auditors and the ICAEW Code of Ethics.

Robert Topley FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
13 December 2016