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Registered in England No. 520241

Preliminary results for the year ended 31 July 2015

22 September 2015

Another Year of Strong Performance

- The group delivered another year of strong performance with adjusted operating profit up 16% to £224.9 million and adjusted basic earnings per share up 19% to 120.5p
- Continued good performance in the Banking division with adjusted operating profit 15% higher at £208.7 million, 8.5% loan book growth to £5.7 billion and an improved bad debt ratio of 0.8%
- Winterflood delivered adjusted operating profit of £24.6 million as market conditions improved in the second half
- Good progress in Asset Management with total client assets up 11% to £10.8 billion and adjusted operating profit of £17.8 million, including £4.4 million from our former private equity business
- Full year dividend per share up 9% to 53.5p in line with our progressive dividend policy and commitment to sustainable growth in shareholder returns
- Strong return on opening equity of 19.5% and common equity tier 1 capital ratio improved to 13.7%

Financial Highlights (continuing operations)[1]

	2015	2014
Adjusted operating profit[2]	**£224.9m**	£193.7m
Adjusted basic earnings per share[3]	**120.5p**	101.0p
Operating profit before tax	**£219.9m**	£188.8m
Basic earnings per share	**117.8p**	98.4p
Profit attributable to shareholders	**£185.7m**	£149.8m
Ordinary dividend per share[4]	**53.5p**	49.0p
Return on opening equity[5]	**19.5%**	17.9%

1 The disposal of Close Brothers Seydler was completed on 5 January 2015. The profit on disposal of £10.3 million and profit after tax of £0.9 million have been classified as discontinued operations and the 2014 results have been restated.
2 Adjusted operating profit is before amortisation of intangible assets on acquisition.
3 Adjusted basic earnings per share is before amortisation of intangible assets on acquisition and the tax effect of such adjustment.
4 Represents final dividend proposed for the respective years together with the interim dividend declared and paid in those years.
5 Return on opening equity ("RoE") calculated as adjusted operating profit after tax and non-controlling interests on opening equity, excluding non-controlling interests.

Preben Prebensen, Chief Executive, commenting on the results said:

"We are pleased to report another year of strong performance for Close Brothers with good results across all of our businesses. After successive years of exceptional growth the group is in better shape than ever, which means we are well positioned to invest in supporting and extending our tried and tested business model and continue to deliver sustainable growth over the long term."

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A presentation to analysts and investors will be held today at 9.30 am GMT at our offices at 10 Crown Place, London EC2A 4FT. A listen-only dial-in facility will be available by dialling +44 203 059 8125. A recording of this call will be available for replay for two weeks by dialling +44 121 260 4861, access code 1525903#.

About Close Brothers:

Close Brothers is a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading.

Our Banking division provides lending to small businesses and individuals, with an emphasis on specialist finance. We also offer deposit taking services to UK businesses and individuals.

In Securities, we provide trading services in the UK through Winterflood, a leading market-maker.

Close Brothers Asset Management provides a range of financial advice, investment management and online investing services to private clients and professional advisers.

Established in 1878, we believe our traditional merchant banking values, based on service and integrity, continue to be relevant today. We define our approach to business as "Modern Merchant Banking" – values that are embedded in our culture and that underpin everything we do.

Today, Close Brothers Group plc employs around 2,900 people, principally in the UK. We are listed on the London Stock Exchange and are a member of the FTSE 250.

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

Another Year of Strong Performance

We are pleased to report another year of strong performance across the group, driven by continued good performance from the Banking division and steady growth in Asset Management. This once again demonstrates the robustness of our business model which supports our long-term track record and financial performance.

The Banking division achieved strong profit growth, benefiting from the high quality loan book growth in recent years and lower impairments. Winterflood experienced difficult market conditions in the first half but continued to trade profitably and has delivered a solid result for the full year. Asset Management is continuing to see good demand for its high quality advice and wealth management services, supporting growth in client assets and improving profitability.

We remain fully committed to our strategy of building leading positions in niche markets, through strong customer relationships. As the markets that we operate in continue to evolve, particularly for the Banking division, we will continue to invest in our people, products and systems, to both protect our positioning within existing markets, and extend our reach into new areas to support future growth.

We remain committed to delivering this growth and investment, whilst maintaining a strong and prudent financial position, allowing us to support our customers, grow our businesses and deliver sustainable shareholder returns in all market conditions.

Strong Financial Position

Overall, the group delivered adjusted operating profit growth of 16% to £224.9 million (2014: £193.7 million), and adjusted earnings per share growth of 19% to 120.5p (2014: 101.0p). As a result, we have delivered a further improvement in return on opening equity to 19.5% (2014: 17.9%).

Our strong and prudent financial position has again been strengthened in the period, by further diversifying our sources of funding to include the government's Funding for Lending Scheme and continued improvement in our capital position, with a common equity tier 1 ratio of 13.7% (31 July 2014: 13.1%), and a leverage ratio of 10.2% (31 July 2014: 9.2%).

Our prudent approach, strong financial position and consistent track record have resulted in Moody's upgrading our credit rating to A3/P2 for Close Brothers Group and Aa3/P1 for Close Brothers Limited, both with stable outlooks, making us one of the highest rated banks in the UK.

In line with our commitment to delivering sustainable, progressive dividend growth for our shareholders, and to reflect our continued strong financial performance, the board has recommended a 9% increase in the final dividend to 35.5p (2014: 32.5p). This gives a total dividend per share for the full year of 53.5p (2014: 49.0p) making 2015 our fifth successive year of growing our dividend.

Consistent Profitability and Returns over the Long Term

The Banking division continued its good performance, delivering its sixth consecutive year of double-digit profit growth. Adjusted operating profit increased 15% to £208.7 million (2014: £181.6 million), reflecting good loan book growth over the last year, a strong net interest margin of 8.8%, and a further decline in impairments. This consistent performance illustrates the strength of our business model, focusing on our local presence in specialist markets, building strong client relationships, underpinned by prudent underwriting criteria.

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

As we continue to see a gradual increase in the supply of credit a with a return of competition in some of our key markets, we will maintain the same approach that has served us well through previous cycles, maintaining our margins and continuing to price risk appropriately rather than chasing growth. We will remain focused on our core attributes which differentiate us and underpin our long track record of profitable growth through the cycle, namely the expertise of our people within their specific fields, our high levels of repeat business and local underwriting responsibility. We will also ensure that the profile of our lending, which is predominantly short-term, secured and diversified across industry sectors, remains consistent.

We continue to see opportunities for growth in the Banking division, both through our well established distribution network of over 500 direct sales people as well as specialist intermediaries including motor dealers and insurance brokers, and through initiatives looking at entry into adjacent markets which suit our specialist model and underwriting criteria.

Winterflood experienced mixed market conditions during the year but continues to benefit from its unique business model which allows us to provide continuous liquidity for our clients and trade profitably even in challenging market conditions, thereby maintaining our market leading position. Lower activity and periods of increased volatility in the first half resulted in an increase in the number of loss days, but conditions improved in the second half and good performance in our investment trusts business ensured that adjusted operating profit reduced by just 8% to £24.6 million (2014: £26.6 million).

In the first half we completed the sale of Close Brothers Seydler, our German securities business which has been treated as a discontinued operation.

Our Asset Management business continues to make good progress, with its high quality integrated financial planning advice and investment management proposition proving popular with clients. We achieved good growth in the period with gross inflows into our managed assets up 31% year-on-year to £1.5 billion (31 July 2014: £1.1 billion). We continue to see good demand for our discretionary Close Portfolio Funds which now total close to £3 billion under management, the majority of which delivered top quartile performance over the last year. This growth is driving further improvement in profitability with adjusted operating profit increasing to £17.8 million (2014: £9.9 million), including a £4.4 million benefit from our former private equity business.

Our business remains well positioned to benefit from ongoing changes in the market and regulatory environment, such as the recently announced pension freedoms legislation which we expect to increase the overall demand for retail advice and wealth management over the longer term.

Investing for the Long Term

Our strong financial position and good levels of profitability also mean that we have the financial resources to continuously invest in our people, products and systems to adapt as markets evolve, and to enhance and diversify our client offering and improve the delivery of services to our clients.

Our high touch business model and client led approach is dependent upon the knowledge and experience of our people and our shared values of integrity, prudence and commitment to service. Therefore, attracting, retaining and developing talent in each of our specialist fields is key to our longer term success. To further develop our employees, we have introduced a sales training programme for new recruits in our asset finance business, and to maximise productivity and enhance the client experience in Asset Management, we are investing in the training and development of our professional adviser force and creating regional practices which are supported by expanded client service teams.

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

We have a long history of supporting SMEs across the UK and currently provide £3.5 billion of lending to these growing businesses. To further demonstrate our ongoing commitment to supporting SMEs we have created an apprenticeship scheme. The Close Brothers SME Apprentice Programme will provide funding for up to 20 apprentices per annum for the next three years with the aim of enabling SMEs that would otherwise be unable to afford to take on and train additional staff to grow and expand their businesses.

While we are predominantly a people driven business, we also continuously invest in our systems to both improve our client proposition and the accessibility of our products and services as well as protect our client data. During the year we have further strengthened our IT function within the Banking division to deliver improvements to our client proposition and increase our efficiency and speed to market. We have rolled out a number of new initiatives in recent years including system upgrades in Property and Treasury to improve efficiency and we are now enhancing our processes in premium finance. Winterflood invests continuously to support its market leading, proprietary technology and Asset Management is benefiting from the investment made in our technology platform in recent years.

Ongoing regulatory reform remains a significant challenge in the banking sector, but with our strong client focus, straightforward products and prudent approach we are well positioned. Monitoring and implementing this regulatory change is resource intensive and we continue to invest in our people and systems to ensure we continue to meet increasing regulatory reporting requirements and operate in the best interests of our clients. Specifically, in response to the increased focus on risk and compliance across our industry and a greater level of oversight, we have reorganised and strengthened our group wide risk and compliance functions.

Management and Board Changes

As previously announced, after 27 years with the business, Julian Palfreyman retired from his position as chief executive of Winterflood at the end of the financial year. Philip Yarrow has taken over as chief executive, having previously been the head of electronic trading at Winterflood since 2000. We would like to thank Julian for his significant contribution to the business over many years and wish him well for the future.

Additionally, Robert Sack joined Close Brothers in April 2015 as group risk officer and is a member of the Executive Committee. Robert has held a number of senior roles at other financial institutions and brings a wealth of risk management experience to his new role within the group.

As planned, Bruce Carnegie-Brown stood down from the board in November 2014. Following Bruce's departure, Bridget Macaskill was appointed chairman of the remuneration committee and Geoffrey Howe was appointed senior independent director.

Outlook

We remain confident that our strategy and proven business model will continue to deliver both attractive propositions for our clients, and long-term value for our shareholders.

We see continued opportunities for growth in the Banking division, whilst maintaining our prudent risk profile and focus on returns.

Winterflood is well positioned but remains sensitive to market conditions.

In Asset Management we expect to see continued net inflows and increasing profitability.

Overall, the group remains well positioned to continue to deliver good results.

FINANCIAL REVIEW

Continued Strong Performance

Close Brothers has delivered another year of strong performance, with adjusted operating profit growth of 16% to £224.9 million (2014: £193.7 million), adjusted earnings per share ("EPS") growth of 19% to 120.5p (2014: 101.0p) and a further improvement in return on opening equity to 19.5% (2014: 17.9%).

All three of our divisions delivered a good performance in 2015. The Banking division remains the key driver of the group's growth, delivering a 15% uplift in adjusted operating profit to £208.7 million (2014: £181.6 million), with 8.5% loan book growth to £5.7 billion, helped by a strong net interest margin and further improvement in the bad debt ratio. Winterflood experienced difficult trading conditions in the first half but remained consistently profitable, delivering £24.6 million adjusted operating profit (2014: £26.6 million) in the period as strong performance in the investment trust business and a one-off investment gain helped to offset weaker trading revenues. Asset Management continues to make progress in growing client assets and underlying profitability, as well as benefitting from non-recurring income related to our former private equity business, to deliver 80% adjusted operating profit growth to £17.8 million (2014: £9.9 million).

Group Income Statement

	2015 £ million	2014 £ million	Change %
Adjusted operating income	**689.5**	627.9	10
Adjusted operating expenses	**(422.7)**	(390.1)	8
Impairment losses on loans and advances	**(41.9)**	(44.1)	(5)
Adjusted operating profit	**224.9**	193.7	16
Banking	**208.7**	181.6	15
Securities	**24.6**	26.6	(8)
Asset Management	**17.8**	9.9	80
Group	**(26.2)**	(24.4)	7
Amortisation of intangible assets on acquisition	**(5.0)**	(4.9)	2
Operating profit before tax	**219.9**	188.8	16
Tax	**(45.4)**	(43.2)	5
Non-controlling interests	**-**	(0.4)	
Profit attributable to shareholders from continuing operations	**174.5**	145.2	20
Profit from discontinued operations, net of tax	**11.2**	4.6	
Profit attributable to shareholders from continuing and discontinued operations	**185.7**	149.8	24
Adjusted basic earnings per share (continuing operations)	**120.5p**	101.0p	19
Basic earnings per share (continuing operations)	**117.8p**	98.4p	20
Basic earnings per share (continuing and discontinued operations)	**125.4p**	101.5p	24
Ordinary dividend per share	**53.5p**	49.0p	9
Return on opening equity	**19.5%**	17.9%	

Total revenues increased 10% year-on-year to £689.5 million (2014: £627.9 million) driven primarily by strong growth in net interest and fee income in the Banking division and further growth in Asset Management, although income in Securities declined marginally.

FINANCIAL REVIEW

We continue to invest in people, products and systems to sustain and further develop our business model. As a result adjusted operating expenses increased 8% to £422.7 million (2014: £390.1 million) primarily driven by higher volume related costs and continued investment to support growth in the Banking division. Securities costs have remained broadly stable, while costs in Asset Management increased only modestly reflecting the operating leverage in the division.

Overall, the expense/income and compensation ratios (total staff costs on adjusted operating income) both improved to 61% (2014: 62%) and 36% (2014: 37%) respectively.

The group continues to benefit from its disciplined approach to underwriting and primarily secured lending model as well as the benign credit environment. As a result, impairment losses declined and the bad debt ratio fell for the sixth consecutive year to 0.8% (2014: 0.9%), despite the strong loan book growth over the same period.

Overall, this resulted in strong adjusted operating profit growth of 16% to £224.9 million (2014: £193.7 million) which includes the group expenses of £26.2 million (2014: £24.4 million). The operating margin increased slightly to 33% (2014: 31%).

After amortisation of intangible assets of £5.0 million (2014: £4.9 million), profit attributable to shareholders increased 20% to £174.5 million (2014: £145.2 million). The effective tax rate declined to 21% (2014: 23%), in line with the UK corporation tax rate.

In July 2015, draft legislation was published in relation to a corporation tax surcharge of 8% on banking sector profits from 1 January 2016, together with a reduction in the underlying corporation tax rate from 20% to 18% by 2020. We will continue to monitor this legislation and its impact on our tax rate.

Our adjusted EPS from continuing operations increased 19% or 19.5p to 120.5p (2014: 101.0p), ahead of the 16% increase in adjusted operating profit due to the reduction in effective tax rate.

Our reported basic EPS, which includes amortisation of intangible assets, increased 20% to 117.8p (2014: 98.4p) on a continuing basis. Basic EPS including continuing and discontinued operations increased 24% to 125.4p (2014: 101.5p), which includes the trading result and profit on disposal of Close Brothers Seydler.

Simple and Transparent Balance Sheet

During the year, the overall structure of the group’s high quality and transparent balance sheet has remained unchanged, and we have maintained our prudent capital, funding and liquidity positions. Our balance sheet remains simple and is predominantly made up of loans and advances to customers, which are short-term in nature and over 90% secured, cash and loans and advances to banks and settlement balances held within our Securities division.

Total assets increased by £256.9 million to £8.0 billion, due to an 8.5% increase in loans and advances to customers to £5,737.8 million (31 July 2014: £5,289.7 million) which account for the significant majority of the balance sheet at 72% (31 July 2014: 69%) of assets. Borrowings increased £351.6 million to £1,792.6 million (31 July 2014: £1,441.0 million) to fund the loan book growth.

Net settlement balances declined £34.8 million to £77.6 million due to the disposal of Close Brothers Seydler and lower trading activity at Winterflood.

Total equity increased to £1,009.9 million (31 July 2014: £917.6 million) reflecting strong profitability in the year, partially offset by dividend payments of £74.3 million. The return on group assets improved to 2.3% from 1.9% in 2014.

FINANCIAL REVIEW

Group Balance Sheet

	31 July 2015 £ million	31 July 2014 £ million
Assets		
Cash and loans and advances to banks	**1,122.6**	1,259.2
Settlement balances, long trading positions and loans to money brokers	**481.9**	634.8
Loans and advances to customers	**5,737.8**	5,289.7
Non-trading debt securities	**135.4**	45.6
Intangible assets	**144.2**	146.3
Other assets	**335.4**	324.8
Total assets	**7,957.3**	7,700.4
Liabilities		
Settlement balances, short trading positions and loans from money brokers	**404.3**	522.4
Deposits by banks	**35.1**	49.6
Deposits by customers	**4,481.4**	4,513.7
Borrowings	**1,792.6**	1,441.0
Other liabilities	**234.0**	256.1
Total liabilities	**6,947.4**	6,782.8
Equity	**1,009.9**	917.6
Total liabilities and equity	**7,957.3**	7,700.4

Diverse and conservative funding position

Our conservative approach to funding and liquidity is a core part of our business model. Our Treasury function provides funding for our lending businesses from a diverse range of sources, including retail and corporate customer deposits, secured and unsecured loan facilities and bonds, and maintains a prudent maturity profile at all times. As a result, we expect to meet the requirements for the new funding and liquidity ratios proposed under the Capital Requirements Directive ("CRD IV") when they come into force.

In 2015 we have taken advantage of favourable market conditions to strengthen our funding position whilst at the same time reducing the overall funding costs for our business. We have further diversified our funding sources by drawing down £375 million from the government's Funding for Lending Scheme secured against a portion of the asset finance loan book. We have also renewed £945 million of facilities and since the year end we have completed a private placement of a €25 million bond.

Total funding increased £392.4 million or 6% in the year to £7,520.3 million (31 July 2014: £7,127.9 million) and accounted for 131% (31 July 2014: 135%) of the loan book. This reflects a £321.0 million increase in drawn and undrawn facilities increasing to £1,512.2 million (31 July 2014: £1,191.2 million), reflecting participation in the government's Funding for Lending Scheme.

Customer deposits remained broadly stable at £4,481.4 million (31 July 2014: £4,513.7 million) as did senior unsecured bonds at £516.8 million (31 July 2014: £505.4 million).

Term funding (funding with a maturity greater than 12 months) increased by 9% to £4,018.7 million (31 July 2014: £3,699.5 million) due to participation in the Funding for Lending Scheme, which runs for four years, and the facility renewals. At 31 July 2015, the loan book was 70% covered by term funding (31 July 2014: 70%) with an average maturity of 31 months (31 July 2014: 30 months), more than double the maturity of the loan book of 14 months (31 July 2014: 14 months).

FINANCIAL REVIEW

Group Funding

	31 July 2015 £ million	31 July 2014 £ million	Change £ million
Deposits by customers	**4,481.4**	4,513.7	(32.3)
Drawn and undrawn facilities[1]	**1,512.2**	1,191.2	321.0
Senior unsecured bonds	**516.8**	505.4	11.4
Equity	**1,009.9**	917.6	92.3
Total available funding	**7,520.3**	7,127.9	392.4

1 Includes £245.0 million (31 July 2014: £265.0 million) of undrawn facilities and excludes £8.6 million (31 July 2014: £9.4 million) of non-facility overdrafts included in borrowings.

Group Funding Maturity Profile

	Less than one year £ million	One to two years £ million	Greater than two years £ million	Total £ million
Deposits by customers	3,330.9	851.2	299.3	4,481.4
Drawn and undrawn facilities	152.2	643.4	716.6	1,512.2
Senior unsecured bonds	18.5	199.4	298.9	516.8
Equity	-	-	1,009.9	1,009.9
Total available funding at 31 July 2015	**3,501.6**	**1,694.0**	**2,324.7**	**7,520.3**
Total available funding at 31 July 2014	3,428.4	1,777.1	1,922.4	7,127.9

Prudent approach to managing liquidity

The group takes a conservative approach to liquidity management, and the majority of our liquidity requirements and surplus funding are held in the form of high quality liquid assets.

At 31 July 2015, our treasury assets totalled £1,173.4 million (31 July 2014: £1,217.3 million), of which £1,058.1 million (31 July 2014: £1,217.3 million) comprised high quality liquid assets, principally in the form of deposits with the Bank of England. From time to time we also place surplus funding in certificates of deposits ("CDs") or other liquid securities to maximise yield. At the year end, we held £115.3 million (31 July 2014: £nil) in CDs.

We regularly assess our long and short-term liquidity requirements including extensive stress testing, with a clearly defined risk appetite. Therefore, we hold a prudent liquidity position at all times relative to both internal and external requirements, and expect to comfortably meet the Liquidity Coverage Ratio requirements under CRD IV when they come into force.

Treasury Assets

	31 July 2015 £ million	31 July 2014 £ million	Change £ million
Gilts	**20.1**	45.6	(25.5)
Bank of England deposits	**1,038.0**	1,171.7	(133.7)
High quality liquid assets	**1,058.1**	1,217.3	(159.2)
Certificates of deposit	**115.3**	-	115.3
Total treasury assets	**1,173.4**	1,217.3	(43.9)

Credit ratings upgraded by Moody's

In May 2015, Moody's Investor Services ("Moody's") upgraded its long-term rating for Close Brothers Group ("CBG") and Close Brothers Limited ("CBL") to A3/P2 from Baa1/P2 and Aa3/P1 from A3/P2, respectively, both with stable outlooks. Earlier in the year, Fitch Ratings reaffirmed its ratings for CBG and CBL at A/F1, both with stable outlooks.

The rating upgrade reflects our proven business model, consistent track record through the cycle and prudent approach to funding and capital management, as well as the implementation of Moody's new bank rating methodology.

Group Capital Position

	31 July 2015 £ million	31 July 2014 £ million
Common equity tier 1 capital ratio	**13.7%**	13.1%
Total capital ratio	**14.3%**	14.3%
Leverage ratio[1]	**10.2%**	9.2%
Common equity tier 1 capital	**813.2**	710.8
Total regulatory capital	**848.0**	780.4
Risk weighted assets	**5,932.1**	5,445.8

1 The leverage ratio is calculated using the 2014 Basel Committee methodology as required by the Prudential Regulation Authority. It is calculated as Tier 1 capital as a percentage of total balance sheet assets, adjusting for certain capital deductions, including intangible assets, and off balance sheet exposures.

Maintaining a strong capital position

We have always maintained a strong and prudent capital position, which in recent years has allowed us to invest in our business and consistently deliver strong loan book growth while at the same time meeting increasingly demanding regulatory requirements. In 2015, our capital position improved further with a common equity tier 1 capital ratio of 13.7% (31 July 2014: 13.1%) and a leverage ratio of 10.2% (31 July 2014: 9.2%), both comfortably ahead of minimum regulatory requirements. This reflects the strong profitability in the period, more than offsetting the impact of the growing loan book.

Common equity tier 1 capital increased to £813.2 million (31 July 2014: £710.8 million), reflecting profit for the year of £185.7 million, partly offset by the deduction for foreseeable dividend payments and other reserve movements. Total risk weighted assets increased 9% to £5,932.1 million (31 July 2014: £5,445.8 million), predominantly due to the increased credit and counterparty risk resulting from loan book growth in the period. Risk weighted assets in respect of operational risk also increased reflecting growth across the group, whilst market risk reduced due to the disposal of Close Brothers Seydler and lower trading in Winterflood.

Our current capital position is strong and our existing ratios are comfortably ahead of current requirements. However, the regulatory environment continues to evolve, with capital requirements across the industry being reviewed by both UK and international regulators, which could lead to changes in the future. We are confident that our strong capital position, the quality of our assets and overall prudent approach to managing our business and financial resources ensure we can absorb any future changes, while retaining the flexibility to pursue growth opportunities.

BUSINESS REVIEW

Banking

Key Financials

	2015 £ million	2014 £ million	Change %
Operating income	**498.6**	446.7	12
Net interest and fees on loan book[1]	**485.2**	427.3	14
Retail	**181.1**	164.6	10
Commercial	**207.3**	187.3	11
Property	**96.8**	75.4	28
Treasury income	**13.4**	19.4	(31)
Adjusted operating expenses	**(248.0)**	(221.0)	12
Impairment losses on loans and advances	**(41.9)**	(44.1)	(5)
Adjusted operating profit	**208.7**	181.6	15

Key Performance Indicators		
Net interest margin[2]	**8.8%**	8.6%
Bad debt ratio[3]	**0.8%**	0.9%
Expense/income ratio[4]	**50%**	49%
Return on opening equity[5]	**27%**	25%
Return on net loan book[6]	**3.8%**	3.7%

1 Includes £381.2 million (2014: £332.2 million) net interest income and £104.0 million (2014: £95.1 million) other income. Other income includes net fees and commissions, operating lease income, and other miscellaneous income.
2 Net interest and fees on average net loans and advances to customers.
3 Impairment losses on average net loans and advances to customers.
4 Adjusted operating expenses on operating income.
5 Adjusted operating profit after tax and non-controlling interests on the division's opening equity, excluding non-controlling interests.
6 Adjusted operating profit on average net loans and advances to customers.

Delivering sustainable growth and strong returns over the long term

The Banking division's strategy remains unchanged: to deliver sustainable growth and strong returns throughout the economic cycle. To do this, we continuously invest in our business model to maintain our local presence and leading position in our chosen specialist markets, in order to build long-term client relationships. This strategy has driven strong performance for the business which delivered its sixth consecutive year of double-digit profit growth in 2015.

In recent years, the division has achieved exceptionally strong growth, which combined with improving economic conditions and our disciplined approach to underwriting has resulted in reduced impairments and increasingly strong returns. As we continue to see a gradual increase in the supply of credit and a return of competition in some of our key markets, we remain focused on maintaining the high quality of our loan book and ensuring that we price risk appropriately. This will enable us to continue our long track record of delivering strong returns and sustainable growth through the cycle.

Distinctive business model drives strong financial performance

The Banking division has again delivered solid growth and strong returns in 2015. Adjusted operating profit increased 15% to £208.7 million (2014: £181.6 million) due to a 12% increase in adjusted operating income and lower impairment losses. As a result, the division's return on opening equity improved to 27% (2014: 25%) and the return on net loan book increased to 3.8% (2014: 3.7%).

Banking continued

Operating income increased 12% to £498.6 million (2014: £446.7 million) driven by increases across all our businesses, with particularly strong growth in Property which increased 28% to £96.8 million (2014: £75.4 million). The net interest margin remained strong at 8.8% (2014: 8.6%), reflecting our focus on maintaining our margins and pricing risk appropriately as competition increases and supported by a modest decline in funding costs. Treasury and other income declined slightly to £13.4 million (2014: £19.4 million).

The bad debt ratio has improved steadily in recent years and declined further in 2015 to 0.8% (2014: 0.9%). The improvement in the year was principally driven by lower impairment charges in Commercial and Property, and reflects our ongoing focus on credit quality and the favourable economic conditions.

Adjusted operating expenses increased in line with income, up 12% to £248.0 million (2014: £221.0 million) reflecting an increase in volume related costs and continued investment in our service led business model to deliver further growth and consistent returns over the long term. Specifically, higher staff costs reflect increased headcount in our operational and control functions to support loan book growth and ensure we operate effectively in our regulated environment. IT costs also increased to meet the continued need to invest in our systems and technology to enhance our speed to market and customer focused service proposition. As a result the expense/income ratio has marginally increased to 50% (2014: 49%), whilst the compensation ratio remained stable at 27% (2014: 27%).

Continued loan book growth

We have a track record of consistent growth through the cycle and delivered good growth in the year across our loan book despite a gradual increase in the supply of credit and increasing competition in some of our key markets.

In the 12 months to 31 July 2015, the overall loan book increased 8.5% to £5.7 billion (31 July 2014: £5.3 billion). Most importantly this growth was achieved with no change to our strict risk and return criteria and its key characteristics remained unchanged, with an average duration of 14 months (31 July 2014: 14 months) and around 90% secured.

Asset finance continues to deliver good growth due to our strong customer relationships and direct lending capabilities. In motor finance, strong demand in the overall car market has allowed us to deliver further loan book growth whilst maintaining our robust margins in the face of increasing competition. Property remains the area of highest growth in the period with continued strong demand for development finance.

Loan Book Analysis

	31 July 2015 £ million	31 July 2014 £ million	Change %
Retail	**2,266.0**	2,092.8	8.3
Motor finance	**1,600.3**	1,458.9	9.7
Premium finance	**665.7**	633.9	5.0
Commercial	**2,172.8**	2,047.2	6.1
Asset finance	**1,796.2**	1,656.0	8.5
Invoice finance	**376.6**	391.2	(3.7)
Property	**1,299.0**	1,149.7	13.0
Closing loan book	**5,737.8**	5,289.7	8.5

Banking continued

Overall, the Retail loan book increased 8.3% to £2,266.0 million (31 July 2014: £2,092.8 million) in the 12 months to 31 July 2015. The motor finance loan book increased 9.7% to £1,600.3 million (31 July 2014: £1,458.9 million) as underlying growth in car market volumes and successful sales campaigns in the second half offset increased competition. The premium finance book increased 5.0% to £665.7 million (31 July 2014: £633.9 million) reflecting new business from both new and existing customers.

The Commercial loan book increased 6.1% to £2,172.8 million (31 July 2014: £2,047.2 million) driven by an 8.5% increase in asset finance to £1,796.2 million (31 July 2014: £1,656.0 million) due to good levels of new business across all sectors and the benefits of our growth initiatives in Ireland and energy finance. Invoice finance reduced by 3.7% to £376.6 million (31 July 2014: £391.2 million) in a market that continues to be highly competitive.

In Property, we continue to benefit from our strong positioning in the residential development market as we continued to see solid loan book growth in 2015 of 13.0% to £1,299.0 million (31 July 2014: £1,149.7 million). We have maintained our strict and consistent lending criteria throughout this period of increased demand and continue to lend at conservative loan to values focusing primarily on residential property development in the South East.

Well positioned for further growth at attractive margins

We remain confident in the outlook for the Banking division and our ability to deliver further growth and good returns over the long term. To do this we will continue to invest in our tried and tested business model, which is built upon strong customer relationships and expertise in our chosen markets which deliver high levels of repeat business. We will also deliver further investment in both people and technology to adapt to changes in the wider regulatory and market environments as they continue to evolve.

We continue to see opportunities for growth and we will maximise these opportunities by investing in our people to extend our reach and distribution capacity in existing markets and looking at new initiatives in adjacent markets. At the same time we will remain focused on the quality of our lending to support strong returns over the long term.

BUSINESS REVIEW

Securities

Key Financials (continuing operations)[1]

	2015 £ million	2014 £ million	Change %
Operating income[2]	**94.6**	96.1	(2)
Operating expenses	**(70.0)**	(69.5)	1
Adjusted operating profit[2]	**24.6**	26.6	(8)
Key Performance Indicators			
Average bargains per day ('000)	**60.5**	55.7	
Operating margin[3]	**26%**	28%	
Return on opening equity[4]	**26%**	28%	

1 Results from continuing operations exclude Close Brothers Seydler, the sale of which was completed on 5 January 2015 and has been classified as a discontinued operation under IFRS 5.
2 Operating income and adjusted operating profit include £6.8 million and £3.5 million respectively relating to the disposal of Euroclear shares.
3 Adjusted operating profit on operating income.
4 Adjusted operating profit after tax and non-controlling interests on opening equity, excluding non-controlling interests. Opening equity relates to Winterflood only and excludes the brought forward equity of Seydler due to its disposal in the year.

Solid result despite mixed market conditions

Winterflood has maintained its leading market position and remained profitable by maximising revenue opportunities in all market conditions, benefiting from its experienced traders, proprietary technology and tight risk controls.

Winterflood experienced mixed market conditions throughout the financial year, with periods of increased volatility due to economic and political uncertainty, and the UK equity markets in general seeing lower levels of activity compared to 2014.

Against this tough market backdrop, Winterflood has provided continuous liquidity to clients whilst maintaining consistent profitability and its variable cost model has allowed it to deliver good returns in the period with both operating margin and return on opening equity broadly stable at 26% (2014: 28%) and 26% (2014: 28%) respectively.

Diverse business model drives consistent profitability

Winterflood's operating income remained broadly stable at £94.6 million (2014: £96.1 million). This reflects a significant decline in trading revenues with lower activity and income seen across most markets, but particularly in AIM which was impacted by the weakness in commodity prices. This decline was broadly offset by a particularly strong year for investment trust activity, as well as proceeds from the Euroclear disposal in the first half. The relative stability of the division's income under these conditions illustrates the resilience and diversity of Winterflood's business model.

Total bargains and average bargains per day increased 9% to 15.3 million (2014: 14.1 million) and 60,494 (2014: 55,749) respectively, as Winterflood maintained its leading market position and increased the level of international trading. Income per bargain (excluding the income relating to the disposal of Euroclear shares) decreased to £5.73 (2014: £6.81) reflecting the adverse trading conditions seen in the first half and an increase in lower margin international trades. As a result the number of loss days increased to 14 (2014: four), the majority of which were in the first half.

Operating expenses increased slightly to £70.0 million (2014: £69.5 million) with lower staff costs offset by higher settlement fees due to increased bargains. As a result, the expense/income ratio increased slightly to 74% (2014: 72%) while the compensation ratio has remained broadly stable at 47% (2014: 48%).

BUSINESS REVIEW

Securities continued

Overall, this resulted in an 8% decline in adjusted operating profit to £24.6 million (2014: £26.6 million), which includes a £3.5 million benefit from the partial disposal of a long standing shareholding in Euroclear.

Well positioned

Market conditions since the year end have been challenging but we are confident that our consistent strategy and robust business model will enable us to provide continuous liquidity and remain profitable in a variety of market conditions.

Close Brothers Seydler disposal completed

During the first half of the year we completed the sale of Close Brothers Seydler. The profit on disposal of £10.3 million and the profit after tax of £0.9 million have been classified as discontinued operations and the results for 2014 have been restated. As a result, going forward the operations of the Securities division will relate exclusively to Winterflood.

Asset Management

Key Financials

	2015 £ million	2014 £ million	Change %
Operating income	**95.6**	84.4	13
Income on client assets	**90.2**	83.8	8
Advice and other services[1]	**36.1**	36.6	(1)
Investment management	**54.1**	47.2	15
Other income[2]	**5.4**	0.6	
Adjusted operating expenses	**(77.8)**	(74.5)	4
Adjusted operating profit	**17.8**	9.9	80

Key Performance Indicators			
Total client assets (£ billion)	**10.8**	9.7	11
Revenue margin (basis points)[3]	**88**	89	
Operating margin	**19%**	12%	
Return on opening equity[4]	**39%**	25%	

1 Income from advice to private and corporate clients and self directed services, excluding investment management income.
2 Interest income and expense, income on principal investments and other income.
3 Income from advice and other services and investment management over average client assets.
4 Adjusted operating profit after tax and non-controlling interests on opening equity, less non-controlling interests.

Continued good progress

Asset Management has continued to deliver good growth in assets and improved profitability in 2015. We continue to see solid demand for our integrated advice and investment management services and the business remains well positioned to benefit from the ongoing regulatory and demographic changes.

The division delivered adjusted operating profit of £17.8 million (2014: £9.9 million), resulting in an improved operating margin of 19% (2014: 12%) and a return on opening equity of 39% (2014: 25%). Excluding a £4.4 million benefit from non-recurring private equity income, adjusted operating profit increased 35% to £13.4 million, with an operating margin of 15%.

Income on client assets increased 8% to £90.2 million (2014: £83.8 million), reflecting higher investment management revenues driven by solid growth in managed assets, offset by a slight decline in advice and other services. As a result, the revenue margin remained broadly stable at 88 basis points (2014: 89 basis points).

Other income increased to £5.4 million (2014: £0.6 million) due to the one-off income from our former private equity business. As a result, total operating income increased 13% to £95.6 million (2014: £84.4 million).

Operating expenses increased by 4% to £77.8 million (2014: £74.5 million), less than the growth in income, reflecting the broadly stable fixed cost base and operating leverage within the business. This resulted in an improvement in both the expense/income ratio to 81% (2014: 88%) and the compensation ratio to 53% (2014: 58%).

Strong growth in client assets

Total client assets increased 11% year-on-year to £10.8 billion (31 July 2014: £9.7 billion), reflecting both solid net inflows and positive market movements with continued good demand for our integrated advice and investment management proposition.

Asset Management continued

We continue to see strong growth in our core investment management products, with good inflows from both our own advisers and investment managers and particularly from third party IFAs and other intermediaries. We also continue to deliver consistent investment performance for our clients, with three out of our five Close Portfolio Funds delivering top quartile performance over the last year.

Net inflows into our managed assets increased year-on-year to £700 million or 10% of opening total managed assets (2014: £554 million or 9%), while market movements added £374 million, benefiting from rising equity markets. As a result, total managed assets increased 16% in the year to £8.0 billion (31 July 2014: £6.9 billion).

This includes £2.7 billion (31 July 2014: £2.4 billion) of assets in our integrated advice and investment management proposition, a 14% increase year-on-year reflecting both strong new business levels and the ongoing migration of advised assets into our integrated investment management offering.

As a result, advised only assets remained broadly stable year-on-year at £2.8 billion resulting in overall growth in total advised assets of 7% to £5.5 billion (31 July 2014: £5.2 billion).

Movement in Total Client Assets

	2015 £ million	2014 £ million	Change %
Total managed assets at 1 August	**6,922**	6,193	12
Inflows	**1,477**	1,128	31
Outflows	**(777)**	(574)	35
Net inflows	**700**	554	26
Market movements	**374**	175	114
Total managed assets at 31 July[1]	**7,996**	6,922	16
Advised only assets at 31 July[2]	**2,797**	2,783	1
Total client assets at 31 July	**10,793**	9,705	11

1 Total managed assets include £2.7 billion (31 July 2014: £2.4 billion) of assets that are both advised and managed.
2 Total advised assets of £5.5 billion at 31 July 2015 comprise £2.8 billion of advised only assets and £2.7 billion of assets that are both advised and managed.

Since the year end we have entered into an agreement regarding the sale of our corporate advice and investment management activities which we expect to complete before the end of the calendar year. This transaction further focuses our business around our core personal advice and wealth management proposition, where we see greater opportunities for growth and operating leverage.

The activities disposed of represented £711 million of advised assets and £652 million of managed assets as at 31 July 2015, and contributed income of £5.8 million and adjusted operating profit of £0.7 million in the 2015 financial year.

Well positioned for further growth

Our business is well positioned for future growth given ongoing regulatory and demographic changes. We have a strong client offering covering a full range of financial planning advice and investment management services, distributed directly to clients through our own advisers and high net worth investment managers and an outsourced investment management offering to third party IFAs.

We continue to invest in the business to support its growth, providing training and development programmes for our advisers and improving internal processes to increase efficiency and accelerate the growth of both new business and, where appropriate, migration of existing advised assets into our range of investment management propositions.

Asset Management continued

We believe the UK government's recently announced changes to the pensions market create opportunities for the industry and expect them to increase demand for our products and services in the longer term. We will also continue to look selectively at opportunities to support our organic growth with infill acquisitions and hiring of high quality advisers and investment managers.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 July 2015

	Note	**2015** **£ million**	2014[1] £ million
Interest income		**528.8**	491.2
Interest expense		**(132.3)**	(139.1)
Net interest income		**396.5**	352.1
Fee and commission income		**195.7**	177.9
Fee and commission expense		**(30.2)**	(27.4)
Gains less losses arising from dealing in securities		**72.0**	87.3
Other income		**55.5**	38.0
Non-interest income		**293.0**	275.8
Operating income		**689.5**	627.9
Administrative expenses		**(422.7)**	(390.1)
Impairment losses on loans and advances	7	**(41.9)**	(44.1)
Total operating expenses before amortisation of intangible assets on acquisition		**(464.6)**	(434.2)
Operating profit before amortisation of intangible assets on acquisition		**224.9**	193.7
Amortisation of intangible assets on acquisition		**(5.0)**	(4.9)
Operating profit before tax		**219.9**	188.8
Tax	3	**(45.4)**	(43.2)
Profit after tax from continuing operations		**174.5**	145.6
Profit from discontinued operations, net of tax	4	**11.2**	4.6
Profit after tax		**185.7**	150.2
Profit attributable to non-controlling interests from continuing operations		**-**	0.4
Profit attributable to shareholders		**185.7**	149.8
From continuing operations			
Basic earnings per share	5	**117.8p**	98.4p
Diluted earnings per share	5	**116.5p**	96.9p
From continuing and discontinued operations			
Basic earnings per share	5	**125.4p**	101.5p
Diluted earnings per share	5	**124.0p**	100.0p
Interim dividend per share paid	6	**18.0p**	16.5p
Final dividend per share	6	**35.5p**	32.5p

1 Restated – see note 4.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 July 2015

	2015 £ million	2014[1] £ million
Profit after tax	**185.7**	150.2
Other comprehensive (expense)/income that may be reclassified to income statement from continuing operations		
Currency translation losses	**(3.0)**	(1.7)
(Losses)/gains on cash flow hedging	**(5.5)**	4.7
(Losses)/gains on equity shares classified as available for sale	**(0.5)**	0.4
Available for sale investment gains transferred to income statement on disposal	**(6.8)**	-
Tax relating to items that may be reclassified	**2.5**	(0.8)
	(13.3)	2.6
Other comprehensive (expense)/income that will not be reclassified to income statement from continuing operations		
Defined benefit pension scheme losses	**(2.0)**	(1.6)
Tax relating to items that will not be reclassified	**0.4**	0.3
	(1.6)	(1.3)
Other comprehensive (expense)/income, net of tax from continuing operations	**(14.9)**	1.3
Other comprehensive expense, net of tax from discontinued operations	**(1.2)**	(2.5)
Total comprehensive income	**169.6**	149.0
Attributable to		
Non-controlling interests	**-**	0.4
Shareholders	**169.6**	148.6
	169.6	149.0

1 Restated – see note 4.

CONSOLIDATED BALANCE SHEET
at 31 July 2015

	Note	**2015 £ million**	2014 £ million
Assets			
Cash and balances at central banks		**1,038.0**	1,171.8
Settlement balances		**398.3**	465.8
Loans and advances to banks		**84.6**	87.4
Loans and advances to customers	7	**5,737.8**	5,289.7
Debt securities	8	**149.5**	94.2
Equity shares	9	**41.2**	76.1
Loans to money brokers against stock advanced		**38.4**	63.9
Derivative financial instruments		**19.7**	27.8
Intangible assets	10	**144.2**	146.3
Property, plant and equipment		**148.4**	117.0
Deferred tax assets		**39.4**	31.7
Prepayments, accrued income and other assets		**117.8**	128.7
Total assets		**7,957.3**	7,700.4
Liabilities			
Settlement balances and short positions	12	**404.3**	494.0
Deposits by banks	13	**35.1**	49.6
Deposits by customers	13	**4,481.4**	4,513.7
Loans and overdrafts from banks	13	**381.2**	9.4
Debt securities in issue	13	**1,365.0**	1,354.4
Loans from money brokers against stock advanced		**-**	28.4
Derivative financial instruments		**7.1**	19.5
Current tax liabilities		**17.9**	24.1
Accruals, deferred income and other liabilities		**209.0**	212.5
Subordinated loan capital		**46.4**	77.2
Total liabilities		**6,947.4**	6,782.8
Equity			
Called up share capital		**37.7**	37.7
Share premium account		**284.0**	283.8
Retained earnings		**694.4**	589.8
Other reserves		**(6.3)**	5.2
Total shareholders' equity		**1,009.8**	916.5
Non-controlling interests		**0.1**	1.1
Total equity		**1,009.9**	917.6
Total liabilities and equity		**7,957.3**	7,700.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 July 2015

	Called up share capital £ million	Share premium account £ million	Retained earnings £ million	Other reserves: Available for sale movements reserve £ million	Other reserves: Share-based payments reserve £ million	Other reserves: Exchange movements reserve £ million	Other reserves: Cash flow hedging reserve £ million	Total attributable to equity holders £ million	Non-controlling interests £ million	Total equity £ million
At 1 August 2013	37.7	283.7	511.9	9.1	(13.1)	5.2	(1.7)	832.8	3.7	836.5
Profit for the year	-	-	149.8	-	-	-	-	149.8	0.4	150.2
Other comprehensive (expense)/income	-	-	(1.3)	0.5	-	(4.2)	3.8	(1.2)	-	(1.2)
Total comprehensive income/(expense) for the year	-	-	148.5	0.5	-	(4.2)	3.8	148.6	0.4	149.0
Exercise of options	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	(67.1)	-	-	-	-	(67.1)	(0.2)	(67.3)
Shares purchased	-	-	-	-	(7.8)	-	-	(7.8)	-	(7.8)
Shares issued	-	0.1	-	-	-	-	-	0.1	-	0.1
Shares released	-	-	-	-	13.7	-	-	13.7	-	13.7
Other movements	-	-	(5.7)	-	(0.3)	-	-	(6.0)	(2.8)	(8.8)
Income tax	-	-	2.2	-	-	-	-	2.2	-	2.2
At 31 July 2014	37.7	283.8	589.8	9.6	(7.5)	1.0	2.1	916.5	1.1	917.6
Profit for the year	-	-	185.7	-	-	-	-	185.7	-	185.7
Other comprehensive (expense)/income	-	-	(1.6)	(6.3)	-	(3.8)	(4.4)	(16.1)	-	(16.1)
Total comprehensive income/(expense) for the year	-	-	184.1	(6.3)	-	(3.8)	(4.4)	169.6	-	169.6
Exercise of options	-	0.1	-	-	-	-	-	0.1	-	0.1
Dividends paid	-	-	(74.3)	-	-	-	-	(74.3)	(0.1)	(74.4)
Shares purchased	-	-	-	-	(18.2)	-	-	(18.2)	-	(18.2)
Shares issued	-	0.1	-	-	-	-	-	0.1	-	0.1
Shares released	-	-	-	-	20.5	-	-	20.5	-	20.5
Other movements	-	-	(8.3)	-	0.7	-	-	(7.6)	(0.9)	(8.5)
Income tax	-	-	3.1	-	-	-	-	3.1	-	3.1
At 31 July 2015	**37.7**	**284.0**	**694.4**	**3.3**	**(4.5)**	**(2.8)**	**(2.3)**	**1,009.8**	**0.1**	**1,009.9**

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2015

	Note	**2015 £ million**	2014[1] £ million
Net cash (outflow)/inflow from operating activities	15(a)	**(18.0)**	339.6
Net cash (outflow)/inflow from investing activities			
Purchase of:			
Property, plant and equipment		**(14.8)**	(5.9)
Intangible assets – software		**(19.1)**	(19.9)
Equity shares held for investment		**-**	(0.1)
Non-controlling interests	15(b)	**(1.0)**	(7.5)
Sale of:			
Property, plant and equipment		**0.1**	-
Equity shares held for investment		**5.6**	8.7
Subsidiary	15(c)	**23.2**	-
		(6.0)	(24.7)
Net cash (outflow)/inflow before financing activities		**(24.0)**	314.9
Financing activities			
Issue of ordinary share capital, net of transaction costs	15(d)	**0.1**	0.1
Purchase of own shares for employee share award schemes		**(18.2)**	(7.8)
Equity dividends paid		**(74.2)**	(67.1)
Dividends paid to non-controlling interests		**(0.1)**	(0.2)
Interest paid on subordinated loan capital and debt financing		**(18.6)**	(18.6)
Net (decrease)/increase in cash		**(135.0)**	221.3
Cash and cash equivalents at beginning of year		**1,238.7**	1,017.4
Cash and cash equivalents at end of year	15(e)	**1,103.7**	1,238.7

1 Restated – see note 4.

THE NOTES

1. Basis of preparation and accounting policies

The financial information contained in this announcement does not constitute the statutory accounts for the years ended 31 July 2015 or 31 July 2014 within the meaning of section 435 of the Companies Act 2006, but is derived from those accounts. The accounting policies used are consistent with those set out in the Annual Report 2014 except for the adoption of the following standards, amendments and interpretations with effect from 1 August 2014:

- IFRS 10 "Consolidated financial statements"
- IFRS 11 "Joint arrangements"
- IFRS 12 "Disclosure of interests in other entities"
- IAS 27 "Separate financial statements"
- IAS 28 "Investments in associates"
- IAS 32 "Presentation: Offsetting financial assets and financial liabilities"
- IFRIC 21 "Levies"
- IFRS Annual Improvements 2010 to 2012 and 2011 to 2013.

The adoption of these standards, amendments and interpretations did not have a material impact on the financial statements.

The financial statements are prepared on a going concern basis.

Whilst the financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRS. The company expects to publish full financial statements that comply with IFRS by 16 October 2015.

The financial information for the year ended 31 July 2015 has been derived from the audited financial statements of Close Brothers Group plc for that year. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the company's Annual General Meeting. The auditor, Deloitte LLP, has reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

2. Segmental analysis

The Executive Committee, which is considered to be the group's chief operating decision maker, manages the group by class of business as determined by the products and services offered and presents the segmental analysis on that basis. The group's activities are organised in three primary operating divisions: Banking, Securities and Asset Management. The Group segment includes the group's central functions which comprise Group Executive, Finance, Marketing, Communications, Investor Relations, Legal, Human Resources, Audit, Compliance, Corporate Development, Company Secretariat and Risk. Group administrative expenses include staff costs, legal and professional fees and property costs attributable to the central functions which support and assist the development of the divisions. Income within Group is typically immaterial and will include interest on cash balances at Group. In the segmental reporting information which follows, Group consists of the central functions described above as well as various non-trading head office companies and consolidation adjustments, in order that the information presented reconciles to the consolidated income statement and balance sheet.

Divisions charge market prices for services rendered to other parts of the group. Funding charges between Banking businesses are determined by the Banking division's Treasury operation taking into account commercial demands. Funding arrangements between other segments is limited. More than 90% of all the group's activities, revenue and assets are located in the UK.

2. Segmental analysis continued

	Banking £ million	Securities £ million	Asset Management £ million	Group £ million	Continuing operations £ million	Discontinued operations £ million	Total £ million
Summary Income Statement for year ended 31 July 2015							
Net interest income/(expense)	396.5	(0.9)	0.2	0.7	396.5	-	396.5
Non-interest income	102.1	95.5	95.4	-	293.0	11.7	304.7
Operating income	498.6	94.6	95.6	0.7	689.5	11.7	701.2
Administrative expenses	(214.6)	(69.0)	(76.4)	(26.3)	(386.3)	(10.4)	(396.7)
Depreciation and amortisation	(33.4)	(1.0)	(1.4)	(0.6)	(36.4)	-	(36.4)
Impairment losses on loans and advances	(41.9)	-	-	-	(41.9)	-	(41.9)
Total operating expenses	(289.9)	(70.0)	(77.8)	(26.9)	(464.6)	(10.4)	(475.0)
Adjusted operating profit/(loss)[1]	208.7	24.6	17.8	(26.2)	224.9	1.3	226.2
Amortisation of intangible assets on acquisition	(0.5)	-	(4.5)	-	(5.0)	-	(5.0)
Profit on disposal of discontinued operations	-	-	-	-	-	10.3	10.3
Operating profit/(loss) before tax	208.2	24.6	13.3	(26.2)	219.9	11.6	231.5
Tax	(43.3)	(4.7)	(2.6)	5.2	(45.4)	(0.4)	(45.8)
Non-controlling interests	-	-	-	-	-	-	-
Profit/(loss) after tax and non-controlling interests	164.9	19.9	10.7	(21.0)	174.5	11.2	185.7
External operating income/expense	511.8	94.6	96.5	(13.4)	689.5	11.7	701.2
Inter segment operating (expense)/income	(13.2)	-	(0.9)	14.1	-	-	-
Segment operating income	498.6	94.6	95.6	0.7	689.5	11.7	701.2

1 Adjusted operating profit/(loss) is stated before amortisation of intangible assets on acquisition, profit on disposal of discontinued operations and tax.

The following table provides further detail on operating income:

	2015 £ million	2014 £ million
Banking		
Retail	181.1	164.6
Commercial	207.3	187.3
Property	96.8	75.4
Treasury income	13.4	19.4
Securities		
Market-making and related activities	94.6	96.1
Asset Management		
Advice and other services	36.1	36.6
Investment management	54.1	47.2
Other income	5.4	0.6
Group	0.7	0.7
Operating income from continuing operations	689.5	627.9
Operating income from discontinued operations	11.7	31.3
Operating income	701.2	659.2

2. Segmental analysis continued

	Banking £ million	Securities £ million	Asset Management £ million	Group £ million	Total £ million
Summary Balance Sheet at 31 July 2015					
Assets					
Cash and loans and advances to banks	1,080.8	20.6	20.9	0.3	1,122.6
Settlement balances, long trading positions and loans to money brokers	-	481.9	-	-	481.9
Loans and advances to customers	5,737.8	-	-	-	5,737.8
Non-trading debt securities	135.4	-	-	-	135.4
Intangible assets	65.7	25.5	52.9	0.1	144.2
Other assets	283.4	10.7	27.3	14.0	335.4
Total assets	7,303.1	538.7	101.1	14.4	7,957.3
Liabilities					
Settlement balances, short trading positions and loans from money brokers	-	404.3	-	-	404.3
Deposits by banks	35.1	-	-	-	35.1
Deposits by customers	4,481.4	-	-	-	4,481.4
Borrowings	1,583.7	3.3	-	205.6	1,792.6
Other liabilities	140.8	35.5	41.9	15.8	234.0
Intercompany balances	351.0	23.7	11.6	(386.3)	-
Total liabilities	6,592.0	466.8	53.5	(164.9)	6,947.4
Equity	711.1	71.9	47.6	179.3	1,009.9
Total liabilities and equity	7,303.1	538.7	101.1	14.4	7,957.3
Other segmental information for the year ended 31 July 2015					
Property, plant, equipment and intangible asset expenditure	74.7	3.5	2.6	0.1	80.9
Employees (average number)	1,910	232	562	63	2,767

2. Segmental analysis continued

	Banking £ million	Securities £ million	Asset Management £ million	Group £ million	Continuing operations £ million	Discontinued operations £ million	Total £ million
Summary Income Statement for the year ended 31 July 2014							
Net interest income/(expense)	352.9	(1.2)	(0.3)	0.7	352.1	-	352.1
Non-interest income	93.8	97.3	84.7	-	275.8	31.3	307.1
Operating income	446.7	96.1	84.4	0.7	627.9	31.3	659.2
Administrative expenses	(194.7)	(68.6)	(73.1)	(24.4)	(360.8)	(23.9)	(384.7)
Depreciation and amortisation	(26.3)	(0.9)	(1.4)	(0.7)	(29.3)	(0.5)	(29.8)
Impairment losses on loans and advances	(44.1)	-	-	-	(44.1)	-	(44.1)
Total operating expenses	(265.1)	(69.5)	(74.5)	(25.1)	(434.2)	(24.4)	(458.6)
Adjusted operating profit/(loss)[1]	181.6	26.6	9.9	(24.4)	193.7	6.9	200.6
Amortisation of intangible assets on acquisition	(0.5)	-	(4.4)	-	(4.9)	-	(4.9)
Profit on disposal of discontinued operations	-	-	-	-	-	-	-
Operating profit/(loss) before tax	181.1	26.6	5.5	(24.4)	188.8	6.9	195.7
Tax	(42.0)	(5.5)	(0.9)	5.2	(43.2)	(2.3)	(45.5)
Non-controlling interests	(0.3)	-	-	(0.1)	(0.4)	-	(0.4)
Profit/(loss) after tax and non-controlling interests	138.8	21.1	4.6	(19.3)	145.2	4.6	149.8
External operating income/expense	459.5	96.1	85.5	(13.2)	627.9	31.3	659.2
Inter segment operating (expense)/income	(12.8)	-	(1.1)	13.9	-	-	-
Segment operating income	446.7	96.1	84.4	0.7	627.9	31.3	659.2

1 Adjusted operating profit/(loss) is stated before amortisation of intangible assets on acquisition, profit on disposal of discontinued operations and tax.

2. Segmental analysis continued

	Banking £ million	Securities £ million	Asset Management £ million	Group £ million	Total £ million
Summary Balance Sheet at 31 July 2014					
Assets					
Cash and loans and advances to banks	1,225.1	16.2	17.5	0.4	1,259.2
Settlement balances, long trading positions and loans to money brokers	-	634.8	-	-	634.8
Loans and advances to customers	5,289.7	-	-	-	5,289.7
Non-trading debt securities	45.6	-	-	-	45.6
Intangible assets	61.7	28.1	56.4	0.1	146.3
Other assets	251.6	19.6	34.0	19.6	324.8
Total assets	6,873.7	698.7	107.9	20.1	7,700.4
Liabilities					
Settlement balances, short trading positions and loans from money brokers	-	522.4	-	-	522.4
Deposits by banks	49.6	-	-	-	49.6
Deposits by customers	4,510.3	3.4	-	-	4,513.7
Borrowings	1,229.7	6.0	-	205.3	1,441.0
Other liabilities	145.5	40.8	52.7	17.1	256.1
Intercompany balances	330.6	27.1	18.8	(376.5)	-
Total liabilities	6,265.7	599.7	71.5	(154.1)	6,782.8
Equity	608.0	99.0	36.4	174.2	917.6
Total liabilities and equity	6,873.7	698.7	107.9	20.1	7,700.4
Other segmental information for the year ended 31 July 2014					
Property, plant, equipment and intangible asset expenditure	70.1	0.8	0.3	0.7	71.9
Employees (average number)	1,776	321	567	67	2,731

3. Taxation

	2015 £ million	2014[1] £ million
Tax charged/(credited) to the income statement		
Current tax:		
UK corporation tax	**49.1**	48.8
Foreign tax	**2.6**	1.2
Adjustments in respect of previous years	**(0.2)**	0.4
	51.5	50.4
Deferred tax:		
Deferred tax credit for the current year	**(6.5)**	(7.2)
Adjustments in respect of previous years	**0.4**	-
	45.4	43.2
Tax on items not (credited)/charged to the income statement		
Current tax relating to:		
Share-based transactions tax allowance in excess of expense recognised	**(4.1)**	(3.0)
Deferred tax relating to:		
Cash flow hedging	**(1.1)**	0.9
Defined benefit pension scheme	**(0.4)**	(0.3)
Financial instruments classified as available for sale	**(1.0)**	(0.1)
Share-based transactions tax allowance in excess of expense recognised	**1.0**	0.8
Currency translation losses	**(0.4)**	-
	(6.0)	(1.7)
Reconciliation to tax expense		
UK corporation tax for the year at 20.7% (2014: 22.3%) on operating profit	**45.5**	42.2
Effect of different tax rates in other jurisdictions	**(0.8)**	(0.6)
Disallowable items and other permanent differences	**0.3**	0.6
Deferred tax impact of reduced UK corporation tax rate	**0.2**	0.6
Prior year tax provision	**0.2**	0.4
	45.4	43.2

1 Restated – see note 4.

The effective tax rate for the year is 20.6% (2014: 22.9%) which is in line with the UK corporation tax rate of 20.7% (2014: 22.3%). On 8 July 2015, the Government proposed reductions in the UK corporation tax rate to 19% from April 2017 and 18% from April 2020, and an additional 8% tax surcharge on profits of banking companies from January 2016. These proposals are expected to be enacted later in 2015.

3. Taxation continued

Movements in deferred tax assets and liabilities were as follows:

	Capital allowances £ million	Pension scheme £ million	Share-based payments and deferred compensation £ million	Available for sale assets £ million	Cash flow hedging £ million	Intangible assets £ million	Other £ million	Total £ million
At 1 August 2013	21.2	(1.2)	11.9	(1.8)	0.4	(5.2)	0.5	25.8
Credit/(charge) to the income statement	6.6	(0.1)	(0.2)	-	-	1.0	(0.1)	7.2
Credit/(charge) to other comprehensive income	-	0.3	-	0.1	(0.9)	-	-	(0.5)
Charge to equity	-	-	(0.8)	-	-	-	-	(0.8)
Acquisition	-	-	-	-	-	-	-	-
At 31 July 2014	27.8	(1.0)	10.9	(1.7)	(0.5)	(4.2)	0.4	31.7
Credit/(charge) to the income statement	4.9	-	0.3	-	-	0.9	-	6.1
Credit/(charge) to other comprehensive income	0.4	0.4	-	1.0	1.1	-	-	2.9
Charge to equity	-	-	(1.0)	-	-	-	-	(1.0)
Acquisition	-	-	-	-	-	(0.3)	-	(0.3)
At 31 July 2015	**33.1**	**(0.6)**	**10.2**	**(0.7)**	**0.6**	**(3.6)**	**0.4**	**39.4**

As the group has been and is expected to continue to be consistently profitable, it is appropriate to recognise the
full deferred tax assets.

4. Discontinued operations

On 5 January 2015, the group completed the sale of Close Brothers Seydler (“Seydler”) to Oddo & Cie for a gross cash consideration of €46.5 million (£36.4 million), which includes a post year end adjustment of £0.5 million following finalisation of completion accounts. The profit on disposal was £10.3 million.

Based in Frankfurt, Seydler provided equity and debt capital markets services, securities trading and research primarily in German small and mid-sized companies and was part of the Securities division.

The transaction fulfilled the requirements of IFRS 5 to be classified as “Discontinued operations” in the consolidated income statement, the results of which are set out below:

Results of discontinued operations

	2015[1] £ million	2014 £ million
Operating income	**11.7**	31.3
Operating expenses	**(10.4)**	(24.4)
Operating profit before tax	**1.3**	6.9
Tax	**(0.4)**	(2.3)
Profit after tax	**0.9**	4.6
Profit on disposal of discontinued operations, net of tax	**10.3**	-
Profit from discontinued operations	**11.2**	4.6

1 Profit after tax is up until the point of disposal.

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4. Discontinued operations continued

Cash flow from discontinued operations

	2015[1] £ million	2014 £ million
Net cash flow from operating activities	**6.6**	(9.5)
Net cash flow from investing activities	**(0.1)**	(0.2)
Net cash flow from financing activities	**-**	-

1 Up until the point of disposal.

5. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders and the number of basic weighted average shares. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all dilutive share options and awards.

	2015	2014[1]
Continuing operations		
Basic	**117.8p**	98.4p
Diluted	**116.5p**	96.9p
Adjusted basic[2]	**120.5p**	101.0p
Adjusted diluted[2]	**119.2p**	99.5p
Continuing and discontinued operations		
Basic	**125.4p**	101.5p
Diluted	**124.0p**	100.0p
Discontinued operations		
Basic	**7.6p**	3.1p
Diluted	**7.5p**	3.1p

1 Restated – see note 4.
2 Excludes amortisation of intangible assets on acquisition, discontinued operations and their tax effects.

	2015 £ million	2014[1] £ million
Profit attributable to shareholders	**185.7**	149.8
Less profit from discontinued operations, net of tax	**11.2**	4.6
Profit attributable to shareholders on continuing operations	**174.5**	145.2
Adjustments:		
Amortisation of intangible assets on acquisition	**5.0**	4.9
Tax effect of adjustments	**(1.0)**	(1.0)
Adjusted profit attributable to shareholders on continuing operations	**178.5**	149.1

1 Restated – see note 4.

	2015 million	2014 million
Average number of shares		
Basic weighted	**148.1**	147.6
Effect of dilutive share options and awards	**1.7**	2.2
Diluted weighted	**149.8**	149.8

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6. Dividends

	2015 £ million	2014 £ million
For each ordinary share		
Final dividend for previous financial year paid in November 2014: 32.5p (2013: 29.5p)	**47.6**	42.9
Interim dividend for current financial year paid in April 2015: 18.0p (2014: 16.5p)	**26.7**	24.2
	74.3	67.1

A final dividend relating to the year ended 31 July 2015 of 35.5p, amounting to an estimated £52.4 million, is proposed. This final dividend, which is due to be paid on 24 November 2015 to shareholders on the register at 16 October 2015, is not reflected in these financial statements.

7. Loans and advances to customers

	On demand £ million	Within three months £ million	Between three months and one year £ million	Between one and two years £ million	Between two and five years £ million	After more than five years £ million	Impairment provisions £ million	Total £ million
At 31 July 2015	**45.4**	**1,543.5**	**1,797.8**	**1,108.2**	**1,254.1**	**44.9**	**(56.1)**	**5,737.8**
At 31 July 2014	60.9	1,463.3	1,660.8	1,038.3	1,093.3	21.4	(48.3)	5,289.7

	2015 £ million	2014 £ million
Impairment provisions on loans and advances to customers		
At 1 August	**48.3**	61.9
Charge for the year	**41.9**	44.1
Amounts written off net of recoveries	**(34.1)**	(57.7)
At 31 July	**56.1**	48.3
Loans and advances to customers comprise		
Hire purchase agreement receivables	**2,552.9**	2,341.4
Finance lease receivables	**473.0**	466.5
Other loans and advances	**2,711.9**	2,481.8
At 31 July	**5,737.8**	5,289.7

At 31 July 2015, gross impaired loans were £162.3 million (31 July 2014: £159.9 million) and equate to 3% (31 July 2014: 3%) of the gross loan book before impairment provisions. The majority of the group's lending is secured and therefore the gross impaired loans quoted do not reflect the expected loss.

8. Debt securities

	Held for trading £ million	**Available for sale £ million**	**Loans and receivables £ million**	**Total £ million**
Long trading positions	**14.1**	**-**	**-**	**14.1**
Certificates of deposit	**-**	**-**	**115.3**	**115.3**
Gilts	**-**	**20.1**	**-**	**20.1**
At 31 July 2015	**14.1**	**20.1**	**115.3**	**149.5**

	Held for trading £ million	Available for sale £ million	Loans and receivables £ million	Total £ million
Long trading positions	48.6	-	-	48.6
Certificates of deposit	-	-	-	-
Gilts	-	45.6	-	45.6
At 31 July 2014	48.6	45.6	-	94.2

Movements on the book value of gilts and floating rate notes ("FRNs") comprise:

	Available for sale		
	Gilts £ million	Floating rate notes £ million	Total £ million
At 1 August 2013	46.7	39.4	86.1
Disposals	-	(37.8)	(37.8)
Redemptions at maturity	-	-	-
Currency translation differences	-	(1.6)	(1.6)
Movement in value	(1.1)	-	(1.1)
At 31 July 2014	45.6	-	45.6
Disposals	-	-	-
Redemptions at maturity	(25.0)	-	(25.0)
Currency translation differences	-	-	-
Movement in value	(0.5)	-	(0.5)
At 31 July 2015	**20.1**	**-**	**20.1**

9. Equity shares

	31 July 2015 £ million	31 July 2014 £ million
Long trading positions	**31.1**	56.5
Other equity shares	**10.1**	19.6
	41.2	76.1

Movements on the book value of other equity shares held during the year comprise:

	Available for sale £ million	Fair value through profit or loss £ million	Total £ million
At 1 August 2013	27.1	0.6	27.7
Additions	0.1	-	0.1
Disposals	(8.2)	(0.5)	(8.7)
Currency translation differences	(1.8)	-	(1.8)
Movement in value of:			
Equity shares classified as available for sale	2.3	-	2.3
At 31 July 2014	19.5	0.1	19.6
Additions	-	-	-
Disposals	(8.1)	-	(8.1)
Currency translation differences	(0.4)	-	(0.4)
Movement in value of:			
Equity shares classified as available for sale	(1.0)	-	(1.0)
At 31 July 2015	**10.0**	**0.1**	**10.1**

10. Intangible assets

	Goodwill £ million	Software £ million	Intangible assets on acquisition £ million	Total £ million
Cost				
At 1 August 2013	156.5	51.6	42.4	250.5
Additions	-	19.9	-	19.9
Disposals	-	(2.7)	-	(2.7)
Foreign exchange	(0.4)	-	-	(0.4)
At 31 July 2014	156.1	68.8	42.4	267.3
Additions	0.3	20.3	1.5	22.1
Disposals	(10.4)	(8.1)	-	(18.5)
Foreign exchange	-	-	-	-
At 31 July 2015	**146.0**	**81.0**	**43.9**	**270.9**
Amortisation and impairment				
At 1 August 2013	68.0	28.0	12.9	108.9
Amortisation charge for the year	-	9.8	4.9	14.7
Disposals	-	(2.6)	-	(2.6)
At 31 July 2014	68.0	35.2	17.8	121.0
Amortisation charge for the year	-	13.5	5.0	18.5
Disposals	(6.2)	(6.5)	(0.1)	(12.8)
At 31 July 2015	**61.8**	**42.2**	**22.7**	**126.7**
Net book value at 31 July 2015	**84.2**	**38.8**	**21.2**	**144.2**
Net book value at 31 July 2014	88.1	33.6	24.6	146.3
Net book value at 1 August 2013	88.5	23.6	29.5	141.6

Additions in goodwill of £0.3 million relate to the 100% acquisition of Mackay Stewart and Brown Limited, a Scottish Independent Financial Adviser with £72.0 million of client assets, for cash consideration of £1.1 million for the equity of the business. This acquisition is not regarded as material in the context of the group’s financial statements and therefore information required for material acquisitions by IFRS 3 has not been disclosed.

The goodwill disposals of £10.4 million relate to the Seydler disposal of £4.2 million, and the write off of fully impaired goodwill of £6.2 million relating to the wind up of Fortune Asset Management Limited.

Intangible assets on acquisition relates to broker and customer relationships and are amortised over a period of eight to 20 years.

In the 2015 financial year, £5.0 million (2014: £4.9 million) of the amortisation charge is included in amortisation of intangible assets on acquisition and £13.5 million (2014: £9.8 million) of the amortisation charge is included in administrative expenses shown in the consolidated income statement.

11. Property, plant and equipment

	Leasehold property £ million	Fixtures, fittings and equipment £ million	Assets held under operating leases £ million	Motor vehicles £ million	Total £ million
Cost					
At 1 August 2013	9.3	40.9	99.1	1.2	150.5
Additions	0.8	4.6	46.1	0.5	52.0
Disposals	-	(10.6)	(12.5)	(0.5)	(23.6)
At 31 July 2014	10.1	34.9	132.7	1.2	178.9
Additions	7.4	7.7	43.7	-	58.8
Disposals	(0.1)	(8.0)	(11.3)	(0.4)	(19.8)
At 31 July 2015	**17.4**	**34.6**	**165.1**	**0.8**	**217.9**
Depreciation					
At 1 August 2013	4.4	32.6	23.1	0.7	60.8
Charge for the year	1.3	4.5	13.9	0.3	20.0
Disposals	-	(10.4)	(8.1)	(0.4)	(18.9)
At 31 July 2014	5.7	26.7	28.9	0.6	61.9
Charge for the year	1.6	4.5	16.7	0.1	22.9
Disposals	(0.1)	(7.5)	(7.5)	(0.2)	(15.3)
At 31 July 2015	**7.2**	**23.7**	**38.1**	**0.5**	**69.5**
Net book value at 31 July 2015	**10.2**	**10.9**	**127.0**	**0.3**	**148.4**
Net book value at 31 July 2014	4.4	8.2	103.8	0.6	117.0
Net book value at 1 August 2013	4.9	8.3	76.0	0.5	89.7

Assets held under operating leases relate to our rentals businesses within the Banking division. In addition to the depreciation charged in the year of £16.7 million (2014: £13.9 million), these assets generated other income of £39.1 million (2014: £32.4 million) and interest and fee expense of £12.5 million (2014: £11.1 million). The gains/(losses) from the sale of assets held under operating leases for the year ended 31 July 2015 was £nil (2014: £0.3 million gain).

12. Settlement balances and short positions

	31 July 2015 £ million	31 July 2014 £ million
Settlement balances	**376.5**	444.1
Short positions held for trading:		
Debt securities	**13.7**	34.3
Equity shares	**14.1**	15.6
	27.8	49.9
	404.3	494.0

13. Financial liabilities

	On demand £ million	Within three months £ million	Between three months and one year £ million	Between one and two years £ million	Between two and five years £ million	After more than five years £ million	Total £ million
Deposits by banks	**11.5**	**0.3**	**22.8**	**0.5**	**-**	**-**	**35.1**
Deposits by customers	**154.8**	**828.4**	**2,347.7**	**851.2**	**299.3**	**-**	**4,481.4**
Loans and overdrafts from banks	**8.6**	**99.1**	**123.7**	**59.9**	**89.9**	**-**	**381.2**
Debt securities in issue	**11.2**	**6.7**	**1.1**	**747.8**	**299.3**	**298.9**	**1,365.0**
At 31 July 2015	**186.1**	**934.5**	**2,495.3**	**1,659.4**	**688.5**	**298.9**	**6,262.7**

	On demand £ million	Within three months £ million	Between three months and one year £ million	Between one and two years £ million	Between two and five years £ million	After more than five years £ million	Total £ million
Deposits by banks	21.1	20.0	8.5	-	-	-	49.6
Deposits by customers	165.0	1,256.5	1,532.5	1,399.3	160.4	-	4,513.7
Loans and overdrafts from banks	4.4	5.0	-	-	-	-	9.4
Debt securities in issue	-	6.7	350.5	227.8	470.4	299.0	1,354.4
At 31 July 2014	190.5	1,288.2	1,891.5	1,627.1	630.8	299.0	5,927.1

Of the debt securities in issue, £298.9 million mature on 27 June 2021, £199.4 million mature on 10 February 2017 and £847.7 million relate to the insurance premium and motor loan receivables securitisations.

The group has repurchase agreements at 31 July 2015 (2014: none) whereby £375.0 million Treasury Bills have been drawn and lent in exchange for cash which is included within loans and overdrafts from banks. Residual maturities of the repurchase agreements are as follows:

	On demand £ million	Within three months £ million	Between three months and one year £ million	Between one and two years £ million	Between two and five years £ million	After more than five years £ million	Total £ million
At 31 July 2015	**-**	**99.1**	**123.7**	**59.9**	**89.9**	**-**	**372.6**

14. Capital

At 31 July 2015, the group's common equity tier 1 capital ratio increased to 13.7% (31 July 2014: 13.1%).

Common equity tier 1 capital increased to £813.2 million (31 July 2014: £710.8 million) primarily due to growth in profit attributable to shareholders.

Risk weighted assets increased to £5,932.1 million (31 July 2014: £5,445.8 million) as a result of growth in credit and counterparty risk associated with the loan book, which was partly offset by a reduction in market risk due to the disposal of Seydler as well as lower trading balances at Winterflood. Notional risk weighted assets for operational risk also increased reflecting increased performance over recent years.

The composition of capital remained broadly stable with 95.9% (31 July 2014: 91.1%) of the total capital consisting of common equity tier 1 capital.

14. Capital continued

	31 July 2015 £ million	31 July 2014 £ million
Common equity tier 1 capital		
Called up share capital	**37.7**	37.7
Share premium account	**284.0**	283.8
Retained earnings	**694.4**	589.8
Other reserves recognised for common equity tier 1 capital	**18.3**	21.4
Deductions from common equity tier 1 capital		
Intangible assets, net of associated deferred tax liabilities	**(140.6)**	(142.1)
Foreseeable dividend[1]	**(52.4)**	(47.7)
Investment in own shares	**(25.6)**	(27.9)
Pension asset, net of associated deferred tax liabilities	**(2.5)**	(3.9)
Additional valuation adjustments	**(0.1)**	(0.3)
Common equity tier 1 capital	**813.2**	710.8
Tier 2 capital		
Subordinated debt[2]	**31.5**	60.0
Unrealised gains on available for sale equity shares	**3.3**	9.6
Tier 2 capital	**34.8**	69.6
Total regulatory capital	**848.0**	780.4
Risk weighted assets (notional) – unaudited		
Credit and counterparty credit risk	**5,103.2**	4,564.5
Operational risk[3]	**753.5**	695.5
Market risk[3]	**75.4**	185.8
	5,932.1	5,445.8
Common equity tier 1 capital ratio	**13.7%**	13.1%
Total capital ratio	**14.3%**	14.3%

1 Under the Regulatory Technical Standard on own funds, a deduction has been recognised at 31 July 2015 and 31 July 2014 for a foreseeable dividend being the proposed final dividend as set out in note 6.
2 Under the Capital Requirements Regulation's transitional arrangements, 70% (31 July 2014: 80%) of the principal value of subordinated debt is recognised.
3 Operational and market risk include a notional adjustment at 8% in order to determine notional risk weighted assets.

The following table shows a reconciliation between equity and common equity tier 1 capital after deductions:

	31 July 2015 £ million	31 July 2014 £ million
Equity	**1,009.9**	917.6
Regulatory deductions from equity:		
Intangible assets, net of associated deferred tax liabilities	**(140.6)**	(142.1)
Foreseeable dividend[1]	**(52.4)**	(47.7)
Pension asset, net of associated deferred tax liabilities	**(2.5)**	(3.9)
Additional valuation adjustments	**(0.1)**	(0.3)
Other reserves not recognised for common equity tier 1 capital:		
Available for sale movements reserve	**(3.3)**	(9.6)
Cash flow hedging reserve	**2.3**	(2.1)
Non-controlling interests	**(0.1)**	(1.1)
Common equity tier 1 capital	**813.2**	710.8

1 Under the Regulatory Technical Standard on own funds, a deduction has been recognised at 31 July 2015 and 31 July 2014 for a foreseeable dividend being the proposed final dividend as set out in note 6.

15. Consolidated cash flow statement reconciliation

	31 July 2015 £ million	31 July 2014[1] £ million
(a) Reconciliation of operating profit before tax to net cash inflow from operating activities		
Operating profit before tax from continuing operations	**219.9**	188.8
Profit before tax on discontinued operations	**11.6**	6.9
Tax paid	**(53.4)**	(35.3)
Depreciation and amortisation	**41.4**	34.7
(Increase)/decrease in:		
Interest receivable and prepaid expenses	**(4.2)**	4.9
Net settlement balances and trading positions	**22.8**	(8.8)
Net loans to/from money broker against stock advanced	**(2.9)**	0.2
Increase in interest payable and accrued expenses	**8.2**	15.9
Net cash inflow from trading activities	**243.4**	207.3
Decrease/(increase) in:		
Loans and advances to banks not repayable on demand	**1.6**	(2.6)
Loans and advances to customers	**(448.1)**	(644.1)
Assets let under operating leases	**(39.8)**	(41.4)
Floating rate notes classified as available for sale	**-**	37.8
Certificates of deposit	**(115.3)**	-
Debt securities held for liquidity	**25.0**	-
Other assets less other liabilities	**(19.1)**	30.5
(Decrease)/increase in:		
Deposits by banks	**(14.5)**	(17.0)
Deposits by customers	**(23.0)**	498.3
Loans and overdrafts from banks	**371.8**	(28.2)
Debt securities in issue, net of transaction costs	**-**	299.0
Net cash inflow from operating activities	**(18.0)**	339.6
(b) Analysis of net cash outflow in respect of the purchase of non-controlling interests		
Cash consideration paid	**(1.0)**	(7.5)
(c) Analysis of net cash inflow in respect of the sale of a subsidiary		
Cash consideration received	**36.9**	-
Cash and cash equivalents disposed of	**(13.7)**	-
	23.2	-
(d) Analysis of changes in financing activities		
Share capital (including premium) and subordinated loan capital[2]:		
Opening balance	**396.5**	396.4
Shares issued for cash	**0.1**	0.1
	396.6	396.5
(e) Analysis of cash and cash equivalents[3]		
Cash and balances at central banks	**1,031.2**	1,164.7
Loans and advances to banks repayable on demand	**72.5**	74.0
	1,103.7	1,238.7

1 Restated – see note 4.
2 Excludes accrued interest.
3 Excludes Bank of England cash reserve account and amounts held as collateral.

16. Post balance sheet event

On 14 September 2015, the group agreed the sale of its corporate advice and investment management activities, which are part of the Asset Management division, to JLT Benefit Solutions Ltd. The activities disposed of represented net assets of £0.3 million and operating profit before tax of £0.7 million for the year ended 31 July 2015. The timing for completion is subject to the satisfaction of customary conditions.

Cautionary statement

Certain statements included or incorporated by reference within this preliminary results announcement may constitute “forward-looking statements” in respect of the group’s operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “anticipates”, “aims”, “due”, “could”, “may”, “will”, “should”, “expects”, “believes”, “intends”, “plans”, “potential”, “targets”, “goal” or “estimates”. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this preliminary results announcement should be construed as a profit forecast. This preliminary results announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares and other securities of the company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this preliminary results announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this preliminary results announcement shall be governed by English Law. Nothing in this preliminary results announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.