

Press Release

Close Brothers Group plc Interim Management Statement

Embargoed for release at 7.00am on 22 November 2012.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its Interim Management Statement relating to the first quarter from 1 August 2012 to 31 October 2012. All statements in this release relate to that time period, unless otherwise indicated.

Group and divisional performance

The group has made a solid start to the year with a strong performance in the Banking division although the market environment for Securities remains challenging. The group has maintained its strong funding position and capital base.

The strong performance in the **Banking** division has continued in the first quarter. The loan book increased 4% to £4.3 billion (31 July 2012: £4.1 billion) at 31 October 2012 with growth coming primarily from motor finance, asset finance and Property. As expected, the net interest margin has reduced since the last financial year, principally reflecting ongoing changes in the product mix. The bad debt ratio has continued to improve in the period reflecting strong credit quality across the portfolio.

Performance in the **Securities** division has remained slow. Winterflood has continued to be affected by the low volume trading environment, with average bargains per day reduced compared to the last financial year, while income per bargain was broadly stable. Seydler’s performance continues to be affected by low trading volumes although capital markets activity has increased.

The **Asset Management** division has made good progress in the first quarter as it moves towards profitability. Total Assets under Management (“AuM”) increased 2% to £8.5 billion (31 July 2012: £8.3 billion) reflecting positive market movements and the revenue margin has also increased principally reflecting the greater proportion of higher margin private client assets.

Outlook

Overall the group remains well positioned for the remainder of the financial year. The Banking division continues to see prospects for growth and Asset Management remains on track to move into profitability during the course of this financial year. Winterflood continues to be affected by difficult trading conditions but remains well placed for when market conditions improve.

Enquiries

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About Close Brothers

Close Brothers is a specialist financial services group which makes loans, trades securities and provides advice and investment management solutions to a wide range of clients. Close Brothers was established in 1878 and today employs over 2,500 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.