

Press Release

Close Brothers Group plc Trading Update

Embargoed for release at 7.00am on 20 July 2012.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2012 financial year end. All statements in this release relate to the group’s performance over the five months to 30 June 2012 unless otherwise stated.

Close Brothers will be releasing its full year results for the twelve months ending 31 July 2012 on 25 September 2012.

Group and divisional performance

Trading performance remains consistent with the group’s interim management statement on 17 May. Whilst the Banking division has continued to deliver strong growth, difficult trading conditions for Winterflood have continued to impact the group’s overall performance.

The **Banking** division delivered another strong performance in the period. The loan book increased a further 10% to £4.1 billion (31 January 2012: £3.8 billion) at 30 June 2012, and is up 20% financial year to date. Growth was particularly strong in motor finance, asset finance and property. The credit quality of the loan book continued to improve and as a result the bad debt ratio for the period was lower than the first half of the financial year. The net interest margin remains strong, but lower than the first half reflecting changes in lending mix across the portfolio.

The **Securities** division continues to experience difficult market conditions and Winterflood has been affected by low retail investor risk appetite throughout the period. Overall Winterflood’s average bargains per day and income per bargain were in line with the first half. Seydler’s performance has improved modestly since the first half although market conditions remain challenging.

The **Asset Management** division is nearing completion of its restructuring and made a small loss as expected. Private Clients Assets under Management (“AuM”) remained unchanged at £6.9 billion (31 January 2012: £6.9 billion) at 30 June 2012 as positive net new funds were offset by negative market movements. Total AuM reduced to £8.2 billion (31 January 2012: £8.6 billion) reflecting the previously announced sale of OLIM’s property fund management business with £0.4 billion AuM.

Outlook

The Banking division continues to experience good growth. However in Securities, difficult market conditions continue to affect Winterflood and its second half performance is expected to be broadly in line with the first half. Overall the group continues to expect a solid performance for the year.

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.