Close Brothers
Modern Merchant Banking

Close Brothers Group plc
2025 Preliminary Results

30 September 2025

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Agenda

01

Introduction

Mike Morgan, Group Chief Executive

Resetting the business to drive stronger returns

Core business strength

- FY25 performance reflects a resilient business and impact of capital and simplification actions
- Attractive growth opportunities across our chosen markets

Stronger balance sheet

- Over £400 million of CET1 capital generated or preserved[1]
- CET1 capital ratio of 13.8% or c.14.3% following the sale of Winterflood[2]
- Raised over £1 billion of retail deposits and a £300 million Motor Finance funding securitisation

Momentum on cost savings

- Delivered annualised cost savings of £25m by end of FY25
- Committed to delivering at least c.£20 million of additional annualised savings p.a. in each of the next three years

Simplification agenda largely complete

- Sold Close Brothers Asset Management, Winterflood and Brewery Rentals
- Exiting Vehicle Hire; £30 million asset impairment
- Premium Finance refocused on commercial lines

Resolving legacy issues

- Settlement of long-standing litigation in Novitas
- Proactive remediation programme in Motor Finance related to early settlement of loans; recognised £33 million provision

Supreme Court judgment

- £165 million motor finance commissions provision remains unchanged
- Positive outcome from Supreme Court judgment but uncertainty remains

Note: 1. Relative to the capital trajectory projected at the time of our Half Year 2024 results announcement in March 2024, prior to any management actions. 2. Pro-forma as at 31 July 2025, reflecting the estimated CET1 benefit from the sale of Winterflood. The recently announced sale of Winterflood Securities is expected to increase the group's CET1 capital ratio by c.55 basis points on a pro-forma basis, of which c.30 basis points will be recognised upon completion, with a further c.25 basis points expected in due course from the reduction in operational risk weighted assets.

Transitioning to a focused specialist bank

1878-2023: diversified merchant banking group

Strong track record

- Disciplined underwriting and pricing through the cycle
- Strong customer franchise and longstanding relationships
- Straightforward products and services
- Prudent management of financial resources

2024-25: resetting the business to drive stronger returns

Protecting our valuable franchise

- Navigating motor finance commissions uncertainty
- Over £400 million of CET1 capital generated or preserved through management actions
- £25 million of annualised cost savings delivered by end FY25
- Sold CBAM, Winterflood and Brewery Rentals
- Refocused Premium Finance
- Exiting Vehicle Hire
- Resolution of legacy Novitas issue

2025-2028: focused specialist bank

Simplify, Optimise, Grow

- A focused portfolio of specialist lending businesses
- Reducing our cost base and improving profitability
- Evaluating opportunities to optimise the balance sheet once uncertainty around motor commissions resolved
- Confident in the enduring growth opportunity across our chosen markets
- Building on our strong market position and brand reputation

A clear path to double digit returns

1 Strong positions in attractive markets

We operate in markets with long-term demand, offering sustainable growth opportunities

UK and Irish SMEs

Large addressable market

99.8% of UK businesses are SMEs[1]

Strong unmet demand, underserved by traditional banks

c.£22 billion funding gap[2]

Actively supported by Government policy and pro-growth agenda

UK's largest independent provider of Asset and Invoice Finance

1. Source: Business population estimates 2024 - GOV.UK
2. Source: Bank of England data for SME Finance March 2020

2 A focused specialist bank and a valuable customer franchise

Our specialist focus, deep customer relationships, and trusted brand allow us to differentiate and win in the markets we serve

- Offering deposits and additional borrowing capacity for SMEs and individuals
- High-touch service model drives strong customer satisfaction scores and high levels of repeat business
- Specialist teams with deep sector expertise through both direct and intermediated channels
- Reputable brand and valuable customer franchise supports strong margins and returns
- Consistent approach and support through the cycle

3 A clear strategy to rebuild returns

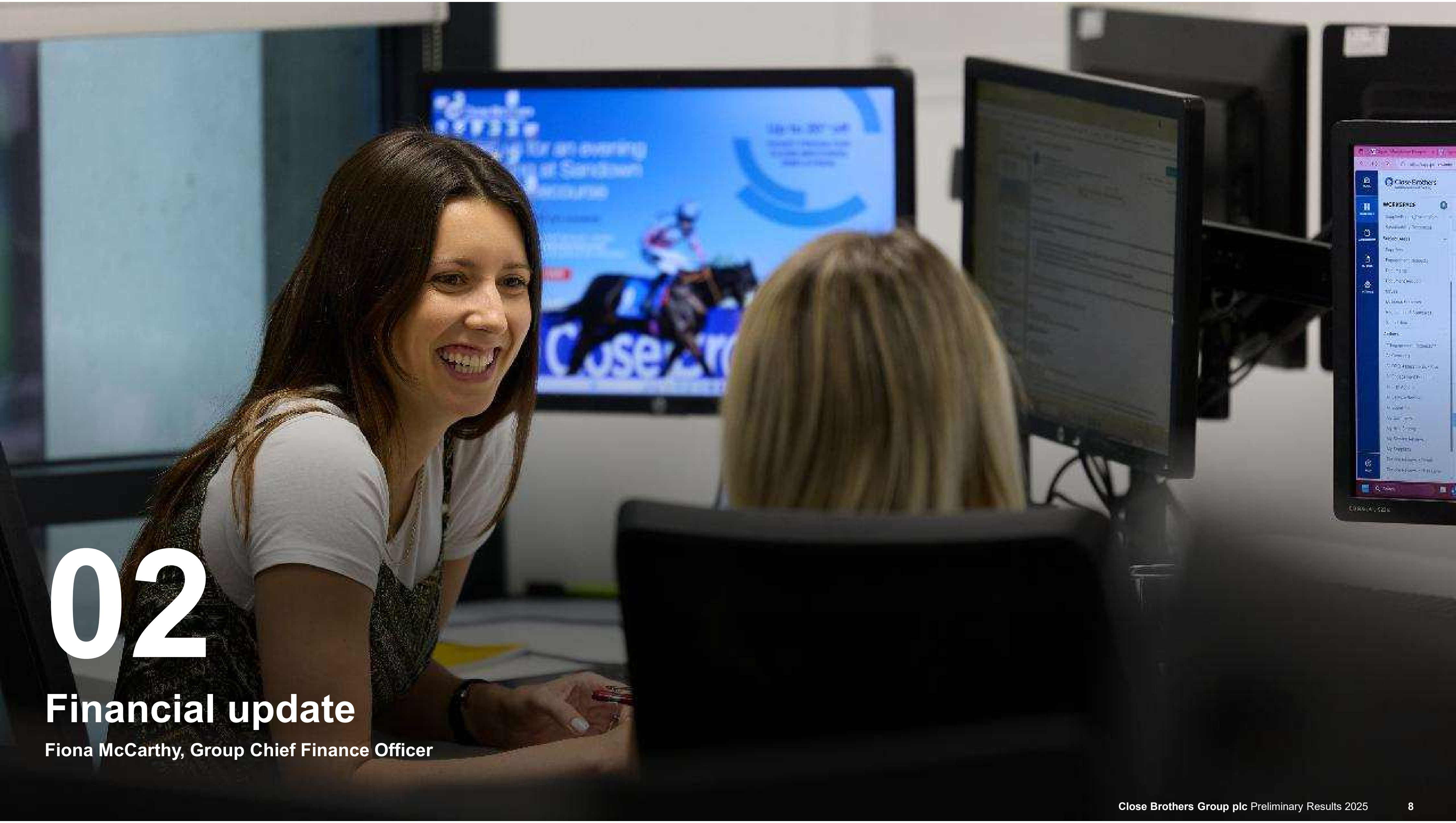
A simpler, more focused portfolio with a leadership team focused on delivery

Simplify

Optimise

Grow

Double digit RoTE by FY28, rising thereafter



02

Financial update

Fiona McCarthy, Group Chief Finance Officer

Overview of financial performance

Adjusted[1] operating profit ("AOP") of £144 million; RoTE[2] of 7.1%

Operating loss before tax of £122 million, mainly driven by £267 million of adjusting items

Strong capital, funding and liquidity, with CET1 capital ratio at 13.8%, c.14.3% following the sale of Winterflood[3]

Banking AOP of £198 million and operating loss of £54 million in Group (central functions)

Loan book down 4%, impacted by moderation actions. Strong net interest margin at 7.2% and bad debt ratio at 1.0%

Achieved annualised cost savings of £25 million by end FY25, against initial target of £20 million

Note: 1. Income Statement presented includes continuing and discontinued operations. Adjusted measures are presented on a basis consistent with prior periods and exclude any exceptional and adjusting items which do not reflect underlying trading performance. Current exceptional and adjusting items include; customer remediation provisions, operational or legal costs incurred in relation to an event that is deemed to be adjusting, businesses that are held for sale, the Vehicle Hire business which is in wind-down, restructuring costs and amortisation of intangible assets on acquisition. 2. Return on opening equity and return on average tangible equity have been restated for financial year 2024 to exclude discontinued operations. 3. Pro-forma as at 31 July 2025, reflecting the estimated CET1 benefit from the sale of Winterflood. The recently announced sale of Winterflood Securities is expected to increase the group's CET1 capital ratio by c.55 basis points on a pro-forma basis, of which c.30 basis points will be recognised upon completion, with a further c.25 basis points expected in due course from the reduction in operational risk weighted assets.

Unchanged provision in relation to motor finance commissions

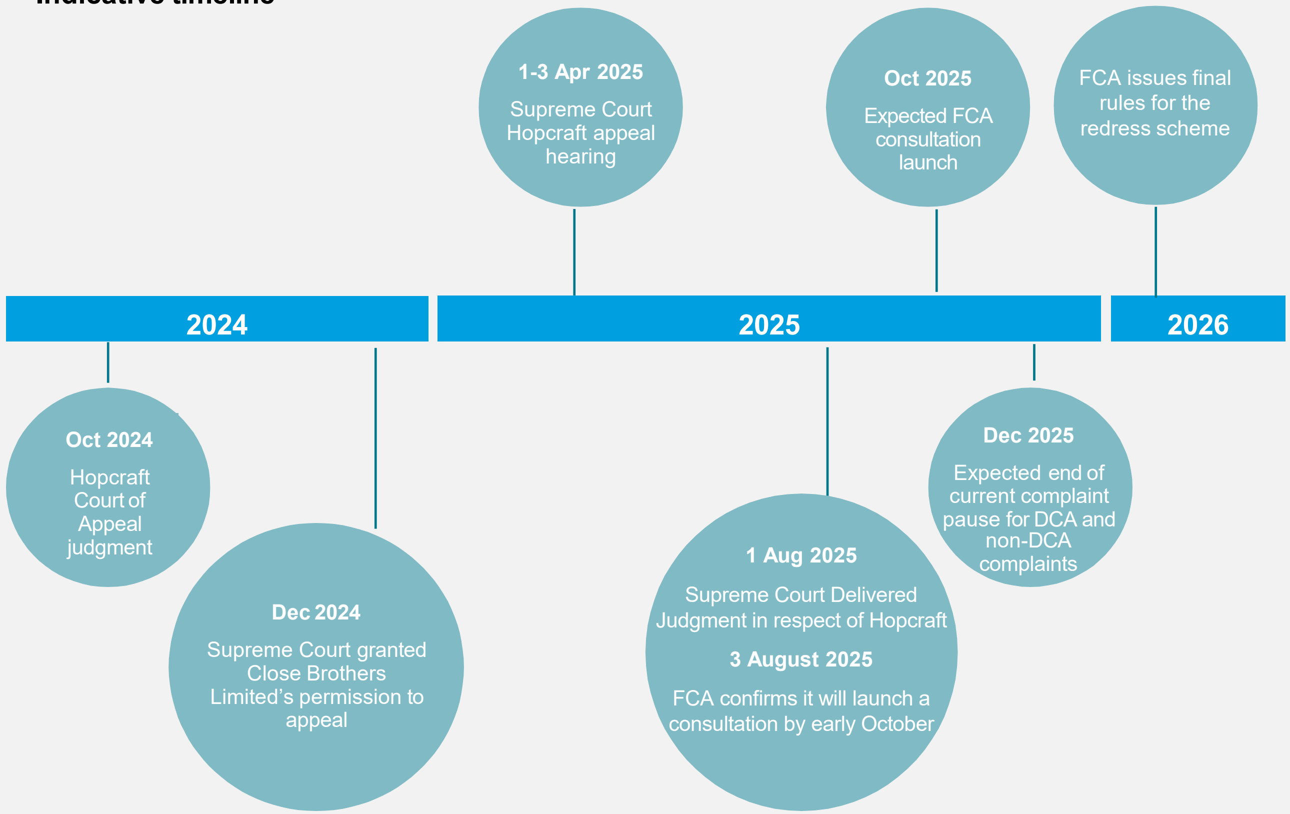
£165 million provision relating to motor finance commissions unchanged

Provision is a best estimate based on all available information and recent developments

Welcomed positive outcome of Supreme Court judgment in August 2025

Awaiting the outcome of the FCA consultation on the design and scope of an industry-wide redress scheme

Indicative timeline



Operating loss reflects adjusting items

£165.0 million provision charge in relation to motor finance commissions unchanged

- Covers estimated operational and legal costs and potential remediation for affected customers
- Reassessed in light of all available information and recent developments

£43.4 million operating loss from CBVH

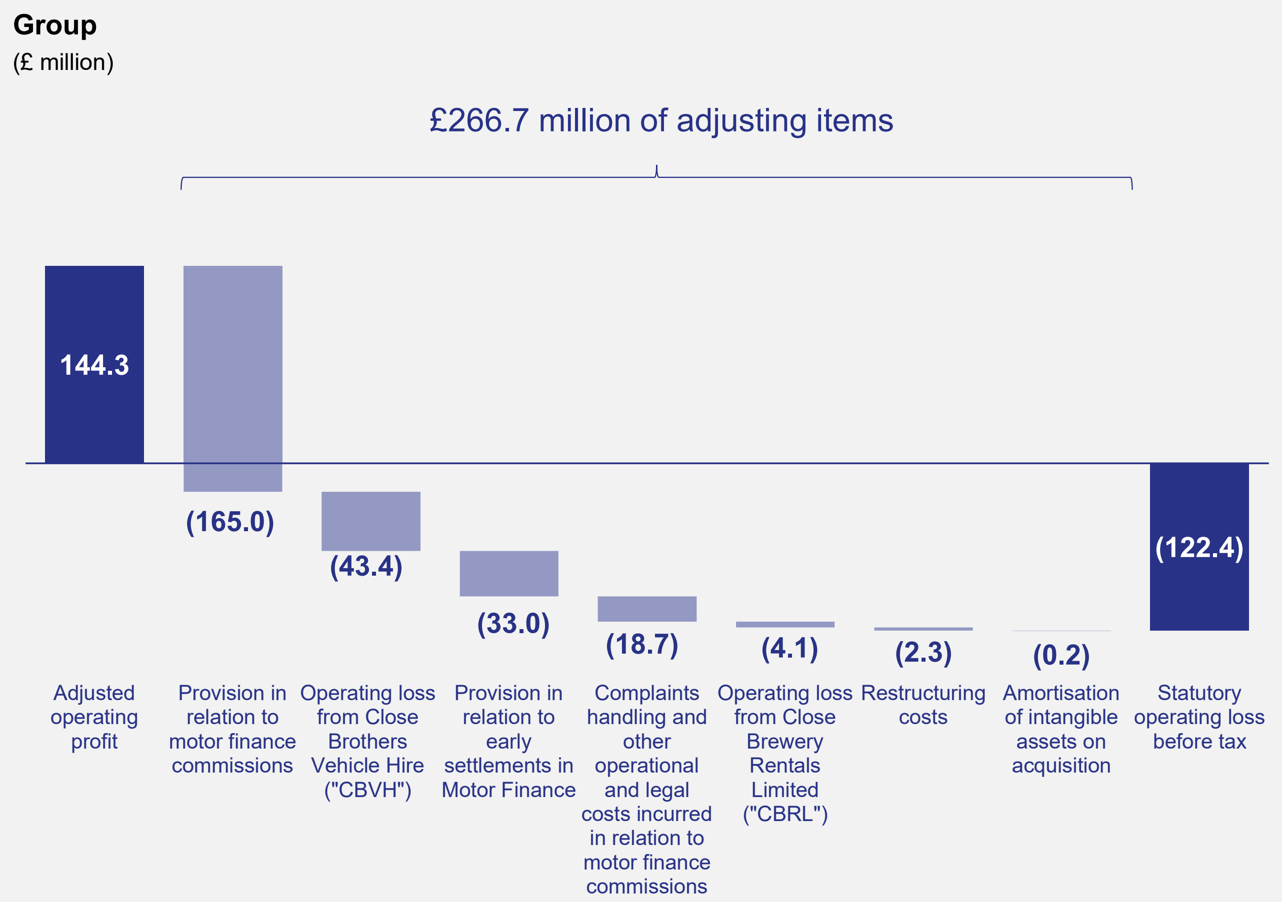
- Includes £10.9 million underlying loss; £30.0 million asset impairment and £2.5 million impairment of intangible assets
- Business to be wound down over 3-5 years

£33.0 million provision in relation to early settlements in Motor Finance

- Proactive customer remediation programme in Motor Finance in relation to early settlement of loans
- Follows the identification of historical deficiencies in certain operational processes

£18.7 million operational and legal costs incurred in relation to motor finance commissions

- Includes increased resourcing to manage complaints and legal expenses and unwinding of the discount relating to the time value of money
- Expect to incur single-digit millions in FY26



Income statement: resilient underlying performance

Resilient underlying performance

Reduced income driven by marginal decline in Banking as loan book reduced and lower Group interest income

Adjusted operating expenses slightly up due to higher Group legal and professional fees (c.£10 million), offsetting cost savings

Decline in impairment charges driven by an impairment credit in relation to Novitas

Statutory performance impacted by adjusting items

Discontinued operations

Profit after tax from discontinued operations (CBAM and Winterflood) of £49 million

The group will not pay a final dividend for FY25. Decision to reinstate dividends will be reviewed once there is further clarity on motor finance commissions

Continuing operations	2025 £ million	2024 £ million	Change %
Adjusted operating income	**681.2**	698.4	(2)
Adjusted operating expenses	**(445.1)**	(433.5)	3
Adjusted impairment losses	**(91.8)**	(97.3)	(6)
Adjusted operating profit	**144.3**	167.6	(14)
Banking	**198.3**	212.9	(7)
Commercial	**112.2**	97.0	16
Retail	**18.9**	37.9	(50)
Property	**67.2**	78.0	(14)
Group (central functions)	**(54.0)**	(45.3)	19
Adjusting items	**(266.7)**	(34.9)	n/a
Operating (loss)/profit before tax	**(122.4)**	132.7	(192)

Discontinued operations[1]	2025 £ million	2024 £ million	Change %
Close Brothers Asset Management	**63.9**	7.4	n/a
Winterflood	**(14.7)**	(2.3)	n/a
(Loss)/profit attributable to shareholders and other equity owners (continuing and discontinued operations)	**(77.9)**	100.4	(178)
Effective tax rate (“ETR”)[2]	**(3.8)**	28.2	n/a
Adjusted EPS (continuing operations)	**59.3**	75.8	
Dividend per share	**-**	-	

Notes:
1. Close Brothers Asset Management and Winterflood have been classified as “Discontinued operations” in the group’s income statement for the 2024 and 2025 financial years in line with the requirements of IFRS 5. The related assets and liabilities are classified as held for sale on the group’s balance sheet at 31 July 2025.
2. Excluding the £165.0 million provision in relation to motor finance commissions and £33.0 million provision for the proactive customer remediation programme in relation to early settlement of loans in Motor Finance recognised in the financial year, the ETR would have been c.22%.

Our Banking businesses

	Banking	Commercial	Retail	Property
Change in income	**(2)%**	**0%**	**(6)%**	**(2)%**
Loan book (year-on-year)	**£9.5bn** (-4%)	**£4.7bn** (-2%)	**£2.9bn** (-5%)	**£1.9bn** (-5%)
Net interest margin	**7.2%** (FY 24: 7.4%)	**6.6%** (FY 24: 6.7%)	**8.3%** (FY 24: 8.7%)	**6.9%** (FY 24: 7.3%)
Change in adjusted operating expenses	**1%**	**(1)%**	**3%**	**(3)%**
Bad debt ratio	**1.0%** (FY 24: 1.0%)	**0.4%** (FY 24: 0.6%)	**1.5%** (FY 24: 1.6%)	**1.5%** (FY 24: 1.1%)
Adjusted operating profit	**£198m** (FY 24: £213m)	**£112m** (FY 24: £97m)	**£19m** (FY 24: £38m)	**£67m** (FY 24: £78m)
Statutory operating (loss)/profit	**£(68)m** (FY 24: £178m)	**£63m** (FY 24: £87m)	**£(199)m** (FY 24: £14m)	**£67m** (FY 24: £78m)

Loan book performance

Loan book growth impacted by moderation actions

Loan book decreased 4%

Excluding businesses in run-off, loan book declined 3% to £9.4 billion

Novitas loan book reduced to £nil and legacy ROI loan book now at £32 million

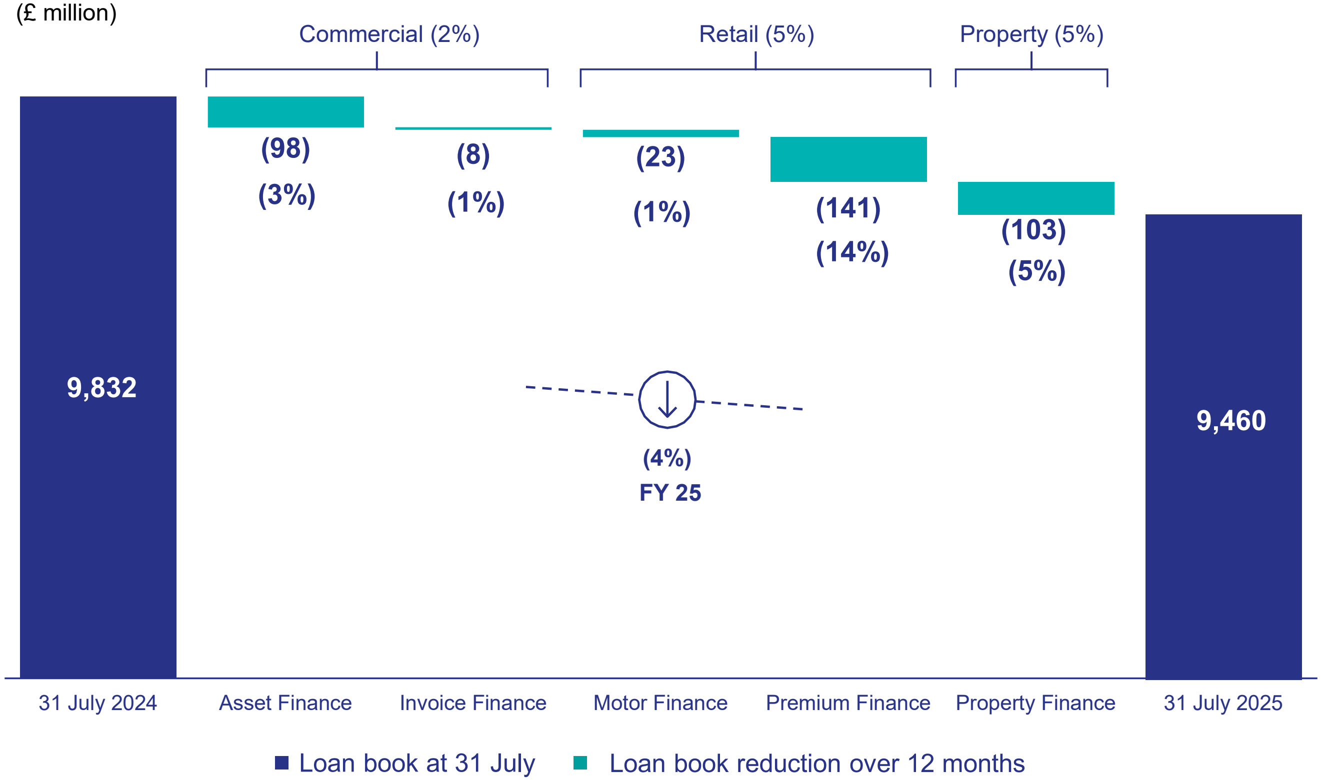
Key drivers: temporary pause in UK motor finance lending, loan book moderation measures, and lower activity in some of our markets in H2

Outlook

New business turned away in H1 highlights continuing demand in our markets

We have repositioned the business to focus on segments where we see mid to high single digit growth potential through the cycle, leaving us well positioned to benefit as the economy and demand recover

Loan book movement by business[1,2,3]
(£ million)



Notes:
1. Loan book includes operating lease assets of £1.3 million (31 July 2024: £1.0 million) and excludes £165.0 million (31 July 2024: £222.4 million) of operating lease assets related to Close Brothers Vehicle Hire, which is in wind-down, and £41.0 million of operating lease assets related to Close Brewery Rentals Limited (31 July 2024: £44.5 million) which has been classified as held for sale on the group's balance sheet as at 31 July 2025. At 31 July 2025: Motor Finance loan book included £32.1 million (31 July 2024: £92.8 million) relating to the legacy Republic of Ireland motor finance business, which is in run-off following the cessation of our previous partnership in the Republic of Ireland from 30 June 2022. Invoice Finance loan book had £nil of loans related to Novitas as of 31 July 2025 (31 July 2024: £62.4 million).
2. Numbers may not cast due to rounding.
3. Refer to Appendix 3 for a reconciliation of the loan book including and excluding businesses in run-off and further information on operating lease assets related to our Rentals businesses

Strong net interest margin at 7.2%

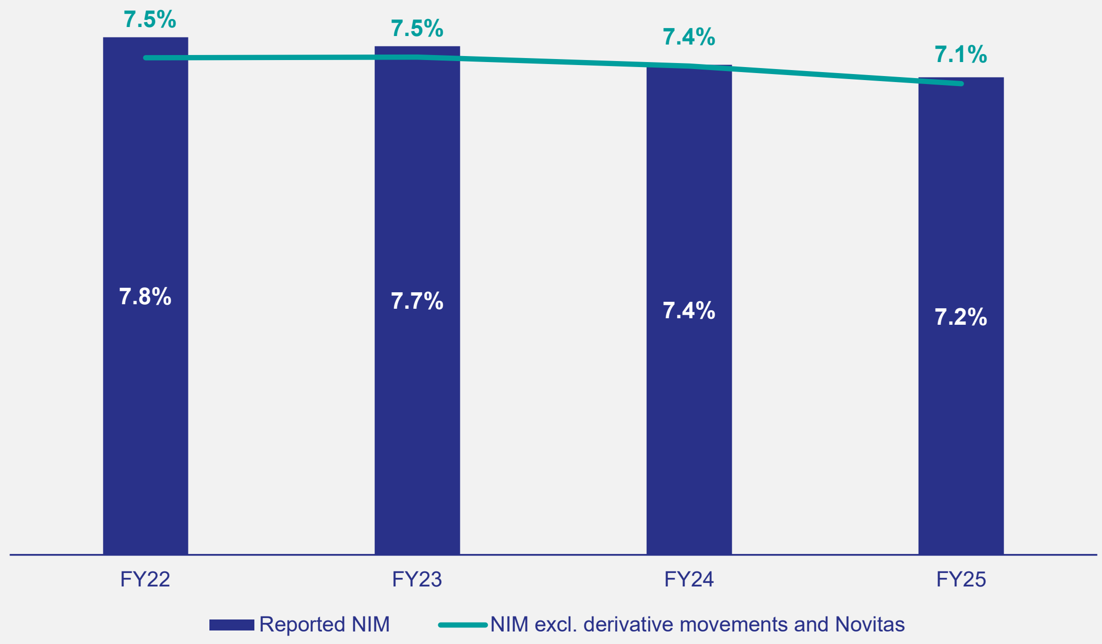
Key drivers of underlying NIM

- Strong focus on pricing discipline
- Continued pressure on new business margins from elevated SME funding costs in a higher rate environment
- Changes in lending mix

Outlook

In FY26, we expect the [reported] net interest margin to be slightly lower than 7%, reflecting loan book mix impacts

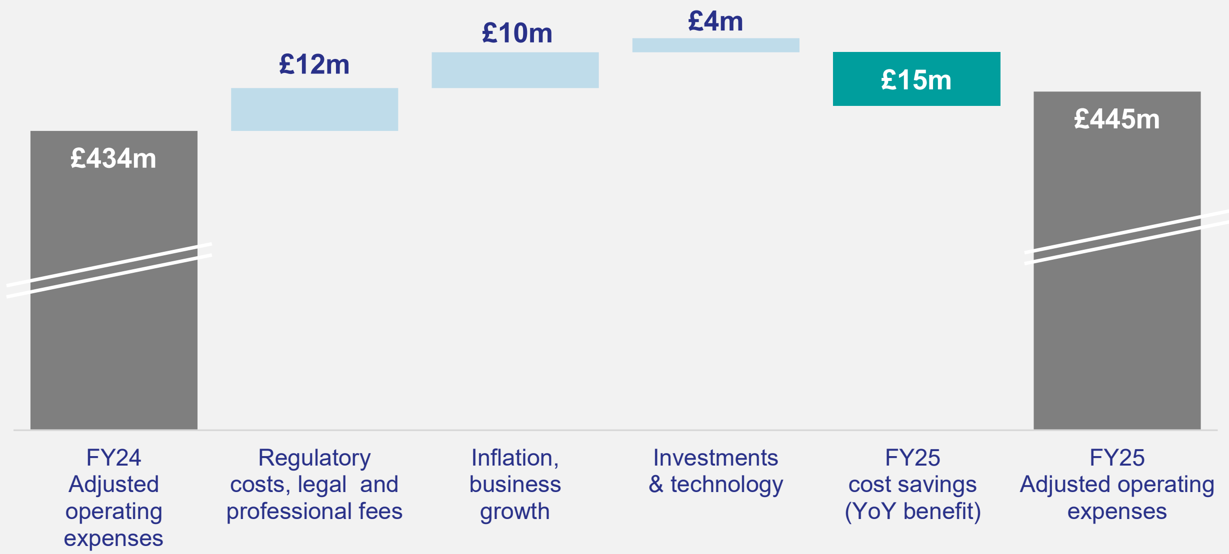
Net interest margin



Maintaining cost savings momentum

Delivered £25 million of annualised cost savings since March 2024[1]

Group adjusted operating expenses[2]
(£ million)



Notes:
1. Delivered c.£25 million of annualised savings since March 2024 and by the end of the 2025 financial year. Of this, c.£3 million benefit was recognised in the 2024 financial year and a further c.£15 million in the 2025 financial year, resulting in a cumulative benefit of c.£18 million in the 2025 financial year. A remaining benefit of £7 million will be recognised in the 2026 financial year. Excludes costs to achieve.
2. Excludes the impact of adjusting items which do not reflect the underlying performance of our business. Charts not to scale.

Total adjusted operating expenses increased by 3% in FY25, primarily reflecting higher Group (central functions) expenses. Adjusted Bank operating expenses increased 1%, in line with guidance

Committed to maintaining cost savings momentum to deliver a step change in operating profitability

We will deliver at least c.£20 million of additional annualised savings p.a. at group level in each of the next three years

Resilient credit performance

Stable bad debt ratio at 1.0%

£91.8 million of impairment charges, £5.5 million lower than FY24 driven by:

- Impairment credit in relation to Novitas
- Favourable macroeconomic impacts
- Partly offset by an increase in Property due to an increase in individually assessed provisions

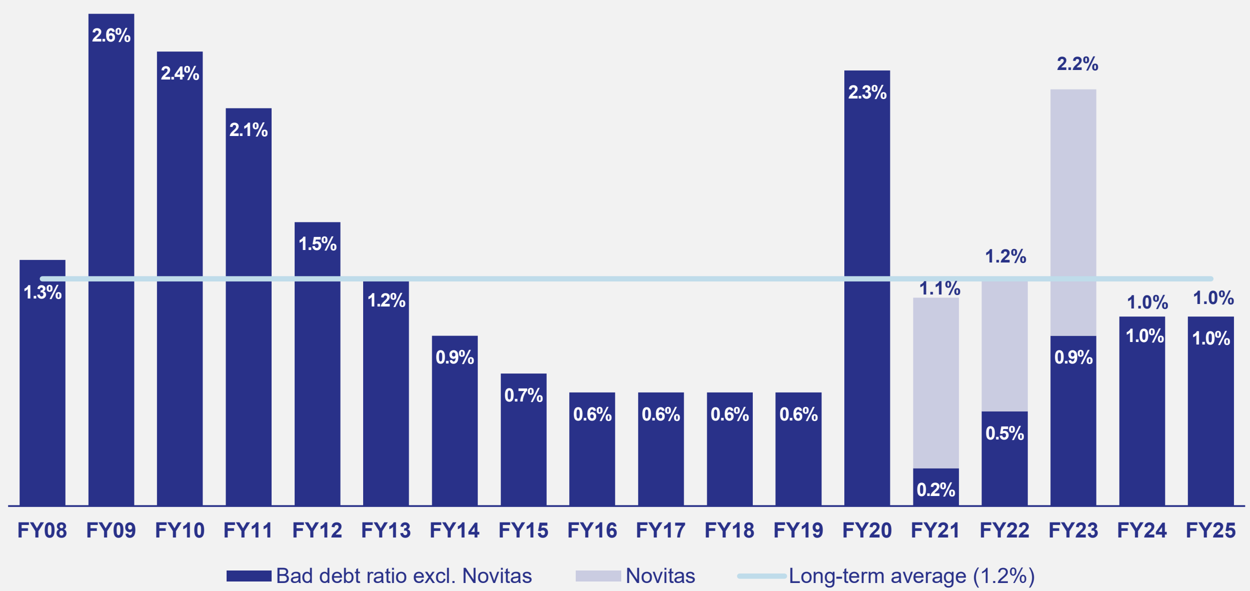
Outlook[1]

Closely monitoring evolving impacts of inflation and cost of living pressures on customers

Confident in the quality of our loan book: predominantly secured or structurally protected, prudently underwritten and diverse

Bad debt ratio for FY26 expected to remain below our long-term average of 1.2%

Long-term average bad debt ratio[2]



Notes:
1. Since the 2024 financial year end, we have updated the macroeconomic scenarios we source from Moody's Analytics to reflect the latest available information regarding the macroeconomic environment and outlook, with the weightings assigned to them remaining unchanged. At 31 July 2025, there was a 30% weighting to the upside, 32.5% weighting to the baseline, 20% weighting to the mild downside, 10.5% weighting to the moderate downside and 7% weighting to the protracted downside.
2. Long term bad debt ratio calculated using IAS 39 until the change to IFRS 9 in FY19. Long-term average bad debt ratio of 1.2% based on the average bad debt ratio for FY08-FY25, excluding Novitas from FY21 onwards and Rentals businesses from FY24.

Strong balance sheet

Prudent approach

Conservative funding strategy

Consciously maintained a higher level of liquidity, with LCR of 1,012%[1]

Diverse funding base

Continued strong access to funding markets

£300 million raised through Motor Finance funding securitisation

Retail deposits up 20% YoY to £6.8 billion

Predominantly term deposits, with only 13% available on demand

Average cost of funds in Banking marginally reduced to 5.4% (2024: 5.6%)

Credit ratings remain robust[2]

Total funding

£12.7 billion

Average maturity of funding allocated to loan book at 18 months[3]

Loan book[4]

£9.5 billion

Average maturity of the loan book at 15 months

Treasury assets

£2.8 billion

Includes £1.9 billion in cash with central banks

Over £800m Easy Access account balances

87% Retail deposits protected by FSCS[5]

Notes:
1. 12-month average liquidity coverage ratio (“LCR”).
2. Moody’s ratings for the group and CBL (Bank deposit rating) are Baa1/P2 and A2/P1 respectively (at 27 March 2025) and both remain under ‘review for downgrade’ following the Supreme Court judgment. Fitch Ratings (“Fitch”) ratings for both the group and CBL are BBB/F3 (at 6 August 2025) with a negative outlook.
3. Simple weighted average of the applicable funding allocated to the loan book. The applicable funding excludes equity (except AT1 instruments) and deducts funding held for liquidity purposes.
4. Loan book includes operating lease assets of £1.3 million (31 July 2024: £1.0 million) and excludes £165.0 million (31 July 2024: £222.4 million) of operating lease assets related to Close Brothers Vehicle Hire, which is in wind-down, and £41.0 million of operating lease assets related to Close Brewery Rentals Limited (31 July 2024: £44.5 million) which has been classified as held for sale on the group's balance sheet as at 31 July 2025.
5. Financial Services Compensation Scheme.

Strong capital position reflecting management actions

Strong capital position, despite impact from motor finance commissions provision

Lower RWAs – decline in credit risk RWAs driven by a reduction in loan book, and decline in operational risk RWAs related to CBAM

Pro-forma CET1 capital ratio at c.14.3%, after sale of Winterflood

Basel 3.1

Implementation date postponed to 1 Jan 2027

Expected to result in an increase of up to 10% in RWAs. Full offset in Pillar 2a requirements at total capital level is expected.

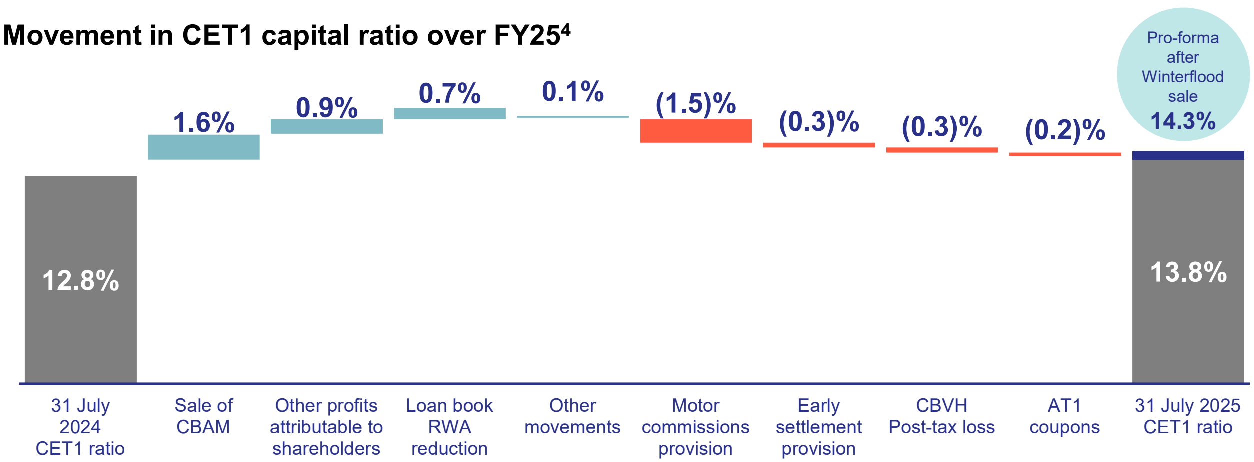
Expected to have a less significant impact on the group's capital headroom position than initially anticipated

Outlook

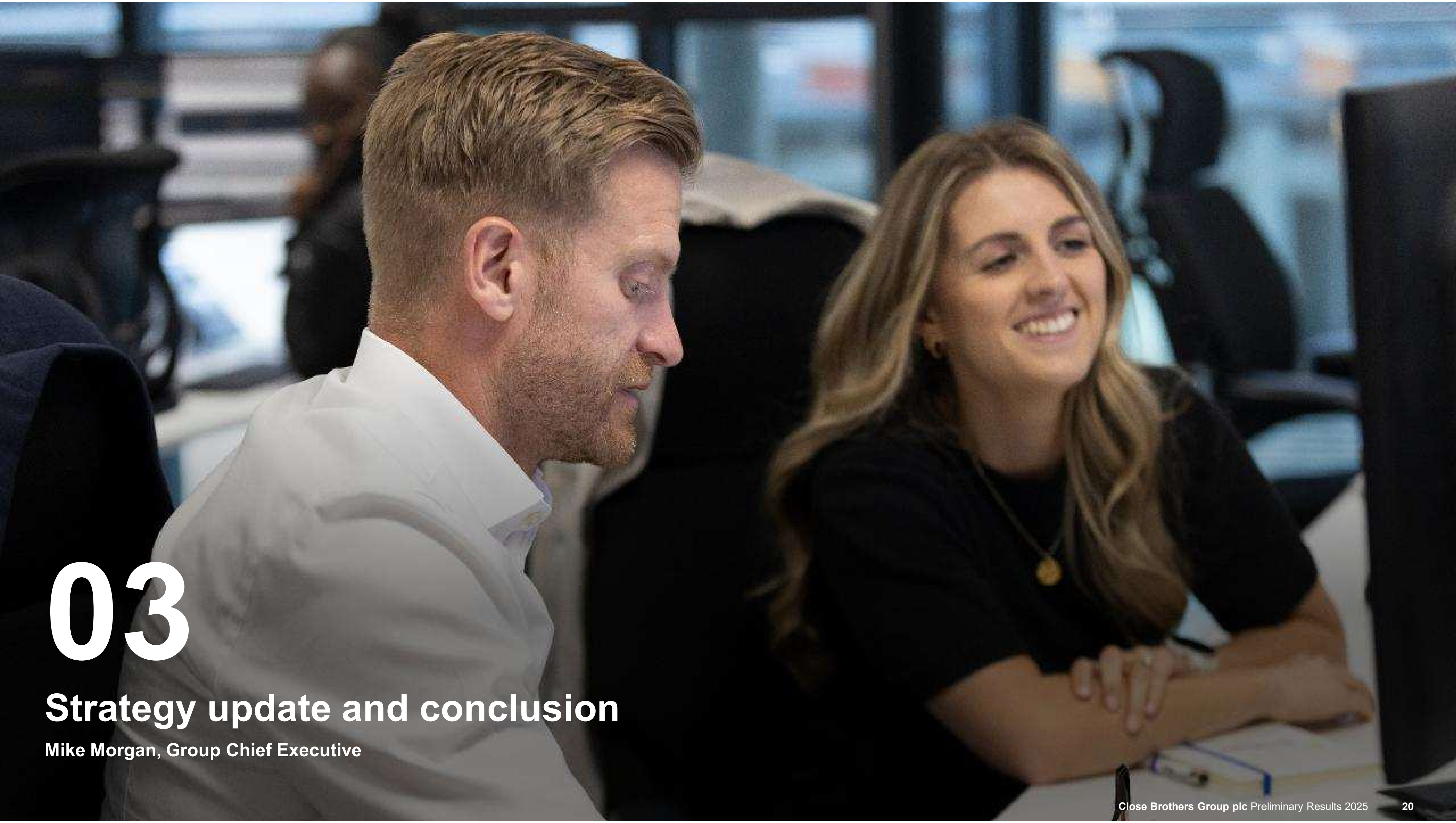
In the near-term, we expect to maintain our CET1 capital ratio above the top end of our medium-term target range of 12% to 13%, based on our current assessment of the provision in respect of motor finance commissions

	31 Jul 2025	31 Jul 2024
CET1 capital ratio (transitional)[1]	**13.8%**	12.8%
CET1 capital ratio (transitional) **pro-forma after Winterflood disposal**[2]	**c.14.3%**	n/a
Tier 1 capital ratio (transitional)	**15.8%**	14.7%
Total capital ratio (transitional)	**17.8%**	16.6%
Leverage ratio[3]	**12.9%**	12.7%
CET1 capital (£m)	**1,348.1**	1,374.8
RWAs (£m)	**9,798.5**	10,701.2

Movement in CET1 capital ratio over FY25[4]



Notes:
1. The fully loaded CET1 capital ratio, excluding the application of IFRS 9 transitional arrangements, was 13.7% at 31 July 2025 (31 July 2024: 12.7%).
2. Pro-forma CET1 capital ratio as at 31 July 2025, reflecting the estimated benefit of c.55 basis points in relation to sale of Winterflood.
3. The leverage ratio is calculated as tier 1 capital as a percentage of total balance sheet assets excluding central bank claims, adjusting for certain capital deductions, including intangible assets, and off-balance sheet exposures, in line with the UK leverage framework under CRR.
4. Numbers may not cast due to rounding.



03

Strategy update and conclusion

Mike Morgan, Group Chief Executive

A clear strategy to rebuild returns

Simplify

Exit or restructure underperforming, low returning businesses

Optimise

Cost reduction and a step-change in profitability

Grow

Drive sustainable growth across our chosen markets

Double digit RoTE by FY28, rising thereafter

Strategic priorities: Simplify

Portfolio review framework

1
Business model
Is it aligned with our core model?

2
Profitability & returns
Is it aligned with the group's targets?

3
Growth
Is future growth sustainable and attractive?

Continue as is and grow

- Businesses with strong strategic fit, profitability, returns and growth opportunities (**e.g. Property, Invoice and Energy)**

Improve

- Further investment required to improve profitability and returns **(e.g. Premium commercial lines)**
- High potential early-stage businesses **(e.g. Agriculture, materials handling and Motor Ireland)**

Restructure, dispose or run-down

- Businesses with limited turnaround potential without major capital investment **(e.g. Premium personal lines, Brewery and Vehicle Hire businesses)**

Notes:
1. Includes operating expenses related to CBAM, Winterflood, Close Brewery Rentals Limited, based on adjusted operating expenses incurred in the 2024 financial year.

Simplification agenda largely complete, delivering a focused portfolio of specialist banking businesses

Previously announced simplification actions

- Sale of CBAM, Winterflood and Brewery Rentals business
- Portfolio sales reduced cost base by c.£230 million[1], enabling further streamlining of operating model and central costs
- Repositioned Premium Finance to focus on commercial lines

Decision to wind-down Vehicle Hire business

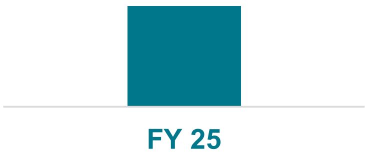
- Not strategically aligned with our core specialist lending expertise
- Performance has been impacted by a challenging market backdrop, particularly post-Covid

Strategic priorities: Optimise

Delivered £25 million of annualised savings by end of FY25[1]

Group adjusted operating expenses

£445 million



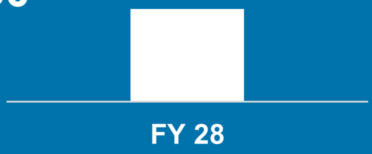
Notes:
1. Of this, c.£3 million benefit was recognised in the 2024 financial year and a further c.£15 million in the 2025 financial year, resulting in a cumulative benefit of c.£18 million in the 2025 financial year. A remaining benefit of £7 million will be recognised in the 2026 financial year. Excludes costs to achieve.

Committed to delivering at least c.£20 million of additional annualised savings in each of the next three years[2]

- Further consolidation and rationalisation of centrally provided functions
- Further outsourcing and offshoring through strategic partners
- Technology simplification, rationalisation, including automation and the use of AI

Group adjusted operating expenses[3]

£410-430 million



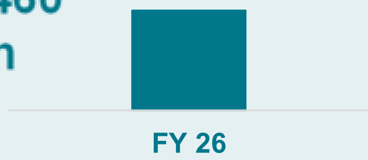
Notes:
1. Includes previously announced £20 million savings by FY30 following Premium Finance repositioning.
2. Subject to business growth and inflation.

Identified c.£20 million of annualised savings expected by end FY26[2]

- Reduction in short-term legal and professional fees related to motor commissions
- Initial benefit of Premium Finance repositioning and other initiatives
- Further optimisation of headcount and property
- Expect to incur c.£5-10 million of restructuring costs in FY26

Group adjusted operating expenses[3]

£440-460 million



Strategic priorities: Grow (Commercial)

Strong market positions and attractive growth opportunities in each of our chosen markets

Commercial

Market opportunity

- **Asset Finance:** c.8% share of c.£40 billion market[1]
- **Invoice Finance:** c.7% share of c.£22 billion market[1]
- SMEs are upgrading for efficiency, decarbonising fleets and processes, and digitising operations; all requiring the finance we provide: structured, expert-led, and technology-enabled

Note:
1. Market shares are estimated based on the Asset Finance and Invoice Finance businesses' loan books as a percentage of market sizes reported by the Finance & Leasing Association (FLA) and UK Finance, respectively.

Building on strong market positions

- UK's largest independent provider of Asset Finance
- UK's largest independent provider of Invoice Finance
- Specialist teams with deep sector expertise through both direct and intermediated channels

Growth priorities to 2028

1. Continue to grow mature businesses, especially Invoice Finance, Energy, and relaunched broker offering in Asset Finance
2. Scale new products and specialist teams, including commercial mortgages and agriculture

Strategic priorities: Grow (Retail)

Strong market positions and attractive growth opportunities in each of our chosen markets

Retail

Market opportunity

- **Motor:** Consumer preference shifting towards used cars (with increasing Electric Vehicle adoption)
- **Premium:** £12 billion+ addressable market, with growing demand from insurers, self-funders, and commercial brokers
- **Savings:** UK savings market remains competitive and attractive, supported by a large and growing deposit base and increasing customer demand for a broader range of products

Building on strong market positions

- **Motor:** Long standing relationships with c.5,000 motor dealers with strong Dealer Net Promoter Scores
- **Premium:** Established presence, working with over 1,100 brokers across the UK and Ireland; actively engaged with top-tier insurers and strategic broker groups
- **Savings**: Strong market position built through targeted customer segments; retail customer base now ~100k, with reach across SME and corporate platforms

Growth priorities to 2028

1. **Motor:** Expanding distribution through growth in the Irish market, and with larger partners and brokers
2. **Premium:** Renewed focus on commercial lines business, targeting new broker relationships and insurer partnerships. Expanding to support larger, international business, including strategic accounts
3. **Savings:** Expanding our retail offering and accelerating adoption of online services; continuing to support a diverse funding base for the loan book

Strategic priorities: Grow (Property)

Strong market positions and attractive growth opportunities in each of our chosen markets

Property

Market opportunity

- Challenging Build-to-Sell environment with uncertainty around planning, viability, and regulation but structural demand for housing persists
- Opportunity in Build-to-Rent and Student Accommodation due to rental demand and robust institutional investor interest

Building on strong market positions

- Strong customer loyalty with 70% of new business from repeat customers
- Over 50 years of lending to SME housebuilders, backed by a specialist team with an average tenure of 11 years
- Net Promoter Score of 90%

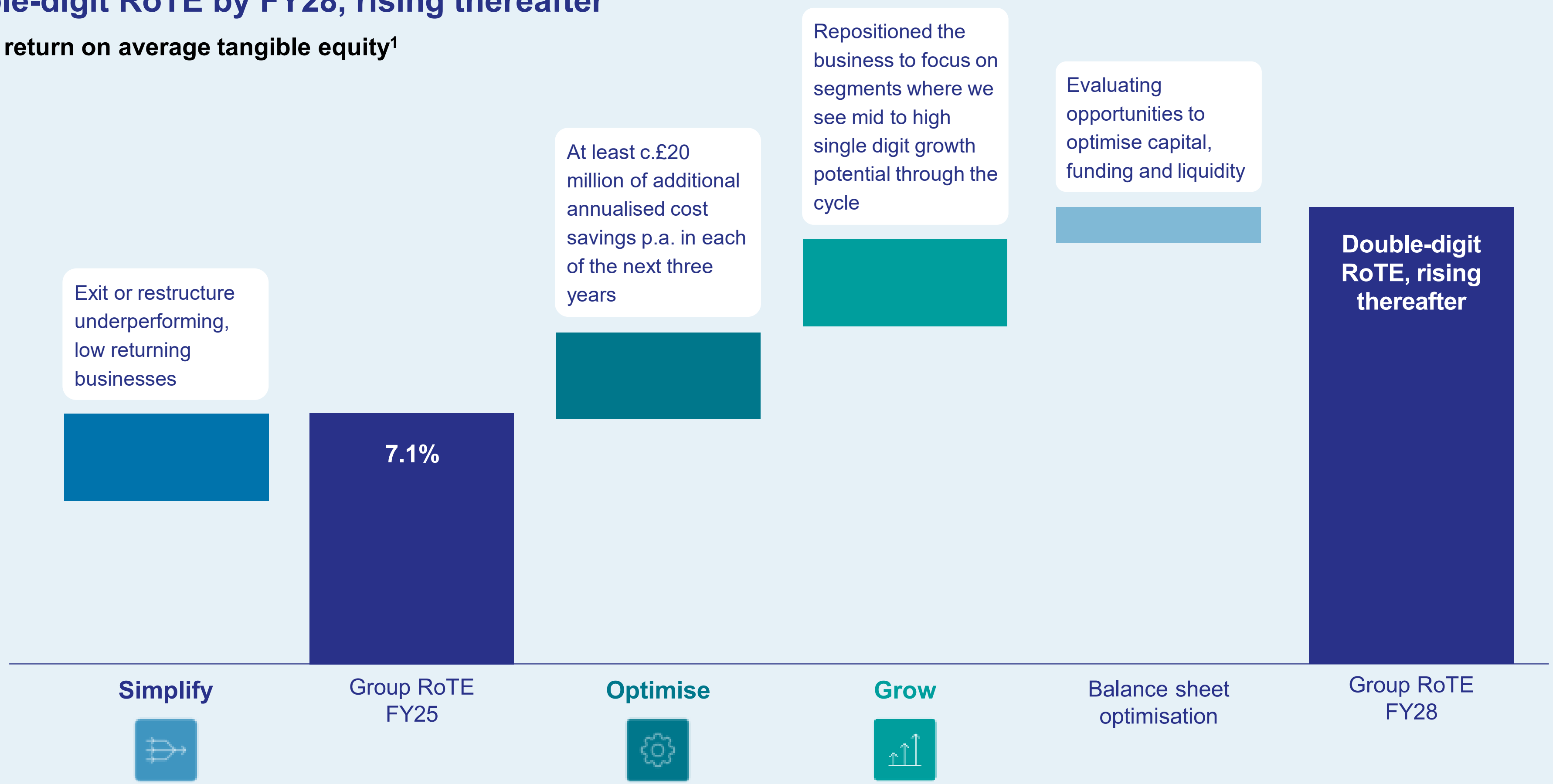
Growth priorities to 2028

1. Retain market share in SME Build-to-Sell market
2. Grow regional footprint
3. Expand product offering to meet evolving demand (e.g. larger build for sale loans, Build-to-Rent, Purpose Built Student Accommodation)

Returns outlook: a clear pathway to stronger returns

Double-digit RoTE by FY28, rising thereafter

Group return on average tangible equity[1]



Notes: 1. Return on average tangible equity defined as adjusted operating profit, less tax and AT1 coupons, divided by average total shareholders' equity, excluding intangible assets and AT1, for continuing operations. Over time, adjusted and reported metrics are expected to converge.

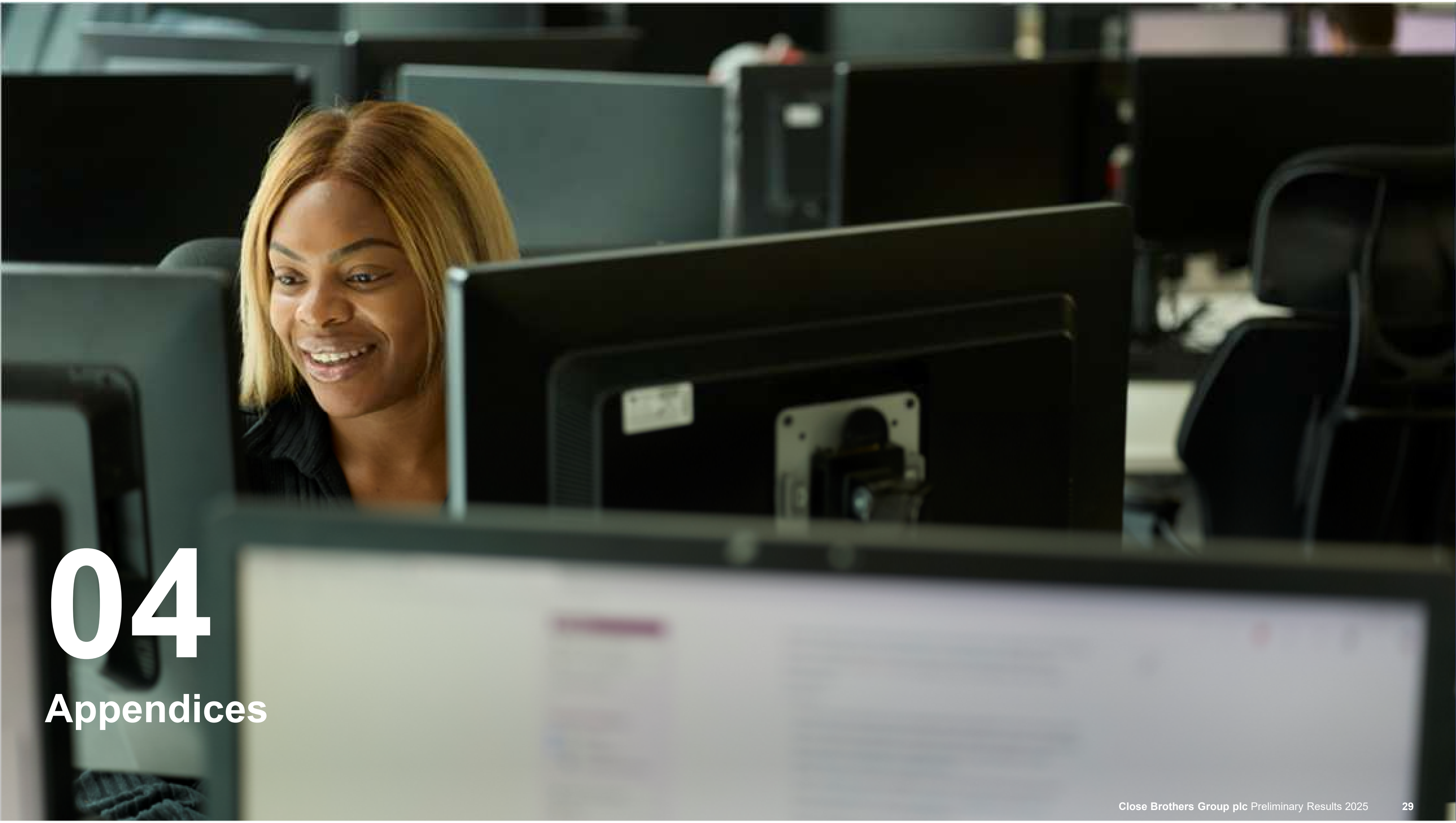
Conclusion

1. Our core business remains strong

2. Strong capital position, even after the impact of motor commissions provision and legacy matters

3. Reshaping the business to focus on core lending expertise

4. Clear strategy to rebuild returns over the next three years: Simplify, Optimise, Grow



04

Appendices

Appendix 1: Summary of guidance

Guidance

Banking

Loan book
We have repositioned the business to focus on segments where we see mid to high single digit growth potential through the cycle, leaving us well positioned to benefit as the economy and demand recover

Net interest margin
In the 2026 financial year, we expect the net interest margin to be slightly lower than 7%, reflecting loan book mix impacts

Bad debt ratio
We expect the bad debt ratio for the 2026 financial year to remain below our long-term average of 1.2%

Group (central functions)

We expect the operating loss from Group (central functions) to be c.£50 million in the 2026 financial year, reflecting a reduction in legal and professional fees

Appendix 1: Summary of guidance (ctd.)

Guidance

Group

Costs
- We are committed to delivering at least c.£20 million of additional annualised savings per annum in each of the next three years. As a result, we expect the group's adjusted operating expenses to be within the £410-430 million range by the 2028 financial year
- In the 2026 financial year, we expect to deliver c.£20 million of annualised savings. As a result, we expect the group's adjusted operating expenses to be within the £440-460 million range

Adjusting items
- We expect to incur c.£5-10 million of restructuring costs in the 2026 financial year as we implement further cost management actions
- We expect complaints handling expenses and other operational and legal costs in relation to motor finance commissions to be in the single-digit millions in the 2026 financial year

Dividends
As previously outlined, the reinstatement of dividends will be reviewed once there is further clarity on the financial impact of the FCA review of motor finance commission arrangements

Capital
In the near-term, we expect to maintain our CET1 capital ratio above our medium-term target range of 12% to 13%, based on our current assessment of the provision in respect of motor finance commissions

Appendix 2: Reconciliation from adjusted to statutory income statement

		Adjusting items reconciling adjusted to statutory performance									
Summary income statement for the year ended 31 July 2025	**Adjusted £ million**	Provision in relation to motor finance commissions £ million	Complaints handling and other operational and legal costs related to motor finance commissions £ million	Provision in relation to the BiFD review £ million	Provision in relation to early settlements in Motor Finance £ million	Restructuring costs £ million	Amortisation of intangible assets on acquisition £ million	Close Brewery Rentals Limited loss (held for sale) £ million	Close Brothers Vehicle Hire loss (in wind down) £ million	**Total adjusting items £ million**	**Statutory £ million**
Operating income	**681.2**	—	—	—	—	—	—	5.9	(27.6)	**(21.7)**	**659.5**
Operating expenses	**(445.1)**	(165.0)	(18.7)	—	(33.0)	(2.3)	(0.2)	(9.8)	(15.0)	**(244.0)**	**(689.1)**
Impairment losses on financial assets	**(91.8)**	—	—	—	—	—	—	(0.2)	(0.8)	**(1.0)**	**(92.8)**
Operating profit/(loss) before tax	**144.3**	(165.0)	(18.7)	—	(33.0)	(2.3)	(0.2)	(4.1)	(43.4)	**(266.7)**	**(122.4)**

Appendix 2: Reconciliation from adjusted to statutory income statement (ctd.)

Summary income statement for the year ended 31 July 2024	**Adjusted £ million**	Adjusting items reconciling adjusted to statutory performance: Provision in relation to motor finance commissions £ million	Complaints handling and other operational and legal costs related to motor finance commissions £ million	Provision in relation to the BiFD review £ million	Provision in relation to early settlements in Motor Finance £ million	Restructuring costs £ million	Amortisation of intangible assets on acquisition £ million	Close Brewery Rentals Limited loss (held for sale) £ million	Close Brothers Vehicle Hire loss (in wind down) £ million	**Total adjusting items £ million**	**Statutory £ million**
Operating income	**698.4**	—	—	—	—	—	—	6.6	8.4	**15.0**	**713.4**
Operating expenses	**(433.5)**	—	(6.9)	(17.2)	—	(3.1)	(0.2)	(8.0)	(12.9)	**(48.3)**	**(481.9)**
Impairment losses on financial assets	**(97.3)**	—	—	—	—	—	—	(0.7)	(0.9)	**(1.6)**	**(98.8)**
Operating profit/(loss) before tax	**167.6**	—	(6.9)	(17.2)	—	(3.1)	(0.2)	(2.1)	(5.4)	**(34.9)**	**132.7**

Appendix 3: Loan book reconciliation[1]

Loan book performance including and excluding businesses in run-off	31 July 2025 (£ million)	31 July 2024 (£ million)	Change %
Commercial	**4,729.3**	4,834.7	(2)
Asset Finance	**3,291.0**	3,388.5	(3)
Invoice and Speciality Finance[2]	**1,438.3**	1,446.2	(1)
Retail	**2,878.9**	3,041.9	(5)
Motor Finance[3]	**1,993.5**	2,016.0	(1)
Premium Finance	**885.4**	1,025.9	(14)
Property	**1,852.5**	1,955.2	(5)
Closing loan book and operating lease assets as reported[4]	**9,460.7**	9,831.8	(4)
Close Brothers Vehicle Hire operating lease assets (in wind-down)	**165.0**	222.4	(26)
Closing loan book and operating lease assets including CBVH	**9,625.7**	1,0054.2	(4)
Close Brewery Rentals Limited (held for sale)	**41.0**	44.5	(8)
Total closing loan book and operating lease assets	**9,666.7**	1,0098.7	(4)

1 Loan book includes operating lease assets of £1.3 million (31 July 2024: £1.0 million) and excludes £165.0 million (31 July 2024: £222.4 million) of operating lease assets related to Close Brothers Vehicle Hire, which is in wind-down, and £41.0 million of operating lease assets related to Close Brewery Rentals Limited (31 July 2024: £44.5 million) which has been classified as held for sale on the group's balance sheet as at 31 July 2025.
2 Invoice and Speciality Finance includes £62.4 million of loans related to Novitas as at 31 July 2024, which feel to £nil loans as at 31 July 2025 following the settlement of long-standing litigation in this business.
3 The Motor Finance loan book includes £32.1 million (31 July 2024: £92.8 million) relating to the Republic of Ireland Motor Finance business, which is in run-off following the cessation of our previous partnership in the Republic of Ireland from 30 June 2022.
4 Includes operating lease assets of £1.3 million (31 July 2024: £1.0 million).

Appendix 4: Banking – Financial performance

Adjusted operating income impacted by loan book moderation measures and legacy book run-off

Net interest margin strong at 7.2%

Adjusted operating expenses increased 1%, as cost savings were broadly offset by wage inflation and spend on technology and expansion of capabilities across the business

Resilient credit performance overall; bad debt ratio at 1.0%

Statutory operating loss of £68 million driven by the provision in relation to motor finance commissions and other adjusting items

	2025 £ million	2024 £ million	Change %
Adjusted operating income	**692.9**	709.9	(2)
Adjusted operating expenses	**(402.8)**	(399.7)	1
Adjusted impairment losses on financial assets	**(91.8)**	(97.3)	(6)
Adjusted operating profit (continuing operations)	**198.3**	212.9	(7)
Adjusted operating profit, pre provisions for impairment losses	**290.1**	310.2	(6)
Adjusting items:			
Provision in relation to motor finance commissions	**(165.0)**	—	n/a
Complaints handling and other operational and legal costs incurred in relation to motor finance commissions	**(18.7)**	(6.9)	171
Provision in relation to BiFD review	**—**	(17.2)	(100)
Provision in relation to early settlements in Motor Finance	**(33.0)**	—	n/a
Restructuring costs	**(2.3)**	(3.1)	(26)
Amortisation of intangible assets on acquisition	**(0.2)**	(0.2)	—
Operating loss from Close Brewery Rentals	**(4.1)**	(2.1)	95
Operating loss from Close Brothers Vehicle Hire	**(43.4)**	(5.4)	n/a
Statutory operating (loss)/profit (continuing operations)	**(68.4)**	178.0	(138)
Net interest margin	**7.2%**	7.4%	
Expense/income ratio	**58%**	56%	
Bad debt ratio	**1.0%**	1.0%	
Return on net loan book	**2.1%**	2.2%	
Return on opening equity	**8.6%**	11.0%	
Closing loan book and operating lease assets (continuing operations)	**9,460.7**	9,831.8	(4)

Appendix 5: Group (central functions) – Financial performance

Income decreased reflecting lower cash balances and lower interest rates

Expenses rose to £42.3 million, primarily driven by an increase in legal and professional fees related to motor finance commissions

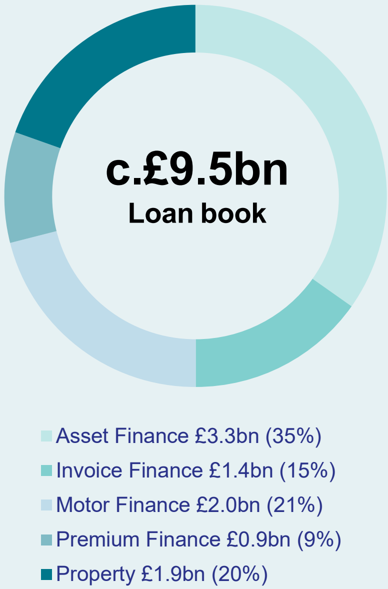
Operating loss increased to 19% £54.0 million, due to increased legal and professional fees associated with the impact of the FCA's ongoing review and the Supreme Court appeal

We expect the operating loss from Group (central functions) to be c.£50 million in the 2026 financial year, reflecting a reduction in the level of legal and professional fees

	2025 £ million	2024 £ million	Change %
Operating income/(expense)	**(11.7)**	(11.5)	2
Total operating expenses	**(42.3)**	(33.8)	25%
Operating profit/(loss) from continuing operations	**(54.0)**	(45.3)	19%

Appendix 6: A focused specialist bank

Providing additional borrowing capacity for SMEs and consumers seeking expertise, relationships and service



Commercial
Funding solutions to SMEs through direct sales force and third-party distribution Channels

Retail
Motor and Premium Finance solutions to consumers and small businesses through a network of intermediaries in the UK and Ireland

Property
Short-term residential development finance for experienced professionals and offers refurbishment and bridging loans

With a diverse funding base, including a strong Savings franchise

Savings
Simple and straightforward savings products to individuals and businesses with £8.8 billion of customer deposits as at 31 July 2025

Appendix 7: Lending model

A proven and resilient lending model

		Core products and security[1]	Average loan size[2,3]	Typical loan maturity[2,3]
Long track record of disciplined and consistent lending through the cycle	Asset Finance & Leasing	• Commercial asset financing, hire purchase and leasing solutions • Diverse range of assets and sectors	c.£50k	3 – 4 years
Predominantly secured loan book, with short tenors and low average loan sizes	Invoice Finance & Speciality Finance	• Debt factoring, invoice discounting and asset-based lending	c.£600k	4 months
Experience in underwriting, collections and credit risk management	Motor Finance	• Point of sale finance for predominantly used vehicles • PCP c.10% of the loan book	c.£7k	4 years
Scenario planning to leverage internal expertise and experience	Premium Finance	• Personal and commercial insurance policies • Policy refundability and/or broker recourse	c.£600	11 months
Well positioned to protect the business and maximise opportunity in the event of a downturn	Property Finance	• Residential development finance, Build-to-Rent, student accommodation, refurbishment and bridging loans • Typical LTVs below standard market levels	c.£2,100k	12 – 24 months[4]

Notes:
1. Lending statistic figures are for illustrative purposes only and may not be representative of all loan types. The profile of individual loans may vary significantly.
2. Approximations at 31 July 2025.
3. Typical loan maturities for new business on a contractual basis, except core Invoice Finance which is on a behavioural basis. Average loan size and typical loan maturity include the Invoice Finance business only.
4. Typical development loan maturity.

Appendix 8: Highly experienced leadership team

Mike Morgan, Group Chief Executive

- Mike was appointed Chief Executive in January 2025, after previously serving as Group Finance Director since November 2018
- Between 2010 and 2018, Mike was Chief Financial Officer of the Banking division, and has been a director of Close Brothers Limited since 2010
- Prior to this, Mike was a divisional finance director at RBS and held various senior roles at Scottish Provident

Matt Roper, CEO Commercial

- Matt was appointed CEO of Commercial for Close Brothers in August 2023
- He joined Close Brothers as Group Chief Credit Officer in 2018 and was subsequently appointed CEO of Invoice & Speciality Finance in 2021
- Matt previously held senior roles at Barclays

Phil Hooper, CEO Property

- Phil joined the Property Finance division of Close Brothers as CEO in December 2023
- Phil joined the Bank from Pluto Finance where he was Head of Lending
- He previously spent 36 years at NatWest Bank, latterly as Head of Real Estate where he managed the UK loan book of £30 billion

Fiona McCarthy, Group Chief Finance Officer

- Fiona was appointed Group Chief Finance Officer in January 2025
- She joined Close Brothers in 2019 as Group Financial Planning & Analysis Director
- Prior to this, Fiona worked at UBS, most latterly as interim CFO for the global investment bank. She started her career at NatWest, where she undertook a number of senior Finance roles

Ian Cowie, CEO Retail

- Ian was appointed CEO of Retail for Close Brothers in October 2023
- Prior to joining Close Brothers, he was most recently Chief Executive Officer at Shawbrook Bank. Before that, Ian held a number of Managing Director roles within Banking at the Royal Bank of Scotland Group, where he had leadership responsibility for SME Banking, Lombard Asset Finance and RBS Invoice Finance

Bradley Dyer, CEO Winterflood

- Bradley joined Winterflood in 2004 as a senior dealer and was appointed Associate Director in 2014
- He was appointed to the Winterflood Board as a Director in 2017 and became Head of Trading in 2018, with overall responsibility for trading across all sectors. He was promoted to Managing Director in April 2022 and was appointed as CEO of Winterflood from 20 September 2022

Appendix 8: Highly experienced leadership team (ctd.)

Robert Sack, Group Chief Risk Officer

- Robert joined Close Brothers in April 2015 as Group Chief Risk Officer, coming from Barclays, where he had previously been Group Head of Wholesale Risk and Chief Risk Officer for Africa
- Robert was also Chief Credit Officer for Barclays International Division as well as working for Barclays Capital in the Americas and globally for Standard Bank

Sarah Peazer-Davies, General Counsel and Company Secretary

- Sarah was appointed Group General Counsel and Company Secretary in January 2025
- Sarah joined Close Brothers in April 2015 from Magic Circle law firm, Slaughter and May
- Whilst at Close Brothers, Sarah has previously advised the Retail businesses, been Head of Legal for CBAM and been Group Company Secretary and Head of Legal - Corporate

Nazrul Kazi, Group Head of Internal Audit

- Nazrul was appointed as Group Head of Internal Audit in September 2022
- Nazrul has over 20 years' experience in internal audit. He began his audit career at KPMG, then joined the Coventry Building Society within internal audit before moving to GE Capital in the role of Head of Internal Audit. Lately, Nazrul was Group Audit Director for Aldermore Group where he set up the group internal audit function

Yogesh Sholapurkar, Group Chief Technology Officer

- Yogesh was appointed Group Chief Technology Officer in July 2025
- Yogesh joined Close Brothers in December 2020, and has held the roles of Bank CIO, CIO for Commercial, Treasury & Savings and Group Central Functions.
- He has over 30 years in Banking and Financial Services Technology and has previously worked at Citibank and Lloyds

Rebekah Etherington, Group Head of Human Resources

- Rebekah joined Close Brothers in October 2009 as Group Head of HR
- Prior to this, she was at Royal Bank of Scotland Group as Head of Human Resources for the banking and fixed income capital markets business in the Americas, with global responsibility for the RBS Sempra Commodities Trading companies

Appendix 9: Sustainability

Our responsibility remains fundamental to our purpose, strategy and culture

E

Our car fleet
is now
61.6%
battery electric with average stated emissions down to 14.7 gCO_2/km

E

Our emissions
53%
reduction in scope 1 and 2 emissions (market-based) since 2019 (2024: 42%)

20%
reduction in scope 1 and 2 emissions (market-based) in 2025

E

Our green lending
£1 billion+
has been financed by our energy team across multiple renewable energy projects over the last 10 years

2025: £154m
lending for zero emissions battery electric vehicles achieved in this financial year (2024: £152.4 million)

S

Our culture
90%
employees believe they are treated with respect (2023: 94%[1])

S

Our inclusivity
91%
of our colleagues feel included (2024: 90%)

S

Our communities
119
children have been supported by Close Brothers colleagues volunteering for Bookmark Reading Charity since the start of our partnership in 2020

S

Our charitable giving
£100,000
donated to charities aligned with our ESG goals (2024: £100,000)

G

Our Board
56%
female directors on the Board and now meeting the FCA Listing Rule requirement to have one of the most senior Board positions occupied by a female director

S

Our social mobility
Last summer we welcomed 32 students to complete six-week internships with Close Brothers from the 10,000 Interns Foundation and through our partnership with UpReach (2024: 35 students)

E Environmental
S Social
G Governance

Notes:
1. 2023 score provided for comparison as this question was not included in the 2024 employee opinion survey.