Close Brothers Group plc

# Country-by-Country Reporting for the year ended 31 July 2025

The following table is disclosed in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 for the year ended 31 July 2025:

**AUDITED**

| Country[3] | Description of Activity | Turnover £m[1] | Profit/(Loss) before tax £m[1] | Corporation tax paid £m[4] | Public subsidies received £m[5] | Average number of full time employees[6] |
|---|---|---|---|---|---|---|
| **United Kingdom** | Financial services | 804.8 | (64.8) | (27.0) | - | 3,364 |
| **Channel Islands** | Financial services | 5.5 | (0.7) | (0.1) | - | 22 |
| **Germany** | Specialist lending | 2.6 | (0.3) | (0.0) | - | 28 |
| **Ireland** | Specialist lending | 19.3 | (5.4) | (1.0) | - | 83 |
| **Total turnover and profit/(loss) before tax** | | 832.2 | (71.2) | | | |
| **Reclassification of discontinued operations[1,2]** | | (172.7) | (51.2) | | | |
| **Group Total[7]** | | 659.5 | (122.4) | (28.1) | - | 3,497 |

Notes:

1. In the Close Brothers Group plc 2025 Annual Report, Close Brothers Asset Management, Winterflood Securities and impacts associated with these disposals recognised within Close Brothers Holdings were presented as discontinued operations. This resulted in a reclassification of Turnover and Profit/(Loss) before tax to Profit from discontinued operations, net of tax in the Consolidated Income Statement. Turnover and Profit/(Loss) before tax are presented in this Country by Country Reporting on a gross basis (before these reclassifications), consistent with previous reporting.
The above was prepared in accordance with the group's accounting policies detailed in note 1 within the Close Brothers Group plc Annual Report 2025.
2. This row reverses the impact on Turnover and Profit/(Loss) before tax related to discontinued operations to enable reconciliation to the 2025 Annual Report.
3. In accordance with the guidance issued by HM Treasury we have considered the country of incorporation of legal entities and the jurisdiction of residence for branches. A list of the group's subsidiaries including country of incorporation can be found in note 28 "Investments in subsidiaries" of the Close Brothers Group plc Annual Report 2025.
4. The corporation tax paid numbers disclosed are corporate income taxes only. Of the total £28.1m paid, £2.9m relates to discontinued operations (United Kingdom: £2.9m).
5. There were no public subsidies, as defined by the regulations, received for the year ended 31 July 2025.
6. Calculated as the average number of employees on a monthly full time equivalent basis. Of the 3,497 total average number of full time employees, 755 relate to discontinued operations (United Kingdom: 754, Channel Islands: 1)
7. Agreed to the Close Brothers Group plc 2025 Annual Report Operating loss before tax (from continuing operations).

# *Independent auditors' report to the directors of Close Brothers Group Plc*

## Report on the audit of the country-by-country information

### Opinion

In our opinion, Close Brothers Group Plc's country-by-country information for the year ended 31 July 2025 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 July 2025 in the Country- by- Country Reporting.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to the notes of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the Directors' going concern assessment process, including the preparation and approval of the Board approved forecast covering the period of the going concern assessment to December 2026. We evaluated the forecasting method adopted by the Directors in assessing going concern, including considering a severe but plausible downside scenario and sensitivities to that scenario;
- Evaluation of management's financial and regulatory capital forecasts. We checked the mathematical accuracy of the forecasts and evaluated the key assumptions using our understanding of the group and external evidence where appropriate. We used our Prudential Regulatory experts to consider the Bank's risk weighted assets and forecast capital requirement assumptions. We also considered historic budgeting accuracy;
- Evaluation of the appropriateness of management's severe but plausible scenarios using our understanding of the group and the external environment. Our evaluation included considering the capital capacity projected for the Bank and Group, and the ability to absorb a severe but plausible outcome and the capacity to absorb losses and increases in risk weighted assets beyond the impacts modelled, in particular in relation to the FCA review of motor commissions. We considered the mitigating actions that management identified, including loan book moderation, and assessed whether these were in the control of management and possible in the going concern period of assessment;
- Considering management's stress testing of liquidity. We substantiated the liquid resources held, and liquidity facilities available to the group, for example, with the Bank of England. We also assessed the risks associated with credit rating downgrades on the funding structure of the group and considered the group's funding strategy.
- Reviewing correspondence between the group and its regulators, with a focus on communications that may influence the going concern assessment and highlight potential capital or liquidity concerns. During the audit, we met with the PRA to gain an understanding of their views on the group's risk profile and capital position.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Responsibilities for the country-by-country information and the audit

### *Responsibilities of the directors for the country-by-country information*

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in the notes and accounting policies in the notes to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company/industry, we identified that the principal risks of non-compliance with laws and regulations related to Prudential Regulation Authority ("PRA"), Financial Conduct Authority ("FCA') and United Kingdom Tax Legislation, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as applicable tax legislation and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls), and determined that the principal risks were related to misstatement in disclosure. Audit procedures performed included:

- Obtaining an understanding of the relevant laws and regulations, including the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013;
- Determining whether the presentation and classification by country is in accordance with the applicable financial reporting framework;
- Obtaining client schedules and other information used to prepare country-by-country disclosures and agreeing to audit work performed and audit evidence; and
- Enquiring with management and, where appropriate, those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

The engagement partner responsible for this audit is Heather Varley.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
**3 October 2025**