

Our Businesses

Close Brothers is a leading UK merchant banking group providing lending, wealth management services and securities trading. We employ approximately 4,000 people across 54 offices, predominantly in the UK and Ireland.

Banking

Commercial

Adjusted operating profit

£91.0m

2021: £52.8m

The **Commercial** businesses lend principally to small and medium-sized enterprises ("SME"), both through their direct sales force and via third party distribution channels. Their highly specialist sales force operates from offices throughout the UK, Ireland and Germany.

The **Asset Finance** business has over 26,000 customers and provides commercial asset financing, hire-purchase and leasing solutions for a diverse range of assets and sectors, including the financing of commercial vehicles, machine tools, contractors' plant, printing equipment, company car fleets, energy production, and aircraft and marine vessels.

Loan book¹: **£3.0 billion**

Average loan size: **£59,000**

Typical loan maturity²: **3 to 4 years**

The **Invoice and Speciality Finance** business works with c.5,700 small businesses, providing debt factoring, invoice discounting and asset-based lending. It also includes our smaller specialist businesses such as Novitas Loans ("Novitas")⁴, a specialist provider of finance for the legal sector, Brewery Rentals, which provides solutions for brewery equipment and container maintenance, and Vehicle Hire, which provides heavy goods, light commercial vehicles and buses on rental and contract hire terms.

Loan book¹: **£1.5 billion**

Average loan size³: **c.£540,000**

Typical loan maturity^{2,3}: **3 months**

Retail

Adjusted operating profit

£61.0m

2021: £71.9m

The **Retail** businesses provide loans to predominantly individuals and small businesses, through a network of intermediaries.

The **Motor Finance** business provides point of sale finance for the acquisition of predominantly used cars, motorcycles and light commercial vehicles. It operates through a network of over 5,000 independent motor dealers and has approximately 282,000 customers in the UK, Ireland and the Channel Islands.

Loan book: **£2.1 billion**

Average loan size: **£7,200**

Typical loan maturity²: **4 years**

The **Premium Finance** business finances insurance payments for around three million companies and individuals, via a network of c.1,500 insurance brokers, allowing their customers to spread the cost of insurance premiums over a number of instalments.

Loan book: **£1.0 billion**

Average loan size: **c.£500**

Typical loan maturity²: **10 months**

Property

Operating profit

£75.2m

2021: £87.8m

The **Property** business specialises in short-term residential development finance through Property Finance, and also offers refurbishment and bridging loans through Commercial Acceptances.

The Property business operates in London, the South East and selected regional locations, lending to c.700 professional property developers with a focus on small to medium-sized residential developments.

Loan book: **£1.5 billion**

Average loan size: **£1.2 million**

Typical loan maturity²: **6 to 18 months**



Read more about Banking:
See pages 65 to 69

1 Includes operating lease assets of £0.5 million (31 July 2021: £1.3 million) which relate to Asset Finance and £239.5 million (31 July 2021: £221.6 million) to Invoice and Speciality Finance.

2 Typical loan maturities for new business on a contractual basis, except core Invoice Finance which are on a behavioural basis.

3 Average loan size and typical loan maturity include the Invoice Finance business only.

4 Following the strategic review of Novitas' products and services, in July 2021 the group decided to cease permanently the approval of lending to new customers across all of the products offered by Novitas, a wholly owned subsidiary of Close Brothers acquired in 2017, and withdraw from the legal services financing market.

Asset Management

Close Brothers Asset Management (“CBAM”)

Adjusted operating profit

£21.7m

2021: £23.7m

CBAM is a vertically integrated top 20 UK wealth manager, providing financial advice and investment management services to private clients in the UK. Our clients range from mid to high net worth individuals.

Our core capabilities are personal financial advice, multi-asset investment management and custody, which we combine to create different propositions tailored to client preference and client wealth.

Our strategic aim is to gather assets into our investment management and platform through three main distribution channels: our own financial advisers; our private client investment managers; and via third party financial advisers.

We are a national business operating out of 14 locations with 90 advisers, 70 investment professionals and c.750 employees in total.

Total client assets: **£16.6 billion**

Managed assets: **£15.3 billion**

Clients: **22,000 households**



Read more about Asset Management:
[See pages 70 to 71](#)

Securities

Winterflood

Operating profit

£14.1m

2021: £60.9m

The **Securities** division comprises **Winterflood**, a leading market maker for retail stockbrokers and institutions. Winterflood deals in over 15,500 instruments in the UK and overseas, and trades with over 600 institutional asset managers, retail stockbrokers, wealth managers, platforms and other market counterparties, providing continuous liquidity through its market-leading execution services, supported by strong proprietary technology. Its traders have extensive experience of executing orders in a range of market conditions, enabling it to trade successfully and profitably over many years. We also offer sales trading services to institutional clients both here in the UK and in the United States.

Our investment trust team provides the full range of services of corporate finance, corporate broking, sales and research, as well as market-making. We act as corporate broker and adviser to over 50 corporate clients with a diverse range of conventional and alternative asset classes.

Average bargains per day: **c.81,000**

Winterflood Business Services (“WBS”)

has been operating for over 10 years and provides outsourced dealing and custody solutions to over 50 corporate clients.

Assets under administration: **£7.2 billion**



Read more about Securities:
[See pages 72 to 73](#)