

Independent auditors' report to the members of Close Brothers Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Close Brothers Group plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 July 2025 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2025 ("Annual Report"), which comprise: the consolidated and company balance sheets as at 31 July 2025; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 5, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment, the financial significance of components and other qualitative factors (including history of misstatement through fraud or error).
- We performed audit procedures over components considered to be significant due to risk or size in the context of the group (full scope audit) or in the context of individual primary statement account balances (audit of specific account balances).
- We performed other procedures including analytical review procedures to mitigate the risk of material misstatement in the balances not subject to our other audit procedures.

Key audit matters

- Determination of expected credit losses ('ECL') on loans and advances to customers (group)
- Assessment of impairment in relation to valuation of goodwill held by the group in relation to the Cash Generating Units (CGUs) of Close Brothers Limited (group)
- Assessment of the provision in relation to the FCA's review of historical motor finance commission arrangements (group)
- Assessment of the going concern basis of preparation, specifically in relation to capital (group and parent)

Materiality

- Overall group materiality: £8.0m (2024: £10.6m) based on 5% of 3 year average adjusted profit before tax ("PBT") (2024: 5% of 4 year average adjusted PBT).
- Overall company materiality: £12.5m (2024: £13.8m) based on 1% of Total Assets.
- Performance materiality: £6.0m (2024: £8.0m) (group) and £9.4m (2024: £10.35m) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Determination of expected credit losses ('ECL') on loans and advances to customers (group)</p> <p>As at 31 July 2025, the group has gross loans and advances to customers at amortised cost of £9,697.3m, with ECL provisions of £249.7m held against them.</p> <p>The determination of ECL provisions is inherently judgemental and involves setting assumptions using forward looking information reflecting the group's view of potential future economic events. This can give rise to increased estimation uncertainty.</p> <p>ECL provisions by their nature are uncertain, and plausible fluctuations in the economy may impact the credit performance of the lending book.</p> <p>Models are used to collectively assess and determine ECL allowances on loans and advances. We consider the following elements of the determination of modelled ECL to be significant:</p> <ul style="list-style-type: none"> • The application of forward-looking economic scenarios used in the models and the weightings assigned to those scenarios; • The Loss Given Default ("LGD") component for the Asset Finance and Leasing business, given that the LGD model was developed over a period with more benign macroeconomic conditions than the expected conditions over the forecast period. <p>ECL provisions on individually large exposures to counterparties who are in default at the reporting date, are estimated on an individual basis. We consider that only the individually assessed loans of the Property business constitute a significant risk in the current year. The risk relates to the assumptions made on the amount and timing of the expected future cash flows under multiple probability weighted scenarios.</p> <p>Relevant disclosure references:</p> <ul style="list-style-type: none"> • Note 2 - Critical accounting judgements and estimates; and • Note 10 - Loans and advances to customers. 	<p>With the support of our credit risk modelling specialists and economics experts, we performed the following procedures:</p> <p>For collectively assessed ECL provisions:</p> <ul style="list-style-type: none"> • We understood and critically assessed the appropriateness of the ECL accounting policy and model methodologies used by management; • We independently replicated ECL models for the Asset, Leasing, Motor Finance, Property and Invoice businesses, using management's model methodology and assumptions and tested the input of critical data elements into the ECL models; • We tested model performance through review and replication of key model monitoring tests. We assessed the performance of key model elements, and considered if they indicated that the models continued to perform appropriately or if any post-model adjustments were required; • We critically assessed the reasonableness of management's selected economic scenarios and associated scenario weightings, giving specific consideration to current and future economic uncertainty. We assessed their reasonableness against known or likely economic events; • We compared the severity and magnitude of certain assumptions used in certain base scenarios to external forecasts and historic trends; • We assessed whether the deviations of the upside and downside scenario assumptions from the base scenario are reasonable and consistent with generally accepted economic expectations; • Based on our knowledge and understanding of the limitations in management's models and emerging industry risks, we evaluated the completeness and sufficiency of the post model adjustments proposed by management; and • We evaluated the LGD model performance for the Asset Finance & Leasing business and the sufficiency of the extent to which LGD is impacted by macroeconomic factors. <p>Individually assessed provisions:</p> <p>For a sample of individually assessed loans in default and related ECL allowances in the Property business, we:</p> <ul style="list-style-type: none"> • Evaluated the basis on which the allowances were determined and the evidence supporting the analysis performed by management;

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment in relation to valuation of goodwill held by the group in relation to the Cash Generating Units (CGUs) of Close Brothers Limited (group)</p> <p>The group has a total goodwill balance of £34.1m relating to Close Brothers Limited (the "Bank").</p> <p>The group has a number of CGUs under IAS 36 Impairment of Assets ("IAS 36") which require annual impairment assessments of the goodwill associated for each CGU.</p> <p>In relation to the Bank goodwill, management performs the assessment by comparing the recoverable amount of each CGU with the current carrying value of the CGU (including the goodwill associated with the CGU). Management estimated the recoverable amount using the higher of value in use ("ViU") and fair value less cost to sell.</p> <p>The depressed market value of the group provides a potential indicator of impairment within the group, including in relation to the Motor Finance CGU. The methodology used to estimate the recoverable amount is dependent on various assumptions, both short term and long term in nature. These assumptions, which are subject to estimation uncertainty, are derived from a combination of management's judgement and market data.</p> <p>The significant assumptions where we focused our audit were those with greater levels of management judgement and for which variations had the most significant impact on the recoverable amount. These included the Bank's five- or seven-year cash flow forecasts (as applicable to each CGU), in particular loan book growth and cost assumptions within the Motor Finance CGU.</p> <p>Relevant disclosure references:</p> <ul style="list-style-type: none"> • Note 2 - Critical accounting judgements and estimates; and • Note 14 - Intangible assets. 	<ul style="list-style-type: none"> • Independently challenged whether the key assumptions used, such as the recovery strategies, timing of the expected future cash flows, collateral values and ranges of potential outcomes were appropriate given the borrower's circumstances; • Re-performed management's provision calculation and critically assessed key inputs including expected future cash flows, discount rates, valuations of collateral held and the weightings applied to scenario outcomes. <p>We tested and evaluated the reasonableness of relevant disclosures made in the financial statements.</p>
	<p>We performed the following audit procedures over the significant assumptions of the group's models:</p> <ul style="list-style-type: none"> • With the support of our valuation and accounting specialists, we evaluated management's impairment methodology with reference to IFRS requirements for a ViU model. This included adjustments made to the cash flow forecasts to comply with IAS 36; • We assessed the reasonableness of management's allocation of central costs; • We performed a look-back analysis comparing the cash flow projections made in prior years to the actual results achieved to assess the accuracy of the budgeting and forecasting process; • We obtained an understanding of management's capital and board approved forecasts; • We critically assessed the reasonableness of the assumptions underlying management's cash flow forecasts, in particular relating to loan book growth and cost assumptions in the Motor Finance CGU. For this CGU this included evaluating external data for the UK motor finance market, inflation forecasts, and considering other supporting internal and external evidence. We challenged whether certain risks were adequately captured and performed sensitivity analysis to evaluate whether reasonably possible changes lead to an impairment of the Motor CGU; and • We engaged our regulatory experts in assessing the reasonableness of the risk weighted asset and capital requirements included in management's forecasts. <p>In addition, we performed the following tests of details, amongst others on the group's models:</p> <ul style="list-style-type: none"> • We obtained evidence of Board approval of the three-year plan and agreed these plans were appropriately reflected in the cash flow forecasts in management's models; • Where cash flow forecasts extend beyond Board-approved plans, we critically assessed the reasonableness of assumptions in the period of extension; • With support of our internal experts, we evaluated the appropriateness of the discount rate range determined by management's expert and the long-term growth rate applied; • We verified the mathematical accuracy of the goodwill impairment assessments, including the discounted cash flow projections; and • We verified the appropriate application of management's accounting policy and the adequacy of the information disclosed in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of the provision in relation to the FCA's review of historical motor finance commission arrangements (group)	<p>Refer to note 16 (Other assets and liabilities), where the group has disclosed a provision of £163.9m in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets in relation to the ongoing Financial Conduct Authority ("FCA") review of the motor commission arrangements.</p> <p>Included within Provisions is the group's best estimate of the cost of present obligations related to past events, including the impact of regulatory investigations in relation to motor dealer commissions. Significant judgement is required by the group in determining the amount recorded as the best estimate to settle the obligation. These judgements are based on the specific facts available and involve evaluating and interpreting the available information. There is a high degree of estimation uncertainty with a wide and material range of potential outcomes.</p> <p>The disclosures regarding management's approach to determining the provision are important to understanding the judgements taken, assumptions made and sensitivity of the provision to changes in assumptions.</p> <p>The provisions and disclosures in respect of this exposure represent a key audit matter.</p> <p>Relevant disclosure references:</p> <ul style="list-style-type: none"> • Note 16 - Other assets and liabilities.
Assessment of the going concern basis of preparation, specifically in relation to capital (group and parent)	<p>Given the uncertainty associated with the estimation of the provision, we evaluated the disclosures made in the financial statements. We considered the completeness of the information disclosed. In particular, we focused on challenging management on the substantial judgement needed to estimate the timing and value of future settlements, ensuring that the approach to recognising, estimating, and disclosing the provision is appropriate.</p>
<p>On 11th January 2024, the FCA announced a review of historical motor finance commission arrangements.</p> <p>As described in the Key Audit Matter on motor finance commission, there is significant uncertainty due to the ongoing FCA review, and the timing, scope and quantum of any potential financial impact.</p> <p>Whilst the extent of risk to the group has reduced following the judgments made by the Supreme Court, there remains a wide range of uncertainty associated with the FCA's ongoing review of motor commissions.</p>	<p>See section on Going concern below in the audit opinion</p>

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Key audit matter How our audit addressed the key audit matter

In performing their assessment of going concern the directors have utilised judgement in determining the extent of risk relating to a severe but plausible outcome in relation to the FCA review of motor commissions for the group, along with sensitivities to that scenario, and considering the impact on capital headroom. Within these scenarios the directors' have considered a range of forward-looking scenario analyses and evaluated related risks, including the group and company's ability to manage liquidity events, should these occur, and other downsides associated with credit risk.

Given the significant uncertainty as to the range of possible outcomes in respect of motor finance commissions, the directors considered a 'severe but plausible' redress provision in the stressed going concern scenario derived by stressing the assumptions used to calculate the existing provision relating to motor finance commissions.

The directors' have set out their critical judgments in their going concern disclosures.

Relevant disclosure references:

- Strategic Report - Going concern and Note 1b - Material accounting policies

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

We performed a risk assessment, giving consideration to relevant external and internal factors, including economic risks, relevant accounting and regulatory developments, as well as the group's strategy. We also considered our knowledge and experience obtained in prior year audits. We continually assessed the risks and updated the scope of our audit where necessary.

The group is structured into two (formerly three) primary components being the Close Brothers Limited Group (also referred to as the Bank) and Winterflood Securities. The sale of Close Brothers Asset Management was completed during the year and the results of this business are now reflected as Discontinued Operations in the consolidated financial statements. The consolidated financial statements are a consolidation of these primary components. The Bank is a subgroup of Retail, Commercial and Property business segments.

In establishing the overall approach to the group audit, we determined the type of work that is required to be performed over the components by us, as the group engagement team, or auditors operating under our instruction ('component auditors'). Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. This included regular communication with the component auditors throughout the audit, the issuance of instructions and a review of the results of their work on the key audit matters.

Any components which were considered to be significant due to risk or size in the context of the group's consolidated financial statements were considered full scope components. We considered the relative financial significance of other components in relation to primary statement account balances. Our scoping also considered the presence of any significant audit risks and other qualitative factors (including history of misstatements through fraud or error).

For our group audit, the Bank is the only significant component due to risk or size. Specific account balances and disclosures were scoped in for Winterflood Securities and Close Brothers Asset Management based on their financial significance and risk. Certain account balances were audited centrally by the group engagement team mainly where the processes are centralised. We also performed other procedures including analytical review procedures to mitigate the risk of material misstatement in the balances not subject to our other audit procedures.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. As part of considering the impact of climate change in our risk assessment, we evaluated management's assessment of the impact of climate risk, which is set out in the Sustainability Report, and their conclusion that there is no material impact on the financial statements. In particular, we considered management's assessment of the impact on ECL on loans and advances to customers, being the financial statement line item we determined to be most likely to be impacted by climate risk. Management's assessment gave consideration to a number of matters, including the exposure of underlying portfolios to transition risk. Management's conclusion that there is no material impact is consistent with our audit findings.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	£8.0m (2024: £10.6m).	£12.5m (2024: £13.8m).
How we determined it	5% of 3 year average adjusted profit before tax ("PBT") (2024: 5% of 4 year average adjusted PBT)	1% of Total Assets
Rationale for benchmark applied	PBT is a primary measure used by the shareholders in assessing the performance of the group and is a generally accepted benchmark for determining audit materiality. We have determined it appropriate to select the 3 year average adjusted PBT from continuing operations (2024: 4 year average adjusted PBT from continuing operations) as the most appropriate benchmark considering that it normalises the trading performance volatility experienced in recent years across the group. We have used PBT from continuing operations to exclude discontinued operations in both the current and prior years when performing the average, and removed the impact of certain adjusted items in relation to amortisation of intangible assets on acquisition; restructuring costs; provision for Borrowers in Financial Difficulty ("BiFD") review; provision in relation to early settlements in Motor Finance; impairment of operating lease assets in Vehicle Hire; provision in relation to motor commissions; and complaints handling and other operational costs associated with the FCA's review of historical motor finance commission arrangements.	We have selected total assets as an appropriate benchmark for company materiality, as it is an investment holding company, consistent with the prior year.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £3.8m and £7.6m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £6.0m (2024: £8.0m) for the group financial statements and £9.4m (2024: £10.35m) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.4m (group audit) (2024: £0.5m) and £0.4m (company audit) (2024: £0.5m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and 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

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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; and
- Assessing the adequacy of disclosures in the Going Concern statement in the group's consolidated and company's Financial Statements and within the related section of the Strategic Report and found these to be appropriate.

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 group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of laws and regulations, principally those determined by the Prudential Regulatory Authority ("PRA") and the Financial Conduct Authority ("FCA"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, UK tax legislation and the Listing Rules of the FCA. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate manual journal entries to manipulate financial performance, management bias in the application of judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

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- Enquiries with management, compliance, internal audit and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of the completeness of matters which may impact financial reporting identified by management through the Group's whistleblowing helpline and management's investigation of such matters;
- Evaluating assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the allowance for ECL, certain impairment assessments for non-financial assets and considering the provision in relation to the FCA's review of historical motor finance commission arrangements and other redress provisions;
- Identifying and testing higher risk journal entries;
- Incorporating unpredictability into the nature, timing and/or extent of our testing; and
- Reviewing key correspondence with the FCA and PRA in relation to compliance with regulatory requirements.

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 financial statements. 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements 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 opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 17 May 2017 to audit the financial statements for the year ended 31 July 2018 and subsequent financial periods. The period of total uninterrupted engagement is 8 years, covering the years ended 31 July 2018 to 31 July 2025.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Heather Varley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 September 2025