

Press Release

Close Brothers Group plc

Trading update

24 July 2013

Embargoed for release at 7.00am on 24 July 2013.

Close Brothers Group plc ("the group" or "Close Brothers") today issues its scheduled pre-close trading update ahead of its 2013 financial year end. All statements in this release relate to the group's performance over the five months to 30 June 2013 unless otherwise indicated.

Close Brothers will be releasing its full year results for the twelve months ending 31 July 2013 on 24 September 2013.

Highlights

- Good overall group result for the period
- Continued strong performance in Banking with year to date loan book growth of 11%, to £4.6 billion at 30 June 2013
- Slight improvement in Securities performance with stronger trading volumes at Winterflood
- Progress in Asset Management with Assets under Management ("AuM") of £9.0 billion and continued revenue margin improvement

Banking

The Banking division continued to perform strongly. The loan book increased by a further 5% in the five months to 30 June 2013 to £4.6 billion (31 January 2013: £4.4 billion), and is up 11% year to date, reflecting good growth particularly in motor finance and asset finance. Relative to the first half both the net interest margin and the bad debt ratio have remained broadly unchanged and, overall, performance remains consistent.

Securities

Trading performance in the Securities division improved slightly relative to the first half, although market conditions continued to be mixed. While Winterflood experienced stronger volumes, trading was more volatile and retail investors remain focused on lower risk and large cap stocks. As a result, income per bargain reduced, partially offsetting the increase in average bargains per day. Seydler's performance improved, benefiting from increased debt capital markets activity in Germany.

Asset Management

The Asset Management division continues to make progress. At 30 June 2013, the division had AuM of £9.0 billion (31 January 2013: £8.9 billion). AuM increased 2% since 31 January 2013, principally from new business inflows as well as positive market movements at the start of the period, and are up 8% year to date. The revenue margin continued to improve, largely reflecting stronger initial fees.

Outlook

We continue to expect a good overall performance for the year.

We are seeing good opportunities for further growth in the Banking division and continue to expect profit in the second half to be consistent with the first half.

Winterflood's full year performance is likely to remain broadly in line with the prior year. Looking forward, the business is well positioned to benefit from any sustained recovery in retail investor risk appetite.

We continue to expect Asset Management to deliver a small profit for the full year.

Overall we look forward with confidence.

Enquiries

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About Close Brothers

Close Brothers is a specialist financial services group which makes loans, trades securities and provides advice and investment management solutions to a wide range of clients. Close Brothers was established in 1878 and today employs over 2,500 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.