

Press Release

Scheduled Trading Update

22 January 2019

Embargoed for release at 7.00am on 22 January 2019.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2019 half year end. Close Brothers will be releasing its half year results for the six months ending 31 January 2019 on 12 March 2019.

All statements in this release relate to continuing operations¹ over the five months to 31 December 2018 unless otherwise indicated.

Group and divisional performance

The group has achieved a **solid performance overall**, notwithstanding the difficult trading conditions for our market facing businesses.

The **Banking division** has continued to perform well and in line with expectations, as we focus on maintaining our disciplined approach to lending and investing to maximise the long-term potential of our businesses.

The loan book grew 3.1% in the period to £7.5 billion (1 August 2018: £7.2 billion²), driven by good new business volumes across the Commercial businesses and in Premium Finance.

Impairment charges remained low, with strong credit performance across all businesses. The net interest margin has remained broadly stable since the last financial year, reflecting our continued pricing discipline.

Winterflood has continued to deliver solid profitability, but volumes and trading income have been significantly lower than the prior year reflecting difficult and volatile equity market conditions, particularly in December.

Asset Management has continued to achieve good net inflows, although these were more than offset by negative market movements, resulting in a 3% decline in managed assets to £10.0 billion at 31 December 2018 (31 July 2018: £10.4 billion) and a decrease in total client assets to £11.7 billion (31 July 2018: £12.2 billion).

¹ Results from continuing operations exclude the unsecured retail point of sale finance business, which was classified as a discontinued operation in the group’s 2018 financial statements.

² The opening net loan book of £7,239 million reflects the adoption of IFRS 9 at 1 August 2018. For further details see the group’s IFRS 9 transition document published on 7 November 2018.

Outlook

Overall, we expect a solid outcome for the first half, and remain well positioned for the remainder of the financial year.

Enquiries

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About Close Brothers

Close Brothers is a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading. We employ around 3,300 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.