

Press Release

Scheduled Trading Update

15 November 2018

Embargoed for release at 7.00am on 15 November 2018.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its trading update relating to the first quarter from 1 August 2018 to 31 October 2018 (“the quarter”). All statements in this release relate to continuing operations¹ in that period unless otherwise indicated.

Group and divisional performance

The group has made a solid start to the year, and has continued to perform well in current market conditions.

The **Banking division** continued to deliver growth at good returns, reflecting the diversity of our loan portfolio and disciplined approach to lending.

The loan book increased 1.9% in the quarter to £7.4 billion (1 August 2018: £7.2 billion²), predominantly driven by the Commercial segment, with growth across asset, invoice and specialist finance areas.

The net interest margin remained broadly in line with the 2018 financial year, reflecting our consistent pricing and service-led customer proposition. Impairment charges remained low, with continued strong credit performance across our lending businesses.

Overall, our banking businesses remain well positioned, and we continue to invest in maximising their long-term potential while maintaining our prudent approach to lending.

Winterflood has remained resilient in the first quarter, against a backdrop of more challenging market conditions compared to the last financial year.

Asset Management achieved solid net inflows, although negative market movements resulted in a slight decline in managed assets to £10.2 billion at 31 October 2018 (31 July 2018: £10.4 billion) and a decrease in total client assets to £11.9 billion (31 July 2018: £12.2 billion).

Outlook

We achieved a solid performance in the first quarter and, at this early stage, remain well positioned for the remainder of the financial year.

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.

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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.