

Press Release

Scheduled Trading Update

22 May 2018

Embargoed for release at 7.00am on 22 May 2018.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its trading update relating to the third quarter from 1 February 2018 to 30 April 2018 (“the quarter”). All statements in this release relate to that period unless otherwise indicated.

Group and divisional performance

The group performed well in the third quarter, notwithstanding slightly weaker market conditions at the start of the period.

The **Banking division** achieved solid loan book growth, while maintaining our disciplined approach to lending. Bad debts remained low across all businesses and the bad debt ratio was unchanged on the first half overall. The net interest margin year to date remained in line with the last financial year, reflecting our continued pricing discipline.

The loan book grew 2.4% in the quarter, and 4.1% year to date, to £7.2 billion (31 January 2018: £7.0 billion). **Commercial** and **Property** both delivered good growth, while the **Retail** loan book remained broadly flat.

Winterflood continued to perform well, benefiting from increased trading activity in April.

Asset Management also delivered a good result, with strong net inflows more than offsetting negative market movements. Managed assets increased 2% in the quarter to £9.9 billion at 30 April 2018 (31 January 2018: £9.7 billion) and total client assets were broadly stable at £11.8 billion (31 January 2018: £11.8 billion).

IFRS 9

Our preparation for the transition to IFRS 9 at 1 August 2018 is progressing well. We will provide initial guidance on the impact in advance of the financial year end, at the pre-close statement in July.

Outlook

Following our good performance in the year to date, we remain well positioned for the full 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 over 3,200 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.