

Press Release

Close Brothers Group plc Interim Management Statement

Embargoed for release at 7.00am on 17 November 2011

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its Interim Management Statement relating to the first quarter from 1 August 2011 to 31 October 2011. All statements in this release relate to that time period, unless otherwise indicated.

Group and divisional performance

The group has continued to see good growth in the Banking division although the overall performance in the first quarter has been affected by difficult market conditions for the Securities division. The group’s financial position remains strong and it continues to be soundly funded and well capitalised.

The **Banking** division has continued to see good demand for its specialist lending services and delivered another strong performance in the first quarter. The loan book increased 5% to £3.6 billion (31 July 2011: £3.4 billion) at 31 October 2011, with particularly good growth in Retail from both premium finance and motor finance. The net interest margin and the bad debt ratio have remained comparable to the second half of the prior financial year.

The **Securities** division has been impacted by difficult market conditions in the period. Winterflood’s average bargains per day have been broadly in line with the prior financial year however income per bargain was substantially lower reflecting significant volatility and a change in mix driven by lower risk appetite amongst retail investors. Close Brothers Seydler has also been affected by challenging conditions for its trading businesses and very limited capital markets activity in Germany. Following the previously announced agreement to sell the group’s investment in Mako, on 31 October 2011 the group completed the sale of the first 16.6%, reducing its holding to 33.3%.

The **Asset Management** division delivered a small loss as expected during this stage of its transformation. At 31 October 2011, Assets under Management (“AuM”) were £8.6 billion (31 July 2011: £9.6 billion), of which Private Clients AuM were £6.7 billion (31 July 2011: £6.5 billion). The reduction in total AuM in the period of £1.0 billion largely reflects the expected redemption of a third party Institutional mandate and negative market movements. These were partly offset by the acquisition of Scott-Moncrieff Wealth Management, a Scottish firm of Independent Financial Advisers with around £260 million client assets, for £4.1 million consideration, which completed on 31 October 2011.

Outlook

Market conditions have affected the Securities division in the first quarter, and remain difficult. However we continue to see a good performance in the Banking division and our businesses remain well positioned.

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.