

Press Release

Trading update

23 January 2015

Embargoed for release at 7.00am on 23 January 2015.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2015 half year end. Close Brothers will be releasing its half year results for the six months ending 31 January 2015 on 10 March 2015.

All statements in this release relate to the group’s performance over the five months to 31 December 2014 unless otherwise indicated.

Group and Divisional Performance

Close Brothers has continued its good performance, driven by strong returns in the Banking Division whilst trading in Winterflood continues to be impacted by difficult market conditions.

The **Banking** division continued to perform strongly in the period. The loan book has shown solid growth and is up 4.0% to £5.5 billion (31 July 2014: £5.3 billion), with good growth in property and asset finance offsetting slower growth in motor finance. The division continues to benefit from favourable market conditions with a slight improvement in both net interest margin and the bad debt ratio compared to the previous financial year.

In **Securities**, Winterflood’s performance continues to be impacted by difficult market conditions. Average bargains per day have remained broadly stable but income per bargain has declined significantly due to increased market volatility and reduced investor risk appetite. The previously announced disposal of Seydler completed in January and it will be treated as a discontinued operation.

Asset Management continued to deliver steady growth with total AuM increasing 2% to £9.9 billion (31 July 2014: £9.7 billion) due to both positive market movements and net inflows. The revenue margin has remained broadly stable on the previous financial year.

Outlook

In Banking we expect to deliver continued loan book growth while remaining focused on the quality of our lending.

Market conditions for Winterflood continue to be challenging but the business remains well positioned.

We continue to see opportunities for growth in Asset Management.

Overall, we remain confident in the outlook for the current financial year.

Enquiries

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| Sophie Gillingham | Close Brothers Group plc | 020 7655 3844 |
| Robert Coates | Close Brothers Group plc | 020 7655 3350 |
| Lois Hutchings | Close Brothers Group plc | 020 7655 3468 |
| Peter Ogden | Maitland | 020 7379 5151 |

About Close Brothers

Close Brothers is a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading. We employ 2,800 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.