Close Brothers Group plc

30 July 2008

CLOSE BROTHERS GROUP plc
TRADING UPDATE

Close Brothers Group plc ("Close Brothers" or "the group") today issues a scheduled pre-closing trading update. This report is based on the group's performance over the five months to 30 June 2008, except where otherwise specified.

The group will be releasing its full-year results for the year ending 31 July 2008 on 29 September 2008.

Group and Divisional Performance

Against a background of market uncertainty and particularly challenging conditions in the credit markets, the group's performance continues to be relatively resilient and we expect a broadly satisfactory outcome for the 2008 financial year.

In the Banking division we have seen good demand for our specialised lending services although we are beginning to see an increase in the incidence of arrears in our asset finance businesses and a slight uptick in bad debt provisions overall. We have achieved growth of 11% in the loan book to £2.2 billion as of 30 June 2008, compared to £2.0 billion as of 31 January 2008. This includes the £145 million impact of the previously announced acquisitions of Commercial Acceptances Group and Amber Credit.

In the Asset Management division, market factors have continued to affect operating performance and raising new funds remains difficult. We currently expect Funds under Management will be around £8.1 billion as of 31 July 2008, compared to £8.9 billion as of 31 January 2008.

In the Securities division, Winterflood's performance in the fourth quarter has reflected the weak market environment, while performance at Seydler has remained disappointing as a result of continued difficult conditions in its markets. Mako has performed in line with expectations in the second half after an exceptional first four months.

In Corporate Finance, market conditions in the UK have remained muted although our subsidiaries in France and Germany have performed well. We remain focused on controlling our cost base and see opportunities in debt advisory and restructuring.

Funding and liquidity

The Banking division remains well capitalised and soundly financed and we continue to adopt a prudent approach to funding. We have seen steady growth in our deposit base and we have maintained and extended our range of long-term committed facilities.

Share purchases
In June and July we purchased a total of some 1.8 million shares to be held in treasury for the purposes of satisfying option grants and share awards made under our employee share plans. As of 29 July 2008 we had 147,680,267 shares outstanding, excluding treasury shares.

Enquiries:

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