Close Brothers
Modern Merchant Banking

Half Year Results 2020

10 March 2020

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Agenda

1. **Introduction – Preben Prebensen, Group Chief Executive**
2. Financial review – Mike Morgan, Group Finance Director
3. Business update – Preben Prebensen, Group Chief Executive
4. Q&A

Introduction

Disciplined application of business model in a mixed market environment

Strong returns in a period of lower activity in the UK economy

- **Group AOP of £125.7 million**, down 9%, with reduced profit in **Banking** partially **offset** by **higher profits** in **market-facing** divisions
- **Strong ROE**[1] of **13.6%** and **CET1 ratio of 13.4%**
- **Interim dividend up 3%** to **22.7p** reflecting our commitment to **progressive and sustainable dividend** growth

Divisional performance reflects mixed market environment

- **Banking** performance reflects a period of **lower activity, some normalisation of bad debts** and **commitment** to long-term **investment**
- The **Asset Management division** saw **strong growth momentum** with annualised net **inflows at 12%**[2]
- **Winterflood** benefited from a **recovery in trading activity** following the UK election

Focus on strategic discipline and resilience

- **Specialism** and **discipline** support returns in uncertain economic environment
- **Investing** for the future to protect, improve and extend our model
- **Resilient model leaves us well positioned** to navigate **changes in market conditions**

Notes: 1 Return on opening equity. 2 Annualised net inflows as a percentage of opening managed assets.

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Financial Highlights

Adjusted EPS	**63.8p**	• Adjusted EPS reduced 9% reflecting lower profit in the period
Return on opening equity	**13.6%**	• Generated strong return on opening equity and ROTE[1] of 16.0%
CET1 capital ratio	**13.4%**	• Increasing CET1 capital ratio
Leverage ratio	**11.3%**	• Strong leverage ratio
Dividend per share	**22.7p**	• 3% increase in dividend, in line with our progressive dividend policy

Loan book growth	**(0.4%)**	• Stable loan book in the period, with growth of 3.2% Y-o-Y
Net interest margin	**7.8%**	• Strong net interest margin reflecting pricing discipline
Bad debt ratio	**0.9%**	• Normalising bad debts, relative to historically low levels

Net inflow rate[2]	**12%**	• Continued strong inflows in Asset Management

Loss days	**0**	• Solid trading profitability in Winterflood

Notes:
1 Return on average tangible equity.
2 Annualised net inflows as a percentage of opening managed assets.

Income statement

Income growth, continued investment and some normalisation of bad debts

Continuing operations[1] £ million	H1 2020	H1 2019	change
Adjusted operating income	**420.0**	**407.4**	**3%**
Adjusted operating expenses	(257.6)	(246.7)	4%
Impairment losses	(36.7)	(21.9)	68%
Adjusted operating profit[2]	**125.7**	**138.8**	**(9%)**
Operating profit before tax	124.1	135.6	(8%)
Effective tax rate	24%	25%	
Profit/(loss) from discontinued operations	-	1.2	
Profit attributable to shareholders[3]	**94.5**	**103.5**	

- **Income growth** across all divisions
- **Continued investment** in Banking and Asset Management
- **Increase** in **impairment losses** from **historically low levels**
  - Overall credit quality remains strong
- **Reduction in profits** in Banking partly offset by **improvement in market conditions** for Asset Management and Winterflood

Notes:
1 Results from continuing operations exclude unsecured retail point of sale finance business, which was sold on 1 January 2019, and was classified as a discontinued operation in the group's income statement for the first six months of 2019.
2 Adjusted operating profit excludes £1.6 million (2019: £3.2 million) of amortisation of intangible assets on acquisition, and profit from discontinued operations of £nil (2019: profit of £1.2 million) net of tax.
3 Profit attributable to shareholders from continuing and discontinued operations

Segmental performance

Mixed performance in current market conditions

£ million	H1 2020	H1 2019	change
Banking	115.4	131.1	(12%)
Commercial	38.5	47.3	(19%)
Retail	34.1	36.8	(7%)
Property	42.8	47.0	(9%)
Asset Management	12.6	10.8	17%
Securities	10.6	9.3	14%
Group	(12.9)	(12.4)	4%
Adjusted operating profit	**125.7**	**138.8**	**(9%)**

Banking

- Commercial: **income growth** offset by an **increase in individual provisions**
- Retail: Broadly **stable loan book** and some **normalisation in bad debts**
- Property: **Loan book reduction** driven by **high repayments** and an increase in bad debts due to **individual provisions**

Asset Management:

- **Significant profit growth** with continued **strong net inflows**

Securities:

- Growth in **trading income** reflecting **increased volumes** following the UK election

Strong and transparent balance sheet

Diverse funding with increased deposits potential and prudent liquidity

Prudent approach to funding

- **Prudent level of funding,** covering loan book by **129%**
- Maintained the principle to **"borrow long, lend short"**
- **Maintain prudent liquidity** position while optimising level and mix of treasury assets

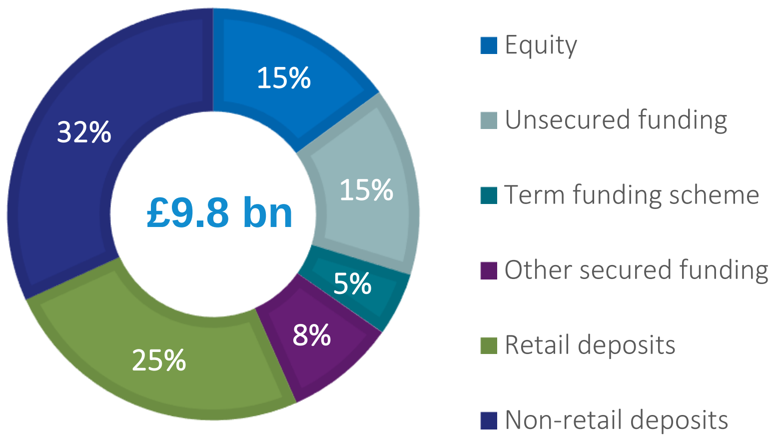
Total funding **£9.8 billion**	- **Average maturity** of loan book funding at **18 months**
Loan book **£7.6 billion**	- **Average maturity** of the loan book at **14 months**
Treasury assets **£1.3 billion**	- **£0.9bn** with central banks

Our **new customer deposit platform** supports continued **growth** and **diversification** of our funding base

- **New savings products** such as 95 day notice accounts driving a **15% increase** in retail customer deposits in the first half
- **New online portal** attracting additional retail depositors
- Continues to further **optimise** our **cost of funds** and **maturity profile**

Diverse funding base

£ billion



- Access to **diverse funding** sources supported by **strong credit ratings**[1], with Close Brothers Ltd rated **Aa3** (Moody's)[2]
- Continue to **optimise cost of funds** through disciplined deposit pricing and renewal of facilities

Notes:
1 Moody's rates Close Brothers Group ("CBG") A3/P2, with negative outlook for both CBG and CBL, having revised the outlook to negative alongside UK peers in November 2019 to reflect their view that the operating environment for UK banks is likely to weaken. Fitch rates both CBG and CBL A/F1 with stable outlook.
2 Long-term deposit rating of Close Brothers Limited.

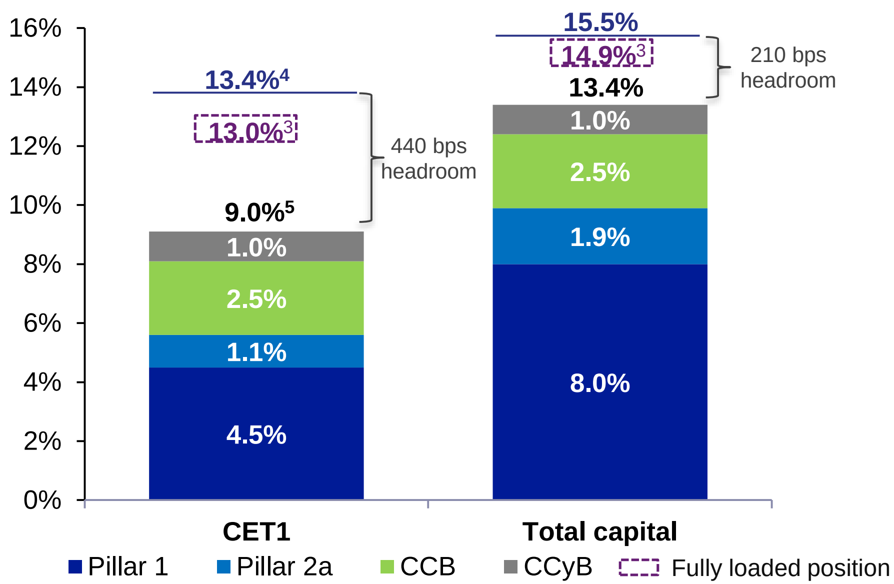
Capital

Maintaining strong capital position

Capital overview[1]

	31 January 2020	31 July 2019
CET1 capital ratio	**13.4%**	13.0%
Total capital ratio	**15.5%**	15.2%
Leverage ratio[2]	**11.3%**	11.0%
CET1 capital (£m)	1,205	1,169
RWAs (£m)	9,012	8,967

Capital position vs requirements



- **Increased CET1 capital ratio** reflects continued **profitability and stable loan book** in the period
- **Strong capital generation** and **RWAs broadly flat** reflecting the **loan book**
- 1% increase in the **UK countercyclical capital buffer** effective December 2020
  - Awaiting outcome of the PRA consultation on potential counter-balance
  - Currently expecting no material impact on capital position
- **Significant headroom ahead** of minimum regulatory requirements
- **On track** with our **IRB application**

Notes:
1 Numbers and ratios presented on a transitional basis after applying IFRS 9 arrangements that allow the capital impact of expected credit losses to be phased in over a five year period, and the Capital Requirements Regulation ("CRR") transitional arrangements for grandfathered Tier 2 capital instruments.
2 The leverage ratio is calculated as tier 1 capital as a percentage of total balance sheet assets, adjusting for certain capital deductions, including intangible assets, and off balance sheet exposures.
3 Ratio presented including the fully loaded impact of IFRS 9.
4 Current requirement, not fully loaded. Rounding results in a casting variance of 0.1%.

Banking

Disciplined approach to lending and pricing in a period of lower activity

Continuing operations[1] £ million	H1 2020	H1 2019	change %
Adjusted operating income	**306.4**	**303.1**	1%
Adjusted operating expenses	(154.3)	(150.1)	3%
Impairment losses	(36.7)	(21.9)	68%
Adjusted operating profit	**115.4**	**131.1**	(12%)
Net interest margin[2]	7.8%	8.1%	
Expense/income ratio	50%	50%	
Bad debt ratio[3]	0.9%	0.6%	
Return on net loan book[4]	2.9%	3.5%	
Return on opening equity	14.7%	18.2%	

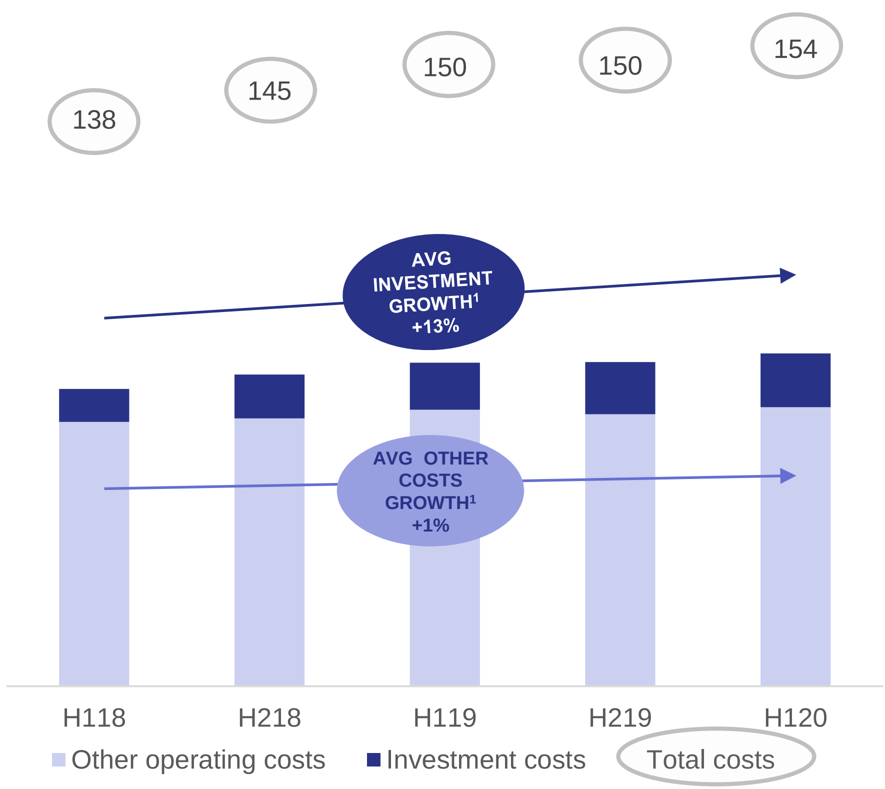
- **Modest** income growth, driven by lower loan book growth and reduced net interest margin
- Decline in net interest margin reflects **reduced fee income** from **relative low activity levels** and **mix of loan book**, while we maintain our **pricing discipline**
- Higher costs reflect **continued investment**, to protect, improve and extend our business
- **Some normalisation of bad debts from low historical levels** and individual provisions
  - **Credit quality** remains **strong**

Notes:
1 Results from continuing operations exclude unsecured retail point of sale finance business, which was sold on 1 January 2019, and has been classified as a discontinued operation in the group's income statement for the first half 2019.
2 Net interest, fees and operating lease income divided by average net loan book and operating leases.
3 Impairment losses divided by average net loan book and operating leases.
4 Adjusted operating profit divided by average net loan book and operating leases.

Banking

Strict control of costs while investing in the business

Banking total costs breakdown



Notes:
1 Average half-on-half growth from H1 2018 – H1 2020.
2 Excludes IFRS16 depreciation.

Total costs outlook

- H1 20 costs up 3% on H1 19
- Total costs expected to increase by c.6% in 2020

Investment costs

- Investing through the cycle is a key strategic priority, with a number of ongoing investment programmes already delivering benefits
- Includes depreciation[2] and other costs related to investment in multi-year projects, new business initiatives and pilots and cyber resilience
- Average growth[1] of 13%, and H1 20 up 14% on H1 19
- This year's investment spend expected to be skewed towards the second half

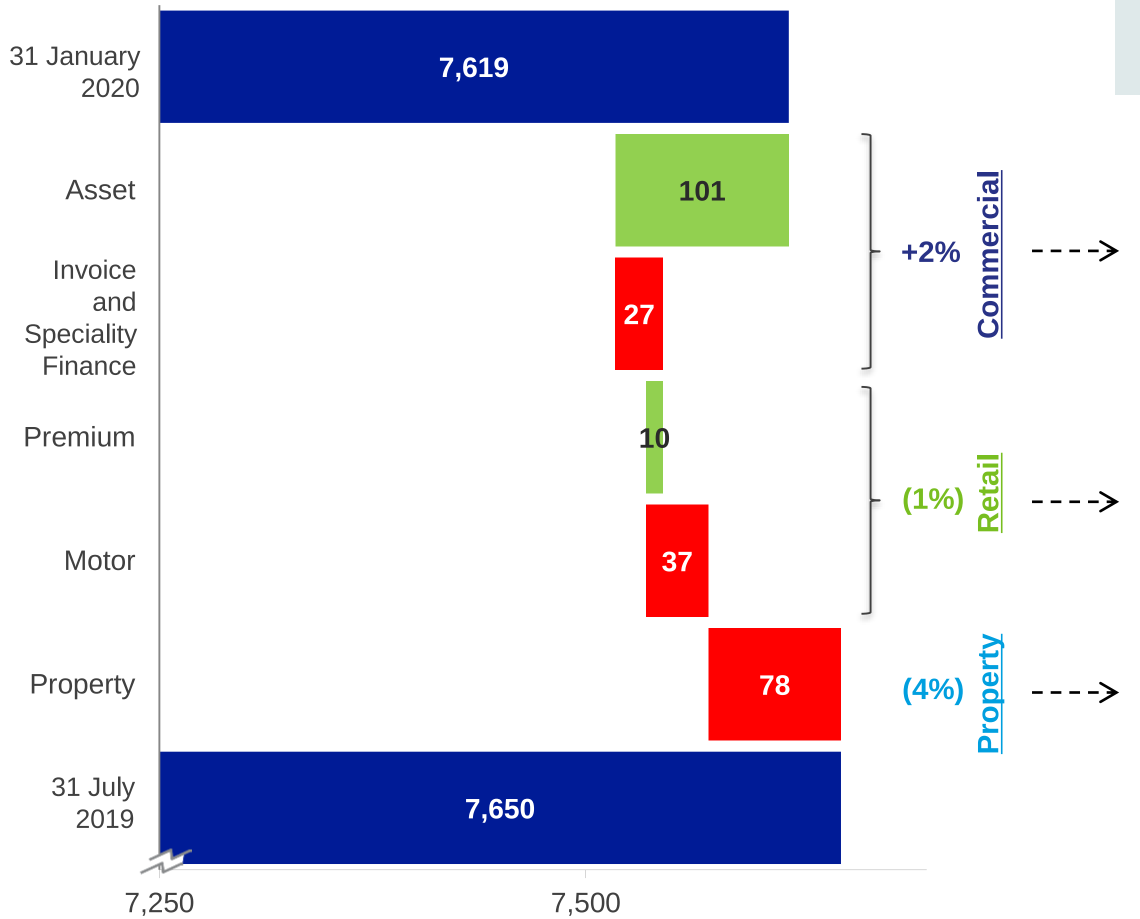
Other operating costs

- Include staff costs and other running-the-bank costs
- Average growth[1] of 1% and H1 20 broadly flat on H1 19
- Strict control of other operating expenses to create investment capacity

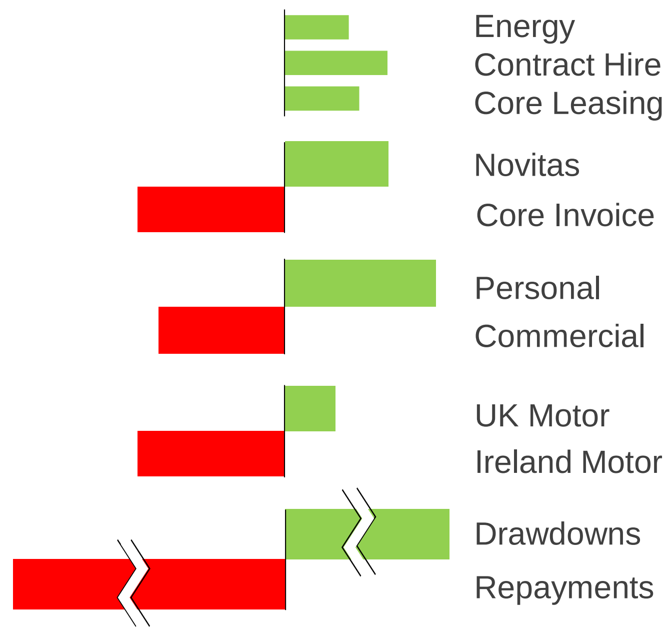
Banking

Broadly stable loan book while prioritising margins and credit quality

Loan book growth by segment (£ million)[1]



Portfolio effect of **multiple business lines** provides **strong overall resilience**



Notes:
1 Excludes operating lease assets of £235.3 million in H1 2020 and £220.4 million in 2019 relating mainly to the Invoice and Speciality Finance business.

Banking

Diverse business portfolio

	Net interest margin	Bad debt	Expense / income	% of loan book
Commercial	**8.0%** 2019 8.3%	**1.1%** 2019 0.5%	**56%** 2019 56%	40%
Retail	**8.1%** 2019 8.4%	**1.1%** 2019 1.0%	**56%** 2019 56%	37%
Property	**7.0%** 2019 7.1%	**0.3%** 2019 0.1%	**28%** 2019 26%	23%
Banking division	**7.8%** H1 2019 8.1%	**0.9%** H1 2019 0.6%	**50%** H1 2019 50%	

Commercial

- **Commercial NIM reduced to 8.0%** due to lower fee income from subdued activity levels and mix
- **Increase** in bad debt ratio from **historical low,** reflecting a small number of **individual provisions**
- Stable E/I as we maintained cost growth in line with lower income growth

Retail

- Reduction in NIM reflects **mix impact** of growth in lower margin business lines
- **Slight increase in bad debts** reflecting some normalisation in the period
- E/I ratio remained flat reflecting disciplined cost growth alongside continued investments

Property

- Property **NIM reduced** reflecting lower fee income
- A small number of individual provisions, but bad debts remain very low with continued **strong credit performance**
- E/I ratio reflects **lower operational requirements**

Asset Management

Continued strong net inflows

£ million	H1 2020	H1 2019	change
Operating income	**65.7**	**58.5**	**12%**
Investment management	46.2	39.6	17%
Advice and other services	18.7	18.7	-
Other income[1]	0.8	0.2	300%
Adjusted operating expenses	(53.1)	(47.7)	11%
Adjusted operating profit	**12.6**	**10.8**	**17%**
Operating margin	19%	18%	
Revenue margin[2]	95bps	96bps	
Return on opening equity	35.6%	32.1%	
Annualised net inflows as % of opening managed assets	12%	7%	

£ million	31 January 2020	31 July 2019	change
Total managed assets	12.7	11.7	8%
Total client assets	14.0	13.3	5%

- **Increased income** driven by **higher investment management income** from strong **growth in managed assets**
- Growth in expenses reflecting continued **investment** in people and technology
- Broadly stable revenue margin
- **Net inflow rate of 12%** reflecting flows from all three distribution channels and particularly **recent hires**
- 8% **growth in managed assets** reflects 3% growth from positive market movements in the period, and strong net inflows at 12% annualised

Note:
1 Other income includes net interest income and expense, income on principal investments and other income. In the first half of 2020 includes a £0.5 million gain on disposal of non-core assets.
2 Income from advice, investment management and related services divided by average total client assets. Average total client assets calculated as a two-point average.

Securities

Improved performance in challenging trading conditions

£ million	H1 2020	H1 2019	change
Operating income	**47.9**	**45.8**	**5%**
Operating expenses	(37.3)	(36.5)	2%
Operating profit	**10.6**	**9.3**	**14%**
Average bargains per day	57k	54k	6%
Operating margin	22%	20%	
Return on opening equity	22.2%	19.2%	
Loss days	0	1	

- Higher income reflecting **significant increase in trading volumes** following the UK general election
- Operating expenses **increased** reflecting rise in trading activity
- **Increase in trading volumes** across both retail and institutional investors
- No loss day reflecting **traders' expertise** and strong **risk management** of positions

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Achieving our purpose

Our ongoing commitment to making a lasting positive impact

To help the people and businesses of Britain thrive over the long term

Investing for the future

Investing to enhance our propositions for the long term

Planning for the future with new technology

Extending our reach to new markets and opportunities

Delivering strong returns

A strong return on equity allows us to maintain our long-term resilience

Maintaining our progressive dividend

Building on leading positions in specialist markets

Thinking sustainably

Acting sustainably is embedded in our strategy and culture, and integral to our business model

Engaging with all our stakeholders to act on their feedback, maximising the talent and diversity of our employees

Strong repeat business and customer satisfaction

Support and leadership

Business initiatives to help our customers and partners adapt to industry trends and changes

Supporting the next generation via apprenticeships, recruitment and dedicated products and services

Continuing to support over 45,000 of Britain's SMEs

Sustainability and responsibility

Fundamental to our purpose, strategy and culture

To help the people and businesses of Britain thrive over the long term

As a business that operates with the long term in mind, sustainability is central to our thinking.

We are committed to making a lasting positive impact for people, communities and the environment.

Our Public Targets	Status	KPIs
Employees 30% female senior managers by 2020	Achieved ✓	**Over 30%** female senior managers since 31 July 2019
Customers Maintain or improve strong customer satisfaction scores across our businesses	Achieved ✓	Motor Finance **NPS* of +77** Premium Finance **NPS* of +50**
Communities Maintain our Payroll Giving Quality Mark Gold Award status	Achieved ✓	Payroll giving **3% ahead** of Gold Award threshold
Environment Achieve zero waste to landfill by 2021	On track	**Head office** now zero waste to landfill
Achieve a 20% improvement in fleet vehicle emissions by 2021	On track	**9% reduction** in fleet emissions since 31 July 2019

** Net promoter scores as at February 2020*

Some of our partners and accreditations:

Specialism and diversity support resilience and opportunity

Three divisions, three specialist lending segments, multiple business lines

BANKING

Segment	Business	Business lines		
Commercial	Asset Finance Loan book: £2.0bn	Transport Wheeled Commercial Assets Aviation & Marine	Industrial Equipment Manufacturing Construction Print Germany	Specialist Asset Finance Core Leasing Green Energy Fleet Finance
	Invoice & Speciality Finance Loan book: £1.0bn	Core Invoice Invoice UK ABL	Other Regions Invoice Ireland Invoice Germany Asset Ireland	Speciality Finance Novitas Brewery Rentals Vehicle Hire
Retail	Motor Finance Loan book: £1.7bn	Motor UK	Motor Ireland	
	Premium Finance Loan book: £1.0bn	Commercial	Personal	Premium Ireland
Property	Property Finance Loan book: £1.8bn	Property Finance	Commercial Acceptances	

ASSET MANAGEMENT

- Advice
- Integrated Advice & Investment Management
- Investment Management

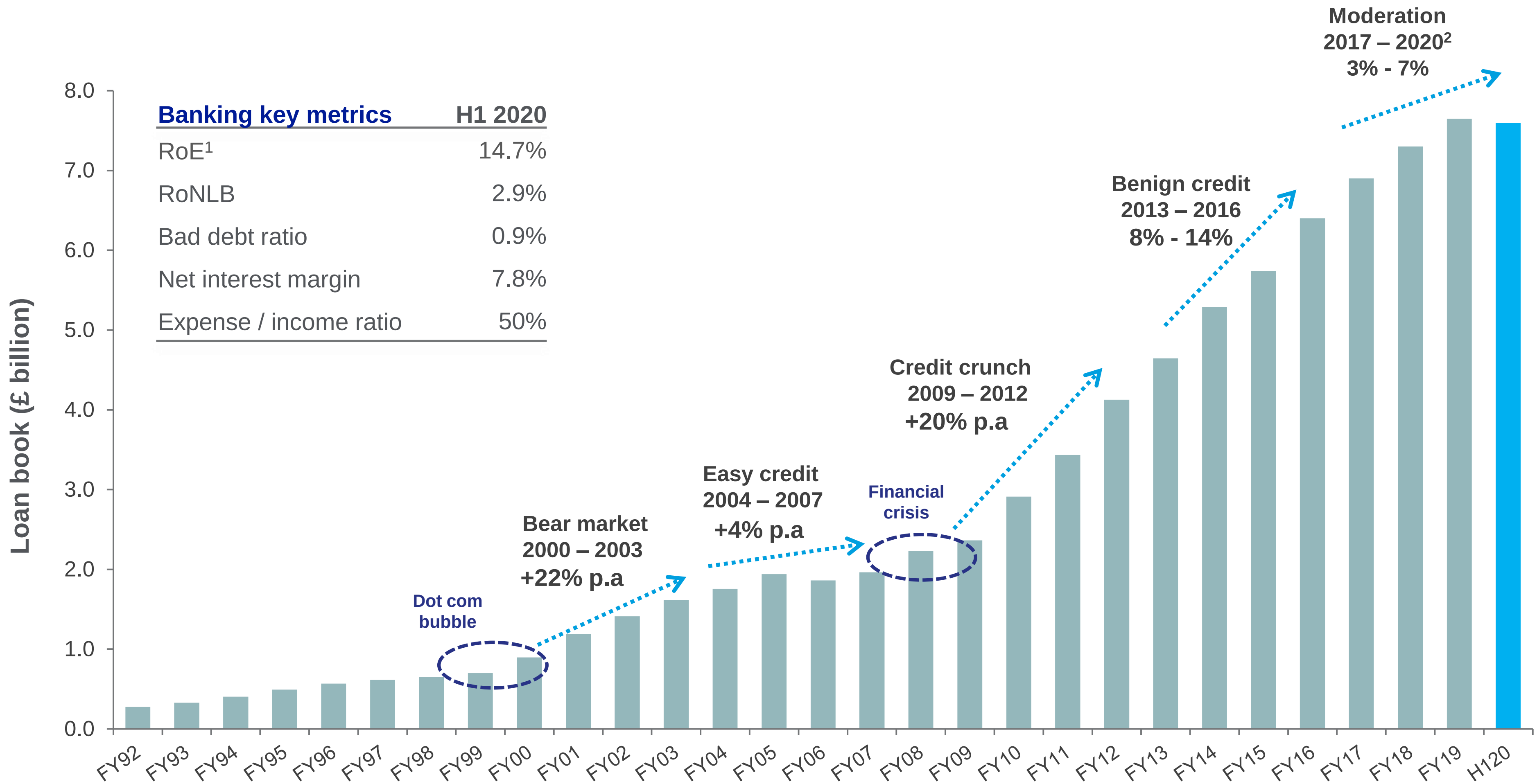
WINTERFLOOD

- Market Making
- Winterflood Business Services
- Investment Trusts

Note: Indicative list of example business lines only

Long-term growth and resilience

Long history of lending through the cycle



Banking key metrics	H1 2020
RoE[1]	14.7%
RoNLB	2.9%
Bad debt ratio	0.9%
Net interest margin	7.8%
Expense / income ratio	50%

Notes:
1 Return on opening equity
2 H1 2020 loan book growth of 3% for the 12-months period to 31 January 2020

A proven and resilient model

Well placed to navigate changing trading conditions

Long track record of disciplined and consistent lending through the cycle

Predominantly secured loan book, with short tenors and low average loan sizes

Experience in underwriting, collections and credit risk management

Scenario planning to leverage internal expertise and experience

Attractive vertically integrated model in Asset Management and resilient trading with market activity upside in Winterflood

Readiness to respond to changes in market conditions

Investing for the future

Our approach to investing in the business

1 Continuously identifying new opportunities

- New products and locations
- New markets and changing consumer behaviours
- New technologies and capabilities

2 Strategic objectives

- Increasing the value of our business for the long-term
- Intentionally investing through the cycle
- Focus on ways to protect, improve or extend our model

3 Strict challenge and prioritisation

- Accretive to existing returns and / or
- Improved operational efficiency
- Improved capital efficiency
- Strengthened funding and liquidity
- Business resilience

Investment programmes:

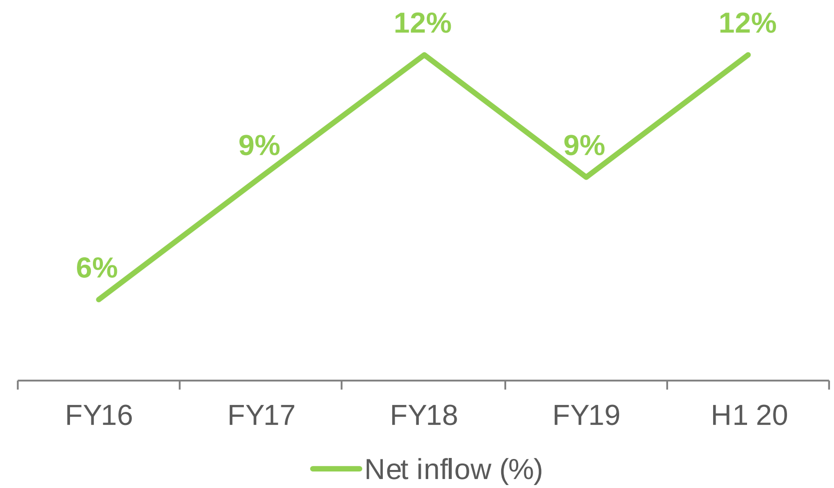
Programme	Description	Protect	Improve	Extend
Motor Transformation	*Multi-year investment programme to enhance dealer and end customer proposition*	✓	✓	✓
IRB	*Transition to IRB approach to better reflect the risk profile of our lending*	✓	✓	–
Asset transformation	*Multi-year investment programme to enhance sales effectiveness, operational efficiency and protect our competitive position*	✓	✓	✓
Cyber resilience	*Significant investment to enhance cyber security and operational resilience to ensure we protect our business and clients*	✓	–	–
Property Finance regional expansion	*Expansion into UK regional markets, with strong structural demand for family housing, and launch of new Manchester bridging finance branch*	–	–	✓
Customer Deposit Platform	*Deposit platform providing wider range of retail deposit products and online offering*	✓	✓	✓
Asset Management	*Long-term structural growth opportunity from high demand for advice and investment management services and industry consolidation. Continued hiring of client facing professionals and investment in technology*	–	✓	✓
Data centre optimisation	*Significant investment in new data centres and the Cloud will allow us to reduce future IT footprint costs and increase efficiency*	✓	✓	–

Asset Management

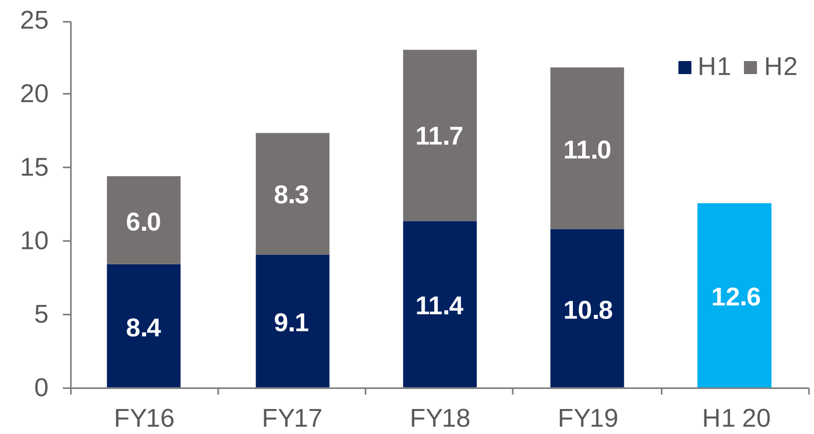
Strong momentum

- Continued **high demand** for advice and investment management services
  - Wealth market continues to shift towards **vertically integrated** models, where we are already a **well established** player
- **Vertically integrated model** underpins our successes to date
  - **Multi-channel distribution** via our advisers, fund managers and 3rd party IFAs has delivered above-industry growth
- Continued **strong net inflows** at **12% annualised**
  - Good new business levels from **all channels** and recent hires
  - Additive impact of positive market movements
- **Ongoing investment** to grow the business
  - Systems and technology enhance **operational capability** and allow for **scalability** of back and middle office functions
  - Continued **hiring of advisers and fund managers** and selective infill acquisitions add to long-term growth
- Increasing focus on **sustainable investment**
  - Socially Responsible Investment proposition successfully launched, with further sustainable fund offerings planned
  - ESG factors embedded in research

Annualised net inflow rates (%)



Adjusted operating profit (£m)

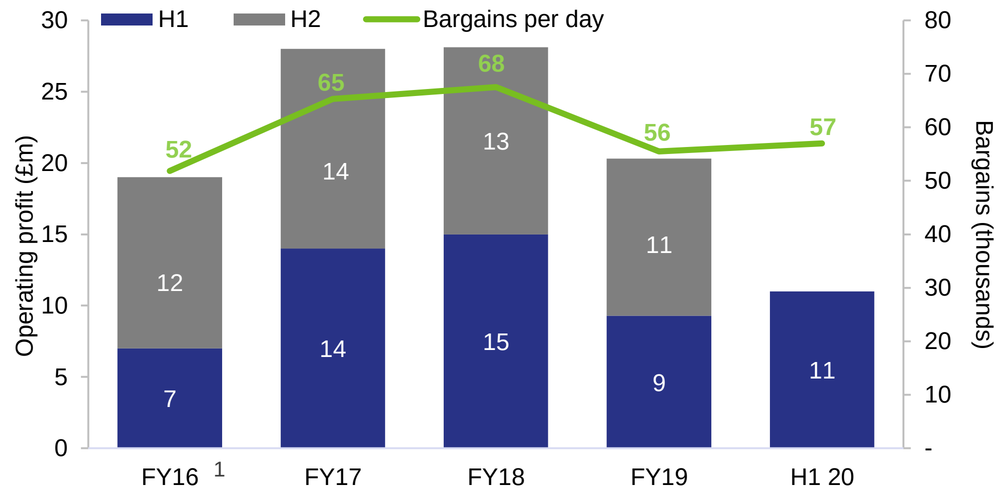


Winterflood

Solid trading performance and future optionality

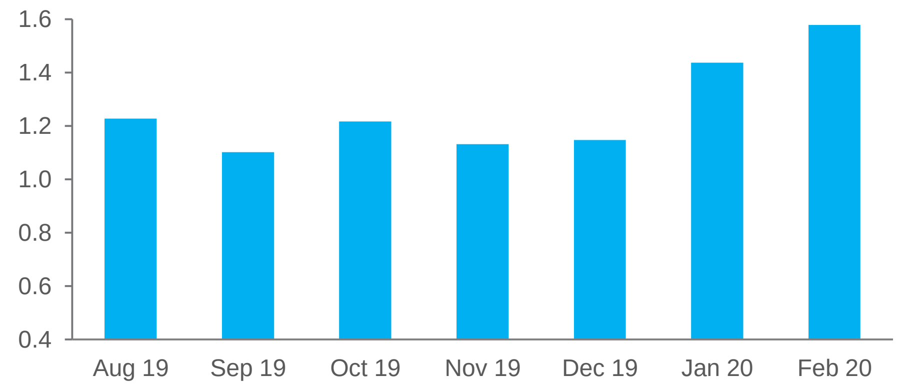
- **AOP** at **£10.6 million** reflects low investor activity prior to the UK general election, but subsequently benefited from an uplift in trading volumes following the election
- Established **leader in market making**
  - Focused on **maximising daily trading opportunities**, whilst providing **continuous liquidity** in all market conditions
- Good progress on **expanding relationships** with **institutional clients** and in the **US market**
- Continued development of **Winterflood Business Services**, providing outsourced dealing and custody services, now at **£4.1 billion** of assets under administration
- **No loss days** in challenging equity market conditions
  - Reflects ongoing focus on **risk management** of daily positions and the **expertise** of our traders

Operating profit (£m)



Loss days	17	1	0	2	0

Total bargains (millions)



Note: 1 Operating profit includes profit on disposal of Euroclear shares of £1.9 million in 2016.

Outlook

Resilient model leaves us well positioned to navigate changes in market conditions

- The near-term outlook for the UK economy **remains uncertain**, heightened by escalating concern about the Coronavirus and its potential impact on business and financial markets
- Against this backdrop, our focus remains on **maintaining the discipline of our business model**, and our **readiness** to respond to changes in market conditions
- While it is **too early** to assess the impact of Coronavirus on the UK economy, the **Banking division** remains focused on **maintaining pricing** and **underwriting discipline, improving operating efficiency** and progressing with **strategic initiatives**
- The **Asset Management** division, while **clearly sensitive to market levels,** remains focused on **increasing client assets**, through organic new business, selective hiring, and in-fill acquisitions
- **Winterflood** has benefited from a **significant increase** in **volumes** since the period end and remains focused on **maximising opportunities** across all market conditions, while continuing to build its **institutional sales trading** capabilities and **Winterflood Business Services**
- We are **confident** that our **prudent and resilient business model** and the deep experience of our people leave us **well placed to navigate the current uncertainty**, and to **continue serving our customers and clients** in a range of market conditions

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Appendix
Basis of presentation

Results are presented both on a statutory and an adjusted basis to aid comparability between periods. Adjusted measures are presented on a basis consistent with prior periods and exclude amortisation of intangible assets on acquisition, to present the performance of the group's acquired businesses consistent with its other businesses; any exceptional items, which are non-recurring and do not reflect trading performance; and discontinued operations.

Discontinued operations relate to the unsecured retail point of sale finance business, which was sold on 1 January 2019.

To maintain consistency with the income statement and reflect the group's continuing operations, the calculation of the bad debt ratio, net interest margin and return on net loan book for the Banking division in the first half of 2019 comparative period excludes the unsecured retail point of sale finance loan book from both the opening and closing loan book.

As previously communicated, the group has adopted IFRS 9 Financial Instruments with effect from 1 August 2019. As permitted by IFRS 9, comparative information has not been restated and transitional adjustments have been accounted for through retained earnings at 31 July 2019.

Banking: strong and stable NIM

Diversity and relative stability over the long term

Commercial 8.0% NIM

- Novitas
- Brewery Rentals
- Transport
- Core Invoice Finance
- Green Energy
- Vehicle Hire

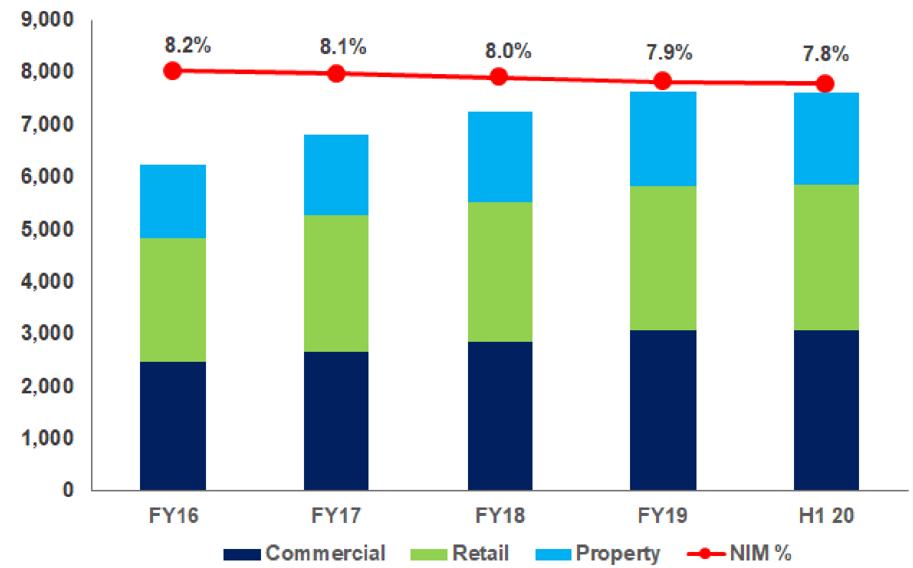
Retail 8.1% NIM

- Personal Premium
- Motor UK
- Commercial Premium
- Motor Ireland

Property 7.0% NIM

- Property Finance
- Commercial Acceptances

Loan book (£ billion) and NIM (%)



Close Brothers

Banking

Prudent and disciplined approach to lending

A proven and resilient lending model

- **Long track record of disciplined and consistent lending through the cycle**
- **Predominantly secured loan book, with short tenors and low average loan sizes**
- **Experience in underwriting, collections and credit risk management**
- **Scenario planning to leverage internal expertise and experience**
- **Well positioned to protect the business and maximise opportunity in the event of a downturn**

	Core products and security[1]	Average loan size[2]	Typical loan maturity[3]
Asset Finance	• Hire purchase, finance and operating leases • Secured on a wide range of assets with specialist knowledge	c.£35k	3 – 5 years
Invoice Finance	• Invoice discounting, factoring and asset based lending • Rolling facility secured on invoices	c.£400k	2 – 3 months
Motor Finance	• Hire purchase on second hand vehicles • PCP 12% of the loan book	c.£7k	3 – 5 years
Premium Finance	• Personal and commercial insurance policies • Policy refundability and/or broker recourse	c.£0.5k	10 months
Property Finance	• Residential development finance, refurbishment and bridging loans • Maximum LTV 60%	c.£1,400k	6 – 18 months

Notes:
1 Lending statistic figures are for illustrative purposes only and may not be representative of all loan types. Excludes speciality finance businesses. The profile of individual loans may vary significantly.
2 Approximations at 31 January 2020.
3 Typical loan maturity for new business on a contractual basis, except Invoice Finance which is on a behavioural basis. Average maturity of new business in the UK is presented for Motor Finance.

Banking: investing for the future

Strategic investment initiatives

Strategic initiative	Progress	Benefits / outcomes
Customer Deposit Platform	• Launched **additional retail savings** products via **online portal** • **Suite of new savings products** to come during 2020 • New savings products have driven a **15% increase in retail customer deposits**	• Increased **funding flexibility** • **Lower cost of funding** • Access to greater distribution, including fast growing online channel
Motor Transformation	• **UK loan book now returned to growth** • New business volumes in line with business case generating **incremental AOP benefits** • Core **sales capability** delivered and significant **upskilling of workforce** underway • Foundation for **credit optimisation** built	• **Increased new business volumes** • Better service to dealers and customers • **Improved cost efficiency** • Optimised underwriting and customer onboarding • Strengthened sales capability
Asset Transformation	• Phase one focusing on **front office completed** • **Seamless integration** of new platform (Salesforce) • Additional new business volumes expected to be written annually as a result of phase one improvements • Initiated **next phase** with **review of manual processes and procedures**	• Enhanced **sales effectiveness** and **new business volumes** • Improved **data capability** and **technology across** front and middle offices and core system • **Optimised operational efficiency**
IRB	• **Remain on track** for our formal application	• **Optimisation of capital efficiency** and long-term strategic flexibility • **Risk weightings** that better reflect the **risk profile** of our lending • Further **enhancement of our credit risk management** framework

Close Brothers
Modern Merchant Banking

LENDING | DEPOSITS | WEALTH MANAGEMENT | SECURITIES

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