

Press Release

Trading Update

19 November 2015

Embargoed for release at 7.00am on 19 November 2015.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled trading update for the first quarter from 1 August 2015 to 31 October 2015 (“the quarter”). All statements in this release relate to that period unless otherwise indicated.

- Market conditions in the first quarter have been challenging, but we remain confident in the outlook for the year
- In Banking we continue to achieve solid growth at good returns
- Winterflood’s trading income reduced due to difficult market conditions
- Asset Management continued to deliver solid net inflows despite the market backdrop

Banking

The Banking division continued to deliver solid growth, with the loan book up 2.8% in the three month period to £5.9 billion (31 July 2015: £5.7 billion), reflecting growth across all our lending businesses. However, the net interest margin reduced modestly on the prior year, principally reflecting ongoing price competition in some of our markets, although this was broadly offset by a continued improvement in the bad debt ratio. Overall returns remain strong, but slightly lower than the prior year, as we focus on maintaining our prudent lending criteria and investing in our business.

Securities

Winterflood’s trading has been affected by difficult market conditions since the start of the financial year. Although volumes were broadly unchanged, falling equity markets and volatile trading conditions, particularly in August and September, have resulted in lower profitability compared to the same period last year.

Asset Management

Asset Management continued to achieve solid net inflows, although client assets reduced overall due to negative market movements in the period. At 31 October, total client assets were £10.6 billion (31 July 2015: £10.8 billion). The revenue margin has remained broadly stable on the prior financial year.

In November we completed the sale of our corporate advice and investment management activities which was announced with the 2015 preliminary results. The disposed businesses had total client assets of £1.3 billion at 31 October.

Outlook

Despite a slower start, we remain confident in delivering a satisfactory outcome for the year.

We see continued opportunities for growth in the Banking division, whilst maintaining our prudent risk profile and focus on returns.

Winterflood is well positioned but remains sensitive to market conditions.

In Asset Management we expect to see continued net inflows and progress in the business.

Enquiries

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
Cebuan Bliss	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 over 2,900 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.