

Press Release

Scheduled Trading Update

20 May 2016

Embargoed for release at 7.00am on 20 May 2016.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled trading update for the third quarter from 1 February 2016 to 30 April 2016 (“the quarter”). All statements in this release relate to that period unless otherwise indicated.

Group and divisional performance

We delivered an improved performance in the quarter, with good loan book growth, tighter cost control and better market conditions for Winterflood.

The **Banking division** continues to see robust demand for our specialist lending services with good levels of new business. The loan book increased 4.0% in the quarter and is up 8.2% year to date to £6.2 billion (31 January 2016: £6.0 billion), benefiting from strong growth in our leasing products and a seasonal uplift in motor finance.

The return on net loan book remains strong, as both the net interest margin and bad debt ratio have remained broadly in line with the first half. The rate of growth in expenses was lower than the first half as we continue to tighten cost control whilst maintaining investment in the business and in new growth initiatives.

Winterflood's performance improved following a difficult first half, with increased profitability across all trading books reflecting a modest recovery in the equity markets and improved investor risk appetite. However, the business remains sensitive to an unpredictable market.

Asset Management continued to achieve solid net inflows in managed assets, which increased 4% to £7.5 billion (31 January 2016: £7.3 billion). Total client assets increased 2% to £9.3 billion (31 January 2016: £9.1 billion) with a broadly stable revenue margin compared to the prior financial year.

Outlook

Building on our good performance in Q3, we are confident in delivering a satisfactory outcome for the full year.

Enquiries

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| Sophie Gillingham | Close Brothers Group plc | 020 7655 3844 |
| Eva Hatfield | Close Brothers Group plc | 020 7655 3350 |
| Lois Hutchings | Close Brothers Group plc | 020 7655 3468 |
| Andy Donald | 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 around 3,000 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.