

Press Release

Close Brothers Group plc Interim Management Statement

24 May 2013

Embargoed for release at 7.00am on 24 May 2013.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its Interim Management Statement relating to the third quarter from 1 February 2013 to 30 April 2013. All statements in this release relate to that time period, unless otherwise indicated.

- The group achieved another good performance in the quarter
- The Banking division continued to deliver solid growth, with the loan book increasing to £4.5 billion, up 9% year to date
- Winterflood has seen an improvement in trading volumes, but performance overall remained consistent with the first half
- Asset Management continues to make progress with Assets under Management (“AuM”) increasing 4% to £9.2 billion
- The group has maintained its strong funding, liquidity and capital positions

Banking

The Banking division maintained its strong performance in the quarter, consistent with the first half. The loan book increased 2% to £4.5 billion (31 January 2013: £4.4 billion), driven by growth in motor finance and the Commercial businesses, and is up 9% year to date. Growth has remained solid but slightly lower than last year due to a moderation in demand in some of our markets. The bad debt ratio was in line with the first half, at the lower end of its longer term range, reflecting continued strong credit performance across the loan book. The net interest margin also remained broadly stable.

Securities

Market conditions for Securities were mixed in the quarter with performance overall for Winterflood remaining consistent with the first half. Winterflood’s average bargains per day increased reflecting higher trading activity particularly in large cap stocks. However, this was offset by a reduction in income per bargain as a result of continued subdued volumes and difficult trading conditions in the AIM and small cap sectors. Seydler benefited from increased capital markets income in the period.

Asset Management

The Asset Management division made further progress in the quarter with positive sales momentum. Total AuM increased 4% to £9.2 billion (31 January 2013: £8.9 billion), up 10% year to date, reflecting positive market movements and positive net flows. The revenue margin also increased slightly from the first half and we continue to focus on improving the mix towards higher margin assets.

Outlook

The group has delivered a good performance in the third quarter and remains well placed for the rest of the financial year.

In the Banking division we see solid prospects for growth and we expect profit in the second half to be broadly in line with the first half.

While trading volumes have increased, Winterflood has not yet seen a sustained improvement in retail investor risk appetite, particularly in the AIM and small cap sectors, but remains well positioned to benefit as conditions improve.

Asset Management remains on track and we expect the division to deliver a small profit for the full year.

Overall we remain confident in delivering a good result for the full year.

Upcoming events

A seminar on the Banking division will be held for institutional investors and analysts on 30 May 2013 at 16:30 BST in our offices at 10 Crown Place, London EC2A 4FT.

Enquiries

Sophie Gillingham	Close Brothers Group plc	0207 655 3844
Clara Melia	Close Brothers Group plc	0207 655 3350
Debbie Nathan	Close Brothers Group plc	0207 655 3845
Peter Ogden	Maitland	0207 379 5151

About Close Brothers

Close Brothers is a specialist financial services group which makes loans, trades securities and provides advice and investment management solutions to a wide range of clients. Close Brothers was established in 1878 and today employs over 2,500 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.