

Press Release

Close Brothers Group plc Trading update

24 January 2014

Embargoed for release at 7.00am on 24 January 2014.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2014 half year end. Close Brothers will be releasing its half year results for the six months ending 31 January 2014 on 11 March 2014.

All statements in this release relate to the group’s performance over the five months to 31 December 2013 unless otherwise indicated.

- Close Brothers has continued its positive performance and anticipates a strong result for the first half
- Strong performance reported in Banking with loan book growth of 4% year to date to £4.8 billion
- Winterflood has continued to benefit from improved market conditions and increased retail investor trading activity
- Asset Management continued to progress as Assets under Management (“AuM”) increased 4% to £9.5 billion
- The group’s funding, liquidity and capital positions remain strong

Banking

The Banking division has continued to perform strongly with an improved bad debt ratio and a broadly stable net interest margin. The loan book increased by 4% in the period to £4.8 billion (31 July 2013: £4.6 billion) and, although growth moderated slightly from the prior year, good growth has continued in the lending businesses.

Securities

Winterflood’s performance has improved from the last financial year reflecting recovering market sentiment. Increased trading activity and investor risk appetite have ensured that income per bargain and average bargains per day remain ahead of the previous year. The improvement in AIM trading, particularly in the first quarter, has supported income per bargain. Seydler’s performance has remained consistent with the prior year.

Asset Management

Total AuM increased 4% to £9.5 billion (31 July 2013: £9.1 billion) in the period from both positive market movements and net inflows. The revenue margin has remained broadly stable and the division's overall performance continues to improve.

Outlook

The positive performance has continued in the period.

We remain focused on maintaining the quality of our lending model and continue to see good growth opportunities for the Banking division.

Winterflood is well placed to benefit if current market conditions are sustained throughout the year.

Asset Management continues to progress towards our medium-term targets.

Overall, we remain confident in the outlook for the current financial year.

Enquiries

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About Close Brothers

Close Brothers makes loans, trades securities and provides financial advice and investment management services. 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.