

## Press Release

### Scheduled Trading Update

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22 May 2019

Embargoed for release at 7.00am on 22 May 2019.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its trading update relating to the third quarter from 1 February 2019 to 30 April 2019 (“the quarter”). All statements in this release relate to that period unless otherwise indicated.

#### Group and divisional performance

The group delivered a solid performance in the period. The Banking division has performed as expected in current market conditions, while our market facing businesses continued to experience lower activity levels.

In **Banking**, we remain focused on maintaining our margins and our prudent underwriting, and continuing to invest in our businesses for the long-term.

The loan book increased by 1.5% in the quarter to £7.5 billion (31 January 2019: £7.4 billion), predominantly driven by Commercial and Property, and is up 3.6% year to date.

The bad debt ratio has remained low with continued strong credit performance across the business, and the net interest margin year to date has remained broadly in line with the 2018 financial year.

In **Asset Management**, we continue to invest in people and technology to support our long-term growth. Although client activity remained subdued in the period, managed assets increased to £10.9 billion at 30 April 2019 (31 January 2019: £10.3 billion), supported by positive market movements and continued net inflows. Total client assets increased to £12.5 billion (31 January 2019: £12.0 billion).

**Winterflood** continues to focus on maximising its trading opportunities in all market conditions. Although trading volumes remained low, the division delivered solid profitability in the quarter, performing broadly in line with the first half.

#### Outlook

We expect a solid result for the full financial year.

#### Enquiries

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## **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 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.

## **Cautionary Statement**

*Certain statements included within this announcement may constitute "forward-looking statements" in respect of the group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as may be required by law or regulation, no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any shares or other securities in the company or any of its group members, nor does it constitute a recommendation regarding the shares or other securities of the company or any of its group members. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser or other professional. Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.*