



Close Brothers Group plc

## **CLOSE BROTHERS GROUP PLC ACQUIRES TWO SPECIALIST LENDING BUSINESSES**

**27 March 2008, London** - Close Brothers Group plc (“Close Brothers”), the specialist merchant banking group, has acquired two niche lending businesses with a combined loan book value of £145 million, for a combined premium to net assets of circa £9 million. These businesses will become part of Close Brothers’ banking subsidiary, Close Brothers Limited.

### **Commercial Acceptances Group**

Commercial Acceptances Group (“Commercial Acceptances”) is one of the largest and most respected UK short-term and bridging lenders with an excellent track record of profitable, secured lending over the past 25 years. As at 29 February 2008, Commercial Acceptances had a loan book of around £80 million and, pursuant to the terms of the deal, Close Brothers has refinanced all of the group's existing loan facilities. The business was acquired for a total consideration of approximately £31 million, including goodwill of £7 million.

The experienced management team, led by Lawrence Brown, will continue to manage the business as part of the Close Property Finance division.

### **Amber Credit**

Amber Credit is a specialist insurance premium finance business. The group lends to both individuals and businesses. As at 29 February 2008 the group had a loan book of approximately £65 million and, pursuant to the terms of the deal, Close Brothers has refinanced all of the group's existing loan facilities. The business was acquired from Skipton Building Society for a consideration of £2 million with goodwill arising on acquisition also anticipated to be circa £2 million.

Amber Credit will be merged with Close Brothers’ existing premium finance business, Close Premium Finance.

These loan books are expected on average to generate returns on gross assets in line with the returns produced by Close Brothers’ Banking Division. Accordingly the transactions will be earnings enhancing in FY 2009.

**Commenting on the acquisitions, Stephen Hodges, Managing Director of Close Brothers Group, and Executive Chairman of Close Brothers Limited said:** “These acquisitions fit exceptionally well into the Close Brothers’ family. We target high quality, focused businesses in areas where we have a

