

Press Release

Close Brothers Group plc Trading Update

Embargoed for release at 7.00am on 21 January 2011

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2011 half year end. All statements in this release relate to the group’s performance over the five months to 31 December 2010 unless otherwise stated.

Close Brothers will be releasing its half year results for the six months ending 31 January 2011 on 15 March 2011.

Group and divisional performance

Close Brothers has performed well overall for the five month period to 31 December.

The **Banking** division continued to see good momentum with loan book growth of 10% to £3.2 billion at 31 December 2010 (31 July 2010: £2.9 billion) whilst maintaining a strong net interest margin. The bad debt ratio for the period was slightly higher relative to the second half last year due to the bad debt in the Property portfolio noted in the Q1 Interim Management Statement. However, for the 2011 financial year as a whole, the bad debt ratio is expected to be slightly down on the 2010 financial year.

The **Securities** division had a sound performance overall. Winterflood has benefited from strong retail activity and whilst average bargains per day remained broadly unchanged, income per bargain improved relative to the second half of last year. Close Brothers Seydler has performed well reflecting increased capital markets activity while Mako’s performance remained subdued.

Investment in the **Asset Management** division continues and, as expected, the division made a small loss. Total Funds under Management (“FuM”) increased 19% to £8.8 billion at 31 December 2010 (31 July 2010: £7.4 billion) reflecting market movements and the Chartwell Group acquisition.

Outlook

Given the result year to date, overall we remain confident we will deliver a satisfactory performance for the 2011 financial year.

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