

# Our Business Model

How we generate value

## What we do

We are a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading. We deliver excellent service in niche sectors we know and understand.

### Banking

Specialist lending and deposits for small businesses and individuals

Banking offering includes:

- Hire purchase, leases and loans for capital assets
- Debt factoring
- Invoice discounting
- Asset-based lending
- Other specialist financing for SMEs
- Used car, motorcycle and light commercial vehicle financing
- Insurance premium financing
- Development finance for residential housing
- Refurbishment and bridging finance
- Savings products for individuals and corporates

### Close Brothers Asset Management

A vertically integrated top-20 UK wealth manager

CBAM offering includes:

- Bespoke investment management
- Socially responsible investment service
- Inheritance tax service
- Financial planning
- Investment solutions for both CBAM clients and distributed through third-party IFAs
- Platform and custody services

### Securities

A leading market maker providing continuous liquidity in all market conditions

Securities offering includes:

- Market making
- Investment trusts advisory and broking
- Winterflood Business Services
- Institutional sales trading

## How we do it

We maintain a long-term approach, applying this consistently through the cycle



**Disciplined underwriting and pricing**



**Prudent management of financial resources**



**Customer-centric approach**



**Conservative approach to risk**



**Diversified portfolio**



**Our distinctive culture**

→ The value we create ←

We apply our lending criteria and pricing discipline consistently at all stages of the cycle, with the net interest margin we generate reflecting the specialist expertise of our teams. Our lending is predominantly secured or structurally protected, with conservative loan to value ratios, small loan sizes and short maturities.

A fundamental part of our model is having a strong capital position and taking a conservative approach to liquidity management and funding, as we focus on diversity of funding and a prudent maturity profile.

We listen to our customers, putting their needs at the heart of our business. We are there for our customers across all market conditions and seek to build long-lasting relationships with them.

Our prudent and conservative appetite to risk remains unchanged throughout the cycle. We adhere to all applicable regulations and are committed to sustaining high standards of business conduct.

We lend in a variety of sectors and locations to a diverse range of assets including transport, industrial equipment, renewable energy, wholesale finance, broker finance, used cars, light commercial vehicles and residential property.

Our distinctive culture and long-term approach are embodied by our values of service, expertise, relationships, teamwork, integrity and prudence.



Colleagues

86%

Employee engagement



Customers, clients and partners

Strong customer satisfaction scores

92%

Asset Finance CSAT

+88

Property Finance NPS



Suppliers

63%

of suppliers described our relationship as strategic and collaborative



Regulators and government

13.3%

CET1 capital ratio



Communities

£120,000

donated to charities aligned to our ESG goals



Environment

54.7%

reduction in Scope 1 and 2 emissions (market-based) since 2019



Investors

67.5p

dividend per share