

Press Release

Close Brothers Group plc Trading update

24 July 2014

Embargoed for release at 7.00am on 24 July 2014.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2014 financial year end. All statements in this release relate to the group’s performance over the five months to 30 June 2014 (“the period”) unless otherwise indicated.

Close Brothers will be releasing its full year results for the twelve months ending 31 July 2014 on 23 September 2014.

Highlights

- Close Brothers has delivered another strong result in the period, building on a good first half performance
- Continued momentum in Banking with year to date loan book growth of 12% to £5.2 billion
- Securities performance remained broadly consistent with the first half
- Asset Management continued to make good progress with 7% growth year to date in Assets under Management (“AuM”) to £9.7 billion
- The group maintained its strong funding, liquidity and capital positions

Banking

The Banking division’s strong performance has continued in the second half. The loan book grew 8% over five months to £5.2 billion (31 January 2014: £4.9 billion), and is up 12% year to date, reflecting improved demand particularly in Property and motor finance. The division remains focused on maintaining its high quality lending model, with a slight decline in the net interest margin in the period offset by continued strong credit performance.

Securities

The positive trading conditions and improved market sentiment continued to benefit Securities in the period. Volumes at Winterflood were stronger although this was offset by a small reduction in income per bargain, reflecting increased trading in lower margin stocks. Seydler benefitted from a modest improvement in capital markets fees, but overall performance in Securities has remained broadly consistent with the first half.

Asset Management

Asset Management delivered 4% growth in AuM to £9.7 billion (31 January 2014: £9.3 billion) in the period. AuM have increased 7% year to date, benefitting from both net inflows across our core distribution channels and positive market movements. The revenue margin remained stable on the first half.

Outlook

Overall the group's outlook is unchanged and we expect to report another strong performance for the full 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 2,700 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.