

Press Release

Scheduled Trading Update

21 November 2019

Embargoed for release at 7.00am on 21 November 2019.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its trading update relating to the first quarter from 1 August 2019 to 31 October 2019 (“the quarter”). All statements in this release relate to continuing operations in that period unless otherwise indicated.

Group and divisional performance

The group’s performance in the first quarter reflects lower activity levels across our markets, and we continued to focus on the disciplined application of our proven and resilient business model.

In the **Banking** division, we remain focused on maintaining our pricing and prudent underwriting in the current market conditions. The loan book increased 0.9% in the quarter to £7.7 billion (31 July 2019: £7.6 billion), predominantly driven by Commercial, while Retail and Property remained broadly flat.

The net interest margin remained broadly stable on the 2019 financial year. The bad debt ratio increased modestly in the first quarter, relative to historically low levels, but the overall credit quality remains strong.

We continue to invest in strategic initiatives including our Motor transformation programme, new deposit platform and planned transition to the Internal Ratings Based approach to capital.

The **Asset Management** division achieved strong net inflows, with managed assets growing to £11.9 billion at 31 October 2019 (31 July 2019: £11.7 billion) and an increase in total client assets to £13.4 billion (31 July 2019: £13.3 billion), in line with our growth strategy.

Winterflood continued to see subdued investor trading activity in the first quarter. The division remains focused on maximising its trading opportunities in all market conditions.

Outlook

While the UK economic outlook remains uncertain, we are well positioned to continue supporting our customers and clients in a wide range of market conditions.

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.