

## Press Release

### Scheduled Trading Update

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20 January 2017

Embargoed for release at 7.00am on 20 January 2017

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2017 half year end. Close Brothers will be releasing its half year results for the six months ending 31 January 2017 on 14 March 2017.

All statements in this release relate to the group’s performance over the five months to 31 December 2016 unless otherwise indicated.

#### **Group and divisional performance**

Close Brothers has delivered a strong performance since the start of the financial year.

The Banking division has generated strong returns and profit growth during the period. This was driven by both higher income, with a stable net interest margin, as well as a lower bad debt ratio, as a result of continued good underlying credit performance and provision releases.

The loan book was up 2.3% over the period and 9.3% year on year at £6.6 billion (31 July 2016: £6.4 billion), driven by good growth particularly in the premium finance and property businesses. Although new business volumes remained solid across the loan book, repayments were higher particularly towards the end of the period.

Winterflood delivered a good performance, with strong retail trading activity throughout the period.

Asset Management benefited from improved market conditions and both market movements and net inflows were positive. Overall, however, managed assets reduced to £7.8 billion (31 July 2016: £8.0 billion) reflecting the previously announced disposal of OLIM Investment Managers (c.£500 million managed assets at 31 July 2016), which completed in November 2016.

On 5 January we provided an update on the group’s capital position and announced our intention to raise tier 2 capital. Since then, we have issued £175 million of tier 2 subordinated debt securities. On a pro-forma basis, at 31 July 2016, this would increase our total capital ratio by 2.4% to 15.1%, ensuring we maintain the flexibility of our capital position over the longer term.

#### **Outlook**

Given our performance year to date, we are confident in delivering a strong result for the first half as well as a good outcome for the full 2017 financial 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 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.