

# Press Release

## Close Brothers Group plc Trading Update

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Embargoed for release at 7.00am on 22 July 2011

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2011 financial year end. All statements in this release relate to the group’s performance over the five months to 30 June 2011 unless otherwise stated.

Close Brothers will be releasing its full year results for the twelve months ending 31 July 2011 on 27 September 2011.

### Group and divisional performance

Close Brothers has delivered a sound performance in the period.

The **Banking** division’s strong performance has continued. Good growth in the loan book of 7% in the period and 16% year to date to £3.4 billion at 30 June 2011 (31 January 2011: £3.2 billion) was driven by continued strong demand across Commercial and Retail. The net interest margin has remained strong and, as expected, the bad debt ratio in the period has reduced relative to the first half.

In the **Securities** division, Winterflood has had a slower performance reflecting challenging market conditions in the last three months. Whilst average bargains per day were broadly in line with the first half overall, income per bargain was impacted by the weaker trading conditions. Close Brothers Seydler has continued to benefit from good capital markets activity whilst Mako’s performance has remained subdued.

The **Asset Management** division continues to invest in its Private Clients business and delivered a small loss in the period as expected. Funds under Management (“FuM”) at 30 June 2011 increased to £9.7 billion (31 January 2011: £8.2 billion) principally reflecting the acquisition of Cavanagh Group plc with £1.5 billion of client assets, which completed in the period.

### Outlook

Although there has been a slowdown in the Securities division, the group expects to deliver a satisfactory performance for the 2011 financial year.

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