

Press Release

Close Brothers Group plc Interim Management Statement

Embargoed for release at 7.00am on 17 May 2012.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its Interim Management Statement relating to the third quarter from 1 February 2012 to 30 April 2012. All statements in this release relate to that time period, unless otherwise indicated.

Group and divisional performance

The group has delivered a solid performance overall with strong growth in the Banking division although difficult market conditions continued to impact Securities, particularly in April. The group has maintained a strong funding position and remains well capitalised.

The **Banking** division has delivered another strong performance, benefiting from continued favourable market conditions and good demand for its lending services. The loan book increased 6% in the quarter to £4.0 billion (31 January 2012: £3.8 billion) at 30 April 2012 reflecting strong new business levels particularly in motor finance, asset finance and property, and has increased 15% in the financial year to date. The net interest margin remains strong, although slightly lower than the first half of the financial year. The credit quality of the loan book continues to improve and the bad debt ratio reduced slightly in the period.

Performance in the **Securities** division continues to be affected by difficult market conditions, particularly for Winterflood. Winterflood’s average bargains per day and income per bargain were slightly higher relative to the first half, as improved trading conditions in February and March were followed by a reduction in retail investor risk appetite towards the end of the period. Seydler’s performance improved modestly, principally reflecting increased capital markets activity.

In April the group reduced its holding in Mako by a further 6% to 27%, under the previously announced agreement for the phased sale of its investment to the management team.

The **Asset Management** division is in the final stages of its restructuring and made a small loss as expected. Private Clients Assets under Management (“AuM”) increased slightly to £7.0 billion (31 January 2012: £6.9 billion) at 30 April 2012 reflecting positive net new funds. Total AuM reduced to £8.3 billion (31 January 2012: £8.6 billion) reflecting the completion of the previously announced sale of OLIM’s property fund management business with £0.4 billion AuM.

Outlook

The Banking division continues to see good growth opportunities, although difficult trading conditions continue to impact Winterflood’s performance. Overall we continue to expect a solid result for the year.

Enquiries

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About Close Brothers

Close Brothers is a specialist financial services group which makes loans, trades securities and provides advice and investment management solutions to a wide range of clients. Close Brothers was established in 1878 and today employs over 2,500 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.