

# Press Release

## Close Brothers Group plc Interim Management Statement

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Embargoed for release at 7.00am on 18 November 2010

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its Interim Management Statement relating to the first quarter from 1 August 2010 to 31 October 2010. All statements in this release relate to that time period, unless otherwise indicated.

### Group and divisional performance

Close Brothers has delivered a solid overall performance in the first quarter with continued strong capital and funding positions.

The **Banking** division has continued to perform well with good loan book growth and a strong net interest margin reflecting continued demand for the division’s specialist lending services. At 31 October 2010 the loan book was £3.1 billion (31 July 2010: £2.9 billion), an increase of 7%. During the period the bad debt ratio was higher relative to the second half last year due to a bad debt in the legacy Property portfolio. However, for the 2011 financial year, the bad debt ratio is expected to be slightly down on the 2010 financial year.

The **Securities** division has had a sound performance in the first quarter. Winterflood income per bargain improved relative to the second half of last year and average bargains per day were broadly unchanged. Close Brothers Seydler performed well as capital market activity increased while Mako was subdued due to continuing low volumes and lower volatility.

As expected, the **Asset Management** division made a small loss as it continues to invest for future growth, particularly in Private Clients. Total Funds under Management (“FuM”) increased 14% to £8.5 billion at 31 October 2010 (31 July 2010: £7.4 billion) reflecting the acquisition of the Chartwell Group and market movements.

### Outlook

Given the solid overall performance in the first quarter, we remain confident we will deliver a satisfactory performance for the full year.

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