

Press Release

Trading update

22 January 2016

Embargoed for release at 7.00am on 22 January 2016.

Close Brothers Group plc (“the group” or “Close Brothers”) today issues its scheduled pre-close trading update ahead of its 2016 half year end. Close Brothers will be releasing its half year results for the six months ending 31 January 2016 on 8 March 2016.

All statements in this release relate to the group’s performance over the five months to 31 December 2015 unless otherwise indicated.

Group and Divisional Performance

Close Brothers has delivered a solid performance despite challenging market conditions since the start of the financial year.

The **Banking** division continued to deliver growth, with the loan book up 4.9% to £6.0 billion (31 July 2015: £5.7 billion), reflecting growth across our lending businesses. The net interest margin remains below the prior year, although the bad debt ratio has improved slightly and the return on net loan book remains strong. We remain focused on maintaining our prudent lending criteria and investing in our business.

In **Securities**, Winterflood’s performance has been impacted by difficult market conditions which have persisted since the start of the financial year. Falling equity markets and lower levels of activity, particularly in the AIM market, have resulted in lower profitability in the period.

Asset Management continued to deliver solid net inflows. However, total client assets reduced to £9.4 billion (31 July 2015: £10.8 billion) reflecting negative market movements and the disposal of our corporate activities, as previously reported.

Outlook

Market conditions have been weaker in the first half but we remain confident in a satisfactory outcome for the year.

We see continued opportunities for growth in the Banking division, whilst maintaining our focus on returns and a prudent risk profile.

Winterflood is well positioned but trading conditions remain difficult.

In Asset Management we expect continued progress in the business, notwithstanding difficult 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 2,900 people, principally in the UK. Close Brothers Group plc is listed on the London Stock Exchange and is a member of the FTSE 250.