

Press Release

Close Brothers credit ratings upgraded by Moody's

8 May 2015

- Close Brothers Limited upgraded 3 notches to Aa3 (from A3), with stable outlook
- Close Brothers Group plc upgraded 1 notch to A3 (from Baa1), with stable outlook

Close Brothers is pleased to confirm that Moody's Investors Service ("Moody's") has today upgraded the long-term deposit rating of Close Brothers Limited (CBL), its banking subsidiary, to Aa3 from A3 and its short-term deposit rating to Prime-1 from Prime-2. As a result, CBL is now one of the highest rated banks in the UK. Moody's has also upgraded the long-term issuer and senior unsecured rating for Close Brothers Group plc (CBG) to A3 from Baa1. CBG's Prime-2 short-term issuer rating was unaffected by this rating action.

The outlook is stable on all long-term ratings for CBL and CBG.

The rating upgrade reflects the bank's improved asset quality profile as well as the implementation of Moody's new bank rating methodology. In particular, Moody's noted four key strengths:

- A further increase in Close Brothers' already strong profitability levels, underpinned by high-margin and mostly secured lending;
- Close Brothers' strong funding structure underpinned by a 'borrow long / lend short' strategy;
- Its good track record of performance stability over various economic cycles; and
- The strong capital position compared to rated peers which, coupled with the relatively short duration of its loan portfolio, makes the business resilient to stress.

These rating actions represent a further validation of our proven business model and prudent approach to funding and capital management, which has enabled us to trade consistently and provide funding to SMEs at all stages in the economic cycle.

Enquiries

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About Close Brothers

Close Brothers is a leading merchant banking group, providing lending, deposit taking, wealth management services, and securities trading. The group employs 2,800 people, principally in the UK. We are listed on the London Stock Exchange and are a member of the FTSE 250.

Close Brothers' Banking division provides lending to small businesses and individuals, with an emphasis on specialist finance, and also offers deposit taking services to UK businesses and individuals.