Press release

Close Brothers Group plc

10 Crown Place, London EC2A 4FT
Tel: 020 7655 3100
Email: enquiries@cbgplc.com
Website: www.closebrothers.co.uk

Close Brothers Group plc
Trading Update

30 January 2009

Close Brothers Group plc ("Close Brothers" or "the Group") today issues its scheduled pre-close trading update. This report is based on the Group's performance over the five months to 31 December 2008, except where otherwise specified.

Close Brothers will be releasing its interim results for the six months ending 31 January 2009 on 10 March 2009.

Group and Divisional Performance

In the first five months of our 2009 financial year, our businesses have faced increasingly challenging and unpredictable trading conditions. Nevertheless, we expect a satisfactory result overall for the first half, as we benefit from a particularly strong performance in our Securities division.

In our **Asset Management** division, performance continues to be affected by the challenging financial markets and weak investor sentiment, which is impacting both income and profitability.

As at 31 December 2008, we had total Funds under Management ("FuM") of £7.1 billion (31 July 2008: £8.2 billion and 31 October 2008: £7.0 billion). The change was principally the result of negative market movements in the period, and the £0.4 billion impact of the deconsolidation of Close Brothers Private Equity in Q1. In addition, we have since deconsolidated a further £0.2 billion of FuM related to the reorganisation of our interest in Close Ventures Limited in January.

We have also seen a reduction in management fees as a percentage of FuM in the period, as a result of both lower activity levels and changes in mix. In addition, the division's result for the first half will be impacted by a mark to market valuation adjustment to our corporate private equity investments.

In the **Banking** division, we achieved 6% growth in the loan book to £2.37 billion as at 31 December 2008 (31 July 2008: £2.23 billion), including the £80 million premium finance loan book acquired in August. We continue to adopt a cautious approach to new lending in the current economic environment.

Lending margins have remained broadly stable to date, despite recent increases in our funding costs, although bad debts have continued to increase reflecting the increasingly difficult economic conditions facing our SME borrowers.

Activity in our **Corporate Finance** division has been muted, and we expect the division to report a small loss for the first half of the year.

Our **Securities** division has continued to perform very strongly throughout the period, with Winterflood and Mako continuing to deliver good results over the past three months as a result of ongoing strong trading volumes and high volatility. We now expect this division to report a material increase in profits year on year for the first half.

Funding and Liquidity

Our conservative approach to balance sheet management means that we remain soundly funded from a diverse range of sources.

Outlook

We expect the challenging economic and financial market environment to continue to impact our businesses, particularly in the Asset Management and Corporate Finance divisions. We remain confident that our strong businesses and robust financial position leave us well placed to take advantage of better conditions when markets recover.

Enquiries:

Sophie Ameln Gillingham	Investor Relations Close Brothers Group plc	020 7655 3844
Justin Clark	Press Enquiries Close Brothers Group plc	020 7655 3784
Anthony Silverman	Maitland	020 7379 5151