



## Close Brothers Group plc

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### **CLOSE BROTHERS GROUP plc**

#### **INTERIM MANAGEMENT STATEMENT**

**1ST NOVEMBER, 2007**

Close Brothers Group plc ("Close Brothers"), the independent merchant bank, presents its first interim management statement ("IMS") for the financial year ending 31st July, 2008, as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3. This IMS will also be presented to those attending the Close Brothers' Annual General Meeting today.

#### **Financial position and performance**

Overall our performance is satisfactory and broadly consistent with our expectations at the time we announced our Preliminary Results on 24th September, 2007.

Against a background of market volatility, trading has been satisfactory if somewhat mixed for Asset Management, nevertheless funds under management have continued to grow.

Our Banking division has achieved loan book and profit growth in line with our expectations, on the back of good performances from our commercial asset finance and property businesses. Bad debts remain at low levels.

After a slower than normal start to the year due to the credit crisis, our Securities division has seen some improvement in market conditions and is now trading in line with previous years.

Corporate Finance has had a quiet start, but the division remains profitable across all its operations and continues to build its pipeline.

#### **Liquidity**

Customer deposits have increased slightly since the year end and the group remains conservatively funded with a strong balance sheet.

#### **Highlights**

We completed the acquisition of our strategic investment in Mako, the exchange traded derivatives market maker, at the end of September and it is trading in line with expectations.

#### **Board changes**

In October we announced the appointment of our new finance director, Jonathan Howell, who is currently finance director of the London Stock Exchange plc. We expect Jonathan to join Close Brothers in early February 2008.

In September we announced that Peter Buckley would be retiring this year and that Jamie Cayzer-Colvin would be joining the board as a non-executive director. Peter Buckley will retire on 31st December, 2007 and Jamie Cayzer-Colvin will join the board on 1st January, 2008.

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Further information on Close Brothers can be found on the company's website at [www.closebrothers.co.uk](http://www.closebrothers.co.uk).