

Our Business Model

How we generate value

What we do

We are a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading.

We focus on delivering excellent service in specialist sectors we know and understand.

Banking

Specialist and secured lending and deposits for small businesses and individuals

Our Banking offering includes: hire purchase; leasing and loans for capital assets; debt factoring; invoice discounting; asset-based lending; other specialist financing for SMEs; used car, motorcycle and light commercial vehicle financing; insurance premium financing; development finance for residential properties; funding for commercial properties; refurbishment and bridging finance; and savings products for individuals and corporates.

➤ [Read more about Banking on pages 63 to 70](#)

Close Brothers Asset Management¹

A leading, vertically integrated UK wealth manager

Our CBAM offering includes: financial planning; bespoke investment management; a socially responsible investment service; an inheritance tax service; and investment solutions for both CBAM clients and distributed through third-party IFAs.

➤ [Read more about CBAM on pages 70 to 72](#)

Securities

A leading liquidity provider supporting clients in all market conditions

Our Securities offering includes Winterflood, which provides market making, investment trusts advisory and broking services, and institutional sales trading. It also includes Winterflood Business Services, which provides outsourced custody and dealing services.

➤ [Read more about Securities on pages 72 to 73](#)

Enabled by the distinctive strengths of our model



Deep expertise

➤ [See page 19](#)



Consistent service

➤ [See page 28](#)



Long-term relationships

➤ [See page 32](#)

How we do it

We maintain a long-term approach, applying this consistently through the cycle



Disciplined pricing and underwriting



Prudent management of financial resources



Customer-centric approach



Conservative approach to risk



Diversified portfolio of banking businesses



Our distinctive culture

1. On 19 September 2024, the group announced that it entered into an agreement to sell CBAM to Oaktree. See Note 29: "Post Balance Sheet Event" for further information on the transaction, which is expected to complete in early 2025 calendar year.

We apply our lending criteria and pricing discipline consistently at all stages of the cycle, with the net interest margin we generate reflecting the specialist expertise of our teams. Our lending is predominantly secured or structurally protected, with conservative loan-to-value ratios, small loan sizes and short maturities.

A fundamental part of our model is having a strong capital position and taking a conservative approach to liquidity management and funding, as we focus on diversity of funding and a prudent maturity profile.

We listen to our customers, putting their needs at the heart of our business. We are there for our customers across all market conditions and seek to build long-lasting relationships with them.

Our prudent and conservative appetite to risk remains unchanged throughout the cycle. We are committed to sustaining high standards of business conduct and adherence to all applicable regulations.

We lend in a variety of sectors and locations across a diverse range of assets including transport, industrial equipment, renewable energy, wholesale finance, broker finance, used cars, light commercial vehicles and residential property.

We see our distinctive culture as our most valuable asset. Our culture, combined with our long-term approach, is embodied by our values of service, expertise, relationships, teamwork, integrity and prudence. These values are embedded at all levels across the organisation.

The value we create



Colleagues

83%

employee engagement



Customers, clients and partners

Strong customer sentiment scores

92% +98

Asset Finance CSAT

Property Finance NPS



Suppliers

70%

of our suppliers described doing business with us as “Easy” or “Very Easy”



Regulators and government

12.8%

CET1 capital ratio



Communities

£100,000

donated to charities aligned to our ESG goals



Environment

41.6%

reduction in Scope 1 and 2 emissions (market-based) since 2019



Investors

8.3%

return on average tangible equity