

Company-compiled consensus ^{1,2,3}

As at 12th July 2024



	FY 2023 Actuals	FY 2024E Consensus				FY 2025E Consensus				FY 2026E Consensus			
		Low	Mean	High	# analysts	Low	Mean	High	# analysts	Low	Mean	High	# analysts
Income statement													
Close Brothers Group plc ("CBG Total")													
Income	933	945	951	959	10	950	984	1,007	10	1,006	1,026	1,044	10
Expenses ⁴	(615)	(701)	(686)	(675)	10	(746)	(706)	(668)	10	(784)	(730)	(694)	10
Pre-provision profit	318	254	265	282	10	259	277	308	10	236	296	322	10
Impairment losses	(204)	(103)	(96)	(89)	10	(107)	(97)	(86)	10	(111)	(94)	(76)	10
CBG Total Adjusted operating profit ("AOP")	114	157	170	193	10	157	180	207	10	160	202	223	10
<i>Adjusting item: estimated impact of the FCA's review of motor finance commission arrangements⁵</i>	na	(150)	(30)	0	10	(300)	(123)	0	10	(150)	(38)	0	10
CBG Total AOP including adjusting item	na	20	139	193	10	(121)	57	186	10	66	165	223	10
Banking													
Income	714	727	731	739	10	695	735	760	10	719	753	796	10
Expenses ⁴	(390)	(441)	(435)	(428)	10	(463)	(439)	(401)	10	(482)	(449)	(403)	10
Pre-provision profit	324	288	297	312	10	272	296	319	10	245	303	338	10
Impairment losses	(204)	(103)	(96)	(89)	10	(107)	(97)	(86)	10	(111)	(94)	(76)	10
Banking AOP	120	190	201	222	10	171	199	224	10	169	210	239	10
Close Brothers Asset Management ("CBAM")													
Income	145	154	157	160	10	160	175	182	10	170	191	203	10
Expenses	(129)	(145)	(143)	(140)	10	(162)	(155)	(148)	10	(179)	(165)	(153)	10
CBAM AOP	16	12	14	18	10	9	20	26	10	7	26	35	10
Winterflood													
Income	75	68	73	78	10	78	87	101	10	86	96	113	10
Expenses	(72)	(78)	(74)	(69)	10	(85)	(77)	(73)	10	(91)	(82)	(75)	10
Winterflood AOP	4	(4)	(1)	1	10	5	10	18	10	8	14	23	10
Group (central functions)⁶													
Group (central functions) AOP	(26)	(54)	(45)	(40)	10	(75)	(48)	(39)	10	(66)	(47)	(38)	10
CBG Total metrics													
Effective tax rate ("ETR")	26.7%	24.5%	26.2%	27.9%	10	14.7%	26.6%	45.0%	10	23.3%	31.3%	76.0%	10
Adjusted earnings per share ("AEPS") ⁷	55.1	68.1	77.5	94.4	10	64.2	73.1	80.0	8	67.3	87.4	107.6	9
Dividend per share ("DPS")	67.5	0.0	0.0	0.0	10	0.0	24.0	60.0	10	0.0	34.5	61.0	10
Common Equity Tier 1 ("CET1") ratio - transitional	13.3%	12.8%	13.2%	13.8%	8	10.6%	12.3%	13.6%	9	10.8%	12.4%	14.5%	9
Banking metrics													
Net interest margin ("NIM")	7.7%	7.4%	7.4%	7.5%	9	7.0%	7.3%	7.5%	9	7.0%	7.3%	7.5%	9
Bad debt ratio	2.2%	0.9%	1.0%	1.0%	10	0.8%	1.0%	1.1%	10	0.7%	0.9%	1.0%	10
Closing net loan book (including operating lease assets)	9,526	9,243	10,035	10,209	10	9,591	10,215	10,609	10	9,961	10,550	11,099	10

Notes

1 Close Brothers has a financial year-end of 31 July.

2 Averages presented throughout this document are calculated on a line-by-line basis and may not add up to the totals provided.

3 Includes updated estimates from ten analysts, of which nine analysts have updated estimates following our Q3 24 Trading Update on 22 May 2024.

4 Expenses include an average consensus estimated impact of £3m for FY 2024 (Low: £nil; High: £9m; Number of analysts: 10) as a result of the group's Past Business Review in relation to the FCA's Borrowers in Financial Difficulty ("BiFD") review. Where an estimate has not been included in the analyst's forecasts, zero has been assumed. The approach taken in relation to the accounting treatment of this potential impact varies by analyst. Five analysts are including an estimate within Banking expenses and four analysts are including it as an exceptional, below the line, item. Considering the nine analysts who have included an estimate in relation to BiFD within Banking expenses or as an exceptional item, the average estimated impact is £6m for FY 2024 (Low:£5m; High:£9m; Number of analysts: 9).

5 Average of estimates from ten analysts (where an adjusting item in relation to the FCA's review of motor finance commissions has not been included in the analyst's forecasts, zero has been assumed). Excluding the analysts who have not included an adjusting item in relation to the FCA's review of motor finance commissions, the averages of estimated impact are £75m for FY 2024 (Low:£8m; High:£150m; Number of analysts: 4), £172m for FY 2025 (Low:£92m; High:£300m; Number of analysts: 7) and £125m for FY 2026 (Low:£100m; High:£150m; Number of analysts: 3). On the same basis, the average of total estimated impact between FY2024-FY2026 is £238m (Low:£150m; High:£350m; Number of analysts: 8). Estimates for the estimated impact of the FCA's review of motor finance commission arrangements vary considerably, for quantum, timing and tax treatment.

6 Group consists of central functions as well as various non-trading head office companies and consolidation adjustments and is presented in order that the information presented reconciles to the consolidated income statement.

7 Adjusted earnings per share exclude the analysts' estimated impact of the FCA's review of motor finance commission arrangements.

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The analysts' consensus is provided for information purposes only, for the convenience of our investors and analysts. Consensus figures are those as at 12th July 2024, and may not reflect any changes to analyst estimates after that date. Figures shown include a simple arithmetic average, as well as the minimum and maximum values, of the latest forecasts provided to Close Brothers by a number of registered investment analysts by this date. Close Brothers excluded forecasts which have not been updated following the last reported full set of financial results (i.e. Full-Year or Half-Year Results) or have not been updated to reflect significant announcements or events.

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