Close Brothers Group plc

Preliminary Results 2021

Close Brothers
Modern Merchant Banking

28 September

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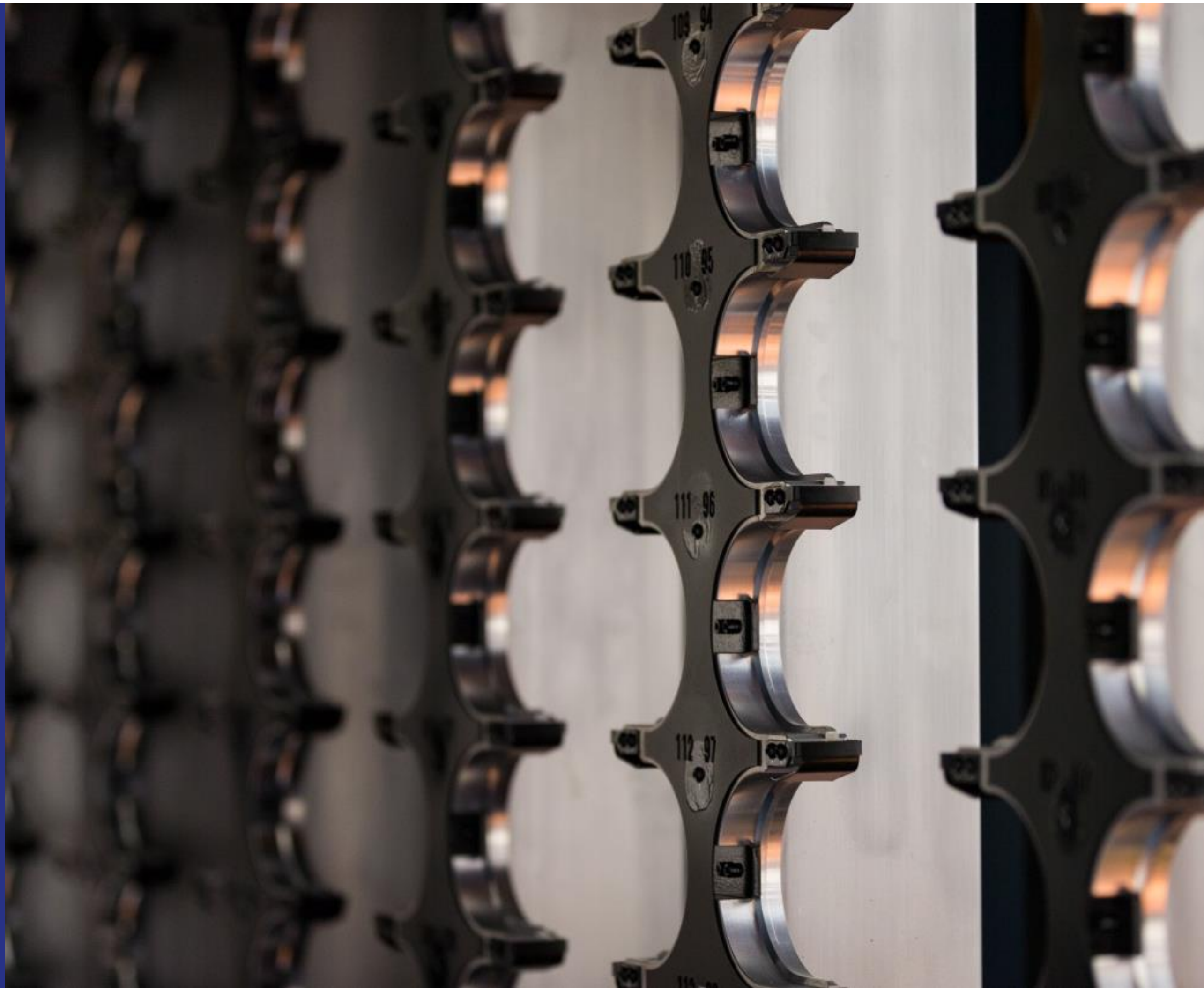
Agenda



01

Introduction

Adrian Sainsbury

Chief Executive Officer

Close Brothers
Modern Merchant Banking

Overview

Strong financial performance in evolving market conditions

- Income and pre-provision profit both up 10%, with an 88% increase in AOP[1] and an ROE[2] of 14.5%
- Banking delivered 10.9% loan book growth, with a strong net interest margin of 7.7%
- Strong underlying credit performance across Commercial, Retail and Property with impairment charges down 51%
- Exceptionally strong performance in Winterflood and good net inflows in Asset Management
- Strong capital, funding and liquidity position providing flexibility for growth
- 42.0p final dividend reflecting strong performance and confidence in our business model

Notes: [1] Adjusted Operating Profit. [2] Return on Opening Equity.

Overview

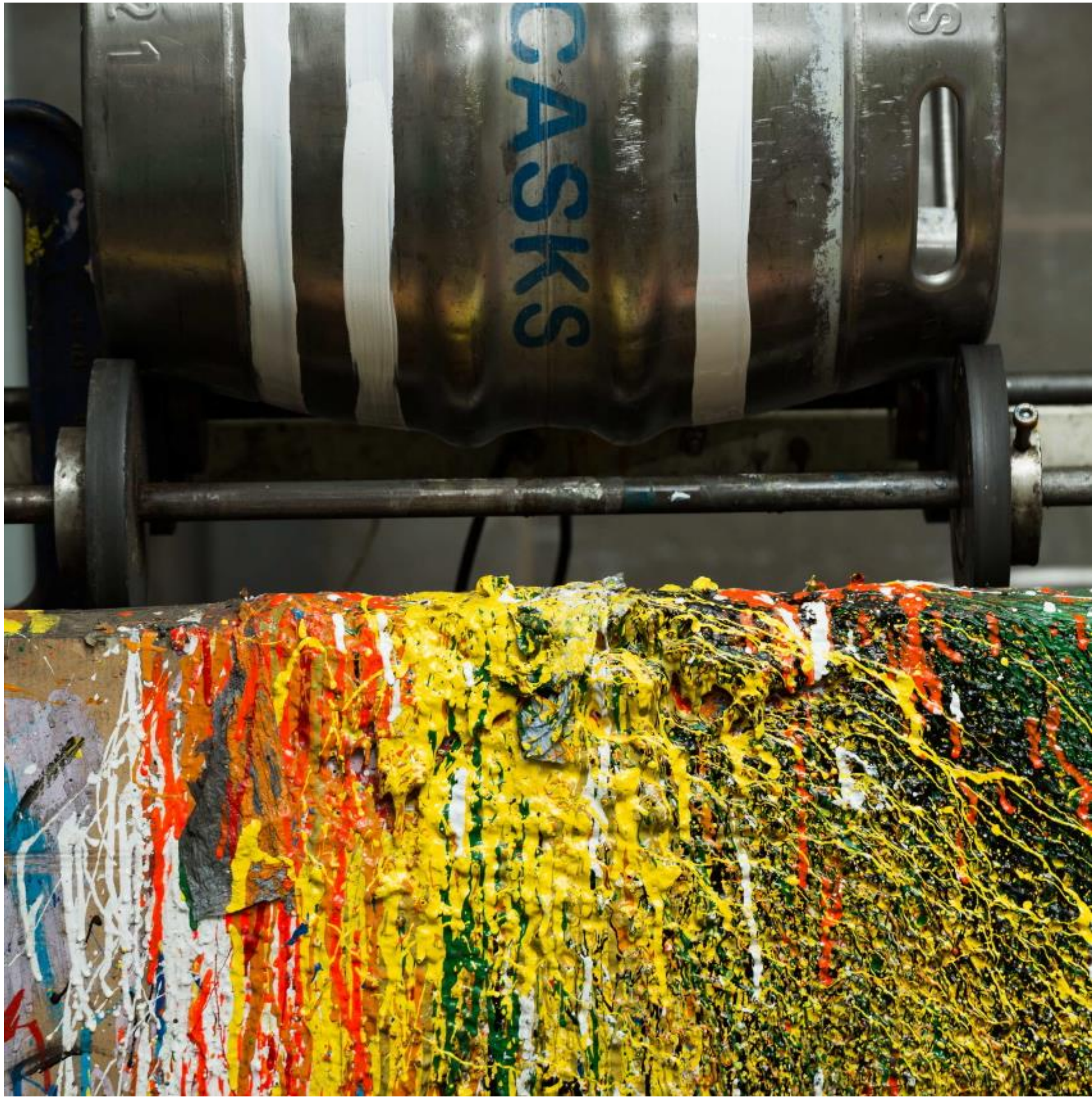
Maintained support for colleagues and customers while making the most of opportunities

Agile response to Covid-19 and support for our people and customers	Supported our people with a constant focus on their wellbeing Strong results from recent Employee Opinion Survey Over 130,000 Covid-19 related concessions totalling £2.0 billion offered Over £1.1 billion lent under government support schemes
Progressing our face-to-face model	Face-to-face interaction and excellence in customer service remain key features of our model In the process of adapting to and implementing future ways of working
Operationally and strategically ready for the next stage of the cycle, whilst making the most of current opportunities	Evolution of our strategic priorities to protect, grow and sustain our business model Good progress on multi-year investment programmes, including submission of initial IRB application Reviews of our businesses, opportunities and new initiatives against the 'Model Fit Assessment Framework'
Focus on the long term	Acting responsibly and sustainably is key to our long-term success Strong progress on our wide-ranging sustainability agenda Continue to assess opportunities arising in the sustainability sector

02 Financial update

Mike Morgan

Group Finance Director



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Financial highlights

Strong financial performance	**Group AOP[1]**	£270.7m
	Group AOP pre provisions[1]	£360.5m
	Adjusted EPS[1]	140.4p
	Return on opening equity[2]	14.5%
	CET1 capital ratio	15.8%
	Dividend per share[3]	60.0p
Disciplined underwriting and pricing	**Loan book growth**	10.9%
	Net interest margin	7.7%
	Bad debt ratio	1.1%
Growth in CBAM and Winterflood	**Net inflow rate[4]**	7%
	Avg bargains per day	101k

Notes: [1] Adjusted measures are presented on a basis consistent with prior periods and exclude amortisation of intangible assets on acquisition, to present the performance of the group's acquired businesses consistent with its other businesses; and any exceptional and other adjusting items which do not reflect underlying trading performance. [2] Return on average tangible equity was 16.5%. [3] The final dividend is due to be paid on 23 November 2021 to shareholders on the register at 15 October 2021. [4] Net inflows as a percentage of opening managed assets.

Income statement

Income growth across all divisions, continued investment and significantly lower impairment charges

£ million	2021	2020	% change
Operating income	952.6	866.1	10
Adjusted operating expenses	(592.1)	(538.4)	10
Impairment losses	(89.8)	(183.7)	(51)
Adjusted operating profit	**270.7**	**144.0**	88
Adjusted operating profit pre provisions	**360.5**	**327.7**	**10**
Adjusted EPS	140.4p	74.5p	88
Dividend per share	60.0p	40.0p	50

- **Income growth** across all divisions
- **Cost increase in line with income**, driven by **continued investment across the businesses** and **variable costs in Winterflood**
- **Pre provisions, adjusted operating profit increased 10%**
- **Significantly lower impairment charges** reflecting **a strong underlying credit performance, as well as a reduction in Covid-19 provisions**
- **Adjusted EPS up 88%** to 140.4p **surpassing pre Covid-19** levels
- **50% growth in DPS to 60.0p** reflecting **strong performance** and continued **confidence** in our **business model** and **financial position**

Income statement

Exceptional and other adjusting items

£ million	2021	2020	% change
Adjusted operating profit	**270.7**	**144.0**	88
Amortisation and impairment of intangible assets on acquisition	(14.2)	(3.1)	358
Goodwill impairment	(12.1)	-	-
Exceptional item: HMRC VAT refund	20.8	-	-
Operating profit before tax	**265.2**	**140.9**	88
Tax	(63.1)	(31.4)	101
Profit attributable to shareholders	**202.1**	**109.5**	**85**
Basic EPS	134.8p	72.8p	85
Adjusted EPS	140.4p	74.5p	88

- **Operating profit includes the impact of exceptional and adjusting items**
  - **Impairment of goodwill and intangible assets on acquisition** as a result of strategic decision to cease loan origination at Novitas
  - Exceptional gain reflecting a VAT refund from HMRC
- **Effective tax rate of 23.8%** (FY20: 22.3%), above the UK corporation tax rate primarily due to the surcharge applying to most of the group's profits, partly offset by an increase in deferred tax assets

Divisional performance

Diversification continues to support strong overall performance

£ million	2021	2020	% change
Banking	212.5	99.2	114
Commercial	52.8	4.8	1,000
Retail	71.9	34.9	106
Property	87.8	59.5	48
Asset Management	23.7	20.4	16
Winterflood	60.9	47.9	27
Group	(26.4)	(23.5)	12
Adjusted operating profit	**270.7**	**144.0**	**88**

Banking

- **Strong income growth** and **lower impairment** charges, partially offset by the cost of continued investment
- **Significantly higher profits** across Commercial, Retail and Property
- **Strong loan book growth** driven by high new business volumes

Asset Management

- **Good net inflows** despite reduced face-to-face interaction with clients
- **Growth in operating income** more than offset cost of investment to support long-term growth potential

Winterflood

- **Exceptionally strong trading** performance benefiting from **elevated market volumes** for most of the year

Strong balance sheet

Well placed to continue funding and supporting loan book growth

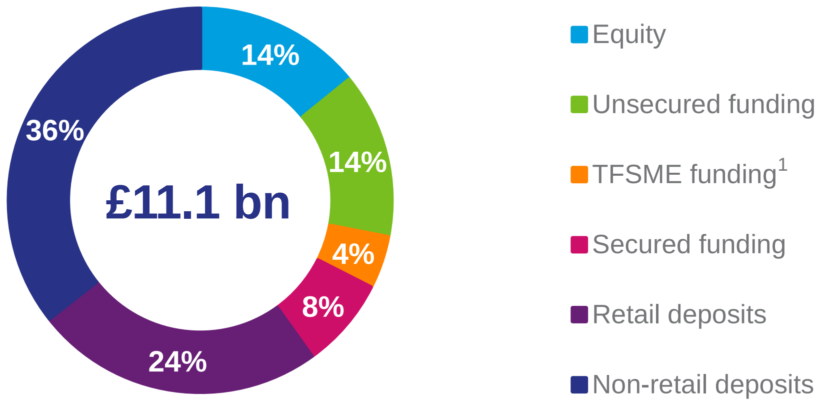
Prudent approach

- Conservative approach to funding, focused on diversity of sources and prudent maturity profile
- "Borrow long, lend short" principle
- Prudent liquidity management

Diverse funding base

- Recent £350 million, 10-year senior unsecured bond issue and £200 million subordinated debt raise in the form of Tier 2
- Strong credit ratings[2], with Close Brothers Ltd rated Aa3 by Moody's
- Continue to optimise cost of funds via diversified funding strategy and continued access across wholesale and retail markets
- Online savings platform continues to support growth and diversification of our funding base

Total funding £11.1 billion	**Average maturity** of loan book funding at **24 months**
Loan book £8.4 billion	**Average maturity** of the loan book at **17 months**
Treasury assets £1.8 billion	Include **£1.3bn** with central banks



+12% YoY increase in customer deposits

40% Retail deposit customers registered for online banking

39,000+ Customers using deposit platform

Notes: [1] Term Funding Scheme with Additional Incentives for SMEs. [2] Moody's rates Close Brothers Group ("CBG") A2/P1 and Close Brothers Limited ("CBL") Aa3/P1, with a 'negative' outlook. Fitch rates both CBG and CBL A-/F2 with a 'stable' outlook.

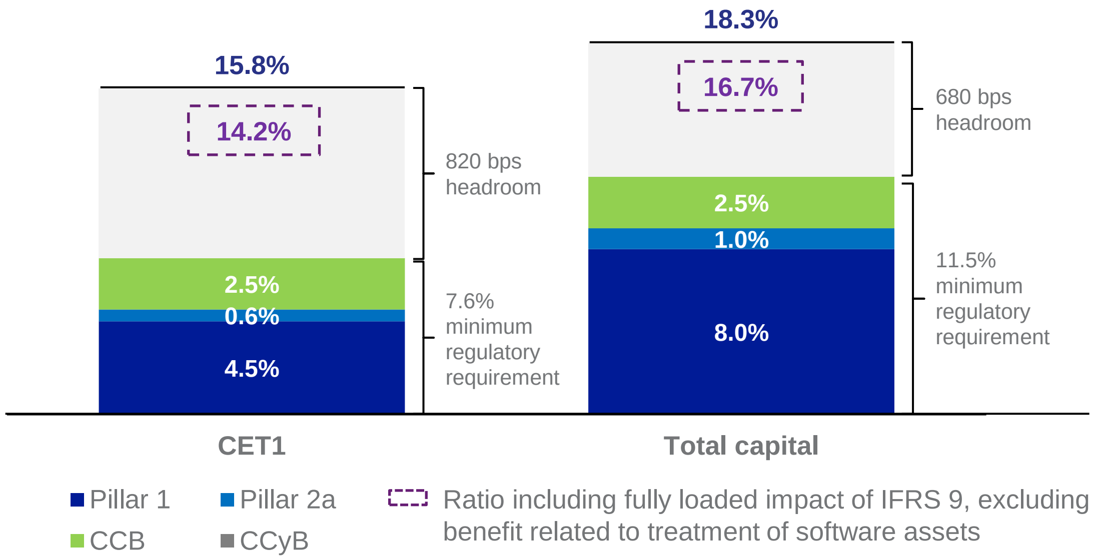
Capital

Strong capital position provides significant flexibility for growth

Capital overview[1]

	31 July 2021	31 July 2020
CET1 capital ratio	15.8%	14.1%
Total capital ratio	18.3%	16.3%
Leverage ratio[2]	11.8%	11.2%
CET1 capital (£m)	1,439	1,254
RWAs (£m)	9,105	8,863

Capital position vs requirements[3,4]



- **Strong CET1 capital ratio, significantly above** minimum regulatory requirements
- Increased CET1 capital reflecting **higher profits**, benefit from regulatory changes to the **treatment of software assets[4]** and **transitional IFRS 9 capital add back**
- **3% uplift in RWAs,** reflecting loan book growth, lower risk-weighting of CBILS loans and reduction in Property loan book
- **Leverage ratio remains strong** at 11.8%
- **Submitted** our initial **IRB application** to the PRA in December 2020
  - Motor Finance, Property Finance and Energy portfolios were submitted with initial application, with other businesses to follow in future years

Notes:

1 Numbers and ratios presented on a transitional basis after applying IFRS 9 arrangements that allow the capital impact of expected credit losses to be phased in over the transitional period, and the Capital Requirements Regulation ("CRR II") transitional arrangements for grandfathered Tier 2 capital instruments.

2 The leverage ratio is calculated as tier 1 capital as a percentage of total balance sheet assets, adjusting for certain capital deductions, including intangible assets, and off balance sheet exposures.

3 Minimum CET1 and total capital ratio requirements, excluding any applicable Prudential Regulation Authority buffer ("PRA").

4 In line with the amended Capital Requirements Regulation, effective on 23 December 2020, the CET1 ratio at 31 July 2021 included a c.50bps benefit related to software assets which are exempt from the deduction requirement for intangible assets from CET1. The PRA published PS17/21 'Implementation of Basel standards' on 9 July 2021, confirming the reversal to the earlier position. This will result in the reversal of this benefit and reduction of the CET1 capital ratio upon implementation on 1 January 2022.

Banking

Income growth and a significant reduction in impairment charges

£ million	2021	2020	% change
Operating income	**631.7**	**586.0**	**8**
Adjusted operating expenses	(329.1)	(303.4)	8
Impairment losses	(90.1)	(183.4)	(51)
Adjusted operating profit	**212.5**	**99.2**	**114**
Adjusted operating profit pre provisions	302.6	282.6	7
Loan book growth	10.9%	(0.4)%	
Net interest margin[1]	7.7%	7.5%	
Expense/income ratio	52%	52%	
Bad debt ratio[2]	1.1%	2.3%	
Return on net loan book[3]	2.6%	1.3%	

- **Increase in income** driven by strong new business volumes
- **Strong net interest margin** reflecting continued pricing discipline
- **Continued investment** to protect, grow and sustain the model whilst maintaining disciplined control of BAU costs
- **Impairment charges decreased significantly,** reflecting a strong underlying credit performance across Commercial, Retail and Property, as well as a reduction in Covid-19 provisions
  - Bad debt ratio of 1.1% reflected a significant increase in credit provisions against the **Novitas loan book**

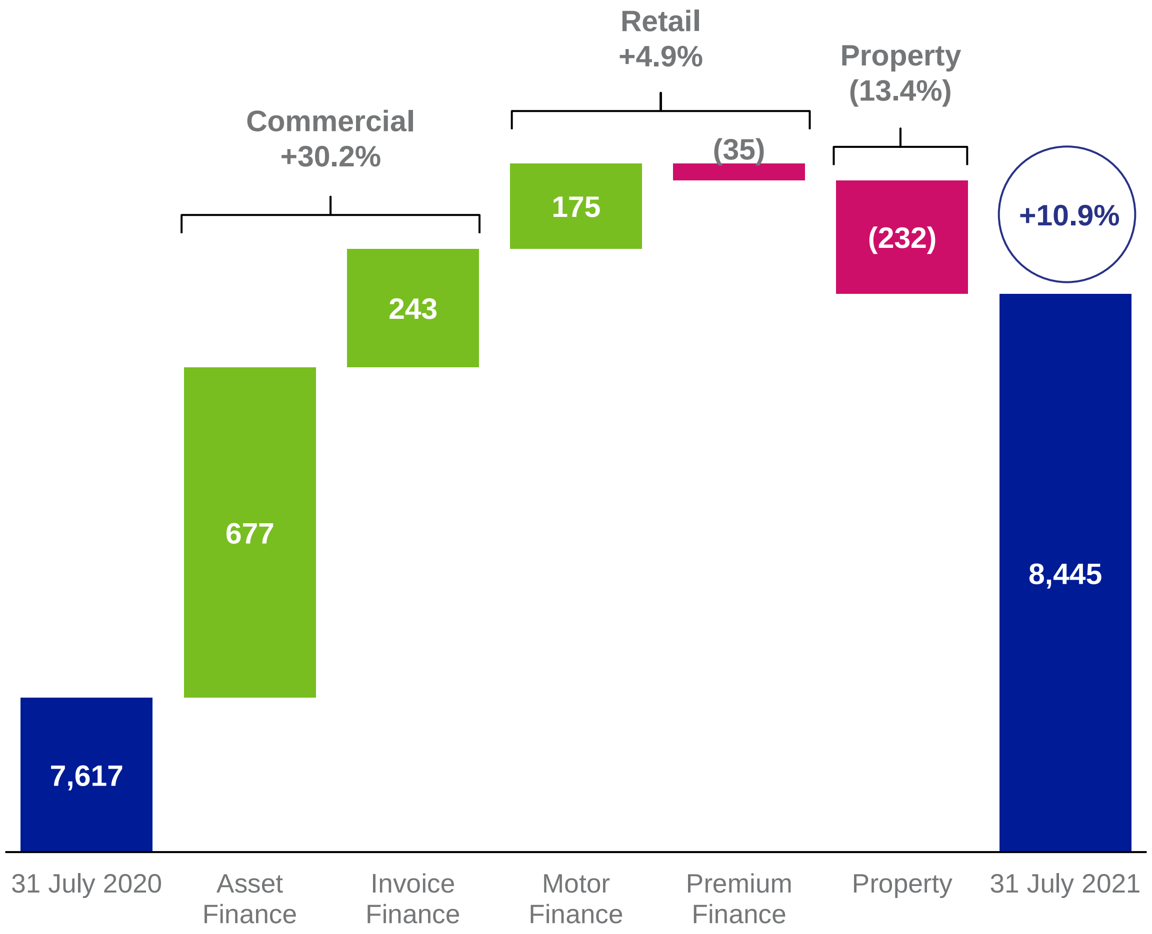
Notes:[1] Net interest, fees and operating lease income divided by average net loan book and operating leases. [2] Impairment losses divided by average net loan book and operating leases. [3] Adjusted operating profit divided by average net loan book and operating leases.

Banking

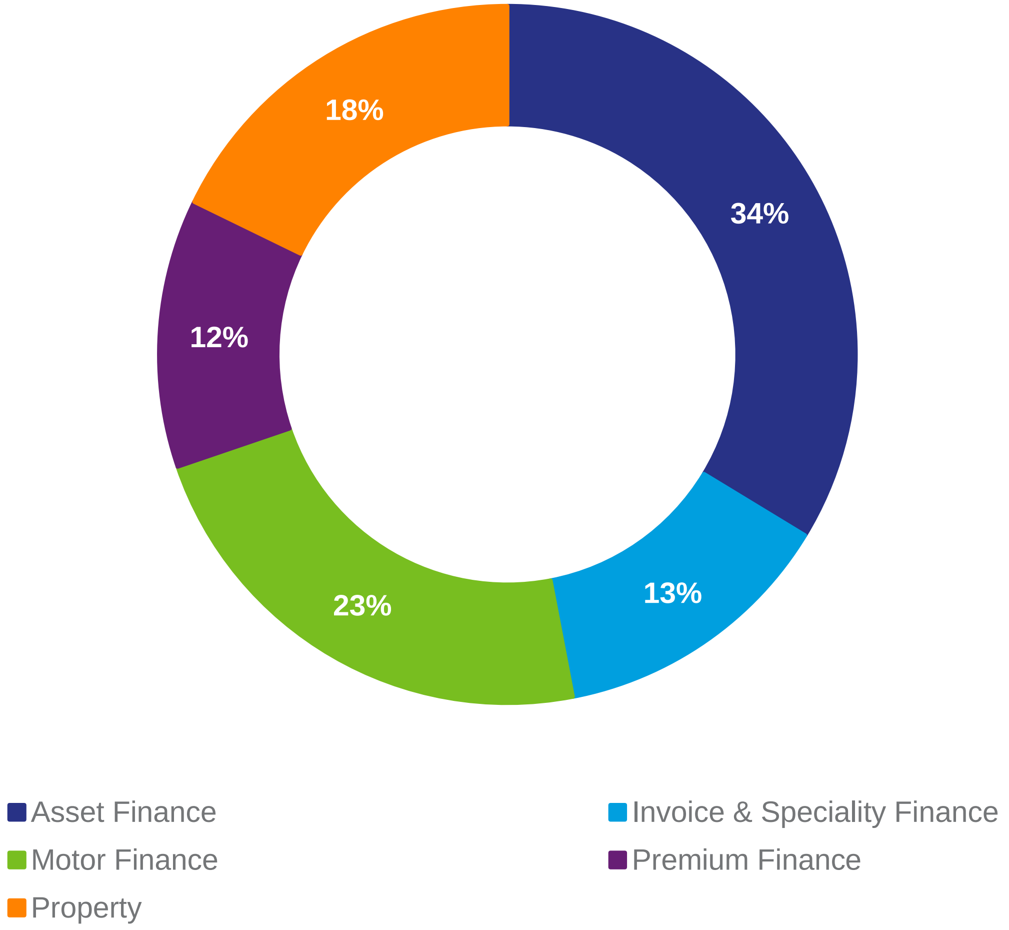
c.£0.8 billion increase in loan book in the year; growth remains an output of our business model

Loan book movement by business

(£ million)[1]



Loan book split



Close Brothers

Notes:[1] Excludes operating lease assets of £1.3 million (31 July 2020: £2.9 million) relate to Asset Finance and £221.6 million (31 July 2020: £219.0 million) to Invoice and Speciality Finance.

Banking

Strong net interest margin reflects our pricing discipline and lower cost of funds

Specialist, relationship driven model supports net interest margin

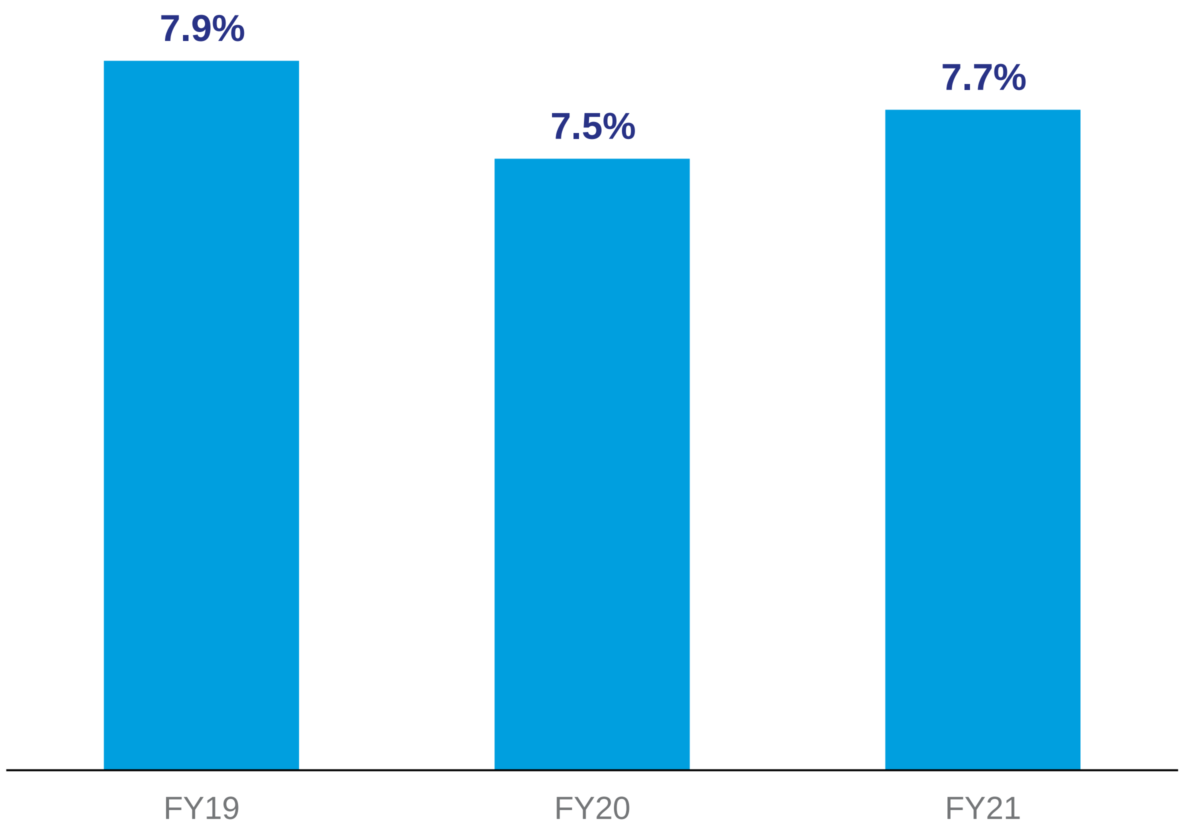
- Consistently strong NIM compared to sector average
- Prioritise pricing, not volume growth

Strong NIM at 7.7%

- Maintained pricing discipline
- Group cost of funds reduced to 1.4%

Well positioned to maintain a strong NIM

Net interest margin



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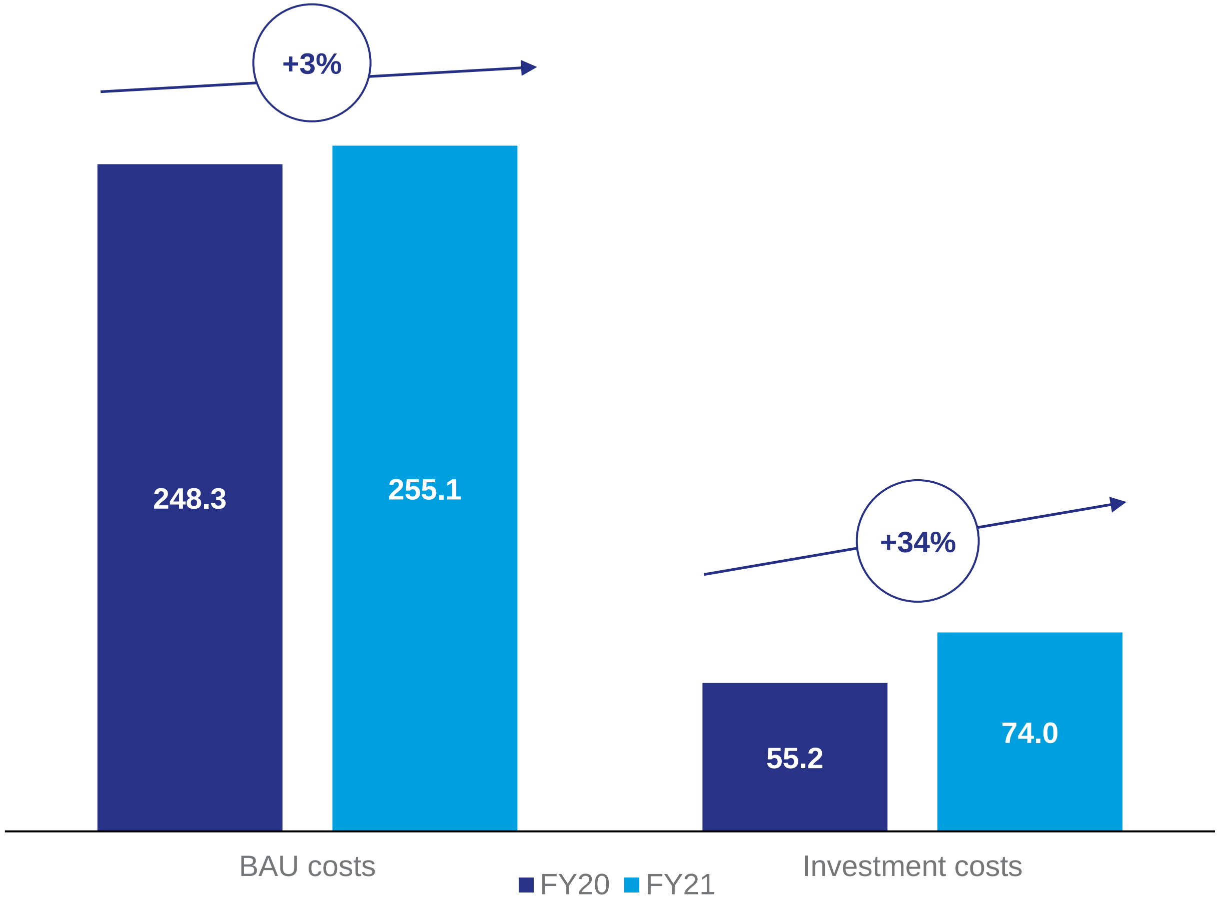
Banking

Disciplined control of costs while investing in the business

Movement in costs[1,2] (£ million)



Business as usual (BAU) costs[3]

- Disciplined control of BAU costs to create investment capacity
- BAU costs increased to £255.1 million primarily reflecting higher performance-related-compensation

Investment costs[4]

- Investing through the cycle remains a key strategic priority
- Investment costs increased to £74.0 million as we continue to invest to protect, grow and sustain the model
- Expect spend in investment programmes to stabilise over the next financial years, although related depreciation will continue to increase

Notes:[1] Refers to adjusted operating expenses. [2] Related ongoing costs resulting from investment projects are recategorised from investment costs to BAU costs after one year. For comparison purposes, £2.1 million has been recategorised from investment costs to BAU costs in the 2020 financial year to adjust for investment projects' ongoing costs that commenced prior to the 2021 financial year. [3] BAU costs include staff costs, variable compensation and other BAU costs. [4] Includes depreciation, costs related to investment in multi year projects including year 1 transition costs, new business initiatives and pilots. Excludes IFRS16 depreciation.

Banking

Appropriate level of provision reflecting improved but still uncertain outlook

Expert judgement applied

Application of our models overlaid with expert judgement to determine:

- Appropriate allocation between stages
- Provision coverage at the individual loan and portfolio level
- Macroeconomic scenario updates and weightings

Marginal increase in provision coverage to 3.2%

- Reductions in Covid-19 provisions, reflecting improved macroeconomic outlook and encouraging performance of the forborne loan book
- More than offset by significant increase in provisions against the Novitas loan book

Confidence in the quality of our loan book

- Predominantly secured or structurally protected, prudently underwritten and diverse
- Supported by the expertise of our people

IFRS 9 Staging allocation

At 31 July 2021

	Stage 1	Stage 2	Stage 3	Total
Gross loans (£m)	7,434.3	960.2	330.4	8,724.9
Impairment provisions (£m)	80.0	84.2	116.2	280.4
Provision coverage ratio	1.1%	8.8%	35.2%	3.2%

At 31 July 2020

	Stage 1	Stage 2	Stage 3	Total
Gross loans (£m)	5,906.6	1,574.2	374.6	7,855.4
Impairment provisions (£m)	57.6	87.3	93.8	238.7
Provision coverage ratio	1.0%	5.5%	25.0%	3.0%

Asset Management

Continued focus on maximising long-term growth potential

£ million	2021	2020	% change
Operating income	**139.4**	**128.2**	**9**
Investment management	102.9	91.4	13
Advice and other services	36.4	35.5	3
Other income[1]	0.1	1.3	(92)
Adjusted operating expenses	(115.9)	(107.7)	8
Impairment losses on financial assets	0.2	(0.1)	(300)
Adjusted operating profit	**23.7**	**20.4**	**16**
Operating margin	17%	16%	
Revenue margin	91bps	94bps	
Return on opening equity	31.7%	28.7%	
Net inflows as % of opening managed assets	7%	9%	

£ billion	31 July 2021	31 July 2020	% change
Total managed assets	15.6	12.6	24
Total client assets[2]	17.0	13.7	24

- **Increased income** driven by **growth in managed assets**
- Increase in expenses primarily reflecting business hires in line with growth strategy
- **16% increase** in **adjusted operating profit** as growth in operating income more than offset continued investment
- **Good net inflow rate of 7%** reflecting continued demand and good inflows from our recent portfolio manager hires
- **24% growth in managed assets** driven by positive market movements and net inflows

Notes: [1] Other income includes net interest income and expense, income on principal investments and other income. Other income includes a £1.1 million gain on disposal of non-core assets in the 2020 financial year. [2] In July 2021, CBAM completed the acquisition of PMN Financial Management LLP. The acquisition is reflected in CBAM's advised only assets in the 2021 financial year, although we would expect migrations to CBAM's investment management services over time.

Winterflood

Exceptionally strong trading performance, maximising trading opportunities in a dynamic market environment

£ million	2021	2020	% change
Operating income	**182.0**	**151.9**	**20**
Operating expenses	(121.2)	(103.8)	17
Impairments	0.1	(0.2)	(150)
Operating profit	**60.9**	**47.9**	**27**
Average bargains per day	101k	82k	
Operating margin	33%	32%	
Return on opening equity	63.5%	50.4%	
Loss days	1	7	

- **Higher income** reflecting **exceptionally strong trading performance** and **elevated market activity**, although **activity** has **slowed** over the last few months
- **Increased operating expenses** driven by **higher variable compensation** and **settlement costs,** reflecting increased activity
- **Operating profit up 27% to £60.9m**
- Only **one loss day** reflecting **traders' expertise and experience** in managing risk

03

Business update

Adrian Sainsbury

Chief Executive Office

Close Brothers
Modern Merchant Banking

The foundations of our long-term success

Our Purpose
To help the people and businesses of Britain thrive over the long term.

Our Responsibility
To help address the social, economic and environmental challenges facing our business, employees, customers and clients, now and into the future.

Our Culture
Combines expertise, service and relationships with teamwork, integrity and prudence.

Our Strategy
To provide exceptional service to our customers and clients across lending, savings, trading and wealth management.

Close Brothers

A proven and resilient model

Well positioned to continue delivering on our long-term track record of growth and profitability

Our distinctive strengths

Disciplined underwriting and pricing through the cycle

Prudent management of financial resources

Service, expertise and relationships

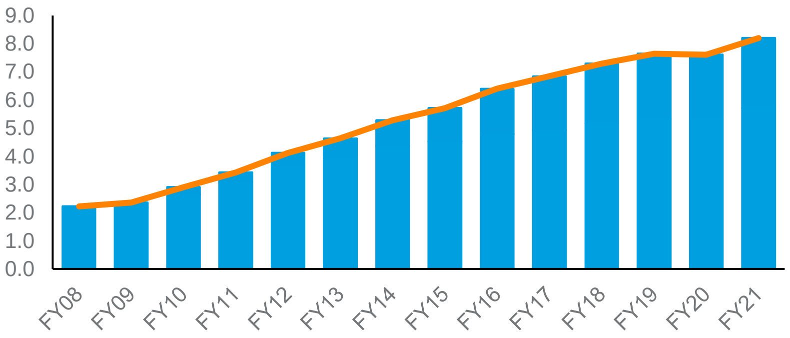
Distinctive culture

Diversified portfolio of businesses

Our track record

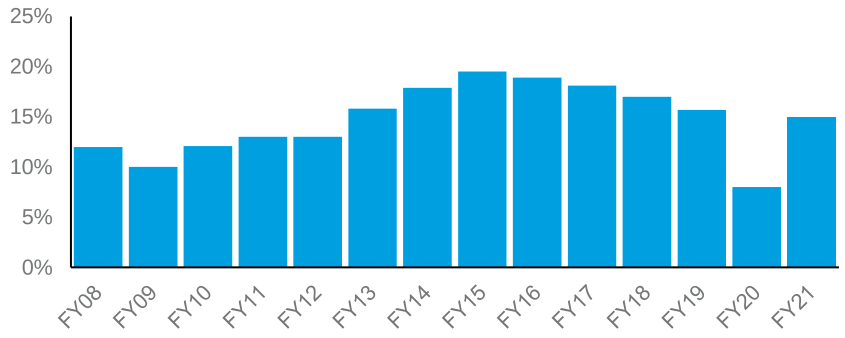
Long-term growth

Loan book (£ billion)



Strong returns through the cycle

Return on opening equity



Strong customer satisfaction

Net Promoter Scores ("NPS")

Asset Finance **+72**

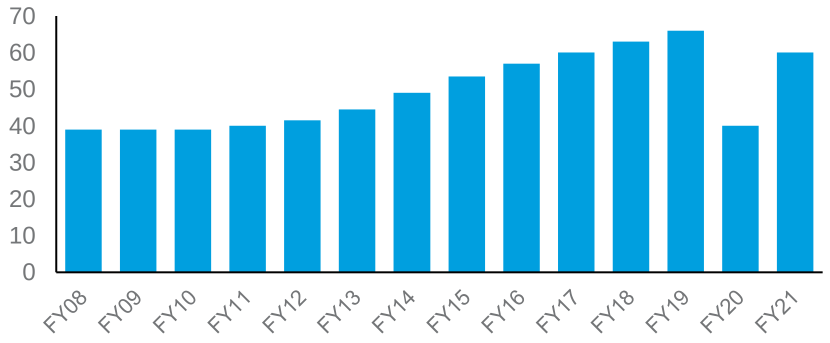
Property Finance **+87**

Motor Finance **+70**

Retail Savings **+72**

Long-term dividend track record

Dividend per share (p)



Protect: Keeping our model safe

Maintaining and enhancing the key strengths of our business model

PROTECT

- Continued agile response to Covid-19, benefiting from playbooks and simulations run in prior years
- Maintained strong balance sheet and loan book quality
- Continued investment, enhancing our operational and financial resilience

Motor Finance transformation
Improving the service proposition, enhancing operational efficiency and increasing sales effectiveness

Asset Finance transformation
Enhancing sales effectiveness through improved data capabilities and technology

Asset Management technology projects
Continued investment in technology to improve operational leverage, efficiency and resilience

IRB
Transitioning to IRB approach to better reflect the risk profile of our lending

Cyber resilience
Investing to enhance cyber security and operational resilience

Data centre transformation
Investing in new data centres and the Cloud

Grow: delivering disciplined growth

Our long progressive history of lending through the cycle

GROW

Well positioned to retain market position and deliver disciplined growth

Commercial

- **Continued demand** for asset financing alongside **growth initiatives**
- **Growth trajectory** in Invoice Finance to follow the **economic recovery**

Retail

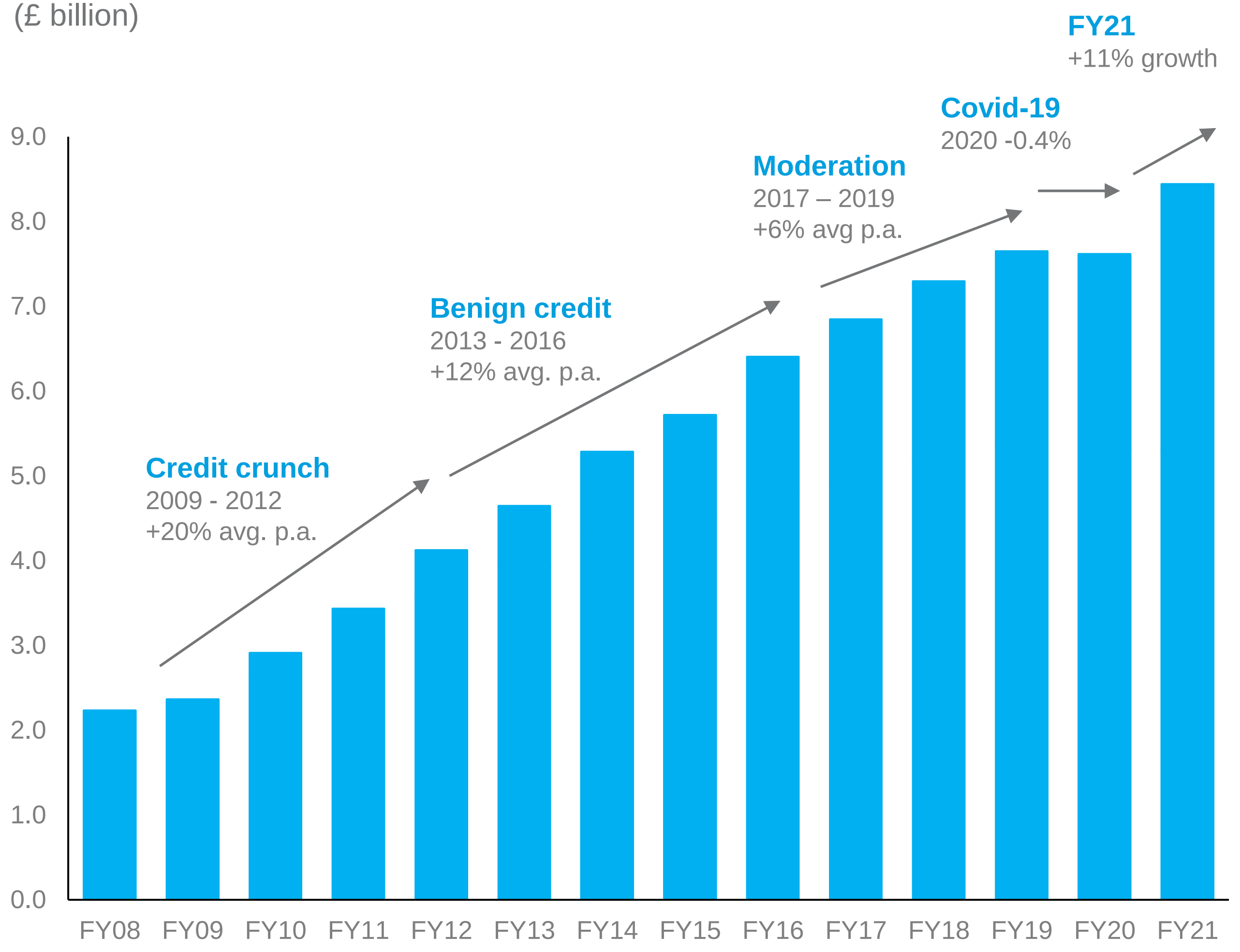
- **Strong** fundamentals in **second-hand car market**; exploring growth opportunities through the shift to AFVs[1]
- **Demand** for funding of motor policies expected to recover following **removal** of Covid-19 **restrictions**

Property

- Loan book trajectory will continue to reflect rate of **repayments,** as well as new **business volumes**

Net Loan Book trend

(£ billion)



Notes: [1] Alternatively Fuelled Vehicles.

Grow: Model Fit Assessment Framework

Continue to assess incremental opportunities in existing and new markets

GROW

Constantly looking for opportunities in segments of the market where clients value our personal service and expertise

Building on our growth track record and taking the business model forward

- Extended the product offering in our Savings franchise
- Acquisition of IFA business with circa £300m of client assets by CBAM
- Over 50% growth in WBS AuA to £6.2bn at 31 July 2021

Our businesses and initiatives are aligned with the key attributes of our model

- 'Model Fit Assessment Framework' supports the review of opportunities and existing initiatives
- Decision to withdraw from the legal services market in July 2021

Sustain: Our Responsibility

Acting responsibly is fundamental to our purpose, strategy and culture

SUSTAIN

Our sustainable objectives

People	Promoting an inclusive culture in everything we do, and supporting new ways of working and social mobility
Environment	Reducing our environmental impact and responding to the threats and opportunities of climate change
Financial Inclusion	Promoting financial inclusion, helping borrowers that might be overlooked and enabling savers and investors to access financial markets and advice to plan for their future
Customers	Supporting our customers, clients and partners in the transition towards more sustainable practices

Maintaining momentum

- High group wide engagement scores, with an overall score of 91%
- Work experience and internship opportunities via the Social Mobility Foundation
- Supporting the ambition of the Paris Agreement of net zero by 2050
- Targeting becoming operationally net zero by 2030 through our scope 1 and 2 emissions
- Commitment to our customer principles that guide our high quality customer experience and long-term relationships

Some of our partners and commitments

upReach

Make-A-Wish UNITED KINGDOM

Bookmark Change a child's story

RACE AT WORK CHARTER

Stonewall Acceptance without exception

the trussell trust Stop UK Hunger

Women in Finance Charter

CANCER RESEARCH UK

The Valuable 500

Banking update – Commercial

Maximising market opportunities

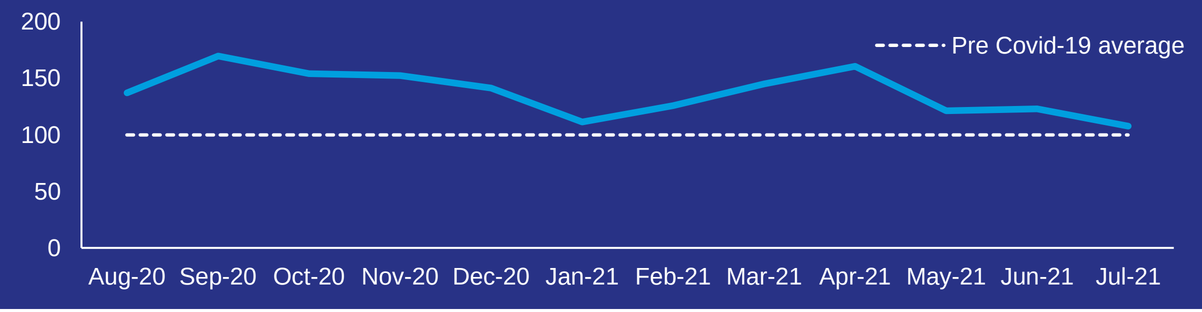
Asset Finance
Benefiting from continued strong demand

- **Strong new business volumes**, supported by demand for CBILS[1]
- **Record levels** of new business during the year
- **Asset Finance Transformation programme** progressing well and delivering benefits:
  - Effective Covid-19 response as CBILS portal swiftly set-up
  - Better insight and reporting tools, enhancing decision-making
- Current **growth initiatives** aligned with the increasing focus on **green energy**, **electric car fleets** and **renewables**

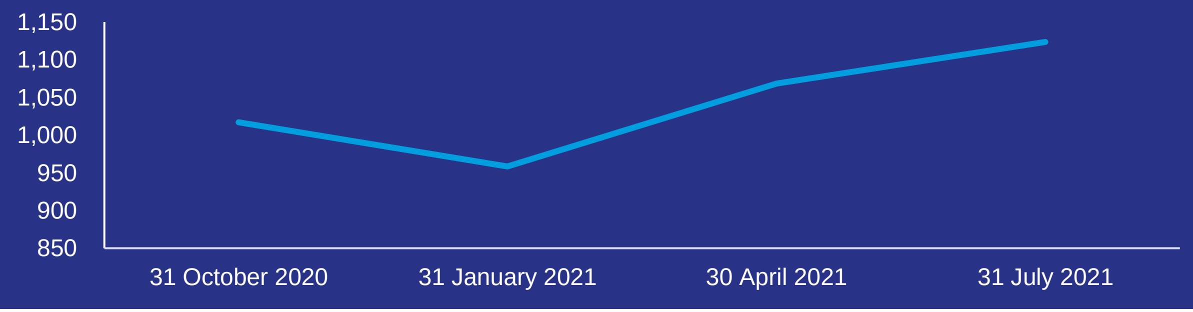
Invoice & Speciality Finance
Well positioned as economy recovers

- **Good new business levels**, supported by demand under government schemes
- **Improving utilisation** in line with progressive reopening of the economy, although remain below levels since prior to Covid-19
- Expect **growth trajectory** to follow the **economic recovery**

Asset Finance new business volumes
(as a % of pre Covid-19 average[2])



Invoice Finance loan book
(£ million)



Notes: [1] At 31 July 2021, over £1.14 billion had been lent across more than 5,700 loans under the government support schemes in the Commercial and Property businesses, with the vast majority of lending via CBILS. In addition, £144 million across 686 CBILS loans had been credit approved and could be drawn down until 30 November 2021 for asset finance agreements. [2] Pre Covid-19 average is August 2019 - March 2020 average.

Banking update – Retail

Maximising market opportunities

Motor Finance

Maximising opportunities in the second hand car market

- High new business levels reflecting **pent up demand** and **increasing use of finance** in second-hand car market
- **Outperforming the market** since restrictions began easing, with **record volumes** this year
- **Motor Finance Transformation programme** benefiting new business volumes, customer outcomes and service, and dealer proposition
- **Strong fundamentals in the second-hand car market**[1]
- Exploring **growth opportunities** through **shift to Alternative Fuelled Vehicles**

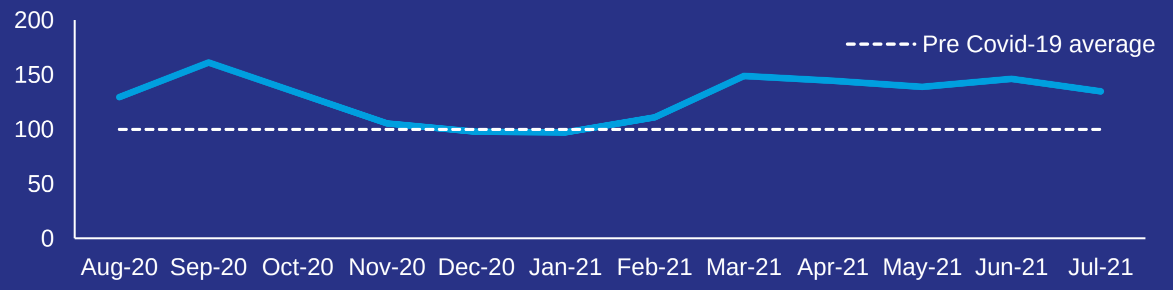
Premium Finance

Well positioned as restrictions ease

- **Covid-19 restrictions** impacted customer behaviour:
  - Reduced demand for car insurance policies
- Continue to benefit from investment in **Premium Finance Transformation programme** in competitive marketplace
- Opportunities to harness our **data expertise**, along with **compliance and industry insights**, to **differentiate Premium Finance** in a mature market
- Expect **demand** for funding of motor insurance policies to **recover** following **removal of Covid-19 restrictions**

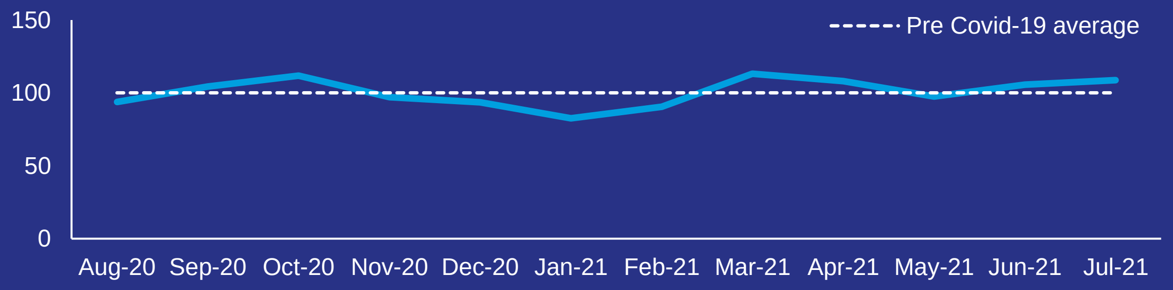
Motor Finance new business volumes

(as a % of pre Covid-19 average[2])



Premium Finance new business volumes

(as a % of pre Covid-19 average[2])



Close Brothers

Notes: [1] Based on figures from the FLA on the used car consumer finance market and used car transactions from the SMMT. [2] Pre Covid-19 average is August 2019 – March 2020 average.

Banking update – Property

Maximising market opportunities

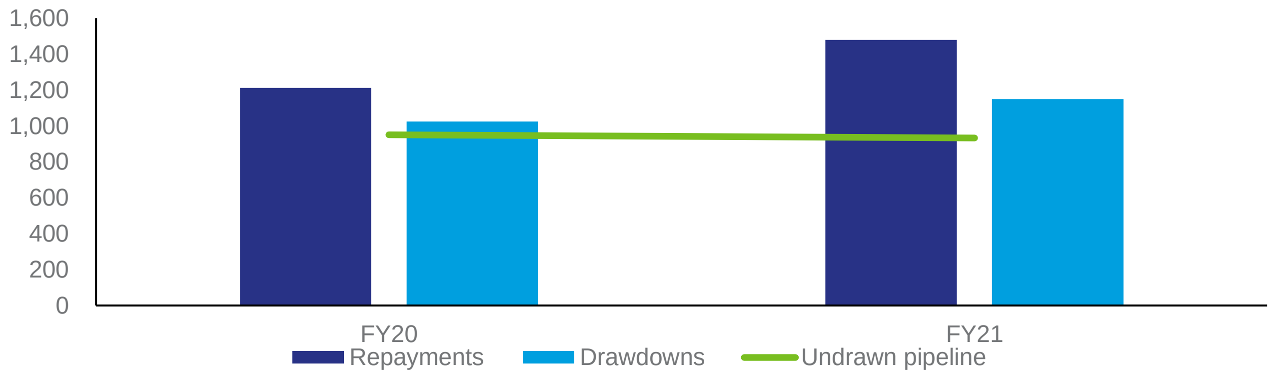
Property Finance

Well positioned to capture residential construction demand

- **High repayments** reflect **strong unit sales** due to the release of pent up demand, reduction in Stamp Duty and Help to Buy incentives
- **Uptick in drawdowns**, particularly in second half of the year
- **Undrawn pipeline** of commitments remains **solid**
- **Loan book trajectory** will continue to reflect the rate of **repayments** as well as **new business volumes**
- Continued **regional expansion**
  - Strong demand outside London & South East
  - Regional loan book making up **over 50%** of development portfolio
- Focused on identifying and capturing the **next generation of developers**

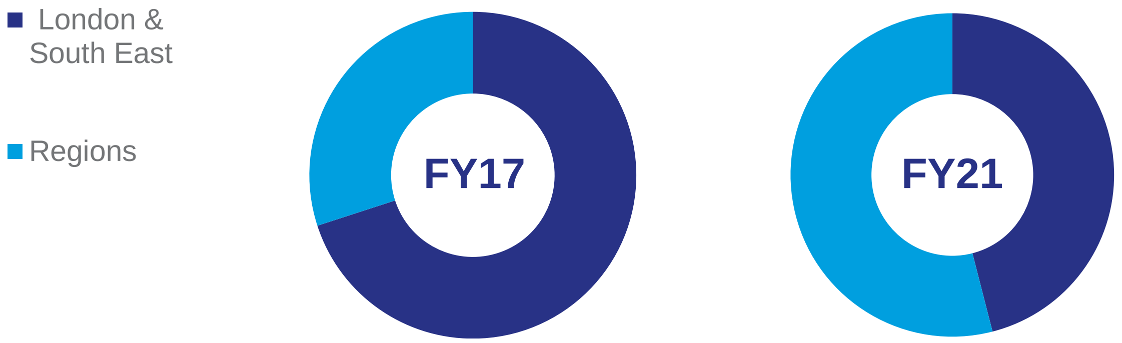
Repayments, drawdowns and undrawn pipeline

(£ million)



Regional presence

(% split of Property Finance development loan book)



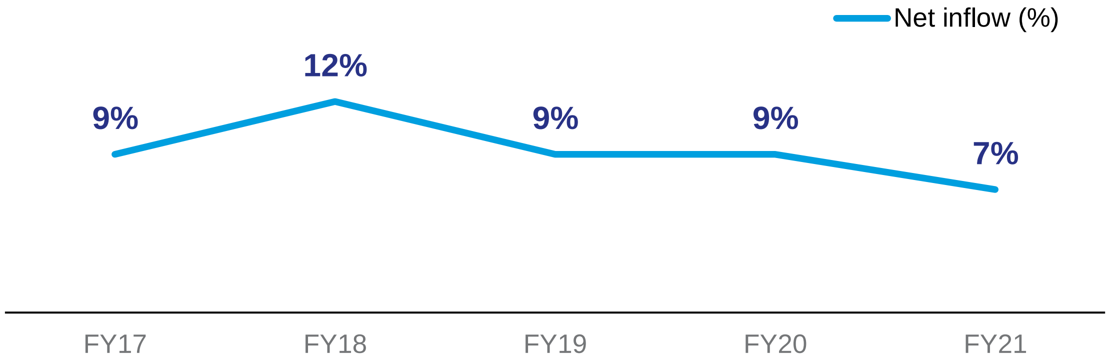
Asset Management

Growth in managed assets and continued investment to support the long-term growth opportunity

- **Continued demand** as we maintained **excellent client service** despite reduced face-to-face contact in the year
- **Good net inflows at 7%** reflecting good momentum with inflows from new hires and improved market conditions
- Acquisition of PMN Financial, contributing c.£300m of client assets, as we deliver on our **growth strategy** of **selective infill acquisitions**
- **Continued investment** in **new hires** and **technology** to grow the business
- **Sustainable investment** a key focus
  - Socially Responsible Investment proposition continues to be well received, with our two new sustainable funds gaining good traction
  - Signatories to the Principles of Responsible Investment
  - ESG factors embedded in research
  - Dedicated Sustainability Committee
- **Vertically integrated, multi-channel model** positions us well to benefit from **ongoing demand for our services** and **structural industry growth**

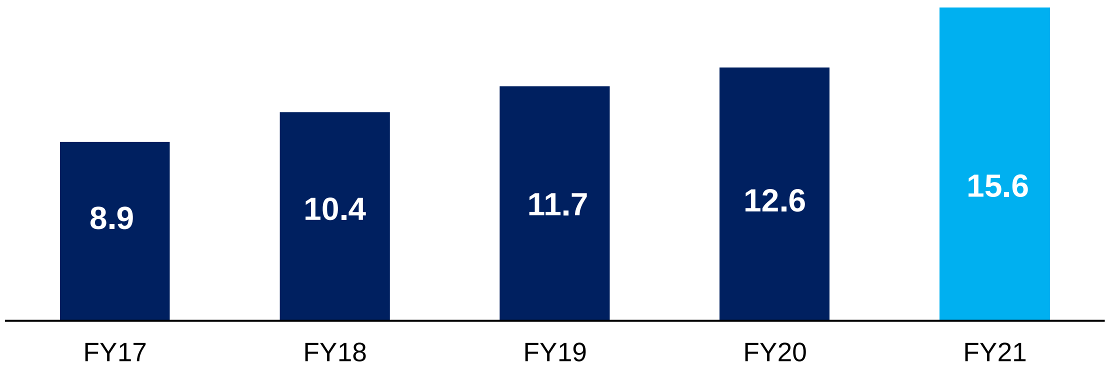
Net inflow rates

(%)



Closing managed assets

(£ billion)



Winterflood

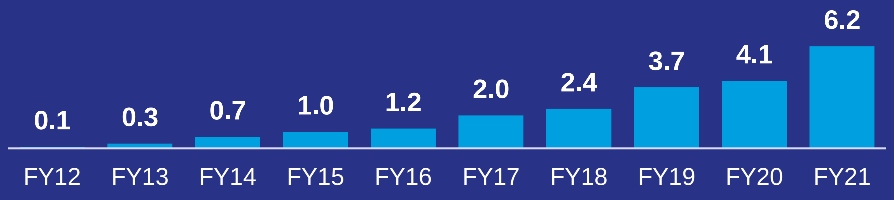
Maximising trading opportunities in a dynamic market environment

- Delivered an **exceptionally strong trading performance**
- **Activity** has **slowed** over the last few months
- Experienced traders delivered through continued market volatility, with only **one loss day**, demonstrating **expertise and risk management**
- **Record highest ever daily bargains** on 9 November 2020 at 227k, with **average daily bargains of 101k**
- Winterflood has **continued to trade successfully** in the **early part of FY22**, albeit with a **slowing** in **volumes** and **moderation** of **trading performance**
- **WBS** delivered **strong levels of income**, with **AuA up over 50% to £6.2 billion**
- Continue to see potential for **strong growth** in **WBS' AuA** in years to come

WBS

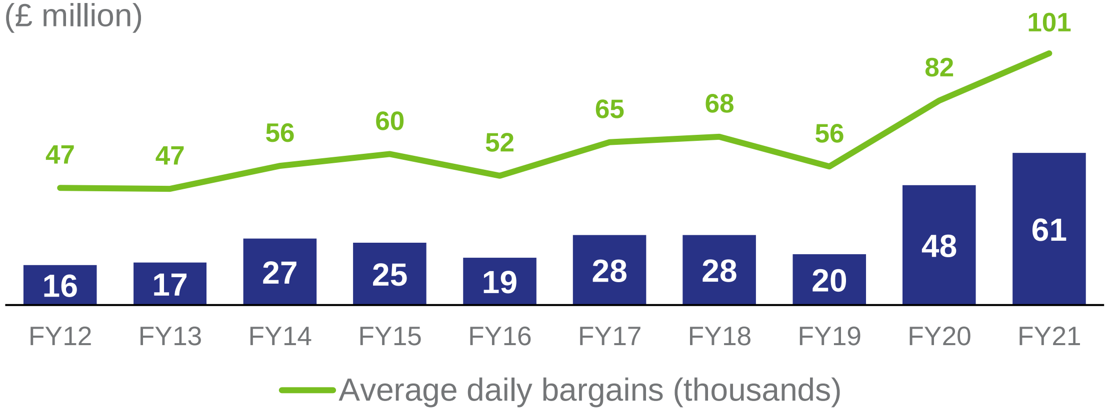
Assets under Administration

(£ billion)



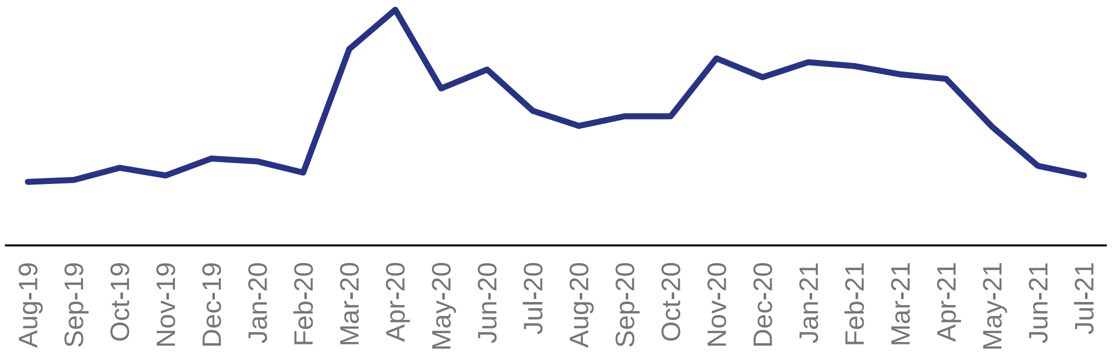
Operating profit

(£ million)



Operating income

(£ million)



Outlook

Our proven and resilient model and strong balance sheet, combined with our deep experience in navigating a wide range of economic conditions, leaves us well placed

- Improved economic outlook although the trajectory remains uncertain

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Attractive trends and growth opportunities

- In **Banking**, we are well positioned to **maximise opportunities** in the current cycle and remain confident in the **long-term growth prospects** of our businesses. We will continue to assess opportunities for potential **new initiatives** alongside growth in our existing market niches

- In **Asset Management**, our business is aligned with the **long-term trends** in the wealth management space and we remain committed to our **growth strategy**

- **Winterflood** has seen a **slowing in volumes** and **moderation** of **trading performance** over the last few months. Winterflood remains well positioned to continue trading profitably in a range of market conditions but, due to the nature of the business, it remains **sensitive to changes** in the **market** environment. We remain focused on growing WBS

04 Q&A

Close Brothers
Modern Merchant Banking

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Close Brothers Group plc
10 Crown Place
London EC2A 4FT
www.closebrothers.com

LENDING | DEPOSITS | WEALTH MANAGEMENT | SECURITIES