

Summary - Group Annual Report 2021

The Close Brothers Group plc Annual Report 2021 is now available, so we would like to share a summary of the key information. If you would like to read the report in full, you can find it at [closebrothers.com](https://www.closebrothers.com)

Our purpose

Our culture, our strategy and our responsibility underpin the foundations of our success, enabling us to deliver on our purpose: **to help the people and businesses of Britain thrive over the long term.**

We recognise that we have a responsibility to help address the social, economic and environmental challenges facing our business, employees and customers, now and into the future. During the year, we have made good progress and have announced several sustainability objectives, which you can read more about in the Group's Annual Report 2021.

Our specialist businesses

We provide lending, wealth management services and securities trading. Operating principally in the UK, we employ over 3,700 people.

- **Banking** – specialist finance, lending and deposit taking services for over two million customers and intermediaries
- **Asset Management** – financial advice and investment management services to private clients across the UK
- **Securities** – trading and execution services through Winterflood

Group highlights

- Adjusted operating profit: **£270.7 million**
- Return on opening equity: **14.5%**
- Adjusted basic earnings per share: **140.4p**
- Ordinary dividend per share: **60.0p**

Financial strength

- Strong capital, funding and liquidity position, with a common equity tier 1 ratio of 15.8% (increase from 14.1% at 31 July 2020)
- The group generates income from a diverse range of activities, not relying on one profit centre or sector
- Our loans: predominantly secured or structurally protected, prudently underwritten and diverse, with a deep expertise and relationship driven approach present through our lending, securities and asset management businesses

Credit ratings

Our strong credit ratings have been considered by Moody's Investors Services and Fitch Ratings:

- Moody's rates Close Brothers Group A2/P1 and Close Brothers Limited Aa3/P1 with "negative" outlook
(Correct as at 13 July 2021)
- Fitch rates Close Brothers Group and Close Brothers Limited A-/F2 with "stable" outlook
(Correct as at 26 May 2021)

Fundamental strengths of Close Brothers remain unchanged

Chief Executive, Adrian Sainsbury, said "*We have delivered a strong financial performance in the year and made the most of the opportunities arising as the economy recovers from the effects of Covid-19*".

Also highlighted by Adrian:

- We have supported our customers when they needed us most, with over 130,000 Covid-19 related concessions totalling £2.0 billion offered since the beginning of the pandemic and over £1.1 billion lent under government support schemes
- We are also committed to reducing our impact on the environment. We are supportive of the Paris Agreement goals on net zero and are targeting becoming operationally net zero through our Scope 1 and Scope 2 carbon emissions by 2030

Close Brothers Savings

Close Brothers Savings provides a range of savings accounts to UK residents and businesses. With competitive interest rates, these include fixed term deposits, fixed rate cash ISAs, notice accounts and SIPP accounts. Highlights in our area this year include:

- Customer deposits overall increased 12% to £6.6 billion (from £5.9 billion at 31 July 2020)
- This has been another successful year for our online savings portal. The 35 Day Retail Notice Account and Fixed Rate Cash ISA were both launched this financial year, with c.39,000 customers, 40% of our retail customer base, registered for online banking
- We are focused on continuing to extend the product range, which will support us in growing and diversifying our retail deposit base and further optimise our cost of funding and maturity profile