

Summary - Group Annual Report 2020

The Close Brothers Group plc Annual Report 2020 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 purpose is to **help the people and businesses of Britain thrive over the long term**, and in the face of Covid-19, we have focused on maximising our support for colleagues, customers and partners.

Our specialist businesses

We provide lending, wealth management services and securities trading. Operating principally in the UK, we employ over 3,500 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, a leading UK market maker

Group financial highlights for the year ended 31 July 2020

- Adjusted operating profit: **£144 million**
- Return on opening equity: **8.0%**
- Adjusted basic earnings per share: **74.5p**
- Ordinary dividend per share: **40.0p**

Financial strength

- Capital base remains strong: common equity tier 1 ratio at 14.1% (increase from 13.0% in 2019)
- The group generates income from a diverse range of activities, not relying on one profit centre or sector
- Our loans: predominantly secured and conservatively underwritten, 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 **A3/P2** and Close Brothers Limited **Aa3/P1** with "**negative**" outlook.
- Fitch rates Close Brothers Group and Close Brothers Limited **A-/F2** with "**negative**" outlook.

Fundamental strengths of Close Brothers remain unchanged

Chief Executive, Adrian Sainsbury, said "*We entered the current crisis in a strong position and the group's agility and operational resilience have allowed us to respond effectively in a rapidly changing environment.*"

He highlights:

- New ways of working to protect our colleagues and maximise assistance for customers and clients during this time
- The impact of Covid-19 has been felt across our business and the outlook is still uncertain, but the fundamental strengths of Close Brothers remains unchanged
- Our resilient model and the experience and expertise of our people leave us well positioned to respond to opportunities and to continue to support our customers and clients into the future

Close Brothers Savings

Close Brothers Savings provides a range of accounts and services for business and personal customers. With competitive interest rates, these include fixed term deposits, notice accounts and SIPP and SASS pension accounts. Highlights in our area this year include:

- Deposits overall increased 5% to £5.9 billion (from £5.6 billion in 2019)
- We continued to implement our new customer deposit platform to allow us to offer a wider range of deposit products, as well as improve customer experience
 - Launched our new online portal for personal customers
 - In the 2021 financial year we will be introducing a suite of new savings products