

Our Businesses

Close Brothers is a leading UK merchant banking group providing lending, wealth management services and securities trading. We operate principally in the UK and employ over 3,500 people.

Banking

Commercial

Adjusted operating profit

£4.8m

2019: £86.5m

The **Commercial** businesses lend principally to small and medium-sized enterprises ("SME"), both through its direct sales force and via broker distribution channels.

The **Asset Finance** business has c.26,000 customers and provides commercial asset financing, hire-purchase and leasing solutions for a diverse range of assets and sectors, including the financing of commercial vehicles, machine tools, contractors' plant, printing equipment, company car fleets, energy production, and aircraft and marine vessels. Our highly specialist sales force operates through 15 offices throughout the UK, Ireland and Germany.

Loan book¹: **£2.2 billion**

Average loan size: **c.£48,500**

Typical loan maturity²: **2 to 4 years**

The **Invoice and Speciality Finance** business works with c.5,000 small businesses, providing debt factoring, invoice discounting and asset-based lending. It also includes our smaller specialist businesses such as Novitas, a specialist provider of finance for the legal sector, Brewery Rentals, which provides solutions for brewery equipment and container maintenance and Vehicle Hire, which provides heavy goods, light commercial vehicles and buses on long-term rental contracts.

Loan book¹: **c.£900 million**

Average loan size³: **c.£260,000**

Typical loan maturity^{2,3}: **3 months**

Retail

Adjusted operating profit

£34.9m

2019: £72.5m

The **Retail** businesses provide loans to predominantly individuals and small businesses, through a network of intermediaries.

The **Motor Finance** business provides point of sale finance for the acquisition of predominantly used cars, motorcycles and light commercial vehicles. It operates through a network of c.6,000 independent motor dealers and has approximately 260,000 customers in the UK and Ireland.

Loan book: **£1.7 billion**

Average loan size: **c.£7,000**

Typical loan maturity²: **4 years**

The **Premium Finance** business finances insurance payments for over three million companies and individuals, via a network of c.1,600 insurance brokers, allowing their customers to spread the cost of insurance premiums over a number of instalments.

Loan book: **£1.1 billion**

Average loan size: **c.£500**

Typical loan maturity²: **10 months**

Property

Adjusted operating profit

£59.5m

2019: £94.7m

The **Property** business specialises in short-term residential development finance through **Property Finance**. The Property business operates in London, the South East and selected regional locations, lending to c.700 professional property developers with a focus on small to medium-sized residential developments.

It also offers refurbishment and bridging loans through **Commercial Acceptances**.

Loan book: **£1.7 billion**

Average loan size: **c.£1.3 million**

Typical loan maturity²: **6 to 18 months**



Read more about Banking:
See pages 38 to 43

¹ Excludes operating lease assets of £2.9 million (31 July 2019: £4.2 million) which relate to Asset Finance and £219.0 million (31 July 2019: £216.2 million) to Invoice and Speciality Finance.

² Typical loan maturities for new business on a contractual basis, except Invoice Finance and Novitas which is on a behavioural basis.

³ Average loan size and typical loan maturity include the Invoice Finance business only.

Asset Management

Asset Management

Adjusted operating profit

£20.4m

2019: £21.8m

Close Brothers Asset Management provides financial advice and investment management services to private clients in the UK. It offers financial planning advice with over 100 professional advisers across the country. It also provides a range of investment management services, including full bespoke management, managed portfolios and funds, distributed both directly via its own advisers and bespoke investment managers, and through third party IFAs.

Total client assets: **£13.7 billion**

Managed assets: **£12.6 billion**

 [Read more about Asset Management:](#)
See pages 44 and 45

Securities

Winterflood

Operating profit

£47.9m

2019: £20.0m

The Securities division comprises Winterflood, a leading UK market maker for retail stockbrokers and institutions. Winterflood deals in over 15,000 instruments in the UK and overseas, and trades with over 600 institutional asset managers, retail stockbrokers, wealth managers, platforms and other market counterparties, providing continuous liquidity through its market-leading execution services, supported by strong proprietary technology. Its traders have extensive experience of executing orders in a range of market conditions, enabling it to trade successfully and profitably over many years.

Average bargains per day: **c.82,000**

Total counterparties: **c.600**

 [Read more about Securities:](#)
See pages 46 and 47

