

Arbuthnot Banking Group PLC

2012 YEAR END RESULTS

21 March 2013



Since 1833

Business Review

ANDREW SALMON – Chief Operating Officer

21 March 2013



Since 1833

Key Messages

- Year of Profitable Growth
 - Profit Before Tax £12.6m an increase of 146%
 - Total Assets exceed £1bn
 - Earnings per share 52.6p
 - Dividend per share at 25p more than 2 times covered
 - Successful acquisition of Everyday Loans added £74m of loans
 - Further equity placing of £20m for STB
 - Private bank investing in new staff



Private Banking

- Profit before tax £2.1m
- Margin compression prior to announcement of Funding for Lending Scheme
- Bringing forward hiring plans to recruit key executives
- Credit losses remain below 1% of total loans
- Gilliat Financial Solutions made £0.6m and completes first overseas sale
- Loan book remains healthy with low loan to value ratios
- Liquidity, funding and capital remain strong
- Purchased new head office – 7-21 Wilson Street, London, EC2

Arbuthnot Latham hired a number of key executives to accelerate growth plans



Since 1833

Retail Banking

- Profit before tax £17.3m
- Underlying profit growth in excess of 100%
- Completed acquisition of Everyday Loans:
 - Bargain purchase gain of net £7.9m
 - UK network of 26 branches
 - Customer assets of £74m
- Customer loans increased by 92% to £298m
- Awarded Customer Service Award and Four Star Fair Banking Foundation
- Successful equity placing of £20m
- Post year end completed further acquisitions
 - V12 Finance Group (Retail point of sale)
 - Debt Managers

**Numerous opportunities
for further growth**



Financial Review

JAMES COBB – Group Finance Director

12 March 2013



Since 1833

Headline Results

	2012	2011
Operating Income	£65.5m	£45.5m
Profit Before Tax	£12.6m	£5.1m
Basic Earnings Per Share	52.6p	(33.3p)
Total Dividend Per Share	25p	24p
Total Assets	£1bn	£0.77bn
Regulatory Capital	£73.3m	£55.7m

- Operating income increased by 44%
- Significant Items:
 - Bargain Purchase of EDL £7.9m net
 - Executive Option scheme costs £1.6m
 - Cost of acquisitions £1.4m
 - Management integration incentives £1.7m
- Earnings per share 52.6p
- Dividend per share increased by 1p to 25p
- Total assets exceed £1bn
- Regulatory capital increased by 32%



Divisional Performance 1/2

£ (000)	2012	2011	Change
Private Banking (Arbuthnot Latham)	2,058	1,958	5%
Retail Banking (Secure Trust)	17,253	9,061	90%
Switzerland	(6)	(47)	87%
Group Costs	(6,712)	(5,856)	(15%)
Profit Before Tax	12,593	5,116	146%
Tax	(1,128)	(1,817)	
Loss from discontinued operations after tax	(347)	(10,249)	
Profit/(Loss) After Tax	11,118	(6,950)	
Of which			
Attributable to Group Share holders	8,041	(5,014)	
Minority Interests	3,077	(1,936)	



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Divisional Performance 2/2

Private Banking

- Profits up 5%
- Comments
 - Customer Loans up 21%
 - Loan to deposit ratio 59%
 - Credit losses less than 1%
 - Margin Compression in H2
 - Hiring cost approx £1m annualised

Retail Banking

- Profits up 90%
- Comments:
 - £20m Equity placing
 - Customer loans up 92%
 - EDL Bargain Purchase gain net £7.8m
 - Management acquisition incentives £1.7m
 - Cost of acquisitions £1.4m
 - Executive Stock Option plan £1.6m
 - Underlying profit growth more than 100%

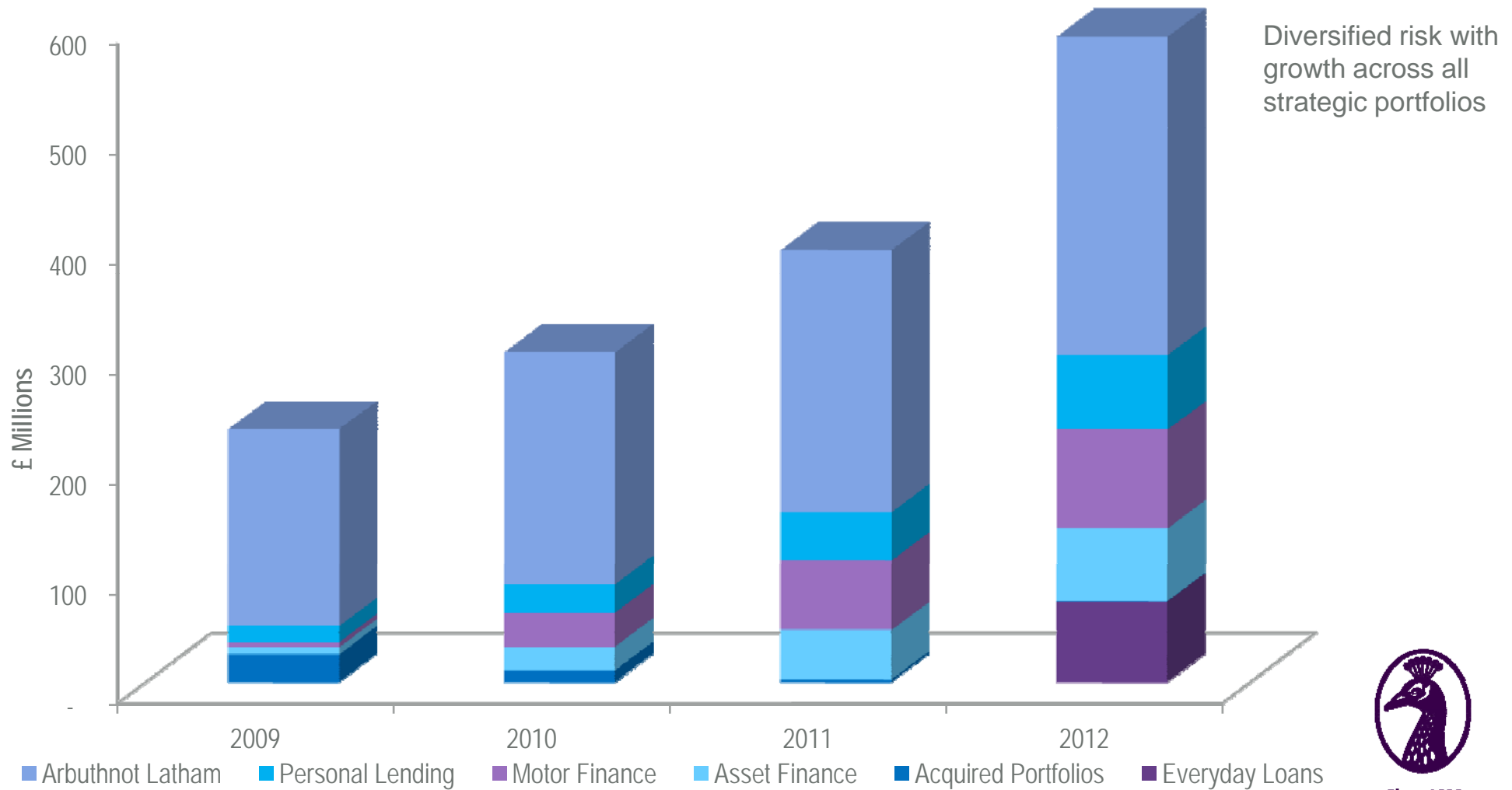
Group Costs

- Overall increase 15%
- Comments:
 - Group cost increased due to surplus office space from sale of Securities > £1m
 - Gain from sale of Swiss bank £0.8m
- Ownership of STB 70.7%

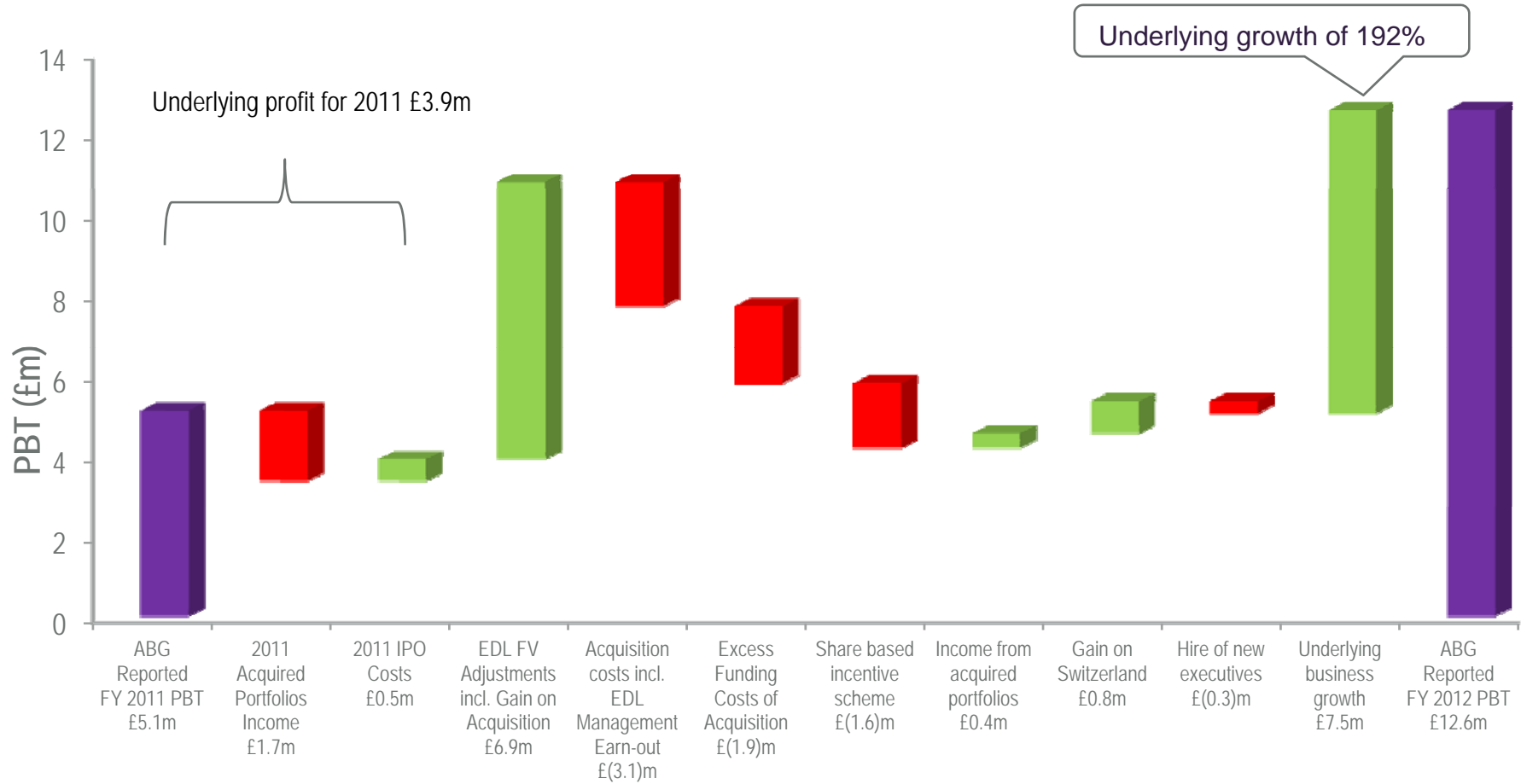


Since 1833

Balance sheet growth



Underlying profit



Since 1833

Forward Looking Statements

This document is a summary only of certain information contained in the announcement dated 21 March 2013 and should be read in conjunction with the full text of the announcement.

This document contains forward looking statements with respect to the business, strategy and plans of the Arbutnot Banking Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Arbutnot Banking Group's or management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Arbutnot Banking Group's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, risks concerning borrower credit quality, market related risks such as interest rate risk and exchange rate risk in its banking businesses and equity risk in its investment banking businesses, inherent risks regarding market conditions and similar contingencies outside Arbutnot Banking Group's control, any adverse experience in inherent operational risks, any unexpected developments in regulation or regulatory and other factors. The forward looking statements contained in this document are made as of the date hereof, and Arbutnot Banking Group undertakes no obligation to update any of its forward looking statements.

