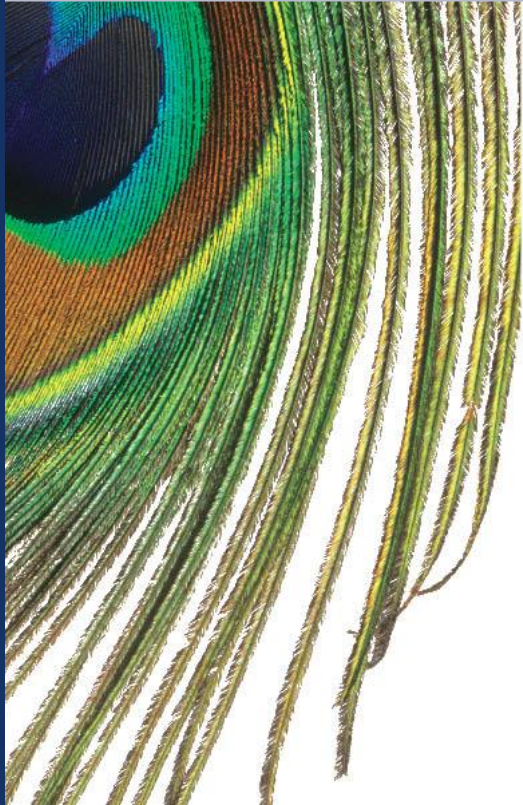


Arbuthnot Banking Group PLC

2012 INTERIM RESULTS

26 July 2012



ARBUTHNOT BANKING GROUP PLC

Interim Results Review

ANDREW SALMON – Chief Operating Officer

JAMES COBB – Group Finance Director



ARBUTHNOT BANKING GROUP PLC

Key Messages

• Transformation continues

- Profit Before Tax at £10.8m (2011: £0.2m)
- Acquisition accounting contributes net £8.5m
- Earnings Per Share 50.9p (2011: 8.4p)
- Interim dividend 11p (2011: 11p)
- Customer assets grew 53%
- Completed the following transactions:
 - Disposal of Arbutnot Securities
 - Disposal of Arbutnot AG (Switzerland)
 - Acquisition of Everyday loans
 - Cancelled share premium account



Private Banking

- Profit Before Tax of £1.4m (2011: £1.0m)
- Lending increased 20% as business continues to take advantage of favourable market conditions
- Discretionary funds under management at £345m increased by 31% year over year
- Gilliat continued progress as brand awareness grows contributing a profit of £0.3m
 - Successfully launched first offshore product



Retail Banking

- Profit Before Tax £12.5m (2011: £5.0m)
- Everyday loans acquisition completed on 8 June adding wider distribution and further diversification
- Acquisition accounting contributes £8.5m of Negative Goodwill (most will amortise in 2-3 years)
- Underlying profits grew by 50%
- Customer assets increased by 109% - 52% excluding Every Day loans
- Deposit gathering matching asset growth and increasingly secure in longer tenors
- Total customer numbers increased by 58% to 198,767



Financial Results

	6 Months June 2012	6 Months June 2011	Full Year 2011
Operating Income	£25.9m	£21.5m	£54.8m
Operating Expenses	£21.3m	£16.2m	£47.6m
Profit Before Tax on Continuing Operations	£10.8m	£3.6m	£5.1m
Profit attributable to Equity holders of the Company	£7.8m	£1.3m	£3.7m
Basic Earnings Per Share	50.9p	8.4p	25p
Interim Dividend Per Share	11p	11p	24p
Total Assets	£789.4m	£686.3m	£565.1m

Comments

Operating Income increased 20%

Operating expenses up 31%

£1m incremental EDL operating cost
£0.5m EDL acquisition costs
£0.2m incentive bonus EDL
£0.1m EDL fair value amortisation
£0.3m write down Westhouse inv

PBT on continuing ops up 200%

Total Assets up 15%

Interim Dividend held at 11p



Divisional Performance

	6 Months June 2012 £(000)	6 Months June 2011 £(000)	Change
Private Banking (Arbuthnot Latham)	1,435	983	46%
Retail Banking (Secure Trust)	12,524	5,020	149%
Group Costs	(3,192)	(2,350)	(36%)
Profit Before Tax on Continuing Operations	10,768	3,633	196%
Discontinued Operations	(210)	(3,391)	N/A
Tax	(133)	(1,120)	88%
Profit After Tax	10,425	84	N/A
Of Which			
Attributable to Group Shareholders	7,783	1,259	
Minority Interests	2,642	(1,175)	



Retail Banking – Lending Balances

	30 June 2012 (£000)	30 June 2011 (£000)	31 Dec 2011 (£000)
Motor Vehicles	77,980	48,386	63,376
Personal Lending	56,713	36,251	45,176
Retail Finance	52,343	32,052	42,608
Acquired Portfolios	729	5,807	2,610
Everyday Loans (at Fair Value)	70,900	-	-
Others	1,642	1,362	832
Total Customer Assets	260,307	123,859	154,603

Comments

Total customer assets grew 110%

EDL added £70.9m

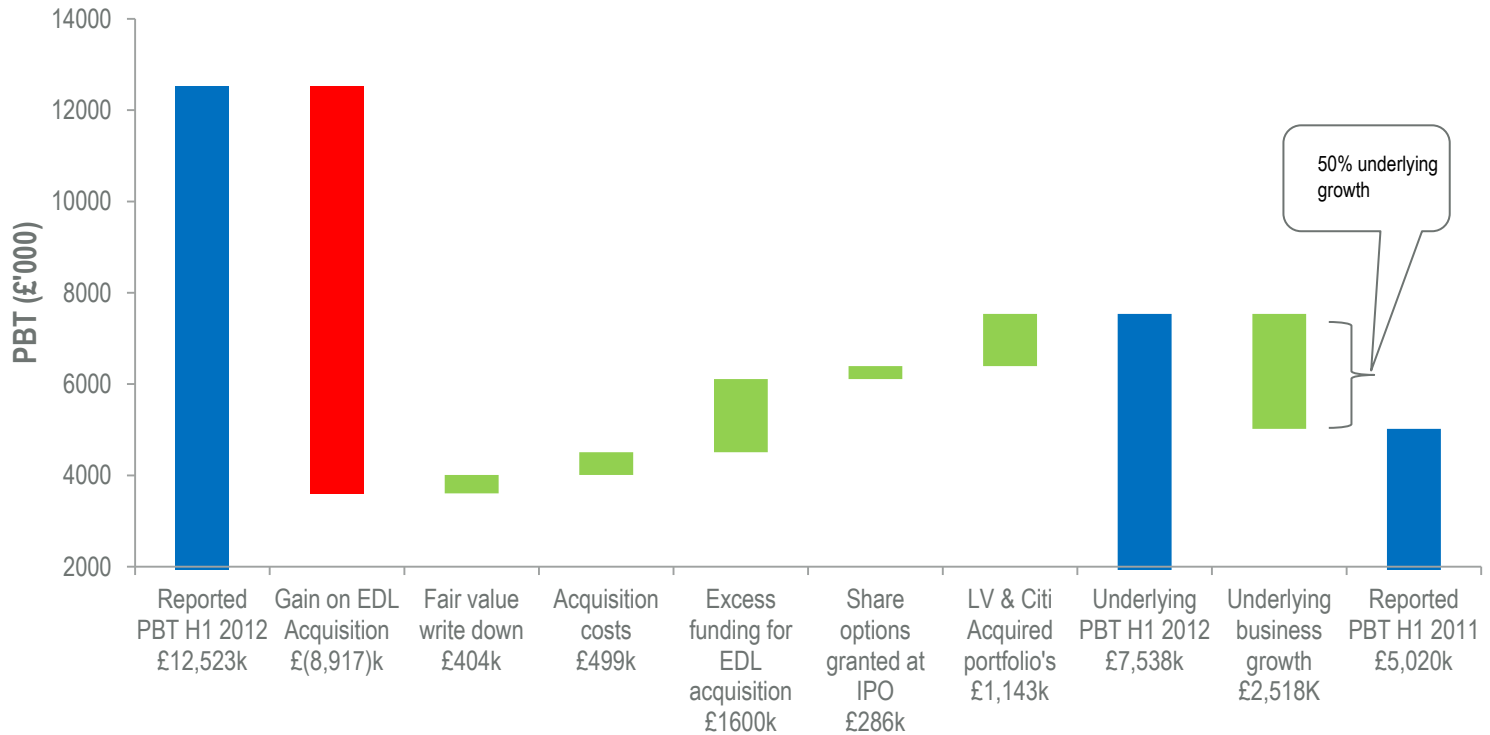
Customer assets growth (ex EDL) 52%

Balanced growth creating a diversified portfolio

Acquired portfolios almost fully repaid and being replaced by sustainable organic growth



Retail Banking Division – Underlying Growth



Forward Looking Statements

This document is a summary only of certain information contained in the announcement dated 26 July 2012 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 Arbuthnot 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 Arbuthnot 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. Arbuthnot 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 Arbuthnot 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 Arbuthnot Banking Group undertakes no obligation to update any of its forward looking statements.

