



ARBUTHNOT BANKING GROUP PLC

21 February 2019

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Pre Close Trading Update

Arbuthnot Banking Group PLC (“Arbuthnot” or “the Group”) today issues a pre close trading update ahead of its final results announcement for the year ended 31 December 2018 which is scheduled for 28 March 2019.

The Group continued to make good progress in the fourth quarter of 2018 and as a result expects to announce underlying full year pre-tax profits in line with market expectations.

Additionally, the results will include a one-off adjustment reducing the anticipated liability related to the management team earn out for the acquisition of Renaissance Asset Finance (“RAF”). The adjustment is expected to be approximately £2.5m and will therefore increase the reported pre-tax profits accordingly. Regardless of the adjustment RAF continues to trade well and has seen its customer loan balances increase by 21% during the year.

The Group’s other new ventures are also making good progress. Arbuthnot Commercial Asset Based Lending division ended the year with drawn balances of £25m and issued facilities of £43m, having made its first loan in May 2018.

The Arbuthnot Specialist Lending business, which will focus on providing short-term secured lending solutions to professional property businesses and entrepreneurs, is currently undertaking a soft launch and has had Credit Committee approval for its first customer loan.

Arbuthnot Direct Deposit platform went live this week following a successful pilot. This will enable our clients to access our deposit products via this new internet platform with rates advertised on “best buy” tables.

Thus the Group continues to grow and diversify its revenue and funding sources following the sale of its majority investment in Secure Trust Bank.

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