



ARBUTHNOT BANKING GROUP PLC

**17 October 2018**

**Arbuthnot Banking Group PLC**

**Third Quarter Trading Update**

Arbuthnot Banking Group PLC (“Arbuthnot”, “ABG”, or “the Group”) today issues an update of trading for the three months to 30 September 2018.

The Group continued to make good progress during the quarter and expects to deliver a full year profit in line with market expectations, after adjusting for the change in accounting treatment of the investment in Secure Trust Bank PLC, which as announced will now be accounted for as a financial investment.

Customer Lending balances are 28% higher than at the same time in the prior year and originations of new loans are 18% higher. However, as previously stated, the Group remains committed to maintaining its discipline in both credit underwriting decisions and return on capital when extending credit.

The newly launched Asset Based Lending division continues to develop ahead of the original business plan and has a strong pipeline of new opportunities.

The Specialist Finance division has now completed the hiring of its core team of six employees and is currently setting up its operations based in Manchester. It is expected that it will write its first deals toward the end of the fourth quarter or early 2019.

The Direct Deposits business has now completed its testing phase and will soon commence an internal pilot offering with a public launch planned to take place shortly afterwards. The business will enable the Group to offer direct to market retail deposits.

Outside of this direct to consumer online offering, the Bank has found strong demand for its other deposit products. As a result the Bank now has record levels of surplus liquidity, which given the upward trend in interest rates will become more important to the profitability of the bank over time.

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