

26 July 2021

**Arbuthnot Banking Group PLC
(the "Company")**

Grant of Phantom Options to Directors

The Company announces that it has granted phantom options over its ordinary shares of one penny each ("Ordinary Shares", each an "Ordinary Share") under the Arbuthnot Banking Group Phantom Share Option Scheme 2016 ("Scheme") to two directors of the Company. Andrew Salmon and James Cobb have been granted further phantom options relating to 200,000 and 100,000 Ordinary Shares respectively.

The value of each phantom option is related to the market price of an Ordinary Share. The value of each Ordinary Share for the purposes of this grant of phantom options is 990 pence (being the mid-market share price at close of business on 23 July 2021). An increase in the value of an Ordinary Share over 990 pence will give rise to an entitlement to a cash payment by the Company on the exercise of a phantom option. The right to exercise phantom options is subject to the satisfaction of performance conditions.

50% of each director's individual holding of phantom options is exercisable after 23 July 2024 and the other 50% is exercisable after 23 July 2026. These phantom options will lapse if not exercised within seven years of the date of grant, i.e. by 23 July 2028.

Grants of phantom options under the Scheme were previously made to Messrs. Salmon and Cobb on 14 June 2016 relating respectively to 200,000 and 100,000 Shares at a base value on that date of 1591p, exercisable in respect of 50% on or after 15 June 2019 and in respect of the remaining 50% on or after 15 June 2021. The first tranche of the share options has vested, but will lapse if not exercised at 1591p before 14 June 2023. The second tranche has not vested and so has lapsed as one of the performance conditions has not been met, being the payment of dividends which was not possible in 2020 due to the regulatory response to and the economic impact of SARS-CoV-2 pandemic.

The Remuneration Committee has amended the Scheme Rules due to regulatory changes to the IFPRU Remuneration Code of the Financial Conduct Authority since 2016, particularly in relation to material risk takers. A further change to the Scheme Rules relates to one of the performance conditions, that relating to the payment of dividends. Whilst the Committee is entitled to vary any condition in accordance with the Scheme Rules, specific reference has been added to the Rules to its ability to waive the dividend condition, should it consider it appropriate as this is an element that is potentially out of the control of the Board of directors.

The phantom options are associated financial instruments referenced to the Ordinary Shares under the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). The PDMR notifications below, made in accordance with the requirements of MAR, provide further information.

Enquiries:

Arbutnot Banking Group Sir Henry Angest, Chairman and Chief Executive Andrew Salmon, Group Chief Operating Officer James Cobb, Group Finance Director	0207 012 2400
Grant Thornton UK LLP (Nominated Adviser and AQSE Corporate Adviser) Colin Aaronson / Samantha Harrison / George Grainger	0207 383 5100
Numis Securities Ltd (Joint Broker) Stephen Westgate	0207 260 1000
Shore Capital (Joint Broker) Hugh Morgan/ Daniel Bush	0207 408 4090
Maitland/AMO (Financial PR) Neil Bennett / Sam Cartwright / Jonathan Cook	0207 379 5151

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Mr. Andrew Salmon
2	Reason for the notification	
a)	Position/status	Group Chief Operating Officer and Chief Executive of Arbutnot Latham & Co., Limited
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Arbutnot Banking Group PLC
b)	LEI	213800LAWPXT3H3SNN21
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument Identification code	Ordinary shares of 1p each ISIN: GB0007922338

b)	Nature of the transaction	Grant of phantom options over Ordinary shares under the Arbuthnot Banking Group Phantom Share Option Scheme 2016; 50% exercisable from 23 July 2024 up to 23 July 2028 and 50% from 23 July 2026 up to 23 July 2028, subject to performance conditions.						
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th></th> <th>Price</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td></td> <td>nil</td> <td>200,000</td> </tr> </tbody> </table>		Price	Volume		nil	200,000
	Price	Volume						
	nil	200,000						
d)	Aggregated information: Aggregated volume Aggregated price	 Phantom options over 200,000 Ordinary shares nil						
e)	Date of the transaction	23 July 2021						
f)	Place of the transaction	Outside a trading venue						

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Mr. James Cobb
2	Reason for the notification	
a)	Position/status	Group Finance Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Arbuthnot Banking Group PLC
b)	LEI	213800LAWPXT3H3SNN21
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
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	Price	Volume						
	nil	100,000						
d)	Aggregated information:							
	Aggregated volume	Phantom options over 100,000 Ordinary shares						
	Aggregated price	nil						
e)	Date of the transaction	23 July 2021						
f)	Place of the transaction	Outside a trading venue						