

**ARBUTHNOT BANKING GROUP PLC**  
("Arbuthnot" or "the Group")  
Update on Third Quarter Trading

Arbuthnot Banking Group today issues an update on trading for the three months from 1 July 2010 to 30 September 2010.

**Retail Banking**

Secure Trust Bank performed well during the quarter, with good progress in motor finance and prepaid current account operations. Results for this quarter continued to be affected by the cost of carrying significant surplus deposits, despite reducing headline deposit interest rates, and by the costs associated with the restructuring of the management team. Paul Lynam was appointed as chief executive officer of Secure Trust Bank on 13 September 2010.

**Private Banking**

Arbuthnot Latham is trading strongly and is taking advantage of the opportunities created by market conditions to improve both its assets and its client base. Gilliat Financial Solutions, our structured products business, is continuing to progress.

**Investment Banking**

Market conditions deteriorated sharply in the third quarter, leading to difficult trading for Arbuthnot Securities. Commission income was also impacted by the general decline in market volumes.

Nevertheless, Arbuthnot Securities remains profitable for the year to date and the corporate finance pipeline for the fourth quarter is encouraging, although completion of transactions is, as ever, dependent on market conditions and other factors.

**ENQUIRIES:**

Arbuthnot Banking Group	
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Andrew Salmon, Chief Operating Officer	
James Cobb, Group Finance Director	
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