

19 December 2016

Camellia Plc

Duncan Lawrie Private Bank (“Duncan Lawrie”) – Update on Duncan Lawrie, sale of loan book and sale of Duncan Lawrie Asset Management

As highlighted in the recent interim report, lower interest rates and other factors have changed the outlook for private banking. This, coupled with its conservative risk appetite and opportunities for investment elsewhere in the group, has led Camellia Plc (the “Group”) to review its earlier decision to invest further in Duncan Lawrie and it has therefore now decided to sell most of the Duncan Lawrie businesses.

The majority of Duncan Lawrie’s UK loans and certain of its Isle of Man loans (the “Loan Book”) have been sold to Arbuthnot Latham & Co. Limited for a cash consideration of £42.7 million, which equates to 95% of the value of the outstanding loans of £44.9 million. A subsequent orderly wind down of Duncan Lawrie’s deposit taking and other banking operations in the UK and Isle of Man is proposed. Following this sale, Duncan Lawrie is fully funded to return all cash balances to clients.

Duncan Lawrie has also reached an agreement, subject to regulatory approval, to sell Duncan Lawrie Asset Management Limited to Brewin Dolphin Limited (“Brewin Dolphin”), a subsidiary of Brewin Dolphin Holdings Plc, for a cash consideration of £28.0 million.

Brewin Dolphin is one of the UK’s leading discretionary wealth managers with over £35bn of funds under management and a long-term commitment to the market. As part of the transaction, the portfolio management team of Duncan Lawrie Asset Management Limited will move to Brewin Dolphin, providing continuity of service for clients and access to Brewin Dolphin’s broader investment management and financial planning offering.

Camellia believes that both purchasers share the same high regard for client service as Duncan Lawrie and that in agreeing these sales, this should mitigate, as far as possible, the impact of these changes on clients and staff.

Discussions are underway with a number of other parties in respect of the sale of Duncan Lawrie’s Isle of Man offshore trust services business.

The proceeds from these disposals will be used to repay depositors, meet any other liabilities of Duncan Lawrie and for investment in other parts of the Group.

The trading profits relating to the Loan Book in the year ending 31 December 2015 were £1.3 million and £0.8 million in the six months to 30 June 2016. The trading profits relating to Duncan Lawrie Asset Management in the year ending 31 December 2015 were £2.2 million and £0.6 million in the six months to 30 June 2016. These figures include costs which are not being transferred to the purchaser. The losses before taxation relating to the whole of Duncan Lawrie for the year ended 31 December 2015 were £3.6 million and £2.8 million in the six months to 30 June 2016.

The loss arising on sale of the Loan Book and significant closure costs of any proposed wind-down of Duncan Lawrie will be reflected in Camellia’s financial results for the year ended 31

December 2016. The expected profit on disposal of Duncan Lawrie Asset Management and further operating costs relating to the proposed wind down will be reflected in Camellia's financial results for the year ended 31 December 2017.

Terms of the Loan Book sale

£34.7 million of the consideration is payable on completion today, with the balance of £8.0 million payable following novation or assignment of certain loan agreements which is expected to occur on 31 January 2017 ("Migration"). The consideration is subject to various adjustments on and shortly after Migration for loan repayments, advances and debt servicing costs in the period between 31 October 2016 and Migration.

Terms of the Duncan Lawrie Asset Management sale

Duncan Lawrie has agreed, subject to regulatory approval, to sell its wealth management business, Duncan Lawrie Asset Management Limited, but will retain the liabilities relating to the business, for £28.0 million payable at completion. The consideration is subject to a working capital adjustment.

This announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation (EU) NO. 596/2014

For further information:

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Fenchurch Advisory Partners LLP ("Fenchurch"), which is authorised and regulated by the FCA, is acting exclusively for Camellia plc and no-one else in connection with the sale of Duncan Lawrie Asset Management Limited and will not be responsible to anyone other than Camellia plc for providing the protections afforded to clients of Fenchurch nor for providing advice in relation to

the sale of Duncan Lawrie Asset Management Limited or any other matters referred to in this announcement.

KPMG LLP, which is authorised and regulated in the UK by the FCA for investment business activities, is acting exclusively for Duncan Lawrie Holdings Limited (a subsidiary of Camellia plc) and no-one else in connection with the sale of the Loan Book and will not be responsible to anyone other than Duncan Lawrie Holdings Limited for providing the protections afforded to clients of KPMG LLP nor for providing advice in relation to the sale of the Loan Book or any other matters referred to in this announcement.

Panmure Gordon (UK) Limited is authorised and regulated in the United Kingdom by the FCA. Panmure Gordon (UK) Limited is acting as nominated adviser exclusively for Camellia plc and no one else in connection with the Disposals (as defined herein) and will not regard any other person as its client in relation to the Disposals and will not be responsible to anyone other than Camellia plc for providing the protections afforded to clients of Panmure Gordon (UK) Limited, nor for providing advice in relation to any matter referred to herein.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the sale of the Loan Book and of Duncan Lawrie Asset Management Limited (the "Disposals"), and other information published by Camellia plc contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Camellia plc about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Disposals on Camellia plc, the expected timing and scope of the Disposals and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Camellia plc believes that the expectations reflected in such forward-looking statements are reasonable, Camellia plc can give no assurance that such expectations will prove to be correct. 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. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Neither Camellia plc nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, Camellia plc is not under any obligation, and Camellia plc expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.