

2 March 2018

**PCF Group plc**

**(“PCF”, the “Company” or the “Group”)**

**AGM Trading Statement**

**Excellent growth in new business originations underlines the benefits of the new banking model**

PCF, the AIM-listed specialist bank, will hold its Annual General Meeting (“AGM”) at 10.00am today at 1 Cornhill, London, EC3V 3ND.

**At the AGM, Chief Executive Scott Maybury will make the following statement to shareholders:**

“The Board is pleased to report that trading in the first five months of the current financial year has been strong, in line with management’s expectations.

“We can report that new business originations in the five-month period to 28 February 2018 were 93% ahead of the comparative period last year at £54.5m (2017: £28.2m). We are also pleased to report that the quality of originations has been maintained. The lending portfolio has grown to approximately £172m compared to £127m at this time last year. Our medium-term targets for the Group remain unchanged at 12.5% return on equity and a lending portfolio of £350m by September 2020, while asset diversification remains a goal and will follow in due course.

“The successes in new business origination in the short time since the July launch of our banking operations reinforces the Board’s strategy to utilise retail deposits, with their lower interest cost, to fund growth in our existing markets. The launch of new prime terms for our existing products has been enthusiastically received by our brokers and customers alike. We have also delivered significant IT enhancements in consumer motor finance to restore origination growth to this division and support our reputation for excellent customer service.

“Following our success in achieving the *Savings Champion Award for 2018 Best New Provider*, we have seen retail deposits increase to £81m at 28 February 2018. The Group has made good progress in its treasury strategy by replacing a proportion of its more expensive wholesale debt with retail deposits and by gaining membership to the Term Funding Scheme at the Bank of England.

“Our first full year as a bank has commenced well. We have made encouraging progress against ambitious targets and our focus on expanding our addressable lending market with a proven product range will underpin our continued operational success and deliver increasing profitability.

“We look forward to providing a further update on 23 May 2018 when we will release our interim accounts for the six-month period ending 31 March 2018.”

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

**About PCF Group plc ([www.pcf.bank](http://www.pcf.bank))**

Established in 1994, PCF Group plc is the AIM-quoted parent of the specialist bank, PCF Bank Limited. With the advent of a banking operation, the Group now has the capability to increase its lending portfolio significantly, with target portfolio sizes of £350 million in 2020 and £750 million in 2022. The Group will retain its focus on portfolio quality and has the capability to lend increasingly to prime segments of its existing finance markets. The Group will also seek to diversify its lending products and asset classes through acquisition.

PCF Bank currently offers retail savings products for individuals and then deploys those funds through its two lending divisions:

- Consumer Finance which provides finance for motor vehicles to consumers; and
- Business Finance which provides finance for vehicles, plant and equipment to SMEs.

The Group has a track record of strong financial performance and an efficient and scalable business model, with significant room to grow. Utilising its technologically advanced platform, the Bank provides both depositors and borrowers with a high level of service and a straightforward, simple range of products tailored to suit their needs.

For media enquiries please contact [media@pcf.bank](mailto:media@pcf.bank)