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17 March 2017

Private & Commercial Finance Group plc

(“PCFG”, the “Company” or the “Group”)

Results of Placing and Directors’ Shareholdings

PCFG (AIM: PCF), the AIM-quoted specialist bank, is pleased to announce the results of the Placing announced earlier today (the “Placing Launch Announcement”).

A total of 40,000,000 Placing Shares have been conditionally placed by Panmure Gordon and Stockdale at an Issue Price of 25 pence per new Ordinary Share to raise a total of £10 million for the Company, amounting to net proceeds of approximately £9.6 million for the Company (after fees and expenses).

The Placing Shares represent approximately 23.5 per cent. of the Existing Ordinary Shares of the Company. The Issue Price represents a discount of approximately 5.7 per cent. to the Closing Price on 16 March 2017, being the last practicable date prior to the publication of the Placing Launch Announcement.

The net proceeds of the Placing receivable by the Company will be used to maintain the regulatory level of capital and liquidity that the Group is required to hold as agreed with the PRA and FCA pursuant to the Group’s authorisation on 6 December 2016 for a banking licence. The net proceeds will be used to purchase high quality liquid assets to maintain predetermined liquidity ratios for retail deposit taking and operate comfortably within the relevant regulatory capital regime. The net proceeds will also provide adequate capital for growth plans over the medium term as well as providing working capital to support the costs of mobilisation, including IT infrastructure and key function recruitment.

The Company is also making the Open Offer of up to 2,000,000 Open Offer Shares to Qualifying Shareholders at the Issue Price, the net proceeds of which will further support its working capital requirements. A Circular to Qualifying Shareholders, including further details of the Open Offer and a notice convening the General Meeting, will be dispatched on or around 20 March 2017, together with a covering letter regarding the amended dividend timetable, and both documents will also be made available on the Company's website at the same time at www.pcfg.co.uk.

Commenting on the successful Placing, Scott Maybury, Chief Executive Officer of PCFG, said:

"I am very pleased to confirm the successful result of the Placing, which illustrates the market’s support for PCFG’s growth prospects and the opportunities provided by the banking licence. This funding will allow us to secure liquidity ratios recommended by the PRA and FCA, but most importantly achieve a critical component of the bank mobilisation process as the Company prepares to become a regulated

deposit taker. It was also important to the Company to include an Open Offer element to the Placing, providing an opportunity for our minority shareholders to participate alongside institutions.

"I look forward to updating Shareholders on the next chapter in the Company's development as we take our first retail deposits this summer and significantly scale up our loan portfolio. This increased scale will allow us to support even more SMEs in financing vital assets, as well as helping more consumers access finance for motor vehicles."

Completion of the Placing and Open Offer remains subject, inter alia, to the passing of the Resolutions at the General Meeting and on the Admission of the Placing Shares and Open Offer Shares to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares and Open Offer Shares on AIM will commence at 8.00 a.m. on 7 April 2017.

The Placing Shares and Open Offer Shares will be issued credited as fully paid and will, on issue, be identical to and rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions thereafter declared, made or paid on the Enlarged Share Capital following the date of Admission, including in relation to the 2016 Final Dividend.

Directors' Shareholdings and related party transaction

Certain Directors and Somers, the sole parent company of BCB, the majority Shareholder in the Company, have each subscribed for Placing Shares pursuant to the Placing. As at 16 March 2017 (being the latest practicable date prior to the notification of this announcement) and, subject to and immediately following Admission, the interests of BCB, Somers and of each such Director, their immediate families and persons connected with each such Director (within the meaning of section 252-255 of the Act) (all of which are beneficial unless otherwise stated) in the issued share capital of the Company are as follows:

Name	At the date of this announcement		Number of Placing Shares subscribed for	On Admission	
	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares		Number of Ordinary Shares	Percentage of Ordinary Shares**
Somers together with BCB *	115,559,047	67.93%	23,100,000	138,659,047	65.4%
T A Franklin	nil	nil	40,000	40,000	0.02%
M F Brown	nil	nil	80,000	80,000	0.04%

* aggregated interests of Somers and of BCB (a wholly owned subsidiary of Somers). The direct interests of BCB and Somers are as follows:

Name	At the date of this Circular		Number of Placing Shares subscribed for	On Admission	
	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares		Number of Ordinary Shares	Percentage of Ordinary Shares**

BCB (direct interests)	115,559,047	67.93%	nil	115,559,047	54.5%
Somers (direct interests)	nil	nil	23,100,000	23,100,000	10.9%
Total	115,559,047	67.93%	23,100,000	138,659,047	65.4%

** assuming full take up of the Open Offer by Qualifying Shareholders, with the exception of BCB and the Directors, who have confirmed that they will not take up any Ordinary Shares which may have been offered to them as part of the Open Offer and will not subscribe for any Open Offer Shares, in order to maximise the number of Open Offer Shares available under the Open Offer to Qualifying Shareholders.

The Company understands that the Somers Group may, in the future, consolidate its shareholding in the Company in one Somers Group company, most likely to be Somers.

Related party transaction

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company's nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

By virtue of BCB's current interests in the Company, as detailed above, it is considered to be a "related party" as defined under the AIM Rules, and accordingly, the subscription by Somers (the parent company of BCB) of 23,100,000 Placing Shares in the Placing is considered to be "related party transaction" for the purposes of Rule 13 of the AIM Rules. The Directors independent of the Somers Group (being each of the Directors with the exception of David Morgan, who is also a director of BCB and its parent company, Somers Limited; Andrew Brook, who is a director of BCB; and Mark Brown who is a director of Stockdale Securities Limited, a subsidiary of Somers Limited) consider, having consulted with Panmure Gordon, the Company's nominated adviser for the purposes of the AIM Rules, that the terms of the related party transaction are fair and reasonable insofar as the Shareholders are concerned.

The capitalised terms used in this announcement have the meaning set out in Appendix IV to the Placing Launch Announcement.

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