

20 October 2016

Private & Commercial Finance Group plc

("PCFG", the "Company" or the "Group")

Trading and Pre-close Statement

New business growth and strong portfolio performance lay foundations for banking licence application

PCFG, the AIM quoted finance house, advises that portfolio performance and profitability in the period has continued to meet management objectives. As a result, the Group's Final Results for the 18 month period ended 30 September 2016 are expected to be slightly ahead of market expectations.

The Final Results will be announced on 8 December 2016.

Trading and operational highlights include:

- Total new business originations in the 18 month period amounted to £100.4m. Of this, £37.2m (37%) was written in the six months to 30 September 2016, an increase of 20% on the previous period (6 months to 31 March 2016: £31.1m).
- The portfolio of finance receivables grew in the six months to 30 September 2016 by 9% to £122m (31 March 2016: £112m).
- The loan loss provisioning charge has continued to reduce, despite already being below target levels.
- Key performance indicators such as Return on Average Assets continue to outperform.
- The banking licence application is progressing well and in accordance with the year-end timetable outlined in our June Interim Statement.
- The Group currently has £65m of committed facility headroom, enabling it to fund its projected growth up to the commencement of deposit taking activities. This increased headroom is due to the new facility from Bermuda Commercial Bank announced in July 2016.

Scott Maybury, CEO, commented: "I am pleased to announce another strong pre-close trading update from PCFG. Our excellent levels of new business origination and performance of our portfolio are such that we expect the Group's Final Results to be slightly ahead of market expectations, as upgraded during the course of this financial period."

"The result of the EU Referendum in June has not affected trading and our organic growth remains strong. This growth has not been at the expense of portfolio quality, as we have achieved a reduction in our loan loss provisioning charge and our portfolio is more efficient than ever. The diversity of our portfolio, our proven performance over an entire economic cycle and ability to increase our relatively small share of core markets should provide reassurance insofar as the current political and economic climate is concerned. We will continue to apply prudent underwriting standards appropriate to the economic environment and ensure that growth is managed responsibly and sustainably."

"It is also important to recognise that the granting of a banking licence will be transformational for the growth potential and aspirations of the Group, and we look forward to updating shareholders when we announce our Final Results on 8 December 2016."

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About Private & Commercial Finance Group plc (www.pcfg.co.uk)

Established in 1994, Private & Commercial Finance Group plc is an AIM-quoted finance house which has two main operating 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 highly efficient and scalable business model, utilising its specially developed internet-based proposal system to service national networks of brokers and suppliers.

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) Number 596/2014) prior to its release as part of this announcement.