

27 September 2017

**PCF Group plc**

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

**Trading Statement**

**Successful launch of retail deposit operations and results ahead of market expectations**

PCF Group plc, the AIM-listed specialist bank, issues a trading update for the year ended 30 September 2017 ahead of reporting the Bank’s Final Results on 5 December 2017.

The Board is pleased to report strong trading during the eleven months of the current financial year and therefore expects full year results to be ahead of market expectations.

Trading and operational highlights within the period include:

- PCF Bank commenced retail deposit taking operations on 27 July and our success has exceeded expectations. To date, approximately £51m of retail deposits have been received;
- The new banking infrastructure is functioning well and customer feedback has been extremely encouraging;
- New business originations across the Bank are 19.3% ahead of the same period last year at £74.1m (11 months ending 31 August 2016: £62.1m), largely driven by SME lending;
- Portfolio quality remains a focus and the loan loss impairment charge in the year to date remains at a record low of 0.5% (31 August 2016: 1.0%);
- The portfolio of finance receivables has grown 17.5% in the period to £141.6m (31 August 2016: £120.5m);
- Adding the diversity of retail deposits to the Bank’s funding model has allowed the rationalisation of senior debt and interest rate swap facilities. This has delivered interest expense and facility cost savings in the period;
- The Bank does not offer the Personal Contract Purchase (‘PCP’) product and therefore is not exposed to the inherent residual risk in that type of contract and is not vulnerable to the recent criticisms of mis-selling and poor underwriting practices for PCP’s. Our consumer motor division predominantly finances used vehicles on fully amortising hire purchase contracts.

**Scott Maybury, CEO, commented:** “I am pleased to announce a strong pre-close trading update. The successful launch of PCF Bank’s retail deposit products has coincided with a number of new business initiatives, utilising the cheaper cost of funds, to expand the Bank’s addressable lending market. Our success in delivering these projects is testament to the team at PCF and provides momentum as we enter the new financial year and continue our strategy of scaling the portfolio and generating profitable and sustainable growth.”

“There is excellent potential for growth in our proven, existing markets in the short and medium term; and over the next three years, asset diversification will provide greater acceleration in portfolio growth.”

“This has been a year of great achievement, marked by our arrival as a new entrant bank and we look forward to reporting our full year results in December.”

- end -

For further information, please contact:

**PCF Group**

Scott Maybury, Chief Executive Officer  
Robert Murray, Managing Director  
David Bull, Finance Director

Tel: +44 (0) 20 7222 2426

**Tavistock Communications**

Jos Simson / Niall Walsh

Tel: +44 (0) 20 7920 3150

**Panmure Gordon (UK) Limited**

Atholl Tweedie / Adam James – Corporate Finance  
Charles Leigh-Pemberton – Corporate Broking

Tel: +44 (0) 20 7886 2500

**Stockdale Securities**

Robert Finlay / Richard Johnson – Corporate Finance  
Henry Willcocks – Corporate Broking

Tel: +44 (0) 20 7601 6100

**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 the banking operation the Group now has the capability to increase its lending portfolio significantly, with target portfolio sizes of £350m in 2020 and £750m in 2022. The Group will retain its focus on portfolio quality, and has the capability to lend increasingly to prime segments of the finance market.

PCF Bank will offer retail savings products for individuals and will then deploy 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 will provide 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)