

6 March 2020

PCF Group plc

(“PCF”, the “Company” or the “Group”)

Strong trading and new initiatives support growth

PCF, the AIM-listed specialist bank, will hold its Annual General Meeting (“AGM”) at 10.00am today at 1 Cornhill, London, EC3V 3ND. The meeting will also be available on a live video stream.

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

“I am pleased to report that trading in the first five months of the current financial year has been strong and in line with management’s expectations.

“New business origination in the five-month period to 29 February 2020 was 30% ahead of the comparative period last year at £127m (2019: £98m). We are also pleased to report that the quality of originations has been maintained with over 79% (2019: 76%) of originations being in our prime credit grades. The lending portfolio has grown by 55% to over £395m as at the end of February 2020 (2019: £255m) and this is supported by retail deposits of £346m (2019: £202m).

“A key initiative for FY2020, which forms part of our strategy to further improve the credit risk profile of our business, was the launch of our automated prime proposition for consumer motor finance. After a trial with a small number of broker relationships in late 2019 the product and enhanced functionality were launched on 27 January 2020.

“In our first full month of the new product’s operation we can report that year on year, the comparative volumes for February show an increase in consumer motor lending of 80%. This has raised the prime credit quality statistics of this division in the month to 93%. This prime business attracts a lower net interest margin than our near prime originations but is expected to deliver both lower loan loss impairment charge and administrative expense. This is an exciting start for this product and proves our model to build portfolio scale and strong operational gearing in the medium-term.

“Our other business lines continue to grow. Business Finance volumes in the five-month period to 29 February 2020 increased 5% compared to the same period in 2019 with an increased proportion of the Azure broadcast and media equipment written on our own balance sheet. The bridging property finance portfolio as at 29 February 2020 was £21m, having only commenced business this time last year.

“In the period we have continued to invest in our operating platform, infrastructure and human resources to prepare the Group for our medium-term target of a £750 million portfolio by September 2022. This investment includes a recent premises move which provides headcount capacity and our employees with an excellent working environment.

“The world economy faces increased economic concerns over Covid-19 and there remains uncertainty over the UK’s transition to an independent trading nation. It is therefore important we maintain our cautious risk appetite and remain proactive towards these challenges.

“We have confidence in the short-term as we build on our market share in diversified markets and can take comfort from the £75m of unearned operating income, in respect of future years, already present on our balance sheet. In the medium-term our return on equity target of 15% remains in place. We

look forward to providing a further update on 3 June 2020 when we will announce our half-year accounts for the six-month period ending 31 March 2020.

“Finally, I would like to bring to shareholders attention the latest corporate presentation which is available on our website or in hard copy for those attending the AGM in person today.”

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For further information, please contact:

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About PCF Group plc (www.pcf.bank)

Established in 1994, PCF Group plc is the AIM-quoted parent of the specialist bank, PCF Bank Limited. Since commencing operations as a bank in 2017, the Group has increased its lending portfolio significantly from £146million to £395million. 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 has also recently diversified its lending products and asset classes through acquisition and by setting up new organic operations.

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

- Business Finance which provides finance for vehicles, plant and equipment to SMEs;
- Consumer Finance which provides finance for motor vehicles to consumers;
- Azule Limited which provides finance to the broadcast and media industry; and
- Bridging Property Finance which provides loans to companies and sole traders investing in residential property.

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

Recently recorded video profiles of PCF's Bridging Finance, Azule Broadcast Equipment Finance, and Savings divisions are available at the Company's profile page on the London Stock Exchange website: <https://profile.lsegissuerservices.com/PCFGroup/overview>.