



**PCF BANK**

Annual General Meeting

26 March 2021

## The Board of Directors

Tim Franklin, Chairman

Mark Brown

Christine Higgins

Marian Martin

David Morgan

David Titmuss

Scott Maybury CEO

Caroline Richardson CFO

# Resolution 1

The re-election of Tim Franklin as a director

## Votes for

163,850,216

## Votes against

10,798

## Chairman's Discretion

1,031

## Votes withheld

5,000

## Resolution 2

The re-election of Mark Brown as a director

### Votes for

163,735,757

### Votes against

125,257

### Chairman's Discretion

1,031

### Votes withheld

5,000

# Resolution 3

The re-election of Christine Higgins as a director

## Votes for

163,853,893

## Votes against

7,121

## Chairman's Discretion

1,031

## Votes withheld

5,000

# Resolution 4

The re-election of Marian Martin as a director

## Votes for

163,859,448

## Votes against

1,566

## Chairman's Discretion

1,031

## Votes withheld

5,000

# Resolution 5

The re-election of David Morgan

## Votes for

163,735,757

## Votes against

125,257

## Chairman's Discretion

1,031

## Votes withheld

5,000

# Resolution 6

The re-election of David Titmuss as a director

## Votes for

163,850,216

## Votes against

10,798

## Chairman's Discretion

1,031

## Votes withheld

5,000



# Resolution 7

The re-election of Scott Maybury as a director

## Votes for

163,859,448

## Votes against

1,566

## Chairman's Discretion

1,031

## Votes withheld

5,000

## Resolution 8

To authorise the directors generally and unconditionally pursuant to Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £2,500,000

### Votes for

163,757,130

### Votes against

58,884

### Chairman's Discretion

1,031

### Votes withheld

50,000

## Resolution 9

To empower the directors to allot equity securities as if Section 561 (1) of the Companies Act 2006 did not apply to such allotment, provided that such allotment shall be limited as more fully detailed in the Notice of AGM dated 3 March 2021

### Votes for

163,732,130

### Votes against

83,884

### Chairman's Discretion

1,031

### Votes withheld

50,000



**PCF BANK**

Trading update

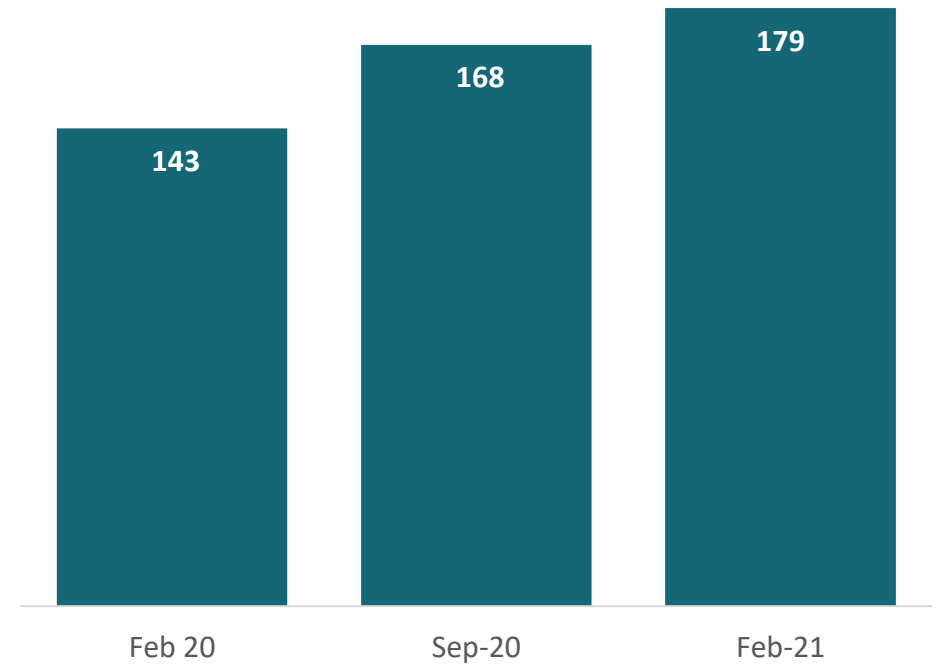
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# Highlights for five months to February 2021

- All lending divisions open for business
- Continued focus on lending to better quality customers
- New business originations of £104 million
  - £85 million on balance sheet
  - £19 million brokered to third party banks and finance companies
  - Record deal for Azule of £6.9 million
- Group portfolio of £440 million
- Forbearance levels reduced to £20 million (less than 5% of portfolio)
- Retail deposits of £342 million
- ‘Feefo’ Platinum Trusted Service Award
- Operational transformation programme commenced

# Consumer Finance

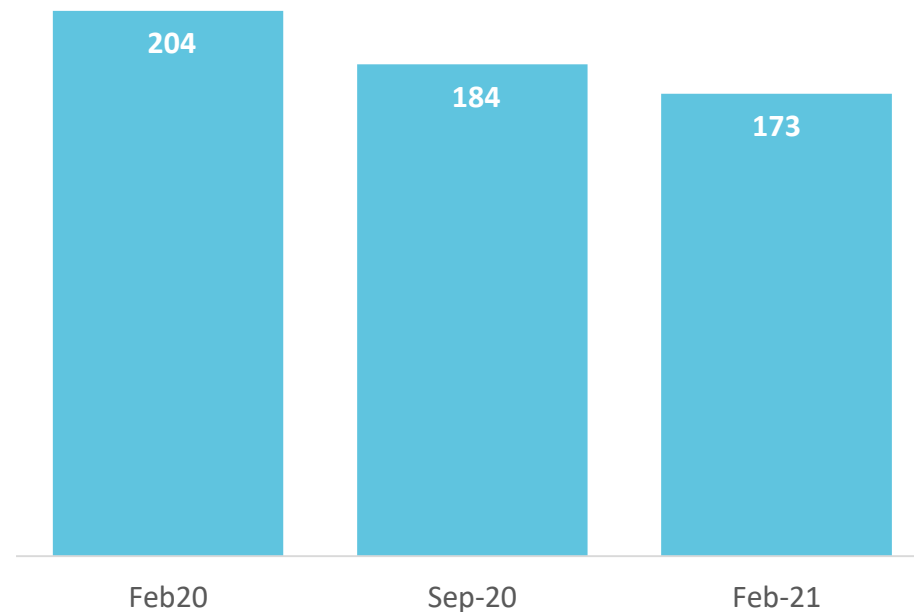
- Hire purchase finance for used cars and leisure vehicles for consumers
- FCA compliant dealer and broker commission structures successfully implemented in January 2021
- Demand remains robust
- New business volumes of £35 million in first 5 months
- Average deal size of £18k
- 100% of volume in prime credit grades
- £179 million portfolio at 28 February 2021 (£168 million - 30 September 2020) with over 13,000 customers
- Forbearance levels at 2.2%



Portfolio size

# Business Finance

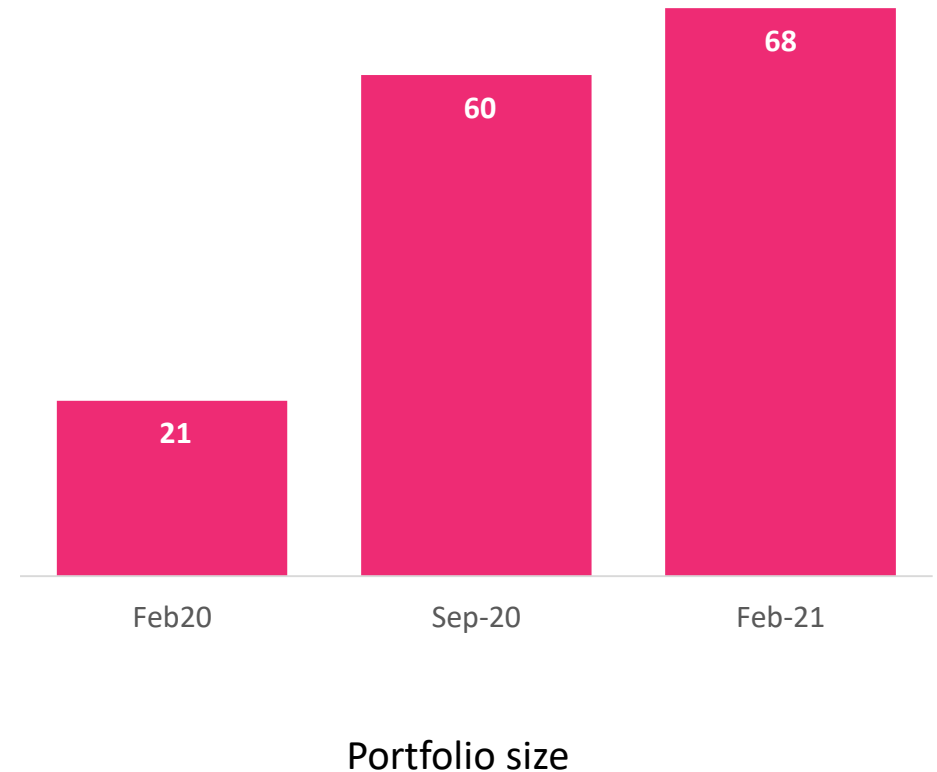
- SME hire purchase/lease finance for vehicles, plant and equipment
- Demand affected by
  - Lower investment in assets by SMEs
  - Government support schemes (CBILS/BBLs)
- New business volumes of £21 million in five months to February 2021.
- Average deal size of £47k
- 99% of volume in top 4 credit grades
- £173 million portfolio at 28 February 2021 (£184 million - 30 September 2020) with over 5,400 customers
- Forbearance levels at 6.64%



Portfolio size

# Property Bridging Finance

- First charge property finance for bridging purposes to professional investors and developers
- New business volumes of £27 million in first 5 months
- Average deal size of £580k
- 81% of volume in prime credit grades
- £68 million portfolio at 28 February 2021 (£60 million - 30 September 2020)

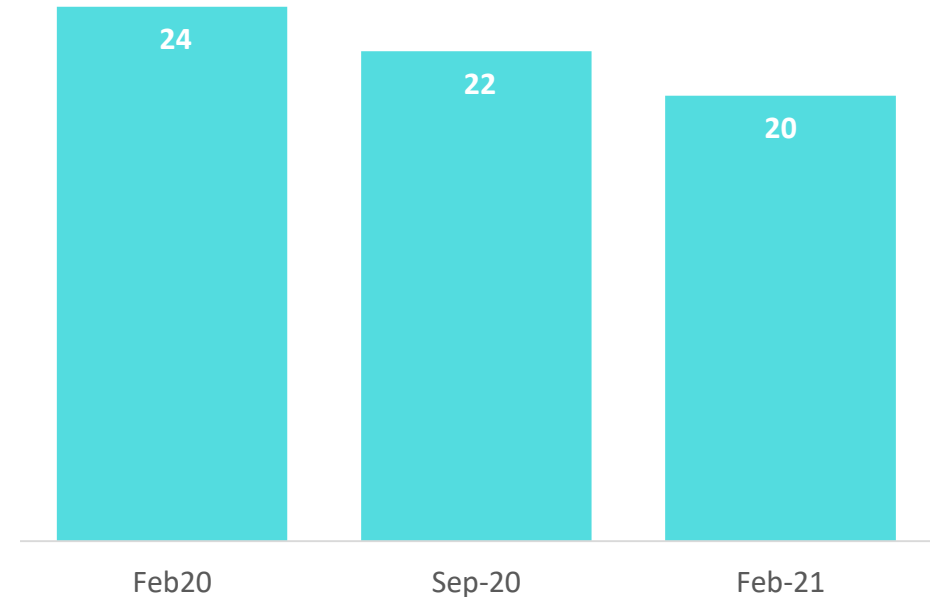




# Azule Finance



- SME hire purchase/lease finance for broadcast and media sector
- Direct manufacturer, distributor and customer relationships
- “Hybrid” model of writing business on balance sheet and introducing to third party banks for a fee
- Reduced volume of £21million, of which £19 million was placed off balance sheet with other financial institutions
- Record deal of £6.9 million for LED video wall
- £20 million portfolio at 28 February 2021 with over 600 customers

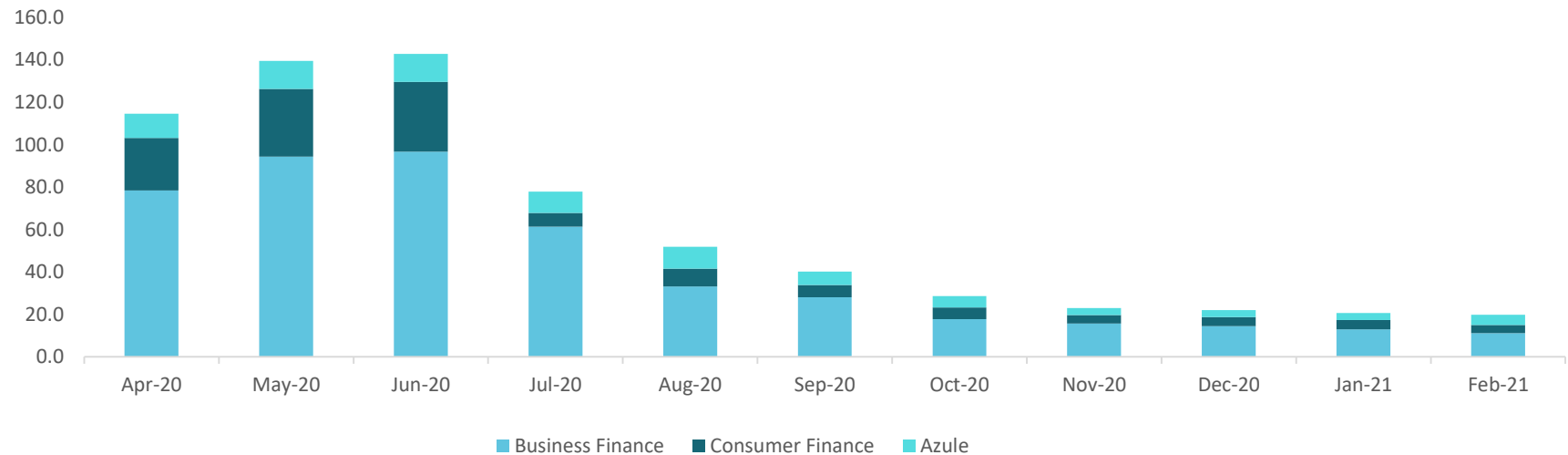


Portfolio size

# Forbearance

- Constant increase in requests from customers in Spring 2020, many for precautionary reasons, resulting in a peak in May 2020 of £139.4 million (37.8% of portfolio)
- Gradual reduction during summer months as customers resumed payments after a 3 months payment holiday – reducing to £40 million (10.9% of portfolio) by 30 September 2020
- Further gradual reductions since September – now stands at £20 million (less than 5% of portfolio) at 28 February 2021

Forbearance levels (£m)



# Outlook

*“As normality returns PCF Bank will have the opportunity to grow its business and shareholder value”*

**1**

Well positioned once UK recovers from pandemic

Quality of loan book underpins profitability in uncertain times

**2**

Income embedded in £440m loan book

Low realised losses to date against IFRS9 impairment provisions

**3**

Operational transformation programme underway

Data driven processes will drive efficiencies

Digitalise core of the business to enable scale

**4**

Retain a cautious risk appetite but keep under review

Current focus on credit quality will result in NIM compression in near-term

**5**

Continued investment in new business lines, talent, our operating platform and the governance structure

**6**

Target and objectives to be reset when better visibility

Dividend to be considered at 2021 Finals