

14 September 2023

PCF Group plc
("PCF" or the "Group")

Repayment of depositors and general update

PCF Group plc announces that, as part of its continued withdrawal from the UK retail banking market in an orderly manner, its subsidiary, PCF Bank Limited ("**PCF Bank**") is in the process of returning depositors' funds. That is anticipated to be largely complete on or around the end of September 2023, save for a de minimis number of repayments which may be delayed due to legal reasons such as awaiting the confirmation of Executors in respect of deceased depositors.

By way of a general update, the Board can confirm that as part of its exploration of strategic options over the course of the last 21 months it received several enquiries from interested parties in respect of acquiring one or more of its Group companies (including the previously announced discussions with Castle Trust Capital plc) and received a number of indicative offers from certain of those parties.

As a number of these indicative offers were at a quantum which represented a premium to the then relevant trading price for the Group's shares at the time of their making, the Board (after ascertaining with the assistance of external advisers that the offers were bona fide with a reasonable prospect of coming to fruition) concluded that it was appropriate to attempt to complete a transaction and that it was in the interests of shareholders to do so.

To ensure that these offers could be fully explored Somers Limited, our majority shareholder, committed further capital to allow the Group to continue with its day-to-day operational activities, thus preserving our franchise and enabling us to retain skilled colleagues, to enable negotiations to be undertaken in such a manner as to attempt to realise the best possible value for shareholders. As a result, it was necessary to slow down certain aspects of the Group's plans to reduce the cost base of the business.

Regrettably, none of these negotiations led to a transaction, and therefore the Board concluded that having extensively explored its strategic options, and taking into account the financial position of the business, it would cease its activities in respect of pro-actively seeking out any further strategic opportunities, as announced on 6 July 2023.

Following that decision, the Group moved to accelerate the run off of PCF Bank's activities, through the sale of its loan portfolios, as also announced on 6 July 2023, and repayment of its depositors.

As part of that process, the Group is now implementing further cost base reductions and progressing the required actions to apply to surrender PCF Bank's banking licence and close its operations as quickly as it is reasonably able. All remaining employees of the Group have been placed at risk of redundancy and the process of statutory consultation is underway.

The wind down process will be completed as swiftly as possible but is dependent on regulatory and operational conditions being met including our regulators completing their processes in relation to the surrender of PCF Bank's banking licence. This is currently anticipated to be during the course of the first half of 2024.

The quantum and timing of the payment of a dividend to shareholders on completion of the wind down remains uncertain at this time, however the Board's current assessment of the outcome for such a dividend is that it is unlikely that there will be a meaningful distribution, if any, to shareholders. The Group will issue further guidance on this in due course.

The Group furthermore announces that the Board has decided to change the Group's Accounting Reference Date from 30 September to 31 March. Accordingly, its current accounting period will now end on the 31 March 2024.

ENDS

For further information, please visit <https://pcf.bank/> or contact:

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