



**Provident Financial plc
Q1'22 Trading Statement
19 May, 2022**

Provident Financial plc ('the Group' or 'PFG') is a leading specialist bank with a focus on underserved markets. Today's statement covers the Group's trading for the first three months of 2022, unless otherwise stated.

Malcolm Le May, Chief Executive Officer, commented:

"I am pleased to report that the Group continued to trade in-line with management's expectations during the first quarter of 2022. This performance reflects the work that we have carried out over the last two years to reposition PFG towards the near-prime and mid-cost segment of the market.

Underpinned by its strong balance sheet and risk management framework, PFG remains prudently positioned for the current inflationary environment in the UK and will continue to support its customers through additional support and increased communication. Currently, for the first quarter of 2022 and April, we have seen no discernible negative impact on our customers as a result of higher living costs. For the remainder of 2022, we will focus on cementing PFG's place as a leading specialist bank whilst continuing to provide our customers with access to credit products not generally available to them elsewhere."

First quarter trading

The Group continued to trade in-line with management's expectations during the first three months of the year, and remains on track to meet market expectations for 2022.

Performance by business:

- The Group's credit card business experienced a recovery in customer spend patterns to 2019 levels and delinquency trends remained stable and consistent with Q4'21. New customer bookings increased by approximately 25% year-on-year despite the tighter underwriting standards introduced during 2021. Receivables at the end of Q1'22 were broadly consistent with FY'21.
- The Group's vehicle finance business continued to see a buoyant second hand vehicle market during Q1'22 whilst credit issued was broadly flat year-on-year. Arrears rates reduced slightly from their seasonal highs in the fourth quarter, and the business continued to see elevated levels of early customer settlements driven by second hand car pricing dynamics. As a result, receivables were broadly flat versus FY'21.
- The Group's personal loans business saw open market loan volumes continue to track ahead of expectations, demonstrating strong underlying demand from customers. As a result, receivables ended the period slightly ahead of FY'21. It is anticipated that the open market pilot phase will conclude at the half year and PFG will provide a further update with its H1'22 results.

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