



**Provident Financial plc  
Trading update  
15 January 2020**

Provident Financial plc, the leading provider of credit products to those consumers who are not well served by mainstream lenders, makes the following update on trading for the financial year ended 31 December 2019, ahead of its preliminary results for the year which will be announced on 27 February 2020.

**Fourth quarter trading**

The group has delivered results in line with internal plans during the fourth quarter of the year. Vanquis Bank has delivered results modestly above expectations due to favourable delinquency and tight cost control. Moneybarn has continued to deliver attractive receivables growth although performed modestly below internal plan as a result of higher impairment, primarily reflecting the stronger than forecast growth in the year. CCD finished the year well and has delivered results in line with plan. Accordingly, the group expects to report profits for 2019 as a whole in line with market expectations\*.

**Funding update**

Consistent with the group's strategy set out at the Capital Markets Day in November to diversify its funding base and lower the overall cost of funding, the group has agreed a bilateral securitisation facility with NatWest Markets to fund Moneybarn business flows. The new facility provides up to £100m of initial funding and is anticipated to grow to £275m over the next 18 months. The facility provides a comparable funding rate to the revolving credit facility which reduced from £450m to £235m in July 2019.

Commenting on the final quarter of the year, Malcolm Le May, Chief Executive Officer, said:

"I am very pleased that the group has continued to perform well in the final quarter and we expect to report full-year results in line with market expectations.

I am also delighted to announce that we have now agreed a bilateral securitisation facility to fund Moneybarn's business flows, further diversifying our funding sources, reducing the group's funding costs and supporting the group's medium-term growth ambitions.

We are well placed entering 2020 to continue to meet our customers' needs and deliver against the targets set out at our Capital Markets Day in November."

\* *Market expectations in this announcement represent a mean consensus 2019 group profit before tax, amortisation of acquisition intangibles and exceptional items of £162m with a range of £155m to £166m based on the forecasts published by 12 equity research analysts.*

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