



City of London Group plc

("COLG" or the "Company")

16th November 2018

Business update

The board of COLG today announces a business update and has updated its corporate presentation (<http://www.cityoflondongroup.com>).

COLG's subsidiary, Recognise, has submitted its latest version of the Regulated Business Plan to the PRA in relation to its application for a banking licence. The plan sets out five-year targets for the business of a loan book of £1.0 -£1.2 billion and deposits of £1.2 - £1.4 billion with a net interest margin of 4% - 4.5% and a cost to income ratio of 35% - 40%. As previously indicated, COLG intends to raise new capital of between £20m and £30m to support the development of the lending business in 2019.

Enquiries

City of London Group plc +44 (0)20 7583 5555

Michael Goldstein
Peel Hunt LLP (nominated adviser and broker) +44 (0)207 418 8900

James Britton, Rishi Shah
Konductor Limited (PR adviser) +44 (0)7966 505661

Katharine McNamara, Rebecca Sanders-Hewett

Notes to Editors

About City of London Group

City of London Group is a forward-thinking organisation focused on serving the UK SME market. It is primed for the future, but grounded with traditional values and a strength and depth of expertise, looking to grow through its two-pronged strategy.

The Group's expertise covers equity release, finance for the SME sector, and secured lending. The Group has experience with commercial banking and mortgages, and access to funding arrangements such as commercial, SME, bridging and development finance, home reversion plans, and asset and loan finance.

COLG ensures its services are always delivered with a personal touch, so clients know that they are more than a customer and have a partner that will work with them as they look towards the future.

About Recognise

Recognise was formed to provide financial services to the UK SME sector and the retail and business deposits market. Subject to the successful granting



of a banking licence from the Regulator, it will target an underserved but growing business customer population seeking greater human contact, better speeds of response and execution, flexibility of structuring and continuity of management.

If successful, the business expects to raise new capital (likely equity) to grow its loan book. The executive team has extensive experience of operating in the regulated banking sector, they have faced the challenges of building SME banking portfolios, both lending and savings, and consequently have a good understanding of the market dynamics and the associated threats and opportunities.

IMPORTANT INFORMATION

Market Abuse Regulation

This announcement is released by the Company and contains inside information for the purposes of the Market Abuse Regulation (EU) 596/2014 ("MAR") and is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person who arranged for the release of this announcement on behalf of the Company was Michael Goldstein, Chief Executive.

Important Notices

This announcement includes certain forward-looking statements which are based on the Company's or, as appropriate, its directors' current expectations and projections about future events. These forward-looking statements speak only as of the date of this announcement and are subject to risks, uncertainties and assumptions about the Company and its group. The events or circumstances referred to in the forward-looking statements may differ materially from those indicated in these statements, and you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. Nothing in this announcement should be taken as a forecast, estimate or projection of the future financial performance of the Company or its group. No undertaking is given to publicly update or revise any such forward-looking statement, whether as a result of new information, future events or otherwise. No statement in this announcement is intended to be a profit forecast or estimate.

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