



CITY OF LONDON GROUP PLC

("COLG" or the "Company")

23 July 2020

Receipt of Total Capital Requirement Letter

The Company is pleased to announce that COLG's subsidiary, Recognise Financial Services Limited (**Recognise**), has received its Total Capital Requirement Letter from the Prudential Regulation Authority (**PRA**), which sets out the PRA's capital and liquidity requirements for Recognise. This is a major milestone for Recognise in its application for a banking licence.

Recognise now hopes to receive its Authorisation with Restriction as a Bank subject to completion of any final requirements from the PRA and FCA in due course.

Recognise has an independent, highly experienced Board under the Chairmanship of Philip Jenks, previously Chair of Charter Court Financial Services. It has in place the governance, infrastructure and key personnel to be able to commence lending in its own name in order to play a role in helping UK entrepreneurs recover and re-build their businesses after the uncertainty and disruption caused by COVID-19.

Once fully authorised, Recognise intends to offer financial services to the UK SME sector and the personal and business savings markets. This new enterprise, and its highly experienced management team, will target the vital but underserved SME lending market offering service excellence, speed, flexible structuring and the key component of personal service through dedicated relationship managers.

As previously announced, COLG will seek to raise new equity to finance the plans for Recognise and would hope to update the market shortly in this regard.

Jason Oakley, CEO of Recognise, said: "I am very proud of the team's effort in reaching this latest and significant stage on our journey to becoming a bank. Our objective remains unchanged, to bring a fresh new face to the UK SME banking market built on solid foundations and with an exciting future. Given the current environment, we consider that we can play an important role in helping UK entrepreneurs re-build their confidence and support vital economic growth."

Michael Goldstein, CEO of COLG said: "COLG has followed a clear strategy since late 2017 and having achieved this milestone, we look forward to the next round of investment. We have positioned a strong and experienced Board for Recognise to support these ambitions and firmly believe that this is the optimum time to launch a new service that will deliver relationship-banking to an SME market which, more than ever, needs new stimulus."



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Forward looking statements

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