



PROVIDENT FINANCIAL PLC

(incorporated with limited liability in England and Wales)

£2,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

PROVIDENT FINANCIAL MANAGEMENT SERVICES LIMITED

(incorporated with limited liability in England and Wales)

and

PROVIDENT PERSONAL CREDIT LIMITED

(incorporated with limited liability in England and Wales)

and

GREENWOOD PERSONAL CREDIT LIMITED

(incorporated with limited liability in England and Wales)

and

PROVIDENT INVESTMENTS PLC

(incorporated with limited liability in England and Wales)

Under this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**), Provident Financial plc (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Investments plc (each a **Guarantor** and together the **Guarantors**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

An investment in Notes issued under the Programme involves certain risks, see "Risk Factors".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Notes to be issued under the Programme during a period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for any such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's Regulated Market and have been admitted to the Official List. The London Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg. Investors may also hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (**CREST**) through the issuance of dematerialised depository interests (**CREST Depository Interests** or **CDIs**) issued, held, settled and transferred through CREST, representing interests in the relevant Notes underlying the CDIs (the **Underlying Notes**). CREST Depository Interests are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the **CREST Depository**) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the **CREST Deed Poll**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of the Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Issuer and the Guarantors may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer and the Programme have been rated BBB (stable outlook) by Fitch Ratings Ltd. (**Fitch**). Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Fitch and/or to Tranches of Notes already issued. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in this Offering Circular or the applicable Final Terms, it will be the responsibility of the relevant Authorised Offeror at the time of such offer to provide the investor with such information.

Arranger
LLOYDS BANK
Dealers

BARCLAYS
J.P.MORGAN CAZENOVE

CREDIT SUISSE
LLOYDS BANK

THE ROYAL BANK OF SCOTLAND

The date of this Offering Circular is 7 March 2013.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area (the Prospectus Directive)).

The Issuer and the Guarantors accept responsibility for the information contained in this Offering Circular and in the Final Terms for each Tranche of Notes issued under this Programme. To the best of the knowledge of the Issuer and the Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. This paragraph should be read in conjunction with the last paragraph on the first page of this Offering Circular.

Certain information under the heading "*Clearing and Settlement*" on pages 86 to 88 has been extracted from information provided by the clearing systems referred to therein. Each of the Issuer and the Guarantors confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme. No Dealer nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme or the Notes.

No person is or has been authorised by the Issuer, the Guarantors or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantors, any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

**IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES WHERE THERE IS
NO EXEMPTION FROM THE OBLIGATION UNDER THE PROSPECTUS DIRECTIVE TO
PUBLISH A PROSPECTUS**

Restrictions on Public offers of Notes in Relevant Member States where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **Public Offer**. This Offering Circular has been prepared on a basis that permits Public Offers of Notes. However, any person making or intending to make a Public Offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) may only do so if this Offering Circular has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Offering Circular in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" and the conditions attached to that consent are complied with by the person making the Public Offer of such Notes.

Save as provided above, none of the Issuer, any Guarantor or any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

In the context of a Public Offer of Notes, the Issuer and the Guarantors accept responsibility in the United Kingdom for the content of this Offering Circular under section 90 of the FSMA in relation to any person (an **Investor**) who purchases any Notes in a Public Offer made by any person to whom the Issuer has given consent to the use of this Offering Circular (an **Authorised Offeror**) in that connection, provided that the conditions attached to that consent are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuer, any Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except for the circumstances set out in the following paragraphs, none of the Issuer, any Guarantor or any Dealer has authorised the making of any Public Offer by any offer or and the Issuer has not consented to the use of this Offering Circular by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer, any Guarantor or any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Offering Circular as required by United Kingdom securities laws and regulations in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Offering Circular and/or who is responsible for its contents it should take legal advice.

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

- (a) the Issuer consents to the use of this Offering Circular (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes during the relevant Offer Period stated in the applicable Final Terms by the relevant Dealer and by:
 - (i) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms; and
 - (ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (www.providentfinancial.com) and identified as an Authorised Offeror in respect of the relevant Public Offer;

- (b) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Offering Circular (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Notes during the relevant Offer Period stated in the applicable Final Terms by any financial intermediary which satisfies the following conditions:
 - (i) it is an authorised person and therefore authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) (in which regard, Investors should consult the register maintained by the Financial Services Authority at: www.fsa.gov.uk/fsaregister); and
 - (ii) it accepts the Issuer's offer to grant consent to the use of this Offering Circular by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "Notes") described in the Final Terms dated [insert date] (the "Final Terms") published by Provident Financial plc (the "Issuer"). We hereby accept the offer by the Issuer of its consent to our use of the Offering Circular (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Offering Circular, and we are using the Offering Circular accordingly."

The **Authorised Offeror Terms** are the terms to which the relevant financial intermediary agrees in the context of the relevant Public Offer, namely that it:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer, the Guarantors and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:
 - I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**), including the Rules published by the United Kingdom Financial Services Authority (**FSA**) (including its guidance for distributors in "*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of

any investment in the Notes by any person and disclosure to any potential Investor, and will immediately inform the Issuer, the Guarantors and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

- II. comply with the restrictions set out under "*Subscription and Sale*" in this Offering Circular which would apply as if it were a Dealer;
- III. ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- IV. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the Financial Services and Markets Act 2000;
- V. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- VI. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer, the Issuer and the Guarantors or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantors and/or the relevant Dealer in order to enable the Issuer, the Guarantors and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer, the Guarantors and/or the relevant Dealer;
- VII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer, the Guarantors or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- VIII. co-operate with the Issuer, the Guarantors and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) upon written request from the Issuer, the Guarantors or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer, the Guarantors or the relevant Dealer:

- (i) in connection with any request or investigation by the FSA or any other regulator in relation to the Notes, the Issuer, the Guarantors or the relevant Dealer; and/or
- (ii) in connection with any complaints received by the Issuer, the Guarantors and/or the relevant Dealer relating to the Issuer, the Guarantors and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FSA and/or any other regulator of competent jurisdiction from time to time; and/or
- (iii) which the Issuer, the Guarantors or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer, the Guarantors or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- IX. during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;
- X. either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- XI. ensure that it does not, directly or indirectly, cause the Issuer, the Guarantors or the relevant Dealer to breach any Rule or subject the Issuer, the Guarantors or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- XII. comply with the conditions to the consent referred to under "*Common Conditions to Consent*" below and any further requirements relevant to the Public Offer as specified in the applicable Final Terms;
- XIII. make available to each potential Investor in the Notes the Offering Circular (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Offering Circular and the applicable Final Terms; and

- XIV. if it conveys or publishes any communication (other than the Offering Circular or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer, the Guarantors or the relevant Dealer accept any responsibility for such communication and (C) does not, without the prior written consent of the Issuer, the Guarantors or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer, the Guarantors or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes and the Guarantors as the guarantors of the relevant Notes on the basis set out in the Offering Circular;
- (B) agrees and undertakes to indemnify each of the Issuer, the Guarantors and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantors or the relevant Dealer; and
- (C) agrees and accepts that:
- I. the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Prospectus with its consent in connection with the relevant Public Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - II. subject to IV below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;
 - III. for the purposes of (C)(II) and (IV), the Issuer and the financial intermediary waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute;

- IV. this paragraph (IV) is for the benefit of the Issuer, each Guarantor and each relevant Dealer. To the extent allowed by law, the Issuer, each Guarantor and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
- V. each Guarantor and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any financial intermediary acting as Authorised Offeror and falling within (b) above who meets all of the conditions set out in (b) and the other conditions stated in "Common Conditions to Consent" below and who wishes to use this Offering Circular in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (b)(ii) above.

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Offering Circular in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (b) above if Part B of the applicable Final Terms specifies "General Consent" as "Applicable") that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms;
- (ii) only extends to the use of this Offering Circular to make Public Offers of the relevant Tranche of Notes in the United Kingdom, as specified in the applicable Final Terms; and
- (iii) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

The only Relevant Member State which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any Relevant Member States are so specified) as indicated in (ii) above will be the United Kingdom, and accordingly each Tranche of Notes may only be offered to Investors as part of a Public Offer in the United Kingdom, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR WHO INTENDS TO PURCHASE ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER INCLUDING THOSE IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS OFFERING CIRCULAR AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER, ANY GUARANTOR AND ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION

DESCRIBED ABOVE INCLUDING INFORMATION ON THE ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT.

Public Offers: Issue Price and Offer Price

Notes to be offered pursuant to a Public Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Public Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price of such Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor. Neither the Issuer nor any Guarantor will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantors, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantors, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom) and Japan, see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential investor should consider, either on his or her own or with the help of his or her financial and other professional advisers, whether he or she:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to appropriate analytical tools to evaluate, in the context of his or her particular financial situation, an investment in the Notes and the impact the Notes will have on his or her overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his or her investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult his or her legal advisers to determine whether and to what extent (1) Notes are legal investments for him or her, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to his or her purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Offering Circular, all references to:

- **U.S. dollars, U.S.\$** and **\$** refer to United States dollars;
- **Sterling** and **£** refer to pounds sterling; and
- **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

CONTENTS

	<u>Page</u>
Summary of the Programme	12
Risk Factors	27
Documents Incorporated by Reference.....	42
Form of the Notes	43
Applicable Final Terms	45
Terms and Conditions of the Notes	62
Use of Proceeds	84
Clearing and Settlement.....	85
Description of the Issuer and the Group	88
Description of the Guarantors.....	99
Taxation.....	103
Subscription and Sale	106
General Information	109

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) appointed as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

FORWARD LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, 'forward looking statements'. These forward looking statements can be identified by the use of forward looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer and the Guarantors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies of the Issuer, the Guarantors and its other subsidiaries (the **Group**) and the industries in which the Group operates.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Group's operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

These and other factors are discussed in more detail under "*Risk Factors*" and "*Description of the Issuer and the Group*". Many of these factors are beyond the control of the Issuer and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer does not intend, and does not assume any obligation, to update any forward looking statements set out in this Offering Circular.

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary explaining why it is not applicable.

Section A – Introduction and warnings

Element	
A.1	<ul style="list-style-type: none"> • This summary should be read as an introduction to the Offering Circular and the applicable Final Terms. • Any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including any documents incorporated by reference and the applicable Final Terms. • Where a claim relating to information contained in the Offering Circular and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular and the applicable Final Terms before the legal proceedings are initiated. • Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a Public Offer.</p> <p><i>Issue specific summary:</i></p> <p>[Not Applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency).]</p> <p>[<i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of this Offering Circular in connection with a Public Offer of Notes by the Managers, [] [and] [each financial intermediary whose name is published on the Issuer's website (www.providentfinancial.com) and identified as an Authorised Offeror in respect of the relevant Public Offer] [and any financial intermediary which is authorised to make such offers under [the Financial Services and Markets Act 2000, as amended, or other] applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information): "We, [], refer to the [] (the Notes) described in the Final Terms dated [] (the Final Terms) published by Provident Financial Plc (the Issuer). We hereby accept the offer by the Issuer of its consent to our use of the Offering Circular (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Offering Circular, and we are using the Offering Circular accordingly."]</p> <p>(each an Authorised Offeror).</p> <p><i>Offer period:</i> The Issuer's consent referred to above is given for Public Offers of Notes during [] (the Offer Period).</p> <p><i>Conditions to consent:</i> The conditions to the Issuer's consent (in addition to the conditions referred to above) are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Prospectus to make Public Offers of the relevant Tranche of Notes in the United Kingdom and</p>

Element	
	(c) []. AN INVESTOR WHO INTENDS TO PURCHASE ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER INCLUDING THOSE IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR TO THE INVESTOR AT THE TIME OF SUCH OFFER.

Section B – Issuer and Guarantors

Element	Title																												
B.1	Legal and commercial name of the Issuer	Provident Financial plc (the Issuer)																											
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is a public limited company which was incorporated under the Companies Act 1948 and is domiciled in England and Wales.																											
B.4b	Trend information	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.																											
B.5	Description of the Group	The Issuer is the parent company of the Group (the Issuer and its subsidiaries together constitute the Group). The Group includes Provident Financial Management Services Limited (and its subsidiaries Provident Personal Credit Limited and Greenwood Personal Credit Limited) and Provident Investments plc which all guarantee the Notes issued by the Issuer. In addition, the Group also includes Vanquis Bank Limited.																											
B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Offering Circular.																											
B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Offering Circular.																											
B.12	Selected historical key financial information:	Consolidated Income Statement The table below sets out summary information extracted from the Issuer's audited consolidated income statement for each of the two years ended 31 December 2011 and 31 December 2012:																											
		<table border="1"> <thead> <tr> <th></th> <th>Year ended 31 December 2012</th> <th>Year ended 31 December 2011</th> </tr> <tr> <th></th> <th>£'m</th> <th>£'m</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>980.0</td> <td>910.8</td> </tr> <tr> <td>Costs</td> <td>783.3</td> <td>(748.7)</td> </tr> <tr> <td>Profit before taxation</td> <td>196.7</td> <td>162.1</td> </tr> <tr> <td>Profit before taxation and exceptional items</td> <td>181.1</td> <td>162.1</td> </tr> <tr> <td>Exceptional items</td> <td>15.6</td> <td>-</td> </tr> <tr> <td>Tax charge</td> <td>(48.7)</td> <td>(42.3)</td> </tr> <tr> <td>Profit for the year attributable to equity shareholders</td> <td>148.0</td> <td>119.8</td> </tr> </tbody> </table> <p>Balance sheet The table below sets out summary information extracted from the Issuer's audited consolidated balance sheet as at 31 December 2011 and 31 December</p>		Year ended 31 December 2012	Year ended 31 December 2011		£'m	£'m	Revenue	980.0	910.8	Costs	783.3	(748.7)	Profit before taxation	196.7	162.1	Profit before taxation and exceptional items	181.1	162.1	Exceptional items	15.6	-	Tax charge	(48.7)	(42.3)	Profit for the year attributable to equity shareholders	148.0	119.8
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B.13	Events impacting the Issuer's solvency	Not Applicable - There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																																																			
B.14	Dependence upon other Group entities	The Issuer is dependent on the performance of its two principal divisions: Consumer Credit Division (CCD) and Vanquis Bank. The principal subsidiaries within CCD are Provident Financial Management Services Limited, Provident Personal Credit Limited and Greenwood Personal Credit Limited. Vanquis Bank Limited is a wholly owned subsidiary of the Issuer.																																																			
B.15	Principal activities	The Issuer is the parent company of the Group. The Group focuses on the provision of small-sum, unsecured credit products issued in the home and collected weekly or through the provision of a credit card tailored to the needs of customers on moderate incomes who are unable to access credit from mainstream providers. The Group's business was established in 1880 and now provides its simple credit products to over two million customers throughout the United Kingdom (the UK) and the Republic of Ireland.																																																			
B.16	Controlling shareholders	Not Applicable – The Issuer is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Issuer.																																																			
B.17	Credit ratings	<p>The Issuer has been rated BBB by Fitch Ratings Ltd.</p> <p>The Programme has been rated BBB (stable outlook) by Fitch Ratings Ltd. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme or to Tranches of Notes already issued by the relevant rating agency.</p> <p>Issue specific summary:</p> <p>[The Notes [have been/are expected to be] rated [●] by [●].]</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the</p>																																																			

Element	Title																																											
		assigning rating agency.																																										
B.18	Description of the Guarantee	The Notes will be unconditionally and irrevocably guaranteed by the Guarantors. The obligations of the Guarantors under the guarantee will be direct, unconditional and (subject to the provisions of the Guarantors' negative pledge described in element C.8 below) unsecured obligations of the Guarantors and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.																																										
B.19	Information about the Guarantors	Provident Financial Management Services Limited																																										
B.19/B.1	Legal and commercial name	Provident Financial Management Services Limited (PFMSL).																																										
B.19/B.2	Domicile/legal form/legislation/country of incorporation	PFMSL is a private limited company which was incorporated under the Companies Act 1929 and is domiciled in England and Wales.																																										
B.19/B.4 b	Trend information	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on PFMSL's prospects for its current financial year.																																										
B.19/B.5	Description of the Group	PFMSL is a wholly owned direct subsidiary of the Issuer and is the holding entity of Provident Personal Credit Limited and Greenwood Personal Credit Limited.																																										
B.19/B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Offering Circular.																																										
B.19/B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Offering Circular.																																										
B.19/B.12	Selected historical key financial information:	<p><i>Income Statement</i></p> <p>The table below sets out summary information extracted from PFMSL's audited unconsolidated income statement for each of the two years ended 31 December 2011 and 31 December 2012:</p> <table border="1"> <thead> <tr> <th></th> <th>Year ended 31 December 2012</th> <th>Year ended 31 December 2011</th> </tr> <tr> <th></th> <th>£'m</th> <th>£'m</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>136.8</td> <td>155.5</td> </tr> <tr> <td>Costs</td> <td>(102.2)</td> <td>(86.0)</td> </tr> <tr> <td>Profit before taxation</td> <td>34.6</td> <td>69.5</td> </tr> <tr> <td>Tax credit</td> <td>6.2</td> <td>4.0</td> </tr> <tr> <td>Profit for the year attributable to equity shareholders</td> <td>40.8</td> <td>73.5</td> </tr> </tbody> </table> <p><i>Balance Sheet</i></p> <p>The table below sets out summary information extracted from PFMSL's audited unconsolidated balance sheet as at 31 December 2011 and 31 December 2012:</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31 December 2012</th> <th>As at 31 December 2011</th> </tr> <tr> <th></th> <th>£'m</th> <th>£'m</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> </tr> <tr> <td>Investment in subsidiaries</td> <td>800.3</td> <td>800.3</td> </tr> <tr> <td>Other assets including trade and other receivables</td> <td>119.5</td> <td>123.9</td> </tr> <tr> <td>Total assets</td> <td>919.8</td> <td>924.2</td> </tr> <tr> <td>Liabilities</td> <td></td> <td></td> </tr> </tbody> </table>		Year ended 31 December 2012	Year ended 31 December 2011		£'m	£'m	Revenue	136.8	155.5	Costs	(102.2)	(86.0)	Profit before taxation	34.6	69.5	Tax credit	6.2	4.0	Profit for the year attributable to equity shareholders	40.8	73.5		As at 31 December 2012	As at 31 December 2011		£'m	£'m	Assets			Investment in subsidiaries	800.3	800.3	Other assets including trade and other receivables	119.5	123.9	Total assets	919.8	924.2	Liabilities		
	Year ended 31 December 2012	Year ended 31 December 2011																																										
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Element	Title																						
		<p>Other liabilities including trade and other payables (654.3) (650.5)</p> <p>Total liabilities (654.3) (650.5)</p> <p>Net Assets 265.5 273.7</p> <p>Shareholders' Equity</p> <p>Share capital and share premium 257.8 257.8</p> <p>Retained earnings and other reserves 7.7 15.9</p> <p>Total Equity 265.5 273.7</p> <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of PFMSL and its subsidiaries since 31 December 2012 and there has been no material adverse change in the prospects of PFMSL since 31 December 2012.</p>																					
B.19/B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to PFMSL which are to a material extent relevant to an evaluation of its solvency.																					
B.19/B.14	Dependence upon other Group entities	Not Applicable – PFMSL is not dependent upon other Group entities.																					
B.19/B.15	Principal activities	The principal activities of PFMSL are to provide various head office services and related activities to Provident Personal Credit Limited and Greenwood Personal Credit Limited.																					
B.19/B.16	Controlling shareholders	PFMSL is wholly-owned by the Issuer.																					
B.19/B.17	Credit Ratings	Not Applicable - No rating has been assigned to PFMSL at its request or with its co-operation in the rating process.																					
B.19/B.1	Legal and commercial name	Provident Personal Credit Limited Provident Personal Credit Limited (PPCL).																					
B.19/B.2	Domicile/legal form/legislation/country of incorporation	PPCL is a private limited company which was incorporated under the Companies Act 1908 and 1913 and is domiciled in England and Wales.																					
B.19/B.4b	Trend information	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on PPCL's prospects for its current financial year.																					
B.19/B.5	Description of the Group	PPCL is a wholly owned indirect subsidiary of the Issuer. Its direct parent organisation is PFMSL.																					
B.19/B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Offering Circular.																					
B.19/B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Offering Circular.																					
B.19/B.12	Selected historical key financial information:	<p>Income Statement</p> <p>The table below sets out summary information extracted from PPCL's audited unconsolidated income statement for each of the two years ended 31 December 2011 and 31 December 2012:</p> <table border="1"> <thead> <tr> <th></th> <th>Year ended 31 December 2012</th> <th>Year ended 31 December 2011</th> </tr> <tr> <th></th> <th>£'m</th> <th>£'m</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>601.2</td> <td>592.5</td> </tr> <tr> <td>Costs</td> <td>(493.0)</td> <td>(497.5)</td> </tr> <tr> <td>Profit before taxation</td> <td>108.2</td> <td>95.0</td> </tr> <tr> <td>Tax charge</td> <td>(25.4)</td> <td>(25.2)</td> </tr> <tr> <td>Profit for the year attributable to</td> <td>82.8</td> <td>69.8</td> </tr> </tbody> </table>		Year ended 31 December 2012	Year ended 31 December 2011		£'m	£'m	Revenue	601.2	592.5	Costs	(493.0)	(497.5)	Profit before taxation	108.2	95.0	Tax charge	(25.4)	(25.2)	Profit for the year attributable to	82.8	69.8
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		<p>equity shareholders</p> <hr/> <p>Balance Sheet</p> <p>The table below sets out summary information extracted from PPCL's audited unconsolidated balance sheet as at 31 December 2011 and 31 December 2012:</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31 December 2012 £'m</th> <th>As at 31 December 2011 £'m</th> </tr> </thead> <tbody> <tr> <td colspan="3">Assets</td> </tr> <tr> <td>Fixed Assets</td> <td>3.7</td> <td>3.6</td> </tr> <tr> <td>Amounts receivable from customers</td> <td>746.8</td> <td>748.7</td> </tr> <tr> <td>Other assets including trade and other receivables</td> <td>235.4</td> <td>233.5</td> </tr> <tr> <td>Total assets</td> <td>985.9</td> <td>985.8</td> </tr> <tr> <td colspan="3">Liabilities</td> </tr> <tr> <td>Bank and other borrowings</td> <td>(1.0)</td> <td>(200.4)</td> </tr> <tr> <td>Other liabilities including trade and other payables</td> <td>(798.6)</td> <td>(622.0)</td> </tr> <tr> <td>Total liabilities</td> <td>(799.6)</td> <td>(822.4)</td> </tr> <tr> <td>Net Assets</td> <td>186.3</td> <td>163.4</td> </tr> <tr> <td colspan="3">Shareholders' Equity</td> </tr> <tr> <td>Share capital and share premium</td> <td>72.5</td> <td>72.5</td> </tr> <tr> <td>Retained earnings and other reserves</td> <td>113.8</td> <td>90.9</td> </tr> <tr> <td>Total Equity</td> <td>186.3</td> <td>163.4</td> </tr> </tbody> </table> <p>Statements of no significant or material adverse change</p> <p>There has been no significant change in the financial or trading position of PPCL since 31 December 2012 and there has been no material adverse change in the prospects of PPCL since 31 December 2012.</p>		As at 31 December 2012 £'m	As at 31 December 2011 £'m	Assets			Fixed Assets	3.7	3.6	Amounts receivable from customers	746.8	748.7	Other assets including trade and other receivables	235.4	233.5	Total assets	985.9	985.8	Liabilities			Bank and other borrowings	(1.0)	(200.4)	Other liabilities including trade and other payables	(798.6)	(622.0)	Total liabilities	(799.6)	(822.4)	Net Assets	186.3	163.4	Shareholders' Equity			Share capital and share premium	72.5	72.5	Retained earnings and other reserves	113.8	90.9	Total Equity	186.3	163.4
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Assets																																															
Fixed Assets	3.7	3.6																																													
Amounts receivable from customers	746.8	748.7																																													
Other assets including trade and other receivables	235.4	233.5																																													
Total assets	985.9	985.8																																													
Liabilities																																															
Bank and other borrowings	(1.0)	(200.4)																																													
Other liabilities including trade and other payables	(798.6)	(622.0)																																													
Total liabilities	(799.6)	(822.4)																																													
Net Assets	186.3	163.4																																													
Shareholders' Equity																																															
Share capital and share premium	72.5	72.5																																													
Retained earnings and other reserves	113.8	90.9																																													
Total Equity	186.3	163.4																																													
B.19/ B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to PPCL which are to a material extent relevant to an evaluation of its solvency.																																													
B.19/ B.14	Dependence upon other Group entities	Not Applicable – PPCL is not dependent upon other Group entities.																																													
B.19/ B.15	Principal activities	The principal activities of PPCL are to provide home credit loans and unsecured direct repayment loans to customers on moderate incomes in the UK and the Republic of Ireland.																																													
B.19/ B.16	Controlling shareholders	PPCL is indirectly wholly owned by the Issuer.																																													
B.19/ B.17	Credit Ratings	Not Applicable - No rating has been assigned to PPCL at its request or with its co-operation in the rating process.																																													
B.19/B.1	Legal and commercial name	Greenwood Personal Credit Limited Greenwood Personal Credit Limited (GPCL).																																													
B.19/B.2	Domicile/legal form/legislation/country of incorporation	GPCL is a private limited company which was incorporated under the Companies Act 1908 and is domiciled in England and Wales.																																													
B.19/ B.4b	Trend information	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on GPCL's prospects for its current financial year.																																													
B.19/B.5	Description of the Group	GPCL is a wholly owned indirect subsidiary of the Issuer. Its direct parent company is PFMSL.																																													

Element	Title																																																																						
B.19/B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Offering Circular.																																																																					
B.19/ B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Offering Circular.																																																																					
B.19/ B.12	Selected historical key financial information:	<p><i>Income Statement</i></p> <p>The table below sets out summary information extracted from GPCL's audited unconsolidated income statement for each of the two years ended 31 December 2011 and 31 December 2012:</p> <table border="1"> <thead> <tr> <th></th> <th>Year ended 31 December 2012</th> <th>Year ended 31 December 2011</th> </tr> <tr> <th></th> <th>£'m</th> <th>£'m</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>108.8</td> <td>109.2</td> </tr> <tr> <td>Costs</td> <td>(101.4)</td> <td>(101.4)</td> </tr> <tr> <td>Profit before taxation</td> <td>7.4</td> <td>7.8</td> </tr> <tr> <td>Tax charge</td> <td>(1.8)</td> <td>(2.0)</td> </tr> <tr> <td>Profit for the year attributable to equity shareholders</td> <td>5.6</td> <td>5.8</td> </tr> </tbody> </table> <p><i>Balance Sheet</i></p> <p>The table below sets out summary information extracted from GPCL's audited unconsolidated balance sheet as at 31 December 2011 and 31 December 2012:</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31 December 2012</th> <th>As at 31 December 2011</th> </tr> <tr> <th></th> <th>£'m</th> <th>£'m</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> </tr> <tr> <td>Fixed Assets</td> <td>0.1</td> <td>0.2</td> </tr> <tr> <td>Amounts receivable from customers</td> <td>123.7</td> <td>130.6</td> </tr> <tr> <td>Other assets including trade and other receivables</td> <td>3.4</td> <td>5.6</td> </tr> <tr> <td>Total assets</td> <td>127.2</td> <td>136.4</td> </tr> <tr> <td>Liabilities</td> <td></td> <td></td> </tr> <tr> <td>Bank and other borrowings</td> <td>-</td> <td>(0.2)</td> </tr> <tr> <td>Other liabilities including trade and other payables</td> <td>(106.5)</td> <td>(121.1)</td> </tr> <tr> <td>Total liabilities</td> <td>(106.5)</td> <td>(121.3)</td> </tr> <tr> <td>Net Assets</td> <td>20.7</td> <td>15.1</td> </tr> <tr> <td>Shareholders' Equity</td> <td></td> <td></td> </tr> <tr> <td>Share capital and share premium</td> <td>-</td> <td>-</td> </tr> <tr> <td>Retained earnings and other reserves</td> <td>20.7</td> <td>15.1</td> </tr> <tr> <td>Total Equity</td> <td>20.7</td> <td>15.1</td> </tr> </tbody> </table> <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of GPCL since 31 December 2012 and there has been no material adverse change in the prospects of GPCL since 31 December 2012.</p>		Year ended 31 December 2012	Year ended 31 December 2011		£'m	£'m	Revenue	108.8	109.2	Costs	(101.4)	(101.4)	Profit before taxation	7.4	7.8	Tax charge	(1.8)	(2.0)	Profit for the year attributable to equity shareholders	5.6	5.8		As at 31 December 2012	As at 31 December 2011		£'m	£'m	Assets			Fixed Assets	0.1	0.2	Amounts receivable from customers	123.7	130.6	Other assets including trade and other receivables	3.4	5.6	Total assets	127.2	136.4	Liabilities			Bank and other borrowings	-	(0.2)	Other liabilities including trade and other payables	(106.5)	(121.1)	Total liabilities	(106.5)	(121.3)	Net Assets	20.7	15.1	Shareholders' Equity			Share capital and share premium	-	-	Retained earnings and other reserves	20.7	15.1	Total Equity	20.7	15.1
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B.19/B.1	Legal and commercial name	Provident Investments plc Provident Investments plc.																																																						
B.19/B.2	Domicile/legal form/legislation/country of incorporation	Provident Investments plc is a public company which was incorporated under the Companies Act 1985 and is domiciled in England and Wales.																																																						
B.19/ B.4b	Trend information	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Provident Investments plc's prospects for its current financial year.																																																						
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Element	Title										
		<p>Shareholders' Equity</p> <table> <tr> <td>Share capital and share premium</td> <td>0.1</td> <td>0.1</td> </tr> <tr> <td>Retained earnings and other reserves</td> <td>0.6</td> <td>0.8</td> </tr> <tr> <td>Total Equity</td> <td>0.7</td> <td>0.9</td> </tr> </table> <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of Provident Investments plc since 31 December 2012 and there has been no material adverse change in the prospects of Provident Investments plc since 31 December 2012.</p>	Share capital and share premium	0.1	0.1	Retained earnings and other reserves	0.6	0.8	Total Equity	0.7	0.9
Share capital and share premium	0.1	0.1									
Retained earnings and other reserves	0.6	0.8									
Total Equity	0.7	0.9									
B.19/ B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to Provident Investments plc which are to a material extent relevant to an evaluation of its solvency.									
B.19/ B.14	Dependence upon other Group entities	Not Applicable – Provident Investments plc is not dependent upon other Group entities.									
B.19/ B.15	Principal activities	Provident Investments plc's principal activity is to provide finance and loans to the Issuer and the Issuer's subsidiaries.									
B.19/ B.16	Controlling shareholders	Provident Investments plc is wholly owned by the Issuer.									
B.19/ B.17	Credit Ratings	Not Applicable - No rating has been assigned to Provident Investments plc at its request or with its co-operation in the rating process.									

Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	<p>The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.</p> <p><i>Issue specific summary:</i></p> <p>The Notes are [£/€U.S.\$/●] [● per cent./Floating Rate/Zero Coupon/] Notes due ●.</p> <p>International Securities Identification Number (ISIN): ●</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.</p> <p><i>Issue specific summary:</i></p> <p>The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S.\$)/●].</p>
C.5	Restrictions on transferability	Not Applicable – there are no restrictions.
C.8	Rights attached to the Notes, including ranking and limitations on those rights	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p><i>Status (Ranking)</i></p> <p>The Notes are direct, unconditional, unsubordinated and (subject to the provisions of the Issuer's negative pledge below) unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><i>Taxation</i></p> <p>All payments in respect of Notes will be made without withholding or</p>

Element	Title	
		<p>deduction for or on account of any present or future taxes imposed by or on behalf of or within any tax jurisdiction in which the Issuer or any Guarantor is organised or resident for tax purposes unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p>All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 5.1.</p> <p><i>Negative pledge</i></p> <p>The terms of the Notes will contain a negative pledge provision which limits the Issuer, the Guarantors and their subsidiaries from creating or having outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of their respective present or future undertaking, assets or revenues to secure any indebtedness which is or is intended to be or capable of being listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (Relevant Indebtedness), or any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto, according to the Notes and Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity.</p> <p><i>Events of default</i></p> <p>The terms of the Notes will contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> (a) non-payment by the Issuer of any principal or any interest when due in respect of the Notes and where such failure continues for a period of five Business Days; (b) non-performance of or non-compliance with other obligations in respect of the Notes or the Trust Deed by the Issuer or any Guarantor continuing (if capable of remedy) for 25 days after notice of such default; (c) any other present or future Financial Indebtedness (including moneys borrowed and any guarantee or indemnity in respect thereof) of the Issuer or a Guarantor or any of their respective Subsidiaries becomes due and payable prior to its stated maturity by reason of default, event of default or the like or are not paid when due or within any originally applicable grace period or any present or future guarantee for, or indemnity in respect of, Financial Indebtedness is not paid when due provided that the aggregate amount of the relevant Financial Indebtedness, guarantees and indemnities equals or exceeds £5,000,000 or its equivalent; (d) events relating to the insolvency or winding up of the Issuer, any Guarantor or any material subsidiary; (e) any of the Guarantors is not or ceases to be a Subsidiary of the Issuer; and (f) a Guarantee is not (or is claimed by a Guarantor not to be) in full force and effect. <p>In addition, Trustee certification that certain events would be materially prejudicial to the interests of the Noteholders is required before certain events will be deemed to constitute Events of Default.</p> <p><i>Meetings</i></p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who</p>

Element	Title	
		<p>did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law English law.</p>
C.9	Interest/ Redemption	<p>Interest</p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.</p> <p><i>Issue specific summary:</i></p> <p>[The Notes bear interest from (and including) [their Interest Commencement Date] at the fixed rate of ● per cent. per annum. The yield of the Notes is ● per cent. Interest will be paid [semi-annually] [quarterly] in arrear on ● [and ●] in each year. The first interest payment will be made on ●].</p> <p>[The Notes bear interest from (and including) [their Interest Commencement Date] at a floating rate calculated by reference to [EURIBOR / LIBOR] [[plus/minus] a margin of ● per cent.]. Interest will be paid [semi-annually] [annually] [quarterly] in arrear on ● and ● in each year. The first interest payment will be made on ●.</p> <p>[The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>Redemption</p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p><i>Issue specific summary:</i></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] [the Interest Payment Date following [in] or nearest to [●]] at [● per cent. of their nominal amount].</p> <p>The Notes may be redeemed early for tax reasons [at the option of the Issuer / at the option of the Noteholders] at [the Optional Redemption Amount / Early Redemption Amount / Minimum Amount of ● or Maximum Amount of ●].</p> <p>Representative of holders</p> <p>The Issuer has appointed Deutsche Trustee Company Limited (the Trustee) to act as trustee for the holders of Notes. The Trustee may, without the consent of any holders and without regard to the interests of particular holders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of any holders that an event of default or potential event of default shall not be treated as such or (iii) the substitution of another company as principal debtor under the Notes in place of the Issuer.</p> <p>Indication of yield</p> <p>[Indication of yield: [] per cent. per annum / Not Applicable]</p> <p>Please also refer to Element C.8.</p>
C.10	Derivative component in the interest payments	Not applicable – There is no derivative component in the interest payments.

Element	Title	
C.11	Listing and Admission to trading	<p>Notes issued under the Programme may be listed and admitted to trading on the London Stock Exchange.</p> <p>Notes may be admitted to trading on the electronic order book for retail bonds on the London Stock Exchange's regulated market.</p> <p>Issue specific summary:</p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [order book for retail bonds] of the [regulated market] of the [London/Stock Exchange.]</p>

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer and the Guarantors	<p>In purchasing Notes, investors assume the risk that the Issuer and the Guarantors may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer and the Guarantors becoming unable to make all payments due in respect of the Notes. The Issuer and the Guarantors have identified a number of factors which individually or together could materially adversely affect their businesses and ability to make payments due under the Notes. These factors include:</p> <p>Macro economic conditions: The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions in the UK, the Republic of Ireland and the Eurozone generally. Adverse developments, such as further deterioration of general economic conditions could cause the Group's earnings and profitability to decline.</p> <p>Credit risk: The Group may suffer loss in the event of a default by a customer as a result of a customer failing to honour repayments as they fall due. Customer defaults in the non-standard credit market are typically higher than in more mainstream markets.</p> <p>Regulatory risk: The Group's business may be adversely affected if members of the Group breach existing regulations or if there is a future change in the regulations of the markets within which the Group operates. The recent financial crisis and the current volatile economic environment have resulted in a greater focus on regulation (including capital adequacy requirements, the Financial Services Compensation Scheme and the special resolution regime under the Banking Act 2009), and in particular, there has been an increase in the level of scrutiny placed upon lenders in the non-standard credit market.</p> <p>Reputational risk: An event or circumstance could adversely impact on the Group's reputation. Operating as it does in the non-standard credit market leads to greater scrutiny of the Group's activities and any adverse publicity from the activities of legislators, pressure groups and the media could potentially have a detrimental impact on the Group's sales and collections activities.</p> <p>Business risk: The competitive landscape for CCD remained unchanged in 2012 with around 500 active participants in the UK home credit market. Customer and agent behaviour is relatively cautious, which is moderating the demand for credit. The Group has developed a clear strategy to grow the business by focusing on being the leading lender in the non-standard market. Despite this strategy, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to business risks arise in the future.</p> <p>Liquidity risk: Whilst the Group maintains headroom on its committed debt facilities and access to retail deposit funding through Vanquis Bank, there remains a risk that the Group may have insufficient liquid resources</p>

Element	Title	
		<i>available to fulfil its operational plans and/or to meet its financial obligations as they fall due.</i>
D.3	Key risks regarding the Notes	<p>The key risks associated with the Notes and the market generally are:</p> <ul style="list-style-type: none"> • unlike a bank deposit, the Notes are not protected by the Financial Services Compensation Scheme (the FSCS). As a result, the FSCS will not pay compensation to an investor in the Notes upon the failure of the Issuer and/or the Guarantors. If the Issuer and/or the Guarantors go out of business or become insolvent, Noteholders may lose all or part of their investment in the Notes; • investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes and the interest paid under Fixed Rate Notes will be less than the then applicable market interest rate; • the conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority; • the fact that the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer or the Guarantors in order to comply with applicable law; • Notes may have no established trading market when issued, and one may never develop, or may be illiquid. In such case, investors may not be able to sell their Notes easily or at favourable prices; • the fact that investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them; • the fact that fees, charges, costs and expenses may be incurred by investors in connection with investing and trading in the Notes; and • investors in CDIs will have an interest in a separate legal instrument and will not be the legal owners of the Notes in respect of which the CDIs are issued. Accordingly, rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians.

Section E – Offer

Element	Title	
E.2b	Use of proceeds	<p>The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.</p> <p>If, in respect of a particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.</p> <p>Issue specific summary: [The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes [and []].</p>
E.3	Terms and conditions of the offer	<p>Under the programme, the Notes may be offered to the public in a Public Offer in the United Kingdom.</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Notes in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place</p>

Element	Title	
		<p>between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p>Issue specific summary:</p> <p>[Not Applicable - the Notes may be offered only in circumstances in which an exemption from the obligation under the Prospectus Directive to publish a prospectus applies in respect of such offer]</p> <p>[This issue of Notes is being offered in a Public Offer in the United Kingdom].</p> <p>The issue price of the Notes is ● per cent. of their nominal amount.</p> <p>Public Offer where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus:</p> <p>[Not Applicable] [An offer of the Notes may be made by the Managers [, [●] (the Initial Authorised Offerors)] [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Offering Circular in connection with the Public Offer and who are identified on the Issuer's website at www.providentfinancial.com as an Authorised Offeror] (together, being persons to whom the Issuer has given consent, the Authorised Offerors) other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the Public Offer Jurisdiction) during the period from [●] until [●] (the Offer Period).</p> <p>[If Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer offers to grant its consent to the use of the Offering Circular in connection with the Public Offer of Notes by a financial intermediary which (i) is authorised to make such offers under [the Financial Services and Markets Act 2000, as amended, or other] applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) [(in which regard, Investors should consult the register maintained by [the Financial Services Authority at: www.fsa.gov.uk/fsaregister])] and (ii) accepts such offer by publishing on its website a statement confirming that it accepts such offer subject to certain conditions and is using the Offering Circular accordingly.]</p> <p>Offer Price:</p> <p>[Issue Price/Not applicable/ []]</p> <p>Conditions to which the offer is subject:</p> <p>[Not applicable/ []]</p> <p>Description of the application process:</p> <p>[Not applicable/ []]</p> <p>Details of the minimum and/or maximum amount of application:</p> <p>[Not applicable/ []]</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</p> <p>[Not applicable/ []]</p> <p>Details of the method and time limits for paying up and delivering the Notes:</p> <p>[Not applicable/ []]</p> <p>Manner in and date on which results of the offer are to be made public:</p> <p>[Not applicable/ []]</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p> <p>[Not applicable/ []]</p> <p>Whether tranche(s) have been reserved for certain countries:</p> <p>[Not applicable/ []]</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</p>

Element	Title	
		<p>[Not applicable/ []]</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p> <p>[Not applicable/ []]</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</p> <p>The Authorised Offerors are identified above.</p> <p>Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates and description of the main terms of its/their commitment.</p> <p>[● will be appointed as registered market maker[s] [through ORB (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html)] when the Notes are issued.]</p>
E.4	Interest of natural and legal persons involved in the issue/offer:	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and their affiliates in the ordinary course of business.</p> <p>Issue specific summary:</p> <p>[Save for ●,] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
E.7	Expenses charged to the investor by the Issuer or an Offer or:	<p>It is not anticipated that the Issuer will charge any expenses to investors in connection with any issue of Notes under the Programme. Authorised Offerors (as defined above) may, however, charge expenses to investors. Such expenses (if any) will be determined on a case by case basis but would be expected to be in the range of between 1 per cent. and 7 per cent. of the nominal amount of the Notes to be purchased by the relevant investor unless specified below with respect to a specific issue of Notes.</p> <p>Issue specific summary:</p> <p>[Not Applicable – No expenses will be charged to investors by the Issuer or Authorised Offerors.]</p> <p>[No expenses are being charged to an investor by the Issuer. For this specific issue, however, expenses may be charged by an Authorised Offeror (as defined above) in the range between ● per cent. and ● per cent. of the nominal amount of the Notes to be purchased by the relevant investor.]</p>

RISK FACTORS

Each of the Issuer and the Guarantors believe that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantors are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantors to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantors based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect the ability of the Issuer and the Guarantors to fulfil their obligations under Notes issued under the Programme

The Issuer is the parent company of the Guarantors and Vanquis Bank Limited (**Vanquis Bank**) which together form the group (the **Group**).

The Group operates through two principal trading divisions: the Consumer Credit Division (**CCD**) and Vanquis Bank. The principal subsidiaries within CCD are Provident Financial Management Services Limited, Provident Personal Credit Limited and Greenwood Personal Credit Limited, all of which are Guarantors of the Notes. Provident Investments plc, which is also a Guarantor, is a financing subsidiary and does not contribute to the Group's operating revenue.

The Group has a rigorous risk management framework. This is designed to identify the risks that could adversely impact the delivery of the Group's strategic aims and to ensure that adequate controls and procedures are in place to mitigate the risks.

The Group's principal risks, together with the controls and procedures in place to mitigate the risks, are as follows:

Macro-economic conditions

The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions in the UK, the Republic of Ireland and the Eurozone generally. Adverse developments, such as further deterioration of general economic conditions in the UK or the Republic of Ireland, could cause the Group's earnings and profitability to decline. In addition, a credit rating downgrade of the United Kingdom, and any further downgrades of the USA or Eurozone countries (or a perception that downgrades may occur) or an exit (or a perception that an exit may occur) of a member state of the Eurozone may severely destabilise the markets and could have a material adverse effect on the Group's operating results, financial condition and prospects.

The Group's businesses are subject to risks arising from the current UK macro economic environment, high and increasing levels of UK government debt and the impact of the announced UK Budget cuts and any further cuts. This might impact on the Group's own credit ratings, borrowing costs and ability to fund itself.

The performance of the Group may be affected by economic conditions impacting the USA or Eurozone member states. For example, the financial problems experienced by certain governments in the Eurozone may restrict demand for debt issued by financial institutions and corporate borrowers. This could adversely affect the Group's access to the debt capital markets and may increase the Group's funding costs, having a negative impact on the Group's earnings and financial condition. Should the economic conditions faced by certain Eurozone member states, such as Greece, Ireland, Italy, Portugal and Spain be replicated in other Eurozone member states, the risks above would be exacerbated.

The exact nature of the risks faced by the Group is difficult to predict and guard against in view of (i) the severity and longevity of the global financial crisis, (ii) difficulties in predicting whether the recovery will be sustained and at what rate, and (iii) the fact that many of the related risks to the business are totally, or in part, outside the control of the Group. Despite the Group taking measures to guard against these risks, the macro-economic conditions may have a material adverse impact on the Group's operating results, financial conditions and prospects and may impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

The Issuer is a holding company with no revenue generating operations of its own

The business of the Group is carried out through the operating subsidiaries of the Issuer and depends upon receipt of funds from those subsidiaries to fund payments of principal and interest on the Notes. Noteholders will have a direct claim against the Issuer and the Guarantors based on the Notes or, as applicable, the Guarantee but will not have a direct claim against the Issuer's other operating subsidiaries which are not themselves Guarantors, for example Vanquis Bank. The right of the Noteholders to receive payments under the Notes and the Guarantee will be structurally subordinated to all liabilities of operating subsidiaries in the Group which are not themselves Guarantors.

Credit risk

Credit risk is the risk that the Group will suffer loss in the event of a default by a customer or a bank with which it does business. A default occurs when the customer fails to honour repayments as they fall due. Customer defaults in the non-standard credit market are typically higher than in more mainstream markets. In addition, the current economic climate has led to increased impairment levels in the credit market generally and marked increases in unemployment and under-employment arising from the government's austerity measures may lead to higher than expected impairment charges. Further increases in food, fuel and housing costs may put additional pressure on household incomes, particularly those of CCD customers, and lead to a reduction in the level of credit issued, especially if earnings and benefits income growth continues to lag behind general inflation.

(i) CCD

Credit risk management for CCD is the responsibility of the CCD Credit Committee which is responsible for approving product criteria and pricing. All changes to lending policy must be approved by the CCD Credit Committee, which meets at least every two months.

Credit risk is managed using a combination of lending policy criteria, credit scoring (including behavioural scoring), policy rules, individual lending approval limits, central underwriting, and a home visit to make a decision on applications for credit.

Loans within the home credit business (**Home Credit**) are short-term, typically for a contractual period of around a year, with average issue value of around £500. Agents' commission is almost entirely based on collections from customers rather than from the issue of new loans which reinforces the core principle of responsible and affordable lending. The business is conducted through agents who have regular face-to-face contact with customers, with all loans underwritten in the customers' home and collections made by a weekly or

monthly, in some cases, agent visit. Agents often live in the same communities as their customers and are quick to identify and deal with changes to customers' circumstances. These characteristics of the business model make Home Credit well placed to effectively manage the impact of changes in economic conditions on customers.

Arrears management within CCD is a combination of central letters, central telephony, and field activity undertaken by field management including the taking, where appropriate, of payments by debit and credit card. This will often involve a home visit to discuss the customer's reasons for non-payment and to try to agree a resolution.

Weekly and monthly monitoring is undertaken at both the product portfolio level and at field management level. Any significant departures from expected performance, together with the reason for departure, are reported to the CCD Credit Committee for it to determine the appropriate action.

Despite the credit risk management measures taken by CCD, customer defaults may have a material adverse impact on the CCD's operating results, financial condition and prospects and may impact the ability of the Guarantors to make payments in respect of the Notes.

(ii) Vanquis Bank

Oversight of Vanquis Bank credit risk is managed by the Vanquis Bank Credit Committee which meets at least quarterly. The committee manages all credit risks of Vanquis Bank, specifically to ensure that the approach to lending is within sound risk and financial parameters and that key metrics are reviewed to ensure compliance with policy.

The Vanquis Bank operating model is very different to that of mainstream credit card issuers. The business has developed bespoke underwriting scorecards and the customer application process normally involves a telephone interview. The initial credit line granted to a new customer is low, typically £250, and is only increased if a customer establishes a satisfactory payment history. Credit bureau data is re-checked regularly for existing customers in order to mitigate the risk of over-indebtedness and customers are re-scored monthly. The criteria applied to underwriting and credit line increases were tightened continuously between 2007 and 2009, reflecting a cautious stance in anticipation of deteriorating economic conditions.

Arrears management consists of a combination of central letters, inbound and outbound telephony and outsourced debt collection agency activities. Customer interface from the contact centres in Chatham, Kent and Bradford focuses on collections and customer service.

Daily, weekly and monthly monitoring of portfolio key performance indicators is undertaken. Any significant departures from expected performance, together with the reason for departure, are reported to the Vanquis Bank Credit Committee in order to take the appropriate action.

Despite the credit risk management measures taken by Vanquis Bank, customer defaults may have a material adverse impact on the Vanquis Bank's operating results, financial condition and prospects and may impact the ability of the Issuer to make payments in respect of the Notes.

(iii) Bank counterparties

Counterparty credit risk arises as a result of occasional cash deposits placed with clearing banks and the use of derivative financial instruments with banks and other financial institutions which are used to hedge interest rate risk and foreign exchange risk.

Counterparty credit risk is managed by the Group's Treasury Committee and is governed by a counterparty policy approved by the Board which ensures that the Group's cash deposits and derivative financial instruments are only made with high quality counterparties with the level of permitted exposure to a counterparty firmly linked to the strength of its credit rating. In addition, there is a maximum exposure limit for all institutions,

regardless of their respective credit ratings. This is linked to the Group's regulatory capital base and is in line with the Group's regulatory reporting requirements on large exposures to the FSA.

Despite the Group's credit risk management procedures, there can be no assurance that the Group's financial performance would not be adversely affected should unforeseen events relating to credit risk arise in the future and may impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Regulatory risk

Regulatory risk is the risk of loss arising from a breach of existing regulation or future changes in regulation in the markets within which the Group operates. The recent financial crisis and the current volatile economic environment have resulted in a greater focus on regulation, and in particular, there has been an increase in the level of scrutiny placed upon lenders in the non-standard credit market.

The Group's operations are subject to various forms of regulation and guidance originating from Europe, the UK and the Republic of Ireland. These regulations and guidance are subject to potential modifications which could adversely affect the Group's operations if they are not effectively anticipated and responded to. Changes to legislation could include the introduction of interest rate caps, changes to regulations on lending in the home, more stringent consumer credit legislation, changes to guidance relating to the appropriate product design and sales and guidance or changes in the employment status of CCD's self-employed agents.

In order to manage effectively the risk associated with changing regulation, the Group has a central in-house legal team which, working closely with the CCD and Vanquis Bank compliance and governance functions, seeks to ensure that the Group's operations are compliant with current legislation and manages the implementation of future changes to legislation. Expert third party legal advice is taken where necessary. In addition, both directly and through bodies such as The Consumer Credit Association and The UK Card Association, the Group aims to maintain a constructive dialogue with its regulators to ensure that its businesses are fully understood.

Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to regulatory risk arise in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Lenders to the Group, including banks, may also be impacted by changes to the regulatory environment; for example with the potential implementation of recommendations from the Independent Commission on Banking and the amendments to the Capital Requirements Directive (including the introduction of a new Capital Requirements Regulation, known as **CRD IV**). These changes may adversely impact the terms on which existing and future lenders are prepared to transact with the Group.

Capital adequacy requirements

The Group, incorporating both CCD and Vanquis Bank, is the subject of consolidated supervision by the FSA in respect of capital adequacy and large exposures but not in respect of liquidity. On 16 December 2010, the Basel Committee on Banking Supervision (the **Basel Committee**) published the Basel III rules in documents entitled "Basel III: A global regulatory framework for more resilient banks and banking systems" (containing the reforms relating to capital). In the European Union, Basel III will be reflected by CRD IV directly in each member state. Drafts of CRD IV have been released by the European Commission but are not yet published in final form. On 1 August 2012, the FSA issued a statement that following the delay of the Parliament's plenary vote on the amendments to CRD IV, it did not appear feasible that the legislation could enter into force in line with the implementation date of 1 January 2013 as included in the original European Commission proposal of July 2011. The FSA also noted that no alternative date has yet been communicated by the EU institutions. The Issuer cannot predict the precise effects of the potential changes that might result from implementation of the proposals on both its own financial performance or the impact on the pricing of its Notes issued under the Programme or the timing of such changes. Any change that limits the Group's ability to manage effectively its

balance sheet and capital resources going forward could have a material adverse impact on its financial condition and regulatory capital position and may impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Financial Services Compensation Scheme (FSCS)

The Financial Services and Markets Act 2000 (**FSMA**) established the Financial Services Compensation Scheme (the **FSCS**), which pays compensation to eligible customers of authorised financial services firms which are unable, or are likely to be unable, to pay claims against them. An institution's FSCS levy is linked to its share of the UK deposit market. As at the date of this Offering Circular, a number of claims against the FSCS have been triggered. Claims on the FSCS are funded by loans from the Bank of England, and until such loans are repaid, increased levies on UK deposit-taking institutions fund interest payments on such loans. As a result of the various claims under the FSCS, regulated UK deposit takers have recently been subject to significantly increased FSCS levies. In certain circumstances, regulated UK deposit takers may further be required to fund, by way of a further increase in the FSCS levy, the capital repayment to the Bank of England of a loan. There can also be no assurance that there will be no actions taken under the Banking Act 2009 (the **Banking Act**) that may lead to future claims against the FSCS.

While it is anticipated that the substantial majority of claims will be repaid wholly from recoveries from the institutions concerned, there is the risk of a shortfall, such that the FSCS may place additional levies on all FSCS participants, which levies may be in significant amounts that may have a material impact on Vanquis Bank's profits. Historically, FSCS levies have tended to increase over time (especially during and in the aftermath of periods of economic crisis), and there can also be no assurance that there will be no actions taken under the Banking Act that may lead to further claims against the FSCS and concomitant increased FSCS levies payable by Vanquis Bank. Any such increases in Vanquis Bank's costs and liabilities related to the levy may have a material adverse effect on its results of operations. Further costs and risks to Vanquis Bank may also arise from discussions at national and European Union levels around the future design of financial services compensation schemes, including increasing the scope and level of protection and moving to pre-funding of compensation schemes.

As of 3 October 2011, the FSA recommenced work on the FSCS Funding Model Review (the **FFMR**) and published a consultation paper on 25 July 2012 with the deadline for responses being 25 October 2012.

As a result of the structural reorganisation and reform of the UK financial regulatory authorities, it is proposed that the FSCS will become the responsibility of one of the successor regulatory authorities to the FSA. It is possible that future policy of the FSCS and future levies on Vanquis Bank may differ from those at present, and such reforms could lead Vanquis Bank to incur additional costs and liabilities, which may adversely affect its business, financial condition and/or results of operations and may impact the ability of the Issuer to make payments in respect of the Notes.

The FSCS announced in March 2012 that it expects an additional capital levy totalling £802 million to be charged to the financial services industry proportionally, in three roughly equal instalments beginning in 2013/2014. Given the scale of deposits held by Vanquis Bank, the additional capital levy is not expected to be material for Vanquis Bank.

The Banking Act has conferred substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK deposit taking institutions which are considered to be at risk of failing. The exercise of any of these actions in relation to Vanquis Bank could materially affect the value of any Notes.

Under the Banking Act 2009 (the **Banking Act**), substantial powers have been granted to HM Treasury, the Bank of England and the Financial Services Authority (the **Authorities**) as part of a special resolution regime (the **SRR**). These powers enable the Authorities to deal with a UK bank, building society or other UK institution with permission to accept deposits pursuant to Part IV of the FSMA (each a **relevant entity**) in circumstances in which the Authorities consider its failure has become highly likely and a threat is posed to the public interest. The SRR consists of three stabilisation options and two insolvency and administration procedures applicable to UK banks which may be commenced by the Authorities. The stabilisation options provide for: (i) private sector

transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a bridge bank established by the Bank of England; and (iii) temporary public ownership (nationalisation) of the relevant entity. In each case, the Authorities have been granted wide powers under the Banking Act including powers to modify contractual arrangements in certain circumstances and powers for HM Treasury to disapply or modify laws (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively. The following paragraphs set out some of the possible consequences of the exercise of those powers under the SRR.

The SRR may be triggered prior to insolvency of Vanquis Bank

The purpose of the stabilising options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the stabilisation options may only be exercised if (a) the Financial Services Authority (the **FSA**) is satisfied that a relevant entity (such as Vanquis Bank) is failing, or is likely to fail, to satisfy the threshold conditions within the meaning of section 41 of the FSMA (which are the conditions that a relevant entity must satisfy in order to retain its authorisation to accept deposits), (b) following consultation with the other Authorities, the FSA determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will enable the relevant entity to satisfy those threshold conditions, and (c) the Authorities consider the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial systems, public confidence in the UK banking system and the protection of depositors). It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated.

A partial transfer of Vanquis Bank's business may result in a deterioration of its creditworthiness

If Vanquis Bank were made subject to the SRR and a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with the Group (which may include the Notes) may result in a deterioration in the creditworthiness of the Group and, as a result, increase the risk that the Issuer may be unable to meet its obligations in respect of the Notes and/or eventually become subject to administration or insolvency proceedings pursuant to the Banking Act. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Offering Circular, the Authorities have not made an instrument or order under the Banking Act in respect of Vanquis Bank and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made.

Reputational risk

Reputational risk is the risk that an event or circumstance could adversely impact on the Group's reputation. Operating as it does in the non-standard credit market leads to greater scrutiny of the Group's activities and any adverse publicity from the activities of legislators, pressure groups and the media could potentially have a detrimental impact on the Group's sales and collections activities. Media and pressure activity can increase during an economic downturn or when the Group is not performing well.

Reputational risk is managed in a number of ways. At Group level there is a dedicated team and established procedures for dealing with media issues. In addition, a pro-active communication programme to foster a better understanding of the Group's products is co-ordinated at Group level and is targeted at key opinion formers and regular customer satisfaction surveys are undertaken.

Continued investment in a Group co-ordinated community programme helps to foster good relations with customers and the areas in which they live.

Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to reputational risks arise in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems.

Operational risk is managed by risk functions within CCD and Vanquis Bank whose responsibility it is to monitor operational risks, monitor the controls in place to mitigate those risks and determine the likelihood, value and impact of the risks.

The principal operational risks and the key controls in place to mitigate those risks are as follows:

- ***IT systems*** — the Group's divisions rely on the effective and efficient use of IT systems. IT is managed on a divisional basis by experienced management teams with the use of third party contractors and consultants where necessary. In particular, Vanquis Bank is reliant upon a third party provider for its core customer IT platform and the CCD IT systems are hosted by an external third party provider.

The Group has disaster recovery procedures and policies in place which are designed to allow the Group to continue trading in the event of a disaster. These policies and procedures are tested on a regular basis.

- ***Health and safety*** — The health and safety of employees is a key concern for the Group. The Group also has a duty of care to the agents it engages. As a result, the Group tries to ensure that staff are safety conscious. It also assists agents to ensure that they are safety aware, particularly as agents are required to carry cash to undertake their role. Induction sessions and regular updates are provided on safety awareness and safety awareness weeks form part of the annual calendar.
- ***Fraud*** — The Group is subject to the risk of fraud by customers, employees and agents. Both CCD and Vanquis Bank operate specialist departments to prevent, identify, investigate and report on fraudulent activity. Fraud reports are regularly presented to the divisional boards and the Issuer's Audit Committee.
- ***Recruiting and retaining highly skilled management and staff*** — The Group is dependent on its executive directors and senior management team to deliver the Group's strategy. The Group maintains recruitment, retention and succession planning strategies and monitors remuneration and incentive structures to ensure that they are appropriate and competitive. The Group also ensures that there are training and development opportunities and effective staff communication throughout the business.

In addition to the above mitigating controls, the Group also maintains a range of insurance policies to cover eventualities such as business interruption, failure of IT systems and crime. Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to operational risks arise in the future.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Guarantors will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FSA.

Tax risk

Tax risk is the risk of loss arising from changes in tax legislation or practice.

The Group has a Board approved tax strategy. The Group's overall tax risks are managed by an in-house tax team which is responsible for managing the Group's tax affairs. In addition, advice from external professional advisors is sought for all material transactions and, where possible, tax treatments are agreed in advance with any relevant authorities.

The Group's in-house tax team works closely with external advisors on key corporate and indirect tax matters, including the self-employed status of agents. Despite these measures, there can be no assurance that any changes in taxation legislation or practice will not adversely affect the Group's financial position and the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Liquidity risk

Liquidity risk is the risk that the Group will have insufficient liquid resources available to fulfil its operational plans and/or meet its financial obligations as they fall due. Credit markets and economic conditions continue to be difficult making it more challenging for companies to obtain funding.

Liquidity risk is managed daily by the Group's centralised treasury department through monitoring of expected cash flows in accordance with a Board approved Group funding and liquidity policy. This process is monitored regularly by the treasury committee.

The Group's funding and liquidity policy is designed to ensure that the Group is able to continue to fund contractual debt maturities and the growth of the business through its existing borrowing facilities and retail deposit funding. Following the commencement of retail deposit taking, Vanquis Bank currently funds circa 50 per cent. of the value of its receivables book through retail deposits. To meet the Group policy, the Group ensures that the borrowing requirement for the next 12 month period, including growth and contractual maturities, is covered by committed facilities and further access to retail deposit funding through Vanquis Bank.

The Group is less exposed than mainstream lenders to liquidity risk as the loans issued by Home Credit, the Group's largest business, are of a short-term duration (typically of around one year) whereas the Group's borrowing facilities typically extend over a number of years.

As at 31 December 2012, the Group's committed borrowing facilities had a weighted average maturity of 3.7 years and the headroom on these facilities amounted to £192 million.

Vanquis Bank holds a banking licence and is permitted to take retail deposits. In July 2011, Vanquis Bank commenced accepting retail deposits via an outsourced third party platform. The retail deposit programme is planned in the future to fund the Vanquis Bank's receivables book through fixed term, internet only retail deposits. The fixed-term deposits will only be redeemable early in the event of death or mandated legal reasons, thereby providing a fixed maturity profile. Vanquis Bank is required to adhere to the FSA's liquidity guidelines in respect of its deposit taking activity and undrawn credit card lines and therefore has established a liquid asset buffer. As at 31 December 2012, the liquid asset buffer was £52 million.

Despite the above measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to liquidity risks arise in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Interest rate risk

Interest rate risk is the risk that a change in external interest rates leads to an increase in the Group's cost of borrowing.

The Group's interest cost is a relatively small part of the Group's cost base, representing only 10 per cent. of total costs in the 12 months ended 31 December 2012.

The Group's exposure to movements in interest rates is monitored by the Group's Treasury Committee and is governed by a Board approved interest rate hedging policy, which forms part of the Group's treasury policies.

The Group seeks to limit its net exposure to changes in sterling interest rates. This is achieved through a combination of issuing fixed rate debt and by the use of derivative financial instruments such as interest rate swaps. Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to interest rate risks arise in the future.

Foreign exchange risk

Foreign exchange risk is the risk that a change in foreign currency exchange rates leads to a reduction in profits or equity.

The Group's exposure to movements in foreign exchange rates is monitored by the Group's Treasury Committee and is governed by a Board approved Group currency risk management policy which forms part of the Group's treasury policies.

The Group's exposures to foreign exchange risk arise from (a) the issuance of US dollar loan notes, which are fully hedged into Sterling through the use of cross-currency swaps, and (b) the Home Credit operations in the Republic of Ireland, which are hedged by matching euro denominated net assets with euro denominated borrowings as closely as possible. Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to foreign exchange risks arise in the future.

Business risk

Business risk is the risk of loss arising from the failure of the Group's strategy or management actions over the planning horizon.

Market conditions

The competitive landscape for the CCD business remained unchanged in 2012 with around 500 active participants in the UK home credit market. Home Credit customers tend to be hourly-paid with a bias towards more casual, temporary and part-time employment. Whilst household incomes of Home Credit customers showed modest growth during 2012, disposable incomes remain under pressure from food, fuel and housing cost increases. As a result, customer and agent behaviour is relatively cautious, which is moderating the demand for credit. Tight underwriting standards remain in place and the focus of the business has continued to be on lending to good-quality existing customers and moderating the amount of credit advanced to new customers.

The Group has developed a clear strategy to grow the business by focusing on being the leading lender to the approximately 10 million people in the UK who make up the non-standard market. To deliver the strategy, the Group aims to grow its existing businesses in a controlled manner by developing new distribution channels; developing or acquiring new products and services to meet the changing needs of customers; and enhancing business processes to ensure that the Group remains efficient and competitive.

The business risk associated with failure to deliver the Group strategy is mitigated by a number of actions:

- A clear Group strategy is in place.
- A Board strategy and planning conference is held annually.

- A dedicated central resource is in place to develop corporate strategy.
- New products and processes are thoroughly tested prior to roll-out.
- There is comprehensive monitoring of competitor products, pricing and strategy.
- Robust business change functions oversee change programmes.
- The Group has comprehensive monthly management accounts, a monthly rolling forecast and a bi-annual budgeting process.
- Loans are short term in nature and agents visit customers in their homes and therefore are able to stay up to date with customer circumstances.
- Impairment arises from unexpected life events rather than from expected changes in income of the Group's customers.
- Vanquis Bank continues to grow strongly despite the application of tight credit standards.
- Measures taken to improve arrears management and bolster credit quality in CCD are proving to be the right approach in the current economic environment.

Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to business risks arise in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Concentration risk

Concentration risk is the risk arising from the lack of diversification in the Group's business either geographically, demographically or by product.

The Group's operations are concentrated in the UK and the Republic of Ireland in the non-standard consumer credit market which may indicate concentration risk. However, the Group's customer base is well diversified throughout the UK and the Republic of Ireland and is not concentrated in a particular region. In addition, the Group offers a variety of loan products within CCD in addition to the Vanquis Bank credit card to ensure that there is not an overreliance on a particular product.

Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to concentration risks arise in the future.

Pension risk

Pension risk is the risk that there may be insufficient assets to meet the liabilities of the Group's defined benefit pension scheme.

The Group operates a defined benefit pension scheme for 1,000 current staff, 3,500 former employees and 2,100 pensioners. There is a risk that the liabilities within the scheme may materially exceed the assets in the scheme due to changes in corporate bond yields, inflation, equity and bond returns and mortality rates. The current economic environment has led to volatile movements in equity markets and corporate yields and mortality rates have been improving in the UK.

In order to mitigate the pension risk, the defined benefit pension scheme was substantially closed to new employees joining the Group after 1 January 2003. All new employees joining the Group after 1 January 2003 are invited to join a stakeholder pension plan into which the Group typically contributes between 5.1 and 10.6

per cent. of members' pensionable earnings, provided the employee contributes, by way of salary sacrifice, between 3 and 8 per cent. of pensionable earnings. The Group has no investment or mortality risk in respect of the stakeholder pension plan. In addition, the Group's defined benefit scheme arrangements were amended in 2012 to remove the final salary link and following that date, defined benefits for current staff will accrue in future from the 'cash balance' section of the scheme. The scheme's investment strategy is to maintain a balance of assets between equities and bonds in order to reduce the risk of volatility in investment returns.

As at 31 December 2012, the Group had a pension asset, calculated in accordance with IAS 19 'Employee benefits', of £23 million on its balance sheet. The Group, in conjunction with its advisors, continues to monitor investment strategy carefully and the last full actuarial valuation of the defined benefit pension scheme was as at 1 June 2012. The Group undertakes a full actuarial valuation of the defined benefit pension scheme every 3 years.

Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to pension risks arise in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme as described in this Offering Circular

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider this reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market rates.

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The Notes are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the Notes are not protected by the FSCS. As a result, the FSCS will not pay compensation to an investor in the Notes upon the failure of the Issuer and/or the Guarantors. If the Issuer and the Guarantors go out of business or become insolvent, Noteholders may lose all or part of their investment in the Notes.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number).

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may subject as provided in the Trust Deed, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such. The Terms and Conditions also provide for the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in the Trust Deed and for the release of any of the Guarantors and/or the addition of other companies in the Group as additional guarantors of the Notes as referred to in Condition 14. Any of the Guarantors will be automatically released from its obligations to act as guarantor of the Notes (i) if it becomes a Regulated Subsidiary (as defined in the "*Terms and Conditions of the Notes*") or (ii) if it becomes regulated by law and under the terms of such regulation the contingent liability resulting from a guarantee or indemnity by that Guarantor under the Facilities Agreement (as defined in the "*Terms and Conditions of the Notes*") would result in a breach by the relevant Guarantor of such regulation or would be required to be taken into account in calculating applicable financial adequacy requirements, solvency ratios or any other test of similar nature to be applied to or satisfied by that Guarantor pursuant to such regulation. In addition, the Issuer may choose to release a Guarantor as a guarantor under the Facilities Agreement and the Notes if it ceases to be a subsidiary or a Material Subsidiary (as defined in the "*Terms and Conditions of the Notes*") of the Issuer, and the lenders under the Facilities Agreement may also agree to the release of a guarantor under such agreement (and therefore also under the Notes).

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States of the European Union are required to provide to the tax authorities of another Member State of the European Union details of payments of interest (or similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in that other Member State of the European Union or to certain limited types of entities established in that other Member State of the European Union. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) to the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State of the European Union which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to the Directive.

Foreign Account Tax Compliance withholding may affect payments on the Notes

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer may be classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act.*"

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Holding CREST Depository Interests (CDI)

The rights of CDI Holders to the Notes are represented by the relevant entitlements against the CREST Depository (as defined herein) which (through the CREST Nominee (as defined herein)) holds interests in the Notes. Accordingly, rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly

through the intermediary depositories and custodians. The enforcement of rights under the Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the CREST Deed Poll (as defined herein). Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual (as defined herein) and the CREST Rules (as defined herein) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of, and returns received by, CDI Holders may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service. Potential investors should note that none of the Issuer, the Guarantors, the relevant Dealer, the Trustee and the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations.

Investors who purchase Notes in denominations that are not an integral multiple of the minimum Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

One or more Dealers may be appointed as market-makers in respect of one or more Series of Notes. In such circumstances, there would be no guarantee that any market-maker would remain a market-maker for the life of

the relevant Notes. If no replacement market-maker were appointed in such circumstances, this could have an adverse impact on an investor's ability to sell its Notes.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes and the interest paid under Fixed Rate Notes will be less than the then applicable market interest rate.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors report and audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2012;
- (b) the auditors report and audited annual financial statements of Provident Financial Management Services Limited for the financial years ended 31 December 2011 and 31 December 2012;
- (c) the auditors report and audited annual financial statements of Provident Personal Credit Limited for the financial years ended 31 December 2011 and 31 December 2012;
- (d) the auditors report and audited annual financial statements of Greenwood Personal Credit Limited for the financial years ended 31 December 2011 and 31 December 2012;
- (e) the auditors report and audited annual financial statements of Provident Investments plc for the financial years ended 31 December 2011 and 31 December 2012;
- (f) the Terms and Conditions of the Notes contained in the Offering Circular dated 10 September 2010, page 51 to page 72 (inclusive) prepared by the Issuer in connection with the Programme; and
- (g) the Terms and Conditions of the Notes contained in the Offering Circular dated 16 March 2012, page 60 to page 85 (inclusive) prepared by the Issuer in connection with the Programme.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and are published on the Issuer's website at www.providentfinancial.com.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer and the Guarantors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Investors may also hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (**CREST**) through the issuance of dematerialised depository interests (**CREST Depository Interests** or **CDIs**) issued, held, settled and transferred through CREST, representing interests in the relevant Notes underlying the CDIs (the **Underlying Notes**). CREST Depository Interests are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the **CREST Depository**) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the **CREST Deed Poll**).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 1 year and on all interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain in respect of any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche unless the distribution compliance period applicable to the existing Tranche of Notes has been extended.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE FINAL TERMS

NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY)

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).

[Date]

PROVIDENT FINANCIAL PLC

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by Provident Financial Management Services Limited, Provident Personal Credit Limited,
Greenwood Personal Credit Limited and Provident Investments plc
under the £2,000,000,000
Euro Medium Term Note Programme**

Any person making or intending to make an offer of the Notes may only do so [:

- (i) in those Public Offer Jurisdictions mentioned in Paragraph 8 of PART B below, provided such person is of a kind specified in that paragraph and that offer is made during the Offer Period specified in that paragraph; or
- (ii) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

PART A — CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 7 March 2013 [and the Supplemental Offering Circular dated [] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular [as so supplemented]. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. A summary of the Notes (which comprises the summary in the Offering Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Offering Circular [and the supplement[s] to it] [is] [are] published on www.providentfinancial.com.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [] which are incorporated by reference in the Offering Circular dated []. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) and must be read in conjunction with the Offering Circular dated [] [and the supplement[s] to it dated [] [and [] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. A summary of the Notes (which comprises the summary in the Offering Circular as

amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Offering Circular [and the Supplement[s] to it] [is] [are] published on www.providentfinancial.com.]

1. (a) Issuer: Provident Financial plc
- (b) Guarantors: Provident Financial Management Services Limited
Provident Personal Credit Limited
Greenwood Personal Credit Limited
Provident Investments plc
2. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [] below, which is expected to occur on or about []][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - (a) Series: []
 - (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (a) Specified Denominations: []
- (b) Calculation Amount: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [[]/ Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
[[] month[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[(see paragraph 14/15/16 below)]
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount.
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [18]/[19]/[20] below)]
13. (a) Status of the Notes: Senior

- (b) Status of the Guarantees: Senior
- (c) [Date [Board] approval for issuance [] [and [], respectively]]
of Notes [and Guarantees] obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent, per annum payable on each Interest Payment Date in arrear
- (b) Interest Payment Date(s): [] [and []] in each year up to and including the Maturity Date]
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): (Applicable to Notes in definitive form.) [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year] [Not Applicable]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/ Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination: [] month [LIBOR/EURIBOR]
- Reference Rate:
 - Interest Determination Date(s): []
 - Relevant Screen Page: [Reuters EURIBOR01/Reuters LIBOR01/[]]
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Margin(s): [+/-] [] per cent. per annum

- (i) Minimum Rate of Interest: [] per cent. per annum
 - (j) Maximum Rate of Interest: [] per cent. per annum
 - (k) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [] per cent. per annum
 - (b) Reference Price: []
 - (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]
- PROVISIONS RELATING TO REDEMPTION**
17. Notice periods for Condition 6.2: Minimum period: [] days
Maximum period: [] days
18. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount]
 - (c) If redeemable in part:
 - (i) Minimum Redemption Amount: []
 - (ii) Maximum Redemption Amount: []
 - (d) Notice period: Minimum period: [] days
Maximum period: [] days
Minimum period for publication of serial numbers of Redeemed Notes if Notes in definitive form: [[] days/Not Applicable]
19. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount: [[] per Calculation Amount]
 - (c) Notice period: Minimum period: [] days
Maximum period: [] days
20. Final Redemption Amount: [[] per Calculation Amount]
21. Early Redemption Amount payable on [[] per Calculation Amount]

redemption for taxation reasons or on event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:

(a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

(b) [New Global Note: [Yes] [No]]

23. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/[TARGET 2 System/New York]]

24. Talons for future Coupons to be attached to definitive Notes: [Yes/No]

[[] has been extracted from []. Each of the Issuer and the Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Provident Financial plc:

Signed on behalf of Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Investments plc:

By: _____
Duly authorised

By: _____
Duly authorised

PART B — OTHER INFORMATION

- 1. LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [electronic order book for retail bonds of the] London Stock Exchange's Regulated Market and admission to the Official List of the UK Listing Authority with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [electronic order book for retail bonds of the] London Stock Exchange's Regulated Market and admission to the Official List of the UK Listing Authority with effect from [].]
- 2. RATINGS**
Ratings: [[The Notes to be issued [have been]/[are expected to be] rated]]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [] by [].
- 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
[Save for any fees payable to the [Managers/Dealers] by the Issuer, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and their affiliates in the ordinary course of business.]
- 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

 - (i) [Reasons for the offer []]
 - (ii) Estimated net proceeds: []
 - (iii) Estimated total expenses: []
- 5. YIELD** (*Fixed Rate Notes Only*)
Indication of yield: The yield in respect of this issue of Fixed Rate Notes is [].

6. HISTORIC INTEREST RATES (Floating Rate Notes Only)

Details of historic [LIBOR/EURIBOR/[]] rates can be obtained from [Reuters].

7. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./ N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [[Not Applicable]/[]]
[The Notes will settle in Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []
- (vi) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to [Euroclear and Clearstream, Luxembourg] [].

8. DISTRIBUTION

- (i) If syndicated, names and addresses of Managers and underwriting commitments: [[Not Applicable]/[]]
 - (ii) Date and material features of [Subscription] Agreement: []
 - (iii) Stabilising Manager(s) (if any): [Not Applicable/[]]
 - (iv) If non-syndicated, name and address of relevant Dealer: [Not Applicable/[]]
 - (v) Total commission and concession: [] per cent. of the Aggregate Nominal Amount
 - (vi) Public Offer [where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus]: [Not Applicable] [An offer of the Notes may be made by the Managers [, [] (the **Initial Authorised Offerors**)] [and any additional financial intermediaries who have or obtain the Issuer's specific consent to use the Prospectus in connection with the Public Offer and who are identified on the Issuer's website at www.providentfinancial.com as an Authorised Offeror] (together, being persons to whom the issuer has given consent, the **Authorised Offerors**) other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the **Public Offer Jurisdiction**) during the period from [] until [] (the **Offer Period**). See further Paragraph 9 below.
- General Consent: [Not Applicable][Applicable]
- Other conditions to consent: [Not Applicable][]

9. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price/Not applicable/[]]
Conditions to which the offer is subject:	[Not applicable/[]]
Offer Period:	See Paragraph [8] above
Description of the application process:	[Not applicable/[]]
Details of the minimum and/or maximum amount of application:	[Not applicable/[]]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/[]]
Details of the method and time limits for paying up and delivering the Notes:	[Not applicable/[]]
Manner in and date on which results of the offer are to be made public:	[Not applicable/[]]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/[]]
Whether tranche(s) have been reserved for certain countries:	[Not applicable/[]]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/[]]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable/[]]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	The Authorised Offerors identified in paragraph [] above [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Prospectus in connection with the Public Offer and who are identified on the website of [] as an Authorised Offeror.
Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates and description of the main terms of its/their commitment.	[] will be appointed as registered market maker[s] [through ORB (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html)] when the Notes are issued.]

ANNEX
SUMMARY OF THE NOTES

[]

APPLICABLE FINAL TERMS

NOTES WITH A DENOMINATION OF AT LEAST €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY)

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[Date]

PROVIDENT FINANCIAL PLC

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by Provident Financial Management Services Limited, Provident Personal Credit Limited,
Greenwood Personal Credit Limited and Provident Investments plc
under the £2,000,000,000 Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 7 March 2013 [and the Supplemental Offering Circular dated []] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular [as so supplemented]. Full information on the Issuer, the Guarantor(s) and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. The Offering Circular [and the Supplemental Offering Circular] [is] [are] published on www.providentfinancial.com.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [] which are incorporated by reference in the Offering Circular dated []. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) and must be read in conjunction with the Offering Circular dated [] [and the supplement[s] to it dated [] [and []] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the conditions incorporated by reference in the Offering Circular. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular [and the supplement[s] to it] [is] [are] published on www.providentfinancial.com.]

1. (a) Issuer: Provident Financial plc
- (b) Guarantors: Provident Financial Management Services Limited
Provident Personal Credit Limited Greenwood
Personal Credit Limited Provident Investments plc
2. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about []][Not Applicable]
3. Specified Currency or Currencies: []

4. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from []]
6. (a) Specified Denominations: []
- (b) Calculation Amount: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [[]/Issue Date/Not Applicable]]
8. Maturity Date: [[]/Interest Payment Date falling in or nearest to
[]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[] month [LIBOR/EURIBOR] +/- [] per cent.
Floating Rate]
[Zero Coupon]
(see paragraph 14/15/16 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early
redemption, the Notes will be redeemed on the
Maturity Date at [] per cent. of their nominal
amount.
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [18]/[19]/[20] below)]
13. (a) Status of the Notes: Senior
- (b) [Status of the Guarantee: Senior
- (c) [Date [Board] approval for issuance [] [and [], respectively]]
of Notes [and Guarantees] obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent, per annum payable on each Interest
Payment Date in arrear
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity
Date]
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive
form.)
- (d) Broken Amount(s): (Applicable to [] per Calculation Amount, payable on the Interest
Notes in definitive form.) Payment Date falling [in/on] [] [Not Applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (f) [Determination Date(s): [[] in each year] [Not Applicable]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/ Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination:
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s):
 - Relevant Screen Page: [] [Reuters EURIBOR01/Reuters LIBOR01/[]]
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of []

determining amount payable:

- (d) Day Count Fraction in relation to [30/360]
Early Redemption Amounts: [Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 6.2: Minimum period: [] days
Maximum period: [] days
18. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [] days
Maximum period: [] days
Minimum period for publication of serial numbers of Redeemed Notes if Notes in definitive form: [[] days/Not Applicable]
19. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount]
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
20. Final Redemption Amount: [[] per Calculation Amount]
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]

- (b) New Global Note: [Yes] [No]
23. Additional Financial Centre(s): [Not Applicable/[TARGET 2 System/New York]
24. Talons for future Coupons to be attached to definitive Notes: [Yes/No]

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Provident Financial plc

Signed on behalf of Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Investments plc

By: _____
Duly authorised

By: _____
Duly authorised

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and admission to the Official List of the UK Listing Authority with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and admission to the Official List of the UK Listing Authority with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be] rated] [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [] by [].

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers] by the Issuer, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and their affiliates in the ordinary course of business.]

4. YIELD (Fixed Rate Notes Only)

- Indication of yield: []
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./ N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [[Not Applicable/[]]]
- (iv) Names and addresses of additional Paying Agent(s) (if any): []
- (v) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was

given to Euroclear and Clearstream, Luxembourg.

ANNEX
SUMMARY OF THE NOTES

[]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the form of the Notes as specified in the Final Terms as to which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Provident Financial plc (the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 7 March 2013 made between the Issuer, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Financial Management Services Limited and Provident Investment plc (each a **Guarantor** and together, the **Guarantors**) and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 7 March 2013 and made between the Issuer, the Guarantors, the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement (and, where relevant, a copy of the certificate of the Issuer provided to the Trustee under Condition 6.2) are available for inspection and collection by Noteholders during normal business hours at the principal office for the time being of the Trustee being at Winchester House, 1

Great Winchester Street, London EC2N 2DB, United Kingdom and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms and the terms of the Agency Agreement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denominations(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, each of the Guarantors the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, each of the Guarantors, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, each of the Guarantors, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

2. STATUS OF THE NOTES AND THE GUARANTEE

2.1 Status of the Notes

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

2.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantors on a joint and several basis in the Trust Deed (the **Guarantee**). The obligations of the Guarantors under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantors and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. NEGATIVE PLEDGE

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantors will, and will ensure that none of their Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In this Condition 3:

- (a) **Relevant Indebtedness** means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and
- (b) **Subsidiary** means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment

Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

This Condition 4.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one

such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine (or shall appoint an agent on its behalf to determine) the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate (or shall appoint an agent on its behalf to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent or the Trustee, shall (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantors, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note whose outstanding nominal amount is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the outstanding nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantors to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantors.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre (being New York, a day on which the TARGET2 System is open or other principal financial centre) specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer (or, if the Guarantee were called, a Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees, as the case may be), then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the relevant Guarantor stating that the obligation referred to in (a) above cannot be avoided by the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (a) and (b) above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

This Condition 6.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which must or can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than the minimum period specified in the applicable Final Terms prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

6.4 Redemption at the option of the Noteholders (Investor Put)

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note

or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4.

6.5 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.6 Purchases

The Issuer, the Guarantors or any Subsidiary of the Issuer or the Guarantors may at any time purchase Notes (provided that, in the case of definitive Notes, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantors, surrendered to any Paying Agent for cancellation.

Any Notes so purchased, while held by or on behalf of the Issuer, the Guarantors or any Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quora at meetings of the Noteholders for the purposes of Conditions 6, 9 and 14.

6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.6 above (together with all Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons (or under the Guarantees, as the case may be) by the Issuer or the Guarantors will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of or within any Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders or Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons (or under the Guarantees), as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means any jurisdiction under the laws of which the Issuer or any Guarantor, or any successor to the Issuer or the Guarantor, or any entity which becomes an additional guarantor under Condition 14, is organised or in which it is resident for tax purposes; and

- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT AND ENFORCEMENT

9.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b), (d) and (e), only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) the Issuer fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of five Business Days; or
- (b) the Issuer or any Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 25 days after notice of such default shall have been given to the Issuer or the relevant Guarantor(s) by the Trustee; or
- (c) (i) any other present or future Financial Indebtedness of the Issuer or a Guarantor or any of their respective Subsidiaries become due and payable prior to their stated maturity by reason of default, event of default or the like (howsoever described), or (ii) any such Financial Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or a Guarantor or any of their respective Subsidiaries fails to pay, when due any amount payable by it under any present or future guarantee for, or indemnity in respect of Financial Indebtedness provided that the aggregate amount of the relevant Financial Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9.1(c) have occurred equals or exceeds £5,000,000 or its equivalent (as determined by the Trustee); or
- (d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or a Guarantor or any Material Subsidiary and remains undischarged for 60 days; or
- (e) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or a Guarantor or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or
- (f) the Issuer or a Guarantor or any Material Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or, in the opinion of the Trustee, a material part of (or of a particular type of) its debts,

proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or a Guarantor or any Material Subsidiary; or

- (g) an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or a Guarantor or any Material Subsidiary, or the Issuer or a Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or a Guarantor (as the case may be) or another of its Subsidiaries; or
- (h) in the opinion of the Trustee, any material obligations of the Issuer or any Guarantor are not or cease to be legal, valid and enforceable; or
- (i) any of the Guarantors is not or ceases to be a Subsidiary of the Issuer; or
- (j) a Guarantee is not (or is claimed by a Guarantor not to be) in full force and effect.

For the purposes of this Condition 9:

Base IFRS means international accounting standards within the meaning of the IAS Regulation 1606/2002 as applied by the Issuer in connection with the preparation of the audited financial statements of the Issuer for the financial year ended 31 December 2010.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

Consolidated EBITA means, in respect of any period, the consolidated profit of the Group and the profits of any joint venture and associates of the Group for that period:

- (a) after adding back (to the extent otherwise deducted) interest payable;
- (b) before any deduction for or on account of taxation;
- (c) after adding back (to the extent otherwise deducted) any amount attributable to the impairment of goodwill;
- (d) after adding back (to the extent otherwise deducted) any amount attributable to the amortisation or impairment of intangible assets (excluding any deferred acquisition costs in respect of any of the Regulated Subsidiaries);
- (e) excluding any item of income or expense that is material (either individually or in aggregate) and either of an unusual or a non-recurring nature including, without limitation, any such item:
 - (i) in relation to:
 - (A) the restructuring of the activities of an entity;
 - (B) disposals, revaluations or impairment of non-current assets; or
 - (C) disposals of assets associated with discontinued operations; or
 - (ii) which is a reversal of any item falling within this paragraph (e); and
- (f) excluding the effect under IAS 32 and IAS 39 of the fair valuation of derivative assets and liabilities, all as determined in accordance with Base IFRS.

Financial Indebtedness means, without double counting, any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Base IFRS, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement, but excluding any amounts held on deposit by Vanquis Bank Limited) having the commercial effect of a borrowing in accordance with Base IFRS;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

Gross Tangible Assets means, in relation to the Issuer or any Subsidiary of the Issuer or grouping of the foregoing referred to in these Conditions, the total of the fixed and current assets of such entity or grouping, but excluding:

- (a) sums due to such entity or grouping from other members of the Group; and
- (b) any amounts attributable to goodwill and other intangible assets,

as determined in accordance with Base IFRS.

Group means the Issuer and its Subsidiaries for the time being.

Material Subsidiary means each Subsidiary of the Issuer (other than any Stand Alone Subsidiary) from time to time whether owned at the date of issue of the Notes or acquired subsequently:

- (a) whose Gross Tangible Assets represents 7.5 per cent. or more of the Gross Tangible Assets of the Group, immediately before the relevant company becomes a Subsidiary of the Issuer in the case of an acquired Subsidiary; or
- (b) whose profit for the financial period of the Issuer and its Subsidiaries then most recently ended (calculated with respect to such Subsidiary in the same manner as Consolidated EBITA is calculated) represents 7.5 per cent. or more of Consolidated EBITA, immediately before the relevant company becomes a Subsidiary of the Issuer in the case of an acquired Subsidiary.

In the case of such a Subsidiary which itself has Subsidiaries (the **Relevant Group**), the calculation shall be made by comparing the Gross Tangible Assets or consolidated profit (calculated in the same manner as Consolidated EBITA is calculated), as the case may be, of the Relevant Group to the Gross Tangible Assets or Consolidated EBITA of the Group.

Non-Guaranteeing Subsidiary means any Subsidiary of the Issuer which is not a Regulated Subsidiary, a Guarantor or a Stand Alone Subsidiary, and **Non-Guaranteeing Subsidiaries** means all such Subsidiaries.

Regulated Subsidiary means any Subsidiary of the Issuer which is:

- (a) an institution or a Subsidiary of such an institution, authorised or permitted under applicable law or regulation to accept deposits from the general public, and which does so accept deposits, in the course of its business; or

- (b) permitted under the Financial Services and Markets Act 2000 to effect and carry out contracts of insurance or which is a Subsidiary of the same; or
- (c) an institution or a Subsidiary of such an institution not falling within paragraph (b), authorised or permitted under applicable law or regulation to engage, and which does so engage, in the business of writing or issuing contracts of insurance with the general public or in the business of writing similar contracts for the purpose of the spreading or underwriting of specified risks or peril,

and **Regulated Subsidiaries** means all such Subsidiaries and any reference in this definition (i) to any statute shall be construed as a reference to the same as it may have been or may from time to time be amended, modified or reenacted or (ii) to any body shall include any successor thereto.

Stand Alone Subsidiary means any Subsidiary of the Issuer:

- (a) which is not a Regulated Subsidiary;
- (b) whose Financial Indebtedness is not guaranteed by the Issuer, any Guarantor or any Non-Guaranteeing Subsidiary and the person to whom the Financial Indebtedness is owed has no recourse to the Issuer, any Guarantor or any Non-Guaranteeing Subsidiary in respect of any failure to pay that Financial Indebtedness; and
- (c) which does not provide guarantees in respect of the Financial Indebtedness of the Issuer, the Guarantors and the Non-Guaranteeing Subsidiaries.

Subsidiary means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

A certificate signed by two authorised signatories of the Issuer stating a Subsidiary is or is not or was or was not at any particular time or any particular period a Material Subsidiary shall in the absence of manifest error be conclusive and binding on the Issuer, the Guarantors, the Trustee and the Noteholders.

9.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer and/or the Guarantors as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such steps, actions or proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;

- (b) there will at all times be Paying Agents having specified offices in at least two major European cities approved by the Trustee;
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the

Guarantors or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than one-tenth in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than half in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing, altering or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, or the Coupons), the quorum shall be one or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of holders of not less than three quarters of the principal amount of the Notes for the time being outstanding or (ii) where Notes are represented by a Temporary Global Note and/or a Permanent Global Note or are held in definitive form within the relevant Clearing System(s), approval of a resolution given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed (except as set out in the Trust Deed), or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantors, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution of certain other entities in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed (as set out in Clause 22.1 of the Trust Deed).

In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

The Trust Deed also contains provisions requiring the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the resignation of a guarantor, or to the addition of a new guarantor, in certain circumstances. Any such resignation or addition will occur if there is a resignation of a Guarantor, or the addition of a new guarantor, under the terms of the Issuer's £382,500,000 Multi Currency and Revolving Facilities Agreement dated 10 February 2012 as amended and/or replaced from time to time (the **Facilities Agreement**), and will take effect on the same date that any such resignation or addition takes effect under the Facilities Agreement. In the case of such a resignation or addition the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders. The Issuer will provide to the Trustee 60 days' notice of any planned change of guarantor under the Facilities Agreement before any such change is to take effect under the Facilities Agreement.

The Issuer will notify Noteholders in the event of any substitution of the Issuer, or of any previous substituted company, or of any resignation of a Guarantor or addition of a new guarantor, pursuant to this Condition 14.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE GUARANTORS

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantors and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantors and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW

The Trust Deed, the Agency Agreement, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

CLEARING AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg and/or CREST currently in effect. Investors wishing to use the facilities of any of the clearing systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant clearing system. None of the Issuer, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Notes

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Notes. A temporary Global Note and/or a permanent Global Note without coupons may be deposited with a common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and/or Euroclear or an Alternative Clearing System as agreed between the Issuer and Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or, if appropriate, the Alternative Clearing System. Each Global Note deposited with a common depositary or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code.

CREST Depository Interests

Following their delivery into a clearing system, interests in Notes may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Underlying Notes. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English law.

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the **CREST Nominee**) in the Underlying Notes. Pursuant to the CREST Manual (as defined below), Notes held in global form by the Common Depositary may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Notes by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Notes underlying the CDIs to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 3 of the CREST Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual

(which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the **CREST International Settlement Links Service**). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
- (b) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a clearing system. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the clearing system in or through which the Underlying Notes are held.
- (c) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
- (d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the **CREST Manual**) and the CREST Rules (the **CREST Rules**) (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at www.crestco.co.uk.
- (g) Potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.
- (h) Potential investors should note that neither the Issuer, the Trustee nor any Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

- (i) Potential investors should note that Notes issued in temporary global form exchangeable for a Permanent Global Note will not be eligible for CREST settlement as CDIs. As such, investors investing in the Underlying Notes through CDIs will only receive the CDIs after such Temporary Global Note is exchanged for a Permanent Global Note, which could take up to 40 days after the issue of the Notes. It is anticipated that Notes eligible for CREST settlement as CDIs will be issued directly in permanent global form.

DESCRIPTION OF THE ISSUER AND THE GROUP

History and Development of the Issuer and the Group

The Issuer is a public limited company whose ordinary shares are listed on the London Stock Exchange. As at 28 February 2013, the Issuer had a market capitalisation of approximately £2.0 billion.

The Issuer was incorporated in England and Wales on 31 August 1960 under the Companies Act 1948 with registered number 668987. It was re-registered as a public limited company on 31 December 1981. It has its principal place of business and registered office at No. 1 Godwin Street, Bradford, West Yorkshire BD1 2SU and its telephone number is +44 1274 351 351.

The Issuer is the parent company of the Group (the Issuer and its subsidiaries together constitute the **Group**).

The Group's business is the provision of small-sum, unsecured credit products tailored to the needs of customers on moderate incomes who are often unable to access credit from mainstream providers. Its geographic focus is upon the UK and the Republic of Ireland. Its strategy is to grow its existing businesses, taking advantage of changes in the market and competitive environment, whilst also broadening its range of credit products and geographical reach to meet the needs of more of the people in its target market.

The Group's business was established in 1880 and now provides simple credit products to over two million customers throughout the UK and the Republic of Ireland.

The Issuer has an authorised share capital of £39,999,999.97 divided into 192,982,459 ordinary shares of 20 8/11 pence each (as of 28 February 2013). 138,451,749 of these ordinary shares are issued ordinary shares quoted on the London Stock Exchange with an aggregate nominal value of £28,697,271.51.

Business Overview of the Group

The Group operates through two principal trading divisions: Consumer Credit Division (CCD) and Vanquis Bank.

An analysis of profit before tax and exceptional items of the Group for the two years ended 31 December 2011 and 2012 is as follows:

	Year ended 31 December 2012	Year ended 31 December 2011
	£m	£m
Consumer Credit Division	125.1	127.5
Vanquis Bank	68.0	44.2
	<hr/>	<hr/>
	193.1	171.7
Central – costs	(12.0)	(10.2)
– interest receivable	-	0.6
	<hr/>	<hr/>
Total central	(12.0)	(9.6)
Total group before exceptional items	<hr/> 181.1	<hr/> 162.1
Exceptional items	15.6	-
Total group	<hr/> 196.7	<hr/> 162.1

Selected Financial Information

Consolidated income statement

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Revenue	980.0	910.8
Finance costs	(74.7)	(69.6)
Operating costs	(478.8)	(450.1)
Administrative costs	(229.8)	(229.0)
Administrative costs before exceptional items	(245.4)	(229.0)
Exceptional items ¹	15.6	-
Total costs	<u>(783.3)</u>	<u>(748.7)</u>
Profit before taxation	<u>196.7</u>	<u>162.1</u>
Profit before taxation and exceptional items	181.1	162.1
Exceptional items	15.6	-
Tax charge	(48.7)	(42.3)
Profit for the year attributable to equity shareholders	<u>148.0</u>	<u>119.8</u>

All of the above activities relate to continuing operations.

¹ During 2012, the Group reviewed its pension arrangements and from 31 December 2012 the link to final salary at retirement will no longer apply. Furthermore, no future final salary benefits will accrue, with all members now accruing benefits based on a percentage of salary that is revalued each year. As a result of this change, the past accrued final salary benefits will increase in the future in line with statutory revaluations (now linked to CPI inflation), rather than in line with future salary increases, accordingly, an exceptional credit of £17.7 million has been recognised in the consolidated income statement of 2012. In addition, this credit was offset by a £2.1 million charge relating to the impairment of goodwill in respect of Cheque Exchange Limited, a business originally acquired in 2001 and now subsumed within CCD.

Consolidated balance sheet

	As at 31 December 2012 £m	As at 31 December 2011 £m
ASSETS		
Non-current assets		
Goodwill	-	2.1
Other intangible assets	9.5	12.9
Property, plant and equipment	23.9	26.8
Financial assets:		
– amounts receivable from customers	97.5	88.0
– derivative financial instruments	8.1	11.9
Retirement benefit asset	23.0	13.5
Deferred tax assets	6.1	7.5
	<u>168.1</u>	<u>162.7</u>

Current assets

Financial assets:

– amounts receivable from customers	1,416.3	1,244.7
– derivative financial instruments	-	0.3
– cash and cash equivalents	79.1	49.6
– trade and other receivables	23.0	21.1

Total assets

1,518.4	1,315.7
1,686.5	1,478.4

LIABILITIES**Current liabilities**

Financial liabilities:

– bank and other borrowings	(169.8)	(50.5)
– derivative financial instruments	(2.0)	-
– trade and other payables	(60.6)	(53.0)
Current tax liabilities	(37.7)	(40.1)
	<u>(270.1)</u>	<u>(143.6)</u>

Non-current liabilities

Financial liabilities:

– bank and other borrowings	(1,031.6)	(999.1)
– derivative financial instruments	(9.4)	(9.5)
	<u>(1,041.0)</u>	<u>(1,008.6)</u>

Total liabilities**NET ASSETS**

	<u>(1,311.1)</u>	<u>(1,152.2)</u>
	<u>375.4</u>	<u>326.2</u>

SHAREHOLDERS' EQUITY

Share capital	28.7	28.5
Share premium	148.1	146.0
Other reserves	13.2	9.4
Retained earnings	185.4	142.3
TOTAL EQUITY	<u>375.4</u>	<u>326.2</u>

Consolidated statement of cash flows

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Cash flows from operating activities		
Cash generated from operations	89.6	138.7
Finance costs paid	(73.1)	(69.9)
Tax paid	(46.3)	(42.0)
Net cash used in/generated from operating activities	<u>(29.8)</u>	<u>26.8</u>
Cash flows from investing activities		
Purchase of intangible assets	(1.6)	(3.0)
Purchase of property, plant and equipment	(7.1)	(6.0)
Proceeds from disposal of property, plant and equipment	1.3	1.6
Net cash used in investing activities	<u>(7.4)</u>	<u>(7.4)</u>
Cash flows from financing activities		
Proceeds from bank and other borrowings	531.8	330.1
Repayment of bank and other borrowings	(363.2)	(251.1)
Dividends paid to company shareholders	(96.1)	(86.8)
Proceeds from issue of share capital	2.3	2.4
Purchase of own shares	(0.1)	(0.2)
Net cash generated from/(used in) financing activities	<u>74.7</u>	<u>(5.6)</u>

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Net increase in cash, cash equivalents and overdrafts	37.5	13.8
Cash, cash equivalents and overdrafts at beginning of year	32.2	18.4
Cash, cash equivalents and overdrafts at end of year	69.7	32.2
Cash, cash equivalents and overdrafts at end of year comprise:		
Cash at bank and in hand	79.1	49.6
Overdrafts (held in bank and other borrowings)	(9.4)	(17.4)
Total cash, cash equivalents and overdrafts	69.7	32.2

CCD

Home Credit has been in existence since 1880 and is a leading provider of home credit in the UK and Republic of Ireland, serving approximately 1.8 million customers as at 31 December 2012. The business offers simple, transparent financial services to customers on average or below-average incomes, many of whom find it difficult to obtain or manage other forms of credit. Typically, customers are fairly evenly split between the C2, D and E socio-economic groups (as originally developed by the National Readership Survey).

Home Credit operates under two brand names, Provident Personal Credit and Greenwood Personal Credit, and offers small unsecured cash loans, typically for sums of around £500 and typically repayable over a period of approximately one year. The Annual Percentage Rate (**APR**) on the most popular loans is currently 272 per cent. The business model requires a large agency force, currently made up of approximately 9,800 self-employed individuals of whom the vast majority are female. The agency force is supported by a large branch network comprising of more than 400 locations throughout England, Scotland, Wales, Northern Ireland and the Republic of Ireland. The loans are underwritten and delivered in cash to the customer's home by an agent who then typically calls every week to collect the repayments. Unlike other forms of lending, Home Credit's loans include all the costs up front and there are no extra fees or penalty charges when a customer misses a payment. Agents are paid commission predominantly on what they collect, not what they lend, in order to motivate them to lend only what the customer can afford to pay back.

Home Credit also offers pre-paid shopping vouchers which can be redeemed at certain high street retail outlets and a pre-paid card which can be used in retail stores and on the internet.

Home Credit regularly commissions independent customer satisfaction surveys to ensure that customers' needs are being met and that customers are satisfied with the service they are receiving. As at 31 December 2012, customer satisfaction in Home Credit was 92 per cent.

Vanquis Bank

Vanquis Bank was established as a pilot credit card operation in 2003 prior to advancing into full roll-out during 2004. The business operates in the non-standard sector of the UK credit market, offering credit cards to customers on average to below-average incomes, where the household income is typically between £15,000 and £30,000 per year with limited or impaired credit histories. Underwriting criteria have been tightened since mid-2007 and the acceptance rate for new applications is approximately 24 per cent.

Credit limits are lower than those generally offered by mainstream credit card companies, with over half of all new customers starting with a credit limit of £250. The maximum initial credit line is currently £1,000 and

credit lines will be increased only when customers have established a sound payment history. Utilisation on card accounts during 2012 was high at 74 per cent. and is a key dynamic for the business ensuring high revenues, whilst maintaining a relatively low level of contingent undrawn exposure. The current average balance is approximately £790 against an average credit line of £1,060. Vanquis Bank cards have a higher minimum monthly repayment amount of around 5 per cent. compared with most other credit cards. The typical initial APR is currently 39.9 per cent.

Customer recruitment is primarily carried out through the internet, direct mailing campaigns and from decline agreements with other card providers. Customer numbers as at 31 December 2012 were 899,000. Vanquis Bank regularly commissions independent customer satisfaction surveys to ensure that customers' needs are being met and that customers are satisfied with the service they are receiving. As at 31 December 2012, customer satisfaction in Vanquis Bank was 89 per cent.

Balance Sheet and Funding

As at 31 December 2012, the total equity of the Group was £375.4 million. The gearing level was 3.2 times calculated in accordance with the covenants under the Group's existing bank facilities, against a limit of 5.0 times. Total committed debt facilities available as at 31 December 2012 stood at £1,388 million and borrowings, including £7 million drawn under overdrafts, at £1,203 million. The Group had undrawn committed facility headroom of £192 million.

The Group has three core legs to its funding, namely syndicated bank funding, market funding, including retail and institutional bonds and private placements, and retail deposit funding through Vanquis Bank. With the exception of £6 million legacy subordinated loan notes and the retail deposit funding raised by Vanquis Bank, all funding for the Group is senior unsecured debt and ranks pari-passu amongst themselves.

On 10 February 2012, the Group entered into a new £382.5 million syndicated bank facility maturing in May 2015 and cancelled all existing committed bank facilities.

As part of the Group's strategy to diversify its funding sources, the Group issued its first senior bonds aimed at institutional investors in a principal amount of £250 million on 23 October 2009. The bonds are repayable in 2019 and carry a coupon of 8.0 per cent. At the same time as that issue, the Group repurchased £94 million of the Issuer's £100 million subordinated loan notes prior to their call date on 15 June 2010 at a price of £0.975 for £1 in nominal amount following a tender offer.

The Group further diversified its funding base by becoming one of the first entities to issue a retail bond quoted on the new Order Book for Retail Bonds (**ORB**) platform established by the London Stock Exchange. This raised £25 million through an issue in April 2010 of 10-year bonds carrying a coupon of 7.0 per cent. A second five and half year bond issue carrying a coupon of 7.5 per cent. in April 2011 raised £50 million and in March 2012 a third retail bond with a coupon of 7.0 per cent. and a five and half year term raised £120 million.

During 2011, the Group entered into private placement funding arrangements totalling £140 million, including a £100 million 10-year term loan facility amortising between years 2015 and 2021 with Prudential / M&G Investments UK Companies Financing Fund.

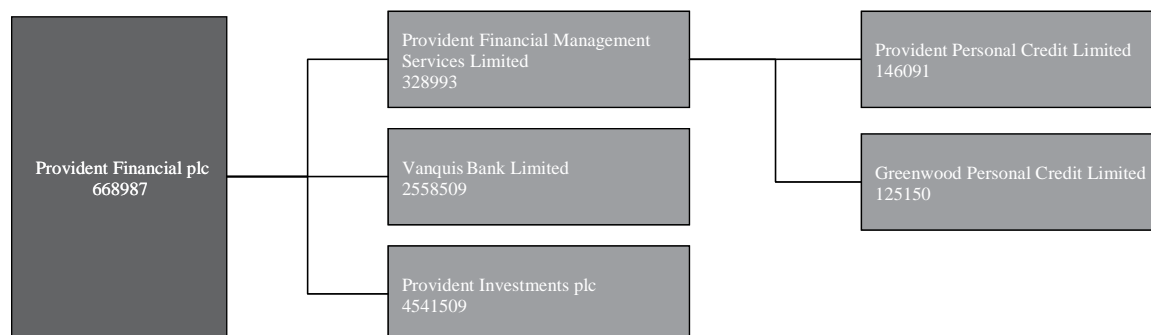
In July 2011, Vanquis Bank activated its retail deposit taking programme via an outsourced third party platform. The programme is planned to fund Vanquis Bank's receivables book through fixed-term, internet only retail deposits. The fixed term deposits (the term is one, two, three or five years) are only redeemable by the depositor prior to the end of the term in the event of death or mandated legal reasons, which provides a fixed maturity profile. As at 31 December 2012, Vanquis Bank had raised £327 million of retail deposits up from £140 million as at 31 December 2011.

Principal Markets

The Group operates in the non-standard credit market, within which there are over ten million consumers in the UK and Republic of Ireland. The home credit industry serves up to 3 million customers within the market and the Group has approximately 1.8 million Home Credit customers within CCD.

Organisational Structure

The diagram below sets out the current structure of the principal operating subsidiaries (and their registered numbers) of the Group.



The Issuer is the parent company of the Group. It is dependent on the performance of its two principal divisions: CCD and Vanquis Bank.

The principal subsidiaries within CCD are Provident Financial Management Services Limited, Provident Personal Credit Limited and Greenwood Personal Credit Limited, all of which are Guarantors of the Notes. The Issuer's interests in Provident Personal Credit Limited and Greenwood Personal Credit Limited are held indirectly through its 100 per cent. holding in Provident Financial Management Services Limited.

The remaining Guarantor of the Notes, Provident Investments plc, is a wholly owned subsidiary of the Issuer.

The Issuer's interest in the business of Vanquis Bank is held directly through a 100 per cent. holding in Vanquis Bank Limited. Vanquis Bank Limited is not a Guarantor in respect of the Notes because of its regulated status.

Regulation and Guidance

The Group's operations are subject to various forms of regulation originating from Europe, the UK and the Republic of Ireland. The paragraphs set out below briefly summarise the principal areas of regulation specific to the Group's operations:

Office of Fair Trading (OFT)

The provision of consumer credit is currently regulated by the Consumer Credit Act 1974 (as amended) (the **CCA**) and the supporting regulations and guidance made under it. These cover all aspects of credit transactions from advertising to debt recovery. The OFT is responsible for licensing businesses involved in consumer credit related activities and for ensuring compliance with the CCA. During 2012 the regulatory regime was restructured and by 2014 responsibility for consumer credit regulation is expected to transfer from the OFT to the new Financial Conduct Authority (**FCA**) which will regulate the conduct of financial services providers and markets.

The Consumer Credit Acts 1974 and 2006 (the Credit Acts)

The CCA was updated in 2006 and all major new provisions are now in force. The CCA governs the provision of consumer credit and other credit-related activities. In addition to this legislation, the OFT has issued a series of guidance documents which cover a range of issues relevant to credit providers including irresponsible lending, the use of credit brokers, debt collection and mental capacity with which businesses are required to comply.

The European Consumer Credit Directive (Credit Directive)

The Credit Directive was finally implemented into UK law on 1 February 2011.

During 2010, the Group amended practice and procedures to take account of the changes introduced by the Credit Directive to ensure compliance with the new law.

Ireland: Credit Directive Implementation and Consumer Protection Code for Moneylenders and Credit Directive

The Credit Directive was implemented in the Republic of Ireland on 11 June 2010 and, during the first part of 2010, the Issuer amended practices and procedures to ensure compliance with the new law. The Group's operations in the Republic of Ireland are subject to the licensing regime controlled by the Central Bank of Ireland and credit provision is governed by the Consumer Credit Act 1995. In January 2009 the Financial Regulator (now the Central Bank of Ireland) in the Republic of Ireland had published a new Consumer Protection Code (the **Code**) that applies to home credit traders. The Code includes new provisions on knowing the customer, suitability, complaint handling and consumer records. Some Code provisions were amended following the implementation of the Credit Directive. In October 2010 the Central Bank Reform Act 2010 became law and introduced for the first time in Irish law a harmonised statutory system for the regulation of financial institutions by the Central Bank of Ireland. The Group's operations in Ireland are a regulated financial service provider and as such are subject to the fitness and probity standards issued by the Central Bank of Ireland and the enforcement proceedings contained in the Central Bank Reform Act 2010.

General principles set out in the Code came into force on 1 January 2009. The more detailed provisions came into force on 30 September 2009. The Issuer has implemented changes to its practices and procedures to ensure compliance with the Code.

FSA regulation

Vanquis Bank holds a banking licence and is regulated by the FSA. CCD operates under a number of consumer credit licences granted by the OFT but is not regulated by the FSA. However, the Group, incorporating both CCD and Vanquis Bank, is the subject of consolidated supervision by the FSA as the Issuer is the parent company of Vanquis Bank.

The FSA's regulation of Vanquis Bank covers a number of areas, including (i) code of conduct, (ii) treating consumers fairly; (iii) regulatory capital requirements; (iv) liquidity requirements including the requirements to hold a liquid assets buffer; and (v) monthly and quarterly reporting to the FSA.

Regulatory Capital

The Group adopted the Capital Requirements Directive (**CRD**) on 1 January 2008. The CRD requires the Group (including Vanquis Bank) to conduct an Internal Capital Adequacy Assessment Process (**ICAAP**) on an annual basis. The key output of the ICAAP is a document which considers the risks faced by the Group and the adequacy of internal controls in place, ascertains the level of regulatory capital that should be held to cover these risks and performs stress testing on both regulatory capital and liquidity under severe downside scenarios. The

ICAAP must be approved by the Board and is considered by the FSA in setting the Group's regulatory capital requirement (called Individual Capital Guidance (ICG)).

In 2011 prior to the commencement of deposit taking activities at Vanquis Bank, revised ICGs were set for both the supervised Group and Vanquis Bank which were not materially different from historic ICGs.

As at 31 December 2012, the supervised Group held total regulatory capital to £358.8 million (31 December 2011: £312.3 million), whilst Vanquis Bank held total regulatory capital resources of £151.6 million (31 December 2011: £100.6 million).

The level of regulatory capital held by both the group and Vanquis Bank as at 31 December 2012 was comfortably in excess of the ICGs set by the FSA.

Liquidity

The FSA's liquidity regime applies to Vanquis Bank only to ensure that sufficient liquid resources are available to financial institutions to fulfil their operational plans and meet financial obligations as they fall due. The FSA requires that all entities regulated by the Prudential Sourcebook for Banks, Building Societies and Investment Firms must maintain a liquid assets buffer held in the form of high quality unencumbered assets.

As at 31 December 2012, the liquid assets buffer amounted to £52.3 million (2011: £17.5 million) and was held in a qualifying designated money market fund.

Pillar III Disclosures

The CRD requires the Group to make annual Pillar III disclosures which sets out information on the Group's regulatory capital, risk exposures and risk management processes. The Group's full Pillar III disclosures can be found separately on the Group's website, www.providentfinancial.com.

Current Government Initiatives

In July 2011, the Department for Business, Innovation and Skills announced that it is to commission research into how a cap on the total cost of credit in the high cost credit market could affect consumers and on 22 November 2011 it was announced that Personal Finance Research Centre (PFRC) at the University of Bristol had been appointed to carry out the research into the potential impact of caps on the total cost of credit. The research has now largely been completed and publication of this report is expected shortly.

The Financial Services Act, passed at the end of 2012, contains a provision clarifying the powers of the FCA to review credit charges and terms. In drawing up the rules which will determine how such powers will be exercised, the FCA will draw on available guidance (including the PFRC report) and will consult with stakeholders.

Administrative, Management and Supervisory Bodies

The principal activity of the Issuer is to act as the parent company to a group of companies engaged in the provision of simple financial products to the non-standard credit market in the UK and Republic of Ireland. The Issuer also provides certain management services, as well as loans to the companies within the Group.

The directors of the Issuer are as follows:

<u>Name:</u>	<u>Position:</u>	<u>Principal outside activities</u>
John Philip de Blocq van Kuffeler.....	Chairman (Non-Executive)	Non-Executive Chairman of Hyperion Insurance Group Limited

		and Chairman of Marlin Capital Europe Limited
Peter Stuart Crook	Chief Executive	None
Andrew Charles Fisher	Finance Director	None
Christopher Donald Gillespie	Managing Director - CCD	None
Robert William Anderson.....	Non-Executive Director	Chief Executive of Signet Jewelers Limited's UK division
Stuart Sinclair	Non-Executive Director	Director of Prudential Health & Chairman of Platinum Bank (Kiev)
Manjit Wolstenholme	Non-Executive Director	Non-Executive Director of Capital & Regional plc, Future plc, The Unite Group plc and chair of Albany Investment Trust Plc

The business address of each of the directors is No. 1, Godwin Street, Bradford, West Yorkshire, BD1 2SU.

There are no potential conflicts of interests between any duties to the Issuer of the directors referred to above and their respective private interests and/or other duties.

Audit Committee

The audit committee of the Issuer makes recommendations to the Board, for the Board to put to the shareholders in the general meeting, in respect of the appointment, reappointment and removal of the auditors and approves their remuneration and terms of engagement. It reviews and monitors the independence and objectivity of the auditors and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements. It develops and implements policies on the engagement of the auditors to supply non-audit services and reports to the Board (identifying any matters in respect of which it considers that action or improvement is needed) and makes recommendations as to the steps to be taken. It monitors the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, reviewing significant financial reporting judgements contained in them. It also reviews the Group's internal and external whistleblowing policy and has established an independent external confidential reporting line. The audit committee is also responsible for the annual review of the register of benefits offered to directors in accordance with the Issuer's code of practice on benefits. The members of the audit committee are Manjit Wolstenholme (Chair), Stuart Sinclair and Rob Anderson.

Corporate Governance

The Issuer complied with the UK Corporate Governance Code throughout 2012.

Major Shareholders

The principal shareholders of the Issuer as at 31 December 2012 are as follows:

Invesco Limited:	25.79%
M&G Investment Management Limited:	7.07%
Marathon Asset Management Limited:	5.61%
Tweedy Browne Company:	4.74%
Black Rock Inc.:	3.62%
Legal & General Investment Management Limited:	3.26%

Cantillon Capital Management LLP:	3.26%
Alken Asset Management LLP:	3.08%

Recent Developments

Vanquis Bank has been exploring new medium term growth opportunities for the business and a credit card pilot targeted at the non-standard segment of the Polish market was commenced in July 2012 with the objective of developing and testing a customer proposition capable of delivering the Group's target returns. The pilot will be evaluated during the second quarter of 2013 and a decision will be made on roll-out at that time.

DESCRIPTION OF THE GUARANTORS

PROVIDENT FINANCIAL MANAGEMENT SERVICES LIMITED

Introduction

Provident Financial Management Services Limited was incorporated as a private limited company in England and Wales on 18 June 1937 with registered number 328933. It has its principal place of business and registered office at No. 1 Godwin Street, Bradford, West Yorkshire BD1 2SU and its telephone number is +44 1274 351 135.

Provident Financial Management Services Limited is a wholly owned subsidiary of the Issuer. It is the direct intermediary holding company of Provident Personal Credit Limited and Greenwood Personal Credit Limited and provides various head office services and related activities to these companies.

Provident Financial Management Services Limited has an authorised share capital of £900,000,000 divided into 272,000,000 ordinary shares of £1 each; and 6,280,000 9.75 per cent. Cumulative Preference Shares of £100 each. Its issued share capital consists of 257,782,905 ordinary shares with an aggregate nominal value of £257,782,905.

The objects and purposes of Provident Financial Management Services Limited are set out in clause 3 of its Memorandum of Association and include amongst others, providing credit as such term is defined in the Consumer Credit Act of 1974 and lending and advancing money to any person, firm or company.

Administrative, Management and Supervisory Bodies

The directors of Provident Financial Management Services Limited are as follows:

<u>Name:</u>	<u>Position:</u>
David Colin Craggs	Director
Peter Stuart Crook	Director
Andrew Charles Fisher	Director
Christopher Donald Gillespie	Director
Jonathan Richard Gillespie	Director
Stephen David Shaw	Director
Charles Ernest Fred Taylor	Director
Sarah Marie Dickins	Director
Mark Stevens	Director

The business address of each of the directors is No. 1 Godwin Street, Bradford, West Yorkshire, BD1 2SU.

There are no potential conflicts of interests between any duties to Provident Financial Management Services Limited of the directors referred to above and their private interests and/or other duties.

Corporate Governance

Provident Financial Management Services Limited complied with the UK Corporate Governance Code throughout 2012.

PROVIDENT PERSONAL CREDIT LIMITED

Introduction

Provident Personal Credit Limited was incorporated as a private limited company in England and Wales on 20 February 1917 with registered number 146091. It has its principal place of business and registered office at No. 1 Godwin Street, Bradford, West Yorkshire BD1 2SU and its telephone number is +44 1274 351 135.

Provident Personal Credit Limited is an indirectly wholly owned subsidiary of the Issuer. It is directly held by the intermediary holding company, Provident Financial Management Services Limited, and has no subsidiaries. Its principal activity is to provide home credit loans and unsecured direct repayment loans to customers in the UK and the Republic of Ireland.

Provident Personal Credit Limited's authorised share capital is £100,125,230. Its issued share capital consists of 316,367,421 shares made up of A preference shares of 12,523,000, ordinary shares of 286,168,421 and preference shares of 17,676,000. The aggregate nominal value of the shares is £71,844,095.25 with the A preference shares valued at £125,230, the ordinary shares valued at £71,542,105.25 and the preference shares valued at £176,760.

The objects and purposes of Provident Personal Credit Limited are set out in clause 3 of its Memorandum of Association and include, amongst others, lending money on any terms that may be thought fit particularly to customers or other persons having dealings with the company.

Administrative, Management and Supervisory Bodies

The directors of Provident Personal Credit Limited are as follows:

<u>Name:</u>	<u>Position:</u>
David Colin Craggs	Director
Christopher Donald Gillespie	Director
Jonathan Richard Gillespie	Director
Stephen David Shaw	Director
Charles Ernest Fred Taylor	Director
Sarah Marie Dickins	Director
Mark Stevens	Director

The business address of each of the directors is No. 1 Godwin Street, Bradford, West Yorkshire, BD1 2SU.

There are no potential conflicts of interests between any duties to Provident Personal Credit Limited of the directors referred to above and their private interests and/or other duties.

Corporate Governance

Provident Personal Credit Limited complied with the UK Corporate Governance Code throughout 2012.

GREENWOOD PERSONAL CREDIT LIMITED

Introduction

Greenwood Personal Credit Limited was incorporated as a private limited company in England and Wales on 4 November 1912 with registered number 125150. It has its principal place of business and registered office at No. 1 Godwin Street, Bradford, West Yorkshire BD1 2SU and its telephone number is +44 1274 351 555.

Greenwood Personal Credit Limited is an indirect wholly owned subsidiary of the Issuer and has no subsidiaries. It is directly held by the intermediary holding company, Provident Financial Management Services Limited. Its principal activity is to provide unsecured home credit loans to customers in the UK.

Greenwood Personal Credit Limited's authorised share capital is £25,000 divided into 50,000 shares at 0.50p each. Its issued share capital is 33,924 shares with a nominal value of £16,962.

The objects and purposes of Greenwood Personal Credit Limited are set out in clause 3 of its Memorandum of Association and include, amongst others, to lend money or give credit on such terms as may be considered expedient and to receive money on deposit or loan from, and give guarantees or to grant security for, any persons, firms and companies.

Administrative, Management and Supervisory Bodies

The directors of Greenwood Personal Credit Limited are as follows:

<u>Name:</u>	<u>Position:</u>
David Colin Craggs	Director
Christopher Donald Gillespie	Director
Jonathan Richard Gillespie	Director
Stephen David Shaw	Director
Charles Ernest Fred Taylor	Director
Sarah Marie Dickins	Director
Mark Stevens	Director

The business address of each of the directors is No. 1 Godwin Street, Bradford, West Yorkshire, BD1 2SU.

There are no potential conflicts of interests between any duties to Greenwood Personal Credit Limited of the directors referred to above and their private interests and/or other duties.

Corporate Governance

Greenwood Personal Credit Limited complied with the UK Corporate Governance Code throughout 2012.

PROVIDENT INVESTMENTS PLC

Introduction

Provident Investments plc was incorporated as a private limited company in England and Wales on 20 September 2002 with registered number 4541509. The company changed its name and was re-registered as a public limited company on 16 April 2003. It has its principal place of business and registered office at No. 1 Godwin Street, Bradford, West Yorkshire BD1 2SU and its telephone number is +44 1274 351 135.

Provident Investments plc is a wholly owned subsidiary of the Issuer and has no subsidiaries. Its principal business activity is to provide finance and loans to the Issuer and the Issuer's subsidiaries.

The authorised share capital of Provident Investments plc is £50,000. It has 50,000 issued ordinary shares with an aggregate nominal value of £50,000.

The objects and purposes of Provident Investments plc are set out in clause 4 of its Memorandum of Association and include, amongst others, lending and advancing money or giving credit on any terms with or without security to any person, firm or company (including, without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, such company) and the granting of guarantees, contracts of indemnity and suretyships of all kinds.

Administrative, Management and Supervisory Bodies

The directors of Provident Investments plc are as follows:

<u>Name:</u>	<u>Position:</u>
Andrew Charles Fisher	Director
Kenneth John Mullen.....	Director
Emma Gayle Versluys	Director

The business address of each of the directors is No. 1 Godwin Street, Bradford, West Yorkshire, BD1 2SU.

There are no potential conflicts of interests between any duties to Provident Investments plc of the directors referred to above and their private interests and/or other duties.

Corporate Governance

Provident Investments plc complied with the UK Corporate Governance Code throughout 2012.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published Her Majesty's Revenue and Customs (HMRC) practice (which practice may not be binding on HMRC) as applied in England and Wales relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

A. Payments of interest on the Notes

Payments of interest by the Issuer on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes are and remain so listed, interest on the Notes may be paid by the Issuer without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by the Issuer and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under the deduction of tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently twenty per cent.) subject to the availability of any reliefs. Where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of another person who is an individual. HMRC also has power, in certain circumstances, to obtain information (including the name and address of the beneficial owner of the amount payable on redemption) from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person who is an individual, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid or received on or before 5 April 2014. Any information

obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

B. EU Savings Directive

Under the Directive, Member States of the European Union are required to provide to the tax authorities of another Member State of the European Union details of payments of interest (or similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in that other Member State of the European Union or to certain limited types of entities established in that other Member State of the European Union. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) to the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

C. Payments in respect of the Guarantee

If the Guarantors make any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for under the Notes), such payments may be subject to United Kingdom withholding tax at the basic rate, subject to the availability of any reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the **grandfathering date**, which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered (unless the additional Notes are treated as part of the same issue as the existing Notes for U.S. federal income tax purposes), which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an

FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-UK IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 7 March 2013, agreed with the Issuer and the Guarantors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer (failing which, the Guarantors) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The TEFRA C rules will apply to Notes which are initially issued in the form of a Permanent Global Note and the TEFRA D rules will apply to Notes which are initially issued in the form of a Temporary Global Note.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another

Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the issuer has consented in writing to its use for the purpose of that Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression **2010 PD Amending Directive** means a Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Jersey

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not circulated, and will not circulate, in Jersey any offer for subscription, sale or exchange of any Notes unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the Financial Services and Markets Act 2000 and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

Guernsey

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended or any exemption therefrom.

Isle of Man

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not circulated, and will not circulate, in the Isle of Man, any offer for subscription, sale or exchange of any Notes unless such offer is made by (i) an Isle of Man financial services licenceholder licensed under section 7 of the Financial Services Act 2008 to do so; or (ii) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 or exemption contained in the Financial Services (Exemptions) Regulations 2011.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantors, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 25 February 2013 and the giving of the Guarantees has been duly authorised by resolutions of each of the Boards of Directors of the Guarantors dated 25 February 2013.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or around 11 March 2013.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the Memorandum and Articles of Association of the Issuer and the Memoranda and Articles of Association of each of the Guarantors;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2011 and 2012, in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the audited financial statements of each Guarantor in respect of the financial periods ended 31 December 2011 and 2012, in each case together with the audit reports prepared in connection therewith. Each of the Guarantors currently prepares audited unconsolidated accounts on an annual basis;
- (d) the most recently published interim financial statements (if any) of the Issuer, together with any audit or review reports prepared in connection therewith. The Issuer currently prepares consolidated interim accounts on a six monthly basis;
- (e) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (f) a copy of this Offering Circular; and
- (g) any future offering circulars, prospectuses, information memoranda and supplements and Final Terms to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

Interests in the Notes may also be held through CREST through the issuance of CDIs representing Underlying Notes. The current address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London EC4M 55B.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms.

The yield will be calculated at the Issue Date on the basis of the Issue Price, using the formula below. It will not be an indication of future yield.

$$P = \frac{C}{r} \left(1 - (1+r)^{-n} \right) + A(1+r)^{-n}$$

Where:

P is the Issue Price of the Notes;

C is the annualised Interest Amount;

A is the principal amount of Notes due on redemption;

n is time to maturity in years; and

r is the annualised yield.

Significant or Material Change

There has been no significant change in the financial or trading position of the Group since 31 December 2012 and there has been no material adverse change in the prospects of the Group since 31 December 2012. There has been no significant change in the financial or trading position, and no material adverse change in the prospects, of each of Provident Investments plc, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Financial Management Services Limited and their respective subsidiaries since 31 December 2012.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantors are aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, any of Provident Investments plc, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Financial Management Services Limited and their respective subsidiaries, or the Group.

Auditors

Auditors of the Issuer

The auditors of the Issuer were PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, who audited the Issuer's accounts, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for the financial year ended on 31 December 2011. The current auditors of the Issuer are Deloitte LLP, Chartered Accountants and Registered Auditors, who have audited the Issuer's accounts, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for the financial year ended 31 December 2012. These accounts have been prepared in accordance with International Financial

Reporting Standards (IFRS) as adopted by the European Union. Neither of the auditors have any material interest in the Issuer.

The financial information contained in this Offering Circular in relation to the Issuer does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (the Act). Statutory accounts of the Issuer for the financial year ended 31 December 2011 have been delivered to the Registrar of Companies in England and Wales. The auditors have reported on the statutory financial accounts of the Issuer for the year ended 31 December 2012, which will be filed with the Registrar of Companies following the annual general meeting. The Issuer's auditors have made a report under section 495 of the Act on these statutory accounts that was not qualified within the meaning of section 539 of the Act and did not contain a statement made under section 498(2) or section 498(3) of the Act.

Auditors of the Guarantors

The auditors of each of the Guarantors were PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, who audited the accounts of each Guarantor, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for the financial year ended on 31 December 2011. The current auditors of each of the Guarantors are Deloitte LLP, Chartered Accountants and Registered Auditors, who have audited the accounts of each Guarantor, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for the financial year ended 31 December 2012. These accounts have been prepared in accordance with IFRS as adopted by the European Union. Neither auditors of the Guarantors have any material interest in the Guarantors.

The financial information contained in this Offering Circular in relation to the Guarantors does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (the Act). Statutory accounts of the Guarantors for the financial year ended 31 December 2011 have been delivered to the Registrar of Companies in England and Wales. The auditors have reported on the statutory financial accounts of the Guarantors for the year ended 31 December 2012, which will be filed with the Registrar of Companies following the annual general meeting of the Issuer. The Guarantors' auditors have made a report under section 495 of the Act on these statutory accounts that was not qualified within the meaning of section 539 of the Act and did not contain a statement made under section 498(2) or section 498(3) of the Act.

Post-issuance information

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Note.

Dealers transacting with the Issuer and the Guarantors

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantors and their affiliates in the ordinary course of business.

THE ISSUER

Provident Financial plc
No. 1 Godwin Street
Bradford
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THE GUARANTORS

Provident Personal Credit Limited
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West Yorkshire BD1 2SU

Greenwood Personal Credit Limited
No. 1 Godwin Street
Bradford
West Yorkshire BD1 2SU

Provident Financial Management Services Limited
No 1. Godwin Street
Bradford
West Yorkshire BD1 2SU

Provident Investments plc
No. 1 Godwin Street
Bradford
West Yorkshire BD1 2SU

TRUSTEE
Deutsche Trustee Company Limited
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London EC2N 2DB

PRINCIPAL PAYING AGENT
Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

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To the Issuer and the Guarantors as to English law

To the Dealers and the Trustee as to English law

Allen & Overy LLP
One Bishops Square
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Linklaters LLP
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London EC2Y 8HQ

AUDITORS

To the Issuer and the Guarantors

Previous Auditors

Current Auditors

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Benson House
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Deloitte LLP
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Canary Wharf
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