



PROVIDENT FINANCIAL PLC

(incorporated with limited liability in England and Wales)

£2,000,000,000

**Euro Medium Term Note Programme for the issuance of Notes
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)

and

DUNCTON GROUP LIMITED

(incorporated with limited liability in England and Wales)

and

MONEYBARN GROUP LIMITED

(incorporated with limited liability in England and Wales)

and

MONEYBARN NO.1 LIMITED

(incorporated with limited liability in England and Wales)

**Arranger
BARCLAYS**

Dealers

**BARCLAYS
J.P. MORGAN
NUMIS**

**CANACCORD GENUITY LIMITED
LLOYDS BANK
THE ROYAL BANK OF SCOTLAND**

**AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS.
YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (RISK FACTORS)
OF THIS OFFERING CIRCULAR. YOU SHOULD ALSO READ CAREFULLY SECTION 11
(IMPORTANT LEGAL INFORMATION).**

IMPORTANT NOTICES

About this document

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measures in a relevant Member State of the European Economic Area (the **Prospectus Directive**)).

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, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (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.

The Issuer and the Guarantors are responsible for the information contained in this Offering Circular

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.

Use of defined terms

Certain terms or phrases in this Offering Circular are defined in bold font and references to those terms elsewhere in this Offering Circular are designated with initial capital letters.

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.

Information incorporated by reference in this Offering Circular

This Offering Circular, including all Appendices, is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see Section 4

(Documents Incorporated by Reference)).

Credit Rating Agency Regulation notice

The Issuer and the Programme have been rated BBB (negative 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.

Listing of Notes

Application has been made to the Financial Conduct Authority in its capacity as competent authority (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

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A5.1.1 (A)
A5.1.2 (A)
A13.1.1 (A)
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A4.1.2

A13.5.1(i) (B)
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(the **London Stock Exchange**) for any such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.

The Issuer may also issue Notes that are admitted to trading through the electronic order book for retail bonds (**ORB**) of the London Stock Exchange.

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).

Description 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. 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 in Appendix A (*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 Guarantor may agree with any Dealer and Prudential Trustee Company Limited (the **Trustee**) 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.

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.

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SUMMARY

This section sets out in a grid format standard information which is arranged under standard headings and is required to be included in a prospectus summary for this type of product. It also provides the form of the "issue specific summary" information which may be completed and attached to applicable Final Terms relating to Notes which may be offered under the Programme.

SUMMARY

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 Provident Financial plc (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 to the Issuer and each Guarantor on the basis of this summary, including any translation of it, only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular and the applicable Final Terms or it does not provide, when read together with the other parts of this Offering Circular and the applicable Final Terms, key information in order to aid investors when considering whether to invest in such securities.
A.2	<p>Certain Tranches of notes (the Notes) issued under this £2,000,000,000 Euro Medium Term Note Programme (the Programme) may be offered in circumstances where there is no exemption from the obligation under Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measures in a relevant Member State of the European Economic Area (the Prospectus Directive)) to publish a prospectus. Any such offer is referred to as a Public Offer.</p> <p>Issue specific summary:</p> <p>[Not Applicable – the Notes are not being offered to the public as part of a Public Offer.]</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, [insert legal name of financial intermediary], refer to the offer of [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). In consideration of the Issuer offering to grant its consent to our use of the Offering Circular (as defined in the Final Terms) in connection with the offer of the Notes in the United Kingdom during the Offer Period and subject to the other conditions to such consent, each as specified in the Offering Circular, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Offering Circular) and confirm that we are using the Offering Circular accordingly."</p> <p>(each an Authorised Offeror)</p> <p>Offer period: The Issuer's consent referred to above is given for Public Offers of Notes during [] (the Offer Period).</p> <p>Conditions to consent: 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 Offering Circular to make Public Offers of the relevant Tranche of Notes in the United Kingdom and (c) [].</p> <p>IN THE EVENT OF ANY PUBLIC OFFER BEING MADE BY AN AUTHORISED OFFEROR, THE AUTHORISED OFFEROR WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE PUBLIC OFFER AT THE TIME THE PUBLIC OFFER IS MADE.</p>

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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	The Issuer is a public limited company which was incorporated under the Companies Act 1948 and is domiciled in England and Wales.

Element	Title																																																																												
	of incorporation																																																																												
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 Guarantors, Vanquis Bank Limited (Vanquis Bank) and other subsidiaries which together form the group (the Group). The Group operates through three principal trading divisions: Vanquis Bank, the Consumer Credit Division (CCD) and Moneybarn. The principal subsidiaries within CCD are Provident Financial Management Services Limited and its subsidiary, Provident Personal Credit Limited, which are both Guarantors of the Notes. Moneybarn was acquired by the Issuer in August 2014 and comprises Duncton Group Limited and its subsidiaries Moneybarn Group Limited and Moneybarn No.1 Limited, which are all Guarantors of the Notes, together with Moneybarn plc, which is not a Guarantor nor a Material Subsidiary (as defined in Condition 9 of Appendix A (<i>Terms and Conditions of the Notes</i>)) of the Issuer (together, Moneybarn). Provident Investments plc and Greenwood Personal Credit Limited are also Guarantors, but do not contribute to the Group's operating revenue.																																																																											
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:	<p>Consolidated Income Statement A4.3.1</p> <p>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 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Revenue</td><td>1,075.7</td><td>1,078.1</td></tr> <tr> <td>Costs</td><td>(851.1)</td><td>(895.7)</td></tr> <tr> <td>Profit before taxation</td><td>224.6</td><td>182.4</td></tr> <tr> <td>Tax charge</td><td>(49.0)</td><td>(41.4)</td></tr> <tr> <td>Profit for the year attributable to equity shareholders</td><td>175.6</td><td>141.0</td></tr> </table> <p>Balance sheet</p> <p>The table below sets out summary information extracted from the Issuer's audited consolidated balance sheet as at 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>As at 31 December 2014</th><th>As at 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Goodwill and Other intangible assets</td><td>155.5</td><td>8.1</td></tr> <tr> <td>Fixed Assets</td><td>27.4</td><td>22.8</td></tr> <tr> <td>Amounts receivable from customers</td><td>1,849.2</td><td>1,606.6</td></tr> <tr> <td>Cash and cash equivalents</td><td>145.9</td><td>119.0</td></tr> <tr> <td>Other assets</td><td>80.7</td><td>53.7</td></tr> <tr> <td>Total assets</td><td>2,258.7</td><td>1,810.2</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Bank and other borrowings</td><td>(1,493.0)</td><td>(1,284.6)</td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>(152.7)</td><td>(108.8)</td></tr> <tr> <td>Total liabilities</td><td>(1,645.7)</td><td>(1,393.4)</td></tr> <tr> <td>Net Assets</td><td>613.0</td><td>416.8</td></tr> <tr> <td>Shareholders' Equity</td><td></td><td></td></tr> <tr> <td>Share capital and share premium</td><td>298.6</td><td>179.5</td></tr> <tr> <td>Retained earnings and other reserves</td><td>314.4</td><td>237.3</td></tr> <tr> <td>Total Equity</td><td>613.0</td><td>416.8</td></tr> </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 the Group since 31 December 2014 and there has been no material adverse change in the prospects of the Issuer since 31 December 2014.</p>		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Revenue	1,075.7	1,078.1	Costs	(851.1)	(895.7)	Profit before taxation	224.6	182.4	Tax charge	(49.0)	(41.4)	Profit for the year attributable to equity shareholders	175.6	141.0		As at 31 December 2014	As at 31 December 2013		£'m	£'m	Assets			Goodwill and Other intangible assets	155.5	8.1	Fixed Assets	27.4	22.8	Amounts receivable from customers	1,849.2	1,606.6	Cash and cash equivalents	145.9	119.0	Other assets	80.7	53.7	Total assets	2,258.7	1,810.2	Liabilities			Bank and other borrowings	(1,493.0)	(1,284.6)	Other liabilities including trade and other payables	(152.7)	(108.8)	Total liabilities	(1,645.7)	(1,393.4)	Net Assets	613.0	416.8	Shareholders' Equity			Share capital and share premium	298.6	179.5	Retained earnings and other reserves	314.4	237.3	Total Equity	613.0	416.8
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Element	Title																						
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 a holding company and is dependent on the performance of its three principal trading divisions.																					
B.15	Principal activities	The Issuer is the parent company of the Group. The Group focuses on the provision of credit products in the non-standard credit market. The Group provides credit through loans issued in the home and collected weekly, through the provision of credit cards, and through secured car finance loans, each tailored to meet the needs of customers on low and 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 2.4 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 (negative outlook) by Fitch Ratings Ltd.</p> <p>The Programme has been rated BBB (negative 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 assigning rating agency.</p>																					
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.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 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>Income Statement</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 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Total Income</td><td>185.6</td><td>177.9</td></tr> <tr> <td>Costs</td><td>(117.5)</td><td>(107.5)</td></tr> <tr> <td>Profit before taxation</td><td>68.1</td><td>70.4</td></tr> <tr> <td>Tax credit</td><td>5.5</td><td>7.1</td></tr> <tr> <td>Profit for the year attributable to equity shareholders</td><td>73.6</td><td>77.5</td></tr> </table>		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Total Income	185.6	177.9	Costs	(117.5)	(107.5)	Profit before taxation	68.1	70.4	Tax credit	5.5	7.1	Profit for the year attributable to equity shareholders	73.6	77.5
	Year ended 31 December 2014	Year ended 31 December 2013																					
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Total Income	185.6	177.9																					
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Profit for the year attributable to equity shareholders	73.6	77.5																					

A6.1
A6.2

A4.3.1

Element	Title																																								
		<p>Balance Sheet</p> <p>The table below sets out summary information extracted from PFMSL's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>As at 31 December 2014 £'m</th><th>As at 31 December 2013 £'m</th></tr> <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>129.8</td><td>123.3</td></tr> <tr> <td>Total assets</td><td>930.1</td><td>923.6</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>(657.1)</td><td>(655.0)</td></tr> <tr> <td>Total liabilities</td><td>(657.1)</td><td>(655.0)</td></tr> <tr> <td>Net Assets</td><td>273.0</td><td>268.6</td></tr> <tr> <td>Shareholders' Equity</td><td></td><td></td></tr> <tr> <td>Share capital and share premium</td><td>257.8</td><td>257.8</td></tr> <tr> <td>Retained earnings and other reserves</td><td>15.2</td><td>10.8</td></tr> <tr> <td>Total Equity</td><td>273.0</td><td>268.6</td></tr> </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 PFMSL and its subsidiaries since 31 December 2014 and there has been no material adverse change in the prospects of PFMSL since 31 December 2014.</p>		As at 31 December 2014 £'m	As at 31 December 2013 £'m	Assets			Investment in subsidiaries	800.3	800.3	Other assets including trade and other receivables	129.8	123.3	Total assets	930.1	923.6	Liabilities			Other liabilities including trade and other payables	(657.1)	(655.0)	Total liabilities	(657.1)	(655.0)	Net Assets	273.0	268.6	Shareholders' Equity			Share capital and share premium	257.8	257.8	Retained earnings and other reserves	15.2	10.8	Total Equity	273.0	268.6
	As at 31 December 2014 £'m	As at 31 December 2013 £'m																																							
Assets																																									
Investment in subsidiaries	800.3	800.3																																							
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Total assets	930.1	923.6																																							
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Retained earnings and other reserves	15.2	10.8																																							
Total Equity	273.0	268.6																																							
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.																																							
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.																																							
		Provident Personal Credit Limited																																							
B.19/B.1	Legal and commercial name	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.																																							

Element	Title																																																																
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 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014 £'m</th><th>Year ended 31 December 2013 £'m</th></tr> <tr> <td>Revenue</td><td>581.8</td><td>610.4</td></tr> <tr> <td>Costs</td><td>(490.9)</td><td>(542.4)</td></tr> <tr> <td>Profit before taxation</td><td>90.9</td><td>68.0</td></tr> <tr> <td>Tax charge</td><td>(18.8)</td><td>(15.0)</td></tr> <tr> <td>Profit for the year attributable to equity shareholders</td><td>72.1</td><td>53.0</td></tr> </table> <p>Balance Sheet</p> <p>The table below sets out summary information extracted from PPCL's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>As at 31 December 2014 £'m</th><th>As at 31 December 2013 £'m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Fixed Assets</td><td>3.4</td><td>3.6</td></tr> <tr> <td>Amounts receivable from customers</td><td>588.1</td><td>645.7</td></tr> <tr> <td>Other assets including trade and other receivables</td><td>210.3</td><td>220.9</td></tr> <tr> <td>Total assets</td><td>801.8</td><td>870.2</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Bank and other borrowings</td><td>(0.7)</td><td>(4.5)</td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>(658.5)</td><td>(711.1)</td></tr> <tr> <td>Total liabilities</td><td>(659.2)</td><td>(715.6)</td></tr> <tr> <td>Net Assets</td><td>142.6</td><td>154.6</td></tr> <tr> <td>Shareholders' Equity</td><td></td><td></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>70.1</td><td>82.1</td></tr> <tr> <td>Total Equity</td><td>142.6</td><td>154.6</td></tr> </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 2014 and there has been no material adverse change in the prospects of PPCL since 31 December 2014.</p>		Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m	Revenue	581.8	610.4	Costs	(490.9)	(542.4)	Profit before taxation	90.9	68.0	Tax charge	(18.8)	(15.0)	Profit for the year attributable to equity shareholders	72.1	53.0		As at 31 December 2014 £'m	As at 31 December 2013 £'m	Assets			Fixed Assets	3.4	3.6	Amounts receivable from customers	588.1	645.7	Other assets including trade and other receivables	210.3	220.9	Total assets	801.8	870.2	Liabilities			Bank and other borrowings	(0.7)	(4.5)	Other liabilities including trade and other payables	(658.5)	(711.1)	Total liabilities	(659.2)	(715.6)	Net Assets	142.6	154.6	Shareholders' Equity			Share capital and share premium	72.5	72.5	Retained earnings and other reserves	70.1	82.1	Total Equity	142.6	154.6
	Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m																																																															
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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 low and 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.																																																															
		Greenwood Personal Credit Limited																																																															
B.19/B.1	Legal and commercial name	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.																																																															

Element	Title																																																																						
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.																																																																					
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 GPCL's audited unconsolidated income statement for each of the two years ended 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Revenue</td><td>22.0</td><td>99.8</td></tr> <tr> <td>Costs</td><td>(24.3)</td><td>(92.8)</td></tr> <tr> <td>(Loss) / profit before taxation</td><td>(2.3)</td><td>7.0</td></tr> <tr> <td>Tax credit / (charge)</td><td>0.5</td><td>(1.6)</td></tr> <tr> <td>(Loss) / profit for the year attributable to equity shareholders</td><td>(1.8)</td><td>5.4</td></tr> </table> <p>Balance Sheet</p> <p>The table below sets out summary information extracted from GPCL's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>As at 31 December 2014</th><th>As at 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Fixed Assets</td><td>-</td><td>0.1</td></tr> <tr> <td>Amounts receivable from customers</td><td>-</td><td>94.3</td></tr> <tr> <td>Other assets including trade and other receivables</td><td>4.3</td><td>2.9</td></tr> <tr> <td>Total assets</td><td>4.3</td><td>97.3</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Bank and other borrowings</td><td>-</td><td>(0.1)</td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>-</td><td>(86.1)</td></tr> <tr> <td>Total liabilities</td><td>-</td><td>(86.2)</td></tr> <tr> <td>Net Assets</td><td>4.3</td><td>11.1</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>4.3</td><td>11.1</td></tr> <tr> <td>Total Equity</td><td>4.3</td><td>11.1</td></tr> </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 GPCL since 31 December 2014 and there has been no material adverse change in the prospects of GPCL since 31 December 2014.</p>		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Revenue	22.0	99.8	Costs	(24.3)	(92.8)	(Loss) / profit before taxation	(2.3)	7.0	Tax credit / (charge)	0.5	(1.6)	(Loss) / profit for the year attributable to equity shareholders	(1.8)	5.4		As at 31 December 2014	As at 31 December 2013		£'m	£'m	Assets			Fixed Assets	-	0.1	Amounts receivable from customers	-	94.3	Other assets including trade and other receivables	4.3	2.9	Total assets	4.3	97.3	Liabilities			Bank and other borrowings	-	(0.1)	Other liabilities including trade and other payables	-	(86.1)	Total liabilities	-	(86.2)	Net Assets	4.3	11.1	Shareholders' Equity			Share capital and share premium	-	-	Retained earnings and other reserves	4.3	11.1	Total Equity	4.3	11.1
	Year ended 31 December 2014	Year ended 31 December 2013																																																																					
	£'m	£'m																																																																					
Revenue	22.0	99.8																																																																					
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(Loss) / profit for the year attributable to equity shareholders	(1.8)	5.4																																																																					
	As at 31 December 2014	As at 31 December 2013																																																																					
	£'m	£'m																																																																					
Assets																																																																							
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B.19/ B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to GPCL which are to a material extent relevant to an evaluation of its solvency.																																																																					
B.19/ B.14	Dependence upon other Group entities	Not Applicable – GPCL is not dependent upon other Group entities.																																																																					
B.19/ B.15	Principal activities	GPCL's principal activity was the provision of unsecured home credit loans and unsecured direct repayment loans to customers on low and moderate incomes in the UK. The activities of GPCL were transferred to PPCL in March 2014 and as such GPCL now undertakes no trading activity.																																																																					
B.19/	Controlling	GPCL is indirectly wholly owned by the Issuer.																																																																					

A4.3.1

Element	Title																																																																			
B.16	shareholders																																																																			
B.19/ B.17	Credit Ratings	Not Applicable - No rating has been assigned to GPCL at its request or with its co-operation in the rating process.																																																																		
		Provident Investments plc																																																																		
B.19/B.1	Legal and commercial name	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.																																																																		
B.19/B.5	Description of the Group	Provident Investments plc is a wholly owned direct subsidiary of the Issuer.																																																																		
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 Provident Investments plc's audited unconsolidated income statement for each of the two years ended 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Revenue</td><td>2.1</td><td>5.7</td></tr> <tr> <td>Costs</td><td>(2.1)</td><td>(5.7)</td></tr> <tr> <td>Profit before taxation</td><td>-</td><td>-</td></tr> <tr> <td>Tax charge</td><td>-</td><td>-</td></tr> <tr> <td>Profit for the year attributable to equity shareholders</td><td>-</td><td>-</td></tr> </table> <p><i>Balance Sheet</i></p> <p>The table below sets out summary information extracted from Provident Investments plc's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>As at 31 December 2014</th><th>As at 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Derivative financial instruments</td><td>-</td><td>5.3</td></tr> <tr> <td>Other assets including trade and other receivables</td><td>0.4</td><td>76.1</td></tr> <tr> <td>Total assets</td><td>0.4</td><td>81.4</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Bank and other borrowings</td><td>-</td><td>(43.4)</td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>-</td><td>(37.5)</td></tr> <tr> <td>Total liabilities</td><td>-</td><td>(80.9)</td></tr> <tr> <td>Net Assets</td><td>0.4</td><td>0.5</td></tr> <tr> <td>Shareholders' Equity</td><td></td><td></td></tr> <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>0.3</td><td>0.4</td></tr> <tr> <td>Total Equity</td><td>0.4</td><td>0.5</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 2014 and there has been no material adverse change in the prospects of Provident Investments</p>		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Revenue	2.1	5.7	Costs	(2.1)	(5.7)	Profit before taxation	-	-	Tax charge	-	-	Profit for the year attributable to equity shareholders	-	-		As at 31 December 2014	As at 31 December 2013		£'m	£'m	Assets			Derivative financial instruments	-	5.3	Other assets including trade and other receivables	0.4	76.1	Total assets	0.4	81.4	Liabilities			Bank and other borrowings	-	(43.4)	Other liabilities including trade and other payables	-	(37.5)	Total liabilities	-	(80.9)	Net Assets	0.4	0.5	Shareholders' Equity			Share capital and share premium	0.1	0.1	Retained earnings and other reserves	0.3	0.4	Total Equity	0.4	0.5
	Year ended 31 December 2014	Year ended 31 December 2013																																																																		
	£'m	£'m																																																																		
Revenue	2.1	5.7																																																																		
Costs	(2.1)	(5.7)																																																																		
Profit before taxation	-	-																																																																		
Tax charge	-	-																																																																		
Profit for the year attributable to equity shareholders	-	-																																																																		
	As at 31 December 2014	As at 31 December 2013																																																																		
	£'m	£'m																																																																		
Assets																																																																				
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A4.3.1

Element	Title																																																	
		plc since 31 December 2014.																																																
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.																																																
		Duncton Group Limited																																																
B.19/B.1	Legal and commercial name	Duncton Group Limited.																																																
B.19/B.2	Domicile/legal form/legislation/country of incorporation	Duncton Group Limited is a private company which was incorporated as a private limited company 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 Duncton Group Limited's prospects for its current financial year.																																																
B.19/B.5	Description of the Group	Duncton Group Limited is a wholly owned direct subsidiary of the Issuer.																																																
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 Duncton Group Limited's audited unconsolidated income statement for each of the two years ended 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Revenue</td><td>0.5</td><td>0.4</td></tr> <tr> <td>Costs</td><td>-</td><td>-</td></tr> <tr> <td>Profits before taxation</td><td>0.5</td><td>0.4</td></tr> <tr> <td>Tax charge</td><td>-</td><td>-</td></tr> <tr> <td>Profit for the year attributable to equity shareholders</td><td>0.5</td><td>0.4</td></tr> </table> <p>Balance Sheet</p> <p>The table below sets out summary information extracted from Duncton Group Limited's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Investment in subsidiaries</td><td>10.0</td><td>10.0</td></tr> <tr> <td>Other assets including trade and other receivables</td><td>1.1</td><td>1.1</td></tr> <tr> <td>Total assets</td><td>11.1</td><td>11.1</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>(0.1)</td><td>(0.1)</td></tr> <tr> <td>Total liabilities</td><td>(0.1)</td><td>(0.1)</td></tr> </table>		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Revenue	0.5	0.4	Costs	-	-	Profits before taxation	0.5	0.4	Tax charge	-	-	Profit for the year attributable to equity shareholders	0.5	0.4		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Assets			Investment in subsidiaries	10.0	10.0	Other assets including trade and other receivables	1.1	1.1	Total assets	11.1	11.1	Liabilities			Other liabilities including trade and other payables	(0.1)	(0.1)	Total liabilities	(0.1)	(0.1)
	Year ended 31 December 2014	Year ended 31 December 2013																																																
	£'m	£'m																																																
Revenue	0.5	0.4																																																
Costs	-	-																																																
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Total assets	11.1	11.1																																																
Liabilities																																																		
Other liabilities including trade and other payables	(0.1)	(0.1)																																																
Total liabilities	(0.1)	(0.1)																																																

A4.3.1

Element	Title																						
		Net Assets 11.0 11.0 Shareholders' Equity Share capital and share premium 11.0 11.0 Total Equity 11.0 11.0 <i>Statements of no significant or material adverse change</i> There has been no significant change in the financial or trading position of Duncton Group Limited since 31 December 2014 and there has been no material adverse change in the prospects of Duncton Group Limited since 31 December 2014.																					
B.19/ B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to Duncton Group Limited which are to a material extent relevant to an evaluation of its solvency.																					
B.19/ B.14	Dependence upon other Group entities	Not applicable – Duncton Group Limited is not dependent on other Group entities.																					
B.19/ B.15	Principal activities	The principal activity of Duncton Group Limited is as an intermediate holding company for the Group's investment in Moneybarn Group Limited, Moneybarn No.1 Limited and Moneybarn plc.																					
B.19/ B.16	Controlling shareholders	Duncton Group Limited is a wholly owned direct subsidiary of the Issuer.																					
B.19/ B.17	Credit Ratings	Not Applicable - No rating has been assigned to Duncton Group Limited at its request or with its co-operation in the rating process.																					
		Moneybarn Group Limited																					
B.19/B.1	Legal and commercial name	Moneybarn Group Limited.																					
B.19/B.2	Domicile/legal form/legislation/country of incorporation	Moneybarn Group Limited was incorporated as a private limited company 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 Moneybarn Group Limited's prospects for its current financial year.																					
B.19/B.5	Description of the Group	Moneybarn Group Limited is a wholly owned indirect subsidiary of the Issuer. Its direct parent organisation is Duncton Group 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:	Income Statement The table below sets out summary information extracted from Moneybarn Group Limited's audited unconsolidated income statement for each of the two years ended 31 December 2013 and 31 December 2014: <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013</th></tr> <tr> <th></th><th>£'m</th><th>£'m</th></tr> <tr> <td>Revenue</td><td>0.5</td><td>0.5</td></tr> <tr> <td>Costs</td><td>-</td><td>-</td></tr> <tr> <td>Profit before taxation</td><td>0.5</td><td>0.5</td></tr> <tr> <td>Tax charge</td><td>-</td><td>-</td></tr> <tr> <td>Profit for the year attributable to equity shareholders</td><td>0.5</td><td>0.5</td></tr> </table> Balance Sheet The table below sets out summary information extracted from Moneybarn Group Limited's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014:		Year ended 31 December 2014	Year ended 31 December 2013		£'m	£'m	Revenue	0.5	0.5	Costs	-	-	Profit before taxation	0.5	0.5	Tax charge	-	-	Profit for the year attributable to equity shareholders	0.5	0.5
	Year ended 31 December 2014	Year ended 31 December 2013																					
	£'m	£'m																					
Revenue	0.5	0.5																					
Costs	-	-																					
Profit before taxation	0.5	0.5																					
Tax charge	-	-																					
Profit for the year attributable to equity shareholders	0.5	0.5																					

A4.3.1

Element	Title																																		
		<table> <tr> <th></th><th>Year ended 31 December 2014 £'m</th><th>Year ended 31 December 2013 £'m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Other assets including trade and other receivables</td><td>3.9</td><td>4.0</td></tr> <tr> <td>Total assets</td><td>3.9</td><td>4.0</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>(2.7)</td><td>(2.8)</td></tr> <tr> <td>Total liabilities</td><td>(2.7)</td><td>(2.8)</td></tr> <tr> <td>Net Assets</td><td>1.2</td><td>1.2</td></tr> <tr> <td>Shareholders' Equity</td><td></td><td></td></tr> <tr> <td>Share capital and share premium</td><td>1.2</td><td>1.2</td></tr> <tr> <td>Total Equity</td><td>1.2</td><td>1.2</td></tr> </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 Moneybarn Group Limited since 31 December 2014 and there has been no material adverse change in the prospects of Moneybarn Group Limited since 31 December 2014.</p>		Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m	Assets			Other assets including trade and other receivables	3.9	4.0	Total assets	3.9	4.0	Liabilities			Other liabilities including trade and other payables	(2.7)	(2.8)	Total liabilities	(2.7)	(2.8)	Net Assets	1.2	1.2	Shareholders' Equity			Share capital and share premium	1.2	1.2	Total Equity	1.2	1.2
	Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m																																	
Assets																																			
Other assets including trade and other receivables	3.9	4.0																																	
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Liabilities																																			
Other liabilities including trade and other payables	(2.7)	(2.8)																																	
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Net Assets	1.2	1.2																																	
Shareholders' Equity																																			
Share capital and share premium	1.2	1.2																																	
Total Equity	1.2	1.2																																	
B.19/ B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to Moneybarn Group Limited which are to a material extent relevant to an evaluation of its solvency.																																	
B.19/ B.14	Dependence upon other Group entities	Not applicable – Moneybarn Group Limited is not dependent on other Group entities.																																	
B.19/ B.15	Principal activities	The principal activity of Moneybarn Group Limited is as an intermediate holding company for the Group's investment in Moneybarn No.1 Limited and Moneybarn plc.																																	
B.19/ B.16	Controlling shareholders	Moneybarn Group Limited is indirectly owned by the Issuer.																																	
B.19/ B.17	Credit Ratings	Not Applicable - No rating has been assigned to Moneybarn Group Limited at its request or with its co-operation in the rating process.																																	
		Moneybarn No.1 Limited																																	
B.19/B.1	Legal and commercial name	Moneybarn No.1 Limited.																																	
B.19/B.2	Domicile/legal form/legislation/country of incorporation	Moneybarn No.1 Limited was incorporated as a private limited company 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 Moneybarn No.1 Limited's prospects for its current financial year.																																	
B.19/B.5	Description of the Group	Moneybarn No.1 Limited is a wholly owned indirect subsidiary of the Issuer. Its direct parent organisation is Moneybarn Group 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>Income Statement</p> <p>The table below sets out summary information extracted from Moneybarn No.1 Limited's audited unconsolidated income statement for each of the two years ended 31 December 2013 and 31 December 2014:</p> <table> <tr> <th></th><th>Year ended 31 December 2014 £'m</th><th>Year ended 31 December 2013 £'m</th></tr> <tr> <td>Revenue</td><td>34.2</td><td>26.3</td></tr> <tr> <td>Cost</td><td>(35.7)</td><td>(25.6)</td></tr> </table>		Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m	Revenue	34.2	26.3	Cost	(35.7)	(25.6)																								
	Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m																																	
Revenue	34.2	26.3																																	
Cost	(35.7)	(25.6)																																	

A4.3.1

Element	Title																																								
		(Loss) / profit before taxation (1.5) 0.7 Tax credit/(charge) 0.7 (0.6) (Loss) / profit for the year attributable to equity shareholders (0.8) 0.1 Balance Sheet The table below sets out summary information extracted from Moneybarn Group No.1 Limited's audited unconsolidated balance sheet as at 31 December 2013 and 31 December 2014: <table> <tr> <td></td><td>Year ended 31 December 2014 £'m</td><td>Year ended 31 December 2013 £'m</td></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Fixed Assets</td><td>0.1</td><td>0.5</td></tr> <tr> <td>Amounts receivable from customers</td><td>156.5</td><td>122.4</td></tr> <tr> <td>Other assets including trade and other receivables</td><td>7.2</td><td>9.4</td></tr> <tr> <td>Total Assets</td><td>163.8</td><td>132.3</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Other liabilities including trade and other payables</td><td>(174.8)</td><td>(142.5)</td></tr> <tr> <td>Total liabilities</td><td>(174.8)</td><td>(142.5)</td></tr> <tr> <td>Net Assets</td><td>(11.0)</td><td>(10.2)</td></tr> <tr> <td>Shareholders' equity</td><td></td><td></td></tr> <tr> <td>Retained earnings</td><td>(11.0)</td><td>(10.2)</td></tr> <tr> <td>Total equity</td><td>(11.0)</td><td>(10.2)</td></tr> </table> Statements of no significant or material adverse change There has been no significant change in the financial or trading position of Moneybarn No.1 Limited since 31 December 2014 and there has been no material adverse change in the prospects of Moneybarn No.1 Limited since 31 December 2014.		Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m	Assets			Fixed Assets	0.1	0.5	Amounts receivable from customers	156.5	122.4	Other assets including trade and other receivables	7.2	9.4	Total Assets	163.8	132.3	Liabilities			Other liabilities including trade and other payables	(174.8)	(142.5)	Total liabilities	(174.8)	(142.5)	Net Assets	(11.0)	(10.2)	Shareholders' equity			Retained earnings	(11.0)	(10.2)	Total equity	(11.0)	(10.2)
	Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m																																							
Assets																																									
Fixed Assets	0.1	0.5																																							
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Liabilities																																									
Other liabilities including trade and other payables	(174.8)	(142.5)																																							
Total liabilities	(174.8)	(142.5)																																							
Net Assets	(11.0)	(10.2)																																							
Shareholders' equity																																									
Retained earnings	(11.0)	(10.2)																																							
Total equity	(11.0)	(10.2)																																							
B.19/ B.13	Events impacting the Guarantor's solvency	Not Applicable - There have been no recent events particular to Moneybarn No.1 Limited which are to a material extent relevant to an evaluation of its solvency.																																							
B.19/ B.14	Dependence upon other Group entities	Not applicable – Moneybarn No.1 Limited is not dependent on other Group entities.																																							
B.19/ B.15	Principal activities	The principal activity of Moneybarn No.1 Limited is to provide secured car finance loans to customers on low and moderate incomes in the UK.																																							
B.19/ B.16	Controlling shareholders	Moneybarn No.1 Limited is indirectly owned by the Issuer.																																							
B.19/ B.17	Credit Ratings	Not Applicable - No rating has been assigned to Moneybarn No.1 Limited at its request or with its co-operation in the rating process.																																							

Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes. Issue specific summary: The Notes are [£/€/U.S.\$/●] [● per cent./Floating Rate/Zero Coupon/] Notes due ●. International Securities Identification Number (ISIN): ● Common Code: ● [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, which is expected to occur on or about ●]
C.2	Currency	Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any

Element	Title	
		<p>currency agreed between the Issuer and the relevant Dealer at the time of issue.</p> <p>Issue specific summary:</p> <p>The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S.\$)/●].</p>
C.5	Restrictions on transferability	<p>Not Applicable – there are no restrictions on the free transferability of the Notes. However, the primary offering of any Notes will be subject to offer restrictions in the United States, the European Economic Area (including the United Kingdom), Japan, Jersey, Guernsey, and the Isle of Man and to any applicable offer restrictions in any other jurisdiction in which such Notes are offered or sold.</p>
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>Status (Ranking)</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>Taxation</p> <p>All payments in respect of Notes will be made without withholding or 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 in all cases to, <i>inter alia</i>, 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, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.</p> <p>Negative pledge</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>Events of default</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>Meetings</p>

Element	Title	
		<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 did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law</p> <p>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>Issue specific summary:</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>Issue specific summary:</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 Prudential 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.
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 (ORB) 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 listed on the London Stock Exchange and admitted to trading on the regulated market [through the order book for retail bonds] of the London Stock Exchange.]</p>

A5.6.1(i)

Section D – Risks

Element	Title	
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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 are 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>The business of the Issuer and its subsidiaries (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.</p> <p>Macro-economic conditions: The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions. As a lending business operating predominantly in the UK and the Republic of Ireland, the Group's customers could be affected by a deterioration in the general macro or sector-specific economic conditions in the UK or the Republic of Ireland and hence this could impact on the Group's earnings, profitability, credit rating, borrowing costs and ability to fund itself.</p> <p>Credit risk: The Group may suffer unexpected losses in the event of customer defaults as a result of a customer failing to honour repayments as they fall due. Factors that affect customers' ability to make loan repayments, such as rising unemployment and under-employment, increases in interest rates, inflationary pressures on household bills and austerity measures, could lead to higher defaults and higher impairment charges. In addition, as a secured car finance provider, Moneybarn's results could be impacted if there is a deterioration in the price of used cars.</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 applicable to the markets within which the Group operates or the businesses fail to obtain full authorisation from the Financial Conduct Authority (the FCA). The Group's operations are subject to various forms of regulation and guidance originating from Europe, the UK and the Republic of Ireland. Consumer credit regulation was transferred from the Office of Fair Trading to the FCA on 1 April 2014. CCD and Moneybarn have obtained interim permissions under the new regime and will submit their application for full authorisation during 2015. Furthermore, the regulations and guidance are subject to potential modifications on an ongoing basis.</p> <p>Regulatory prudential risk: The Group is subject to capital and liquidity adequacy requirements imposed by the Prudential Regulation Authority (the PRA) under CRD IV. The Group may be unable to meet CRD IV requirements that the PRA has yet to fully finalise. The Group's ability to do business could be constrained if it fails to maintain sufficient levels of capital or liquidity.</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 lending and collections activities.</p> <p>Business risk: Changes to the competitive landscape or other factors affecting the Group's ability to execute its strategy could result in a deterioration in the Group's performance.</p> <p>Liquidity risk: Whilst the Group maintains headroom on its committed debt facilities and has access to retail deposit funding through Vanquis Bank, there remains a risk that the Group may have insufficient liquid resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.</p> <p>Operational risk: The Group could be adversely affected by loss from inadequate or failed internal processes and systems. Such an event could arise due to a failure in its IT systems, a health and safety event affecting its employees or agents, a fraud or a failure to recruit or retain management.</p>
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"> • 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 to achieve a similar effective return; • 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/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 in which case the interest paid under Fixed Rate Notes

Element	Title	
		<p>could be less than the then applicable market interest rate;</p> <ul style="list-style-type: none"> 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; investors who hold less than the minimum specific denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued; Notes may have no established trading market when issued, and one may never develop, or may be illiquid. In such cases, 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 Crest Depository Interests (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 holders of CDIs except indirectly through the intermediary depositories 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 of Notes with a denomination of less than €100,000 (or its equivalent in other currencies), there is a particular identified use of proceeds, this will be stated below.</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 between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements.</p> <p>Issue specific summary: [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] [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>Offer Price: [Issue Price/Not applicable/ []]</p> <p>Conditions to which the offer is subject: [Not applicable/ []]</p> <p>Description of the application process: [Not applicable/ []]</p> <p>Details of the minimum and/or maximum amount of application: [Not applicable/ []]</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/ []]</p> <p>Details of the method and time limits for paying up and delivering the Notes: [Not applicable/ []]</p>

Element	Title	
		<p><i>Manner in and date on which results of the offer are to be made public:</i> [Not applicable/ []]</p> <p><i>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</i> [Not applicable/ []]</p> <p><i>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</i> [Not applicable/ []]</p> <p><i>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</i> [Not applicable/ []]</p> <p><i>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</i> The Authorised Offerors are identified above.</p> <p><i>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.</i> [● 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><i>Issue specific summary:</i> [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:	<p>The Issuer will not charge any expenses to investors purchasing from Authorised Offerors (as defined above) in connection with any issue of Notes under the Programme. Authorised Offerors may, however, charge expenses to such investors. Such expenses (if any) and their terms will be determined by agreement between the relevant Authorised Offeror and the investors at the time of each issue of Notes.</p>

RISK FACTORS

A13.2 (A)
A5.2.1 (A)
A4.4

The following is a description of the principal risks and uncertainties which may affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes.

Before applying for any Notes, you should consider whether the relevant Notes are a suitable investment for you. There are risks associated with an investment in the Notes, many of which are outside the control of the Issuer. These risks include those in this section.

RISK FACTORS

*Each of Provident Financial plc (the **Issuer**), Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (each a **Guarantor** and together the **Guarantors**) believe that the following factors may affect its ability to fulfil its obligations under notes (the **Notes**) issued under this £2,000,000,000 Euro Medium Term Note Programme (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, Vanquis Bank Limited (**Vanquis Bank**) and other subsidiaries which together form the group (the **Group**).

The Group operates through three principal trading divisions: Vanquis Bank, the Consumer Credit Division (**CCD**) and Moneybarn. The principal subsidiaries within CCD are Provident Financial Management Services Limited and Provident Personal Credit Limited, both of which are Guarantors of the Notes. Moneybarn comprises Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited, which are Guarantors of the Notes, together with Moneybarn plc, which is not a Material Subsidiary (as defined in Condition 9 of Appendix A (*Terms and Conditions of the Notes*)) of the Issuer (together, **Moneybarn**). Provident Investments plc and Greenwood Personal Credit Limited are also Guarantors, but do not contribute to the Group's operating revenue.

Given its regulated status, Vanquis Bank is not permitted by the Prudential Regulation Authority (the **PRA**) to be a Guarantor. Vanquis Bank accounted for 63 per cent. of the profits before tax of the Group in the year ended 31 December 2014 and, in addition to its 100 per cent. shareholding in Vanquis Bank, the Issuer has a committed facility to Vanquis Bank of £430 million, of which £342 million was drawn at 31 December 2014. Certain of the risk factors below address the risks for Vanquis Bank, given that any impact to Vanquis Bank could impact the ability of the Issuer to recover amounts under this committed facility or any other exposures the Issuer may have to Vanquis Bank from time to time.

The Guarantors under the Notes, being Provident Personal Credit Limited, Provident Financial Management Services Limited, Duncton Group Limited, Moneybarn Group Limited, Moneybarn No. 1 Limited, Greenwood Personal Credit Limited and Provident Investments plc, are the same Guarantors as currently under the Group's core £382.5 million syndicated bank facility.

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 macro and sector-specific economic conditions in the UK and the Republic of Ireland. As a lending business operating predominantly in the UK with a smaller operation in the Republic of Ireland, the Group's customers could be affected by a deterioration in the general macro or sector-specific economic conditions in the UK or the Republic of Ireland and hence this could impact on the Group's profitability, credit rating, borrowing costs and ability to fund itself.

Changes to the general macro or sector-specific economic environment in the UK and Ireland could arise due to a slowing of gross domestic product (GDP) growth, increased austerity, increases in the bank base rate, changes in the level of unemployment or changes due to inflationary pressures on consumer prices.

In addition, the performance of the Group may be affected by economic conditions impacting other economies, such as 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 and/or have a negative impact on the Group's earnings and financial condition.

The exact nature of the risks faced by the Group is difficult to predict and guard against. As a result, 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 therefore the Issuer depends upon receipt of funds, via dividend or interest payments from its operating subsidiaries, to fund payments of principal and interest on the Notes.

Noteholders will have a direct claim against the Issuer based on the Notes or, as applicable, the Guarantors based on the Guarantee but will not have a direct claim against the assets of the Issuer's other operating subsidiaries which are not themselves Guarantors, for example Vanquis Bank. The assets of such subsidiaries will in the first instance be used to pay their creditors. In the example of Vanquis Bank, the assets and the cash within Vanquis Bank would be used to repay retail depositors and other senior creditors within Vanquis Bank in the first instance.

As a result, 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. Structural subordination in this context means that, in the event of a winding up or insolvency of an operating subsidiary of the Issuer, any creditors of such subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Issuer (including Noteholders). For more information see Section 3 (*Information About the Programme – “What will Noteholders receive in a winding up of the Issuer and the Guarantors?”*).

Credit risk

As a lending business, the Group's revenues are generated from loan repayments from customers. Credit risk is the risk that the Group will suffer unexpected losses in the event of customer defaults. 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.

(i) Vanquis Bank

Vanquis Bank customers are typically in full-time employment on low to moderate incomes with a limited or poor credit history. Rising unemployment, an increase in interest rates, inflationary pressures on household bills or a deterioration in the UK economy could adversely affect customers' ability to repay amounts due and lead to higher than expected default rates and hence higher impairment charges.

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 lines granted to new customers are low, often as low as £250, and are 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. Vanquis Bank continues to apply consistently tight credit standards on both new accounts and credit line increases.

Arrears management is a proactive process involving a combination of central letters, inbound and outbound telephony and outsourced debt collection agency activities. Customer interface from the contact centres in Chatham in Kent and Bradford in Yorkshire 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 Vanquis Bank's operating results, financial condition and prospects. Given the Issuer has a committed facility to Vanquis Bank of £430 million, of which £342 million was drawn at 31 December 2014, customer defaults in Vanquis Bank could impact the ability of the Issuer to recover amounts under this facility, or any other exposures the Issuer may have to Vanquis Bank from time to time, which may impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

(ii) CCD

CCD customers are typically on low incomes in part-time, casual or temporary employment. Any adverse changes in the levels of under-employment, inflationary pressures from household bills and austerity measures could affect the affordability of loans for its customers. Under-employment remains high and increases in food and housing costs have put additional pressure on household incomes, particularly those of CCD customers. Any worsening of the current trends could lead to increased customer defaults and hence increased impairment charges and a reduction in the level of credit issued.

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 with a full affordability assessment which underpins a decision to issue credit.

Loans within the home credit business (**Home Credit**) are short-term, typically for a contractual period of up to 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 Home Credit is a combination of letters, telephony, and field activity. 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.

Satsuma Loans, CCD's online instalment loans product which was launched in November 2013, uses the knowledge from the Home Credit business, a bespoke scorecard and the Vanquis Bank underwriting and collections techniques such as the initial welcome call. Close customer contact is maintained through a dedicated customer care team and ongoing contact through e-mail, SMS and telephone. Loans provided by Satsuma Loans are short term, for a contractual period of either 13, 26 or 39 weeks. The maximum loan size is £1,000 for new customers and £2,000 for existing customers, subject to individual affordability checks.

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 Issuer and Guarantors to make payments in respect of the Notes.

(iii) Moneybarn

Moneybarn customers are typically in full-time employment on low to moderate incomes with a limited or poor credit history. Rising unemployment, an increase in interest rates, inflationary pressures on household bills or a deterioration in the UK economy could adversely affect customers' ability to repay amounts due and lead to higher than expected default rates and hence higher impairment charges.

In addition, loans are secured on used cars and therefore, any deterioration in the value of used cars could lead to higher loss rates when customers default. The value of used cars in the UK could deteriorate due to worsening economic conditions or changes in the price of new vehicles in the UK.

Credit risk management for Moneybarn is the responsibility of the Risk, Pricing and Product Committee, which is responsible for approving product criteria and pricing. All changes to lending policy must be approved by the committee, which meets once a month.

Loans secured on motor vehicles within the Moneybarn business are medium-term, typically for a contractual period averaging between 4 and 5 years, with an average issue value of around £9,000. The Moneybarn business currently issues loans under conditional sale agreements, historically having issued loans under hire purchase and lease purchase agreements (the majority of which are no longer live). Whilst customers can apply for a loan directly through Moneybarn, the vast majority of lending is conducted through an established broker network.

Once loans are issued, the business is conducted remotely with loan repayments being made by monthly direct debit. Arrears management within Moneybarn is a combination of letters and telephony activity. This will often involve discussions with the customer to assess the reasons for non-payment and to try to agree a resolution. In the event of non-payment, Moneybarn will ultimately seek to recover and sell the motor vehicle to reduce any amounts owed by the customer.

Despite the credit risk management measures taken by Moneybarn, customer defaults and the amounts recovered from the sale of any recovered vehicles may have a material adverse impact on the Moneybarn's

operating results, financial condition and prospects and may impact the ability of the Issuer and Guarantors to make payments in respect of the Notes.

(iv) 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 rate risk. In relation to such transactions there is a risk to members of the Group that such counterparties could fail and default in relation to their obligations under these transactions to the detriment of the Group.

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 PRA.

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 any bank counterparty fail in the future and this 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 regulatory changes in the markets within which the Group operates. The Group's operations are subject to various forms of regulation and guidance originating from Europe, the UK and the Republic of Ireland and there is increased focus on regulation particularly for non-standard lenders.

Consumer credit regulation was transferred from the Office of Fair Trading to the Financial Conduct Authority (the **FCA**) on 1 April 2014 in accordance with the provisions of the Financial Services Act 2012 (the **FS Act**). The Group continues to operate in a highly regulated environment which is now even more conduct focused. The FCA has wide ranging powers to render credit agreements unenforceable where contracts are made in contravention of its rules on cost and duration or in contravention of its product intervention rules and has a range of other enforcement powers including suspension or withdrawal of authorisation, the imposition of fines and the ordering of remediation or other consumer redress. The FS Act also provides for formalised co-operation to exist between the FCA and the Financial Ombudsman Service (which determines complaints by eligible complainants in relation to authorised financial services firms, consumer credit licensees and certain other businesses), particularly where issues identified potentially have wider implications which might involve the FCA requiring firms to operate consumer redress schemes. The FCA has written to firms notifying them of their three-month application window during which each firm must submit their authorisation application, with the first entrants applying for full authorisation from October 2014. CCD and Moneybarn have obtained interim permissions under the new regime and will submit their respective applications between 1 March 2015 and 31 May 2015. Both businesses continue to have a constructive dialogue with the FCA and have followed a detailed work programme to prepare for full authorisation. Vanquis Bank is already an authorised firm but submitted its application for a variation of permissions in December 2014 and has not yet received a response.

On 2 January 2015 the FCA introduced a cap in respect of high cost short term credit (**HCSTC**) as defined by the FCA Handbook of Rules and Guidance. The cap has been set at 0.8 per cent. per day of the amount borrowed, default fees and default interest not to exceed £15 and a total cost cap of 100 per cent. of the amount borrowed applying all interest, fees and charges. Home Credit is excluded from its scope and as the Satsuma Loan products' pricing falls below the proposed cap, the impact on the Group will be very limited.

On 25 November 2014 the FCA published the terms of reference for its credit card market study, originally announced in April 2014. The market study will enable the FCA to build a detailed understanding of the UK retail credit card market, covering credit card services offered to consumers by banks, mono-line issuers, and their affinity and co-brand partners. The FCA have identified three main areas that they would like to explore as part of the market study: (i) the extent to which consumers drive effective competition through shopping around and switching products; (ii) how firms recover their costs across different cardholder groups and the impact of this on the market; and (iii) the extent of unaffordable credit card debt. Along with many other credit card providers, Vanquis Bank is currently responding to initial information requests from the FCA in its planning stage, and will continue to assist the FCA in its work. The FCA expects that it will take until towards the end of the year to reach their conclusions.

Furthermore the regulations and guidance applicable to the Group 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 and/or regulations could include the extension of rate and/or charges caps, changes to lending in the home, the creation of a more stringent consumer credit statutory regime, changes to rules relating to product design and sales and changes in the status of CCD's self-employed agents.

In order to manage effectively the risk associated with changing regulation and legislation, the Group has a central in-house legal team which, working closely with the CCD, Moneybarn and Vanquis Bank compliance and governance functions, seeks to ensure that the Group's operations are compliant with current legislation and regulations and manages the implementation of future changes to legislation and regulations. Expert third party legal advice is taken where necessary. In addition, both directly and through bodies such as The Consumer Credit Association, the UK Cards Association and the British Bankers' 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 (whether related to the above-mentioned forms of regulation or not), or should the above-mentioned regulations be extended or enhanced, in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes. The impact of any such event could result in customer redress in relation to previous lending and changes in sales and other processes or product design going forward.

The Group also faces both financial and reputational risk where legal or regulatory proceedings are brought against it or members of its industry generally in the English courts or elsewhere, or where complaints are made against it or members of its industry generally to the Financial Ombudsman Service or another relevant body. This could also have a material adverse impact on the Group's business and financial condition, which in turn could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Prudential Regulatory Risk

The Group is subject to capital adequacy requirements imposed by the PRA since Vanquis Bank is regulated by the PRA and accepts retail deposits. Vanquis Bank is also subject to capital and liquidity adequacy requirements imposed by the PRA on a solo entity basis.

The Group and Vanquis Bank 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 Boards of the Group and Vanquis Bank and is considered by the PRA in setting the Group's regulatory capital requirement (called Individual Capital Guidance (**ICG**)).

The capital adequacy assessment is required to comply with the relevant guidance, including the regulation and associated directive (together **CRD IV**) (or, as the reforms which it implements are also known, **Basel III**) that

was adopted by the European Council in June 2013 and is being implemented from January 2014 until fully effective in 2024. In addition, the PRA issues various policy statements and guidance that the Group must adhere to.

There are still some areas of the PRA's intended approach to the implementation of CRD IV that have yet to be finalised and the prudential regulatory requirements continue to evolve, for example, the recent consultation by the PRA on "Assessing capital adequacy under pillar 2". In addition, accounting changes, such as the implementation of the expected credit loss provisions of "IFRS 9 Financial Instruments", could impact the level of regulatory capital held by the Group. As such, the Group may be unable to meet the regulatory requirements in the future.

The Group's ability to do business could be constrained if it fails to maintain sufficient levels of capital. Further, if the Group fails to meet its minimum regulatory capital requirements, this may result in administrative actions or sanctions against it. Effective management of the Group's capital is critical to its ability to operate and grow its business and to pursue its strategy. Any change that limits the Group's ability to effectively manage its balance sheet and capital resources (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk-weighted assets (which are pro-cyclical resulting in risk weighting increasing in economic downturns albeit that the countercyclical buffer may offset such increases), delays in the disposal of certain assets or the inability to raise finance through wholesale markets as a result of market conditions or otherwise) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects. This, in turn, could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

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 lending and collections activities.

Reputational risk is managed by the Group in a number of ways. Specialist in-house teams, external advisors and established procedures are in place 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.

Further, 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.

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

Recently there has been limited active competition for Vanquis Bank in the non-standard credit card market, which has presented favourable market conditions for Vanquis Bank and has enabled the business to grow customer numbers in recent years. It is possible that there may be an emergence of competition that could lead to current and prospective Vanquis Bank customers having access to credit cards with lower rates and higher credit limits from competitors. This could affect Vanquis Bank's financial performance, which, given the

Issuer's committed facility to Vanquis Bank, could impact the ability of the Issuer to recover amounts under this committed facility, which may impact the ability of the Issuer to make payments in respect of the Notes.

The competitive landscape for the Home Credit business remained largely unchanged in 2014 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 2014, disposable incomes remain under pressure from food, fuel and housing cost increases in 2013 and early 2014. As a result, the Home Credit business is being repositioned as a higher-quality modern and more profitable business focused on its customers and its returns and, as a result, customer numbers and receivables have reduced during 2014.

The used car finance market has shown strong growth over recent years following dramatic falls in supply after the credit crunch as large specialists failed and mainstream lenders left the market. Moneybarn was acquired by the Group in August 2014 and through access to the Group's funding expects to be able to continue to grow strongly. However, there is a risk of new specialist entrants and re-entry by mainstream car finance companies. Used car finance is also subject to uncertainty due to its reliance on intermediaries and interconnection with new car sales, used car sales and unsecured finance markets. Future volumes of demand, competitive pressures, broker commission levels and prices of cars could affect the performance of Moneybarn and impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

Group Strategy

The Group has developed a clear strategy to grow the business by focusing on being the leading lender to the approximately 12 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.
- Home Credit loans are short term in nature and agents visit customers in their homes and are therefore able to stay up to date with customer circumstances.
- Vanquis Bank operates a "low and grow" approach to lending with low maximum balances and high utilisation compared with the credit card market generally, reducing unexpected losses.
- Moneybarn secures its loans on the vehicle financed and is therefore able to repossess and sell the asset in order to offset amounts due.
- Satsuma Loans uses the knowledge of the Home Credit business, a bespoke scorecard and the close customer contact practices which are effectively deployed by Vanquis Bank in order to effectively manage its customers remotely.

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, such as changes to the competitive landscape, arise in the future. This could 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 experienced teams within Vanquis Bank, CCD and Moneybarn 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. Any failure of the IT systems could impact the ability of the Group's businesses to continue operations and result in loss.

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 on third party IT applications and systems providers and the Home Credit business is being repositioned as a higher quality, customer centric, modern and more profitable business relying more heavily on the development and effective roll-out of technology in relation to the lending and collection activities of its agents and in relation to its online loan product, Satsuma Loans. The Group has established disaster recovery procedures which are designed to allow the Group to continue trading in the event of a disaster. These procedures are tested on a regular basis. Specialist project teams are used to manage change programmes and well established change control and testing processes are established for new business development.

- ***Health and safety*** — The health and safety of employees is a key concern for the Group. Any failure by the Group in this regard could lead to loss, for example as a result of fines or compensation payments.

The Group also has a duty of care to the agents it engages. As a result, significant time and expenditure is invested ensuring that staff are safety conscious. In addition, an annual independent audit of health and safety policies and procedures is carried out by the Group's insurers. 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 and could suffer loss as a result of any fraud. The Group has 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 in place and effective staff communication throughout the business. Any failure to recruit and retain highly skilled management and staff could lead to the non-delivery of the Group's strategy and affect the financial performance of the Group.

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, which could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes. Any adverse impact to Vanquis Bank could also impact the ability of the Issuer to recover amounts under its committed facility to Vanquis Bank.

Tax risk

Tax risk is the risk that the Group suffers a loss as a result of unexpected tax liabilities.

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. Policies and procedures are in place which support the management of key risks, along with documented systems, processes and controls.

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 unexpected tax liabilities 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.

The Group is less exposed than mainstream lenders to liquidity risk as the loans issued by Home Credit 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 2014, the Group's committed borrowing facilities had a weighted average maturity of 3.1 years and the headroom on these facilities amounted to £112 million.

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 Issuer's 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 53 per cent. of the value of its receivables book through retail deposits as detailed below. 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 borrowing facilities and further access to retail deposit funding through Vanquis Bank.

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 has the potential in the future to fund 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 PRA'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 2014, the liquid asset buffer, including other liquid resources required to cover the firm's stress tests undertaken as part of Vanquis Bank's Individual Liquidity Adequacy Assessment, was £121.4 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 could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes. Any adverse impact to Vanquis Bank could impact the ability of the Issuer to recover amounts under its committed facility to Vanquis Bank.

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 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 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.

The Group's interest cost is a relatively small part of the Group's cost base, representing only 9 per cent. of total costs in the 12 months ended 31 December 2014.

In addition, the receivables of the Group can be re-priced over a short period of time. Vanquis Bank is able to re-price balances, subject to certain notice periods and the receivables within Home Credit and Moneybarn at 31 December 2014 had an average period to maturity of 6 months and 32 months respectively.

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, which could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes. Any adverse impact to Vanquis Bank could impact the ability of the Issuer to recover amounts under its committed facility to Vanquis Bank.

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 foreign exchange rate risk management policy which forms part of the Group's treasury policies.

The Group's exposures to foreign exchange rate risk arise from the Home Credit operations in the Republic of Ireland and the Vanquis Bank operations in Poland, which are hedged by matching euro/zloty denominated net assets with euro/zloty denominated borrowings or forward contracts 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 rate risks arise in the future, which could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes. Any adverse impact to Vanquis Bank could impact the ability of the Issuer to recover amounts under its committed facility to Vanquis Bank.

Concentration risk

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

As a result of its clear non-standard specialist lending strategy, 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, the Vanquis Bank credit card and secured car loans through Moneybarn.

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 risk from operating predominantly in the UK and the Republic of Ireland and within one segment, being the non-standard consumer credit market, arise in the future which would impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

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 660 current staff, 3,600 former employees and 2,400 pensioners (the **Scheme**). 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 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 group personal 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 group personal 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 was revised in January 2015, when the trustees and the Issuer agreed to de-risk the Scheme and switch to a revised investment allocation comprising 20 per cent. growth assets, 20 per cent. bonds and 60 per cent. matching assets, utilising leveraged gilts to increase the extent of the liability matching of the Scheme's liabilities to as close to 100 per cent. as practical. This strategy further reduces the risk of mismatch between the movement of the liabilities of the Scheme and the investment returns of the Scheme's assets.

As at 31 December 2014, the Group had a pension asset, calculated in accordance with IAS 19 'Employee benefits', of £56.0 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 Scheme was as at 1 June 2012. The Group undertakes a full actuarial valuation of the Scheme every three 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.

The Financial Services Compensation Scheme (FSCS) imposes significant levies on financial institutions in the UK, which may increase in future periods.

The regulatory response in the UK to the financial crisis of 2008 included the imposition of levies by the FSCS. The FSCS pays compensation to eligible customers of authorised financial services firms which are unable, or are likely to be unable, to pay claims against them. The amount paid by Vanquis Bank in respect of the year ended 31 March 2014 was £7,000. 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. Any such levies may be in significant amounts that may have a material impact on the Group. For example, in March 2012, the FSCS and HM Treasury agreed the refinancing of £20.4 billion in loans made to the FSCS by HM Treasury to fund the compensation payments made by the FSCS to customers whose savings were put at risk by bank failures in 2008 and 2009. As a result, the FSCS was required to pay a significantly increased amount of interest which it is recovering through additional levies on the financial services industry. For 2014/2015, the FSCS announced that the additional levy for the costs relating to those bank failures was £845 million.

In common with other financial institutions which are subject to the FSCS, the Group also has a potential exposure to future levies resulting from the failure of other financial institutions and consequential claims which arise against the FSCS as a result of such failure.

Historically, compensation scheme levies similar to the FSCS 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 not be any further claims against the FSCS and concomitant increased FSCS levies payable by the Group. Any such increases in the Group's costs and liabilities related to the levy may have a material adverse effect on its results of operations.

On 12 June 2014 a new EU directive on deposit guarantee schemes (Directive 2014/49/EU) was published in the Official Journal of the European Union. Member States have until 3 July 2015 to implement it into national law. The Directive introduces financing requirements targeting ex ante deposit guarantee scheme funds of 0.8 per cent. of covered deposits to be collected from deposit-taking entities over a ten year period (the UK currently operates an ex post financing scheme where fees are required after a payment to depositors has occurred). In case of insufficient ex ante funds, the deposit guarantee scheme will collect immediate ex post contributions from the banking sector and, as a last resort, it will have access to alternative funding arrangements such as loans from third parties. It is possible, as a result of the new directive, that future FSCS levies on the Group may differ from those at present, and such reforms could result in the Group incurring additional costs and liabilities, which may adversely affect its statutory profitability. This in turn could impact the ability of the Issuer and the Guarantors to make payments in respect of the Notes.

The Banking Act 2009 (the Banking Act) confers 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. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Vanquis Bank or the Issuer could materially affect the value of any Notes.

Under the Banking Act 2009, substantial powers are granted to HM Treasury, the Bank of England, the Financial Conduct Authority and the PRA (together, the **Authorities**) as part of a special resolution regime (the **SRR**). These powers can be exercised, as applicable, by the Authorities in respect of a UK bank (such as Vanquis Bank), building society, UK investment firm or UK recognised counterparty (each a **relevant entity**) in circumstances in which the Authorities consider its failure has become likely and if certain other conditions are satisfied (depending on the relevant power) for example, to protect and enhance the stability of the financial system of the UK. Certain of these powers may also be used in respect of a UK incorporated company which meets certain conditions and is in the same group as the relevant entity (a **UK banking group company**) (such as the Issuer).

The SRR consists of five stabilisation options and two special insolvency procedures (bank administration and bank insolvency) which may be commenced by the HM Treasury, the Bank of England, the PRA or Secretary of State, as the case may be. 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 wholly owned by the Bank of England; and (iii) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England; (iv) writing down certain claims including of unsecured creditors of the relevant entity and/or converting certain unsecured debt claims to equity,

in both cases, such claims including the Notes (the **bail-in option**), which equity could also be subject to any future application of the bail-in option; and (v) temporary public ownership (nationalisation) of all or part of the relevant entity or its UK holding company. In each case, the Authorities have 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 stabilisation powers under the Banking Act to be used effectively.

The following paragraphs set out some of the possible consequences of the exercise of the powers under the SRR.

The SRR may be triggered prior to insolvency of Vanquis Bank

The purpose of the stabilisation 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 relevant stabilisation options may only be exercised if (a) the relevant Authority is satisfied that a relevant entity (such as Vanquis Bank) is failing, or is likely to fail, (b) following consultation with the other Authorities, the relevant Authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will result in the condition referred to in (a) ceasing to be met 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. In relation to a UK banking group company (such as the Issuer), the stabilisation options may be exercised against such UK banking group company if the stabilisation conditions referred to in (a) and (b) above are satisfied in relation to a relevant entity within the same group and the condition referred to in (c) is satisfied in relation to the UK banking group company.

Various actions may be taken in relation to the Notes without the consent of the Noteholders

If the stabilisation options were exercised under the SRR in respect of the Issuer, HM Treasury or the Bank of England may exercise extensive powers including, share transfer powers (applying to a wide range of securities), property transfer powers (including powers for partial transfers of property, rights and liabilities subject to certain protections in respect of the Issuer) and resolution instrument powers (including powers to make special bail-in provisions). Exercise of these powers could involve taking various actions in relation to any securities issued by the Issuer (including Notes) without the consent of the Noteholders, including (among other things):

- transferring Notes notwithstanding any restrictions on transfer and free from any trust, liability or encumbrance;
- delisting Notes;
- writing down the principal amount of Notes and/or converting Notes into another form or class (which may include, for example, conversion of Notes into equity securities);
- modifying or disapplying certain terms of Notes, including disregarding any termination or acceleration rights or events of default under the terms of Notes which would be triggered by the exercise of the powers and certain related events; and/or
- where property is held on trust, removing or altering the terms of such trust.

The taking of any such actions could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. 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.

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 relevant 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.

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, there is a risk that the fixed rate may be lower than then prevailing market rates.

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 brief description of certain 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), Prudential Trustee Company Limited (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 Appendix A (*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 Appendix A (*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 Condition 9 of Appendix A (*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 Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or to certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the **Amending Directive**). Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or paid subject to withholding. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in Austria to the extent that it still operates a withholding system when they are implemented. The end of the transitional period is 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).

If a payment to an individual 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 pursuant to the Directive (as amended from time to time), 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 (as amended from time to time).

U.S. Foreign Account Tax Compliance Act withholding may affect payments on the Notes

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30 per cent. 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. While the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with

any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the Common Depositary or Common Safekeeper for the ICSDs (as bearer of the Notes), and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. 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 Depositary Interests (CDIs)

The rights of holders of CDIs (**CDI Holders**) to the Notes are represented by the relevant entitlements against the CREST Depositary (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 depositaries 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 Depositary. 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 Depositary in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depositary 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 accountholders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see Section 5 "*Clearing and Settlement – CREST Depositary Interests*" in this Offering Circular.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and 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 in excess of the minimum Specified Denomination 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 his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, 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 at or in excess of the minimum Specified Denomination 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 brief description of the principal 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.

INFORMATION ABOUT THE PROGRAMME

This section contains an overview of the Programme.

The full Terms and Conditions of the Notes are contained in Appendix A. It is important that investors read the entirety of this Base Prospectus, including the Terms and Conditions of the Notes, together with any supplement to this Base Prospectus and the applicable Final Terms, before deciding to invest in any Notes issued under the Programme. If investors have any questions, they should seek advice from their financial adviser or other professional adviser before deciding to invest.

INFORMATION ABOUT THE PROGRAMME

		Refer to
What is the Programme?	<p>The Programme is a debt issuance programme under which Provident Financial plc (the Issuer) may, from time to time, issue debt instruments which are referred to in this Offering Circular as the Notes. Notes are also commonly referred to as bonds. The payment of all amounts owing in respect of Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (each a Guarantor and together, the Guarantors).</p> <p>The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by the Issuer to undertake any number of issues of Notes from time to time in the future. These Terms and Conditions are set out in Appendix A.</p>	Appendix A (<i>Terms and Conditions of the Notes</i>)
How are Notes issued under the Programme?	<p>Whenever the Issuer decides to issue Notes, it undertakes what is commonly referred to as a "drawdown". On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents which investors will need to be aware of when deciding whether to invest in Notes issued as part of a drawdown over the 12 month period from the date of this Offering Circular are: (a) any supplement to this Offering Circular and (b) the Final Terms applicable to an issuance of Notes.</p> <p>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 and whose inclusion or removal from this Offering Circular is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantors, and the rights attaching to the Notes, the Issuer will prepare and publish a supplement to this Offering Circular or prepare and publish a new Offering Circular, in each case, for use in connection with such Notes and any subsequent issue of Notes.</p> <p>Each Final Terms is a pricing supplement to this Offering Circular (as supplemented or replaced from time to time) which sets out the specific terms of each issue of Notes under the Programme. Each Final Terms is intended to be read alongside the Terms and Conditions of the Notes set out in Appendix A, and the two together provide the specific terms of the Notes relevant to a specific drawdown.</p> <p>The Final Terms will be delivered to the UK Listing Authority and the London Stock Exchange.</p>	Appendix A (<i>Terms and Conditions of the Notes</i>) and either Appendix C or Appendix D (<i>Form of Final Terms</i>) as applicable

<p>What types of Notes may be issued under the Programme?</p>	<p>The following types of Notes, or a combination of one or more of them, may be issued under the Programme: Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes.</p> <p>Fixed Rate Notes are Notes where the interest rate payable by the Issuer on the Notes is fixed as a set percentage at the time of issue.</p> <p>Floating Rate Notes pay interest that is tied to either (i) a rate of interest determined in accordance with the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc or (ii) a fluctuating interest rate benchmark – under the Programme that benchmark rate will be either the Euro Interbank Offered Rate (EURIBOR) or the London Interbank Offered Rate (LIBOR). In each case the floating rate may also include a fixed percentage margin. The floating interest rate is calculated on or about the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates which are recalculated on or about the start of each new interest period. Interest rates determined in accordance with the 2006 ISDA Definitions reference derivative contracts to determine a rate of interest. Interest rate benchmarks reflect the rate at which banks are willing to lend funds to each other in a particular market (for EURIBOR this is the Euro interbank market and for LIBOR this is the London interbank market).</p> <p>Zero Coupon Notes are Notes which do not carry any interest but are generally issued at a deep discount to their nominal amount. Zero Coupon Notes are repaid at their full amount. Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the nominal amount of the Zero Coupon Notes paid on maturity.</p> <p>Upon maturity, the Notes will pay a fixed redemption amount. The specific details of each Note issued will be specified in the applicable Final Terms.</p>	<p>Appendix A (<i>Terms and Conditions of the Notes</i>) and either Appendix C or Appendix D (<i>Form of Final Terms</i>) as applicable</p>
<p>What will the proceeds be used for?</p>	<p>The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue of Notes with a denomination of less than €100,000 (or its equivalent in other currencies) under the Programme there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.</p>	<p>Appendix C (<i>Form of Final Terms</i>)</p>
<p>How will the price of the Notes be determined?</p>	<p>Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of "pricing" of the Notes in accordance with prevailing market conditions. The issue price for each tranche will be specified in the applicable Final Terms.</p>	<p>Either Appendix C or Appendix D (<i>Form of Final Terms</i>) as applicable</p>
<p>What is the yield on Fixed Rate Notes and Zero</p>	<p>The yield in respect of each issue of Fixed Rate Notes and Zero Coupon Notes will be calculated on the basis of the Issue Price and specified in the applicable Final Terms. Yield is not an indication of future price. The</p>	<p>Either Appendix C or Appendix D (<i>Form of Final</i></p>

Coupon Notes?	Final Terms in respect of any Floating Rate Notes will not include any indication of yield.	Terms) as applicable
What is the interest rate on the Notes?	<p>The Notes issued may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate. The applicable interest rate or its method of calculation may differ from time to time or be constant for any Series of Notes. Notes may have a maximum interest rate, a minimum interest rate, or both. The length of the interest periods for the Notes may also differ from time to time or be constant for any Series of Notes.</p> <p>Further details on how the interest rate will be calculated for the different types of Notes can be found below.</p>	Either Appendix C or Appendix D (Form of Final Terms) as applicable
How is the amount of interest payable on the Notes calculated?	<p>Fixed Rate Notes:</p> <p>A fixed interest rate will be applied to the Notes throughout the life of the Notes.</p> <p>Floating Rate Notes:</p> <p>Interest on Floating Rate Notes will be calculated either:</p> <p>(1) ISDA Determination – on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., plus or minus a fixed margin (specified in the applicable Final Terms); or</p> <p>(2) Screen Rate Determination – by adding or subtracting a fixed margin (specified in the applicable Final Terms) to a variable rate which will be specified in the applicable Final Terms to be either LIBOR or EURIBOR.</p> <p>Zero Coupon Notes:</p> <p>Zero Coupon Notes will not bear interest.</p>	either Appendix C or Appendix D (Form of Final Terms) as applicable
Fixed Rate Note worked example:	<p><i>The hypothetical scenario</i></p> <p>For the purposes of this example, it is assumed that an investor purchases a Fixed Rate Note where the Final Terms specify the following:</p> <ul style="list-style-type: none"> • The Notes are issued on 15 June 2015. • The Interest Commencement Date is 15 June 2015. • The Rate of Interest is 3% per annum • The Notes are issued in Specified Denominations of EUR 1,000. • The Day Count Fraction is ‘30/360’, being 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. 	N/A

	<ul style="list-style-type: none"> • The Interest Payment Date is specified as being 15 June in each year. • The term of the Notes is five years (and thus the Notes specify a "Maturity Date" of 15 June 2020). <p><i>What is the interest amount payable on each Note on each Interest Payment Date?</i></p> <p>The interest amount payable on each Interest Payment Date will be EUR 30.00. This figure is calculated as the rate of interest of 3%, or $0.03 \times$ the Specified Denomination of EUR 1,000 \times the Day Count Fraction of $360/360$ or 1.</p> <p>As the Interest Amount is paid annually and the Notes have a term of 5 years, during the term of the Notes a total amount of interest will be payable of EUR 150.00.</p>	
Worked Example: Floating Rate Notes – ISDA Determination	<p><i>The hypothetical scenario</i></p> <p>For the purposes of this example, it is assumed that an investor purchases a Floating Rate Note where the Final Terms specify the following:</p> <ul style="list-style-type: none"> • The Specified Currency is GBP. • The Calculation Amount is GBP 1,000. • The Notes are issued in Specified Denominations of GBP 1,000. • The Floating Rate Option is GBP-LIBOR-BBA. • The Designated Maturity is 6 months. • Margin is plus 1.50%. • The Maximum Rate of Interest is 6.00% per annum. • The day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days). • The actual number of calendar days in the interest period is 181. <p>(i) if the floating rate for the notional swap transaction would be determined on the relevant Reset Date as 2.40 per cent. (2.40%) on the basis of GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to £19.34 (rounded to two decimal places). This figure is calculated as $\text{£1,000} \times \text{rate of interest of } 3.90\% \text{ (or } 0.039) \times \text{day count fraction of } 181/365$. The rate of interest (3.90%) is calculated as the floating rate of 2.40% (or 0.024) plus 1.50% (or 0.015) margin, and is not affected by the maximum rate of interest; and</p>	N/A
	<p>(ii) if the floating rate for the notional swap transaction would be determined on the relevant Reset Date as 5.40 per cent. (5.40%) on the basis of GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to £29.75 (rounded to two decimal places). This figure is calculated as $\text{£1,000} \times \text{rate of interest of } 6.00\% \text{ (or } 0.06) \times \text{day count fraction of } 181/365$.</p>	

	<p>181/365. The rate of interest (6.00%) is set as the maximum rate of interest because the floating rate of 5.40% (or 0.054) plus 1.50% (or 0.015) margin, results in a rate of 6.90%. In this scenario, the rate of interest is capped at 6.00%.</p>	
<p>Worked Example: Floating Rate Notes – Screen Rate Determination</p>	<p><i>The hypothetical scenario</i></p> <p>For the purposes of this example, it assumed that an investor purchases a Floating Rate Note where the Final Terms specify the following:</p> <ul style="list-style-type: none"> • The Notes are issued on 20 August 2015. • The Specified Currency is GBP. • The Calculation Amount is GBP 1,000. • The Maximum Rate of Interest is 5% per annum. • The Minimum Rate of Interest is 1.13% per annum. • Margin is specified as Not Applicable. • Screen Rate Determination is Applicable and the following information is specified: <ul style="list-style-type: none"> ○ the Reference Rate is 3-month LIBOR; ○ the Interest Determination Date is on the first day of the relevant Interest Period; ○ the Relevant Screen Page is Reuters Page LIBOR01. • The Interest Commencement Date is 20 August 2015. • The Interest Payment Dates are 20 August in each year. • The term of the Notes is five years (and thus the Notes specify a Maturity Date of 20 August 2020). • The Day Count Fraction is Actual/365 (Fixed). <p><i>What is the interest amount payable on each Note on a particular Interest Payment Date?</i></p> <p>First, the Agent calculates the Rate of Interest that applies to the Interest Period ending on such Interest Payment Date (say, 20 August 2016).</p> <p>As Screen Rate Determination is applicable to the Notes, the Agent does this by determining what rate is specified as 3-month LIBOR (the Reference Rate) for GBP (the Specified Currency) which appears on Reuters Page LIBOR01 (the Relevant Screen Page) as of 11 am on 20 August 2015 (being the first day of the first Interest Period (i.e. the Interest Determination Date)).</p> <p>It is assumed that the Agent determines that such rate is 2% per annum.</p> <p>As Margin is specified as being Not Applicable to the Notes, the Rate of Interest for this Interest Period will therefore be 2% per annum. (Conversely, if Margin was applicable, then the Rate of Interest would be the sum of 2% and the percentage rate specified as the Margin).</p> <p>Secondly, the Agent calculates the Interest Amount payable in respect of such Interest Period as follows:</p>	N/A

	<p>(i) The Agent determines the Day Count Fraction applicable to the Interest Period. As the specified Day Count Fraction is Actual/365 (Fixed), this will be equal to the result of dividing the actual number of days in the Interest Period by 365, as follows. For the avoidance of doubt, in a leap year the Day Count Fraction will be determined by referring to 366 as the number of days in the Interest Period and divided by 365.</p> $\frac{365 \text{ (Number of days in the Interest Period)}}{365 \text{ (Day Count Fraction)}} = 1$ <p>(ii) The Agent then applies the Rate of Interest to the Calculation Amount:</p> $2\% \times \text{GBP } 1,000 = \text{GBP } 20.00$ <p>and multiplies the result by the Day Count Fraction:</p> $\text{GBP } 20.00 \times 1 = \text{GBP } 20.00$ <p>Accordingly, the Interest Amount payable in respect of a Note for this Interest Period will be GBP 20.00.</p> <p><i>What if the rate determined by the Agent is less than the Minimum Interest Rate or more than the Maximum Interest Rate?</i></p> <p>If the rate determined by the Agent is less than 1.13% or more than 5%, then the Rate of Interest will be the Minimum Interest Rate or, as the case may be, the Maximum Interest Rate as specified in the applicable Final Terms.</p> <p>Accordingly, if, for example, the Rate of Interest so calculated would have been 0.5%, then, as the Minimum Interest Rate is specified as 1.13% then the Rate of Interest will actually be 1.13%. As applied to the above example, if 2% were replaced by 1.13%, the Interest Amount payable would be GBP 11.30 per Note.</p>	
Worked Example: Zero Coupon Notes	<p><i>The hypothetical scenario</i></p> <p>Assuming, for the purpose of this worked example only, that the Zero Coupon Notes are issued in a principal amount of £1,000 at a discounted issue price of 95%. An investor will pay £950 to purchase a Note but on maturity will be repaid £1,000. The investor will not receive any interest on the Note but will earn £50 as a result of holding the Note to maturity.</p>	N/A
What payment will Noteholders receive in respect of principal at redemption on the maturity date?	<p>Provided that you hold the Notes until maturity, the amount you will receive when the Notes mature will be specified in paragraph 20 of the applicable Final Terms (the Final Redemption Amount) in respect of each issuance of Notes. The Final Redemption Amount will be based upon the Calculation Amount as specified in paragraph 6 of the applicable Final Terms. The Calculation Amount is a notional amount which is used to calculate interest and redemption amounts on the Notes.</p>	Either Appendix C or Appendix D (<i>Form of Final Terms</i>) as applicable

	<p><i>The hypothetical scenario</i></p> <p>For the purposes of this example it is assumed that an investor purchases a Note where the Final Terms specify the following:</p> <ul style="list-style-type: none"> • The Calculation Amount is GBP 1,000. • The Notes are issued in Specified Denominations of GBP 1,000. • The Final Redemption Amount is £1,050 per Calculation Amount. <p>If an investor purchased GBP 3,000 in principal amount of the Notes, this investor will receive a GBP 3,150 principal payment on the maturity date of the Notes. In such circumstances the Redemption/Payment Basis will be shown in the Final Terms as follows: “the Notes will be redeemed on the Maturity Date at 105 per cent. of their Nominal Amount”.</p>	
What is an Issuer call?	<p>If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer will have the right to repurchase all or some of the Notes before the final maturity date at a predetermined price (Optional Redemption Amount) on a specified date (Optional Redemption Date). If the Issuer Call is exercised, you will be paid a pre-specified redemption price plus any accrued and unpaid interest.</p>	<p>Either Appendix C or Appendix D (<i>Form of Final Terms</i>) as applicable</p>
What is an Investor Put?	<p>If Investor Put is specified as being applicable in the applicable Final Terms, you will have the right to sell your Note before the final maturity date at a pre-specified price (Optional Redemption Amount) on a specified date (Optional Redemption Date). Notes that are not sold shall continue until the final maturity date. Following the exercise by you of an Investor Put, you will be paid a pre-specified redemption price plus any accrued but unpaid interest.</p>	<p>Either Appendix C or Appendix D (<i>Form of Final Terms</i>) as applicable</p>
Will the Notes issued under the Programme be secured?	<p>No. The Issuer's obligations to pay interest and principal on the Notes issued under the Programme will not be secured either by the Issuer or any of the Issuer's subsidiaries (the Issuer and its subsidiaries together constitute the Group) or the Group's assets, revenues or otherwise.</p>	<p>N/A</p>
What will Noteholders receive in a winding up of the Issuer and the Guarantors?	<p>If the Issuer and the Guarantors become insolvent and are unable to pay their debts, an administrator or liquidator would be expected to make distributions to creditors of the Issuer and the Guarantors in accordance with a statutory order of priority. Your claim as a Noteholder would be expected to rank after the claims of any holders of secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of claims of holders of any unsecured subordinated debt and shareholders of the Issuer and the Guarantors. A simplified diagram illustrating the expected ranking of the</p>	<p>Section 6 (<i>Description of the Issuer and the Group</i>)</p>

	Notes compared to other creditors of the Issuer and the Guarantors is set out below: ¹																								
	<table> <tr> <th></th><th>Type of obligation</th><th>Examples of Issuer/Guarantor obligations</th></tr> <tr> <td rowspan="5">Higher ranking ↑</td><td>Proceeds of a fixed charge over assets of the Issuer and the Guarantors</td><td>Currently none</td></tr> <tr> <td>Expenses of the liquidation/administration</td><td>Currently none</td></tr> <tr> <td>Preferential creditors</td><td>Including remuneration due to employees of the Issuer and the Guarantors</td></tr> <tr> <td>Proceeds of a floating charge over assets of the Issuer and the Guarantors</td><td>Including obligations to one of the Issuer's pension arrangements for certain employees amounting to £1.3 million as at 31 December 2014</td></tr> <tr> <td>Unsecured senior obligations</td><td>The Issuer's sterling denominated floating rate guaranteed notes due 2018, 7.5 per cent. guaranteed notes due 2016, 7.00 per cent. guaranteed notes due 2017, 6.00 per cent. guaranteed notes due 2021, 8.00 per cent. guaranteed notes due 2019 and 7.00 per cent. guaranteed notes due 2020 and other unsecured obligations (including the Issuer's Multi-Currency Revolving Facility Agreement)</td></tr> <tr> <td></td><td colspan="2"><i>OBLIGATIONS TO A NOTEHOLDER UNDER THE PROGRAMME WILL RANK AT THIS LEVEL ALONGSIDE THE OTHER UNSECURED SENIOR OBLIGATIONS</i></td></tr> <tr> <td></td><td>Unsecured subordinated obligations</td><td>£6 million legacy subordinated loan notes</td></tr> <tr> <td>Lower ranking ↓</td><td>Shareholders</td><td>The ordinary shareholders of the Issuer and the Guarantors</td></tr> </table>		Type of obligation	Examples of Issuer/Guarantor obligations	Higher ranking ↑	Proceeds of a fixed charge over assets of the Issuer and the Guarantors	Currently none	Expenses of the liquidation/administration	Currently none	Preferential creditors	Including remuneration due to employees of the Issuer and the Guarantors	Proceeds of a floating charge over assets of the Issuer and the Guarantors	Including obligations to one of the Issuer's pension arrangements for certain employees amounting to £1.3 million as at 31 December 2014	Unsecured senior obligations	The Issuer's sterling denominated floating rate guaranteed notes due 2018, 7.5 per cent. guaranteed notes due 2016, 7.00 per cent. guaranteed notes due 2017, 6.00 per cent. guaranteed notes due 2021, 8.00 per cent. guaranteed notes due 2019 and 7.00 per cent. guaranteed notes due 2020 and other unsecured obligations (including the Issuer's Multi-Currency Revolving Facility Agreement)		<i>OBLIGATIONS TO A NOTEHOLDER UNDER THE PROGRAMME WILL RANK AT THIS LEVEL ALONGSIDE THE OTHER UNSECURED SENIOR OBLIGATIONS</i>			Unsecured subordinated obligations	£6 million legacy subordinated loan notes	Lower ranking ↓	Shareholders	The ordinary shareholders of the Issuer and the Guarantors	
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	<p>However, as well as being aware of the ranking of the Notes compared to the other categories of creditor, and the shareholders, of the Issuer and the Guarantors, you should note that the Issuer is a holding company with no revenue generating operations of its own. The Issuer depends upon receipt of funds from its operating subsidiaries, not all of which are guarantors under the Programme. The Issuer's rights to participate in a distribution of its subsidiaries' assets upon their liquidation, re-organisation or insolvency is generally subject to any claims made</p>																								

¹ Issuer to update diagram with relevant example information

	<p>against the subsidiaries, including by secured and unsecured creditors. The obligations of the Issuer under the Notes are therefore structurally subordinated to any liabilities of the Issuer's subsidiaries. Structural subordination in this context means that in the event of a winding up or insolvency of the Issuer's subsidiaries, any creditors of that subsidiary would have preferential claims on the assets of that subsidiary ahead of any creditors of the Issuer (including Noteholders).</p> <p>A simplified diagram illustrating the structural subordination of the Issuer's obligations under the Notes to any liabilities of the Issuer's subsidiaries referred to above is set out using the Issuer's indirect subsidiary, Provident Personal Credit Limited (PPCL) as an example:²</p>																												
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² Issuer to update details below regarding PPCL, or alternatively, please provide details of another subsidiary to be inserted into the example instead.

³ Issuer to confirm obligations under these notes are guaranteed.

	Services Limited, which is a direct subsidiary of the Issuer	
Will the Notes issued under the Programme be guaranteed?	The payment of all amounts owing in respect of Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantors.	Appendix A (<i>Terms and Conditions of the Notes</i>)
Will the Notes issued under the Programme have voting rights?	Holders of Notes issued under the Programme have certain rights to vote at meetings of Noteholders of the relevant Series, but are not entitled to vote at any meeting of shareholders of the Issuer or of any other member of the Group.	Appendix A (<i>Terms and Conditions of the Notes – Meetings of Noteholders, Modification, Waiver and Substitution</i>)
What if I have further queries?	If investors are unclear in relation to any matter, or uncertain if the Notes issued under the Programme are a suitable investment, they should seek professional advice from their broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.	N/A

DOCUMENTS INCORPORATED BY REFERENCE

This section contains a description of the information that is incorporated by reference in 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 Conduct Authority shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors report and audited consolidated annual financial statements of Provident Financial plc (the **Issuer**) for the financial years ended 31 December 2013 and 31 December 2014;
- (b) the auditors report and audited annual financial statements of Provident Financial Management Services Limited for the financial years ended 31 December 2013 and 31 December 2014;
- (c) the auditors report and audited annual financial statements of Provident Personal Credit Limited for the financial years ended 31 December 2013 and 31 December 2014;
- (d) the auditors report and audited annual financial statements of Greenwood Personal Credit Limited for the financial years ended 31 December 2013 and 31 December 2014; and
- (e) the auditors report and audited annual financial statements of Provident Investments plc for the financial years ended 31 December 2013 and 31 December 2014.

A4.13.1
A4.13.2
A4.13.4.1
A4.3.1

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 (the **Notes**) issued under this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**), prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

CLEARING AND SETTLEMENT

This section sets out additional information relating to certain clearing systems that may be used for the Notes.

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 Provident Financial plc (the **Issuer**), Prudential Trustee Company Limited (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 (the **Notes**) issued under this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**) 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 depositories 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

This section sets out information about the Issuer and the Group, their business activities and certain regulatory and other information affecting the Issuer.

DESCRIPTION OF THE ISSUER AND THE GROUP

History and Development of the Issuer and the Group

Provident Financial plc (the **Issuer**) is a public limited company whose ordinary shares are listed on the London Stock Exchange and is a constituent of the FTSE 250 index with an investment grade credit rating. As at 28 February 2015, the Issuer had a market capitalisation of approximately £4 billion.

A4.5.1.1

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.

A4.5.1.2
A4.5.1.3
A4.5.1.4

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

The Group is a leading lender in the non-standard credit market providing credit products tailored to the needs of customers who are often unable to access credit from mainstream providers due to low or moderate incomes or a poor credit history. Its geographic focus is upon the UK and the Republic of Ireland and it has grown its existing businesses, taking advantage of changes in the market and competitive environment. In addition, the Group broadened its range in 2014 through the acquisition of Moneybarn, the market leader in the provision of car finance for people in the non-standard credit market, which comprises Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited, which are Guarantors of the Notes, and Moneybarn plc, which is not a Material Subsidiary (as defined in Condition 9 of Appendix A (*Terms and Conditions of the Notes*)) of the Issuer (together, **Moneybarn**) and the launch of new credit products to meet the needs of more of the customers in its target market.

A4.6.1.1

The Group's business was established in 1880 and now provides simple credit products to 2.4 million customers throughout the UK and the Republic of Ireland.

The Group has four strategic objectives, being to grow high-return businesses in the non-standard market, generate high shareholder returns, maintain a secure funding and capital structure and to act responsibly and with integrity in all its activities, specifically, by operating the core business of lending to customers in a responsible and sustainable manner whereby the needs of customers are placed at the heart of everything that the Group does.

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 24 February 2015). 146,444,593 of these ordinary shares are issued ordinary shares quoted on the London Stock Exchange with an aggregate nominal value of £30,353,969.12 .

A4.14.1.1

Business Overview of the Group

The Group operates through three principal trading divisions: Vanquis Bank Limited (**Vanquis Bank**), Consumer Credit Division (**CCD**) and Moneybarn.

The principal subsidiaries within CCD are Provident Financial Management Services Limited and Provident Personal Credit Limited, both of which are Guarantors of the Notes.

An analysis of profit before tax of the Group for the two years ended 31 December 2013 and 2014 is as follows:

Year ended 31 December 2014	Year ended 31 December 2013
£m	£m

Vanquis Bank:		
- UK	151.0	113.7
- Poland	(10.6)	(7.6)
Total Vanquis Bank	140.4	106.1
Consumer Credit Division (CCD)	103.9	102.5
Moneybarn ¹	5.8	-
Central costs	(15.7)	(12.5)
Group profit before amortisation of acquisition intangibles, exceptional items and taxation	234.4	196.1
Amortisation of acquisition intangibles	(2.5)	-
Exceptional items ²	(7.3)	(13.7)
Group profit before taxation	224.6	182.4

¹ The profit before tax, amortisation of acquisition intangibles and exceptional items of £5.8 million for Moneybarn represents the profits for the four months since acquisition.

² Exceptional items in 2014 of £7.3m include (i) £3.4m of business restructuring costs in CCD, including redundancy costs of £4.0m associated with 225 field administration employees offset by £0.6m curtailment credit associated with those employees made redundant who were part of the Group's defined benefit pension scheme and (ii) £3.9m expenses incurred in relation to the acquisition of Moneybarn. During 2013, an exceptional cost of £13.7m was incurred relating to the cost of a business restructuring within CCD, including redundancy costs of £12.6m associated with a headcount reduction of 520 employees. The exceptional cost is stated net of an exceptional curtailment credit of £1.6m associated with those employees made redundant who were part of the Group's defined benefit pension scheme.

Selected Financial Information

A4.3.1

Consolidated income statement

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Revenue	1,075.7	1,078.1
Finance costs	(77.5)	(74.2)
Operating costs	(491.6)	(559.5)
Administrative costs	(282.0)	(262.0)
Total costs	851.1	(895.7)
Profit before taxation	224.6	182.4
Tax charge	(49.0)	(41.4)
Profit for the year attributable to equity shareholders	175.6	141.0

All of the above activities relate to continuing operations.

Consolidated balance sheet

	As at 31 December 2014 £m	As at 31 December 2013 £m
ASSETS		

Non-current assets		
Goodwill	71.2	-
Other intangible assets	84.3	8.1
Property, plant and equipment	27.4	22.8
Financial assets:		
– amounts receivable from customers	155.6	79.7
Retirement benefit asset	56.0	29.2
Deferred tax assets	-	3.5
	<u>394.5</u>	<u>143.3</u>
Current assets		
Financial assets:		
– amounts receivable from customers	1,693.6	1,526.9
– derivative financial instruments	0.2	5.5
– cash and cash equivalents	145.9	119.0
– trade and other receivables	24.5	15.5
	<u>1,864.2</u>	<u>1,666.9</u>
Total assets	<u>2,258.7</u>	<u>1,810.2</u>
LIABILITIES		
Current liabilities		
Financial liabilities:		
– bank and other borrowings	(135.3)	(121.2)
– trade and other payables	(94.3)	(65.8)
Current tax liabilities	(40.4)	(36.3)
	<u>(270.0)</u>	<u>(223.3)</u>
Non-current liabilities		
Financial liabilities:		
– bank and other borrowings	(1,357.7)	(1,163.4)
– derivative financial instruments	(4.4)	(6.7)
Deferred tax liabilities	(13.6)	-
	<u>(1,375.7)</u>	<u>(1,170.1)</u>
Total liabilities	<u>(1,645.7)</u>	<u>(1,393.4)</u>
NET ASSETS	<u>613.0</u>	<u>416.8</u>
SHAREHOLDERS' EQUITY		
Share capital	30.3	28.9
Share premium	268.3	150.6
Other reserves	19.0	17.2
Retained earnings	295.4	220.1
TOTAL EQUITY	<u>613.0</u>	<u>416.8</u>

Consolidated statement of cash flows

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Cash flows from operating activities		
Cash generated from operations	221.5	183.8
Finance costs paid	(72.3)	(70.0)
Tax paid	(44.9)	(39.6)

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Net cash generated from operating activities	104.3	74.2
Cash flows from investing activities		
Purchase of intangible assets	(7.4)	(3.0)
Purchase of property, plant and equipment	(11.6)	(7.3)
Proceeds from disposal of property, plant and equipment	1.1	1.5
Acquisition of Moneybarn	(120.0)	-
Net cash used in investing activities	(137.9)	(8.8)
Cash flows from financing activities		
Proceeds from bank and other borrowings	341.0	287.6
Repayment of bank and other borrowings	(277.2)	(206.8)
Dividends paid to company shareholders	(123.4)	(108.4)
Proceeds from issue of share capital	119.1	2.7
Purchase of own shares	(0.1)	(0.5)
Net cash generated from/(used in) financing activities	59.4	(25.4)
Net increase in cash, cash equivalents and overdrafts	25.8	40.0
Cash, cash equivalents and overdrafts at beginning of year	109.7	69.7
Cash and cash equivalents acquired with Moneybarn	5.2	-
Cash, cash equivalents and overdrafts at end of year	140.7	109.7
Cash, cash equivalents and overdrafts at end of year comprise:		
Cash at bank and in hand	145.9	119.0
Overdrafts (held in bank and other borrowings)	(5.2)	(9.3)
Total cash, cash equivalents and overdrafts	140.7	109.7

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 customers are typically in employment earning between £20,000 and £35,000 per year with limited or impaired credit histories.

Vanquis Bank has developed and refined bespoke application and behavioural scorecards since launch and the underwriting and credit line increase criteria have remained broadly unchanged since being tightened through 2007 to 2009. Additionally the recent growth in receivables benefited from the introduction of upgraded credit line increase scorecards in March 2014 following the decision to enhance the sourcing of credit bureau data. The acceptance rate for new applications is approximately 25 per cent.

Credit limits are lower than those generally offered by mainstream credit card companies, with customers typically starting with a credit line of between £250 and £1,000. Credit lines will be increased only when customers have established a sound payment history. Utilisation of credit card limits during 2014 was high at around 70 to 75 per cent. and is a key dynamic for the business ensuring high revenues, whilst maintaining a relatively low level of contingent undrawn exposure. Credit card providers typically suffer losses based upon credit limits, but earn revenue on the credit balance. Maintaining high utilisation is therefore key to maintaining high returns. The current average balance is approximately £850. Vanquis Bank cards have a higher minimum monthly repayment amount of around 5 per cent. compared with most other credit cards. The typical initial Annual Percentage Rate (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 2014 were 1.3 million. 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 2014, customer satisfaction in Vanquis Bank was 84 per cent.

Vanquis Bank has performed strongly in recent years. Continued investment in the customer acquisition programme, together with limited competition in the non-standard credit card market, has enabled the business to grow customer numbers and receivables strongly without changing its credit standards. In 2014, new account bookings numbered 430,000, up from 411,000 in 2013, as more and more non-standard customers value the utility of a credit card in today's modern, digital age.

CCD

The principal subsidiaries within CCD are Provident Financial Management Services Limited and Provident Personal Credit Limited, both of which are Guarantors of the Notes. CCD predominantly comprises the Home Credit business, which has been in existence since 1880, and is a leading provider of home credit in the UK and Republic of Ireland, serving approximately 1.1 million customers as at 31 December 2014. 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 and are typically on low incomes in part-time, casual or temporary employment.

Home Credit operates under the Provident brand offering small unsecured cash loans, typically for sums of around £500 and typically repayable over a period of up to one year. The APR on the most popular loans is currently 272 per cent. The business model requires a large agency force, currently made up of approximately 7,700 self-employed individuals of whom approximately two thirds are female. The agency force is supported by a field management structure 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.

Given the pressure on disposable incomes as a result of cost of living increases and the changing customer behaviour of Home Credit borrowers, the decision was taken in 2013 to reposition Home Credit as a higher-quality, more modern, more customer centric and profitable business relevant in the digital age and focused on its customers' needs. Tighter underwriting led to a reduction in customer numbers of 29 per cent. during 2014 to 1.1 million as at 31 December 2014, and the implementation of technology, most notably the use of smart phones and tablets by agents and field staff, has led to a reduction in the cost base. 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 2014, customer satisfaction in Home Credit was in excess of 90 per cent.

CCD has also launched two further initiatives, Satsuma Loans and a guarantor loan product. Satsuma Loans offers small sum, weekly instalment loans online. Loans are up to £1,000 for new customers repayable over 13, 26 or 39 weeks. The total amount repayable is fixed at the outset, so there are no extra charges for customers. At 31 December 2014, Satsuma Loans had 21,000 customers with a receivables balance of £5.0 million. In May 2014, CCD launched a pilot into the guarantor loans market. This proposition is additional and complementary to Home Credit and Satsuma Loans, comprising larger, longer loans of between £1,000 and £7,000 repayable over a period of between 1 and 5 years. Customers are supported by a family member or friend with a good credit record who is prepared to guarantee the loan. The results of the pilot will be evaluated during the first half of 2015.

Moneybarn

Moneybarn comprises Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited, which are Guarantors of the Notes, together with Moneybarn plc, which is not a Material Subsidiary (as defined in Condition 9 of Appendix A (*Terms and Conditions of the Notes*)) of the Issuer.

Moneybarn is the UK's largest non-standard vehicle finance provider, holding a 20 to 25 per cent. market share, and was acquired by the Group on 20 August 2014. Customers are typically in employment on low to moderate incomes with a limited or poor credit history. The average value of a loan is approximately £9,000 and the representative APR is 32 per cent. Loans are medium-term, typically for a contractual period averaging between 4 and 5 years, and secured against the vehicles purchased by customers using the loan proceeds. The Moneybarn business currently issues loans under conditional sale agreements, with no add-ons or insurances, focused on the needs of the non-standard second hand car buyer. Whilst customers can apply for a loan directly through Moneybarn, the vast majority of lending is conducted through an established broker network.

The used car finance market has shown growth over recent years following dramatic falls in supply after the credit crunch as large specialists failed and mainstream lenders left the market. The acquisition of Moneybarn has broadened the product offering for the Group's target customer base and creates a third leg of earnings that complements the organic growth opportunities available to the Group.

The consideration for the acquisition of £120 million was financed through an equity placing. The book value of the assets and liabilities of Moneybarn at the date of acquisition, together with certain fair value adjustments required under international accounting standards, was £(26.2) million and therefore goodwill and intangible assets generated on acquisition amounted to £146.2 million.

Prior to acquisition, Moneybarn had been partially constrained by a lack of access to funding. Since acquisition the business has grown customers to 22,000 and receivables by £20.5 million to £151.7 million as at 31 December 2014 by utilising the Group's funding lines.

Balance Sheet and Funding

As at 31 December 2014, the total equity of the Group was £613.0 million. The Group's gearing level was 2.4 calculated in accordance with the covenants under the Group's existing bank facilities, against a limit of 5.0 and a stated maximum target of 3.5. There is alignment between the high returns generated by the Group, its dividend policy and growth, whereby sufficient capital is retained to fund growth and maintain stable gearing.

Total committed debt facilities available as at 31 December 2014 stood at £1,607 million and borrowings on committed facilities at £1,495 million. The Group had undrawn committed facility headroom of £112 million as at this date.

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 the retail deposit funding raised by Vanquis Bank and £6 million legacy subordinated loan notes, all funding for the Group is senior unsecured debt and ranks *pari passu* amongst itself.

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 London Stock Exchange's Order Book for Retail Bonds (**ORB**). This raised £25 million through an issue in April 2010 of 10-year bonds carrying a coupon of 7.0 per cent. Three subsequent issues in March 2011, April 2012 and March 2013 have raised a further £235 million with maturity dates between 2016 and 2021 carrying coupons of between 6.0% and 7.5%.

The Group has private placement funding outstanding totalling £128 million arranged in 2011, 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 January 2014, the Group entered into a new £382.5 million syndicated bank facility maturing in May 2017 and cancelled the existing committed bank facility of the same amount. The facility was extended by one year in January 2015 and now matures in May 2018.

In July 2011, Vanquis Bank activated its retail deposit taking programme via an outsourced third party platform. The programme offers fixed-term, internet only retail deposits. The fixed term deposits (the term is one, two, three, four 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 2014, Vanquis Bank had raised £580 million of retail deposits.

Principal Markets

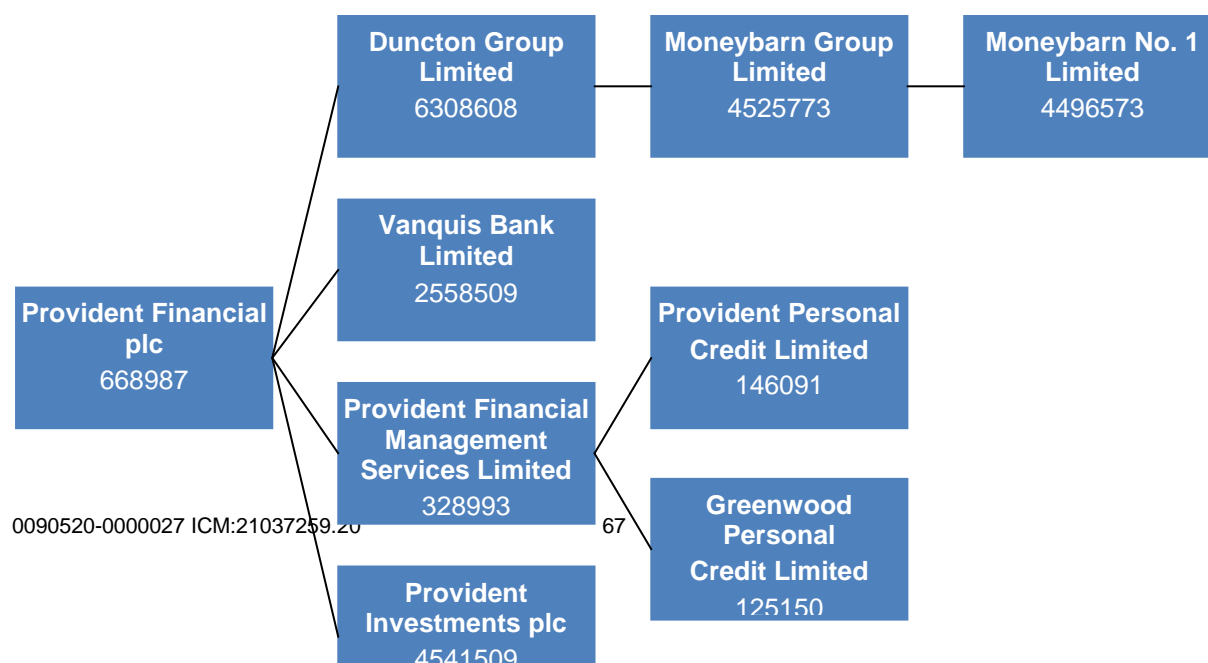
A4.6.2

The Group operates in the non-standard credit market, within which there are over twelve million consumers in the UK and Republic of Ireland. There are approximately nine million customers, who are eligible by virtue of their credit worthiness to be served by a direct repayment product, such as those offered by Vanquis Bank, Satsuma Loans and Moneybarn. The home credit industry serves the remaining 3 million customers within the market.

Organisational Structure

A4.7.1

The following diagram sets out the current structure of the principal operating subsidiaries (and their registered numbers) of the Group and the other Guarantors. The Group includes additional subsidiaries that are not included in this diagram, though no such additional subsidiary is a Material Subsidiary (as defined in Condition 9 of Appendix A (*Terms and Conditions of the Notes*)) of the Issuer.



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

A4.7.2

The principal subsidiaries within CCD are Provident Financial Management Services Limited and Provident Personal Credit Limited. The Issuer's interests in Provident Personal Credit Limited are held indirectly through its 100 per cent. holding in Provident Financial Management Services Limited.

The Issuer's interest in the business of Vanquis Bank is held directly through a 100 per cent. holding in Vanquis Bank Limited.

Moneybarn was acquired by the Issuer in August 2014 and comprises Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited, which are Guarantors of the Notes, together with Moneybarn plc, which is not a Material Subsidiary (as defined in Condition 9 of Appendix A (*Terms and Conditions of the Notes*)) of the Issuer nor a Guarantor. The Issuer's interests in Moneybarn Group Limited and Moneybarn No.1 Limited are held indirectly through its 100 per cent. holding in Duncton Group Limited.

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:

Financial Conduct Authority (FCA)

The provision of consumer credit is regulated by the FCA which oversees the conduct of financial services providers and markets. Firms must be authorised by the FCA and must follow detailed conduct standards contained in the FCA's Consumer Credit Sourcebook as well as high-level standards including Principles for Business, System and Controls Rules and other provisions. In addition, certain provisions of the Consumer Credit Act 1974 (as amended) and secondary legislation also apply to credit providers.

Ireland: Consumer Credit Act 1995 and Consumer Protection Code for Moneylenders

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. Home credit providers must also comply with the Consumer Protection Code for Licensed Moneylenders (the "**Code**"). The Code includes provisions on knowing your customer, suitability, complaint handling and consumer records. 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 moneylending operations in Ireland are regulated as a financial services provider and as such are subject to the fitness and probity standards issued by the Central Bank of Ireland and the enforcement provisions contained in the Central Bank Reform Act 2010 and the Central Bank (Supervisions and Enforcement) Act 2013.

The Prudential Regulation Authority (The PRA)

The Group, incorporating CCD, Moneybarn and Vanquis Bank, is the subject of consolidated supervision by the PRA as the Issuer is the parent company of Vanquis Bank. Vanquis Bank holds a banking licence and is regulated by the PRA.

The PRA's regulation of the Group and Vanquis Bank covers a number of areas, including regulatory capital, liquidity and large exposures.

Regulatory Capital

Regulatory capital is held by the Issuer and Vanquis Bank to protect retail depositors of Vanquis Bank as stipulated by the PRA. The Issuer manages capital in accordance with prudential rules issued by the PRA and FCA, in line with the EU Capital Requirements Directive. In June 2013, the European Parliament approved new capital reforms (referred to as CRD IV), which implement Basel III in Europe. CRD IV legislation has been effective from 1 January 2014.

As at 31 December 2014, the Issuer and its subsidiaries which are subject to consolidated PRA supervision had total regulatory capital resources on a CRD IV basis of £330.5 million (31 December 2013: £308.8 million), whilst Vanquis Bank had total regulatory capital resources of £232.8 million (31 December 2013: £183.6 million). The Issuer's common equity tier 1 (CET1) Ratio was 20.0 per cent. as at 31 December 2014, its leverage ratio was 15.8 per cent. as at 31 December 2014 and its total capital ratio was 20.0 per cent. as at 31 December 2014.

The levels of regulatory capital issued or retained by both the Group and Vanquis Bank as at 31 December 2014 were comfortably in excess of the individual capital guidance set by the PRA.

Regulatory Liquidity

The PRA's liquidity regime is designed 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 PRA requires Vanquis Bank to maintain a liquid assets buffer held in the form of high quality unencumbered assets and in addition, further liquid resources must be maintained based upon stress tests formulated by the Vanquis Bank Individual Liquidity Adequacy Assessment (ILAA).

As at 31 December 2014, Vanquis Bank's liquid assets buffer, including liquid resources required to cover the stress tests, amounted to £121.4 million (2013: £86.3 million) and was held in high quality assets taking UK government risk only.

Pillar III Disclosures

CRD IV requires the Group to make annual Pillar III disclosures which set 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.

Administrative, Management and Supervisory Bodies

A4.10.1

The principal activity of the Issuer is to act as the parent company to a group of companies engaged in the provision of financial products to the non-standard credit market in the UK and the 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>
Manjit Wolstenholme	Chairman (Non-Executive)	Non-Executive Director of Future plc, The Unite Group plc and Aviva Investors Holdings Limited
Peter Stuart Crook	Chief Executive	Non-Executive Director of Cabot (Group Holdings) Limited
Andrew Charles Fisher	Finance Director	None
Malcolm Le May	Non-Executive Director	Senior advisor to Ernst & Young, Senior Independent Non-Executive Director of Pendragon plc. Non-Executive Director of RSA Insurance Group plc and REG (UK) Ltd and Chairman of Juno Capital LLP
Robert William Anderson.....	Non-Executive Director	None
Alison Halsey	Non-Executive Director	Non-Executive Director of Cambian Group plc and Teachers Assurance and an Ambassador for Alzheimer's Society
Stuart Sinclair	Non-Executive Director	Director of Pru Health, Senior Independent Non-Executive Director of Swinton Group Limited, QBE Insurance (Europe) Limited and QBE Underwriting Limited. Non-Executive Director of TSB Bank plc and Council Member of the Royal Institute for International Affairs (Chatham House)

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

Peter Crook and Andrew Fisher are also Directors of Provident Financial Management Services Limited, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited and Andrew Fisher is also a Director of Provident Investments plc. As a result, potential conflicts of interest may from time to time arise between the duties these Directors owe to the Issuer and duties owed in respect of such additional Directorships. The Issuer's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

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 the Non-Executive Directors (with the exception of the Chairman, Manjit Wolstenholme) and the committee is chaired by Alison Halsey.

A4.11.1

Corporate Governance

The Issuer complies with the UK Corporate Governance Code.

A4.11.2

Major Shareholders

A4.12.1

The principal shareholders of the Issuer as at 31 December 2014 are as follows:

1. Invesco Limited:	18.07%
2. M&G Investment Management Limited (UK):	6.24%
3. Woodford Investment Management (UK):	5.75%
4. Black Rock Inc.:	5.19%
5. Marathon Asset Management Limited (UK):	4.87%
7. Tweedy Browne Company LLC (US):	4.14%
8. Cantillon Capital Management LLC:	3.80%

Recent Developments

A4.6.1.2

On 24 February 2015, the Group announced that it had taken the decision to withdraw from the pilot credit card operation in Poland. The pilot operation had been vigorously testing the Polish market since May 2012. This had included deploying talent from the UK business, recruiting senior Polish management with extensive local knowledge of marketing and sales channels and testing multiple revolving credit products and distribution. However, the progress of the pilot in recruiting new customers had been slower than originally anticipated and led to the conclusion that the timeframe required to develop a business of sufficient scale to achieve the Group's target returns was too long and therefore not the best use of the Group's capital. Accordingly, the Group commenced the process of winding down the Polish operation. This includes running off the receivables book in an orderly manner which is expected to be largely completed in 2015. At the end of 2014, the Polish pilot operation had 59,000 customers (2013: 25,000) and a receivables book of £15.5m (2013: £5.3m). The cost of the pilot during 2014 amounted to £10.6m (2013: £7.6m). There is not expected to be a material cost from winding down the pilot operation in 2015.

DESCRIPTION OF THE GUARANTORS

This section sets out information about each of the Guarantors in respect of Notes issued under the Programme.

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.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

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 Provident Personal Credit Limited.

A4.6.1.1
A47.1
A4.12.1

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.

A4.14.1.1

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.

A4.14.2.1

Administrative, Management and Supervisory Bodies

A4.10.1

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

<u>Name:</u>	<u>Position:</u>
Peter Stuart Crook	Director
Andrew Charles Fisher	Director
Jonathan Richard Gillespie	Director
Stephen David Shaw	Director
Sarah Marie Dickins	Director
Mark Stevens	Director
Sheryl Lawrence	Director
Timothy Rupert Anson	Director
Andrew John Parkinson	Director
Phillip Alexander McLelland	Director
Hermantkumar Kiribhai Patel	Director

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

Peter Crook and Andrew Fisher are also Directors of the Issuer, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited and Andrew Fisher is also a Director of Provident Investments plc. Jonathan Gillespie, Stephen Shaw, Sarah Dickins, Mark Stevens, Phillip McLelland and Timothy Anson are also Directors of Provident Personal Credit Limited and Greenwood Personal Credit Limited. Andrew Parkinson, Sheryl Lawrence and Hermantkumar Patel are also Directors of Provident Personal Credit Limited. As a result, potential conflicts of interest may from time to time arise between the duties these directors owe to Provident Financial Management Services Limited and duties owed in respect of such additional Directorships. Provident Financial Management Services Limited's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

A4.11.2

Provident Financial Management Services Limited complied with the UK Corporate Governance Code throughout 2014.

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.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

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 on low and moderate incomes in the UK and the Republic of Ireland.

A4.6.1.1
A4.7.1
A4.12.1

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.

A4.14.1.1

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.

A4.14.2.1

Administrative, Management and Supervisory Bodies

A4.10.1

The directors of Provident Personal Credit Limited are as follows:

Name:

Position:

Jonathan Richard Gillespie	Director
Stephen David Shaw	Director
Sarah Marie Dickins	Director
Mark Stevens	Director
Sheryl Lawrence	Director
Phillip Alexander McLelland	Director
Timothy Rupert Anson	Director
Andrew John Parkinson	Director
Hermantkumar Kiribhai Patel	Director

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

Jonathan Gillespie, Stephen Shaw, Sarah Dickins, Mark Stevens, Phillip McLelland and Timothy Anson are also Directors of Provident Financial Management Services Limited and Greenwood Personal Credit Limited. Andrew Parkinson, Sheryl Lawrence and Hermanthumar Patel are also Directors of Provident Financial Management Services Limited. As a result, potential conflicts of interest may from time to time arise between the duties these Directors owe to the Provident Personal Credit Limited and duties owed in respect of such additional directorships. Provident Personal Credit Limited's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

Provident Personal Credit Limited complied with the UK Corporate Governance Code throughout 2014.

A4.11.2

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.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

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 was previously to provide unsecured home credit loans and unsecured direct repayment loans to customers on low and moderate incomes in the UK. The activities of Greenwood Personal Credit Limited were transferred to Provident Personal Credit Limited in March 2014 and as such Greenwood Personal Credit Limited now undertakes no trading activity.

A4.6.1.1
A4.7.1
A4.12.1

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.

A4.14.1.1

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.

A4.14.2.1

Administrative, Management and Supervisory Bodies

A4.10.1

The directors of Greenwood Personal Credit Limited are as follows:

<u>Name:</u>	<u>Position:</u>
Jonathan Richard Gillespie	Director
Stephen David Shaw	Director
Sarah Marie Dickins	Director
Mark Stevens	Director
Phillip Alexander McLelland	Director
Timothy Rupert Anson	Director
Andrew John Parkinson	Director

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

Jonathan Gillespie, Stephen Shaw, Sarah Dickins, Mark Stevens, Phillip McLelland and Timothy Anson are also Directors of Provident Financial Services Limited and Provident Personal Credit Limited. As a result, potential conflicts of interest may from time to time arise between the duties these Directors owe to Greenwood Personal Credit Limited and duties owed in respect of such additional Directorships. Greenwood Personal Credit Limited's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

Greenwood Personal Credit Limited complied with the UK Corporate Governance Code throughout 2014.

A4.11.2

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.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

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.

A4.6.1.1
A4.7.1
A4.12.1

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.

A4.14.1.1

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.

A4.14.2.1

Administrative, Management and Supervisory Bodies

A4.10.1

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.

Andrew Fisher is also a Director of the Issuer, Provident Financial Management Services Limited, Duncoton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited. As a result, potential conflicts of interest may from time to time arise between the duties he owes to Provident Investments plc and duties owed in respect of such additional Directorships. Provident Investments plc's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

Provident Investments plc complied with the UK Corporate Governance Code throughout 2014.

A4.11.2

DUNCTON GROUP LIMITED

Introduction

Dunton Group Limited was incorporated as a private limited company in England and Wales on 10 July 2007 with registered number 6308608. It has its principal place of business and registered office at The New Barn, Bedford Road, Petersfield, Hampshire GU32 3LJ and its telephone number is +44 3305 551 230.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

Dunton Group Limited is a wholly owned subsidiary of the Issuer. It is the direct intermediary holding company of Moneybarn Group Limited, Moneybarn No.1 Limited and Moneybarn plc.

A4.6.1.1
A4.7.1
A4.12.1

Dunton Group Limited has 12,747,362 issued ordinary shares with an aggregate nominal value of £11,006,583.

A4.14.1.1

The objects and purposes of Dunton Group Limited are unrestricted as set out in clause 3 of its Articles of Association.

A4.14.2.1

Administrative, Management and Supervisory Bodies

A4.10.1

The directors of Dunton Group Limited are as follows:

Name:

Position:

Peter Stuart Crook	Director
Andrew Charles Fisher	Director
Shamus Hodgson	Director
Simon David Kelway Law	Director
Peter Minter	Director

The business address of each of the Directors is The New Barn, Bedford Road, Petersfield, Hampshire GU32 3LJ.

Peter Crook and Andrew Fisher are also Directors of the Issuer, Provident Financial Management Services Limited, Moneybarn Group Limited and Moneybarn No.1 Limited and Andrew Fisher is also a Director of Provident Investments plc. Shamus Hodgson, Simon Law and Peter Minter are also Directors of Moneybarn Group Limited and Moneybarn No.1 Limited. As a result, potential conflicts of interest may from time to time arise between the duties these Directors owe to Dunton Group and duties owed in respect of such additional Directorships. Dunton Group Limited's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

Dunton Group Limited complied with the UK Corporate Governance Code throughout 2014.

A4.11.2

MONEYBARN GROUP LIMITED

Introduction

Moneybarn Group Limited was incorporated as a private limited company in England and Wales on 4 September 2002 with registered number 4525773. It was incorporated under the name Duncton Contracts Limited and changed its name on 28 July 2011. It has its principal place of business and registered office at The New Barn, Bedford Road, Petersfield, Hampshire GU32 3LJ and its telephone number is +44 3305 551 230.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

Moneybarn Group Limited is an indirect wholly owned subsidiary of the Issuer and has three subsidiaries. It is directly held by the intermediary holding company, Duncton Group Limited. Its principal business activity is to act as an intermediate holding company for the Group's investment in Moneybarn No.1 Limited and Moneybarn plc.

A4.6.1.1
A4.7.1
A4.12.1

The authorised share capital of Moneybarn Group Limited is £476,258.41. It has 122,737 issued ordinary shares with an aggregate nominal value of £1,227.37.

A4.14.1.1

The objects and purposes of Moneybarn Group Limited are set out in clause 3 of its Memorandum of Association and include, amongst others, advancing and lending money or giving credit on any terms with or without security to any company or person and to guarantee the performance of the obligations, and the payment of the capital or principal (together with any premium), of, and interest on, any securities, loans, trading or current account of any company.

A4.14.2.1

Administrative, Management and Supervisory Bodies

The directors of Moneybarn Group Limited are as follows:

A4.10.1

<u>Name:</u>	<u>Position:</u>
Peter Stuart Crook	Director
Andrew Charles Fisher	Director
Shamus Hodgson	Director
Simon David Kelway Law	Director
Peter Minter	Director

The business address of each of the Directors is The New Barn, Bedford Road, Petersfield, Hampshire GU32 3LJ.

Peter Crook and Andrew Fisher are also Directors of the Issuer, Provident Financial Management Services Limited, Duncton Group Limited and Moneybarn No.1 Limited and Andrew Fisher is also a Director of Provident Investments plc. Shamus Hodgson, Simon Law and Peter Minter are also Directors of Duncton Group Limited and Moneybarn No.1 Limited. As a result, potential conflicts of interest may from time to time arise between the duties these Directors owe to Moneybarn Group Limited and duties owed in respect of such additional Directorships. Moneybarn Group Limited's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

Moneybarn Group Limited complied with the UK Corporate Governance Code throughout 2014.

A4.11.2

MONEYBARN NO.1 LIMITED

Introduction

Moneybarn No.1 Limited was incorporated as a private limited company in England and Wales on 26 July 2002 with registered number 4496573. It was incorporated under the name Duncton No.1 Limited and changed its name on 28 July 2011. It has its principal place of business and registered office at The New Barn, Bedford Road, Petersfield, Hampshire GU32 3LJ and its telephone number is +44 3305 551 230.

A4.5.1.1
A4.5.1.2
A4.5.1.3
A4.5.1.4

Moneybarn No.1 Limited is an indirect wholly owned subsidiary of the Issuer and has no subsidiaries. It is directly held by the intermediary holding companies, Duncton Group Limited and Moneybarn Group Limited. Its principal business activity is the provision of secured car finance loans to customers on low to moderate incomes in the UK.

A4.6.1.1
A4.7.1
A4.12.1

The authorised share capital of Moneybarn No.1 Limited is £100. It has 2 issued ordinary shares with an aggregate nominal value of £2.

A4.14.1.1

The objects and purposes of Moneybarn No.1 Limited are set out in clause 3 of its Memorandum of Association and include, amongst others, advancing and lending money or giving credit on any terms with or without security to any company or person and to guarantee the performance of the obligations, and the payment of the capital or principal (together with any premium), of, and interest on, any securities, loans, trading or current account of any company.

A4.14.2.1

Administrative, Management and Supervisory Bodies

The directors of Moneybarn No.1 Limited are as follows:

A4.10.1

Name:

Position:

Peter Stuart Crook
Andrew Charles Fisher
Shamus Hodgson
Simon David Kelway Law.....
Peter Minter

Director
Director
Director
Director
Director

The business address of each of the Directors is The New Barn, Bedford Road, Petersfield, Hampshire GU32 3LJ.

Peter Crook and Andrew Fisher are also Directors of the Issuer, Provident Financial Services Limited, Duncton Group Limited and Moneybarn Group Limited and Andrew Fisher is also a Director of Provident Investments plc. Shamus Hodgson, Simon Law and Peter Minter are also Directors of Duncton Group Limited and Moneybarn Group Limited. As a result, potential conflicts of interest may from time to time arise between the duties these Directors owe to Moneybarn No.1 Limited and duties owed in respect of such additional Directorships. Moneybarn No.1 Limited's Articles of Association allow Directors to disclose and, where appropriate, authorise conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, approving potential conflicts of interest.

A4.10.2

Corporate Governance

Moneybarn No.1 Limited complied with the UK Corporate Governance Code throughout 2014.

A4.11.2

If investors are considering applying for Notes issued under the Programme, it is important that they understand the taxation consequences of investing in those Notes. Investors should read this section and discuss the taxation consequences with their tax adviser, financial adviser or other professional adviser before deciding whether to invest.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of notes (the Notes) issued under this £2,000,000,000 Euro Medium Term Note Programme (the Programme) 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 Provident Financial plc (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 that has a United Kingdom source 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).

HMRC has powers to obtain information and documents relating to the Notes, including in relation to issues of and other transactions in the Notes, interest, payments treated as interest and other payments derived from the Notes. This may include details of the beneficial owners of the Notes, of the persons for whom the Notes are held and of the persons to whom payments derived from the Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Notes, persons who make, receive or are entitled to receive payments derived from the Notes and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

B. EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the **Amending Directive**). Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or paid subject to withholding. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in Austria to the extent that it still operates a withholding system when they are implemented. The end of the transitional period is 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).

C. Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments by the Guarantors under the terms of the Guarantee 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) is uncertain. In particular, such payments by the Guarantors may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, 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.

D. The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT progressively by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30 per cent. 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 and Provident Investments plc are classified as FFIs and the Guarantors (other than Provident Investments plc) may be classified as FFIs.

The new withholding regime is now in effect 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 after the **grandfathering date**, which is 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 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 on or before grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, 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 an IGA jurisdiction generally 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. 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.

If the Issuer and the Guarantors are treated as Reporting FIs pursuant to the US-UK IGA they do not anticipate being obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuer and the Guarantors will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuer, the Guarantors 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.

While the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the **ICSDs**), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, Guarantors, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

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.

SUBSCRIPTION AND SALE

A13.4.14 (A)
A5.4.13 (A)
A5.5.2.1(i) (A)

This section contains an overview of certain restrictions around who can purchase the Notes in certain jurisdictions.

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 16 March 2015, agreed with Provident Financial plc (the **Issuer**), Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (each a **Guarantor** and together the **Guarantors**) a basis upon which they or any of them may from time to time agree to purchase notes issued under the Programme (the **Notes**). Any such agreement will extend to those matters stated under Appendix B (*Description of the Notes*) and Appendix A (*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 this £2,000,000,000 Euro Medium Term Note Programme (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 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

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.

ADDITIONAL INFORMATION

This section sets out further information on the Issuer, the Guarantors and the Programme which the Issuer and the Guarantors are required to include under applicable rules.

These include the availability of certain relevant documents for inspection, confirmations from the Issuer and the Guarantors and details of the listing of the Notes.

ADDITIONAL INFORMATION

Authorisation

A13.4.12 (C)
A5.4.11 (C)

The establishment of this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**) and the issue of notes under the Programme (the **Notes**) have been duly authorised by a resolutions of the Board of Directors of Provident Financial plc (the **Issuer**) dated 23 February 2015 and the giving of the Guarantees has been duly authorised by resolutions of each of the Boards of Directors of Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (each a **Guarantor** and together the **Guarantors**) dated 23 February 2015.

Use of Proceeds

A5.3.2 (C)

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue of Notes with a denomination of less than €100,000 (or its equivalent in other currencies) under the Programme there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Listing of Notes

A13.5.1(i) (B)
A13.5.1(ii) (C)
A5.6.1(i) (B)
A5.6.1(i) (C)
A21

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 19 March 2015. The Issuer may also issue Notes that are admitted to trading through the electronic order book for retail bonds (**ORB**) of the London Stock Exchange.

Documents Available

A5.4.10 (B)
A6.4.1
A4.17

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 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 2013 and 2014, 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 2013 and 2014, 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.

A13.4.4(ii) (C)

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

A13.4.10 (C)
A5.4.9(i)(B)

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

A4.8.1
A4.13.7

There has been no significant change in the financial or trading position of the Group since 31 December 2014 and there has been no material adverse change in the prospects of the Group since 31 December 2014. 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, Provident Financial Management Services Limited, Duncton Group Limited, Moneybarn Group Limited, Moneybarn No.1 Limited and their respective subsidiaries since 31 December 2014.

Litigation

A4.13.6

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 had in the recent past, 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, Duncton Group Limited, Moneybarn Group Limited, Moneybarn No.1 Limited and their respective subsidiaries, or the Group.

Auditors

Auditors of the Issuer

The 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 each of the two financial years ended on 31 December 2013 and 31 December 2014. These accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The auditors of the Issuer have no material interest in the Issuer.

A4.2.1
A4.13.3.1
A4.13.4.1

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 2013 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 2014, 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

A4.2.1
A4.13.3.1
A4.13.4.1

The auditors of each of Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Investments plc are Deloitte LLP, Chartered Accountants and Registered Auditors, who have audited the accounts of each of these companies, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for each of the two financial years ended on 31 December 2013 and 31 December 2014. These accounts have been prepared in accordance with IFRS as adopted by the European Union.

The auditors of each of Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited were Grant Thornton UK LLP, Chartered Accountants and Registered Auditors, who audited the accounts of each of these companies, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for the financial year ended on 31 December 2013. The current auditors of each of Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited are Deloitte LLP, Chartered Accountants and Registered Auditors, who have audited the accounts of each of these companies, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for the financial year ended 31 December 2014. These accounts have been prepared in accordance with IFRS as adopted by the European Union.

Deloitte LLP does not have a 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 2013 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 2014, 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.

Deloitte LLP has given and not withdrawn its consent to the inclusion of its accountants' reports on each of Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited, for the financial years ended 31 December 2013 on pages F-6 to F-18, F-23 to F-34 and F-39 to F-59, respectively, of this document, in the

A4.16.1

forms and contexts in which they appear and has authorised the contents of those parts of this document which comprise those reports for the purposes of Rule 5.5.4R(2)(f) of the Prospectus Rules.

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.

IMPORTANT LEGAL INFORMATION

This section contains some important legal information regarding the basis on which this Offering Circular may be used, forward-looking statements and other matters.

IMPORTANT LEGAL INFORMATION

If, in the context of a Public Offer (as defined below), you are offered Notes by any entity, you should check that such entity has been given consent to use this Offering Circular for the purposes of making such offer before agreeing to purchase any Notes. The following entities have consent to use this Offering Circular in connection with a Public Offer:

- an entity named as a Dealer or Manager in the applicable Final Terms;
- any financial intermediary specified in the applicable Final Terms as having been granted specific consent to use the Offering Circular;
- any financial intermediary named on the Issuer's website (www.providentfinancial.com) as an Authorised Offeror in respect of the relevant Public Offer (if that financial intermediary has been appointed after the date of the applicable Final Terms); and
- if Part B of the applicable Final Terms specifies "General Consent" as applicable, any financial intermediary authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) who has published the Acceptance Statement (set out below) on its website during the Offer Period.

The entities referred to above have only been given consent to use the Offering Circular during the Offer Period specified in the applicable Final Terms and only in the United Kingdom. Other than as set out above, neither the Issuer nor any Guarantor has authorised the making of any Public Offer by any person 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.

Please see below for certain important legal information relating to Public Offers.

Introduction

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 in the United Kingdom. Any person making or intending to make a Public Offer of Notes on the basis of this Offering Circular must do so only with the Issuer's consent to the use of this Offering Circular as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" and provided such person complies with the conditions attached to that consent.

Save as provided above, none of Provident Financial plc (the **Issuer**), Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited, Moneybarn No.1 Limited (each a **Guarantor** and together the **Guarantors**) 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

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 in relation to any person (an **Investor**) who purchases any Notes in a Public Offer made by a Dealer or an Authorised Offeror, where that offer is made during the Offer

A30.1.1 (A)

Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Offering Circular 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 offeror 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 and, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or 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 for the purposes of the relevant 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*":

Specific consent

A30.1.1 (A)

- (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:
 - (i) the Dealer(s) or Manager(s) specified in the applicable Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms;
 - (iii) 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; and

A30.2A.2 (A)

General Consent

- (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 other 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 Conduct Authority at: www.fsa.gov.uk/register/home.do); 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) (the **Acceptance Statement**):

"We, [insert legal name of financial intermediary], refer to the offer of [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"). In consideration of the Issuer offering to grant its consent to our use of the Offering Circular (as defined in the Final Terms) in connection with the offer of the Notes in the United Kingdom during the Offer Period and subject to the other conditions to such consent, each as specified in the Offering Circular, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Offering Circular) and confirm that we are using the Offering Circular accordingly."

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using this Offering Circular, are that the relevant financial intermediary:

- (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 Conduct Authority (**FCA**) (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;
 - II. comply with the restrictions set out under Section 9 (*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) or rebate 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 and to the extent permitted by the Rules, 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 FCA 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 FCA 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 applicable 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. immediately inform the Issuer, the Guarantors and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules and take all reasonable steps to remedy such violation and comply with such Rules in all respects;
 - XIII. comply with the conditions to the consent referred to under "*Common Conditions to Consent*" below and any further requirements or other Authorised Offeror Terms relevant to the Public Offer as specified in the applicable Final Terms;
 - XIV. make available to each potential Investor in the Notes this 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 this Offering Circular and the applicable Final Terms; and
 - XV. if it conveys or publishes any communication (other than this 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 this 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 this Offering Circular 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 financial intermediary waives 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.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b) above are together the **Authorised Offerors** and each an **Authorised Offeror**.

Any Authorised Offeror who falls within (b) above who wishes to use this Offering Circular in connection with a Public Offer is required, for the duration of the relevant Offer Period, to state on its website that it is using this Offering Circular for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto (in the form of the Acceptance Statement).

A30 2B.1 (A)

Common Conditions to Consent

A30 1.5(C)

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; A30 1.2(A)
- (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 A21
A30 1.4 (A)
- (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

IN THE EVENT OF ANY PUBLIC OFFER BEING MADE BY AN AUTHORISED OFFEROR, THE AUTHORISED OFFEROR WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE PUBLIC OFFER AT THE TIME THE PUBLIC OFFER IS MADE.

A30 1.6 (A)

Public Offers: Issue Price and Offer Price

A5.5.3.1(ii) (B)

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.

Notice to Investors

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.

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 Section 9 (*Subscription and Sale*).

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 this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**). No Dealer or 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.

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 it, (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.

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.

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 Section 9 (*Subscription and Sale*)).

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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 Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation 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 Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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 Section 2 (*Risk Factors*) and Section 6 (*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.

A

APPENDIX A – TERMS AND CONDITIONS OF THE NOTES

A13.4.7 (B)
A5.4.6 (B)

This appendix sets out the terms and conditions which apply to the Notes issued under the Programme.

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 Appendix B (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 16 March 2015 made between the Issuer, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Financial Management Services Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (each a **Guarantor** and together, the **Guarantors**) and Prudential 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 Amended and Restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 16 March 2015 and made between the Issuer, the Guarantors, The Bank of New York Mellon as issuing and principal paying agent and agent bank (the **Agent** or **Paying Agent**, which expression shall include any successor agent or paying agent) and the other parties named therein.

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) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

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 Prudential Trustee Company Limited, Laurence Pountney Hill, London EC4R 0HH, 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.

A13.4.2(i) (B)
A13.4.4(i) (A)
A5.4.1(i) (B)
A5.4.3(i) (A)

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

A13.4.6 (A)
A5.4.5 (A)

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

A6.1
A6.2

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

A13.4.8(ii) (B)
A5.4.7(ii) (B)

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.

A13.4.8(iv) (C)
A5.4.7(iv) (C)

(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

A13.4.8(vi) (A)
A5.4.7(vi) (A)

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

A13.4.8(vii) (C)
A13.4.8(viii) (B)
A5.4.7(vii) (C)
A5.4.7(viii) (B)

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

A13.4.8(vii) (C)
A13.4.8(viii) (B)
A5.4.7(vii) (C)
A5.4.7(viii) (B)

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 (or such replacement page on that service which displays the information) 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.

A13.4.8(ix) (B)
A13.4.8(x) (B)
A5.4.7(x) (B)
A5.4.7(xi) (B)

(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

A13.4.8(viii) (B)
A5.4.7(viii) (B)

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) Linear Interpolation

A13.4.8(x) (B)
A5.4.7(xi) (B)

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) 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.

(g) Determination or Calculation by Trustee

A13.4.8(viii) (B)

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) and (e) above, the Trustee may (but shall not be obliged to) determine (or may 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 may (but shall not be obliged to) calculate (or may 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.

(h) 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, any regulations or agreements thereunder, any official interpretations thereof. or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

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

A13.4.9(ii) (B)
A5.4.8(ii) (B)

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)⁴

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 (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected 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 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.

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.

⁴ To discuss Spens/make whole early redemption option

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 below:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed 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(b) 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 (as

amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive (as amended from time to time); 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

A13.4.8(v) (B)
A5.4.7(v) (B)

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 2012.

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 re-enacted 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 (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive (as amended from time to time).

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

A13.4.11 (B)
A5.4.10 (B)

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 Revolving Facility Agreement dated 31 January 2014 as amended, extended 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 30 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 the date from which interest starts to accrue 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

A13.4.3 (A)
A5.4.2 (A)

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.

B

APPENDIX B – DESCRIPTION OF THE NOTES

The Notes will be held in bearer form. The following is a summary of certain parts of those provisions which relate to the form of the Notes.

FORM OF THE NOTES

A13.4.4(i) (A)

A5.4.1(i) (B)

A5.4.3 (i) (A)

Each Tranche of notes (the **Notes**) issued under this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**) 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 depositary (the **Common Depositary**) 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 exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

The following legend will appear on all Notes (other than Temporary Global Notes), and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"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 in Appendix A (*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.

C

APPENDIX C – FORM OF FINAL TERMS

For specific issuances of Notes with a denomination of less than €100,000 (or its equivalent in any other currency)

This appendix sets out the form of Final Terms that the Issuer will publish if it issues any Notes under the Programme with a denomination of less than €100,000 (or its equivalent in any other currency). This details the relevant information applicable to the issue adjusted to be relevant only to the Notes issued under the applicable Final Terms.

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

A4.5.1.1

**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, Provident Investments plc, Duncton Group Limited, Moneybarn
Group Limited and Moneybarn No.1 Limited
under the £2,000,000,000
Euro Medium Term Note Programme**

A4.5.1.1

PART A — CONTRACTUAL TERMS

A4.5.1 (C)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 16 March 2015 [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 16 March 2015. 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 16 March 2015 [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	A4.5.1.1
	(b)	Guarantors:	Provident Financial Management Services Limited	A4.5.1.1
			Provident Personal Credit Limited	A4.5.1.1
			Greenwood Personal Credit Limited	A4.5.1.1
			Provident Investments plc	A4.5.1.1
			Duncton Group Limited	A4.5.1.1
			Moneybarn Group Limited	A4.5.1.1
			Moneybarn No.1 Limited	A4.5.1.1
2.	(a)	Series Number:	[]	A21
	(b)	Tranche Number:	[]	A21

	(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:	[]	A5.4.4 (C)
4.		Aggregate Nominal Amount:		A5.5.1.2 (C)
	(a)	Series:	[]	
	(b)	Tranche:	[]	
5.		Issue Price:	[] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]	A5.5.3.1(i) (C)
6.	(a)	Specified Denominations:	[]	
	(b)	Calculation Amount:	[]	
7.	(a)	Issue Date:	[]	A5.4.12 (C)
	(b)	Interest Commencement Date:	[[]/Issue Date/Not Applicable]]	A5.4.7(iii) (C)
8.		Maturity Date:	[[]/ Interest Payment Date falling in or nearest to []]	A5.4.8(i) (C)
9.		Interest Basis:	[[] per cent. Fixed Rate] [[] month[LIBOR/EURIBOR] +/- [] per cent. Floating Rate] [Zero Coupon] [(see paragraph 14/15/16 below)]	A5.4.7(i) (C)
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.	A5.4.8(ii) (B)
11.		Change of Interest Basis:	[] [Not Applicable]	A5.4.7(i) (C)
12.		Put/Call Options:	[Investor Put] [Issuer Call] [(see paragraph [18]/[19] below)]	
13.	(a)	Status of the Notes:	Senior	A5.4.5 (A)
	(b)	Status of the Guarantees:	Senior	
	(c)	[Date [Board] approval for issuance of Notes [and Guarantees] obtained:	[] [and [], respectively]]	A5.4.11 (C)
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE				A5.4.7(ii) (B)
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	A5.4.7(i) (C)
	(b)	Interest Payment Date(s):	[] [and []]] in each year up to and including the Maturity Date]	A5.4.7(ii) (C) A5.4.7(iv) (C)

	(c)	Fixed Coupon Amount(s): (Applicable to Notes in definitive form.)	[] per Calculation Amount	A5.4.7(ii)(B)
	(d)	Broken Amount(s): (Applicable to Notes in definitive form.)	[[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]	A5.4.7(ii)(B)
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]	A5.4.7(ii)(B)
	(f)	Determination Date(s):	[[] in each year] [Not Applicable]	A5.4.7(ii)(B)
15.		Floating Rate Note Provisions	[Applicable/Not Applicable]	A5.4.7(ii) (C)
	(a)	Specified Period(s)/ Specified Interest Payment Dates:	[]	A5.4.7(iii) (C) A5.4.7(iv) (C)
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]	A5.4.7(ii) (B)
	(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]	A5.4.7(vi) (A)
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[]	A5.4.7(xii) (C)
	(f)	Screen Rate Determination:		A5.4.7(vii) (C) A5.4.7(viii) (B)
		• Reference Rate:	[] month [LIBOR/EURIBOR]	
		• Interest Determination Date(s):	[]	
		• Relevant Screen Page:	[Reuters EURIBOR01/Reuters LIBOR01/[]]	
	(g)	ISDA Determination:		A5.4.7(vii) (C) A5.4.7(viii) (B)
		• Floating Rate Option:	[]	
		• Designated Maturity:	[]	
		• Reset Date:	[]	
	(h)	Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short]/[first/last] Interest Period shall be calculated using Linear Interpolation]	A5.4.7(ii)(B)
	(i)	Margin(s):	[[+/-] [] per cent. per annum] [Not Applicable]	A5.4.7(ii)(B)
	(j)	Minimum Rate of Interest:	[[] per cent. per annum] [Not Applicable]	
	(k)	Maximum Rate of Interest:	[[] per cent. per annum] [Not Applicable]	
	(l)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA)]	A5.4.7(ii)(B)

16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]	A5.4.8(ii)(B)
(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

A5.4.8(ii)(B)

17.	Notice periods for Condition 6.2:	Minimum period: [] days Maximum period: [] days	A5.4.8(ii)(B)
18.	Issuer Call:	[Applicable/Not Applicable]	A5.4.8(ii)(B)
(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]	A5.4.8(ii)(B)
(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]	A5.4.8(ii)(B)
21.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[[] per Calculation Amount]	A5.4.8(ii)(B)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

A5.4.1(i)(B)
A5.4.3(i)(A)

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]]	A5.4.3(i)(A)

		[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]	A5.4.7(ii)(B)
24.	Talons for future Coupons to be attached to definitive Notes:	[Yes/No]	A5.4.7(ii)(B)

THIRD PARTY INFORMATION

[[] 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.] A4.16.2

Signed on behalf of Provident Financial plc:

Signed on behalf of Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited:

By: _____
Duly authorised

By: _____
Duly authorised

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- | | | | |
|------|---|---|---|
| (i) | Listing and Admission to Trading | <p>[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 [].]</p> | <p>A5.6.1(i) (B)
A21</p> <p>A5.6.1(i) (C)</p> |
| (ii) | Estimate of total expenses related to admission to trading: | [] | |

2. RATINGS

- | | | |
|----------|---|-------------------|
| Ratings: | <p>[[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 []].</p> | <p>A5.7.5 (C)</p> |
|----------|---|-------------------|

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.]

A5.3.1 (C)

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

A5.3.2 (C)

- | | | |
|-------|---------------------------|------|
| (i) | [Reasons for the offer | []] |
| (ii) | Estimated net proceeds: | [] |
| (iii) | Estimated total expenses: | [] |

5. YIELD (*Fixed Rate Notes Only*)

- | | | |
|----------------------|---|----------------------|
| Indication of yield: | <p>The yield in respect of this issue of Fixed Rate Notes is [].</p> | <p>A5.4.9(i) (C)</p> |
|----------------------|---|----------------------|

6.	HISTORIC INTEREST RATES (Floating Rate Notes Only)		A5.4.7(ii) (B)
	Details of historic [LIBOR/EURIBOR/[]] rates can be obtained from [Reuters].		
7.	OPERATIONAL INFORMATION		A5.4.1(ii) (C)
(i)	ISIN: []		
(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]	A5.4.3(ii) (C)
(iv)	Delivery:	Delivery [against/free of] payment	
(v)	Names and addresses of additional Paying Agent(s) (if any):	[]	A5.5.4.2(C)
(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/quotas (material features):	[[Not Applicable]/[]]	A5.5.4.3 (C)
(ii)	Date and material features of [Subscription] Agreement:	[]	A5.5.4.4 (C)
(iii)	Stabilisation 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)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/]; TEFRA D/TEFRA C/TEFRA not applicable]]	A5.4.13 (A)
(vii)	Public Offer [where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus]:	[Applicable] [Not Applicable]	
	Offer Period:	[] until []	A5.5.1.3 (C) A30 1.3 (C)
	Financial intermediaries granted specific consent to use the Offering Circular in accordance with the conditions in it:	[]	A5.6.3 (C) A30 2A.1 (C)
	General Consent:	[Not Applicable][Applicable]	
	Other Authorised Offeror Terms:	[Not Applicable][]	

9. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price/Not applicable/[]]	A5.5.3.1(i) (C)
Conditions to which the offer is subject:	[Not applicable/[]]	A5.5.1 (C)
Description of the application process:	[Not applicable/[]]	A5.5.1 (C)
Details of the minimum and/or maximum amount of application:	[Not applicable/[]]	A5.5.1.5 (C)
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/[]]	A5.5.1.4 (C)
Details of the method and time limits for paying up and delivering the Notes:	[Not applicable/[]]	A5.5.1.6 (C)
Manner in and date on which results of the offer are to be made public:	[Not applicable/[]]	A5.5.1.7 (C)
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/[]]	A5.5.1.8 (C)
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/[]]	A5.5.2.1(ii) (C) A5.5.2.2 (C)
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable/[]]	A5.5.3.1(iii) (C)
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 8 above and identifiable from the Offering Circular/None/[]	A5.5.4.1 (C)
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.	[None]/[]	A5.5.1 (C)

ANNEX
SUMMARY OF THE NOTES

[]

D

APPENDIX D – FORM OF FINAL TERMS

For specific issuances of Notes with a denomination of at least €100,000 (or its equivalent in any other currency)

This appendix sets out the form of Final Terms that the Issuer will publish if it issues any Notes under the Programme with a denomination of at least €100,000 (or its equivalent in any other currency). This details the relevant information applicable to the issue adjusted to be relevant only to the Notes issued under the applicable Final Terms.

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

A4.5.1.1

**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, Provident Investments plc, Duncton Group Limited, Moneybarn
Group Limited and Moneybarn No.1 Limited
under the £2,000,000,000 Euro Medium Term Note Programme**

A4.5.1.1

PART A — CONTRACTUAL TERMS

A13.4.7 (B)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 16 March 2015 [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 16 March 2015. 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 16 March 2015 [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	A4.5.1.1
	(b)	Guarantors:	Provident Financial Management Services Limited Provident Personal Credit Limited Greenwood Personal Credit Limited Provident Investments plc Duncton Group Limited Moneybarn Group Limited Moneybarn No.1 Limited	A4.5.1.1 A4.5.1.1 A4.5.1.1 A4.5.1.1 A4.5.1.1 A4.5.1.1 A4.5.1.1
2.	(a)	Series Number:	[]	A21
	(b)	Tranche Number:	[]	A21
	(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:	[]	A13.4.5 (C)
4.	Aggregate Nominal Amount:		A13.4.1 (C)
	(a) Series:	[]	
	(b) Tranche:	[]	
5.	Issue Price:	[] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]	
6.	(a) Specified Denominations:	[]	A13.4.2(i) (B)
	(b) Calculation Amount:	[]	A13.4.8(ii) (B)
7.	(a) Issue Date:	[]	A13.4.13 (C)
	(b) Interest Commencement Date:	[[]/Issue Date/Not Applicable]]	A13.4.8(iii) (C)
8.	Maturity Date:	[[]/Interest Payment Date falling in or nearest to []]	A13.4.9(i) (C)
9.	Interest Basis:	[[] per cent. Fixed Rate] [[] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate] [Zero Coupon] (see paragraph 14/15/16 below)	A13.4.8 (C)
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.	A13.4.9(ii) (B)
11.	Change of Interest Basis:	[] [Not Applicable]	A13.4.8 (C)
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(see paragraph [18]/[19] below)]	
13.	(a) Status of the Notes:	Senior	A13.4.6 (A)
	(b) [Status of the Guarantee:	Senior	
	(c) [Date [Board] approval for issuance of Notes [and Guarantees] obtained:	[] [and [], respectively]]	A13.4.12 (C)
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE			A13.4.8(ii) (B)
14.	Fixed Rate Note Provisions	[Applicable/Not Applicable]	A13.4.8(ii) (B)
	(a) Rate(s) of Interest:	[] per cent, per annum payable on each Interest Payment Date in arrear	A13.4.8 (C)
	(b) Interest Payment Date(s):	[[] in each year up to and including the Maturity Date]	A13.4.8(iii) (C) A13.4.8(iv) (C)
	(c) Fixed Coupon Amount(s):	[] per Calculation Amount (Applicable to Notes in definitive form.)	A13.4.8(ii) (B)

	(d)	Broken Amount(s): (<i>Applicable to Notes in definitive form.</i>)	[[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]	A13.4.8(ii)(B)
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]	A13.4.8(ii)(B)
	(f)	[Determination Date(s):	[[] in each year] [Not Applicable]	A13.4.8(ii)(B)
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/]	A13.4.8(ii)(B)
15.		Floating Rate Note Provisions	[Applicable/Not Applicable]	A13.4.8(ii)(B)
	(a)	Specified Period(s)/ Specified Interest Payment Dates:	[]	A13.4.8(iii)(C) A13.4.8(iv)(C)
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]	A13.4.8(ii)(B)
	(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]	A13.4.8(vi)(A)
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[]	A13.4.8(xi)(C)
	(f)	Screen Rate Determination:		A13.4.8(vii)(C) A13.4.8(viii)(B)
		• Reference Rate:	Reference Rate: [] month [LIBOR/EURIBOR]	
		• Interest Determination Date(s):		
		• Relevant Screen Page:	[] [Reuters EURIBOR01/Reuters LIBOR01/[]]	
	(g)	ISDA Determination:		A13.4.8(vii)(C) A13.4.8(viii)(B)
		• Floating Rate Option:	[]	
		• Designated Maturity:	[]	
		• Reset Date:	[]	
	(h)	Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short]/[first/last] Interest Period shall be calculated using Linear Interpolation]	A13.4.8(x)(B)
	(i)	Margin(s):	[+/-] [] per cent. per annum	A13.4.8(ii)(B)
	(j)	Minimum Rate of Interest:	[] per cent. per annum	A13.4.8(ii)(B)
	(k)	Maximum Rate of Interest:	[] per cent. per annum	
	(l)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360]	A13.4.8(ii)(B)

		30/360 30E/360 30E/360 (ISDA)]	
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]	A13.4.9(ii)(B)
	(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 Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]	

PROVISIONS RELATING TO REDEMPTION

A13.4.9(ii)(B)

17.	Notice periods for Condition 6.2:	Minimum period: [] days Maximum period: [] days	A13.4.9(ii)(B)
18.	Issuer Call:	[Applicable/Not Applicable]	A13.4.9(ii)(B)
	(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]	A13.4.9(ii)(B)
	(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]	A13.4.9(ii)(B)
21.	Early Redemption Amount payable on	[[] per Calculation Amount]	A13.4.9(ii)(B)

redemption for taxation reasons or on event
of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

A13.4.4(i)(A)

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]

A13.4.8(ii) (B)

THIRD PARTY INFORMATION

[[] 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.

A13.7.4 (C)

Signed on behalf of Provident Financial plc

Signed on behalf of Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited, Provident Investments plc, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited

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 [].] | A13.5.1(i) (B)
A13.5.1(ii) (C)
A21 |
| (ii) | Estimate of total expenses related to admission to trading: | [] | A13.6.1 (C) |

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 []. | A13.7.5 (C) |
|----------|--|-------------|

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

A13.3 (C)

[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)

A13.4.10 (C)

- | | |
|----------------------|---|
| 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: | [] | A13.4.2(ii) (C) |
| (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/[]] | A13.4.4(ii) (C) |
| (iv) | Names and addresses of additional Paying Agent(s) (if any): | [] | A13.5.2 (C) |

6. 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.

7. DISTRIBUTION

(i) U.S. Selling Restrictions:

[Reg. S Compliance Category [1/2/]; TEFRA D/TEFRA C/TEFRA not applicable]]

A13.4.14 (A)

ANNEX
SUMMARY OF THE NOTES

[]

HISTORICAL FINANCIAL INFORMATION OF DUNCTON GROUP LIMITED, MONEYBARN GROUP LIMITED AND MONEYBARN NO.1 LIMITED

The historical financial information of Duncton Group Limited for the financial periods ended 31 December 2013 (together with an accountants' report prepared in connection therewith) and 31 December 2014 (together with an auditors' report prepared in connection therewith)	F-2
The historical financial information of Moneybarn Group Limited for the financial periods ended 31 December 2013 (together with an accountants' report prepared in connection therewith) and 31 December 2014 (together with an auditors' report prepared in connection therewith)	F-19
The historical financial information of Moneybarn No.1 Limited for the financial periods ended 31 December 2013 (together with an accountants' report prepared in connection therewith) and 31 December 2014 (together with an auditors' report prepared in connection therewith)	F-35

This section contains the historical financial information of each of Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited for the financial periods ended 31 December 2013 (together with an accountants' report prepared in connection therewith) and 31 December 2014 (together with an auditors' report prepared in connection therewith).

DUNCTON GROUP LIMITED

A4.13.1
A4.13.2
A4.13.4.1
A4.3.1

THE HISTORICAL FINANCIAL INFORMATION OF DUNCTON GROUP LIMITED FOR THE
FINANCIAL PERIODS ENDED 31 DECEMBER 2013 (TOGETHER WITH AN ACCOUNTANTS'
REPORT PREPARED IN CONNECTION THEREWITH) AND 31 DECEMBER 2014 (TOGETHER WITH
AN AUDITORS' REPORT PREPARED IN CONNECTION THEREWITH)

The Board of Directors
Duncton Group Limited
The New Barn
Bedford Road
Petersfield
Hampshire GU32 3LJ

16 March 2015

Dear Sirs

Duncton Group Limited

We report on the financial information of Duncton Group Limited (the **Company**) for the year ended 31 December 2013 set out on pages F-6 to F-18 of the offering circular dated 16 March 2015 of Provident Financial plc (the **Offering Circular**). This financial information has been prepared for inclusion in the Offering Circular on the basis of the accounting policies set out in the statement of accounting policies of the financial information. This report is required by Annex IV item 13.1 of Commission Regulation (EC) No 809/2004 (the **Prospectus Directive Regulation**) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

A4.1.1
A4.16.1

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.4R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex IV item 16.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Offering Circular.

Basis of the opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of Duncton Group Limited as at 31 December 2013 and of its profits, cash flows and changes in equity for the year ended 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Offering Circular and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Offering Circular in compliance with Annex IV item 1.2 of the Prospectus Directive Regulation.

A4.1.2

Yours faithfully

Deloitte LLP

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DUNCTON GROUP LIMITED**

We have audited the financial statements of Duncton Group Limited for the year ended 31 December 2014 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in shareholder's equity, the cash flow statement, the statement of accounting policies, the financial and capital risk management report and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report.



Stewart Cumberbatch ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
11 March 2015

DUNCTON GROUP LIMITED
(Company Number 6308608)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2014 £'000	2013 £'000
Revenue	1	500	400
Administrative costs		(2)	-
Finance costs	3	(500)	(248)
Total costs		(502)	(248)
(Loss)/profit before taxation	2	(2)	152
Tax charge	4	-	-
(Loss)/profit and total comprehensive income for the year		(2)	152

All of the above operations relate to continuing operations.

DUNTON GROUP LIMITED
(Company Number 6308608)

BALANCE SHEET

	Note	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
ASSETS				
Non-current assets				
Investment in subsidiaries	6	10,000	10,000	10,000
Current assets				
Financial assets:				
- cash and cash equivalents			192	39
- trade and other receivables	8	1,087	936	873
Total current assets		1,087	1,128	912
Total assets		11,087	11,128	10,912
LIABILITIES				
Current liabilities				
Financial liabilities:				
- trade and other payables	9	(41)	(102)	(39)
Non-current liabilities				
Financial liabilities:				
- borrowings	10	-	(16)	(15)
Total liabilities		(41)	(118)	(54)
NET ASSETS		11,046	11,010	10,858
SHAREHOLDERS' EQUITY				
Share capital	11	11,007	10,989	10,989
Share premium account		20	-	-
Retained earnings/(deficit)		19	21	(131)
TOTAL SHAREHOLDERS' EQUITY		11,046	11,010	10,858

The financial statements on pages 5 to 17 were approved by the board of directors on 11 March 2015 and signed on its behalf by:



Peter Minter
Director



Simon Law
Director

DUNCTON GROUP LIMITED
(Company Number 6308608)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Called-up share capital £'000	Share premium account £'000	Retained earnings/ (deficit) £'000	Total £'000
At 1 January 2013	10,989	-	(131)	10,858
Profit and total comprehensive income for the year	-	-	152	152
At 31 December 2013	10,989	-	21	11,010
At 1 January 2014	10,989	-	21	11,010
Loss and total comprehensive income for the year	-	-	(2)	(2)
Transactions with owners:				
- issue of share capital	18	20	-	38
At 31 December 2014	11,007	20	19	11,046

STATEMENT OF CASH FLOWS

	Note	2014 £'000	2013 £'000
For the year ended 31 December			
Cash flows from operating activities			
Cash (used in)/generated from operations	14	(230)	1
Finance costs paid	3	(500)	(248)
Net cash used in operating activities		(730)	(247)
Cash flows from investing activities			
Dividends received	1	500	400
Net cash generated from investing activities		500	400
Cash flows from financing activities			
Proceeds from issue of share capital		38	-
Net cash generated from financing activities		38	-
Net (decrease)/increase in cash, cash equivalents and overdrafts		(192)	153
Cash and cash equivalents at beginning of year		192	39
Cash and cash equivalents at end of year		-	192

DUNCTON GROUP LIMITED
(Company Number 6308608)

STATEMENT OF ACCOUNTING POLICIES

General information

The company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is The New Barn, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

The principal activity of the company during the year is that of a holding company. The principal activity of the company's subsidiaries is the financing of motor vehicles to individuals via conditional sale agreements.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements are the Company's first financial statements prepared in accordance with IFRS and IFRS 1, 'First time Adoption of International Financial Reporting Standards' has been applied. An explanation of how the transition to IFRS has affected the comparative total comprehensive income and the opening and comparative balance sheet of the company is provided in note 15.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The company's accounting policies are chosen by the directors to ensure that the financial statements present a true and fair view. In accordance with section 400 of the Companies Act 2006 consolidated accounts are not presented since the company is a wholly owned subsidiary undertaking of Provident Financial plc, a company incorporated in the United Kingdom.

Principal accounting policies

These are the company's first financial statements prepared in accordance with IFRS. The impact of the transition to IFRS is covered in note 15.

The company's principal accounting policies under IFRS, which have been consistently applied to all the years presented unless otherwise stated, are set out below.

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

Revenue

Revenue comprises dividends received from group undertakings and is recognised when they are approved by the board.

Finance costs

Finance costs relate to interest payable on share capital classified as borrowings under IAS 32; 'Financial instruments: presentation'.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Dividend income is recognised in the income statement within revenue

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

DUNCTON GROUP LIMITED
(Company Number 6308608)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The tax credit/charge represents the sum of current and deferred tax. Current tax is calculated based on taxable profit for the year using tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is also provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

DUNCTON GROUP LIMITED
(Company Number 6308608)

FINANCIAL AND CAPITAL RISK MANAGEMENT

Dunton Group Limited (the company) is a wholly-owned subsidiary of Provident Financial plc which, together with its subsidiaries, forms the Provident Financial group (the group).

The overall group internal control and risk management framework is the responsibility of the group board with certain responsibilities in respect of internal control and risk management being delegated to various sub-committees who report directly to the board. An overview of the group's risk management framework can be found in the annual report of Provident Financial plc.

The group operates with a centralised treasury function and therefore the funding requirements of the company are met wholly or partially via funding from Provident Financial plc or one of its subsidiaries. In addition, the allocation of capital is managed on a group basis by the centralised treasury function.

Accordingly, it is inappropriate to consider the management of liquidity risk, interest rate risk, market risk and capital risk on a stand-alone company basis.

(a) Liquidity risk

Liquidity risk is the risk that the group will have insufficient liquid resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

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

The group's funding and liquidity policy is designed to ensure that the group is able to continue to fund the growth of the business. The group therefore maintains committed borrowing facilities and access to retail deposit funding through its subsidiary, Vanquis Bank Limited, to meet forecast borrowing requirements, including contractual maturities, at all times for at least the following 12 months. As at 31 December 2014, the group's committed borrowing facilities had a weighted average maturity of 3.1 years (2013: 3.2 years) and the headroom on these committed facilities amounted to £111.5m (2013: £235.2m).

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by the Consumer Credit Division are of short-term duration (typically around one year), whereas the group's borrowings extend over a number of years.

A maturity analysis of the undiscounted contractual cash flows of the group's bank and other borrowings, including derivative financial instruments settled on a net and gross basis, is set out in the annual report of Provident Financial plc.

(a) Interest rate risk

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

The group's exposure to movements in interest rates is managed by the group 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 the 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.

A 2% movement in the interest rate applied to borrowings during 2014 and 2013 would not have had a material impact on the group's profit before taxation or equity as the group's interest rate risk was substantially hedged. Further details of the interest rate risk management are detailed within the annual report of Provident Financial plc.

DUNCTON GROUP LIMITED
(Company Number 6308608)

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Market risk is the risk of loss due to adverse market movements caused by active trading positions taken in interest rates, foreign exchange markets, bonds and equities. The company's and group's policies do not permit it or the group to undertake position taking or trading books of this type and therefore neither it or the group does so.

(d) Capital risk

Capital risk is managed by the group's centralised treasury department. The group manages capital risk by focussing on capital efficiency and effective risk management. This aims to maintain sufficient, but not excessive, financial strength, optimise the debt to equity structure of the company and support dividend payments to the parent. This takes into account the requirements of a variety of different stakeholders including shareholders, policyholders, regulators and rating agencies. A more detailed explanation of the management of capital risk can be found in the annual report of Provident Financial plc.

DUNCTON GROUP LIMITED
(Company Number 6308608)

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2014 £'000	2013 £'000
Dividends received from group undertakings	500	400
Total revenue	500	400

2 (Loss)/profit before taxation

The company has no employees, therefore, no disclosure of amounts paid to employees is shown as a deduction from loss (2013: profit).

	2014 £'000	2013 £'000
Auditors' remuneration		
Fees payable to the company's auditor for the audit of the financial statements	2	-
Total auditors' remuneration	2	-

The 2013 audit fee was borne by Moneybarn Limited.

The company is not party to any operating lease contracts.

3 Finance costs

	2014 £'000	2013 £'000
Interest payable on 'B' and 'D' ordinary shares	500	248
Total finance costs	500	248

Finance costs paid in the year relate to the distributions payable to the shareholders of 'B' and 'D' ordinary shares classified as borrowings (see note 10).

4 Tax

No tax has been charged to the income statement in the period (2013: £nil).

The standard rate of UK corporation tax reduced from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015.

The rate of tax charged on the loss (2013: profit) before taxation for the year is lower than (2013: lower than) the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). This can be reconciled as follows:

	2014 £'000	2013 £'000
(Loss)/profit before taxation	(2)	152
(Loss)/profit before taxation multiplied by the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	-	(35)
Effects of:		
- non-taxable dividend income	107	93
- dividends on shares classified as liabilities	(107)	(58)
Total tax charge	-	-

DUNCTON GROUP LIMITED
(Company Number 6308608)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Employee Information and directors' remuneration

The company has no employees other than directors, the cost of which is borne by Moneybarn Limited.

6 Investment in subsidiaries

	31 December 2014	31 December 2013	1 January 2013
Cost and net book value	£'000	£'000	£'000
Investments in subsidiary companies	10,000	10,000	10,000

The directors consider the value of investments to be supported by their underlying assets.

The following are the subsidiary undertakings which, in the opinion of the directors, principally affect the profit or assets of the company, all of which are incorporated in England. Direct subsidiaries are 100% owned by the company and indirect subsidiaries of the company are all 100% owned by their immediate parent.

Company	Direct/indirect subsidiary	Class of capital	Principal activity
Moneybarn Group Limited	Direct	Ordinary	Holding company
Moneybarn Limited	Indirect	Ordinary	Service company
Moneybarn No.1 Limited	Indirect	Ordinary	Vehicle finance
Moneybarn Vehicle Finance Limited	Indirect	Ordinary	Dormant
Moneybarn No.4 Limited	Direct	Ordinary	Non trading

DUNCTON GROUP LIMITED
(Company Number 6308608)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Financial instruments

The following table sets out the carrying value of the company's financial assets and liabilities in accordance with the categories of financial instruments set out in IAS 39. Assets and liabilities outside the scope of IAS 39 are shown within non-financial assets/liabilities:

31 December 2014				
	Loans and receivables £'000	Amortised cost £'000	Non-financial assets/ liabilities £'000	Total £'000
Assets				
Investments in subsidiaries	-	-	10,000	10,000
Trade and other receivables	1,087	-	-	1,087
Total assets	1,087	-	10,000	11,087
Liabilities				
Trade and other payables	-	(41)	-	(41)
Total liabilities	-	(41)	-	(41)

31 December 2013				
	Loans and receivables £'000	Amortised cost £'000	Non-financial assets/ liabilities £'000	Total £'000
Assets				
Cash and cash equivalents	192	-	-	192
Investments in subsidiaries	-	-	10,000	10,000
Trade and other receivables	936	-	-	936
Total assets	1,128	-	10,000	11,128
Liabilities				
Trade and other payables	-	(102)	-	(102)
Borrowings	(16)	-	-	(16)
Total liabilities	(16)	(102)	-	(118)

1 January 2013				
	Loans and receivables £'000	Amortised cost £'000	Non-financial assets/ liabilities £'000	Total £'000
Assets				
Cash and cash equivalents	39	-	-	39
Investments in subsidiaries	-	-	10,000	10,000
Trade and other receivables	873	-	-	873
Total assets	912	-	10,000	10,912
Liabilities				
Trade and other payables	-	(39)	-	(39)
Borrowings	(15)	-	-	(15)
Total liabilities	(15)	(39)	-	(54)

DUNTON GROUP LIMITED
(Company Number 6308608)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Trade and other receivables

	31 December 2014	31 December 2013	1 January 2013
Current assets	£'000	£'000	£'000
Amounts owed by fellow subsidiary undertakings	1,087	936	873
Total	1,087	936	873

The fair value of trade and other receivables equates to their book value (31 December 2013 and 1 January 2013: fair value equated to book value). All trade and other receivables are classified as level 2 in the IFRS 13 fair value hierarchy.

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and do not accrue interest.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (31 December 2013 and 1 January 2013: carrying value).

9 Trade and other payables

	31 December 2014	31 December 2013	1 January 2013
Current liabilities	£'000	£'000	£'000
Amounts owed to fellow subsidiary undertakings	41	102	39
Total	41	102	39

The fair value of trade and other payables equates to their book value (31 December 2013 and at 1 January 2013: fair value equated to book value). The amounts owed to subsidiary and fellow subsidiary undertakings are unsecured, due for repayment in less than one year and do not accrue interest.

10 Borrowings

	31 December 2014		31 December 2013		1 January 2013	
Shares classified as debt	Number of shares	Issued and fully paid £	Number of shares	Issued and fully paid £	Number of shares	Issued and fully paid £
'B' ordinary shares of 1p each	-	-	1,222,222	12,222	1,222,222	12,222
'D' ordinary shares of 1p each	-	-	402,426	4,024	265,245	2,652
Total	-	-	1,624,648	16,246	1,487,467	14,874

As at 31 December 2013 and 1 January 2013, and subject to any legal, regulatory or contractual constraints and subject to directors' compliance with their fiduciary duties, the B and D shareholders were entitled to receive fixed rates of dividend. The future entitlement to a fixed dividend for the B and D shares created a compound instrument, however the rights on liquidation were not considered to give rise to any substantial interest in the residual capital. The directors therefore concluded that as at those dates the equity component of the B and D shares was insignificant in all scenarios such that it was appropriate to recognise the B and D shares as liability instruments, rather than compound equity instruments. Following the acquisition of the company by Provident Financial plc on 20 August 2014, the shareholders' agreement that stipulated the entitlement to a fixed rate of dividend was cancelled. From that date, the directors consider the B and D shares to be ordinary share capital.

DUNCTON GROUP LIMITED
(Company Number 6308608)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Share capital

Shares classified as capital	31 December 2014		31 December 2013		1 January 2013	
	Number of shares	£ Issued and fully paid	Number of shares	£ Issued and fully paid	Number of shares	£ Issued and fully paid
'A' ordinary shares of 1p each	3	-	3	-	3	-
'B' ordinary shares of 1p each	1,230,851	12,309	-	-	-	-
'D' ordinary shares of 1p each	527,507	5,275	-	-	-	-
'E' ordinary shares of 100p each	10,989,000	10,989,000	10,989,000	10,989,000	10,989,000	10,989,000
'F' ordinary shares of 1p each	1	-	1	-	1	-
Total	12,747,362	11,006,584	10,989,004	10,989,000	10,989,004	10,989,000

There are no shares issued and not fully paid at the end of the year (31 December 2013 and 1 January 2013: no shares).

During the year the company allotted 8,629 (2013: nil) B shares with a nominal value of £86.29 (2013: £nil) and 125,081 (2013: 137,181) D shares with a nominal value of £1,250.81 (2013: £1,371.80).

Rights of class of share

A Shares; do not carry any rights to receive notice of, attend and vote at shareholders' meetings. The holders of the A shares are not entitled to receive any dividends or distributions.

B shares and D shares; carry a right to receive notice of, attend and vote at meetings. The holders of the B shares and D shares are entitled to receive all distributions made by the company. On a return of capital on a liquidation, the surplus assets of the company remaining after satisfaction of its then outstanding liabilities are to be distributed in cash to shareholders in a specified order, as set out in the company's Articles of Association.

E Shares and F Shares; do not carry any rights to receive notice of, attend and vote at Shareholders' meetings. The holders of the E shares are not entitled to receive any dividends or distributions.

12 Related party transactions

Balances outstanding with other group undertakings, which comprise management recharges and interest charges or credits on intra-group balances, along with any balances outstanding at 31 December are set out below:

	2014		2013	
	Management recharge	Outstanding balance	Management recharge	Outstanding balance
Company	£'000	£'000	£'000	£'000
Other subsidiaries of the immediate parent undertaking	7	1,046	-	834
Total	7	1,046	-	834

13 Contingent liabilities

The company is a guarantor in respect of: (i) borrowings made by the company's ultimate parent undertaking; and (ii) guarantees given by the company's ultimate parent undertaking in respect of borrowings of certain of its subsidiaries to a maximum of £1,013.0m (31 December 2013 and 1 January 2013: £nil). At 31 December 2014, the borrowings amounted to £901.5m (31 December 2013 and 1 January 2013: £nil). No loss is expected to arise.

DUNCTON GROUP LIMITED
(Company Number 6308608)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Reconciliation of (loss)/profit after taxation to cash (used in)/generated from operations

	Note	2014 £'000	2013 £'000
(Loss)/profit after taxation		(2)	152
Adjusted for:			
- dividends received	1	(500)	(400)
- finance costs	3	500	248
Changes in operating assets and liabilities:			
- trade and other receivables		(151)	(63)
- trade and other payables		(77)	64
Cash (used in)/generated from operations		(230)	1

15 Transition to IFRS

These are the company's first financial statements prepared in accordance with IFRS.

The principal accounting policies set out in the statement of accounting policies are compliant with IFRS and have been applied in preparing all periods covered in these financial statements.

IFRS 1 requires an entity to reconcile total comprehensive income and equity for prior periods. Due to the nature of the company's operations, the equity reported as at 1 January 2013 and 31 December 2014 and the total comprehensive income for the year ended 31 December 2014 is the same under both UK GAAP and IFRS. In addition, the company's first-time adoption of IFRS does not have an impact on the total operating, investing or financing cash flows.

16 Parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Provident Financial plc, which is the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Provident Financial plc may be obtained from the Company Secretary, Provident Financial plc, No.1 Godwin Street, Bradford, BD1 2SU.

MONEYBARN GROUP LIMITED

A4.13.1
A4.13.2
A4.13.4.1
A4.3.1

THE HISTORICAL FINANCIAL INFORMATION OF MONEYBARN GROUP LIMITED FOR THE
FINANCIAL PERIODS ENDED 31 DECEMBER 2013 (TOGETHER WITH AN ACCOUNTANTS'
REPORT PREPARED IN CONNECTION THEREWITH) AND 31 DECEMBER 2014 (TOGETHER WITH
AN AUDITORS' REPORT PREPARED IN CONNECTION THEREWITH)

Deloitte LLP
1 City Square
Leeds
LS1 2AL

Moneybarn Group Limited
The New Barn
Bedford Road
Petersfield
Hampshire GU32 3LJ

16 March 2015

Dear Sirs

Moneybarn Group Limited

We report on the financial information of Moneybarn Group Limited (the **Company**) for the year ended 31 December 2013 set out on pages F-23 to F-34 of the offering circular dated 16 March 2015 of Provident Financial plc (the **Offering Circular**). This financial information has been prepared for inclusion in the Offering Circular on the basis of the accounting policies set out in the statement of accounting policies of the financial information. This report is required by Annex IV item 13.1 of Commission Regulation (EC) No 809/2004 (the **Prospectus Directive Regulation**) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

A4.1.1
A4.16.1

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.4R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex IV item 16.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Offering Circular.

Basis of the opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of Moneybarn Group Limited as at 31 December 2013 and of its profits, cash flows and changes in equity for the year ended 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the European Union..

Declaration

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Offering Circular and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Offering Circular in compliance with Annex IV item 1.2 of the Prospectus Directive Regulation.

A4.1.2

Yours faithfully

Deloitte LLP

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MONEYBARN GROUP LIMITED**

We have audited the financial statements of Moneybarn Group Limited for the year ended 31 December 2014 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in shareholder's equity, the cash flow statement, the statement of accounting policies, the financial and capital risk management report and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report.


Stewart Cumberbatch ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
11 March 2015

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2014 £'000	2013 £'000
Revenue	1	507	537
Administrative costs		(2)	-
Profit before taxation	2	505	537
Tax charge	3	-	-
Profit and total comprehensive income for the year		505	537

All of the above operations relate to continuing operations.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

BALANCE SHEET

	Note	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
ASSETS				
Non-current assets				
Investment in subsidiaries	6	-	-	-
Current assets				
Financial assets:				
- cash and cash equivalents		38	110	-
- trade and other receivables	8	3,852	3,856	3,836
Total assets		3,890	3,966	3,836
LIABILITIES				
Current liabilities				
Financial liabilities:				
- trade and other payables	9	(1,820)	(1,901)	(1,907)
Current tax liabilities		-	-	(1)
		(1,820)	(1,901)	(1,908)
Non-current liabilities				
Financial liabilities:				
- borrowings	10	(900)	(900)	(900)
Total liabilities		(2,720)	(2,801)	(2,808)
NET ASSETS		1,170	1,165	1,028
SHAREHOLDERS' EQUITY				
Share capital	11	1	1	1
Share premium account		1,159	1,159	1,159
Retained earnings/(deficit)		10	5	(132)
TOTAL SHAREHOLDERS' EQUITY		1,170	1,165	1,028

The financial statements on pages 5 to 16 were approved by the board of directors on 11 March 2015 and signed on its behalf by:



Peter Minter
Director



Simon Law
Director

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Called-up share capital £'000	Share premium account £'000	Retained earnings/ deficit £'000	Total £'000
At 1 January 2013		1	1,159	(132)	1,028
Profit and total comprehensive income for the year		-	-	537	537
Transactions with owners:					
- dividends	4	-	-	(400)	(400)
At 31 December 2013		1	1,159	5	1,165
At 1 January 2014		1	1,159	5	1,165
Profit and total comprehensive income for the year		-	-	505	505
Transactions with owners:					
- dividends	4	-	-	(500)	(500)
At 31 December 2014		1	1,159	10	1,170

STATEMENT OF CASH FLOWS

	Note	2014 £'000	2013 £'000
for the year ended 31 December			
Cash flows used in operating activities			
Cash used in operations	14	(72)	(20)
Net cash used in operating activities		(72)	(20)
Cash flows from investing activities			
Dividends received	1	500	530
Net cash generated from investing activities		500	530
Cash flows from financing activities			
Dividends paid to company shareholder	4	(500)	(400)
Net cash used in financing activities		(500)	(400)
Net (decrease)/increase in cash, cash equivalents and overdrafts		(72)	110
Cash and cash equivalents at beginning of year		110	-
Cash and cash equivalents at end of year		38	110

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF ACCOUNTING POLICIES

General information

The company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is The New Barn, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

The principal activity of the company is that of a holding company. The principal activity of the company's subsidiaries is the financing of motor vehicles to individuals via conditional sale agreements.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements are the Company's first financial statements prepared in accordance with IFRS and IFRS 1, 'First time Adoption of International Financial Reporting Standards' has been applied. An explanation of how the transition to IFRS has affected the comparative total comprehensive income and the opening and comparative balance sheet of the company is provided in note 15.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The company's accounting policies are chosen by the directors to ensure that the financial statements present a true and fair view. In accordance with section 400 of the Companies Act 2006 consolidated accounts are not presented since the company is a wholly owned subsidiary undertaking of Provident Financial plc, a company incorporated in the United Kingdom.

Principal accounting policies

These are the company's first financial statements prepared in accordance with IFRS. The impact of the transition to IFRS is covered in note 15.

The company's principal accounting policies under IFRS, which have been consistently applied to all the years presented unless otherwise stated, are set out below.

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue comprises dividends received from group undertakings and is recognised on an accruals basis.

Management fees

Management fees comprise amounts charged to fellow subsidiaries for professional services and are recognised on an accruals basis.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Dividend income is recognised in the income statement within revenue.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Dividends

Dividend distributions to the company's shareholder are recognised in the financial statements when approved by the company's board of directors.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The tax credit/charge represents the sum of current and deferred tax. Current tax is calculated based on taxable profit for the year using tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is also provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

FINANCIAL AND CAPITAL RISK MANAGEMENT

Moneybarn Group Limited (the company) is a wholly-owned subsidiary of Provident Financial plc which, together with its subsidiaries, forms the Provident Financial group (the group).

The overall group internal control and risk management framework is the responsibility of the group board with certain responsibilities in respect of internal control and risk management being delegated to various sub-committees who report directly to the board. An overview of the group's risk management framework can be found in the annual report of Provident Financial plc.

The group operates with a centralised treasury function and therefore the funding requirements of the company are met wholly or partially via funding from Provident Financial plc or one of its subsidiaries. In addition, the allocation of capital is managed on a group basis by the centralised treasury function.

Accordingly, it is inappropriate to consider the management of liquidity risk, interest rate risk, market risk and capital risk on a stand-alone company basis.

(a) Liquidity risk

Liquidity risk is the risk that the group will have insufficient liquid resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

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

The group's funding and liquidity policy is designed to ensure that the group is able to continue to fund the growth of the business. The group therefore maintains committed borrowing facilities and access to retail deposit funding through its subsidiary, Vanquis Bank Limited, to meet forecast borrowing requirements, including contractual maturities, at all times for at least the following 12 months. As at 31 December 2014, the group's committed borrowing facilities had a weighted average maturity of 3.1 years (2013: 3.2 years) and the headroom on these committed facilities amounted to £111.5m (2013: £235.2m).

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by the Consumer Credit Division are of short-term duration (typically around one year), whereas the group's borrowings extend over a number of years.

A maturity analysis of the undiscounted contractual cash flows of the group's bank and other borrowings, including derivative financial instruments settled on a net and gross basis, is set out in the annual report of Provident Financial plc.

(b) Interest rate risk

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

The group's exposure to movements in interest rates is managed by the group 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 the 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.

A 2% movement in the interest rate applied to borrowings during 2014 and 2013 would not have had a material impact on the group's profit before taxation or equity as the group's interest rate risk was substantially hedged. Further details of the interest rate risk management are detailed within the annual report of Provident Financial plc.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Market risk is the risk of loss due to adverse market movements caused by active trading positions taken in interest rates, foreign exchange markets, bonds and equities. The company's and group's policies do not permit it or the group to undertake position taking or trading books of this type and therefore neither it or the group does so.

(d) Capital risk

Capital risk is managed by the group's centralised treasury department. The group manages capital risk by focussing on capital efficiency and effective risk management. This aims to maintain sufficient, but not excessive, financial strength, optimise the debt to equity structure of the company and support dividend payments to the parent. This takes into account the requirements of a variety of different stakeholders including shareholders, policyholders, regulators and rating agencies. A more detailed explanation of the management of capital risk can be found in the annual report of Provident Financial plc.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2014 £'000	2013 £'000
Dividends received from group undertakings	500	530
Other income	7	7
Total revenue	507	537

2 Profit before taxation

The company has no employees, therefore, no disclosure of amounts paid to employees is shown as a deduction from profit.

	2014 £'000	2013 £'000
Auditors' remuneration		
Fees payable to the company's auditor for the audit of the financial statements	2	-
Total auditors' remuneration	2	-

The 2013 audit fee was borne by Moneybarn Limited.

The company is not party to any operating lease contracts.

3 Tax

No tax has been charged to the income statement in the period (2013: £nil).

The standard rate of UK corporation tax reduced from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015.

The rate of tax charged on the profit before taxation for the year is lower than (2013: lower than) the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). This can be reconciled as follows:

	2014 £'000	2013 £'000
Profit before taxation	505	537
Profit before taxation multiplied by the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	(109)	(125)
Effects of:		
- non-taxable income	109	123
- utilisation of unrecognised tax losses	-	2
Total tax charge	-	-

4 Dividends

	2014 £'000	2013 £'000
Interim - 407.38p per share (2013: 325.90p per share)	500	400
Dividends paid	500	400

5 Employee Information and directors' remuneration

The company has no employees other than directors, the cost of which is borne by Moneybarn Limited.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Investment in subsidiaries

	31 December 2014	31 December 2013	at 1 January 2013
Cost and net book value	£	£	£
Investments in subsidiary companies	9	9	9

The directors consider the value of investments to be supported by their underlying assets.

The following are all direct subsidiary undertakings which, in the opinion of the directors, principally affect the profit or assets of the company, all of which are incorporated in England and are 100% owned by the company.

Company	Class of capital	Principal activity
Moneybarn Limited	Ordinary	Service company
Moneybarn No.1 Limited	Ordinary	Vehicle finance
Moneybarn Vehicle Finance Limited	Ordinary	Dormant

The above companies operate principally in their country of incorporation or registration.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Financial instruments

The following table sets out the carrying value of the company's financial assets and liabilities in accordance with the categories of financial instruments set out in IAS 39.

31 December 2014			
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	38	-	38
Trade and other receivables	3,852	-	3,852
Total assets	3,890	-	3,890
Liabilities			
Trade and other payables	-	(2,720)	(2,720)
Total liabilities	-	(2,720)	(2,720)

31 December 2013			
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	110	-	110
Trade and other receivables	3,856	-	3,856
Total assets	3,966	-	3,966
Liabilities			
Trade and other payables	-	(2,801)	(2,801)
Total liabilities	-	(2,801)	(2,801)

1 January 2013			
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	3,836	-	3,836
Total assets	3,836	-	3,836
Liabilities			
Trade and other payables	-	(2,807)	(2,807)
Current tax liability	-	(1)	(1)
Total liabilities	-	(2,808)	(2,808)

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Trade and other receivables

	31 December 2014	31 December 2013	1 January 2013
	£'000	£'000	£'000
Current assets			
Amounts owed by fellow subsidiary undertakings	3,852	3,856	3,836
Total	3,852	3,856	3,836

The fair value of trade and other receivables equates to their book value (31 December 2013 and at 1 January 2013: fair value equated to book value). All trade and other receivables are classified as level 2 in the IFRS 13 fair value hierarchy.

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and do not accrue interest.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (31 December 2013 and at 1 January 2013: carrying value).

9 Trade and other payables

	31 December 2014	31 December 2013	1 January 2013
	£'000	£'000	£'000
Current liabilities			
Amounts owed to fellow subsidiary undertakings	1,820	1,901	1,907
Total	1,820	1,901	1,907

The fair value of trade and other payables equates to their book value (31 December 2013 and 1 January 2013: fair value equated to book value). The amounts owed to subsidiary and fellow subsidiary undertakings are unsecured, due for repayment in less than one year and do not accrue interest. All trade and other payables are classified as level 2 in the IFRS 13 fair value hierarchy.

10 Borrowings

	31 December 2014	31 December 2013	1 January 2013
	£'000	£'000	£'000
Non-current liabilities			
Borrowings	900	900	900
Total	900	900	900

The amounts in other borrowings are secured on customer receivables, are due for repayment in more than one year and do not accrue interest.

11 Share capital

	31 December 2014	31 December 2013	1 January 2013
	Issued and fully paid	Issued and fully paid	Issued and fully paid
Ordinary shares of 1p each (£)	1,227	1,227	1,227
Number of shares	122,737	122,737	122,737

There are no shares issued and not fully paid at the end of the year (31 December 2013 and 1 January 2013: no shares).

12 Related party transactions

Details of the transactions between the company and other group undertakings, which comprise management recharges and any balances outstanding at 31 December are set out below:

	Management recharge £'000	2014 Outstanding balance £'000	Management recharge £'000	2013 Outstanding balance £'000
Company				
Immediate parent undertaking	-	(873)	-	(873)
Other subsidiaries of the immediate parent undertaking	(5)	2,905	-	2,828
Total	(5)	2,032	-	1,955

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Contingent liabilities

The company is a guarantor in respect of: (i) borrowings made by the company's ultimate parent undertaking; and (ii) guarantees given by the company's ultimate parent undertaking in respect of borrowings of certain of its subsidiaries to a maximum of £1,013.0m (31 December 2013 and 1 January 2013: £nil). At 31 December 2014, the borrowings amounted to £901.5m (31 December 2013 and 1 January 2013: £nil). No loss is expected to arise.

14 Reconciliation of profit after taxation to cash used in operations

	Note	2014 £'000	2013 £'000
Profit after taxation		505	537
Adjusted for:			
- dividends received	1	(500)	(530)
- tax credit		-	(1)
Changes in operating assets and liabilities:			
- trade and other receivables		4	(20)
- trade and other payables		(81)	(6)
Cash used in operations		(72)	(20)

15 Transition to IFRS

These are the company's first financial statements prepared in accordance with IFRS.

The principal accounting policies set out in the statement of accounting policies are compliant with IFRS and have been applied in preparing all periods covered in these financial statements.

IFRS 1 requires an entity to reconcile total comprehensive income and equity for prior periods. Due to the nature of the company's operations, the equity reported as at 1 January 2013 and 31 December 2014 and the total comprehensive income for the year ended 31 December 2014 is the same under both UK GAAP and IFRS. In addition, the company's first-time adoption of IFRS does not have an impact on the total operating, investing or financing cash flows.

16 Parent undertaking and controlling party

The immediate parent undertaking is Duncton Group Limited. The ultimate parent undertaking and controlling party is Provident Financial plc, which is the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Provident Financial plc may be obtained from the Company Secretary, Provident Financial plc, No.1 Godwin Street, Bradford, BD1 2SU.

MONEYBARN NO.1 LIMITED

A4.13.1
A4.13.2
A4.13.4.1
A4.3.1

THE HISTORICAL FINANCIAL INFORMATION OF MONEYBARN NO.1 LIMITED FOR THE
FINANCIAL PERIODS ENDED 31 DECEMBER 2013 (TOGETHER WITH AN ACCOUNTANTS'
REPORT PREPARED IN CONNECTION THEREWITH) AND 31 DECEMBER 2014 (TOGETHER WITH
AN AUDITORS' REPORT PREPARED IN CONNECTION THEREWITH)

Moneybarn No.1 Limited
The New Barn
Bedford Road
Petersfield
Hampshire GU32 3LJ

16 March 2015

Dear Sirs

Moneybarn No.1 Limited

We report on the financial information of Moneybarn No.1 Limited (the **Company**) for the year ended 31 December 2013 set out on pages F-39 to F-59 of the offering circular dated 16 March 2015 of Provident Financial plc (the **Offering Circular**). This financial information has been prepared for inclusion in the Offering Circular on the basis of the accounting policies set out in the statement of accounting policies of the financial information. This report is required by Annex IV item 13.1 of Commission Regulation (EC) No 809/2004 (the **Prospectus Directive Regulation**) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

A4.1.1
A4.16.1

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.4R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex IV item 16.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Offering Circular.

Basis of the opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of Moneybarn No.1 Limited as at 31 December 2013 and of its profits, cash flows and changes in equity for the year ended 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Offering Circular and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Offering Circular in compliance with Annex IV item 1.2 of the Prospectus Directive Regulation.

A4.1.2

Yours faithfully

Deloitte LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MONEYBARN NO.1 LIMITED

We have audited the financial statements of Moneybarn No.1 Limited for the year ended 31 December 2014 which comprise the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity, the statement of accounting policies, the financial and capital risk management report and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

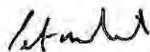
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Birch FCA (Senior Statutory Auditor)
for and behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square, Leeds, UK, LS1 2AL
11 March 2015

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2014 £'000	2013 £'000
Revenue	1	34,272	26,293
Finance costs	2	(13,189)	(11,613)
Operating costs		(16,235)	(12,610)
Administrative costs		(6,295)	(1,326)
Total costs		(35,719)	(25,549)
(Loss)/profit before taxation	3	(1,447)	744
Profit before taxation and exceptional costs	3	3,577	744
Exceptional costs	3	(5,024)	-
Tax credit/(charge)	4	667	(647)
(Loss)/profit and total comprehensive income for the year		(780)	97

All of the above operations relate to continuing operations.

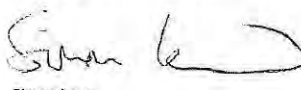
MONEYBARN NO.1 LIMITED
(Company Number 4496573)

BALANCE SHEET

	Note	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
ASSETS				
Non-current assets				
Intangible assets	6	183	30	-
Property, plant and equipment	7	122	454	1,208
Amounts receivable from customers	9	101,901	76,285	48,799
Deferred tax assets	11	95	2,629	2,832
		<u>102,301</u>	<u>79,398</u>	<u>52,839</u>
Current assets				
Financial assets:				
- cash and cash equivalents		1,418	5,372	3,331
- trade and other receivables	10	1,065	1,318	1,559
Amounts receivable from customers	9	54,655	46,092	31,419
Inventories		926	89	59
Current tax assets		3,403	-	-
		<u>61,467</u>	<u>52,871</u>	<u>36,368</u>
Total assets		<u>163,768</u>	<u>132,269</u>	<u>89,207</u>
LIABILITIES				
Current liabilities				
Financial liabilities:				
- bank and other borrowings	13	(360)	(56,114)	(37,128)
- trade and other payables	12	(172,832)	(5,653)	(5,681)
Current tax liabilities		-	(444)	-
		<u>(173,192)</u>	<u>(62,211)</u>	<u>(42,809)</u>
Non-current liabilities				
Financial liabilities:				
- bank and other borrowings	13	(1,572)	(80,274)	(56,711)
		<u>(1,572)</u>	<u>(80,274)</u>	<u>(56,711)</u>
Total liabilities		<u>(174,764)</u>	<u>(142,485)</u>	<u>(99,520)</u>
NET LIABILITIES		<u>(10,996)</u>	<u>(10,216)</u>	<u>(10,313)</u>
SHAREHOLDER'S EQUITY				
Share capital	14	-	-	-
Retained deficit		(10,996)	(10,216)	(10,313)
TOTAL SHAREHOLDER'S DEFICIT		<u>(10,996)</u>	<u>(10,216)</u>	<u>(10,313)</u>

The financial statements on pages 8 to 28 were approved by the board of directors on 11 March 2015 and signed on its behalf by:


Peter Minter
Director


Simon Law
Director

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Called-up share capital £'000	Retained deficit £'000	Total £'000
At 1 January 2013	-	(10,313)	(10,313)
Profit and total comprehensive income for the year	-	97	97
At 31 December 2013	-	(10,216)	(10,216)
At 1 January 2014	-	(10,216)	(10,216)
Loss and total comprehensive income for the year	-	(780)	(780)
At 31 December 2014	-	(10,996)	(10,996)

STATEMENT OF CASH FLOWS

	Note	2014 £'000	2013 £'000
For the year ended 31 December			
Cash flows from operating activities			
Cash generated from/(used in) operations	17	140,998	(29,950)
Finance costs paid		(9,912)	(11,028)
Tax paid		(646)	-
Net cash generated from/(used in) operating activities		130,440	(40,978)
Cash flows from investing activities			
Purchase of intangible assets	6	(213)	(30)
Purchase of property, plant and equipment	7	(44)	(79)
Proceeds from disposal of property, plant and equipment	7	319	581
Net cash generated from investing activities		62	472
Cash flows from financing activities			
Proceeds from bank and other borrowings		-	53,890
Repayment of borrowings		(134,456)	(11,343)
Net cash (used in)/generated from financing activities		(134,456)	42,547
Net (decrease)/increase in cash, cash equivalents and overdrafts		(3,954)	2,041
Cash and cash equivalents at beginning of year		5,372	3,331
Cash and cash equivalents at end of year		1,418	5,372

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF ACCOUNTING POLICIES

General information

The company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is The New Barn, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

The principal activity of the company is the provision of finance for the purchase of motor vehicles by individuals via conditional sale agreements.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements are the Company's first financial statements prepared in accordance with IFRS and IFRS 1, 'First time Adoption of International Financial Reporting Standards' has been applied. An explanation of how the transition to IFRS has affected the comparative total comprehensive income and the opening and comparative balance sheet of the company is provided in note 18.

The financial statements have been prepared on a going concern basis under the historical cost convention. In preparing the financial statements, the directors are required to use certain critical accounting estimates and are required to exercise judgement in the application of the company's accounting policies.

The company's accounting policies are chosen by the directors to ensure that the financial statements present a true and fair view. In accordance with section 400 of the Companies Act 2006 consolidated accounts are not presented since the company is a wholly owned subsidiary undertaking of Provident Financial plc, a company incorporated in the United Kingdom.

Principal accounting policies

These are the company's first financial statements prepared in accordance with IFRS. The impact of the transition to IFRS is set out in note 18.

The company's principal accounting policies under IFRS, which have been consistently applied to all the years presented unless otherwise stated, are set out below.

The following new standards, amendments to standards and interpretations are mandatory and were applied by the company for the first time in the financial year commencing 1 January 2014:

(a) New and amended standards adopted by the company:

'Offsetting financial assets and financial liabilities (amendments to IAS 32)' clarifies the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 'Financial instruments: Presentation'. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to a net settlement. The amendment has not had a material impact on the company.

'Recoverable amount disclosures (amendments to IAS 36 (May 2013))' are narrow-scope amendments to IAS 36 'Impairment of assets'. The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment has not had a material impact on the company.

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Principal accounting policies (continued)

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and not early adopted:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The final version of the standard was issued in July 2014. The standard primarily impacts the classification and measurement of financial assets and liabilities and introduces the 'expected credit loss' model for the measurement of the impairment of financial assets so it is no longer necessary for a credit event to have occurred before a credit loss is recognised. The company has begun to assess the impact of the standard and will adopt the standard in line with the mandatory effective date of 1 January 2018, subject to endorsement by the EU.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. All subsidiaries within the group are wholly-owned therefore the adoption of IFRS 12 is not expected to have a material impact on the company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The adoption of IFRS 13 is not expected to have a material impact on the company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

Revenue

Hire purchase agreements to customers (conditional sale):

Interest income on conditional sale contracts is recognised in the income statement for all conditional sales using an effective interest rate method (EIR), such that a constant periodic rate of return is earned on the net investment in the conditional sale agreements. The EIR is the rate that discounts estimated future cash flows of the amount of finance provided in the conditional sale agreement back to the present value of the amount, taking account of directly attributable incremental issue costs (broker commissions). Under IAS 39 interest earned is reduced to reflect the impairment of receivables, and a corresponding adjustment is made to the impairment charge.

Operating lease (contract hire):

Rental income under contract hire is recognised on a straight-line basis over the period of the contract.

Interest and administration charges:

Interest and administration charges and other fees charged to customers arising on settlement or default are recognised as the event occurs and are exclusive of VAT.

Finance costs

Finance costs principally comprise the interest on both intra-group and third party loan arrangements, and are recognised on an effective interest rate basis.

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Amounts receivable from customers

Customer receivables are initially recognised at the amount of finance agreed with the customer in the conditional sale agreement plus directly attributable acquisition costs. After initial recognition, customer receivables are subsequently measured at amortised cost. Amortised cost is the amount of the customer receivable at initial recognition less customer repayments, plus revenue earned calculated using the effective interest rate, less deduction for impairment.

In addition, the company raises an incurred but not yet reported provision to cover impairment events that have taken place but are not as yet evidenced by a missing payment trigger.

To the extent that the net present value of estimated future cash flows differs by +/- 1%, it is estimated that the amounts receivable from customers would be approximately £1,565,560 (2013 £1,223,770) higher/lower.

Intangible assets

Intangible assets, which comprises computer software represent the costs incurred to acquire the specific software and bring it into use.

Computer software is amortised on a straight-line basis over its estimated useful economic life which is generally estimated to be between three and five years.

The residual values and economic lives of intangible assets are reviewed by management at each balance sheet date.

Amortisation is charged to the income statement as part of administrative costs.

Property, plant and equipment

Property, plant and equipment is shown at cost less subsequent depreciation and impairment.

Cost represents invoiced cost plus any other costs that are directly attributable to the acquisition of the items. Repairs and maintenance costs are expensed as incurred.

Depreciation is calculated to write down assets to their estimated realisable value over their useful economic lives. The following are the principal bases used:

	%	Method
Software development costs	33.3	Straight line
Contract hire vehicles	25	Straight line
Motor vehicles	Variable	Reducing balance

The residual values and useful economic lives of all assets are reviewed, and adjusted if appropriate, at each balance sheet date.

All property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the higher of the asset's value in use or its fair value less costs to sell.

Gains and losses on disposal of property, plant and equipment is determined by comparing any proceeds with the carrying amount of the asset and are recognised within administrative costs in the income statement.

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Contract hire vehicles are depreciated over 4 years using an estimated residual value. Motor vehicles are depreciated over the estimated useful life of the asset, generally between 3 to 5 years dependant on vehicle class, expected annual mileage and use.

Depreciation is charged to the income statement as part of administrative costs.

Inventories

Inventories consist of vehicles brought back into stock after the termination of the conditional sale agreements with customers, valued at the expected auction proceeds.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The tax credit/charge represents the sum of current and deferred tax. Current tax is calculated based on taxable profit for the year using tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is also provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Key assumptions and estimates

In applying the accounting policies set out above, the company makes significant estimates and assumptions that affect the reported amounts of assets and liabilities as follows:

Amounts receivable from customers

The company assesses whether there is objective evidence that amounts receivable from customers have been impaired at each balance sheet date. The principal criteria for determining whether there is objective evidence of impairment are delinquency in contractual payments, a bankruptcy or entering into forbearance arrangements.

Customer balances are deemed to be impaired as soon as a customer misses one monthly contractual payment. Impairment is calculated as the difference between the carrying value of receivables and the present value of estimated future cash flows discounted at the original effective interest rate. Estimated future cash flows are based on the historical performance of customer balances falling into different arrears stages and are regularly assessed.

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

FINANCIAL AND CAPITAL RISK MANAGEMENT

The overall financial and risk management framework is the responsibility of the board with certain responsibilities in respect of internal control and risk management being delegated to various sub-committees who report directly to the board.

The company also operates within a group treasury framework and is subject to group treasury policies including counterparty, liquidity, interest rate, market and capital risk.

(a) Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets prudently and profitably. Regular cash flow forecasts are undertaken to monitor the cash position and to determine the liquidity of the company. The directors then ensure that there are sufficient liquid funds available to ensure there is no risk of the company being unable to pay its debts as they fall due.

A maturity analysis of the undiscounted contractual cash flows of the company's borrowings is shown below. This shows the future cash payable under current drawings and reflects both the interest payable and the repayment of the borrowing on maturity.

2014	<1 year £'000	1-2 years £'000	2-5 years £'000	>5 years £'000	Total £'000
Borrowings:					
Amounts owed to ultimate parent undertaking	161,496	-	-	-	161,496
Other borrowings	360	360	1,080	132	1,932
Trade and other payables	11,336	-	-	-	11,336
Total	173,192	360	1,080	132	174,764

2013	<1 year £'000	1-2 years £'000	2-5 years £'000	>5 years £'000	Total £'000
Borrowings:					
Other borrowings	54,377	42,152	39,399	460	136,388
Trade and other payables	5,653	-	-	-	5,653
Total	60,030	42,152	39,399	460	142,041

(b) Interest rate risk

The company's funding is provided by a mixture of retained earnings, intra-group borrowings, other borrowings and bank borrowings. Intra-group borrowings form the largest part of the company's borrowings. Provident Financial plc has a mix of fixed and variable rate funding lines. If base rates increase materially there is a risk that increased cost of funds will be passed to the company by Provident Financial plc and there is therefore a risk that the cost of funding customer contracts could differ during their term from the cost of funding assumed in pricing the contracts. This risk is not hedged.

(c) Market risk

Market risk is the risk of loss due to adverse market movements caused by active trading positions taken in interest rates, foreign exchange markets, bonds and equities. The group's policies do not permit it or the company to undertake position taking or trading books of this type and therefore neither it or the company does so.

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

As at 31 December 2014 the company had net liabilities of £10,996,000 (2013: £10,216,000). Due to the company's year-end position, the ultimate parent undertaking, Provident Financial plc, has confirmed its continued support for the company, therefore the financial statements have been prepared on a going concern basis. The company manages capital risk by focussing on capital efficiency and effective risk management.

(e) Credit risk

Credit risk is the risk that the company will suffer loss in the event of a default by a customer, a bank counterparty or the UK Government. A default occurs when the customer, bank or the UK Government fails to honour repayments as they fall due.

(i) Amounts receivable from customers

The company's maximum exposure to credit risk on amounts receivable from customers as at 31 December 2014 is the carrying value of amounts receivable from customers of £156,556,000 (2013: £122,377,000).

The board is responsible for setting the credit policy of the company. The board meets quarterly, or more frequently if required, and is responsible for ensuring that the approach to lending is within sound risk and financial parameters and that key metrics are reviewed to ensure compliance with policy.

A customer's risk profile and amount of finance provided by way of conditional sales contract is evaluated at the point of application. Historical payment patterns of customers are used to assess the applicant's potential default risk and their ability to manage a specific finance amount and monthly payments. The company also incorporate data from the applicant, such as income and employment, and data from external credit bureau in assessing the customer's risk profile.

Arrears management is a combination of central letters, inbound and outbound telephony, SMS, e-mail and outsourced debt collection agency activities. Contact is made with the customer to discuss the reasons for non-payment and specific strategies are employed to support the customer in returning to a good standing, which can involve recovery of the vehicle for which the loan was placed.

(ii) Counterparty risk

The company's maximum exposure to credit risk on bank counterparties as at 31 December 2014 was £1.4m (2013: £5.4m).

Counterparty credit risk arises as a result of cash deposits placed with banks. Counterparty credit risk is managed by the group's treasury committee and is governed by a board-approved counterparty policy 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 credit rating. This is linked to the group's regulatory capital base in line with the group's regulatory reporting requirements on large exposures to the Prudential Regulation Authority (PRA).

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2014	2013
	£'000	£'000
Interest income	33,839	25,965
Fee income	433	328
Total revenue	34,272	26,293

Revenue comprises interest and fee income of £38.0m (2013: £28.9m) net of the amortisation of deferred broker commissions of £3.7m (2013: £2.6m).

Management regard the business as one operating segment. All revenue is from UK operations.

2 Finance costs

	2014	2013
	£'000	£'000
Interest payable to other group undertakings	4,204	-
Interest payable on bank and other borrowings	8,985	11,613
Total finance costs	13,189	11,613

3 (Loss)/profit before taxation

	2014	2013
	£'000	£'000
(Loss)/profit before taxation is stated after charging/(crediting):		
Amortisation of intangible assets:		
- computer software (note 6)	60	-
Depreciation of property, plant and equipment (note 7)	123	304
Profit on disposal of property, plant and equipment (note 7)	(66)	(52)
Impairment of amounts receivable from customers (note 9)	4,860	4,310
Exceptional costs	5,024	-

The company is not party to any operating lease contracts.

Fellow subsidiary undertakings have recharged certain administrative costs to the company of £11,290,000 (2013: £8,461,000) in respect of services provided.

	2014	2013
	£'000	£'000
Auditors' remuneration		
Fees payable to the company's auditor for the audit of the financial statements	53	-
Total auditors' remuneration	53	-

The 2013 audit fee was borne by Moneybarn Limited.

The exceptional costs for the year arose as a result of the sale of Duncion Group Limited to Provident Financial plc which completed on 20 August 2014 and the subsequent refinancing of the company's previous loan facilities with Octopus Limited through a borrowing facility from Provident Financial plc.

	2014	2013
	£'000	£'000
Exceptional costs		
Professional fees	65	-
Early termination costs on financing	4,571	-
Capitalised arrangement fees written off	388	-
Total	5,024	-

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Tax credit/(charge)

	2014	2013
	£'000	£'000
Tax credit/(charge) in the income statement		
Current tax	3,201	(444)
Deferred tax (note 11)	(2,723)	193
Impact of change in UK tax rate	189	(396)
Total tax credit/(charge)	667	(647)

The standard rate of UK corporation tax reduced from 23% to 21% with effect from 1 April 2014 and will reduce from 21% to 20% with effect from 1 April 2015.

As the changes in the UK statutory corporation tax were enacted in the 2013 Finance Act, deferred tax balances at 31 December 2013 were remeasured at 20% on the basis that the temporary difference on which the deferred balances were calculated were expected to reverse after 1 April 2015. In 2014, movements in the deferred tax balances at 31 December 2014 have then been remeasured at 20% as the temporary differences on which the deferred tax has been calculated are expected to reverse after 1 April 2015. A tax credit of £189,000 in 2014 (2013: charge of £396,000) represents the income statement adjustment as a result of this change.

The rate of tax on the loss before tax (2013: profit before tax) for the year is higher than (2013: higher than) the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). This can be reconciled as follows:

	2014	2013
	£'000	£'000
(Loss)/profit before taxation	(1,447)	744
(Loss)/profit before taxation multiplied by the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	311	(173)
Effects of:		
- adjustment in respect of permanent differences	(14)	-
- impact of change in UK tax rate	189	(396)
- adjustment in respect of prior years	181	19
- timing difference on contract purchase income	-	(97)
Total tax credit/(charge)	667	(647)

5 Employee information and directors' remuneration

The company has no employees, the cost of the directors is borne by Moneybarn Limited and recharged by way of a management charge.

MONEYBARN NO.1 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Intangible assets

	<u>Computer software</u>	
	2014	2013
	£'000	£'000
Cost		
At 1 January	30	-
Additions	213	30
At 31 December	243	30
Accumulated amortisation		
At 1 January	-	-
Charged to the income statement	60	-
At 31 December	60	-
Net book value at 31 December	183	30
Net book value at 1 January	30	-

7 Property, plant and equipment

	<u>Equipment and vehicles</u>	
	2014	2013
	£'000	£'000
Cost		
At 1 January	1,132	2,528
Additions	44	79
Disposals	(771)	(1,475)
At 31 December	405	1,132
Accumulated depreciation		
At 1 January	678	1,320
Charged to the income statement	123	304
Disposals	(518)	(946)
At 31 December	283	678
Net book value at 31 December	122	454
Net book value at 1 January	454	1,208

Disposals in the year had a net book value of £253,000 (2013: £529,000) and related proceeds of £319,000 (2013: £581,000). The profit on disposals was £66,000 (2013: £52,000).

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Financial instruments

The following table sets out the carrying value of the company's financial assets and liabilities in accordance with the categories of financial instruments set out in IAS 39. Assets and liabilities outside the scope of IAS 39 are shown within non-financial assets/liabilities:

31 December 2014					
	Loans and receivables	Amortised cost	Non-financial assets/ liabilities	Intangible assets	Total
	£'000	£'000	£'000	£'000	£'000
Assets					
Cash and cash equivalents	1,418	-	-	-	1,418
Trade and other receivables	1,065	-	-	-	1,065
Amounts receivable from customers	156,556	-	-	-	156,556
Property, plant and equipment	-	-	122	-	122
Intangible assets	-	-	-	183	183
Deferred tax assets	-	-	95	-	95
Inventories	-	-	926	-	926
Current tax assets	3,403	-	-	-	3,403
Total assets	162,442	-	1,143	183	163,768
Liabilities					
Bank and other borrowings	-	(1,932)	-	-	(1,932)
Trade and other payables	-	-	(172,832)	-	(172,832)
Total liabilities	-	(1,932)	(172,832)	-	(174,764)

31 December 2013					
	Loans and receivables	Amortised cost	Non-financial assets/ liabilities	Intangible assets	Total
	£'000	£'000	£'000	£'000	£'000
Assets					
Cash and cash equivalents	5,372	-	-	-	5,372
Trade and other receivables	1,318	-	-	-	1,318
Amounts receivable from customers	122,377	-	-	-	122,377
Property, plant and equipment	-	-	454	-	454
Intangible assets	-	-	-	30	30
Deferred tax assets	-	-	2,629	-	2,629
Inventories	-	-	89	-	89
Total assets	129,067	-	3,172	30	132,269
Liabilities					
Bank and other borrowings	-	(136,388)	-	-	(136,388)
Trade and other payables	-	-	(5,653)	-	(5,653)
Current tax liabilities	-	-	(444)	-	(444)
Total liabilities	-	(136,388)	(6,097)	-	(142,485)

MONEYBARN NO.1 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Financial instruments (continued)

1 January 2013

	Loans and receivables £'000	Amortised cost £'000	Non-financial assets/ liabilities £'000	Intangible assets £'000	Total £'000
Assets					
Cash and cash equivalents	3,331	-	-	-	3,331
Trade and other receivables	1,559	-	-	-	1,559
Amounts receivable from customers	80,218	-	-	-	80,218
Property, plant and equipment	-	-	1,208	-	1,208
Inventories	-	59	-	-	59
Deferred tax assets	-	-	2,832	-	2,832
Total assets	85,108	59	4,040	-	89,207
Liabilities					
Bank and other borrowings	-	(93,839)	-	-	(93,839)
Trade and other payables	-	(5,681)	-	-	(5,681)
Total liabilities	-	(99,520)	-	-	(99,520)

9 Amounts receivable from customers

Amounts receivable from customers are held at amortised cost and are equal to the expected future cash flows discounted at the effective interest rate. The average effective interest rate for the year ended 31 December 2014 was 29% (2013: 29%).

Amounts from customers comprises £151.7m (2013: £118.4m) of customer receivables plus deferred broker commissions of £4.9m (2013: £4.0m).

	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
Ageing analysis of amounts receivable from customers			
Amounts due within one year	54,655	46,092	31,419
Amounts due in more than one year	101,901	76,285	48,799
Total	156,556	122,377	80,218

	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
Credit quality of amounts receivable from customers			
Neither past due nor impaired	122,741	96,832	67,210
Impaired	33,815	25,545	13,008
Total	156,556	122,377	80,218

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Amounts receivable from customers (continued)

The company has no balances past due, but not impaired, as a provision is made when payment is missed. Impairment is deducted from the carrying value of amounts receivable from customers. An analysis of the impairment provision is shown below:

	2014 £'000	2013 £'000
At 1 January	24,341	23,274
Impairment charge	4,860	4,310
Amounts written off during the year	(2,059)	(3,243)
At 31 December	27,142	24,341

Interest income of £6,949,000 (2013: £3,779,000) has been recognised during the year on amounts receivable from customers which have been impaired.

The fair value of amounts receivable from customers is approximately £202.7m (31 December 2013: £152.3m and 1 January 2013: £96.8m). Fair value has been derived by discounting expected future cash flows at the company's weighted average cost of capital at the balance sheet date.

10 Trade and other receivables

	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
Current assets			
Amounts owed by fellow subsidiary undertakings	1,001	1,124	1,067
Prepayments and accrued income	64	194	492
Total	1,065	1,318	1,559

There are no amounts past due in respect of trade and other receivables that are not impaired.

Amounts owed by fellow subsidiary undertakings are unsecured and repayable on demand.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (31 December 2013 and 1 January 2013: carrying value).

MONEYBARN NO.1 LIMITED
(Company Number 4496573)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Deferred tax

Deferred tax is calculated in full on temporary differences under the balance sheet liability method. Following the changes in corporation tax rates in 2013, deferred tax balances at 31 December 2013 were re-measured at 20% on the basis that the temporary differences on which the deferred tax was calculated were expected to reverse after 1 April 2015. In 2014, movements in the deferred tax balances have been measured at the statutory corporation tax rate for the year of 21.50% (2013: 23.25%). The deferred tax balances at 31 December 2014 have then been remeasured at 20% as the temporary differences on which deferred tax has been calculated are expected to reverse after 1 April 2015.

The movement in the deferred tax asset during the year can be analysed as follows:

	2014	2013
Asset	£'000	£'000
At 1 January	2,629	2,832
(Charge)/credit to the income statement (note 4)	(2,723)	193
Impact of change in UK tax rate	189	(396)
At 31 December	95	2,629

	2014			
	Accelerated capital allowances	Tax losses	Other temporary differences	Total
Asset	£'000	£'000	£'000	£'000
At 1 January	96	-	2,533	2,629
Charge to the Income statement	(2)	-	(2,721)	(2,723)
Impact of change in UK tax rate	-	-	189	189
At 31 December	94	-	1	95

	2013			
	Accelerated capital allowances	Tax losses	Other temporary differences	Total
Asset	£'000	£'000	£'000	£'000
At 1 January	93	226	2,513	2,832
Credit/(charge) to the income statement	18	(229)	404	193
Impact of change in UK tax rate	(15)	3	(384)	(396)
At 31 December	96	-	2,533	2,629

Deferred tax is a future tax liability or asset resulting from temporary differences or timing differences between the accounting value of assets and liabilities and their value for tax purposes. Deferred tax arises primarily in respect of property, plant and equipment which is depreciated on a different basis for tax purposes, transitional adjustments arising on adoption of IFRS and certain cost provisions for which tax deductions are only available when the costs are paid.

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(Company Number 4496573)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Trade and other payables	31 December 2014	31 December 2013	1 January 2013
	£'000	£'000	£'000
Current liabilities			
Trade payables	5	-	-
Amounts owed to fellow subsidiary undertakings	10,374	4,098	4,098
Amounts owed to ultimate parent undertaking	161,496	-	-
Other payables including taxation and social security	26	-	-
Accruals	931	1,555	1,583
Total	172,832	5,653	5,681

The fair value of trade and other payables equates to their book value (31 December 2013 and 1 January 2013: fair value equated to book value). Amounts owed to fellow subsidiary undertakings are unsecured, due for repayment in less than one year and do not accrue interest.

13 Bank and other borrowings	31 December 2014	31 December 2013	1 January 2013
	£'000	£'000	£'000
Current	360	56,114	37,128
Non-current	1,572	80,274	56,711
Total	1,932	136,388	93,839

Bank and other borrowings comprise £1.9m (31 December 2013: £3.4m and 1 January 2013: £5.0m) which is secured on customer receivables up to the maximum amount of the liability and accrues interest at 0.5% above LIBOR. The balance of £132.9m at 31 December 2013 and £88.8m 1 January 2013 was secured by fixed and floating charges over the assets of Moneybarn Group Limited and its subsidiary undertakings and accrued interest at 10% and was repaid in 2014 following the acquisition of Duncton Group Limited by Provident Financial plc. The repayment was funded by an intercompany loan from Provident Financial plc.

14 Share capital	31 December 2014	31 December 2013	1 January 2013
	Issued and fully paid	Issued and fully paid	Issued and fully paid
Ordinary shares of 100p each (£)	2	2	2
Number of shares	2	2	2

There are no shares issued and not fully paid at the end of the year (31 December 2013 and 1 January 2013: no shares).

MONEYBARN NO.1 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Related party transactions

Details of the transactions between the company and other group undertakings, which comprise management recharges and interest charges or credits on intra-group balances, along with any balances outstanding at 31 December are set out below:

			2014			2013
	Management	Interest	Outstanding	Management	Interest charge	Outstanding
	recharge	charge	balance	recharge		balance
Company	£'000	£'000	£'000	£'000	£'000	£'000
Ultimate parent undertaking	-	4,204	(161,496)	7	-	-
Immediate parent undertaking	7	-	(194)	-	-	1,027
Other subsidiaries of the immediate parent undertaking	11,290	-	(9,179)	8,461	-	(4,001)
Total	11,297	4,204	(170,869)	8,468	-	(2,974)

A loan to P. Minter of £14,370 was outstanding at 31 December 2014 (2013: £28,286) with interest income for the company in the year of £2,191 (2013: £2,418).

A loan to J. fford, who resigned as a director in the year, had interest income of £1,896 in 2014 (2013: £743) and associated expenditure in relation to the asset for which the loan was placed of £2,378 (2013: £nil). At 31 December 2014 the loan balance did not form part of related party transactions (2013: £26,796). Income relating to an operating lease with J. fford in the year was £661 (2013: £1,410).

A loan to O. Harris, who resigned as a director in the year, had interest income of £3,487 in 2014 (2013: £4,487). At 31 December 2014 the loan balance did not form part of related party transactions (2013: £51,714). Income relating to an operating lease with O. Harris in the year was £987 (2013: £1,469). The company incurred expenditure of £3,644 (2013: £1,735) from transactions with Dunsfold Securities Limited, of which O. Harris was the sole director.

A loan to D. Hoare of £235 was outstanding at 31 December 2013. At 31 December 2014 the loan balance did not form part of related party transactions.

The directors believe that all related party transactions are on an arms length basis.

16 Contingent liabilities

The company is a guarantor in respect of: (i) borrowings made by the company's ultimate parent undertaking; and (ii) guarantees given by the company's ultimate parent undertaking in respect of borrowings of certain of its subsidiaries to a maximum of £1,013.0m (2013: £nil). At 31 December 2014, the borrowings amounted to £901.5m (2013: £nil). No loss is expected to arise.

MONEYBARN NO.1 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Reconciliation of (loss)/profit after taxation to cash generated from/(used in) operations			
	Note	2014 £'000	2013 £'000
(Loss)/profit after taxation		(780)	97
Adjusted for:			
- tax (credit)/charge	4	(667)	647
- finance costs		9,912	11,028
- amortisation of intangible assets	6	60	-
- depreciation of property, plant and equipment	7	123	304
- profit on disposal of property, plant and equipment	7	(66)	(52)
Changes in operating assets and liabilities:			
- amounts receivable from customers		(34,179)	(42,159)
- trade and other receivables		253	241
- inventories		(837)	(30)
- trade and other payables		167,179	(26)
Cash generated from/(used in) operations		140,998	(29,950)

18 Transition to IFRS

These are the company's first financial statements prepared in accordance with IFRS.

The principal accounting policies set out in the statement of accounting policies are compliant with IFRS and have been applied in preparing all periods covered in these financial statements.

IFRS 1 requires an entity to reconcile total comprehensive income and equity for prior periods and provide explanations for the adjustments needed.

Total comprehensive income

Reconciliation of the income statement of Moneybarn No.1 Limited for the year ended 31 December 2013

	Year ended 2013 £'000
Total comprehensive income under UK GAAP	1,840
IFRS revenue and impairment transition adjustments	(1,738)
Deferred tax impact of IFRS transition adjustments at 23.25%	404
Impact of rate change on deferred tax provision	(409)
Total comprehensive income under IFRS	97

MONEYBARN NO.1 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Transition to IFRS (continued)

Balance sheet

Reconciliation of the Moneybarn No.1 Limited balance sheet as at 1 January 2013

	1 January 2013 £'000
Total equity under UK GAAP	(1,260)
IFRS revenue and impairment transition adjustments	(11,756)
Deferred tax impact of IFRS transition adjustments at 23%	2,703
Total equity under IFRS	(10,313)

Reconciliation of the Moneybarn No.1 Limited balance sheet as at 31 December 2013

	31 December 2013 £'000
Total equity under UK GAAP	580
IFRS revenue and impairment transition adjustments	(13,495)
Deferred tax impact of IFRS transition adjustments at 20%	2,699
Total equity under IFRS	(10,216)

IFRS revenue and impairment transition adjustments comprise:

(i) Under UK GAAP Moneybarn treated hire purchase contracts written before 1 January 2010 as operating leases under a true and fair override as the risks and rewards of ownership of the assets were considered to remain with Moneybarn. Under IFRS these contracts have been treated as finance leases, and the asset recognised as customer receivables.

(ii) Under UK GAAP Moneybarn capitalised and amortised over the average life of the finance provided under the conditional sales agreements costs considered to be associated with the inception of this finance, including commissions paid to intermediaries, credit bureau costs, internal origination costs and direct marketing costs. Under IFRS Moneybarn expenses these costs as incurred except intermediary costs for which the amortisation profile is different under IFRS.

(iii) Under UK GAAP Moneybarn provided against the risk of not collecting receivables in full by assessing the probable recoveries in the future and providing for the amounts not expected to be collected. Under IFRS those future expected recoveries are discounted to the balance sheet date using the original effective interest rate on the relevant portfolio of receivables. This change in policy results in a revised impairment charge for the year, and revised net receivables. In addition an Incurred But Not Reported provision is introduced to reflect the risk of reduced collections associated with changes in customer circumstances that have taken place but of which the company is not yet aware.

19 Parent undertaking and controlling party

The immediate parent undertaking is Moneybarn Group Limited. The ultimate parent undertaking and controlling party is Provident Financial plc, which is the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Provident Financial plc may be obtained from the Company Secretary, Provident Financial plc, No.1 Godwin Street, Bradford, BD1 2SU.

THE ISSUER

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A5.1.1 (A)
A4.1.1

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Greenwood Personal Credit Limited

No. 1 Godwin Street
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Provident Financial Management Services Limited

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A13.5.2 (C)
A5.5.4.2 (C)

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A13.7.1 (C)
A5.7.1 (C)

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A4.2.1

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