

## OFFERING CIRCULAR



# PROVIDENT FINANCIAL PLC

*(incorporated with limited liability in England and Wales)*

## £100,000,000 7.125 per cent. Subordinated Step-Up Bonds due 2015

The issue price of the £100,000,000 7.125 per cent. Subordinated Step-Up Bonds due 2015 (the **Bonds**) of Provident Financial plc (the **Issuer**) is 99.824 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Bonds will be redeemed at their principal amount on 15 June 2015. The Bonds are subject to redemption in whole at their principal amount plus accrued interest (if any) at the option of the Issuer at any time in the event of certain changes affecting taxation as described under "Conditions of the Bonds – Redemption and Purchase". The Bonds may also be redeemed at the option of the Issuer at any time in whole but not in part on or after 15 June 2010 at their principal amount plus accrued interest (if any), as described under "Conditions of the Bonds - Redemption and Purchase".

The Bonds will bear interest from and including 15 June 2005 (the **Closing Date**) to but excluding 15 June 2010 at the rate of 7.125 per cent. per annum payable annually in arrear on 15 June in each year commencing on 15 June 2006. Thereafter, the Bonds will bear interest at the rate per annum which is the aggregate of 3.25 per cent. and the Gross Redemption Yield (as defined in Condition 16 of the Bonds) of the Benchmark Gilt (as defined in Condition 16 of the Bonds), payable annually in arrear on 15 June in each year commencing on 15 June 2011, as described under "Conditions of the Bonds - Interest".

Payments on the Bonds will be made in Sterling without deduction for or on account of taxes imposed or levied by the United Kingdom unless such deduction is required by law. In the event that any such deduction is made from a payment on the Bonds, that payment will be subject to grossing up by the Issuer, subject to certain exceptions as more fully described under "Conditions of the Bonds – Taxation".

The Bonds constitute subordinated obligations of the Issuer as described under "Conditions of the Bonds – Status and Subordination".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for the Bonds to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange plc (the **London Stock Exchange**) for the Bonds to be admitted to trading on the London Stock Exchange's market for listed securities. Admission to the Official List together with admission to the London Stock Exchange's market for listed securities constitute official listing on the London Stock Exchange.

The Bonds will initially be represented by a temporary global bond (the **Temporary Global Bond**), without interest coupons, which will be deposited on or about the Closing Date with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System, (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the **Permanent Global Bond** and together with the Temporary Global Bond, each a **Global Bond**), without interest coupons, on or after 25 July 2005 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for definitive Bonds only in certain limited circumstances - see "Summary of Provisions relating to the Bonds while represented by the Global Bonds".

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**Barclays Capital**

**Dresdner Kleinwort Wasserstein**

**The Royal Bank of Scotland**

**HSBC**

The date of this Offering Circular is 2 June 2005

This document comprises listing particulars for the Bonds approved by the UK Listing Authority as required by the Financial Services and Markets Act 2000 (the **FSMA**) prepared for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries (together the **Group**) and the Bonds. A copy of this document has been delivered for registration to the Registrar of Companies in England and Wales in accordance with section 83 of the FSMA.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (which has 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.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers (as defined under "*Subscription and Sale*" below). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof.

This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or any Manager to subscribe for, or purchase, any of the Bonds. The distribution of this Offering Circular and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

In particular, the Bonds 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, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

For a further description of certain restrictions on the offering and sale of the Bonds and on distribution of this document, see "*Subscription and Sale*" below.

The Managers and Deutsche Trustee Company Limited (the **Trustee**) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Managers, the Trustee or any of them as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer in connection with the Bonds or their distribution.

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Offering Circular should purchase any of the Bonds. Each investor contemplating purchasing Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

**IN CONNECTION WITH THE ISSUE OF THE BONDS, THE ROYAL BANK OF SCOTLAND PLC OR ANY PERSON ACTING FOR IT MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE CLOSING DATE. HOWEVER THERE MAY BE NO OBLIGATION ON THE ROYAL BANK OF SCOTLAND PLC OR ANY AGENT OF IT TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.**

All references in this document to **Sterling** and **£** refer to pounds sterling.

## CONTENTS

	Page
Conditions of the Bonds .....	4
Use of Proceeds .....	17
Capitalisation and Indebtedness of the Group.....	18
Description of the Issuer .....	19
Taxation .....	26
Subscription and Sale.....	28
General Information.....	30

## CONDITIONS OF THE BONDS

*The following is the text of the Conditions of the Bonds which (subject to modification) will be endorsed on each Bond in definitive form (if issued):*

The £100,000,000 7.125 per cent. Subordinated Step-Up Bonds due 2015 (the **Bonds**, which expression includes any further bonds issued pursuant to Condition 12 (*Further Issues*) and forming a single series therewith) of Provident Financial plc (the **Issuer**) are subject to, and have the benefit of, a trust deed dated 15 June 2005 (as amended or supplemented from time to time, the **Trust Deed**) between the Issuer and Deutsche Trustee Company Limited as trustee (the **Trustee**, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of a paying agency agreement dated 15 June 2005 (as amended or supplemented from time to time, the **Paying Agency Agreement**) between the Issuer, Deutsche Bank AG London as principal paying agent (the **Principal Paying Agent**, which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), Deutsche Bank Luxembourg S.A. as paying agent (together with the Principal Paying Agent and any additional paying agents appointed from time to time in connection with the Bonds, the **Paying Agents** and each a **Paying Agent**) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Paying Agency Agreement and subject to their detailed provisions. The holders of the Bonds (the **Bondholders**) and the holders of the related interest coupons (the **Couponholders** and the **Coupons**, respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Paying Agency Agreement applicable to them. Copies of the Trust Deed, the Paying Agency Agreement and the calculation agency agreement dated 15 June 2005 (the **Calculation Agency Agreement**) between the Issuer, the Trustee and the Calculation Agent (as defined in Condition 16 (*Definitions*) below) are available for inspection by Bondholders during normal business hours at the specified office for the time being of the Trustee, being at the date of issue hereof at Winchester House, 1 Great Winchester Street, London EC2N 2DB, and at the specified offices of each of the Paying Agents.

### 1. FORM, DENOMINATION AND TITLE

The Bonds are in bearer form, serially numbered and in the denominations of £1,000, £10,000 and £100,000 with Coupons attached at the time of issue. Bonds of one denomination will not be exchangeable for Bonds of another denomination. Title to the Bonds and the Coupons will pass by delivery. The holder of any Bond or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not such Bond or Coupon is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

### 2. STATUS AND SUBORDINATION

2.1 The Bonds and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and the rights and claims of the Bondholders and Couponholders against the Issuer rank and will rank, without preference among themselves, at least *pari passu* with all other subordinated Liabilities of the Issuer from time to time outstanding but will rank ahead of the holders of any subordinated Liabilities of the Issuer whose claims rank or are expressed to rank junior to the Bonds and Coupons. The rights and claims of the Bondholders and Couponholders will, in the event of the winding up of the Issuer or the appointment of an administrator of the Issuer where the administrator has given notice that the administrator intends to declare and distribute a dividend, be subordinated in right of payment in the manner provided in the Trust Deed to all Senior Liabilities of the Issuer. Accordingly, payment of any amount (whether principal, interest or otherwise) in respect of the Bonds and Coupons in such winding up or after such notice has been given by an administrator, as the case may be, is conditional upon, at the time of payment by the Issuer and immediately thereafter, the Issuer being solvent and, accordingly, no such amount which would otherwise fall due for payment shall be payable except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.

- 2.2 For the purposes of Condition 2.1, the Issuer shall be solvent if it is able to pay its Senior Liabilities in full, and in determining whether the Issuer is solvent for the purpose of this paragraph, there shall be disregarded obligations which are not payable or capable of being established or determined in the Insolvency of the Issuer.

For the purposes of Condition 2.1, a report given at any relevant time by the Issuer's Insolvency Officer, in form and substance acceptable to the FSA, shall, in the absence of manifest error, be treated and accepted by the FSA, the Issuer, the Trustee and the Bondholders and Couponholders as correct and sufficient evidence of the Issuer's solvency or insolvency.

- 2.3 No Bondholder or Couponholder shall retain or set off or purport to retain or set off at any time or exercise any right of counterclaim in respect of any amount payable by it to the Issuer against any amount due in respect of the Bonds or Coupons and each Bondholder and Couponholder shall, by virtue of being the holder of any Bonds or, as the case may be, Coupons, be deemed to have waived all such rights of retention, set-off or counterclaim, and each Bondholder or Couponholder shall immediately pay an amount equal to any retention or set-off in breach of this Condition 2.3 to the Issuer and such retention or set-off shall be deemed not to have occurred.

### 3. INTEREST

- 3.1 The Bonds bear interest from and including 15 June 2005 (the **Issue Date**) at the rates of interest provided for in this Condition 3, payable in arrear on 15 June in each year (each, an **Interest Payment Date**) in respect of the period from, and including, the previous Interest Payment Date (or the Issue Date, as the case may be) to, but excluding, that date, subject as provided in Condition 2 (*Status and Subordination*) and Condition 5 (*Payments*). Subject as provided in Condition 2 (*Status and Subordination*) and Condition 5 (*Payments*), the first payment for the period from and including the Issue Date to but excluding 15 June 2006 (representing a full year's interest) shall be made on 15 June 2006 and shall amount to £71.25 per £1,000 principal amount of Bonds, £712.50 per £10,000 principal amount of Bonds and £7,125.00 per £100,000 principal amount of Bonds.
- 3.2 In respect of the period from and including the Issue Date to, but excluding, 15 June 2010 (the **Step-Up Date**), the Bonds bear interest at the rate of 7.125 per cent. per annum on their principal amount (the **Initial Rate of Interest**).
- 3.3 In respect of the period from and including the Step-Up Date to, but excluding, the Maturity Date, the Bonds bear interest at the rate per annum on their principal amount, as determined by the Calculation Agent, which is the aggregate of 3.25 per cent. and the Gross Redemption Yield of the Benchmark Gilt with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to four decimal places) of the bid and offered prices of such Benchmark Gilt quoted by the Reference Market Makers at 3:00 p.m. (London time) on the Determination Date on a dealing basis for settlement on the next following dealing day in London (the **Reset Rate of Interest**). The Issuer shall cause the Reset Rate of Interest to be published in accordance with Condition 13 (*Notices*) as soon as practicable after its determination.
- 3.4 The amount of interest to be paid in respect of a Bond on any date shall be calculated by applying the Rate of Interest to the principal amount of such Bond, multiplying the product by the Day Count Fraction and rounding the resulting figure to the nearest penny (half a penny being rounded upwards), where:

**Day Count Fraction** means:

- (a) if the Calculation Period is equal to or shorter than the Regular Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Regular Period; and
- (b) the Calculation Period is longer than one Regular Period, the sum of:

- (i) the number of days in such Calculation Period falling in the Regular Period in which it begins divided by the number of days in such Regular Period; and
- (ii) the number of days in such Calculation Period falling in the next Regular Period divided by the number of days in such Regular Period;

**Calculation Period** means the relevant period for which interest is to be calculated from (and including) the first day in such period to (but excluding) the last day in such period;

**Regular Date** means 15 June in any year; and

**Regular Period** means each period from (and including) any Regular Date to (but excluding) the next Regular Date.

- 3.5** Each Bond will cease to accrue interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to accrue interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).
- 3.6** The Trustee shall, if the Calculation Agent does not at the relevant time for any reason determine the Reset Rate of Interest in accordance with this Condition 3, determine the Reset Rate of Interest in its absolute discretion (having such regard as it shall think fit to the procedure described in these Conditions), as being such rate of interest as it shall deem fair and reasonable in all the circumstances and such determination shall be deemed to be a determination thereof by the Calculation Agent and in doing so the Trustee shall be entitled to seek (at the expense of the Issuer) and rely upon advice from any investment bank or other expert deemed appropriate by the Trustee for that purpose.
- 3.7** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Paying Agents, the Calculation Agent and the Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Bondholders, the Couponholders or the Issuer shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions.

## **4. REDEMPTION AND PURCHASE**

### **4.1 Scheduled redemption**

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 15 June 2015 (the **Maturity Date**), subject as provided in Condition 5 (*Payments*).

### **4.2 Redemption at the option of the Issuer for tax reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable) at their principal amount, together with interest accrued to (but excluding) the date fixed in such notice for redemption, if, immediately before giving such notice, (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom 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 (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 2 June 2005 and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures

available to it; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due. Prior to the publication of any notice of redemption pursuant to this Condition 4.2, the Issuer shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in (i) and (ii) above prevail and setting out details of such circumstances and (B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event they shall be conclusive and binding on the Bondholders and Couponholders. Upon the expiry of any such notice as is referred to in this Condition 4.2, the Issuer shall be bound to redeem the Bonds in accordance with this Condition 4.2.

#### **4.3 Redemption at the option of the Issuer**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on or after the Step-Up Date (the date of redemption being the **Call Settlement Date**) at their principal amount plus accrued interest (if any) up to but excluding the Call Settlement Date on the Issuer's giving not less than 15 nor more than 45 days' notice to the Bondholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the Call Settlement Date at their principal amount plus accrued interest to such date).

#### **4.4 No other redemption**

The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in Conditions 4.1 to 4.3 above.

#### **4.5 Purchase**

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

#### **4.6 Cancellation**

All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### **4.7 FSA Provisions**

Notwithstanding anything to the contrary in these Conditions, no Bonds may be redeemed or purchased by the Issuer or its Subsidiaries pursuant to Condition 4.2, 4.3 or 4.5 and no attempt may be made by the Issuer to redeem, purchase or procure the purchase of the Bonds in whole or in part, unless the Issuer shall have obtained the prior written consent of the FSA to such redemption or purchase, if such consent is then required.

### **5. PAYMENTS**

#### **5.1 Principal**

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bonds at the specified office of any Paying Agent outside the United States by sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in London.

## **5.2 Interest**

Payments of interest shall, subject to Condition 5.6 below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in Condition 5.1 above.

## **5.3 Payments subject to fiscal laws**

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 6 (*Taxation*). No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

## **5.4 Unmatured Coupons**

Each Bond should be presented for payment together with all relative unmaturing Coupons. Upon the date on which any Bond becomes due and repayable, all unmaturing Coupons appertaining to the Bond (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

## **5.5 Payments on business days**

If the due date for payment of any amount in respect of any Bond or Coupon is not a business day in the place of presentation, the Bondholder or Couponholder, as the case may be, shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this Condition, **business day** means, in respect of any place of presentation, any day on which banks are open for business in such place of presentation and, in the case of payment by transfer to a sterling account as referred to above, on which dealings in foreign currencies may be carried on both in London and in such place of presentation.

## **5.6 Payments other than in respect of matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bonds at the specified office of any Paying Agent outside the United States.

## **5.7 Partial payments**

If a Paying Agent makes a partial payment in respect of any Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## **6. TAXATION**

All payments of principal and interest in respect of the Bonds and the Coupons, by or on behalf of the Issuer, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

- (A) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of its having some connection with the United Kingdom other than the mere holding of such Bond or Coupon;

- (B) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Bond or Coupon on the last day of such period of 30 days;
- (C) in the United Kingdom;
- (D) by or on behalf of a holder where such holder would not be liable to such withholding or deduction if such holder had made or procured a third party to make a declaration of non-residence or similar claim for exemption to the relevant taxing authority or if the holder had complied or procured that any third party complied with any statutory requirements;
- (E) 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 or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (F) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a member state of the European Union.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 6 or any undertaking given in addition to or in substitution for this Condition 6 pursuant to the Trust Deed.

## **7. EVENTS OF DEFAULT AND ENFORCEMENT**

**7.1** If any of the following events (**Events of Default**) shall have occurred and is continuing:

- (A) an effective resolution is passed, or an order of a court of competent jurisdiction is made, for the winding up of the Issuer (otherwise than for the purpose of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by Extraordinary Resolution of the Bondholders); or
- (B) the Issuer fails to pay any amount of principal or interest in respect of the Bonds within 15 days of the due date for payment thereof,

the Trustee may, subject as set out in Condition 7.3, give written notice to the Issuer that the Bonds are, and they shall forthwith become, subject to Condition 2 (*Status and Subordination*), immediately due and repayable at their principal amount together with accrued interest as provided in the Trust Deed and/or prove in any such winding up of the Issuer for the amounts due. The Trustee may, following such notice, and subject to Condition 7.3, institute proceedings in England (but not elsewhere) to wind up the Issuer and/or prove in any winding up of the Issuer, provided that no payment of principal in respect of the Bonds will be made by the Issuer pursuant to this Condition 7, nor will the Trustee accept the same, otherwise than during or after the winding up of the Issuer, save with the prior consent of FSA (if such consent is then required).

**7.2** Subject at all times to Condition 7.5, but without prejudice to Condition 7.1, if the Issuer breaches any of its obligations under the Trust Deed or the Bonds (other than any obligation for the payment of any amount in respect of the Bonds) and/or at any time after the Bonds become due and repayable then the Trustee may, subject as provided below, at its discretion and without further notice bring such proceedings as it may think fit to enforce the obligation in question. The Issuer shall not as a consequence of such proceedings pursuant to this Condition 7.2 be obliged to pay any sums or amounts to the Bondholders representing or measured by reference to the Bonds (including without limitation, principal or interest on the Bonds or damages) sooner than the same would otherwise have been payable by it.

- 7.3** The Trustee shall not be bound to give notice as referred to in Condition 7.1 or institute any of the proceedings or take any other action referred to in Conditions 7.1 or 7.2 or take any other action under or in relation to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding and (b) it shall have been indemnified and/or secured to its satisfaction.
- 7.4** No Bondholder or Couponholder shall be entitled to institute proceedings against the Issuer unless the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so within a reasonable period and such failure shall be continuing or, being able and bound to prove in any Insolvency of the Issuer, fails to do so within a reasonable period and such failure shall be continuing, in which case such Bondholder or Couponholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) and subject to the same restrictions as apply to the Trustee under this Condition 7, himself institute proceedings against the Issuer and/or prove in any Insolvency of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Bonds.
- 7.5** No remedy (including the exercise of any right of set off or analogous event) against the Issuer, other than as specifically provided by this Condition 7, shall be available to the Trustee or the Bondholders or Couponholders, whether for the recovery of amounts owing under the Bonds or Coupons or in respect of any breach by the Issuer of any of its obligations under the Bonds or any of the provisions of the Trust Deed (other than amounts owing in respect of the Trustee's remuneration, costs, expenses and sums due to the Trustee personally).

## **8. PRESCRIPTION**

Claims for principal shall become void unless the relevant Bonds are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date, subject to the provisions of Condition 5.4 (*Unmatured Coupons*).

## **9. REPLACEMENT OF BONDS AND COUPONS**

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

## **10. TRUSTEE AND PAYING AGENTS**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Bondholders and Couponholders, including provisions relieving it from taking action unless indemnified and/or secured 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 and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's 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 Bondholders 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.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders 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 Bondholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders except to the extent already provided for in Condition 6 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 6 (*Taxation*) pursuant to the Trust Deed.

In acting under the Paying Agency Agreement and in connection with the Bonds and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders or Couponholders.

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right (with the prior approval of the Trustee, such approval not to be unreasonably withheld or delayed) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; provided, however, that the Issuer shall at all times maintain (a) a principal paying agent, (b) for as long as the Bonds are listed on the London Stock Exchange plc, a Paying Agent having its specified office in the United Kingdom, (c) a Paying Agent having its specified office in continental Europe and (d) a Paying Agent having its specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (but only so long as at least one such member state (other than the United Kingdom) does not require a Paying Agent with an office in that member state to so withhold or deduct amounts for or on account of tax, whether pursuant to such Directive, under the law of that member state or otherwise). Notice of any change in any of the Paying Agents or in their specified offices shall promptly be given to the Bondholders in accordance with Condition 13 (*Notices*).

## **11. MEETINGS OF BONDHOLDERS; MODIFICATION AND WAIVER; SUBSTITUTION**

### **11.1 Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, to change the currency of payments under the Bonds or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders whether present or not.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed will take effect as if

it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

## **11.2 Modification and waiver**

The Trustee may, without any consent or sanction of the Bondholders or Couponholders, agree to any modification of these Conditions, the Bonds or the Trust Deed which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Bondholders and to any modification of these Conditions, the Bonds or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error or an error which, in the opinion of the Trustee, is proven.

In addition, the Trustee may, without any consent or sanction of the Bondholders or Couponholders authorise or waive any proposed breach or breach of these Conditions or the Trust Deed or determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

Any such authorisation, waiver, determination or modification, and any substitution made pursuant to Condition 11.3, shall be binding on all Bondholders and Couponholders. Unless the Trustee agrees otherwise, any such authorisation, waiver, determination, modification or substitution shall be notified to the Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

## **11.3 Substitution**

The Trust Deed contains provisions under which any Subsidiary of the Issuer or a Holding Company (as defined in the Trust Deed) or a Successor in Business (as defined in the Trust Deed) or a Subsidiary of any Holding Company or Successor in Business may, without the consent of the Bondholders or Couponholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Bonds provided that certain conditions specified in the Trust Deed are fulfilled.

## **12. FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders or Couponholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bonds. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of bonds having the benefit of the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of bonds of other series in certain circumstances where the Trustee so decides.

## **13. NOTICES**

Notices to the Bondholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders.

## **14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

## **15. GOVERNING LAW**

The Trust Deed and the Bonds are governed by, and shall be construed in accordance with, English law.

## 16. DEFINITIONS

In these Conditions:

**Benchmark Gilt** means the 5.00 per cent. Treasury Stock 2014 or such other United Kingdom government security having a maturity date on or about the Maturity Date as the Calculation Agent, with the advice of the Reference Market Makers and in consultation with the Issuer, may determine to be appropriate;

**Business Day** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

**Calculation Agent** means The Royal Bank of Scotland plc and any successor calculation agent appointed under the Calculation Agency Agreement. The Issuer shall promptly provide notice of any change in calculation agent to the Bondholders in accordance with Condition 13 (*Notices*);

**Determination Date** means the fifth Business Day prior to the Step-Up Date, provided that if the Calculation Agent determines that it is not possible for any reason to determine the Gross Redemption Yield on such day, the Determination Date shall be postponed to the first Business Day thereafter on which the Calculation Agent determines that it is possible to determine the Gross Redemption Yield, provided that if as a result the Determination Date would not occur before the Step-Up Date, then the Determination Date shall instead be the nearest Business Day which falls prior to the fifth Business Day prior to the Step-Up Date, and upon which the Calculation Agent determines that it is possible to determine the Gross Redemption Yield;

**Extraordinary Resolution** means an Extraordinary Resolution of the Bondholders passed in accordance with the provisions relating thereto contained in the Trust Deed;

**FSA** means the Financial Services Authority or any successor as may replace it as the Issuer's relevant financial regulator;

**Gross Redemption Yield** means, with respect to the Benchmark Gilt, the gross redemption yield, as calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper **Formulae for Calculating Gilt Prices from Yields** page 4, Section One: Price/Yield Formulae **Conventional Gilts: Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date** (published on 8 June 1998 and as supplemented, amended or replaced from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Calculation Agent may approve;

**indebtedness** means (i) moneys borrowed and (ii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**Insolvency** means the winding-up or administration (in England but not elsewhere) of the Issuer;

**Insolvency Officer** means and includes any person duly appointed to administer and distribute assets of the Issuer in the course of the Issuer's Insolvency;

**Liabilities** means, in respect of any person, all present and future sums, liabilities and obligations payable or owing by it in respect of indebtedness (whether actual or contingent, jointly or severally, or otherwise howsoever);

**Maturity Date** has the meaning specified in Condition 4.1;

**Rate of Interest** means the Initial Rate of Interest or the Reset Rate of Interest, as the case may be;

**Reference Market Makers** means three brokers of gilts and/or gilt edged market makers selected by the Calculation Agent in consultation with the Issuer;

**Relevant Date** means (a) the date on which the payment in question first becomes due or (b) if any amount payable has been improperly withheld or refused, the earlier of (i) the date on which payment in full of the amount outstanding is made; and (ii) the date on which notice is given to the Bondholders that upon further presentation of the Bond or Coupon being made in accordance with the Conditions, such payment will be made, provided that such payment is in fact made upon such presentation;

**Senior Liabilities** means all Liabilities of the Issuer except Subordinated Liabilities;

**Step-Up Date** has the meaning specified in Condition 3.2;

**Subordinated Liabilities** means the Bonds and Coupons and all other Liabilities of the Issuer in respect of indebtedness which is both unsecured and subordinated by its terms in right of payment to unsubordinated Liabilities of the Issuer in any Insolvency of the Issuer; and

**Subsidiary** has the meaning specified in section 736 Companies Act 1985.

## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE REPRESENTED BY THE GLOBAL BONDS

*The following is a summary of the provisions to be contained in the Trust Deed (the **Trust Deed**) to constitute the Bonds and in the Global Bonds which will apply to, and in some cases modify, the Conditions of the Bonds while the Bonds are represented by the Global Bonds.*

### 1. Exchange

The Permanent Global Bond will be exchangeable in whole but not in part (free of charge to the holder) for definitive Bonds only:

- (a) upon the happening of any of the events defined in the Trust Deed as “Events of Default” (whilst any such event is continuing);
- (b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or
- (c) if the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Bonds in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Bond (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and (in the case of (c) above) the Issuer may give notice to the Trustee and the Bondholders, of its intention to exchange the Permanent Global Bond for definitive Bonds on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Bond may or, in the case of (c) above, shall surrender the Permanent Global Bond to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Bond, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any definitive Bonds.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

### 2. Payments

On and after 25 July 2005, no payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by a Global Bond will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of such Global Bond to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Bondholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the Global Bond by or on behalf of the Principal Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Bonds. Payments of interest on

the Temporary Global Bond (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### **3. Notices**

For so long as all of the Bonds are represented by the Temporary Global Bond and/or the Permanent Global Bond and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to the holders of the Bonds may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as the case may be, for communication to the relative Accountholders rather than by publication as required by Condition 13 of the Bonds. Any such notice shall be deemed to have been given to the Bondholders on the day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

### **4. Accountholders**

For so long as all of the Bonds are represented by the Temporary Global Bond and/or the Permanent Global Bond and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Bonds (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of the Bonds standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of the Bonds for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on such principal amount of the Bonds, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Bond in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Bond.

### **5. Prescription**

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 16 of the Bonds).

### **6. Cancellation**

Cancellation of any Bond represented by a Global Bond and required by the Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Bond on the relevant part of the schedule thereto.

### **7. Euroclear and Clearstream, Luxembourg**

References in the Global Bonds and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Bonds, amounting to approximately £99,424,000, will be applied by the Issuer for its general corporate purposes.

## CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The information in the following table shows the consolidated capitalisation and indebtedness as at 31 December 2004 and has been extracted without material adjustment from the Group's audited consolidated financial statements for the year ended 31 December 2004.

	As at 31 December 2004 £m
<b>Authorised share capital</b>	
414.5 million Ordinary shares of 10 %p .....	40.0
<b>Issued share capital and reserves</b>	
255.1 million Ordinary shares of 10 %p .....	26.4
Share premium account .....	105.5
Revaluation reserve.....	2.7
Other reserves .....	4.4
Profit and loss account .....	386.5
	525.5
<b>Borrowings</b>	
Bank loans and overdrafts .....	654.2
Loan notes – Yes Car Credit (see note (3) below) .....	1.4
Loan notes – other .....	234.8
	890.4
<b>Total Capitalisation and Indebtedness</b> .....	1,415.9

Notes:

- (1) The above table has not been adjusted to reflect the issue of the Bonds.
- (2) All borrowings are unsecured and, with the exception of guarantees from Group members and guarantees provided by third party banks in respect of the borrowings of Group members totalling £39.2m at 31 December 2004, are not guaranteed. The guarantees provided by third party banks are in turn supported by guarantees and counter-indemnities from the Issuer and from certain other Group members.
- (3) As part of the consideration for the acquisition of the Yes Car Credit group of companies in December 2002, the Group issued loan notes to certain vendors. These loan notes are guaranteed by the Issuer, and these guarantees are in turn guaranteed by a third party bank.
- (4) The Group has further a liability in respect of contingent consideration relating to the acquisition of Yes Car Credit, which is currently the subject of a dispute between the vendors and the Group. There is a range of possible outcomes of the final amount of contingent consideration payable which, in any event, could not exceed £76m. A process for determining the final amount payable was set out in the acquisition agreement. However, the total amount of contingent consideration payable estimated by the Group at 31 December 2004 was £12.8m.
- (5) A subsidiary of the Issuer is involved in a contract dispute with a supplier of ancillary services. The Issuer is of the opinion that this matter can be settled without a material adverse effect on the financial condition of the Group.
- (6) Since 31 December 2004 a further 227,500 Ordinary shares have been issued following the exercise of options granted under the Issuer's share schemes.
- (7) Save as disclosed above, there have been no material changes to the capitalisation, indebtedness, contingent liabilities and guarantees of the Group since 31 December 2004.

## DESCRIPTION OF THE ISSUER

### INTRODUCTION

The Issuer is a public limited company whose ordinary shares are listed on the London Stock Exchange. As at 31 March 2005, the Issuer had a market capitalisation of approximately £1.8 billion.

The Issuer was incorporated in England and Wales on 31 August 1960 under the Companies Act 1948 with registered number 668987. It was re-registered as a public limited company on 31 December 1981. It has its principal place of business and registered office at Colonnade, Sunbridge Road, Bradford, West Yorkshire BD1 2LQ.

The Issuer is the ultimate parent company of the Group.

The Group's business is the provision of simple financial products tailored to the needs of customers on moderate incomes. The Group's strategy is to expand by developing internationally and broadening its range of credit products.

The business was established in 1880 and now provides simple credit products to approximately 3.7 million customers throughout the UK, the Republic of Ireland, Poland, the Czech Republic, Hungary and Slovakia and in parts of Mexico. The business also comprises an underwriter of motor insurance in the United Kingdom.

### GROUP BUSINESS DESCRIPTION

#### General

The Group operates through three divisions, as shown below:

UK Consumer Credit	International Home Credit		Motor Insurance
UK & Ireland Home Credit	Poland	Czech Republic	Provident Insurance
Yes Car Credit	Hungary	Slovakia	
Vanquis Bank	Mexico		

Over the 13 years to the end of 2004 the profit before tax of the Group increased at an average annual compound growth rate of 15.4%. Until the acquisition of the share capital of the group of companies which trade under the brand name Yes Car Credit (YCC) in December 2002, this growth had been achieved entirely organically.

Profit before tax and goodwill amortisation for the year ended 31 December 2004 was £220.7 million.

#### UK Consumer Credit Division

##### (i) Target market structure

The Group's target market in the UK lies in the socio-economic groups C1, C2, D and E. These groups encompass approximately 33 million adults in the UK. It excludes the 11 million adults in socio-economic groups A and B.

Social groups are defined as:

Social Group	Social Status	Occupation
A	Upper Middle Class	Higher managerial, administrative or professional
B	Middle Class	Intermediate managerial, administrative or professional
C1/C2	Lower Middle Class /Skilled Working Class	Supervisory or clerical and junior managerial, administrative or professional and skilled manual workers
D	Working Class	Semi and unskilled manual workers
E	Lowest level of subsistence	State pensioners and widows (no other earner), casual or lowest grade workers

Source: *Marketing Pocket Book 2005*

The social composition of the customer base has changed little in recent years with broadly similar proportions coming from the C, D and E segments.

**(ii) UK & Ireland Home Credit**

Home credit is the provision of small, unsecured cash loans, which are repaid in weekly instalments, typically over a period of 1 year. Loans are granted and delivered in cash by approximately 12,000 self-employed agents of the Group who visit their customers' homes every week to collect repayments. The Group has an estimated 50% market share of the UK home credit market and one in every twenty five homes in the UK includes a Provident Financial home credit customer who is visited every week.

Approximately half of the Group's loans issued in the UK are for £200 or less and only 9.6% of loans issued are for more than £600. Customers typically take more than one loan each year and the average annual credit issued in the UK to home credit customers during 2004 was £585. The average loan sizes outside the UK are lower, reflecting lower national average income levels and the particular stage of development of each of the International Home Credit businesses.

Home credit loans are mainly used to balance the household budget. It is essentially a woman to woman business: as at 31 December 2004, 79% of the Group's agents in the UK were women and 65% of its customers were women.

The Group's home credit loans are valued by customers because they are simple, convenient and flexible. Importantly, charges are fixed at the outset and there are no penalties for missed payments. This is distinctly different from the approach of more remote lenders, such as credit card providers, who often derive significant revenues from default charges.

Whilst a comparison with the published APR for other forms of credit may make home credit seem expensive, the extra charges that may be applied by more remote lenders will not be reflected in their calculation of APR. Home credit provided by the Group carries the guarantee of no extra charges, regardless of payment performance.

Long-term agent-customer relationships and the weekly home visit are the key to success in the home credit business. Lending decisions are generally taken by the agent, often without the use of statistical credit scoring techniques. Agents are paid commission predominantly on the basis of what they collect, not what they lend, promoting a responsible approach to lending.

The act of an agent physically visiting the home to make a collection is central to the process; it serves three purposes:

- it allows the agent to develop and maintain a relationship with the borrower;

- it creates a bond which supports good repayment discipline; and
- it allows an insight into a customer's lifestyle and circumstances that forms the basis for the agent's judgement of a customer's ability and willingness to repay. This enables the agent to rapidly adapt her lending strategy in response to changes in the customer's circumstances.

Surveys of the Group's UK customers consistently show that over 90% are satisfied, or very satisfied with the overall service they receive. In addition, approximately a third of UK home credit customers remain with the Group for over five years.

The prolonged period of economic growth in the UK and Republic of Ireland has benefited the Group's customers. Many have become better off and so some have a reduced need for small sums of credit and have a greater access to alternative sources of credit, such as credit cards. Growth is more challenging in these competitive market conditions and the number of UK and Republic of Ireland home credit customers at the end of 2004 was 1.53 million, 4.7% lower than at the end of 2003.

In response to these competitive market conditions, the following steps were taken in 2004:

- withdrawal from unprofitable recruitment channels;
- improved marketing to customers who have demand for, and who can afford to repay, larger loans, resulting in an increase in the average credit issued per customer; and
- continued tight control over the cost base.

As a result of these actions, both net receivables at the end of 2004 and profit before tax and goodwill amortisation for 2004 were stable at £642.2 million and £152.3 million respectively.

### **(iii) Yes Car Credit**

The Group acquired YCC in December 2002. YCC was founded in 1997 and has grown rapidly to be one of the UK's leading auto finance companies serving customers on moderate incomes, many of whom will have been turned down for credit by other providers.

YCC has a credit-led, integrated business model under which it offers its customers a package of the provision of a car, financing and related insurance products. Integration between finance provision and car distribution is central to the model.

Enquiries from potential customers come either into a call centre at YCC's head office in Horsham, West Sussex, where call centre staff obtain information to allow an initial credit assessment, or over the internet. Customers who have been approved for credit are referred to their nearest branch.

A network of branches provides the distribution channel through which customers are supplied with both the finance and the vehicle. This enables the operation to control vehicle quality, and thereby contributes towards greater customer satisfaction and the collections performance. Finance is typically advanced at an APR of 19.9% and is repayable in 48 monthly instalments.

Since the second quarter of 2004 YCC has faced a general downturn in the used car credit market and increased competition from new entrants. In response to this, a number of changes have been made to improve YCC's business, including the strengthening of the management team, improving the effectiveness of marketing, making reductions to the cost base and closing two branches. At the end of 2004, YCC had over 63,000 customers and £294 million of net receivables. YCC reported profit before tax of £4.4 million in 2004, which was £6.8 million lower than in 2003.

### **(iv) Vanquis Bank**

A subsidiary of the Group, Vanquis Bank Limited (**Vanquis**), acts as the vehicle for the Group's credit card business, managed by a team of experienced credit card professionals. Vanquis began a market test of Visa

branded credit cards in the UK in April 2003 and by the end of 2004 had built up a portfolio of 76,000 active cardholders.

Vanquis' target market comprises the customer segments within the C1/C2 and D socio-economic groups, which are generally not well served by other credit card providers. Vanquis delivers products that are specifically suited to the needs and lifestyles of people within these groups. The main groups targeted are those with no previous credit history, those with an impaired credit history but who are now over the problems which led to the impairment, and those on lower (starting at £5,000 p.a.) incomes. Credit limits are tailored to income and individual circumstances and can be as low as £150.

In December 2004 the Group announced that the pilot of credit card products at Vanquis had performed well and provided clear evidence of a profitable market opportunity for a differentiated credit card provider. It is intended to bring the business to operational scale during 2005.

### **International Home Credit Division**

The Group's home credit model has proved robust over many years, and throughout many economic cycles in the UK and the Republic of Ireland. The same model is now being applied in new markets in Central Europe (Poland, Czech Republic, Hungary and Slovakia) and Mexico. The Group has adopted a structured, cautious approach to its expansion into these markets, starting with small scale pilot operations and only rolling out to national scale when the viability of each business is proven.

This strategy has been very successful. Since its formation just eight years ago, the International Home Credit division has been built organically into a substantial business which as at the end of 2004 had approximately 20,000 agents, over 1.5 million customers and accounted for a third of the Group's home credit issued.

The division first moved into profit in the second half of 2000 and has rapidly increased its profitability since then, with the two largest International Home Credit operations, Poland and the Czech Republic (founded in 1997), accounting for 25% of the Group's profit before tax for 2004. After allowing for central divisional costs of £8.9 million and start-up losses from its newer operations of £2.7 million, the division reported profit before tax in 2004 of £49.2 million.

The Group recently announced its plans to proceed to a phased, regional expansion in its newest overseas market, Mexico, during 2005.

### **Motor Insurance Division**

In addition to the UK Consumer Credit and International Home Credit divisions, the Issuer is a niche player in the UK motor insurance market through its subsidiary company, Provident Insurance plc (**Provident Insurance** or **PI**). PI concentrates on underwriting third party car insurance for women and low mileage drivers.

The Motor Insurance division is wholly equity financed and PI is subject to regulation by the Financial Services Authority (FSA) under the Financial Services and Markets Act 2000 (FSMA). In particular, the division's investment fund (which during 2004 averaged £442 million) cannot be used to fund the Group's other businesses. The division reported profit before tax in 2004 of £34.6 million, a 21% increase over 2003.

## **REGULATION**

### **UK consumer credit regulation**

The Group's credit businesses in the UK are regulated under the UK Consumer Credit Act 1974 (the CCA). A White Paper on consumer credit was published by the Government in December 2003, and a Bill to amend the CCA was being considered by Parliament before its recent dissolution. The Bill was welcomed by the Group, as it was designed to protect customers and create a fairer, more competitive credit market.

The principal changes to the CCA proposed by the Bill would not materially affect the Group's businesses, and were as follows:

- the extension of the CCA to consumer credit agreements (other than those specifically exempted) with credit of more than £25,000 by removing the current £25,000 financial limit on the application of the CCA;
- the provision of annual statements on credit agreements to borrowers;
- the provision of notices of sums in arrears and default sums to borrowers;
- a new test on “unfair relationships” replacing the rules on extortionate credit bargains, with retrospective effect, and granting the courts new powers to alter the terms of credit agreements or reduce sums payable by the debtor where an unfair relationship is held to exist;
- the strengthening of the licensing regime under the CCA, including wider powers for the Office of Fair Trading (OFT) to decide whether a person is ‘fit’ to be licensed, to investigate and regulate licensees, and to vary the terms or duration of licences and impose requirements on licensees where the OFT is dissatisfied; and
- the extension of the jurisdiction of the Financial Ombudsman Service to licence holders under the CCA.

The Bill was re-introduced into the new Parliament on 18 May 2005 and now awaits a second reading.

As part of the review of consumer credit proposed by the White Paper, a number of other new statutory instruments have recently been introduced. These include regulations to simplify the approach to advertising for credit products, regulations on the clear disclosure to consumers of information about costs and other key terms of credit agreements, and regulations updating the calculation of the settlement fee for borrowers who settle their loans early. As with the consumer credit Bill, these regulations do not materially affect the Group’s businesses.

#### **European consumer credit regulation**

Consumer credit in the EU member states is regulated by rules which must accord with the EU Credit Directive (87/102/EEC).

In September 2002, the European Commission published a new Consumer Credit Directive. There was significant opposition from the European Parliament to the original form of the proposed directive which was amended in October 2004 and which may be substantially further amended before it is brought into effect. This is unlikely to be before 2006 at the earliest and Member States will then have a further two years in which to bring national implementing legislation into force. The Group does not expect the proposal for the revised Directive, if implemented in its current form, to have a material effect upon the Group’s businesses, either in the UK or in central Europe.

In Poland, a proposal by an individual MP for an interest rate ceiling was submitted to the Polish Parliament in June 2004 and, following a procedural first reading in July 2004, has been subject to scrutiny by a Parliamentary sub-committee. The proposal received a procedural second reading in the Polish Parliament on 20 May 2005 and now passes back to the relevant sub-committee for second reading amendments to be considered.

The Bill would then return for a third reading before passing to the upper house and then ultimately to the president’s office, who has the power to approve, veto or refer the measure to a constitutional tribunal. There is a question over whether the Bill will complete its remaining parliamentary stages before the general election scheduled for the end of September 2005. The Polish government and the Polish central bank oppose the rate ceiling proposal. Together with other financial institutions, the Group continues to make it clear that such a measure is not in the interests of consumers.

## **Competition Commission (“CC”) Inquiry**

Following a super-complaint in the summer of 2004 from the National Consumer Council to the OFT under the Enterprise Act 2002 regarding the competitiveness of the UK home credit industry, the OFT conducted a short, 90-day investigation. This culminated in the decision by the OFT in December 2004 to refer the supply of home credit to the CC for further investigation on the grounds that it suspects there are features of the market that prevent, restrict or distort competition. The Group does not agree with the OFT’s conclusions and has set out its reasons in an initial submission to the CC.

The CC published an “Issues Statement” on 18 April 2005 and is scheduled to publish an “Emerging Thinking” document in September 2005 and “Provisional Findings” in December 2005. The inquiry is expected to conclude by April 2006.

## **FSA regulation**

Vanquis and Provident Insurance are regulated by the FSA under FSMA, as is YCC in relation to its brokerage of insurance products. Prior to the Financial Conglomerates Directive coming into effect on 1 January 2005, the wider Group (excluding PI) was only indirectly “supervised” by the FSA through the regulated companies. However, under the Financial Conglomerates Directive, groups which meet certain conditions and have significant activities in both (i) banking or investment sectors; and (ii) the insurance sectors, are categorised as “financial conglomerates” and are directly subject to a new prudential regulatory regime at a group level. Such groups are therefore effectively more fully and now directly regulated. The Group qualifies as a financial conglomerate. This means in broad terms that:

- the Group must satisfy a group level capital adequacy test, which seeks to eliminate the double counting of capital and excessive leveraging;
- the FSA is appointed as “co-ordinator” for the purposes of the Financial Conglomerates Directive and has supervisory oversight over the Group; and
- the Group is under direct reporting obligations to the FSA for the purposes of the Financial Conglomerates Directive and has obligations with respect to its systems and controls.

The Basle II Accord is expected to be implemented by EU Directive and to be fully implemented by the end of 2007. The Accord would impact the wider Group. The Group will ensure that it complies with the Directive and that its risk management controls continue to be appropriate.

## BOARD OF DIRECTORS

The directors of the Issuer and their principal activities outside the Group are as follows:

<b>Name</b>	<b>Position</b>	<b>Principal outside activities</b>
John van Kuffeler	Chairman (non-executive)	Chairman of Huveaux PLC
Robin Ashton	Chief Executive	None
John Harnett	Finance Director	None
Chris Johnstone	Managing Director, UK Consumer Credit	None
David Swann	Managing Director, International Home Credit	None
Charles Gregson	Deputy Chairman (independent non-executive)	Director of United Business Media plc Non-executive Chairman of ICAP plc
John Maxwell	Director (independent non-executive)	Non-executive director of Royal and Sun Alliance Group PLC, Homeserve plc and Parity Group PLC Chairman of DX Services plc and The Institute of Advanced Motoring Governor of the Royal Ballet School
Ray Miles	Director (senior independent non-executive)	Chairman of CP Ships Limited Chairman of Box Club and the World Shipping Council Trustee of the National Maritime Museums at Greenwich and Cornwall and of Garden Opera
Graham Pimlott	Director (independent non-executive)	Deputy Chairman of Hammerson PLC Non-executive director of Tesco PLC Chairman of the Export Credit Guarantee Department Member of the Auditing Practices Board

The business address of each of the directors is Colonnade, Sunbridge Road, Bradford, West Yorkshire, BD1 2LQ.

## TAXATION

*The comments below are of a general nature and are based on the Issuer's understanding of current United Kingdom law and practice relating to certain aspects of United Kingdom taxation of interest and are subject to changes therein or thereof, possibly with retrospective effect. They are not exhaustive and do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Bonds and Coupons and may not apply to certain classes of persons such as dealers, persons connected with the Issuer or certain professional investors, to whom special rules may apply. This summary deals only with the question of whether payments of interest on the Bonds may be made without withholding or deduction for or on account of United Kingdom income tax and does not deal with any other United Kingdom tax consequences that might arise from holding Bonds. These comments do not purport to constitute legal or tax advice. Any holders of Bonds or Coupons who may be subject to tax in a jurisdiction other than the United Kingdom or are in any doubt as to their own tax position should consult their professional advisers.*

### **1. United Kingdom Source Interest**

The Bonds issued will constitute “quoted Eurobonds” within the meaning of Section 349 of the Income and Corporation Taxes Act 1988 (**ICTA 1988**) while they remain listed on a “recognised stock exchange” within the meaning of Section 841 ICTA 1988. Whilst the Bonds are and continue to be quoted Eurobonds, payments of interest on the Bonds may be made without deduction or withholding for or on account of United Kingdom income tax. On the basis of Her Majesty's Revenue and Customs published interpretation of the relevant legislation, securities which are listed by a competent authority in a country which is a Member State of the European Union or which is part of the European Economic Area and which are admitted to trading on a recognised stock exchange in that country will satisfy this requirement. In the United Kingdom, the UK Listing Authority is a competent authority and the London Stock Exchange is a recognised stock exchange. So long as this remains the case, securities will be treated as listed on the London Stock Exchange, and will therefore constitute quoted Eurobonds, so long as they are admitted to the Official List by the UK Listing Authority and admitted to trading on the London Stock Exchange.

If the bonds do not constitute “quoted Eurobonds”, tax may, subject to any relief available under any applicable double taxation convention and to the availability of any other reliefs, have to be withheld from payments of interest on the Bonds at the “lower rate” of United Kingdom income tax (currently 20 per cent.).

If interest were paid under deduction of United Kingdom income tax, holders of Bonds who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

The interest has a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Where the interest is paid without withholding or deduction, the interest will not be assessed to United Kingdom tax in the hands of holders of the Bonds who are not resident in the United Kingdom, except where the holder carries on a trade, profession or vocation through a branch or agency, or in the case of a corporate holder, a permanent establishment in the United Kingdom in connection with which the interest is received or to which the Bonds are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch, agency or permanent establishment.

Holders of Bonds should note that the provisions relating to additional amounts referred to in Condition 6 of the “Conditions of the Bonds” above would not apply if Her Majesty's Revenue and Customs sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

Holders of Bonds who are individuals may wish to note that Her Majesty's Revenue and Customs has power to obtain information (including the name and address of the recipient or beneficial owner of the relevant payment) from any person in the United Kingdom who either pays interest to, or receives interest for the

benefit of, an individual. Any information obtained may, in certain circumstances, be provided by Her Majesty's Revenue and Customs to the tax authorities of other jurisdictions.

## **2. European Union Savings Tax Directive**

The European Union has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States (**Member States**) of the European Union will be required from a date not earlier than 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to or for the benefit of an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

## SUBSCRIPTION AND SALE

Barclays Bank PLC and The Royal Bank of Scotland plc (the **Joint Lead Managers**) and Dresdner Bank AG London Branch and HSBC Bank plc (together with the Joint Lead Managers, the **Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**), dated 2 June 2005, jointly and severally agreed to subscribe for the Bonds at their issue price of 99.824 per cent.

In connection with the issue of the Bonds, the Issuer has agreed to pay to the Managers a combined management and underwriting commission and selling commission of 0.40 per cent. of their principal amount.

The Issuer will also reimburse the Managers in respect of certain of its expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

### *United States*

The Bonds 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.

The Bonds 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. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver any Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds 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.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### *United Kingdom*

Each Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell any Bonds to persons in the United Kingdom prior to admission of such Bonds to listing in accordance with Part VI of the FSMA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) or the FSMA;
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and
- (c) 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 of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

### ***General***

No action has been taken by the Issuer or any Manager that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

## GENERAL INFORMATION

### Authorisation

1. The issue of the Bonds was duly authorised by resolutions of (i) the Board of Directors of the Issuer dated 9 December 2004 approving the “Matters Reserved to the Executive Committee” and (ii) the Executive Committee of the Issuer dated 2 June 2005.

### Listing

2. The admission of the Bonds to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that official listing will be granted on or about 15 June 2005 subject only to the issue of the Temporary Global Bond. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules.

### Clearing Systems

3. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0220965759 and the Common Code is 022096575.

### No significant change

4. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2004 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2004.

### Litigation

5. Save as disclosed in footnote (4) in the section “*Capitalisation and Indebtedness of the Group*”, neither the Issuer nor any other member of the Group is or has been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Issuer or the Group.

### Accounts

6. The auditors of the Issuer are PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors who have audited the Issuer’s accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the three financial years ended on 31 December 2004.

### U.S. tax

7. The Bonds and Coupons will contain the following legend: “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.”

### Documents

8. Copies of the following documents will be available for inspection from the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY for 14 days from the date hereof:
  - (a) the Memorandum and Articles of Association of the Issuer;

- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2003 and 31 December 2004. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the Subscription Agreement; and
- (d) drafts of the Trust Deed, the Paying Agency Agreement and the Calculation Agency Agreement, provided that the final versions of each of the documents described in this subparagraph 8(d) will be made available for inspection in accordance with this paragraph 8 as soon as practicable following the Closing Date.

**Trustee's reliance on certificates**

9. The Trust Deed provides that the Trustee may rely on certificates or reports from any Insolvency Officer of the Issuer and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and such Insolvency Officer and/or expert in connection therewith contains any limit on liability (monetary or otherwise) of such Insolvency Officer and/or expert.

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**PAYING AGENT**

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**CALCULATION AGENT**

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