Provident Financial plc

Investor & Analyst Event

16 April 2015

Introduction

Peter Crook – Chief Executive

Today's schedule

Timing	Area	Presenter
10.45 – 11.15	Group update	Peter Crook
11-15 – 11.45	CCD – Strategy and update on home credit	Mark Stevens
11.45 – 12.00	Coffee	
12.00 – 13.00	CCD – Satsuma and glo (including Q&A)	Hemant Patel
13.00 – 14.00	Lunch	
14.00 – 15.15	Moneybarn (including Q&A)	Peter Minter/Shamus Hodgson/Simon Law
15.15 – 15.30	Coffee	
15.30 – 16.15	Vanquis Bank (including Q&A)	Michael Lenora/Bob van Breda
16.15 – 16.30	Concluding remarks	Peter Crook
16.30 – 18.00	Drinks reception	

Leading specialist non-standard lender in the UK

High returns are available to companies with sustainable business models

1. **We focus solely on serving the non-standard credit market:**
   - We provide access to credit for those who might otherwise be financially excluded
   - We have over 130 years of experience in serving non-standard consumers
2. **We lend responsibly, meeting the specific needs of consumers in the non-standard market:**
   - We offer simple and transparent products with no hidden charges
   - We have bespoke underwriting procedures to assess affordability and manage credit risk
3. **We have a tailored business model to serve non-standard consumers:**
   - We maintain close contact with our customers throughout our relationship with them
   - We have active and personalised approaches to dealing with customers who get into financial difficulty, including a range of forbearance measures
4. **We have a robust funding model:**
   - We have short-duration assets funded by a diverse range of longer duration liabilities

Business attributes

We apply exacting standards in allocating capital to organic and acquisition opportunities

1. High returns
2. Sustainable business
3. Growth potential
4. Strong market position
5. Good management and cultural fit

Robust financial model

Alignment of dividend policy, gearing and growth

High returns businesses

Dividend policy	**Gearing**	**Growth**
Cover ≥ 1.25x	≤ 3.5x versus covenant of 5.0x	Supports receivables growth of £230m+

Our businesses

High return businesses with attractive growth potential

		Product	Established	Profit	ROA[1]	Growth potential
	VANQUIS BANK	Credit cards	2002	£151m[2]	c.15%[2]	Continued strong medium-term growth potential
CCD	Provident EST. 1880 The loan that comes to you	Home credit	1880	£104m[2,3]	c.18%[2,3]	High returns business with large market share but limited growth potential
CCD	Satsuma™ loans.co.uk	Online loans	Start-up in 2013			Strong growth potential
CCD	glo THE GUARANTOR LOAN OPTION	Guarantor loans	2014			Pilot
	moneybarn credit you can trust	Vehicle finance	1992	£15m[4]	c.13%[4]	Established business with strong growth potential

[1] *Profit before interest after tax as a percentage of average receivables*

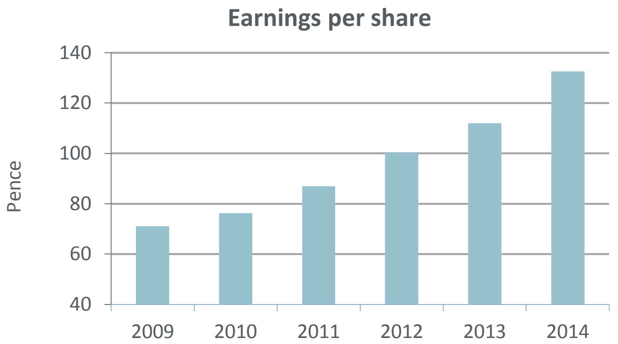
[2] *Based on the year ended 31 December 2014*

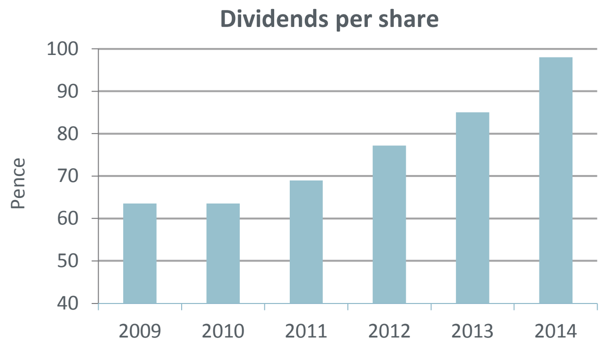
[3] *Profits and returns for CCD as a whole*

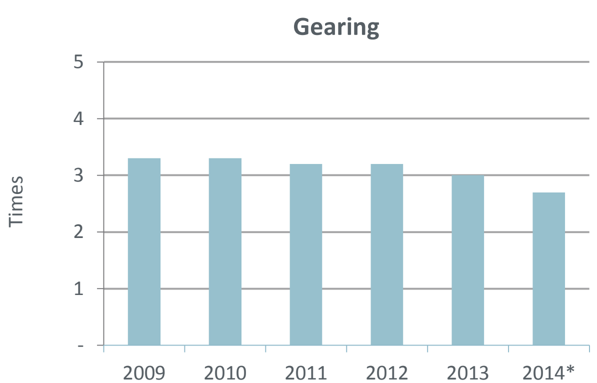
[4] *Based on pro forma results for the year ended 31 December 2014 after applying the group's lower cost of funding to pre-acquisition results*

Delivering consistent shareholder value

Strong financial performance and shareholder returns





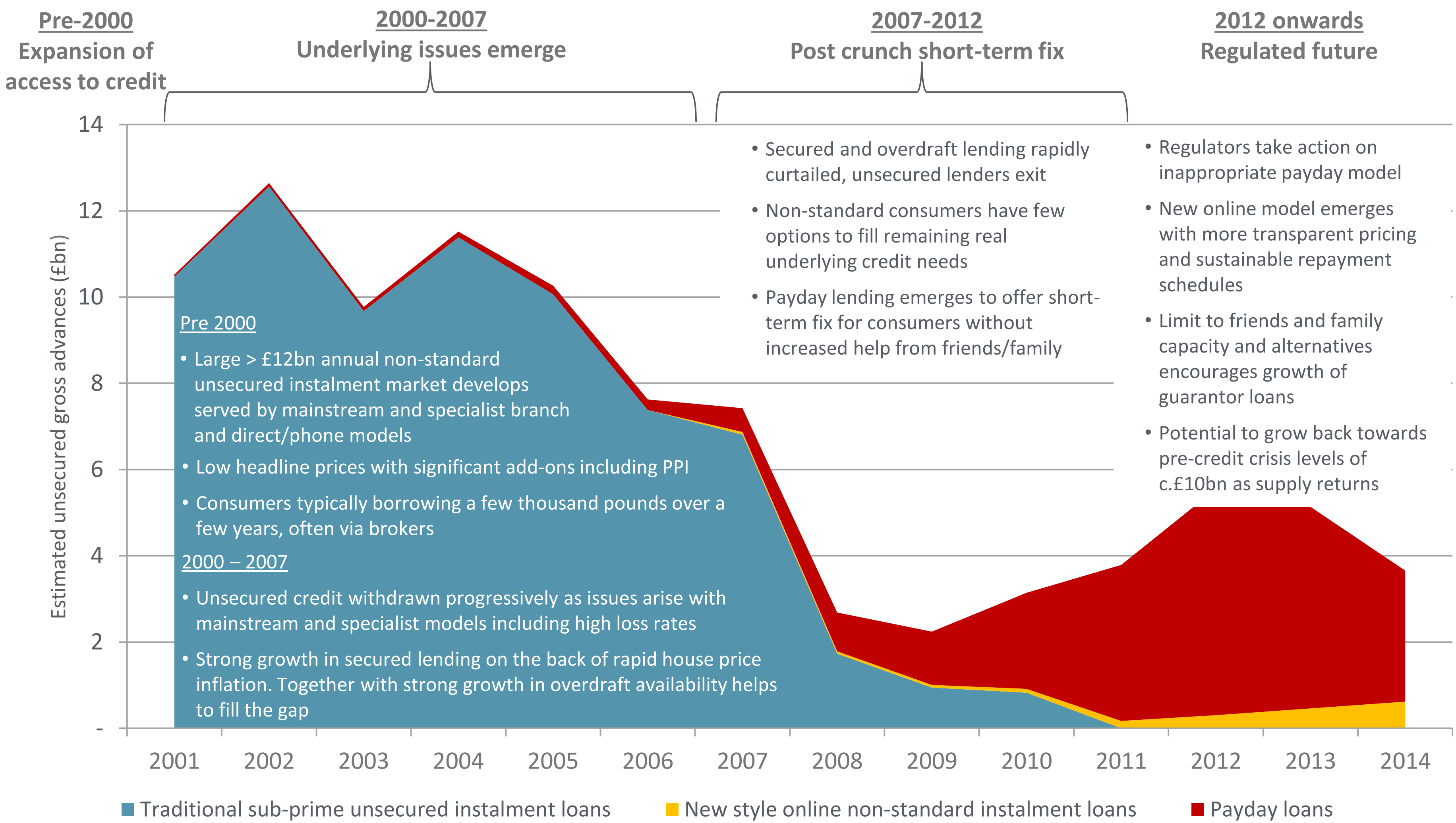


** Pro forma gearing, excluding the acquisition of Moneybarn*

- We have generated strong, profitable growth since demerger and through the crisis
- Adopted a progressive dividend policy since 2011 based on distributing up to 80% of post-tax earnings
- We have maintained our gearing level below the maximum target level of 3.5 times
- Current market capitalisation of c.£4.3bn:
  - Generated TSR of around £25 per share post demerger (annualised: c.19%)
  - We generate sufficient capital to support planned growth and business development without compromising our progressive dividend policy

The UK non-standard credit market

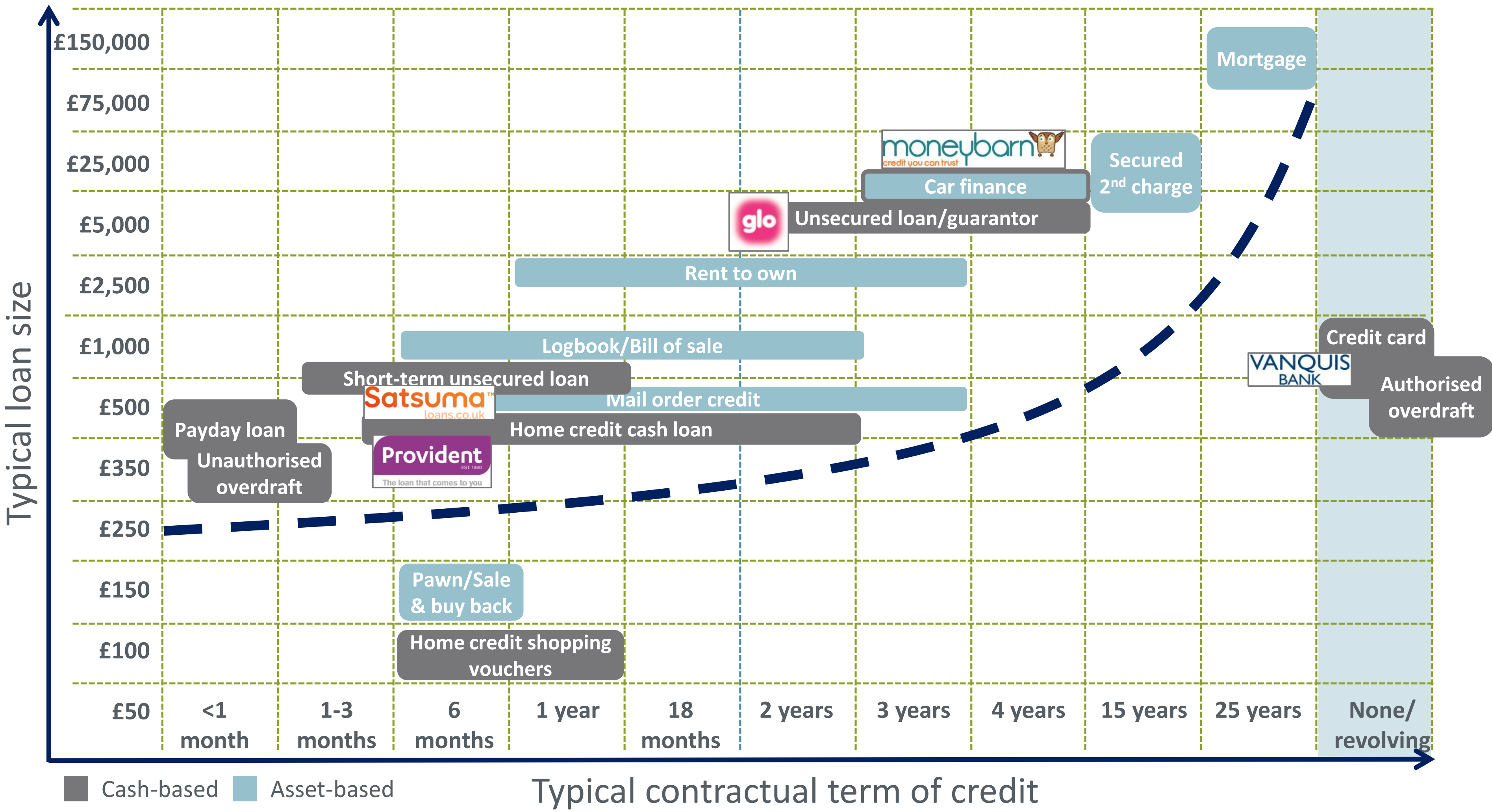
Uncertainty remains as to the future size and shape of the UK non-standard credit market but this provides the group with significant opportunity



Source: PFG analysis based on Datamonitor, OFT, FCA, CMA, BBA, FLA, statutory filings, company announcements and press

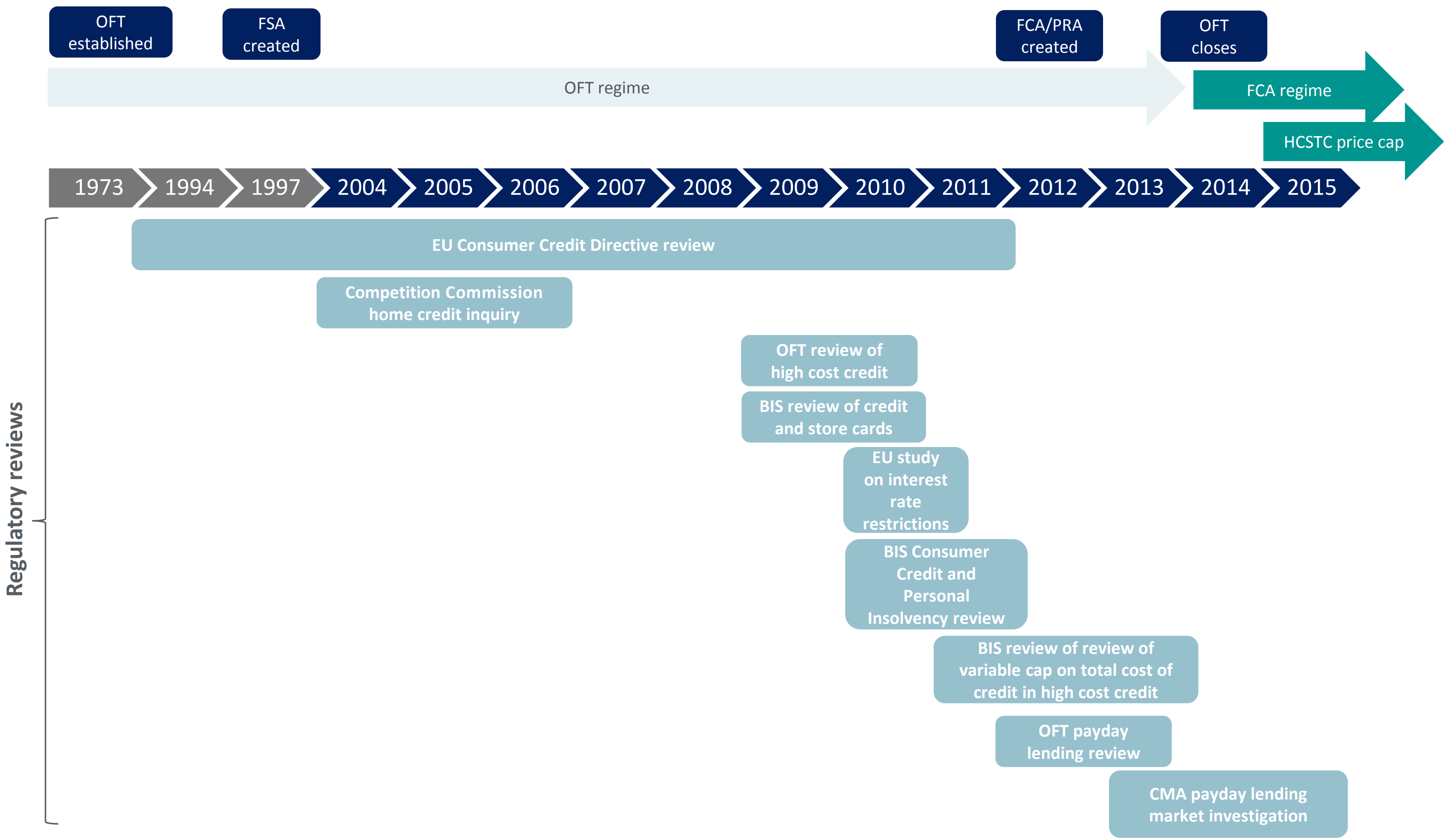
The UK non-standard credit market

The group's businesses serve a large part of the non-standard market



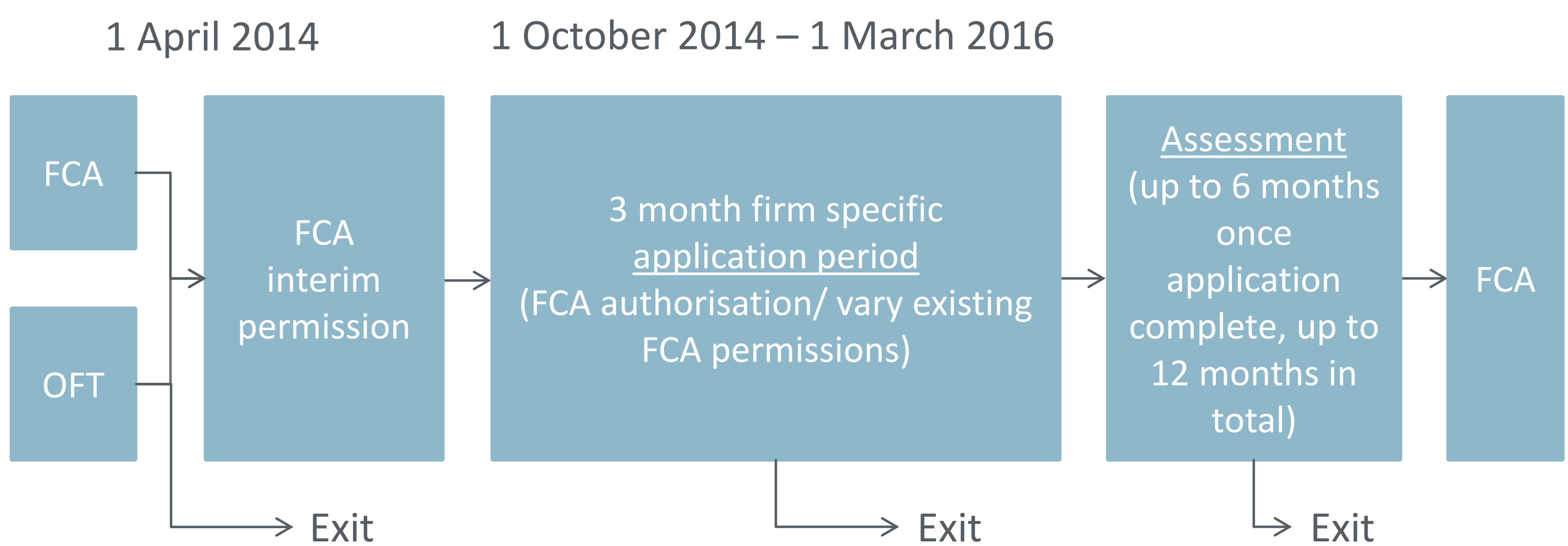
Regulation – Recent evolution

The regulatory environment has seen significant change and investigation over recent years



Regulation – Process for applying for full FCA authorisation

Interim permissions expire after the application period if a full application is not received, or within 6 to 12 months of applications being submitted

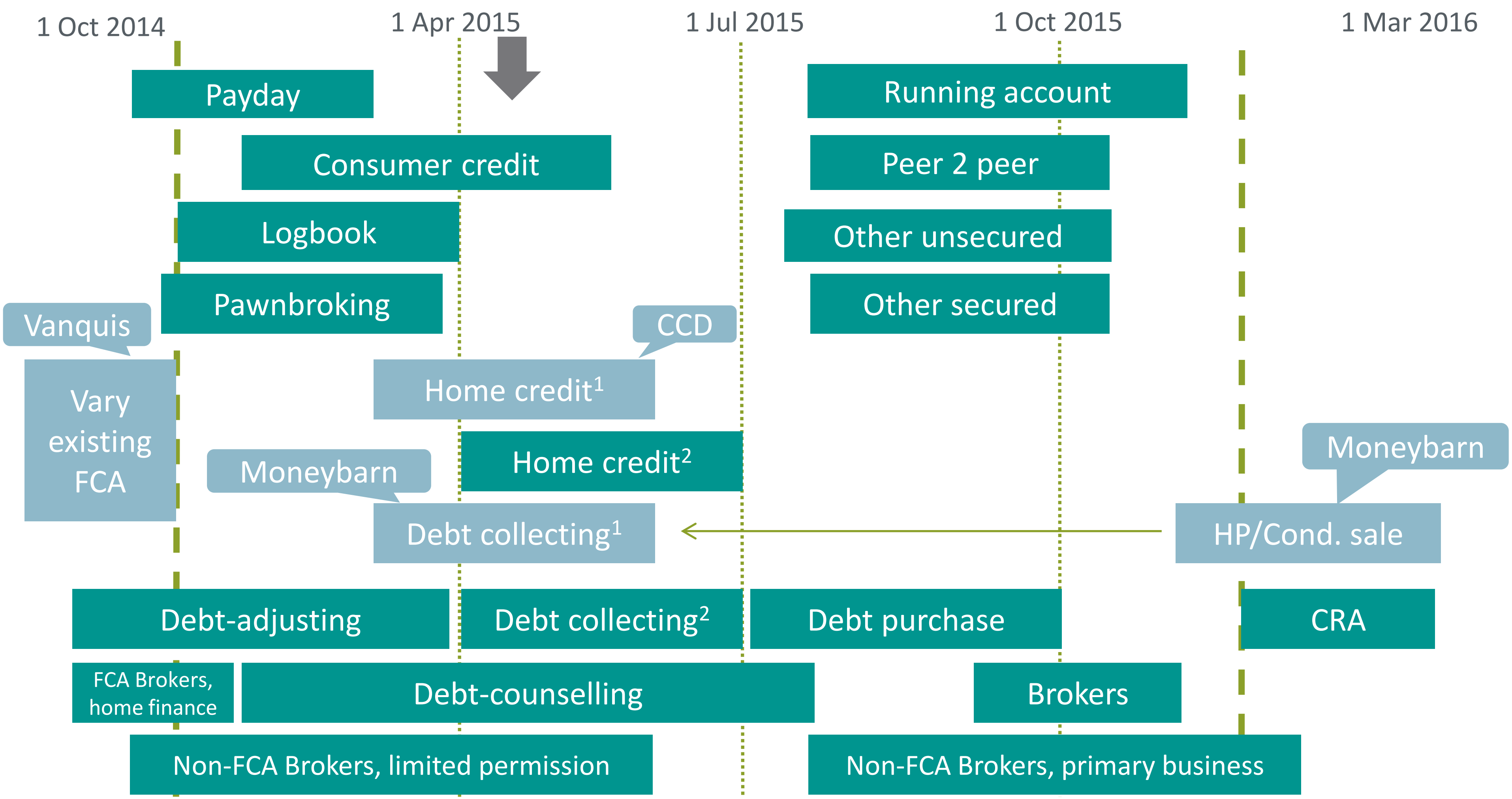


› Timing of the application period for each firm is determined by the FCA based mainly on business category and 4 geographic regions

Source: FCA Application periods – Direction to firms

Regulation – FCA application periods

Vanquis Bank submitted its application for variation of FCA permissions in December 2014 and CCD and Moneybarn will submit their application for full authorisation shortly



1 – North England, London and international
2 – Scotland, N. Ireland, South and East England, Central England & Wales

Source: FCA Application periods – Direction to firms

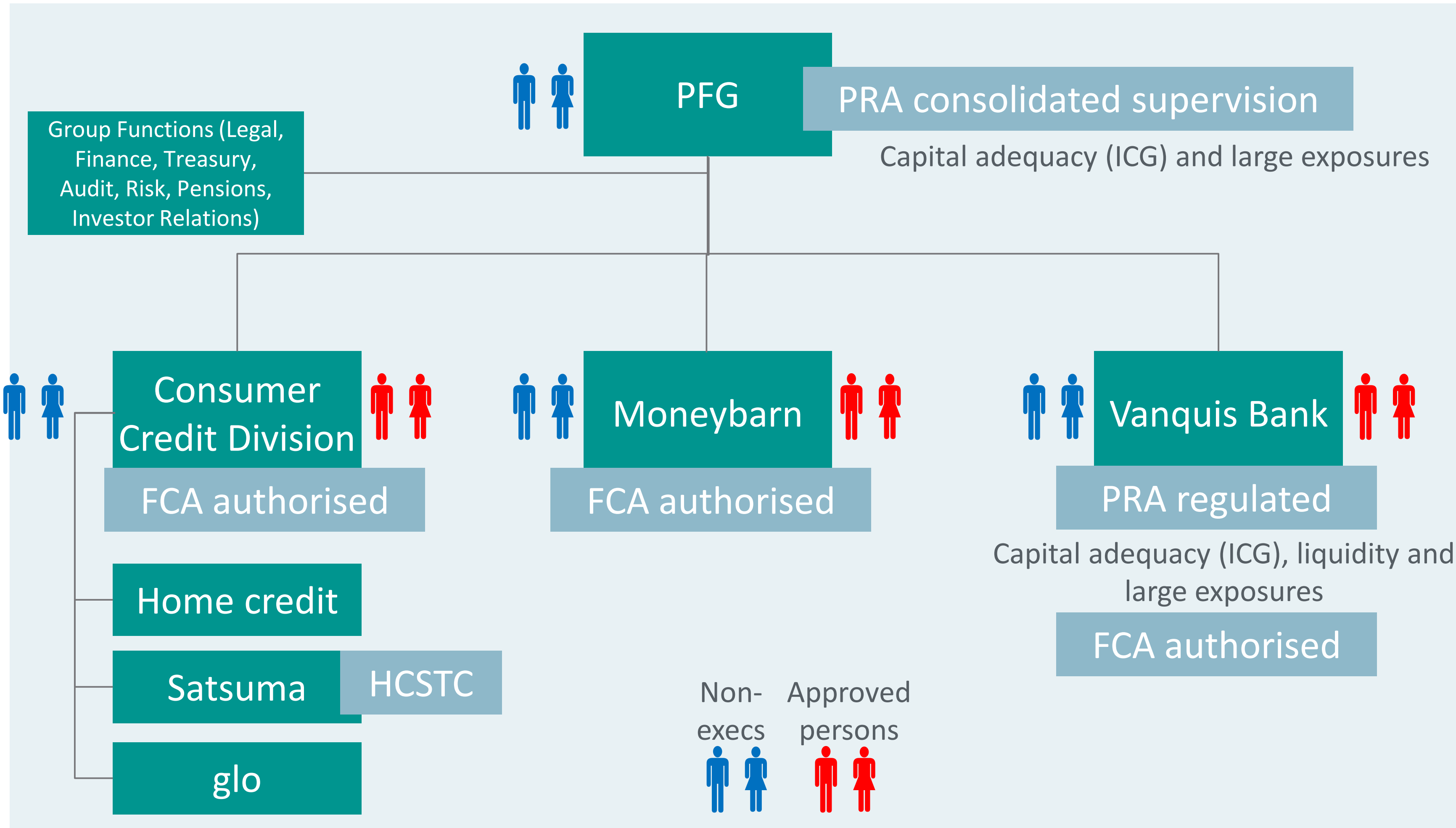
Regulation – What does the new regulatory regime require?

A significant and sustained commitment of time, effort and resources to embed new ways of working across the whole organisation

- Full formal governance structures for each authorised business, including divisional boards and committees with non-executive directors
- FCA-approved persons across key management functions in each division
- Robust risk management frameworks and processes, centred around conduct risk
- Explicit 'three lines of defence' model (business execution, internal quality control/challenge and independent internal audit)
- Policies and procedures to specify how business will comply with all relevant aspects of FCA handbook and sourcebooks: CONC, SYSC, PRIN, GEN, DISP and SUP
- Thorough, verified assessments for all lending decisions to ensure affordability, responsibility and sustainability as well as suitability of the product
- Training, monitoring, control and auditing of compliance with policies and procedures to provide documentary evidence to demonstrate adherence

Regulation – How the group will look

Each business will have non-executive directors and approved persons



Regulation – Implications of changes in regulation

The new regime has already had a dramatic impact and is likely to continue to do so

- Different order of magnitude of financial and operational costs of regulatory compliance, raising minimum efficient/possible scale
- Many consumer credit businesses are likely to decide to exit, or fail to secure full FCA authorisation
- Fundamental issues with certain sectors/product forms/business models likely to result in restructuring of supply
- Consumer credit firms will be subject to a ‘change of control’ process in any proposed transactions
- Boundaries and interpretations of new rules will continue to be tested, along with attempts to supply without any intention to comply
- The speed and impact of regulatory interventions likely to be dramatically higher than past experience

Regulation – PFG positioning

The group is on track to transition to the FCA

- New, tougher FCA regime is a big change for all credit providers
- PFG is a large, public company with strong controls and governance processes
- Experience of operating under the FSA regime with Vanquis Bank
- Detailed transition plans have been implemented over the last two years
- The group pays great attention to regulatory matters to ensure that our businesses are sustainable
- We actively engage with the regulator on an ongoing basis

Investment case

The group is well placed to continue to deliver excellent returns to shareholders

- Leaders in non-standard credit will be larger, well-managed lenders with sustainable business models
- We have a good mix of businesses which deliver attractive growth and returns over the medium term and exhibit low volatility through the economic cycle
- Strong track record of growing businesses organically
- Significant competitive advantage in the areas of technology, marketing, underwriting and collections
- Highly skilled and experienced management teams
- Tougher regulation and transition to the FCA is causing dislocation which provides new opportunities for responsible lending businesses
- We have a robust balance sheet and prudent funding
- We generate sufficient capital to support planned growth and business development without compromising our progressive dividend policy

Consumer Credit Division

Mark Stevens – Managing Director

Hemant Patel – Director of New Markets

CCD

Today's agenda

1.	**CCD strategy – recap**	**Mark Stevens**
2.	Home credit	Mark Stevens
3.	Satsuma	Hemant Patel
4.	glo	Hemant Patel
5.	Summary and outlook	Mark Stevens

CCD – Background

CCD was performing below expectations in 2013

- Profits were declining:
  - Focus on customer numbers at the expense of returns
  - Impairment rising sharply
  - Cost pressure from inefficient operating processes
  - Limited investment in technology, people and processes
- Customer preferences changing with their credit options increasing
- CCD not responding to these changes or the new market opportunities
- New management team appointed September 2013:
  - Defined turn-around strategy
  - Communicated strategy at Investor & Analyst event in November 2013
  - Now 18 months into the execution of the 3-year plan
  - Running ahead of plan

CCD strategy

Our new strategy has 2 elements – We will become a lending business not just a home credit business

1. Update home credit and drive for returns

- Investing in people and technology is a key enabler…
  - …of standardising best practice
  - …of improved collections
  - …of market-leading compliance
  - …of material cost reduction
  - …of better customer service

Leaner, better-quality, more profitable business relevant in the digital age

2. Win in online loans

- Applying the proven home credit DNA
- Targeting customers in the space between home credit and Vanquis Bank
- Using the best capabilities of CCD and Vanquis Bank to get the right model
- Benefitting from payday dislocation and clear, tighter regulation
- Achieving returns as good as home credit

Top 3 market position within 3 to 5 years

CCD
Today's agenda

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Home credit – A robust business model

Since 1880, Provident has been a unique customer proposition

- The home credit service fits the needs of home credit customers 'like a glove':
  - Affordable weekly repayments
  - Fixed and guaranteed costs with no additional fees or charges
  - In-built flexibility
  - Highly personal service
- Strong, local relationships with customers:
  - In addition to a robust scorecard and use of bureau data, agents make the final lending decision as they can assess customer capacity and character in the home
  - Weekly agent visit creates payment discipline and helps customers manage their finances
- Agent commission is driven by collections, not sales, which reinforces a responsible lending approach
- Many customers choose home credit for the convenience, flexibility and personal service
- Proposition is also ideally suited to customers with temporary, part-time or seasonal work, and customers whose identity or income cannot be remotely verified by online lenders
- Provident has a 99% positive service rating on Feefo

Update home credit and drive for returns

In Q4 2013, we embarked on creating a leaner, better-quality, modern, more profitable home credit business

Update home credit and drive for returns

Technology & apps

'One Best Way'

Collections focus

Much lower costs

Performance through people

Home credit – Technology & apps

The business is now digital

- 100% of agents on collections app
- 100% of agents on lending app by mid-year 2015
- Customer MI on iPad minis for field management enabling more time with agents and customers
- Market-leading compliance
- Excellent customer service
- Material cost reduction
- All achieved ahead of plan

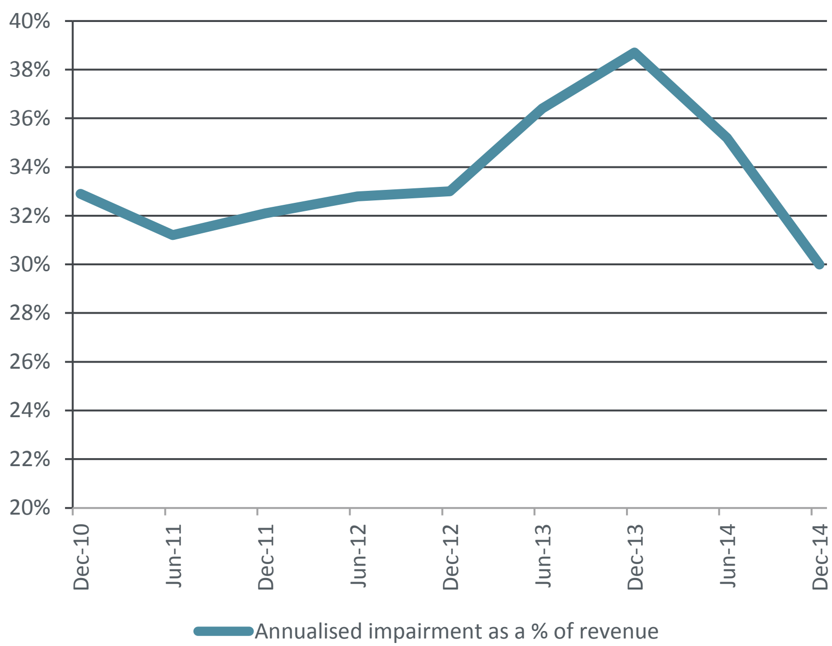
Home credit – 'One Best Way'

We have fundamentally changed and improved our ways of working

- Over 50 new standardised operating procedures across 240 branches
- Compressing the deciles of performance
- Material improvement in collections performance and percentage of full payers through standardised arrears processes
- Step-change in lead conversion rate and new customers through standardised 'on-boarding' process
- Underpins market-leading compliance and customer service
- Ensures effective and standardised delivery of change initiatives

Home credit – Collections focus

A multi-faceted approach has led to a rapid reduction in impairment



- Scorecard tightening
- Standardised arrears management process embedded on iPad minis
- New agent commission scheme with tiers based on % of customers paying in full
- Virtuous circle from improved sales mix

Home credit – Much lower costs

We have delivered substantial cost reduction

- 3 phases of cost reduction generating £30m annual gross run-rate savings:
  - Partly reinvested in business development to support CCD medium-term profit growth and the regulatory agenda
- Initially right-sizing spans of control for reduced agent and customer numbers
- Then capturing benefits of technology
- Now in consultation on proposals for Phase 4:
  - Affects approximately 500 clerical and field staff
  - Up to £10m gross annualised saving
- Majority of costs remain highly variable to volumes

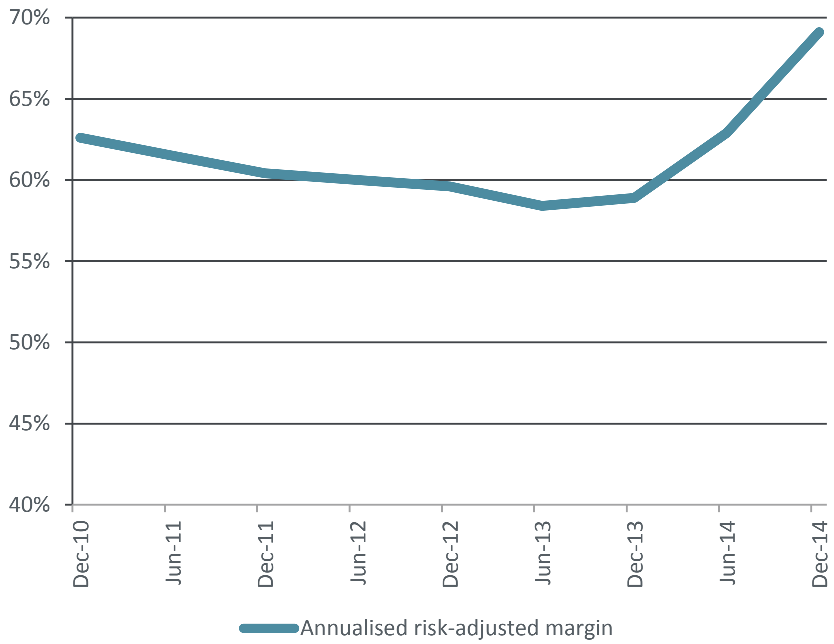
Home credit – Performance through people

The key people metrics that drive profit have been significantly improved

- New and improved agent recruitment, induction and training processes:
  - Agent turnover down 20%
  - Agent vacancies halved
  - Shift to bigger books with more ‘full-time’ agents
- Leadership and personal development for 2,000 colleagues:
  - £3m investment over 2 years
  - Driving more consistent performance
- Colleague engagement up 15%:
  - Against backdrop of 3 redundancy programmes and substantial changes to ways of working
  - Change positively received
- Agent engagement up 12%:
  - New commission scheme
  - Technology and better support

Home credit – Drive for returns

All leading to a step-change in returns



- Marked improvement in risk-adjusted margin from 58.9% in 2013 to 69.1% in 2014
- Reversal of long-run downward trend
- Return on assets of 18.1% for 2014
- Further marginal improvement to come

Home credit – Outlook

- We run home credit to deliver good customer outcomes which support sustainable returns
- The bulk of the customer reduction has been achieved:
  - Removal of marginal and unprofitable customers
  - Substantial improvement in quality of customer base and sales mix
- Given changing customer preferences we do not expect the home credit market to grow:
  - But a core base of customers who prefer home credit or customers who cannot be served online will remain
- We are testing ‘above-the-line’ marketing but will only continue if the cost per new customer is acceptable
- New customer flows will benefit from the triage of Satsuma declines this year
- Over the medium term smaller home credit providers may struggle to transition to the more exacting FCA regulatory regime

CCD

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CCD – Strategy

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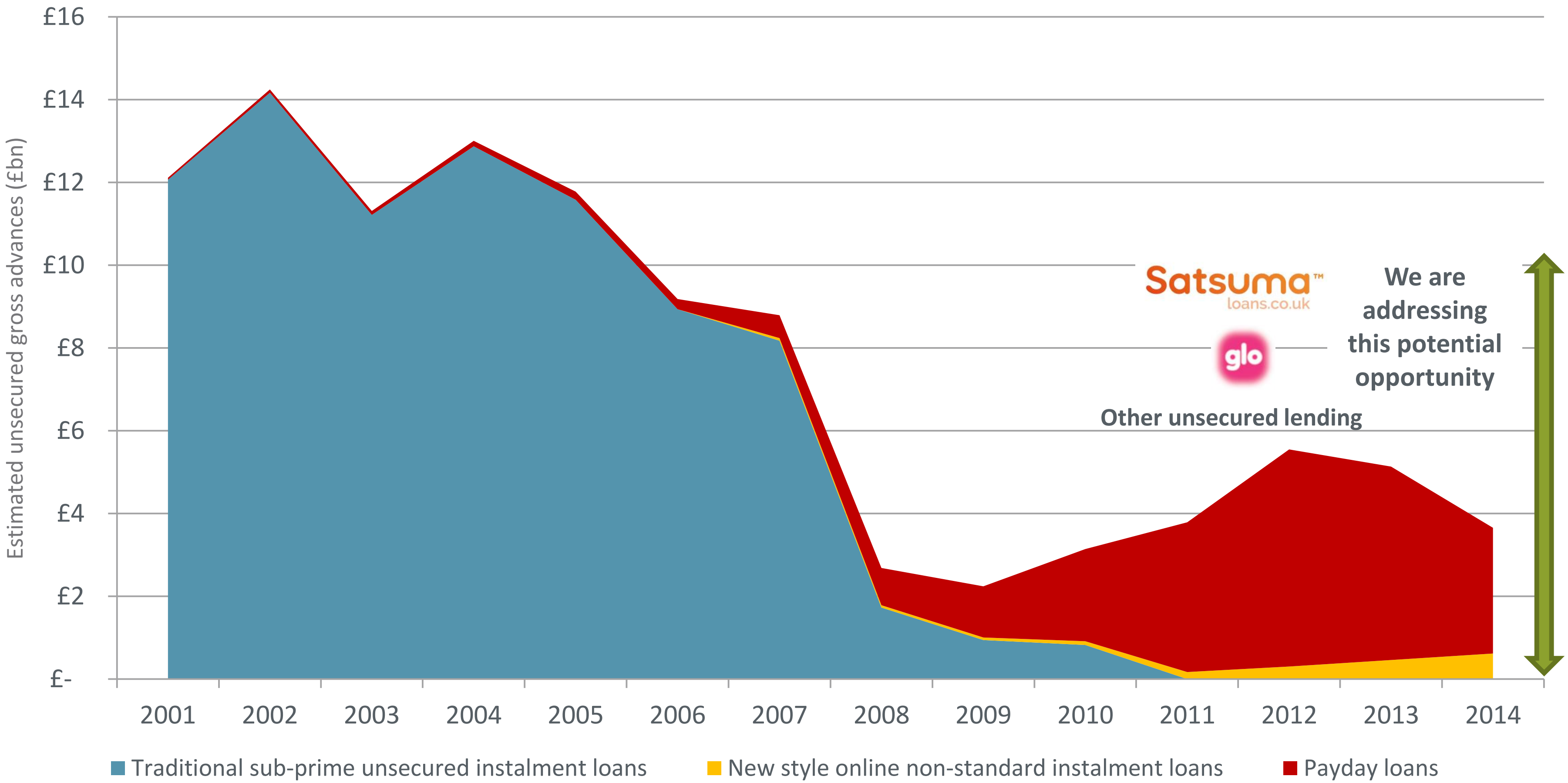
Top 3 market position within 3 to 5 years

CCD – Opportunity in the online instalment market

Customer demand for instalment loans is not being met by the market, we believe there is a significant supply side opportunity



Source: PFG analysis based on Datamonitor, OFT, FCA, CMA, BBA, FLA, statutory filings, company announcements and press

Satsuma – Our original hypothesis

Now is the right time to enter the online loans market with a unique customer proposition

- The market opportunity is large:
  - Payday economics under threat from regulation
  - Opportunity for responsible lending businesses
- Clearer, tighter regulation of the market, with demand shifting from payday to instalment loans as rollovers and Continuous Payment Authority (CPA) restrictions kick in
- Only 2 to 3 well-funded payday companies have the scale and flexibility to succeed in instalment loans
- We have a unique customer proposition based closely on proven home credit DNA
- We understand how to underwrite and collect instalment loans

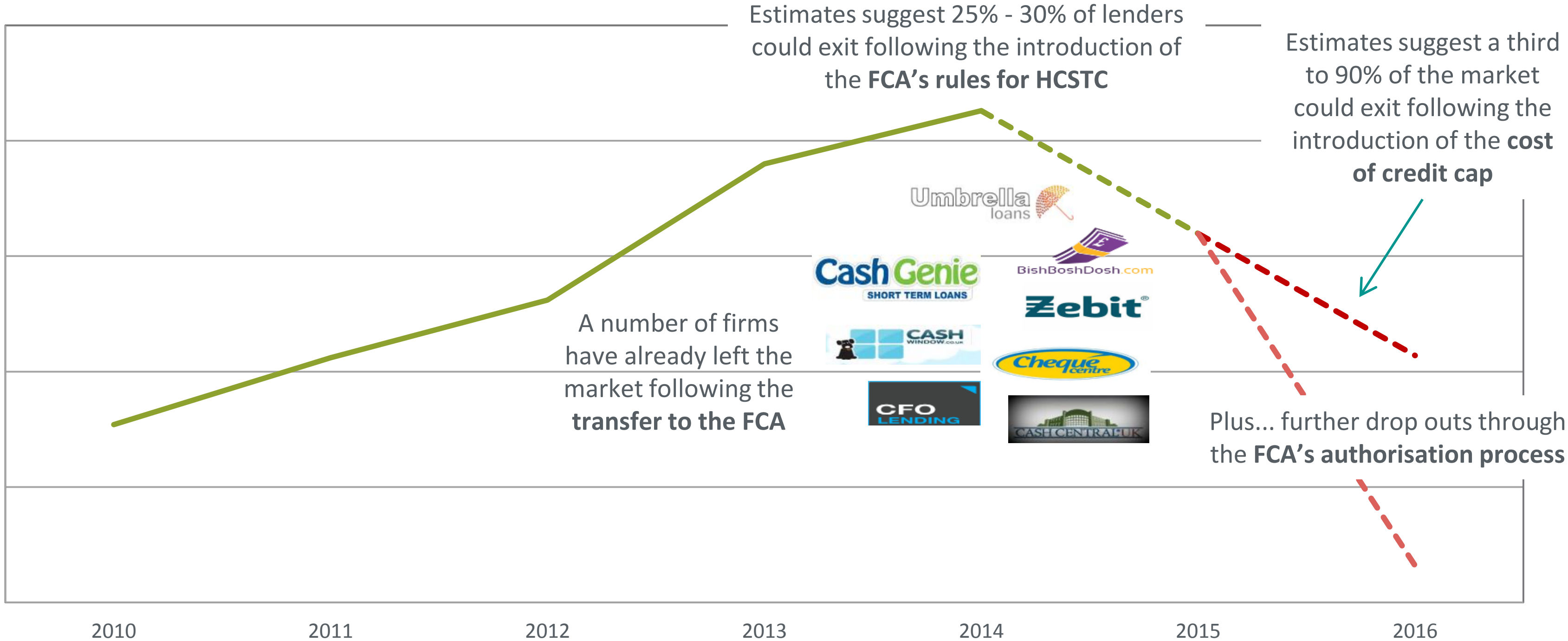
Satsuma – Regulation

The FCA is cleaning up the market, putting significant pressure on the payday model

- CPA must be suspended after 2 unsuccessful attempts:
  - Prevents payday providers gaming the payments system to collect repayments
- Loans can only be rolled over/refinanced twice before they are repaid in full:
  - The payday model exploited customers who were unable to repay their loan in a single instalment
- Adequate affordability assessments must be made before every loan is issued:
  - The biggest challenge for one-off bullet repayment providers
- Plus... the HCSTC price cap:
  - Cost of credit cap at 0.8% per day
  - Total cost of credit cannot exceed 100% of the amount issued
  - Fees are capped at £15 per loan

Satsuma – Regulation and competition

Which will shake out smaller and non-compliant players, leaving fewer larger providers



Exponential growth in the number of authorised payday loan firms following the banking crisis in 2008 encouraged by 'lighter touch' regulation of the sector under the OFT

New rules on CPA usage, rollovers and affordability introduced

FCA takes over regulation on 1 April 2014. Consumer credit firms must seek interim permission to operate

Cost of credit cap comes into force: 0.8% daily rate
Cap on default charges (£15)
Total cost cap of 100% of amount issued

Number of HCSTC firms per the Competition and Markets Authority (CMA)

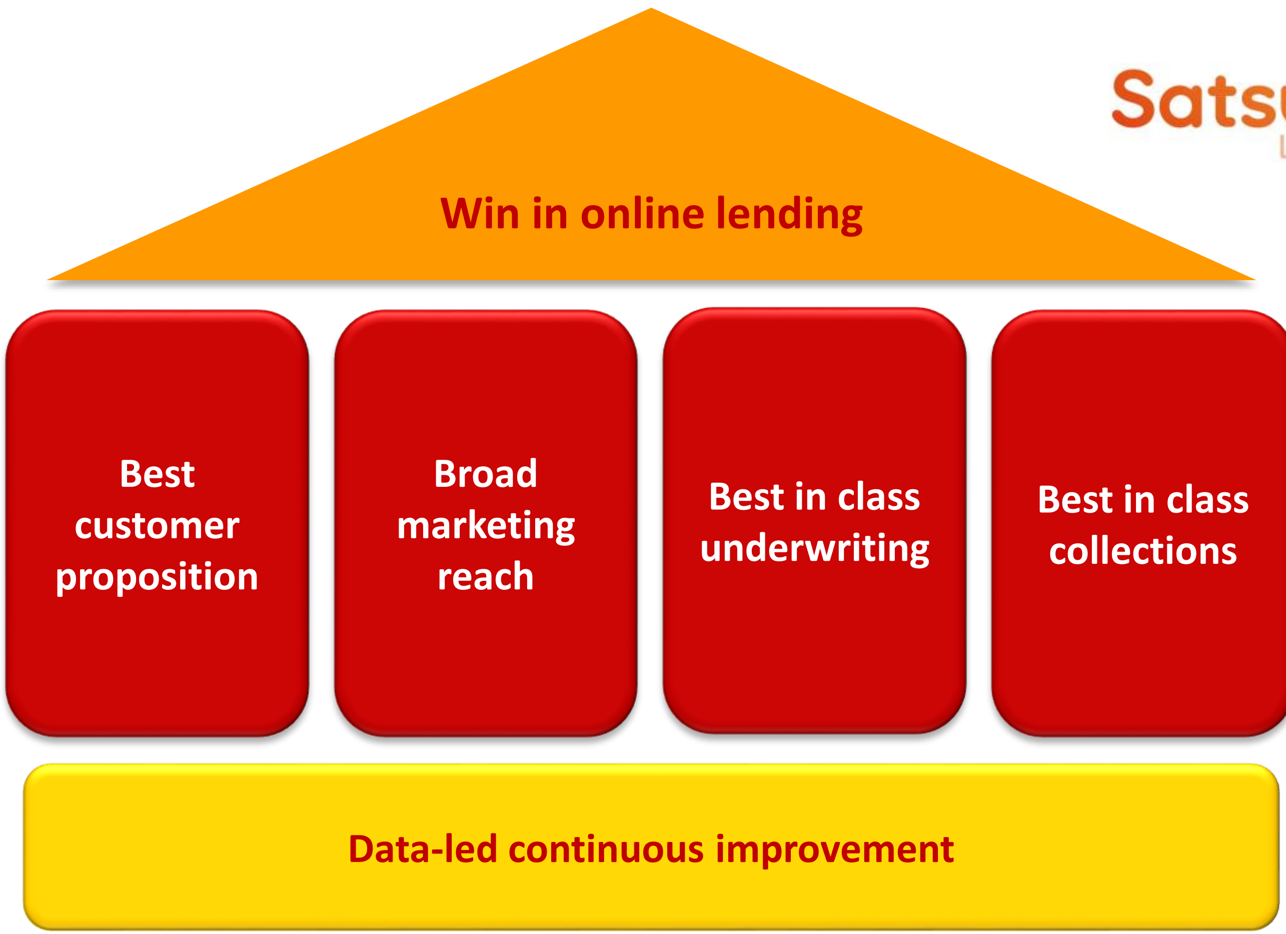
Satsuma – Regulation and competition

Satsuma's closest competitors have also had to make significant changes

Pre FCA	Post FCA
wonga; wonga.com; everline; Invest and Borrow.com – P2P lending	wonga.com: Pricing reduced by 43bps per day. Forced to write off £220m of debt and interest. Cutting half of its work force. ~~everline~~; ~~Invest and Borrow.com~~
Dollar Financial Corp; The Money Shop; Payday UK; Payday express	The Money Shop: Closing c.200 stores. Payday UK; Payday express: Reduced pricing by 19bps and 16pbs per day
enova; QuickQuid FlexCredit – Line of credit product; Pounds to Pocket; QQ Short-Term Loan	~~QuickQuid FlexCredit~~; Pounds to Pocket; QQ Short-Term Loan
Elevate; sunny – Line of credit product	sunny – Instalment loan: Closed its line of credit product and re-launched as an instalment loan - reduced pricing by 16bps per day

Satsuma – We are ideally placed to capitalise

Our objective is the same, but we now expect to be top 3 in our market within 2 – 3 years



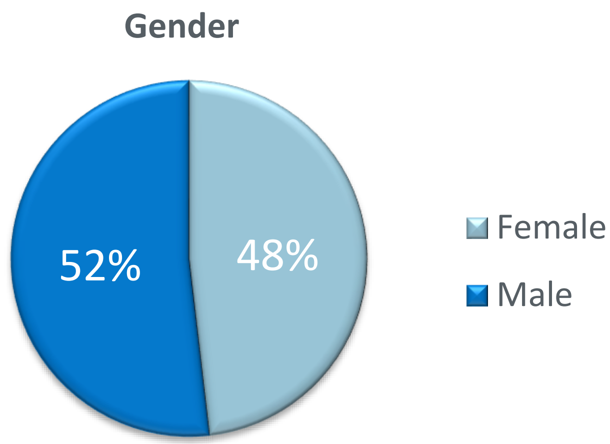
Satsuma – An introduction to our customers

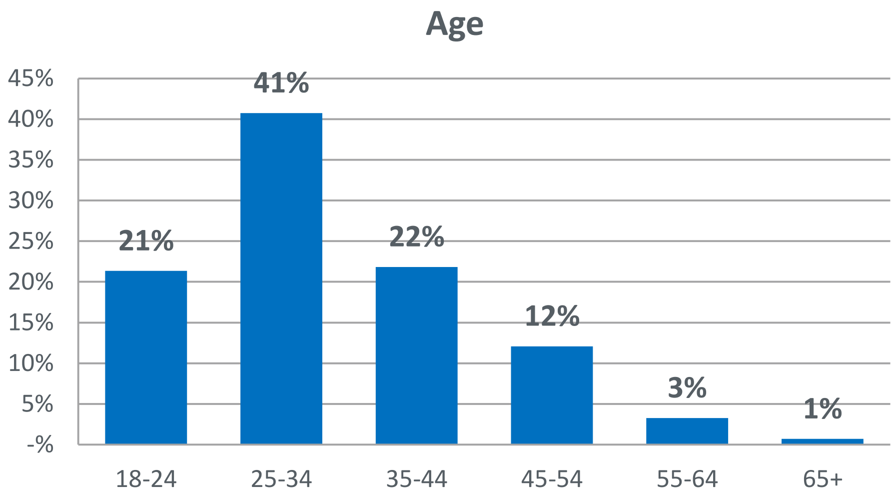
Satsuma lends to customers from all walks of life

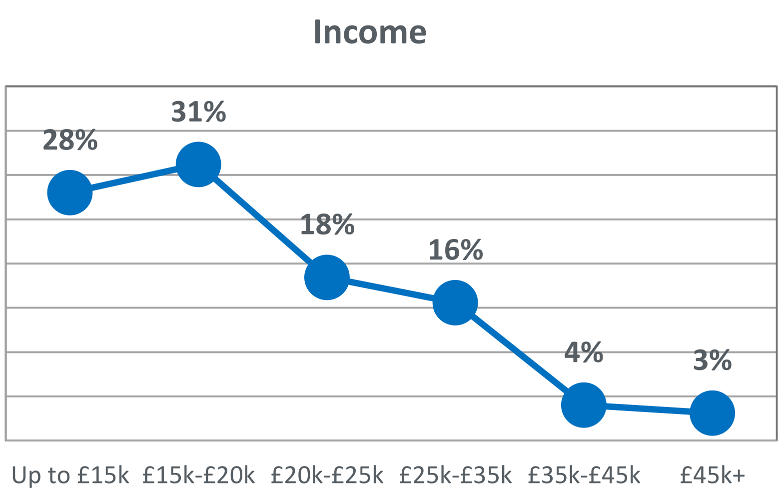
- Satsuma customers...
  - Typically C1C2D with a moderate but reasonably steady income
  - Younger AB borrowers who may have little or no previous credit history, making it difficult to obtain mainstream credit suitable for their short term needs
- The majority are...
  - Likely to shop and bank online – expectation of speed
  - Privacy is important due to an inherent concern over being rejected
- Moderate incomes (or little leeway in their income and outgoings) and a newness to credit drives specific customer needs...
  - Customers need to manage their finances carefully
  - They need to borrow with minimal financial risk (e.g. the amount they owe will never go up if they are unable to pay)
  - They need credit that suits their budgeting cycle

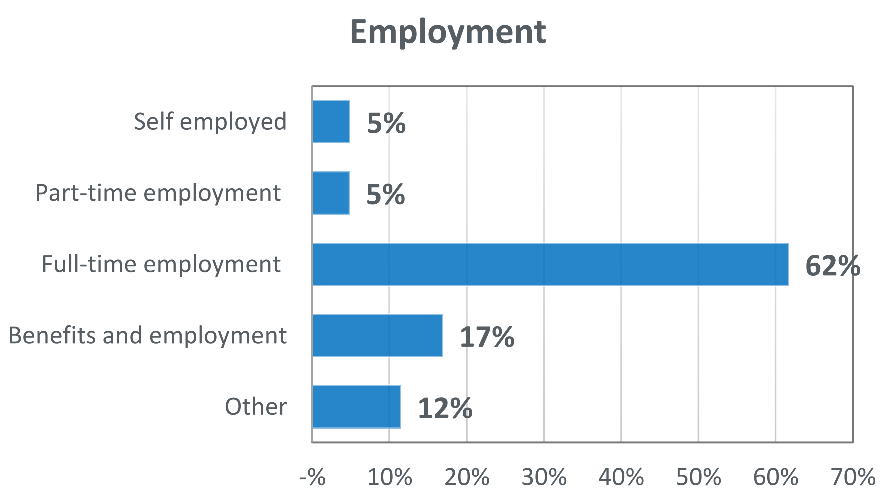
Satsuma – Our customers

Our customers tend to be younger and from lower/middle income groups and in full-time employment





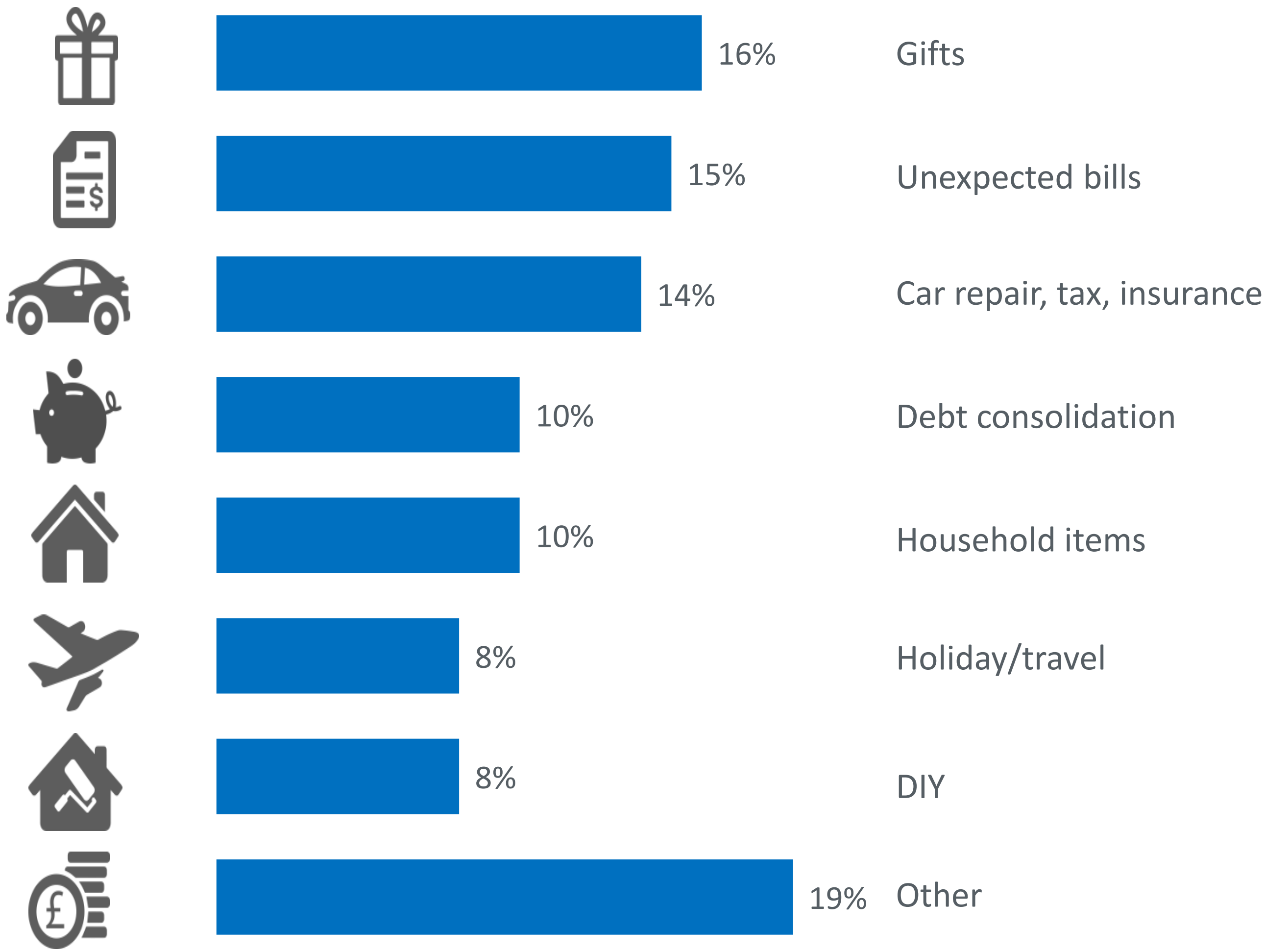




Satsuma – Our customers

Satsuma loans help customers to manage their lives and to afford discretionary purchases

What do customers use the loan for?



Provident research: February 2015

Satsuma – The best customer proposition

Our proposition is built on experience of serving customers in our market for over 130 years

Affordability

- ✓ Robust affordability and credit worthiness assessments
- ✓ Competitive on cost with all loan charges comfortably within the cost of credit cap

Certainty

- ✓ The total cost of credit is agreed at the outset and customers will never pay a penny more

Flexibility

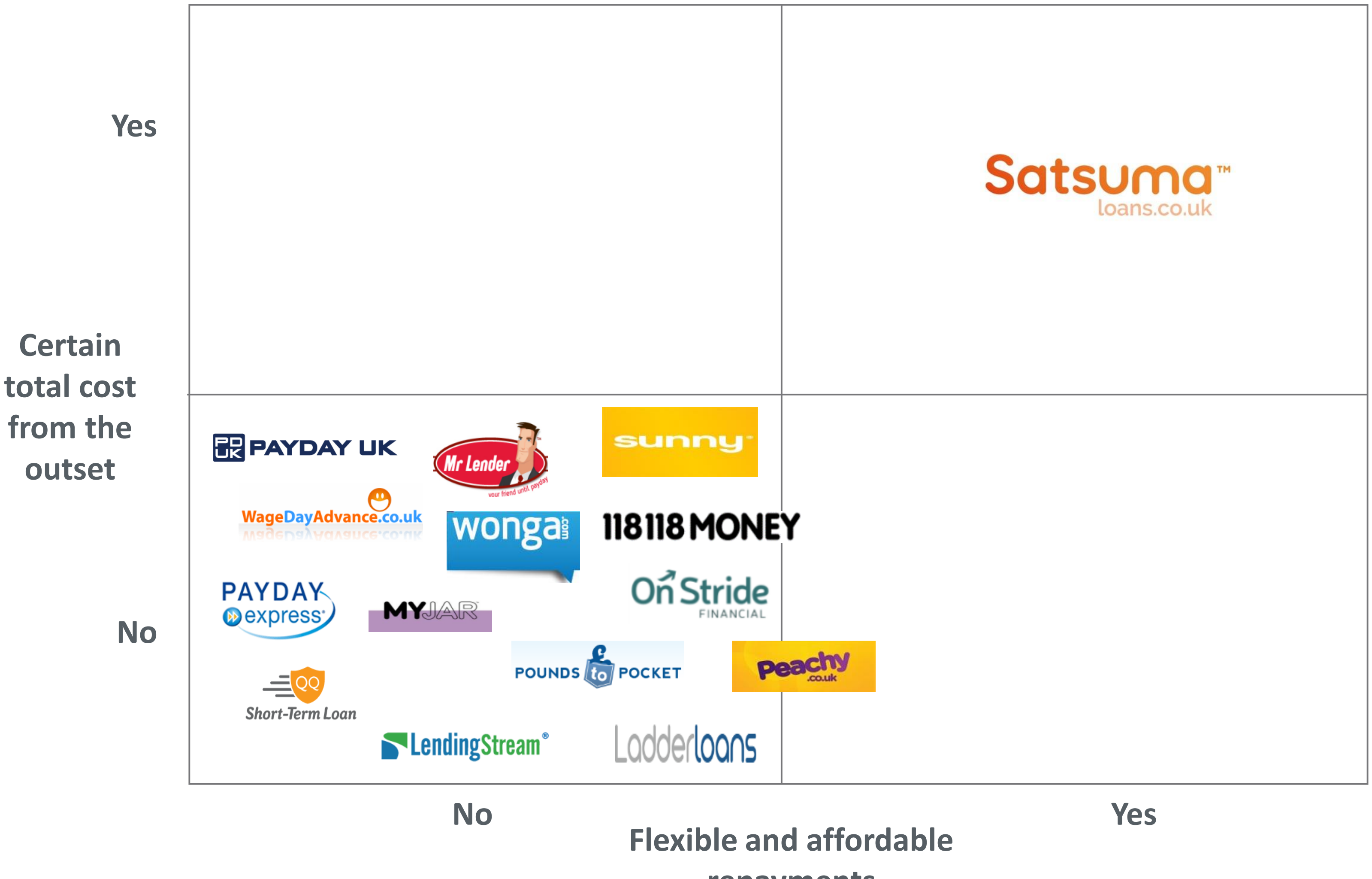
- ✓ We offer customers weekly or monthly repayments to suit their budgeting cycle

Forbearance

- ✓ We work with customers to help them make repayments through a range of forbearance options and we never charge fees or extra interest

Satsuma – The best customer proposition

Which means we stand alone in the market



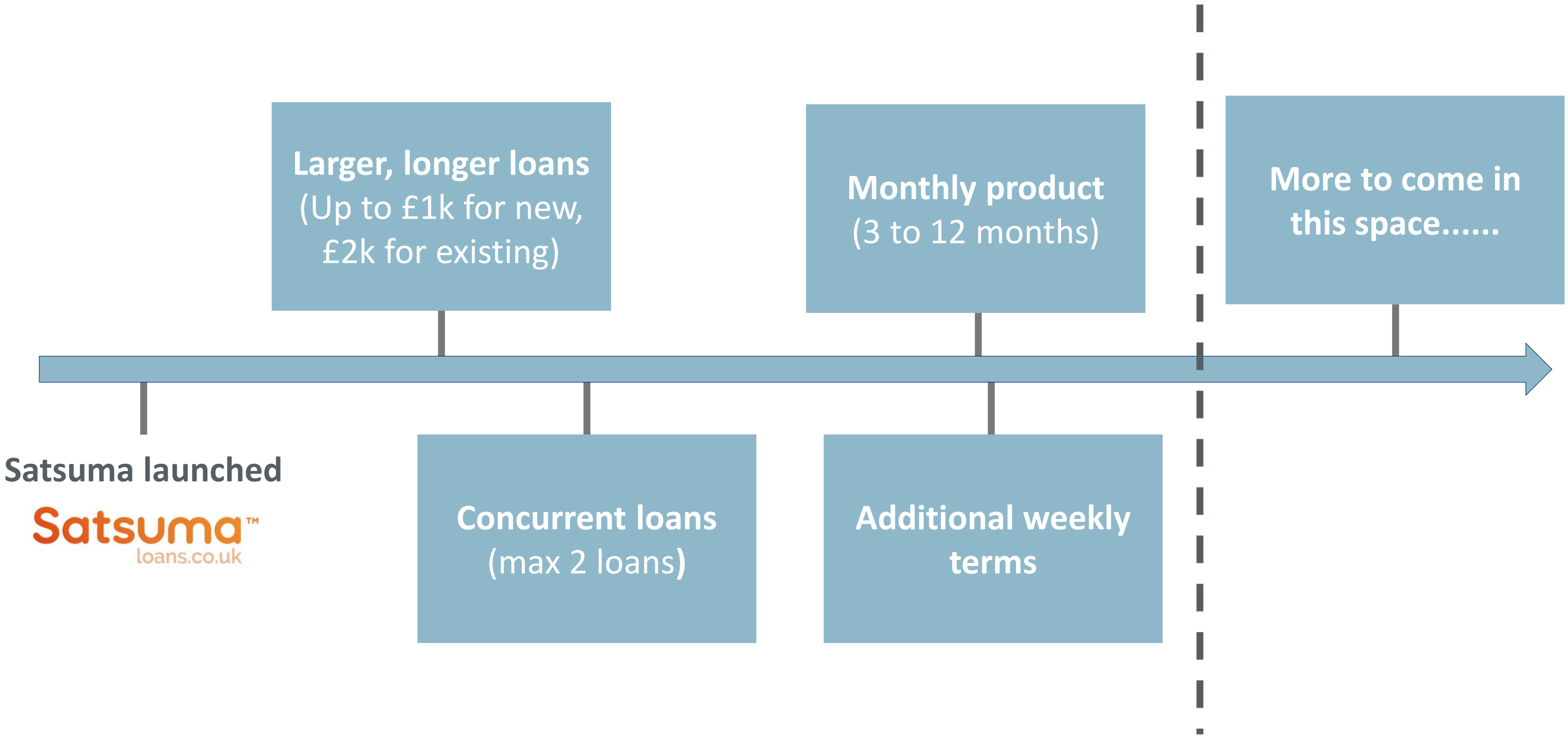
Satsuma – The best customer proposition

Versus our shorter term and instalment peers

Competitor		Product			Flexibility		Certain total cost from the outset	
Brand	Parent	Loan amount (maximum)	Loan term (months)	Interest (daily)	Monthly repayment option?	Weekly repayment option?	No additional interest accrued for missed/late payment?	No missed payment fees?
3 month loan term or less								
Satsuma loans.co.uk	PFG Provident Financial Group	£1,000	3m - 12m	0.58%	✓	✓	✓	✓
wonga.com	wonga.com	£400	1m	0.79%	✓	✗	✗	✗
QuickQuid	enova.	£1,000	1m - 3m	0.80%	✓	✗	✗	✗
PAYDAY UK	DOLLAR Financial U.K. Ltd.	£1,000	5m	0.80%	✓	✗	✗	✗
payday express	DOLLAR Financial U.K. Ltd.	£1,000	5m	0.80%	✓	✗	✗	✗
9 Month Loan Term								
Satsuma loans.co.uk	PFG Provident Financial Group	£1,000	3m - 12m	0.45%	✓	✓	✓	✓
Pounds to Pocket	enova.	£2,000	6m - 12m	0.46%	✓	✗	✗	✗
sunny	Elevate	£2,500	1m - 14m	0.53%	✓	✗	✗	✓
Peachy .co.uk	Cash On Go	£700	0.5m - 12m	0.55%	✓	✗	✗	✗

Satsuma – The best customer proposition

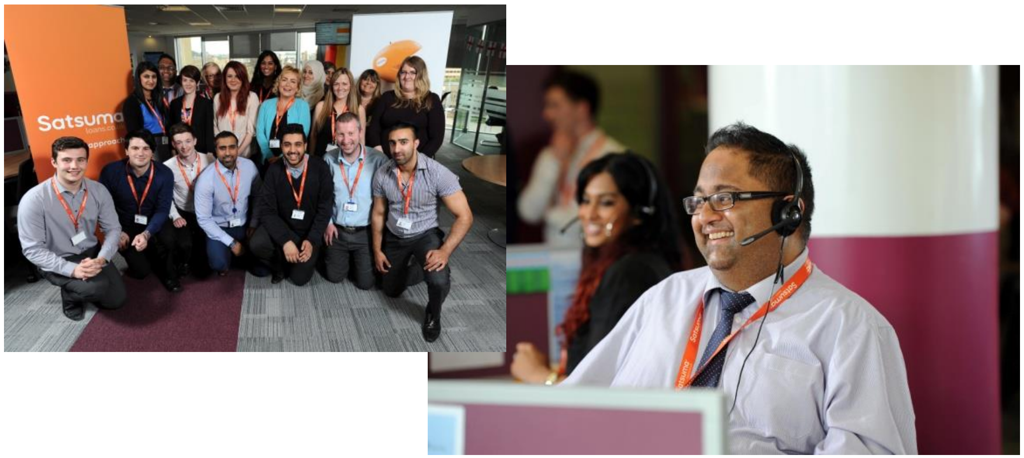
We will continue to develop our product



Satsuma – The best customer proposition

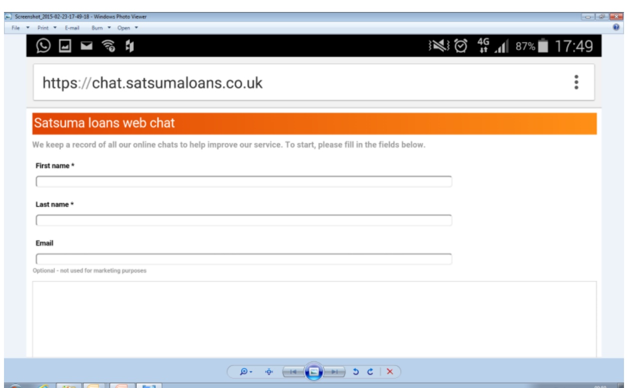
Modern, interactive proposition

Dedicated customer contact centre ('the agent on the phone')



Customer log in area

Web chat

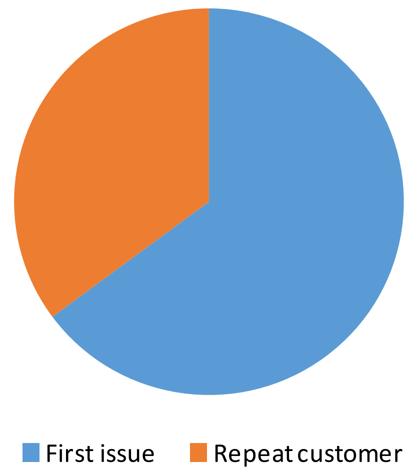


Satsuma – The best customer proposition

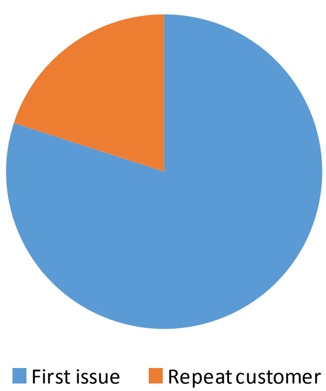
Delivering a service and a relationship that our customers value

35% of the book is loans issued to existing customers – this will grow as the book seasons

Receivables - January 2015

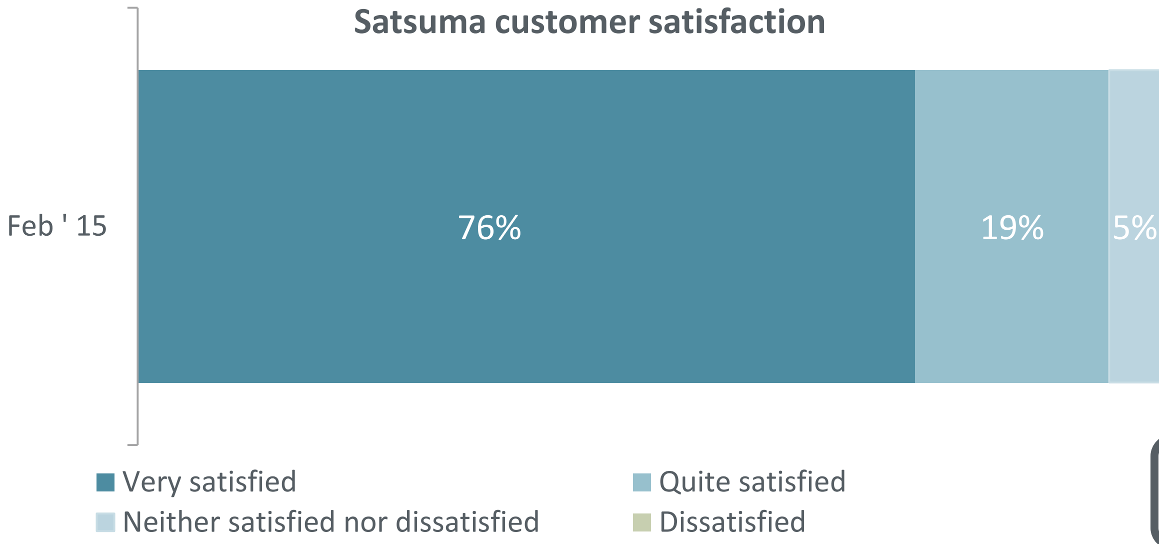


Receivables - January 2014



Satsuma – The best customer proposition

And driving extremely high levels of customer satisfaction



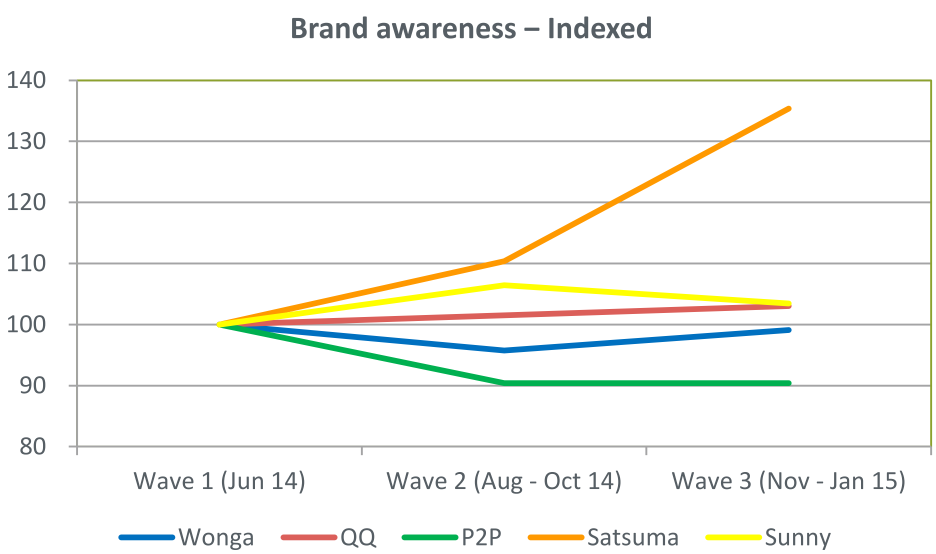
No dissatisfied customers

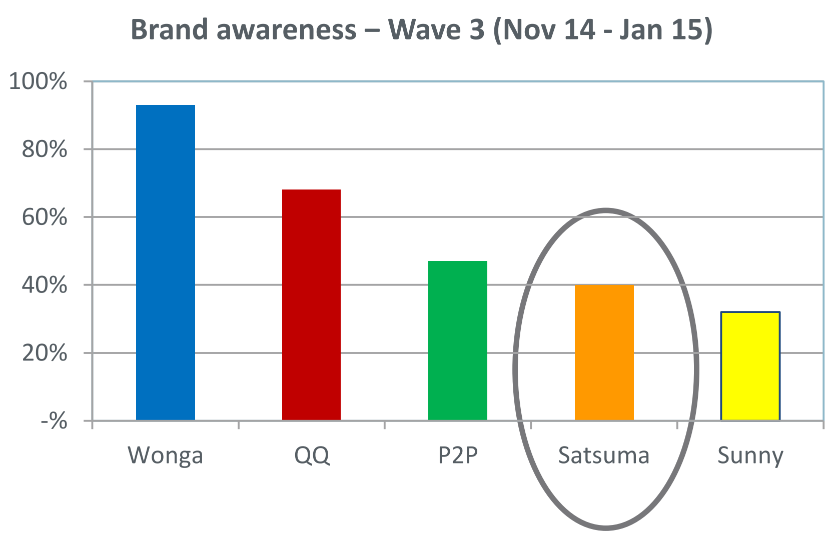
Gold Trusted Merchant with a 95% service rating from feefo
(independent feedback gathered anonymously)

We will continue to listen to our customers and develop our proposition accordingly

Satsuma – Broad marketing reach

Satsuma is a new brand and we have made significant progress building awareness





Source: Monkey See – Which of these lenders have you heard of?
Base: Non rejecters of short term credit, 457, 459, 604

Satsuma – Broad marketing reach

We are developing our messaging as the maturity of the brand grows

Our earlier campaigns were focused on being loud and establishing a brand personality to drive awareness...

Satsuma – Broad marketing reach

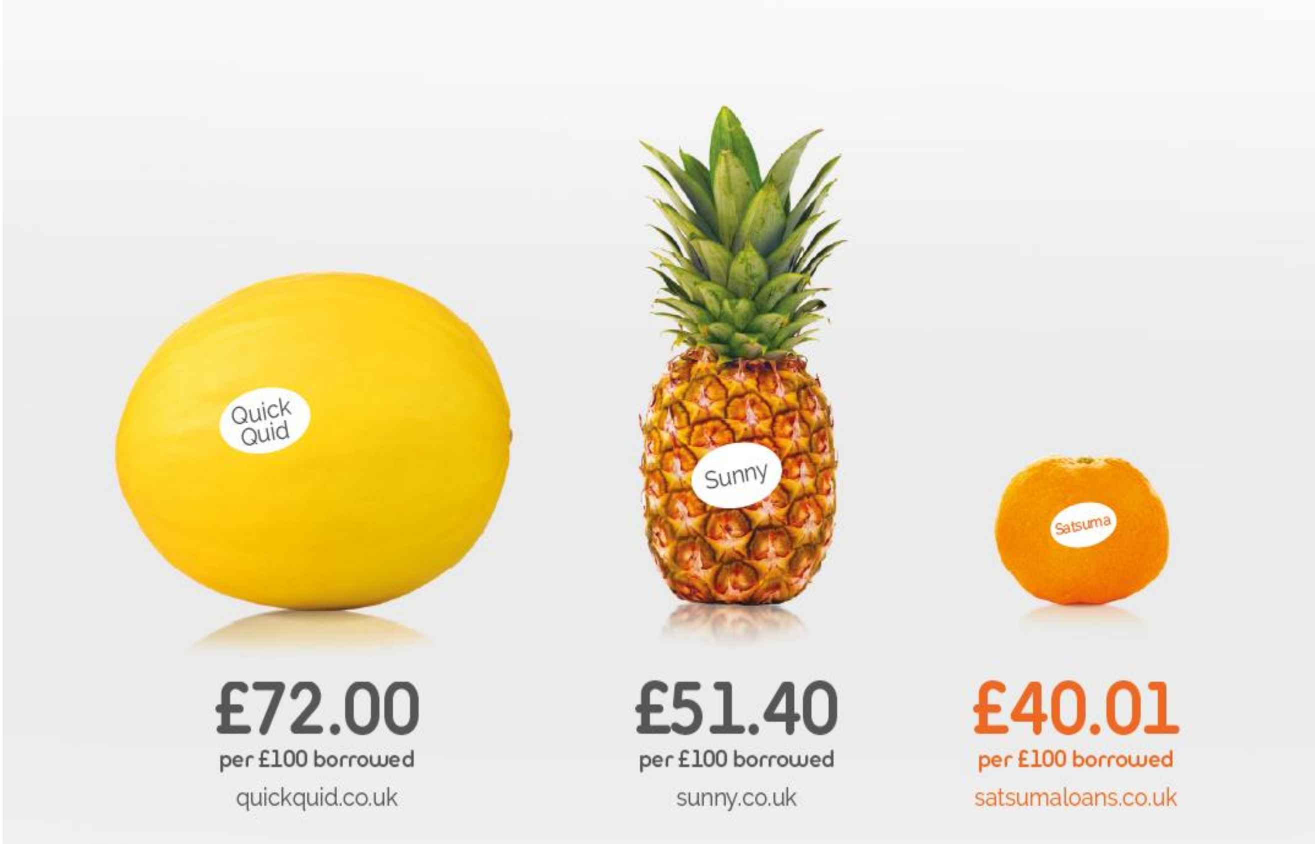
We are developing our messaging as the maturity of the brand grows

... we are developing our message to highlight the key benefits of our product versus the competition

Satsuma – Broad marketing reach

We are developing our messaging as the maturity of the brand grows

... highlighting our key points of difference versus the competition



Satsuma – Broad marketing reach

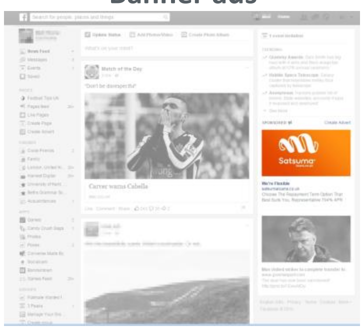
We are optimising our channel mix to broaden our reach and manage acquisition cost

Direct

TV

Direct mail

Banner ads



Radio

Paid search

Brand:¶

Satsuma® Loans - Borrow Up To £1000
Ad www.satsumaloans.co.uk/
4.6 ★★★★★ rating for satsumaloans.co.uk
Repay In Segments. Representative 845% APR
Satsuma Loans has 149 followers on Google+

Apply Now
Simple & secure online application forms. Apply for your loan today.

3 Reasons To Trust Us
We're fair, responsible & fully transparent about our charges.

Loan Calculator
Choose your loan amount and a repayment plan that suits you.

A New Type Of Loan
Borrow up to £1000 and pay back in manageable segments.

Short-Term-Loans¶

Satsuma® Loans - Up to £1000 - SatsumaLoans.co.uk
Ad www.satsumaloans.co.uk/Loans
4.6 ★★★★★ rating for satsumaloans.co.uk
Repay In Manageable Segments. Representative 845% APR
Satsuma Loans has 149 followers on Google+
Loan Calculator - Start Your Application - Why We're Fresh - Apply Now

SEO

B2B

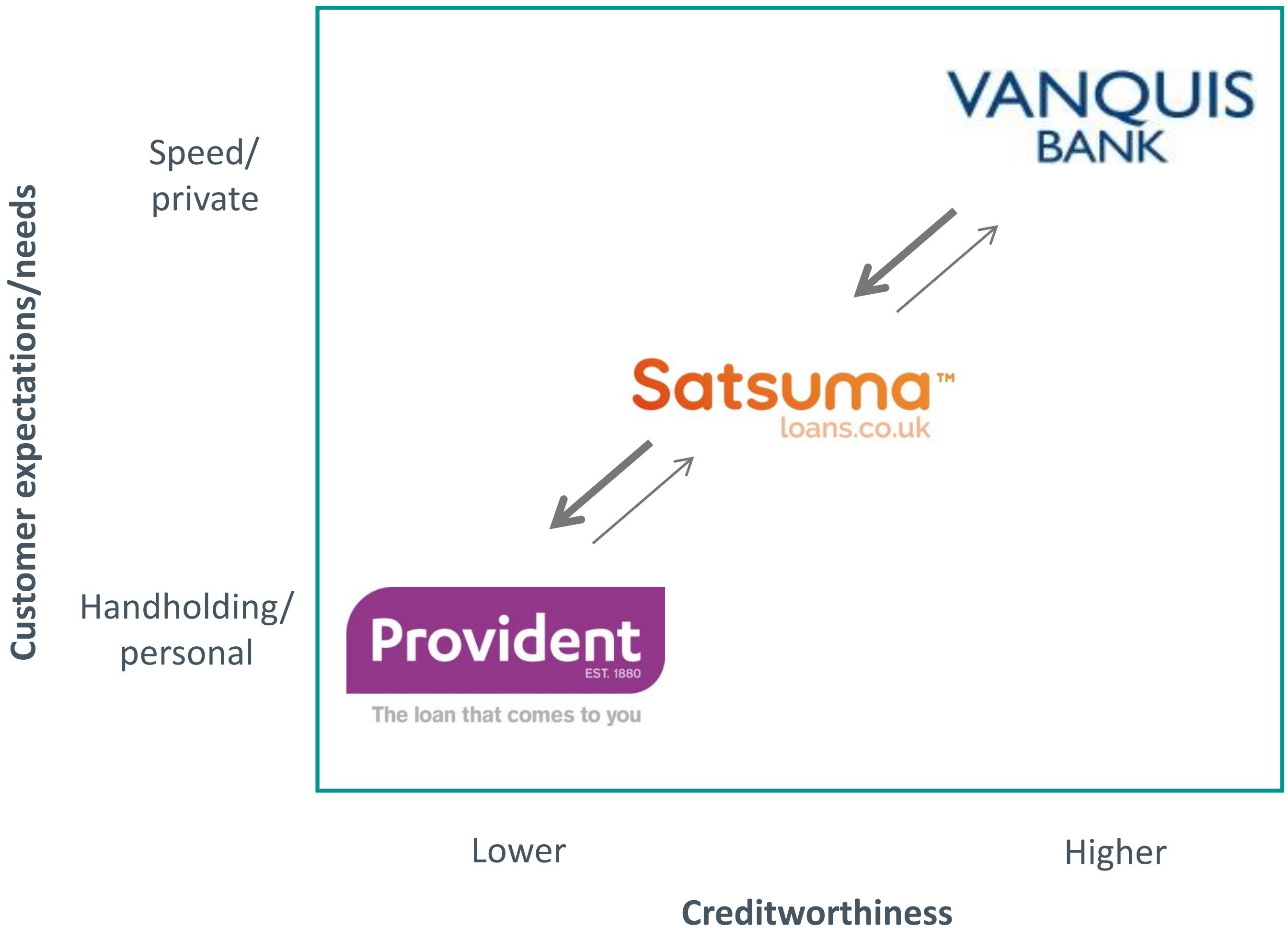
Brokers

Affiliates

Aggregator websites

Satsuma – Broad marketing reach

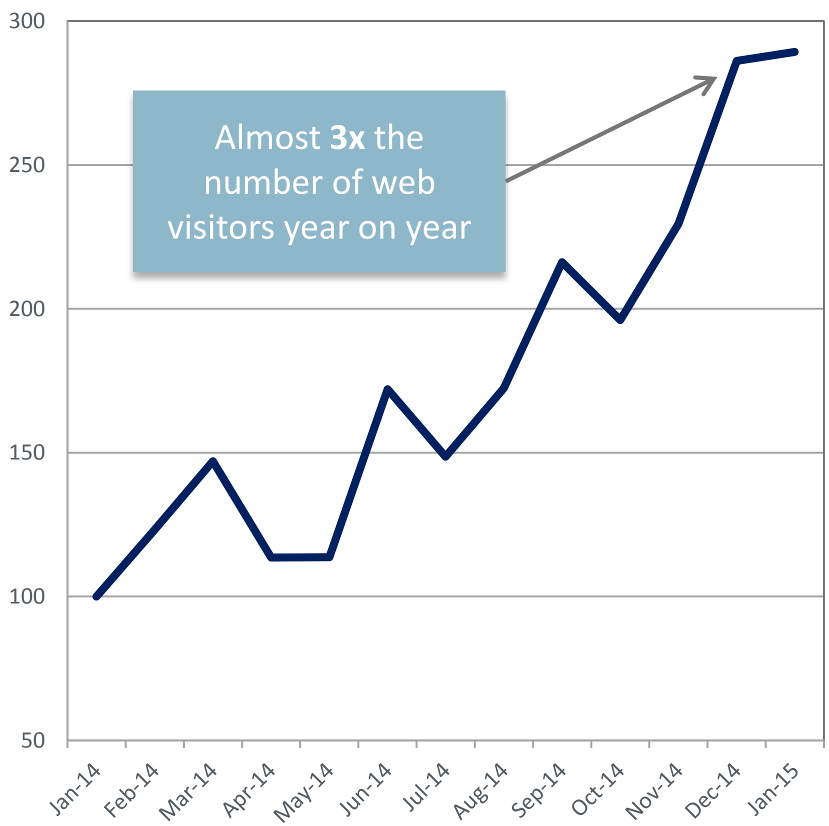
We are optimising our channel mix to broaden our reach and manage acquisition cost



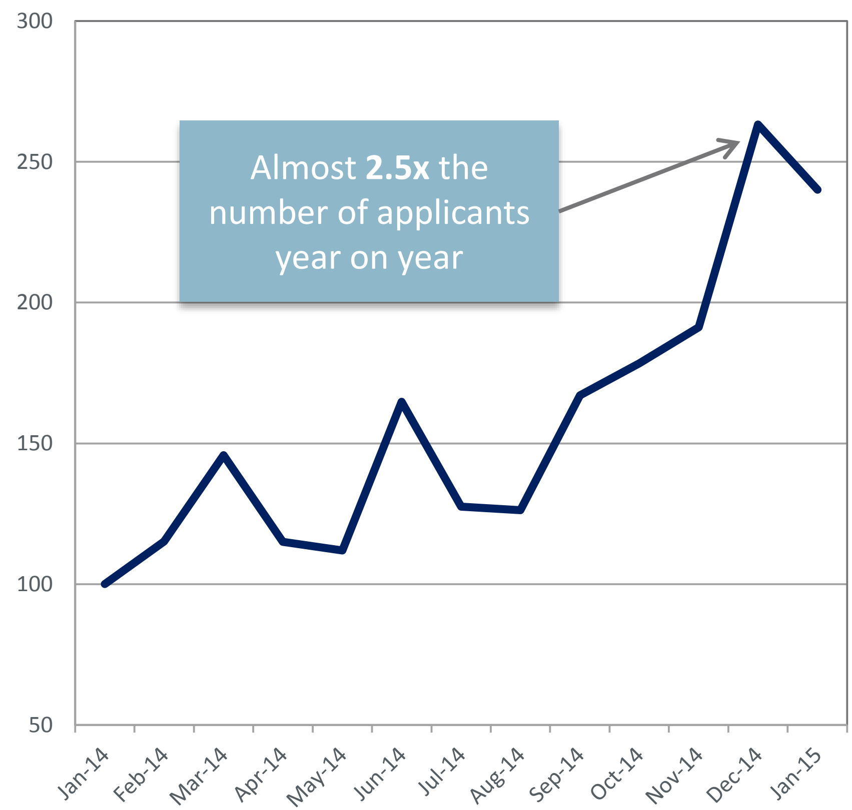
Satsuma – Broad marketing reach

All of which is driving traffic to the website... ...and customer applications

Unique website visitors in month (indexed)

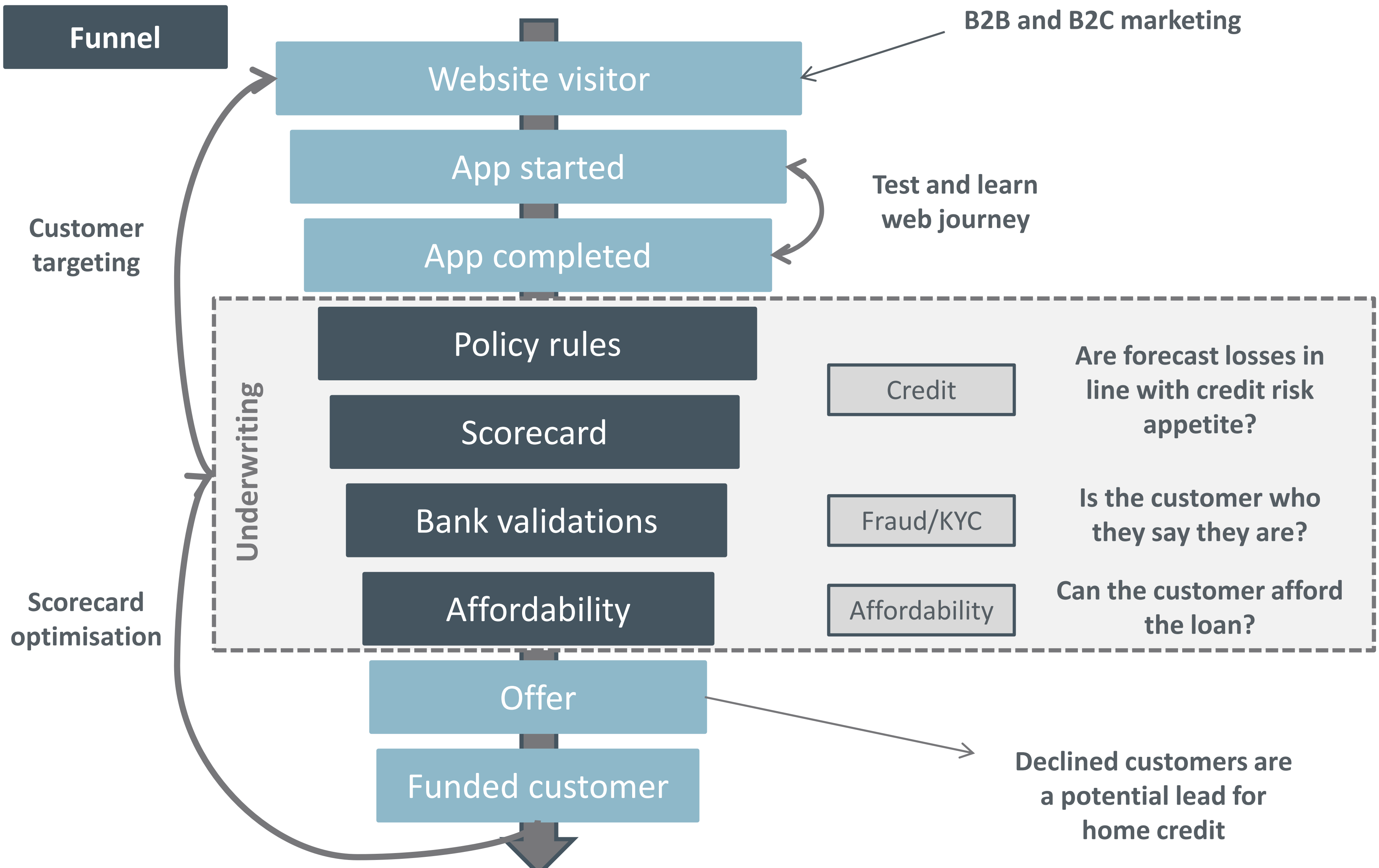


Volume of applications (indexed)



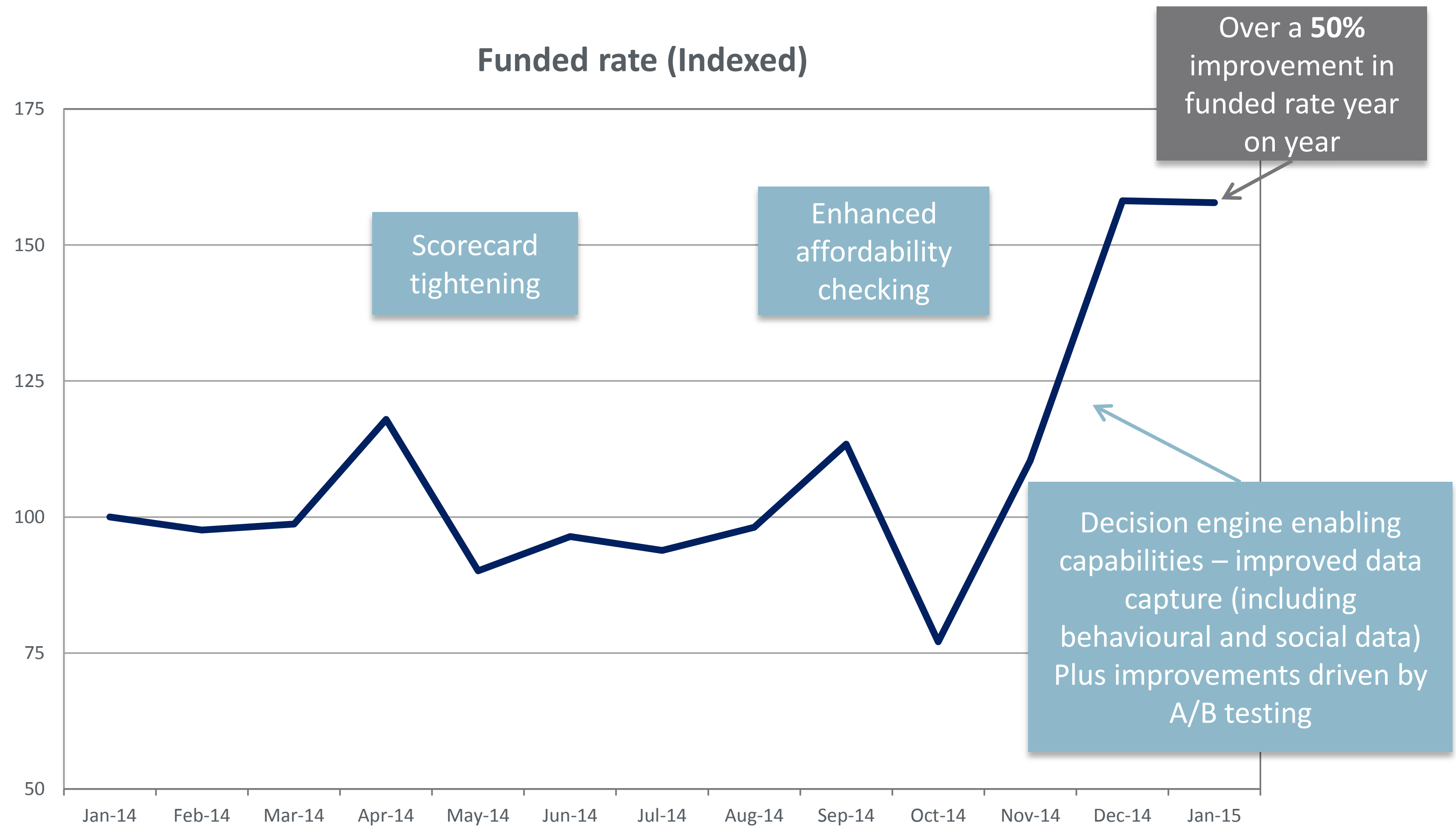
Satsuma – Best-in-class underwriting

Underwriting is a key profit lever for the business



Satsuma – Best-in-class underwriting

We are using advanced analytics to make good decisions for our customers, driving improvements in funded rates without impacting collections performance



Satsuma – Best-in-class collections

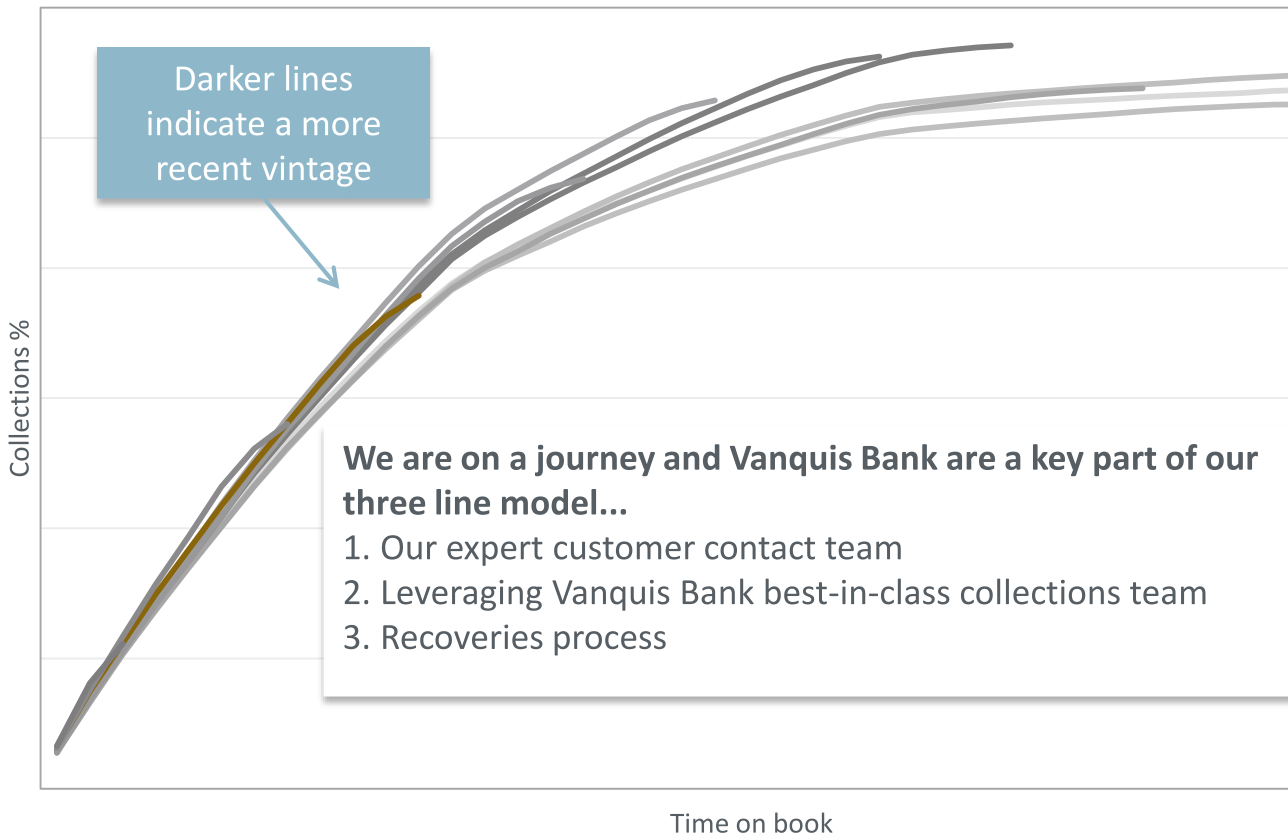
Vanquis Bank has developed a best-in-class collections team

- Data intensive:
  - Immediate/overnight contact
  - Segmentation key to maximise efficiency
  - High quality of contact data is maintained
- Multi channel high-tech approach:
  - Letter
  - SMS
  - Telephone
  - Internet
- Forbearance and vulnerable customer identification reviewed at each stage:
  - Industry best practice, early warnings
- Key metrics:
  - High contact rates
  - High promise to pay

Satsuma – Best-in-class collections

We have seen tangible improvements in collections performance from leveraging Vanquis Bank capabilities

Collections performance



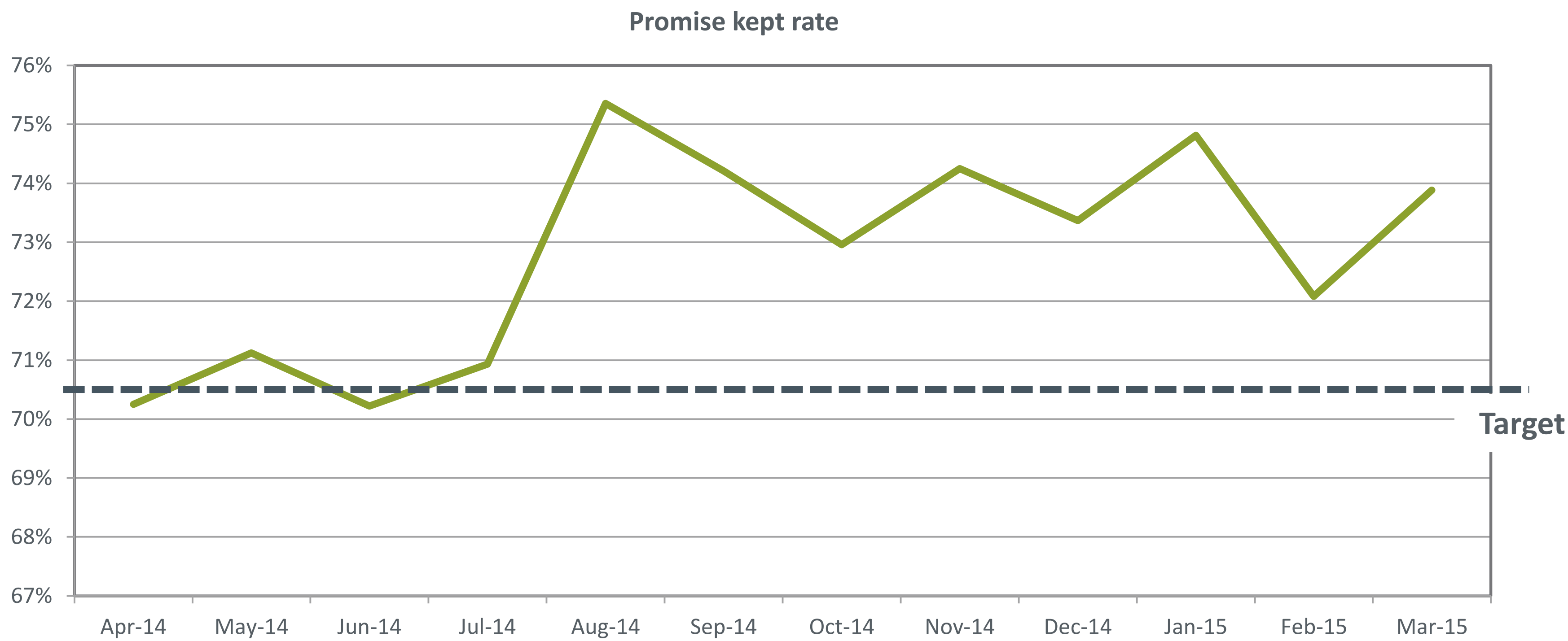
We are on a journey and Vanquis Bank are a key part of our three line model...

1. Our expert customer contact team
2. Leveraging Vanquis Bank best-in-class collections team
3. Recoveries process

VANQUIS BANK

Satsuma – Best-in-class collections

And our high promise kept rate demonstrates the sustainability of our lending and the efficiency of the manual collections process



- Tracked at portfolio and agent level
- Long term performance tracked
- **Promise kept rate of 70%+ benchmarks very well against the industry**

Satsuma – Data-led continuous improvement

We are utilising analytics across the journey to drive continuous improvement

- We use the best tools available in the market to build, validate and improve decision and targeting models, including:
  - Statistical and machine learning modelling (links mining)
  - Stratified random sampling
  - Multi-variable regression
  - Machine learning (including support vector machine and neural network)
  - Classification algorithms, dimension reduction
- We mine 15 data sources; 3.1m data points; 2,100 variables and investigating value of 8,000+ variables
- Our analytics platform deploys sophisticated layers of decision logic and proprietary algorithms calculated in seconds to offer a rapid response

Satsuma – Data-led continuous improvement

We are utilising analytics across the journey to drive continuous improvement

Product development
Drives applications from suitable customers, reducing acquisition costs

Improved new and existing customer targeting including optimising channel mix
Drives applications from suitable customers reducing acquisition costs

Optimised customer journeys (new and existing customers)
Reduces drop out rates

Improved credit decisioning
Drives funded rates and reduces impairment

Preventing fraud
Reduces impairment losses

Targeted collections activity
Reduces impairment losses and the cost of recovery

Satsuma – Summary

We are investing in the business to deliver sustainable and significant growth

- Our original hypothesis is correct:
  - Regulation is cleaning up the market creating a large opportunity
- We have unique capabilities within the business and from being part of the group and are ideally placed to capitalise on the opportunity
- We have developed our team over the last year, adding high quality and experienced people and now number over 120, significantly building our capability
- We are rapidly developing and are seeing significant improvements in the key P&L drivers

Unique web visits up

Applications up

Funded rate up

Collections performance improving

Growing pool of customers eligible for re-service

All underpinned by extremely high levels of customer satisfaction

CCD
Today's agenda

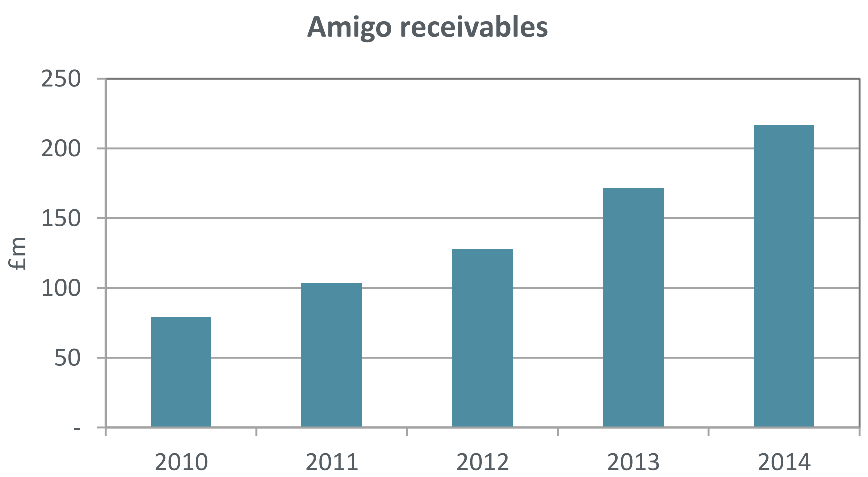
1.	CCD strategy – recap	Mark Stevens
2.	Home credit	Mark Stevens
3.	Satsuma	Hemant Patel
4.	**glo**	**Hemant Patel**
5.	Summary and outlook	Mark Stevens

glo – Market context

Guarantor loans emerged to fill the larger sum unsecured credit gap created by the financial crisis

- Pre-credit crunch branch based specialists (HFC, Welcome and Black Horse etc) dominated the larger sum unsecured loans market, which totalled in excess of £10bn:
  - Most exited the market or have gone bust, some with significant conduct issues
- Guarantor loans emerged to fill (some of) this void:
  - A credit product where loan repayments are guaranteed by a more credit worthy individual
  - Enables the borrower to access larger sums over longer terms, typically £1k to £7k over 1 to 5 years with APRs of c.50%
  - Relationship built on trust that allows the borrower to build/repair their own credit history

- Amigo raised the profile of the product, drawing a number of smaller players into the market:
  - Most have other specialist lending interests, such as car finance or unsecured personal loans (Everyday Loans, UK Credit, 1st Stop)
- Amigo had a receivables book of £217m as at the end of March 2014:
  - Over the last 4 years Amigo has seen CAGR in receivables of over 25%, suggesting relatively rapid growth in the overall market opportunity



Source: Amigo statutory accounts

glo – Excellent strategic fit

Guarantor loans fulfils a customer need not currently satisfied by CCD

Channel	Smaller sum	Larger sum
Remote	Satsuma™ loans.co.uk	glo THE GUARANTOR LOAN OPTION
Face to face	Provident EST. 1880 The loan that comes to you	

Loan value

- A proposition built on Provident DNA is a perfect fit for customers in this market:
  - Prudent and affordability-based approach, lending to the borrower not the guarantor
  - Personalised customer-centric journey through our expert contact team (our ‘agent on the phone’)
  - Customers are not charged fees at any time
  - Cost of borrowing is known upfront and customers receive the same price whichever channel
  - Flexible and understanding approach to customers experiencing repayment difficulties
- We can also leverage group capabilities and resources:
  - Moneybarn’s broker relationships

glo – Currently in pilot

We launched glo (the guarantor loan option) as a direct to consumer pilot in November 2014

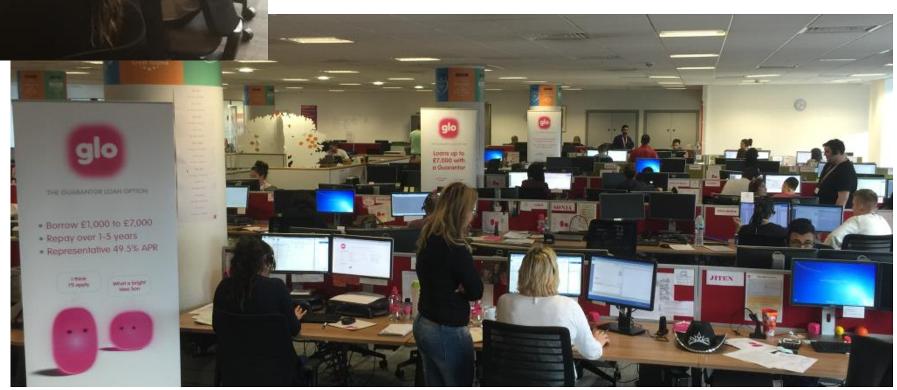
- We have started to build a brand, using high quality creatives designed to speak to the borrower **and** the guarantor

glo – Currently in pilot

We are building transferable capabilities and will evaluate success in the near future

- We have developed document verification processes and the capability to manually underwrite loans (centrally) through our expert contact team ('the agent on the phone')

glo THE GUARANTOR LOAN OPTION



CCD
Today's agenda

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4.	glo	Hemant Patel
5.	**Summary and outlook**	**Mark Stevens**

CCD – Fit with group business attributes

High returns	✓	› ROA of 18.1% in 2014: – Highest in the group › Strong capital generation
Market leadership	✓	› Provident is the market leader in home credit › Satsuma aims to be in the top 3 in the medium term › Progress to date indicates glo has the potential to be in a top 3 position
Sustainable	✓	› Long-standing but modernised home credit business › Building world-class capabilities in online lending › All products highly customer-centric and compliant with regulation
Growth potential	✓	› Customer, receivables, and profit growth provided by Satsuma and other future product developments that have potential to reach target returns
Strong management and cultural fit	✓	› Good team balancing experience with new hires › Dedicated and focused teams for home credit, Satsuma and glo › Working closely with Vanquis Bank and Moneybarn

CCD – Delivering commitments

Excellent progress against commitments set at November 2013 Investor & Analyst Event

Commitment	Outcome
Substantial home credit transformation to be completed by mid-2015	**On track**
Financial contribution from Satsuma from 2015 onwards	**On track for monthly break-even by end of 2015**
2013 the baseline year for CCD profits	**Achieved**
2014 performance will reflect the transition to a smaller, higher-quality home credit customer and receivables base with corresponding net cost savings	**Achieved**
For 2014 and 2015, we will focus on home credit profit not on customer numbers, sales or the number of agents	**On track**

CCD – Outlook

Home credit

- Business will be managed to achieve stable profits over the medium-term
- Transformation complete by mid 2015
- Improve customer triage between Satsuma and home credit

Online unsecured loans

- Satsuma:
  - Expect 4 - 5x volume of new customers in 2015 versus 2014 (22k)
  - Breakeven on monthly basis by end 2015
  - Profit contribution in 2016
  - Top 3 in the medium term
- glo:
  - Good progress to date
  - Roll-out if expected returns are in line with group target returns and can be achieved within an acceptable timeframe
- Continue to develop synergies with Vanquis Bank and Moneybarn
- Explore further opportunities in wider online unsecured loans market
- Returns targeted to be consistent with current CCD returns
- **Medium-term potential of £300m+ receivables**

Moneybarn

Peter Minter – Managing Director

Shamus Hodgson – Commercial Director

Simon Law – Finance Director

Moneybarn

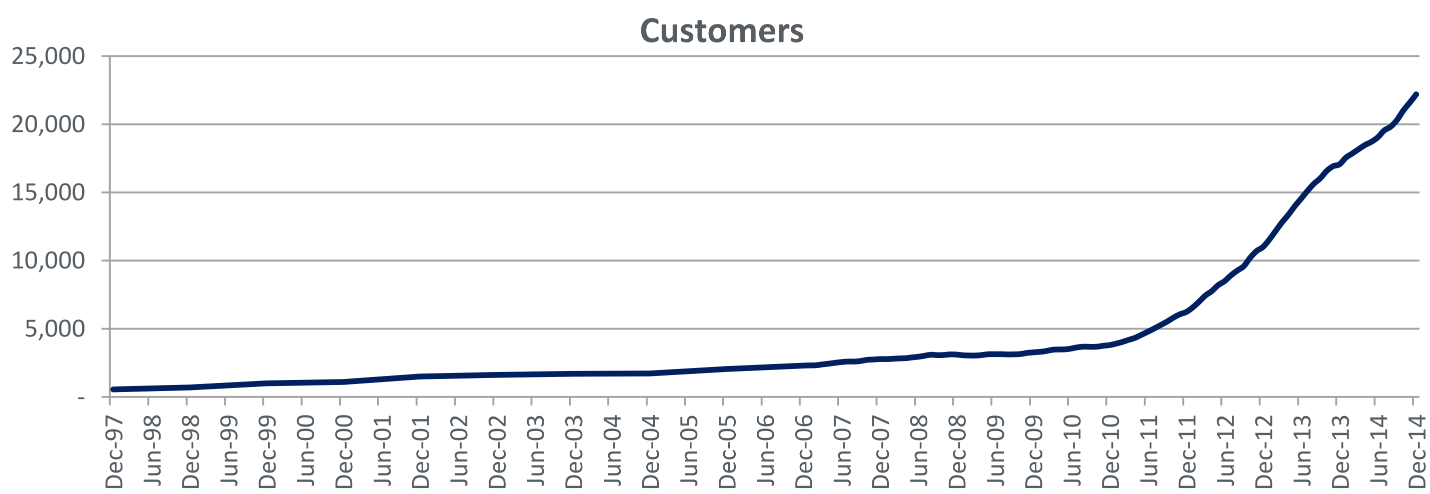
Today's agenda

1.	**Introduction and strategy**	**Peter Minter**
2.	Market and commercial overview	Shamus Hodgson
3.	Reliable financial performance	Simon Law

Moneybarn – Background

‘Credit you can trust’

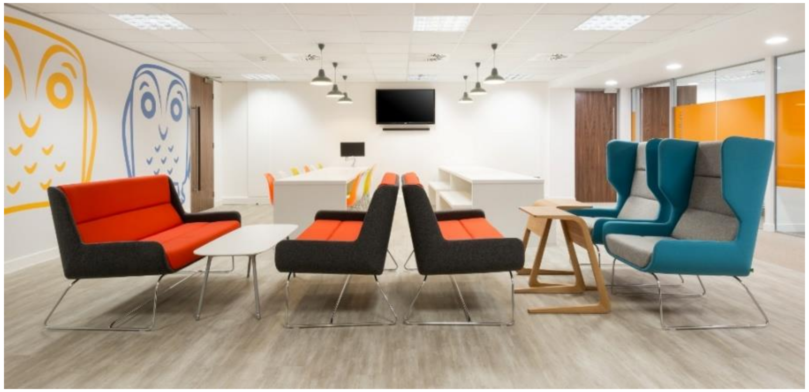
- Founded in 1992 under the name of Duncton to serve the non-standard car finance market
- We provide finance to customers rejected by high street banks and manufacturer captives
- Our ethos is to ‘help good people get to work’
- Our conservative lending and underwriting has helped the business survive two recessions and the credit crunch



Moneybarn – Positioning

'Never waste a good recession'

- Market failure in 2008/2009 resulted in nearly all competitors exiting
- Investment in systems, distribution and skills:
  - Developed a deal acquisition and management system that was class leading, scalable and efficient
- Created significant intellectual property in the new distribution model for the industry
- Consistent pricing and significant fall in default rates provided the springboard for major growth
- Muted competitive environment has allowed the business to grow profitability
- Competition is re-emerging but we have established ourselves as one of the market leaders
- Very well-placed to continue sustainable growth as part of PFG



Moneybarn – Strategy

Develop our position as one of the leading non-standard vehicle finance providers in the UK, delivering positive customer outcomes, sustainable growth and high returns

- Using the group's funding lines to access the significant growth opportunity
- Maintain our strong relationships with brokers and secure a position of primacy
- Develop our product proposition and our channels to market
- Capitalise on the synergies available throughout the group
- Continue to invest in and develop our IT infrastructure
- Maintain clear and consistent credit management objectives to maintain stable levels of impairment
- Offer straightforward and transparent vehicle finance
- Treat our customers fairly and comply fully with regulation
- Ensure we deal in a responsible and consistent way with customers who get into financial difficulty

Moneybarn – Business model

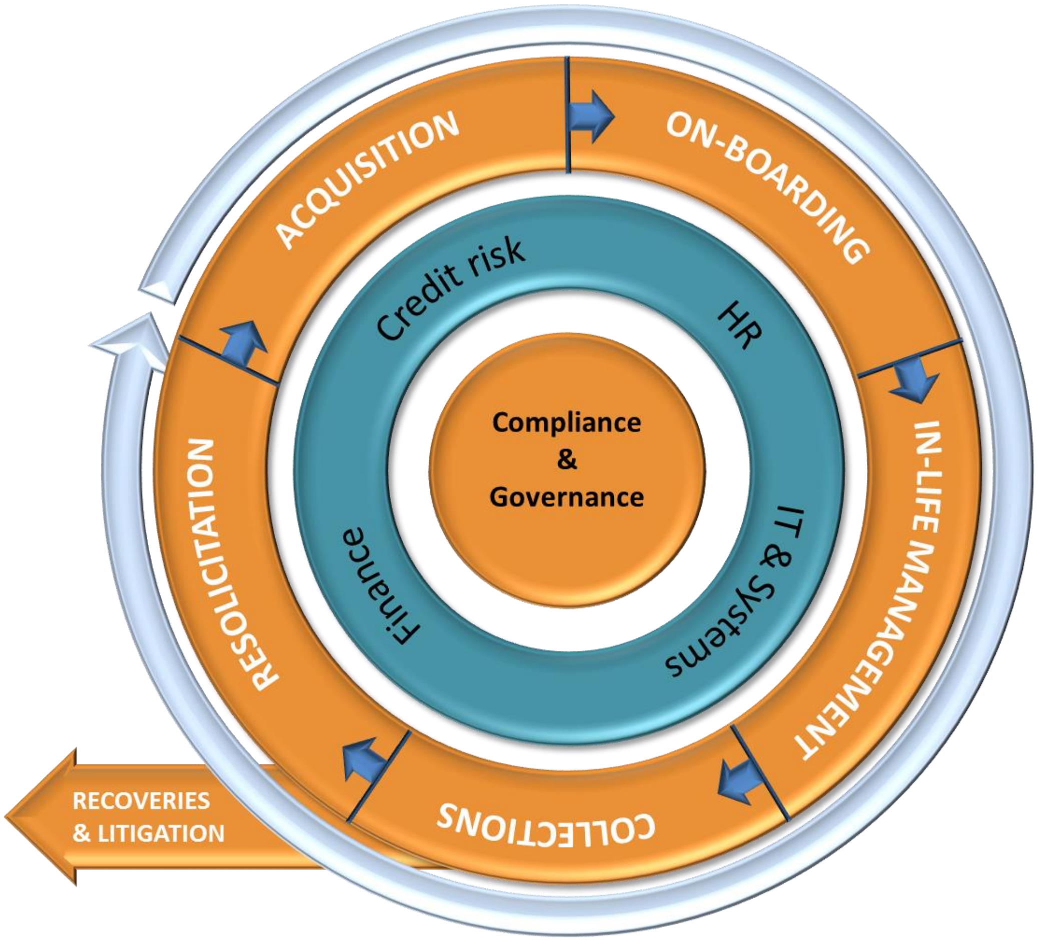
Our business model is robust and proven over time

- Underwriting decisioning, and pricing for risk, developed over many years
- We have strong broker relationships:
  - Achieved primacy with the majority of brokers in 2014 following acquisition by PFG
  - We define the market for relationships with intermediaries, and are the thought leader on product development
- Highly tailored operational IT systems, written entirely in-house
- Effective collections methodology
- Predictable income stream from 4 to 5 year conditional sale contracts
- Highly data driven
- We keep our business model, proposition and product simple
- We have a forward looking approach to TCF and forbearance and we are well placed for FCA authorisation in H1 2015:
  - Detailed review by and external third party, Huntswood, in 2014 plotted the course to full authorisation
  - We are ahead of plan to complete our application and already have operating processes that are compliant

Moneybarn – Customer lifecycle

Built for sustainable growth

- Compliant customer focused approach
- 4 to 5 year contracts maintain momentum in the business
- Business model can be flexed to suit the environment
- Risk managed at all stages
- Good visibility for the regulator



Moneybarn – Investment case

A third leg of earnings that complements the group's organic growth opportunities

- Market leading position
- Highly scalable, systems driven business with strong distribution
- Predictable, strong and sustainable margins
- 75% of the next 12 months' revenue is written at any point
- Providing a service valued by our customers
- Strong management team
- Market shows low correlation with the economic cycle
- Potential for market to grow to pre-recession levels
- Exciting growth prospects

Moneybarn

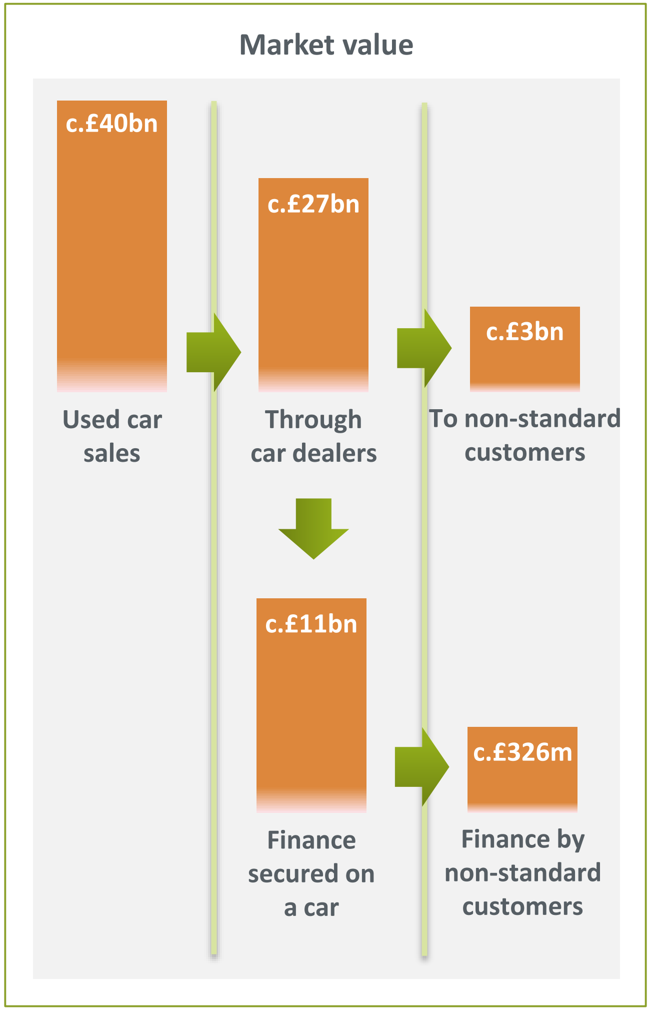
Today's agenda

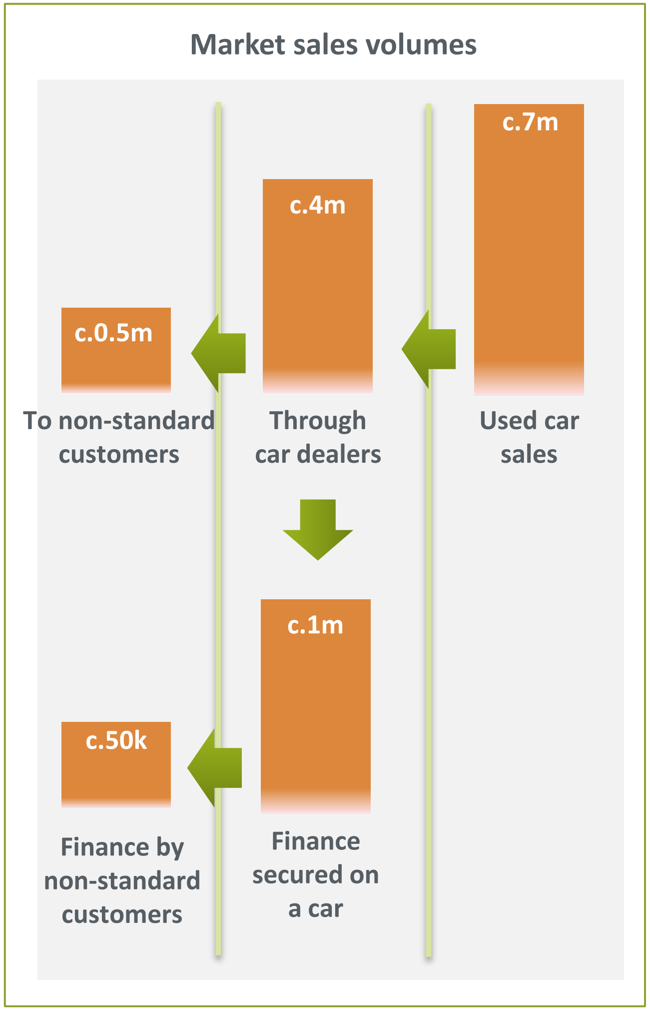
1.	Introduction and strategy	Peter Minter
2.	**Market and commercial overview**	**Shamus Hodgson**
3.	Reliable financial performance	Simon Law

Moneybarn – The market

Motor finance is a large, well developed market

- Non-standard market is underserved and most customers use non-direct competition
- The market opportunity, strong broker relationships and access to PFG funding gives us strong growth prospects
- 500,000 used cars are sold to non-standard customers each year, although only 10% are currently purchased using motor finance

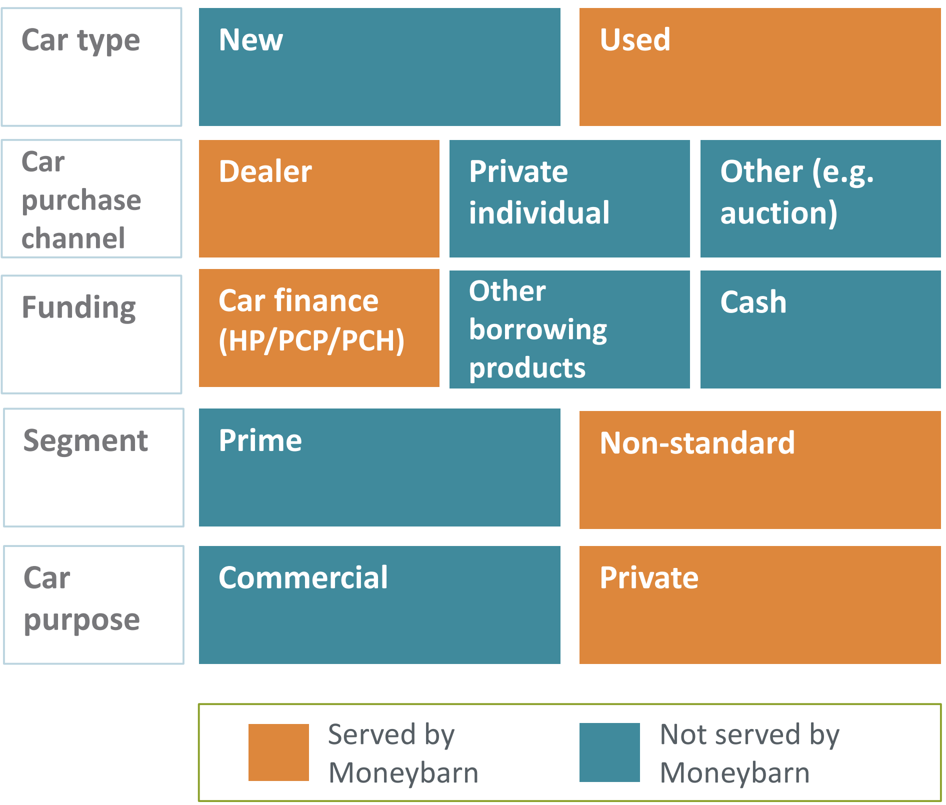




Moneybarn – The market

The overall car sales market is segmented through a number of dimensions in which we have a clear position in each

Dimensions of segmentation



Participation by Moneybarn

Moneybarn:

- Finances predominantly used cars – only 2% of cars funded are new
- Only accepts applications for finance for cars bought from a dealer
- Offers a conditional sale product, which is an appropriate product for non-standard customers
- Operates in the non-standard credit segment
- Only funds private purchases

Moneybarn – The market

Competitive landscape

- The motor finance market is defined by segments of consumer credit risk
- A range of lenders operate across the risk segments but no one lender operates across all risk segments as customer behaviours and operating models can be very different

High end prime	Mid prime	Low prime	Near prime	Non prime	Sub prime

moneybarn credit you can trust

- We operate across the non-standard segments of near-prime, non-prime and sub-prime and we are one of the market leaders in this area

Moneybarn – Routes to market

Internet brokers

- Acquire customers directly through the web, using pay per click, search engine optimisation and other sources of leads
- Will maintain large panels of lenders to ensure they can monetise as many leads as possible, regardless of the customer situation

Moneybarn – Routes to market

Dealer brokers

- Acquire customers from dealers who pass customers requiring finance to the broker
- Maintain field sales teams who focus on building and maintaining relationships with dealers
- Will often pay dealers part of their commission
- Will often have a smaller panel of lenders and specialise in prime or non-standard finance

EVOLUTION FUNDING

DSG FINANCE

Mi Finance

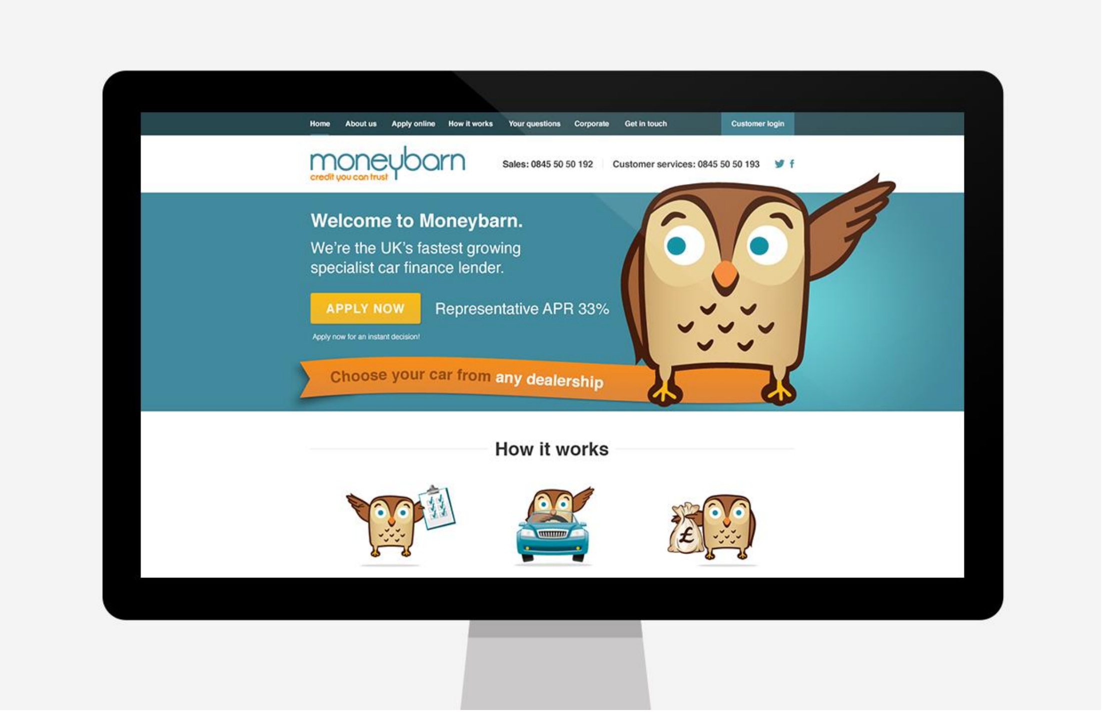
Moneybarn – Routes to market
Dealers

- Dealers who do not use brokers but send applications to us directly
- Predominately large car supermarket operations
- Will often have central finance units on site
- Often market to non-standard customers

Moneybarn – Routes to market

Direct

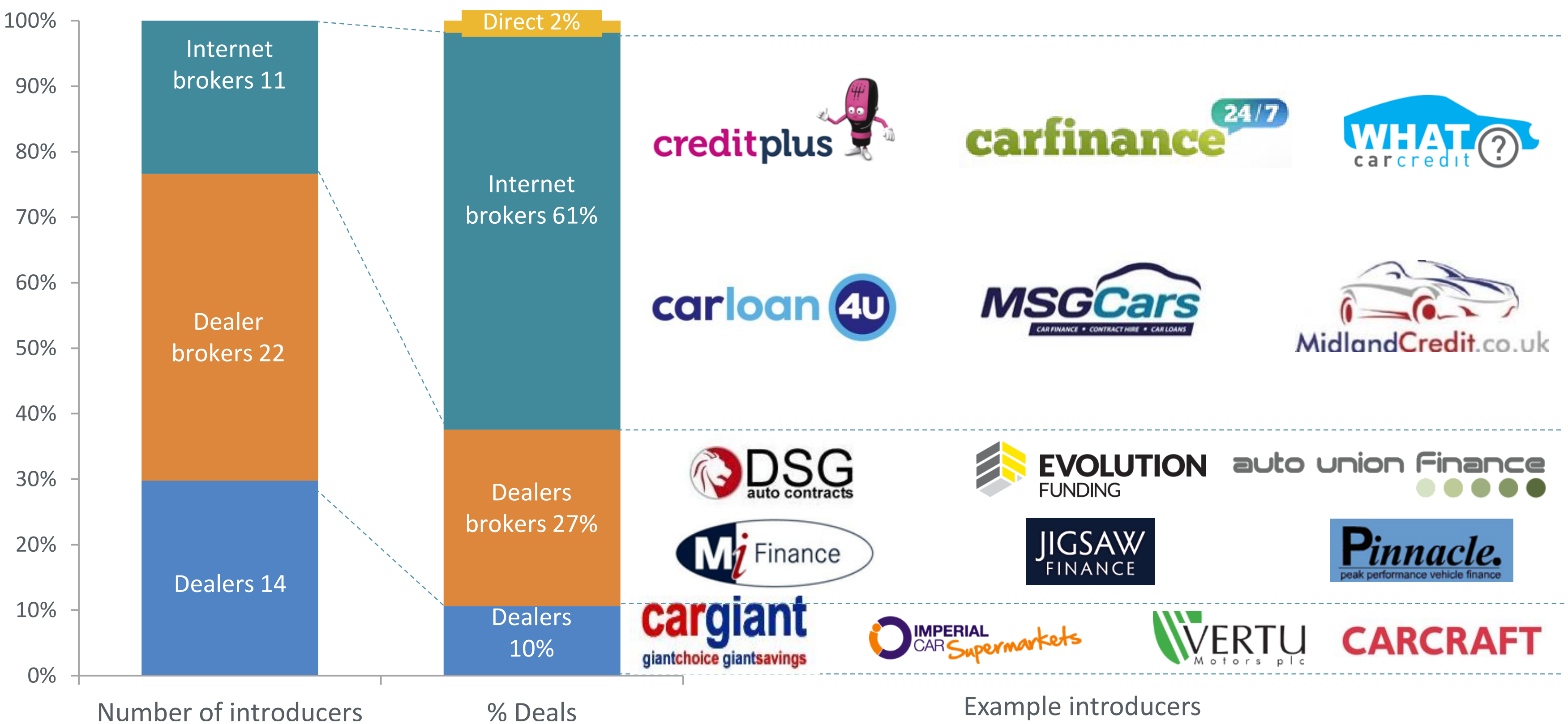
- Customers who are acquired directly through the Moneybarn website
- Existing customers who are re-solicited towards the end of their agreement
- Direct applications driven by third party leads



Moneybarn – Routes to market

Introducer relationships

› We have contractual relationships with 47 introducers, including all the UK's motor finance brokers



Moneybarn – Routes to market

Why do intermediaries like Moneybarn?

- Rapid decisioning meets intermediary needs:
  - Underwriting quote is automated, delivered in less than 4 seconds and checks:
    - Credit file of applicant and associates
    - Value of vehicle
    - Outstanding finance marker (HPI)
  - No reneging on approvals
  - No claw-back of commission
  - Service delivery that allows brokers to process efficiently, and removes execution stress from the customer
- Partner relationship management:
  - Track record of support for intermediaries, allowing them to build their businesses around Moneybarn
  - Open, consistent and honest approach
  - High levels of support and guidance
- A sustainable lender

Moneybarn – Customer journey (Acquisition)

Highly efficient, automated application process that minimises the time taken to process applications, and removes friction from the customer, dealer and broker experience

Customer experience

Application

Internet broker or direct channel

- Customer submits initial application online
- Broker/Moneybarn contact customer and guides them through the application process

Dealer broker or dealer channel

- Customer completes the application at the dealership or dealer passes application to broker who then contacts customer

Time to process: **5-10 minutes**

Approval and quote

- Eclipse decision engine provides approve/decline decision, and the quote and terms for a specific deal

Time to process: **4 seconds**

Customer review and document preparation

- Customer refines requirements in light of initial offer
- Customer prepares documents for validation (with guidance from the dealer/broker/ Moneybarn)

Time to process: **Up to several days**

Document checks and payout

- Moneybarn confirms deal or asks for more information
- Payout decision is sent to customer, broker and dealer
- Funds are transferred to the supplying dealer

Time to process: **60 minutes**

Average 8 days

Moneybarn – Customer journey (Decision process)

The approval decision is made using a combination of an Experian-derived scorecard, built using our historical data, and Moneybarn's own internal policy rules

Applicant information
- Application data
- Experian data

Vehicle information
- Glass's Guide
- HPI

Gross disqualifiers

Based on:
- Applicant age, employment type, income
- Vehicle marque, age, price, mileage

Experian scorecard

Bespoke scorecard using a variety of factors including credit history and traceability

Moneybarn policy rules

A set of policy rules to remove specific areas of risk

Payout pack assessment

Proof check for:
- Identity
- Driving licence
- Income
- Affordability
- Vehicle identity
- Mileage
- Employment
- Income type

Rejections

- Delivers robust, high quality lending decisions which result in low default rates

Moneybarn – Customer journey (In life)

High levels of customer contact and pro-active, supportive arrears management creates a strong relationship between Moneybarn and the customer, leading to better outcomes

Customer experience

In-life customer communication

- High level of proactive communication to customers to build our brand and the ongoing relationship with the customer

Arrears management

- Focused on curing the customer rather than just collecting cash
- The 'often and early' approach allows us to establish the customer's situation, put in place a plan and offer support as quickly as possible to increase the likelihood of a good customer outcome

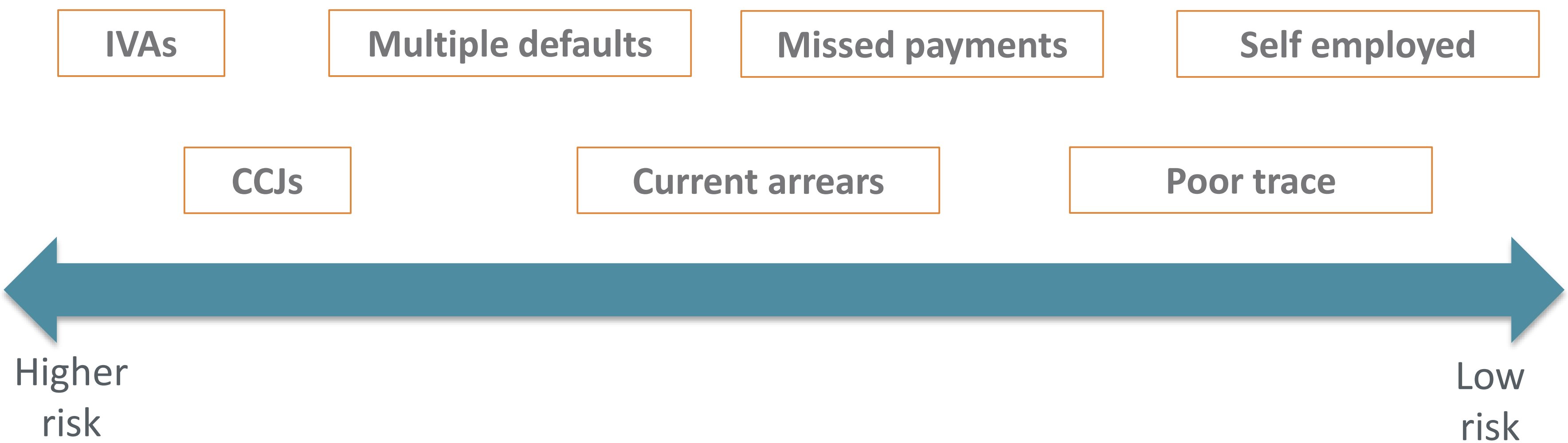
Resolicitation

- Active resolicitation of customers nearing the end of their term
- Opportunity increases as book size has grown

Moneybarn – Customers

Typical customer credit characteristics

- We provide finance for a range of customers, with a range of credit positions
- The credit characteristics of customers range from those currently in an IVA at the higher risk end, to those with poor trace at the lower risk end
- We then price dynamically for risk



- Creditworthiness is just one aspect of the customer profile

Moneybarn – Customers

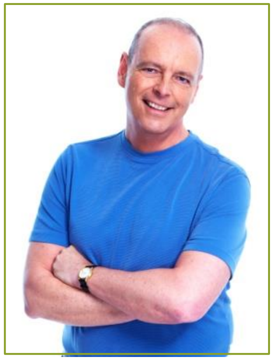
Typical customer profiles

Tier 1

John is a teacher who has generally managed his finances well in the past but 8 months ago he had a number of unexpected expenses that stretched his finances and, as a result, he went into arrears on a number of his credit accounts. John has also not kept his details up to date on the Electoral Register

Tier 2

Angela is self employed, has a good level of income, but it is not always paid regularly. This irregularity of income has caused her to go into arrears on some of her credit accounts in the past, but she has always paid the arrears soon afterwards. She has had a historical CCJ, but this was satisfied several years ago



Tier 3

Keith is employed as an HGV driver. Over the years, Keith's credit history has mostly been satisfactory, with a few minor arrears, but 3 years ago he was made redundant and, as a result, defaulted on a large number of credit accounts, including his mortgage. He has since then paid off his arrears but still has several CCJ's and defaults on his file. He has been with his current employer for 2 years and has a good level of income

Moneybarn – Customers

Our customer characteristics are very similar to those of Vanquis Bank

- Similar to mainstream
- Employed (70%) and self-employed (30%)
- Incomes similar to national average
- Representative of most socio-demographic sectors
- Average age of 38
- Lower levels of home ownership, with 60% of customers being tenants

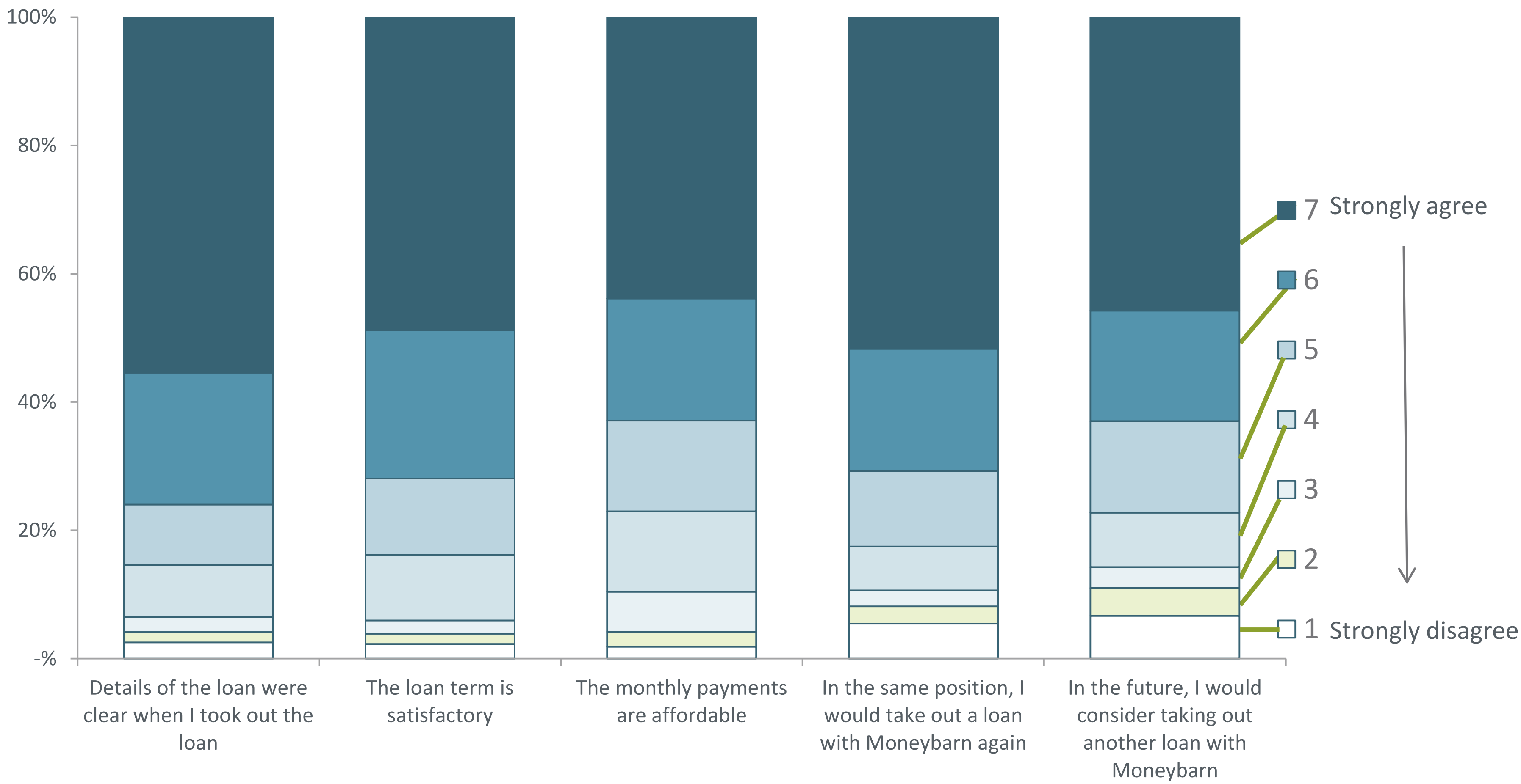
Moneybarn – Customers

Why do customers like Moneybarn?

- We give customers excluded by the mainstream the ability to buy a quality car of their choice
- Our product is simple, easy for customers to understand, and has a fixed rate
- There are no surprise fees attached to the product
- Our agreements offer a degree of protection should things go wrong unlike an unsecured loan
- We have a customer-centric culture
- We meet and exceed consumers’ mainstream service level expectations

Moneybarn – Customers

We achieve high levels of customer satisfaction at all stages of the customer journey



Moneybarn – Product

We are a single product company, providing conditional sale agreements to non-standard consumers

- Profit is made from the difference between borrowing and lending rates
- Approach has always been straightforward with no add-ons such as GAP, PPI or other ancillary products
- Potential to extend our product into other areas (e.g. light commercial vehicles)

Moneybarn – Product

Our proposition – A typical contract

Typical car – Vauxhall Astra

Average contract*		Detail
Term	53 months	Maximum term is 60 months
APR	33.06%	APRs will range between 20% and 59% depending on tier and loan size
LTV	86.9% GGRV	Maximum lend is 100% Glass's Guide retail value (previously 100% of Glass's Guide trade value)
Deposit	£985	Minimum deposit £0
Lend	£9,130	Minimum lend £4k (previously £5k), maximum lend £25k
Purchase price	£10,115	
Monthly payment	£305	

* Based on new contracts written between 01/10/14 and 28/02/15

Moneybarn – Technology

Our technology is a key differentiator

- Personal contact is important to customer acquisition and in-life management but technology is the key differentiator
- We redefined the market with the introduction of the Eclipse application system in 2010
- Developed internally and subject to a rolling programme of enhancements, Eclipse delivers:
  - Instant, definitive decisions and quotes, allowing the broker or dealer to provide instant quotes if car details are provided
  - The ability for intermediaries to remotely print or email customer documents
  - Significant internal, broker and dealer efficiencies
  - Supports a compliant customer journey through the delivery of clear, useful information to customers throughout the acquisition process
- Brokers view Moneybarn's decision making as reliable
- Bespoke customer relationship management system developed to meet the specific requirements of customers

Moneybarn – The growth opportunity

Well positioned to deliver strong medium-term growth

- Significant growth opportunity by:
  - Fulfilling growing customer demand in a market where there is a general under supply of non-standard car finance
  - Continuing to develop our product proposition to meet customer needs and further develop our position of primacy within the market (e.g. developing sub £5k part of the market)
  - Delivering on the significant cross-sell opportunities with the rest of the group, particularly Vanquis Bank, and in B2C
  - Further developing consumers understanding of the value for money and protection provided by specialist car finance relative to other non-standard finance options
- Only 10% of the half a million used cars purchased by non-standard customers are funded through secured car finance:
  - Remainder are funded through cash, loans from friends and family or through alternative forms of credit such as personal or guarantor loans or credit cards
  - Represents a very large set of potential customers to aim at

Moneybarn

Today's agenda

1.	Introduction and strategy	Peter Minter
2.	Market and commercial overview	Shamus Hodgson
3.	**Reliable financial performance**	**Simon Law**

Moneybarn – Financial model

Financial model aligns with the rest of the group

- Very simple earnings structure with 75% of next 12 months' revenue contracted at any one time:
  - Average customer agreement:
    - Loan of £9,100
    - APR of 33%
    - LTV to Glass's Guide retail value of 90%
    - Term of 53 months
- Low exposure to vehicle risk
- Low default rates
- High risk-adjusted margin delivers strong capital generation
- Relatively lean cost base
- Well funded under PFG ownership

Moneybarn – Income statement

High return business

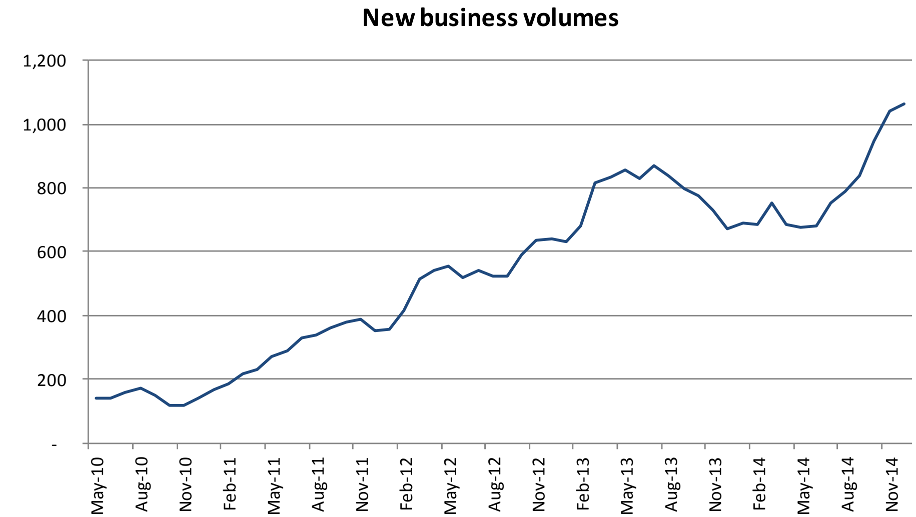
	2014[1] £m	
Customer numbers ('000)	**22**	*Strong new business volumes post acquisition*
Year-end receivables	**151.7**	*Average customer balance of c.£7,000*
Average receivables	**135.1**	
Revenue	**38.0**	*Yield of c.28% driven wholly by interest income with no PPI/GAP*
Impairment	**(4.7)**	*Impairment made when one contractual payment missed* *Low impairments at 3% of average receivables*
Revenue less impairment	**33.3**	
Risk-adjusted margin[2]	**24.6%**	*Risk-adjusted margin of c.25% provides resilience during a downturn*
Costs	**(11.1)**	*Comprises commissions paid to brokers, marketing, credit and collections, IT and management costs*
Interest	**(7.2)**	*Funding provided by PFG at a rate of c.5% compared with 10% previously*
Adjusted profit before tax[3]	**15.0**	
Return on assets[4]	**12.9%**	*Consistent with group's strategic focus on high return businesses*

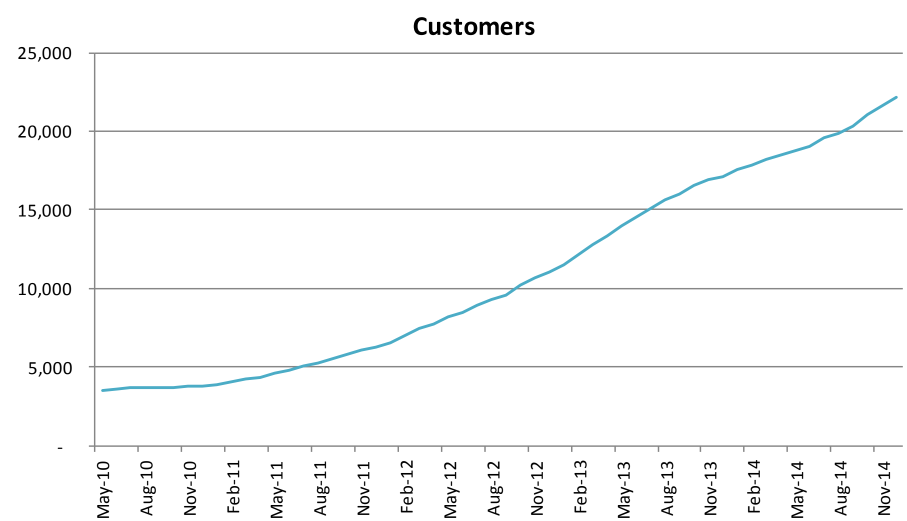
1 *Full-year results restated to apply the group's lower cost of funding to pre-acquisition results*
2 *Revenue less impairment as a percentage of average receivables*
3 *Adjusted profit before tax is stated before the amortisation of acquisition intangibles of £2.5m and exceptional costs of £3.9m*
4 *Adjusted profit before interest after tax as a percentage of average receivables*

Moneybarn – New business volumes and customer growth

Strong growth in new business volumes

- Funding provided by Octopus from November 2010:
  - No spare capacity on Octopus facility from 2013
  - Deliberate restriction of new business volumes during 2013/2014 due to funding constraints
- Acquisition by PFG provided access to group' significant funding capacity from August 2014:
  - Enabled strong growth in new business volumes
  - Confident of continuing performance

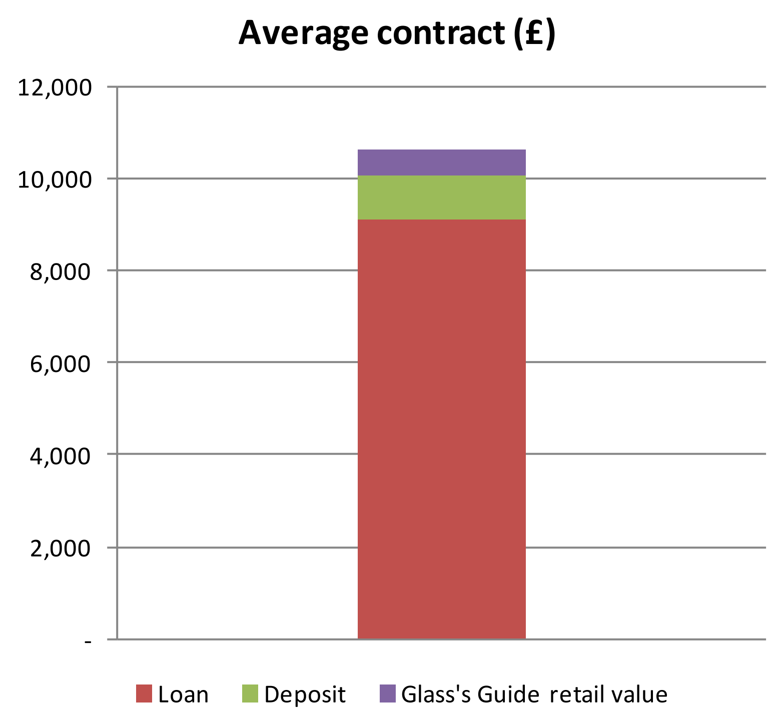




Moneybarn – Managing financial risk

Extension of the product offering to lend up to the retail value of vehicles

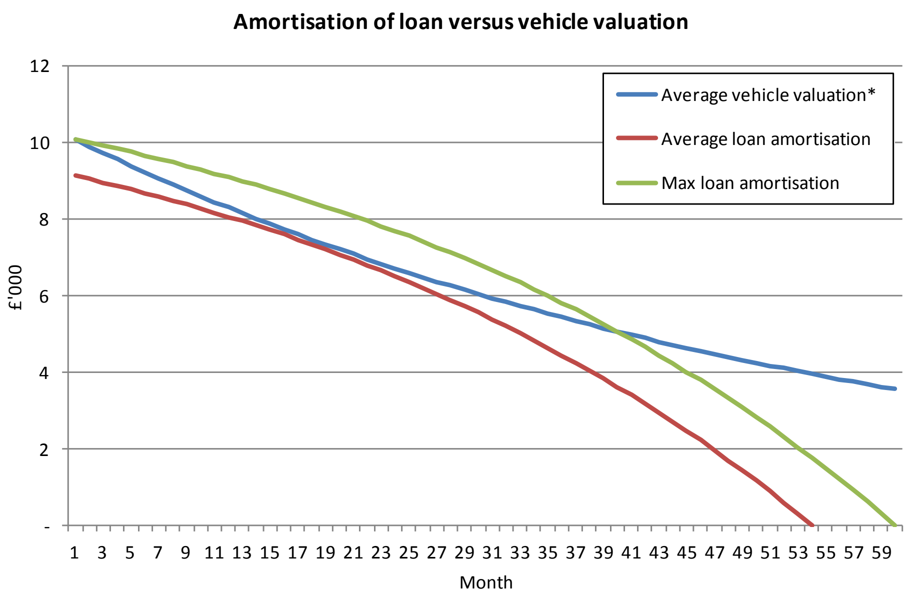
- Maximum loan amount increased from Glass's Guide trade value to Glass's Guide retail value in October 2014:
  - Trialled pre-acquisition
  - Reinforced primacy with brokers
- No change in underwriting:
  - Lending to the same customers and on the same vehicles as previously
  - Similar default rates
  - Average deposit of around 10%
  - Dynamic pricing by reference to risk



Moneybarn – Managing financial risk

Close management of the loss given default (LGD)

- LGD is the difference between the outstanding loan and the sales proceeds of the vehicle, less costs
- 15% to 20% of contracts will default over their life
- We carefully manage LGD to ensure that it remains stable:
  - Second hand cars which do not exhibit the significant initial depreciation associated with new vehicles
  - Close management of the loan to value at the start of the contract
  - Prescriptive about the quality and nature of the vehicles we lend against
  - Influence of loan duration
- On average we recover 87% of the principal outstanding following default by a customer

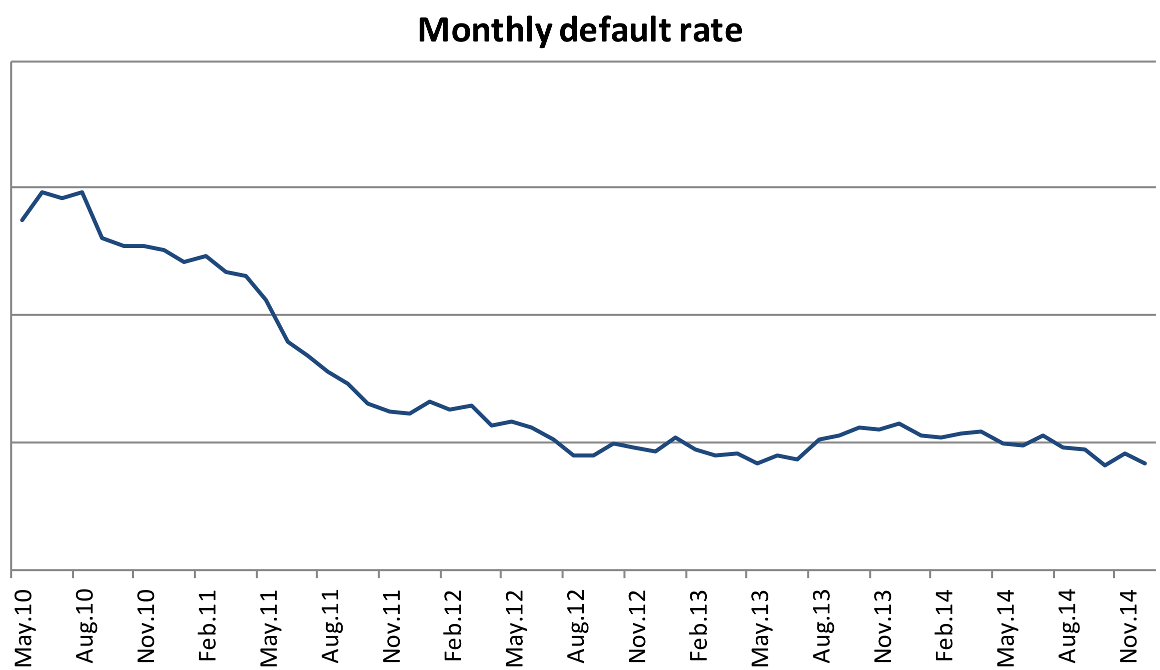


* The average vehicle valuation assumes a 1.75% monthly depreciation charge on the initial purchase price and does not take account of the costs of vehicle recovery in the event of default

Moneybarn – Default rates

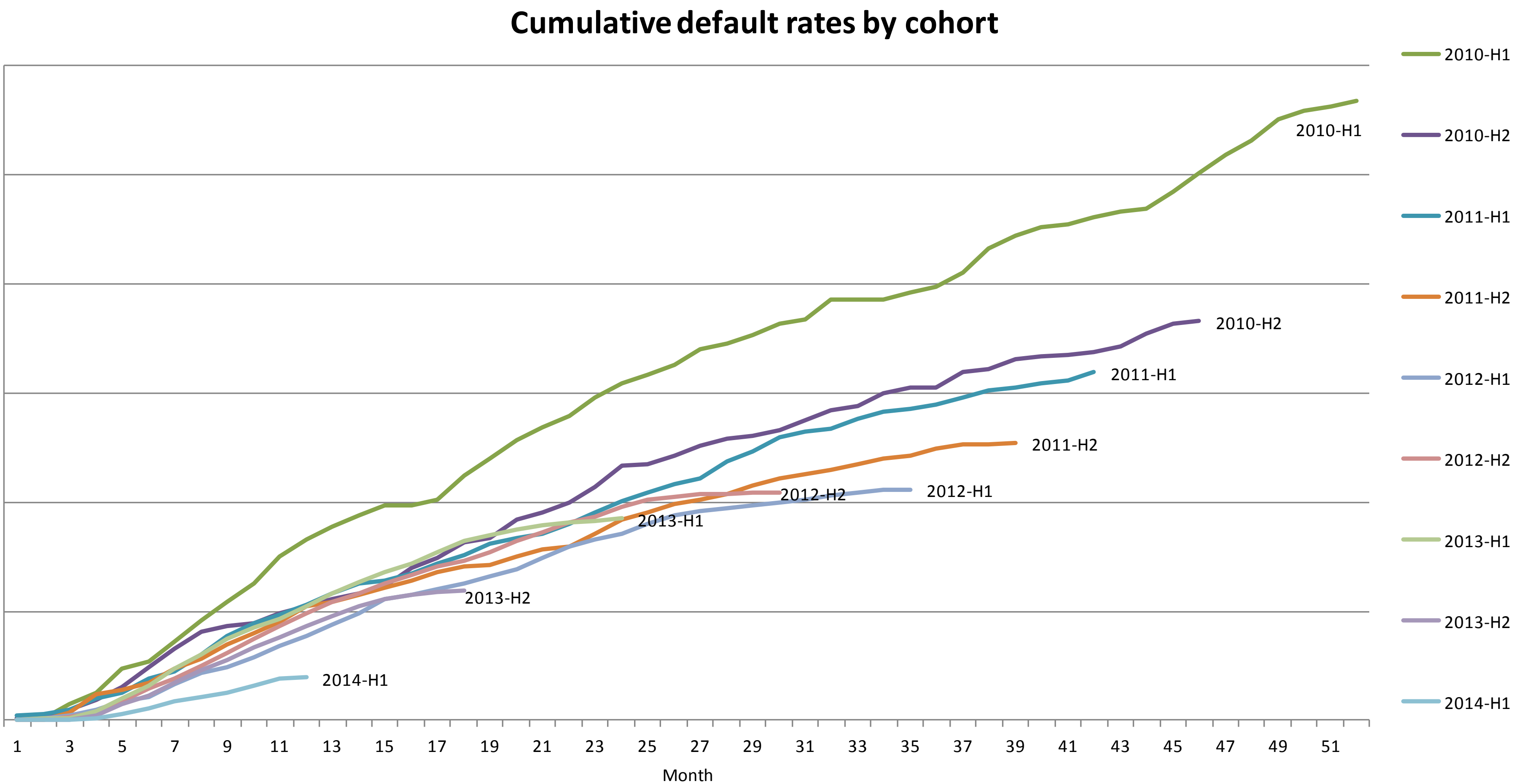
Improving monthly default rates

- Automated underwriting introduced in April 2010
- Credit scoring changed from being informative to the basis of underwriting
- Bespoke scorecard introduced in April 2014
- Industry defaults at historical lows



Moneybarn – Default rates

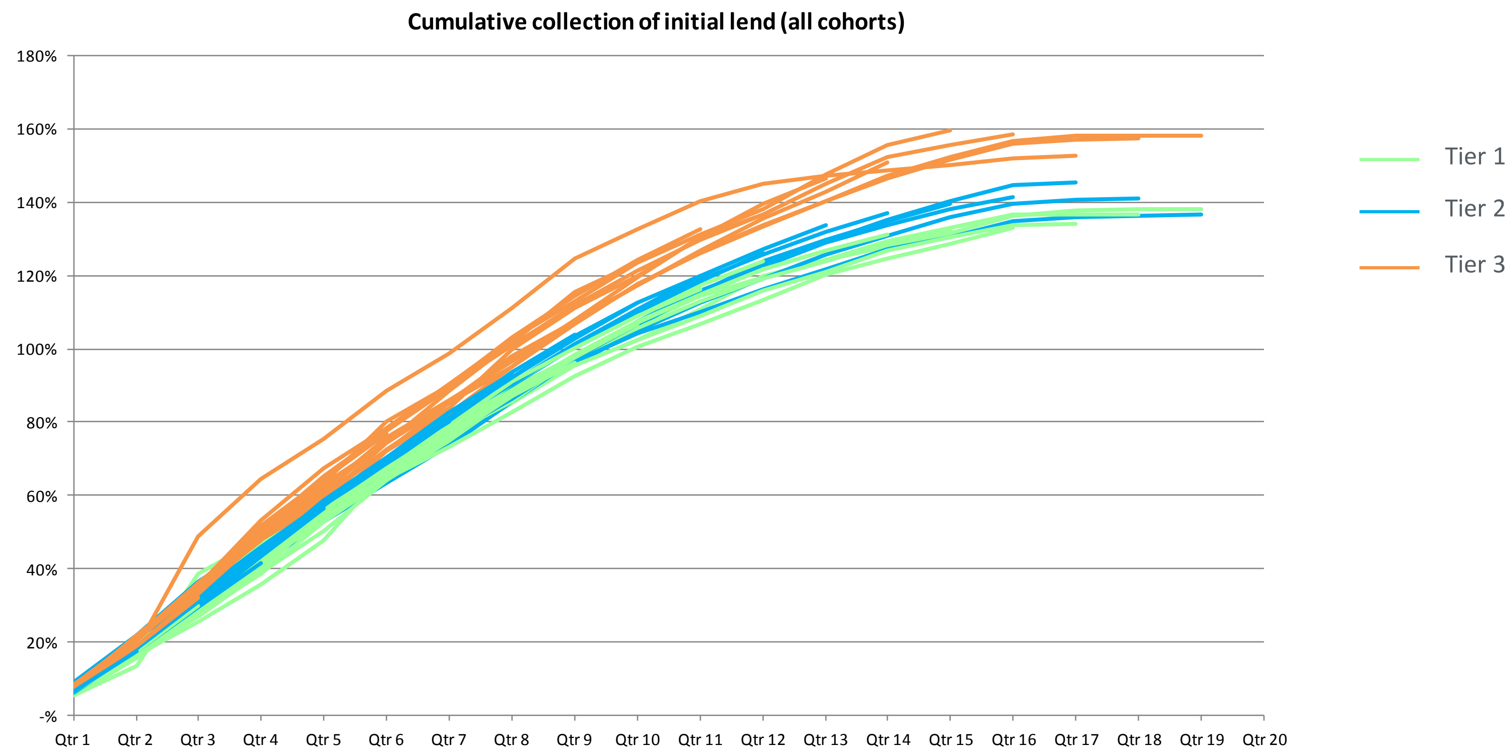
Improving cumulative default rates



Moneybarn – Cash collections

Strong cash collection

- Average APRs across our three risk tiers of 27%, 32%, 45%
- Highly consistent cash recovery rates across all tiers after costs of recovery
- Strength and consistency of underwriting model and risk selection
- ~£1.40 collected for every £1 lent



Moneybarn – Headcount

Investing to support future growth

- Investing in additional headcount to:
  - Support future growth
  - Meet higher regulatory standards under the FCA
  - Bring governance processes in line with those of the rest of the group
- No operational leverage in 2015, but moderate leverage anticipated from 2016 onwards

Moneybarn headcount	Dec-13 Actual	Aug-14 Actual	Dec-14 Actual	Dec-15 Forecast
New business	19	18	21	27
Customer services	13	19	25	35
Recoveries	24	27	28	35
Complaints and compliance	2	4	5	8
Support	22	22	28	44
Total	**80**	**90**	**107**	**149**

Moneybarn – Medium-term potential

Well positioned to deliver strong medium-term growth

- Customer numbers to grow from 22,000 to c.30,000 in 2015:
  - No operational leverage due to investment in the cost base
- Medium-term potential of £300m to £400m receivables:
  - Receivables of c.£150m at end of 2014
  - Operational leverage from 2016 onwards
- Assessment based on:
  - Unchanged underwriting standards
  - Maintaining minimum target returns
  - No significant change in the competitive or macroeconomic environment
  - Developing product proposition but no significant ‘hope’ value for Vanquis Bank cross sell or B2C

Moneybarn

Summary and conclusion

- ✓ High returns
- ✓ Market leadership
- ✓ Sustainable
- ✓ Growth potential
- ✓ Strong management and cultural fit

Vanquis Bank

Michael Lenora – Managing Director

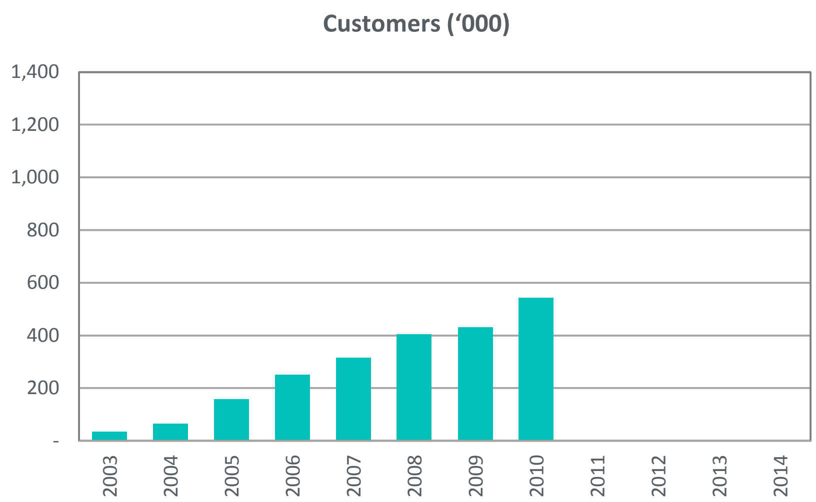
Bob van Breda – Finance Director

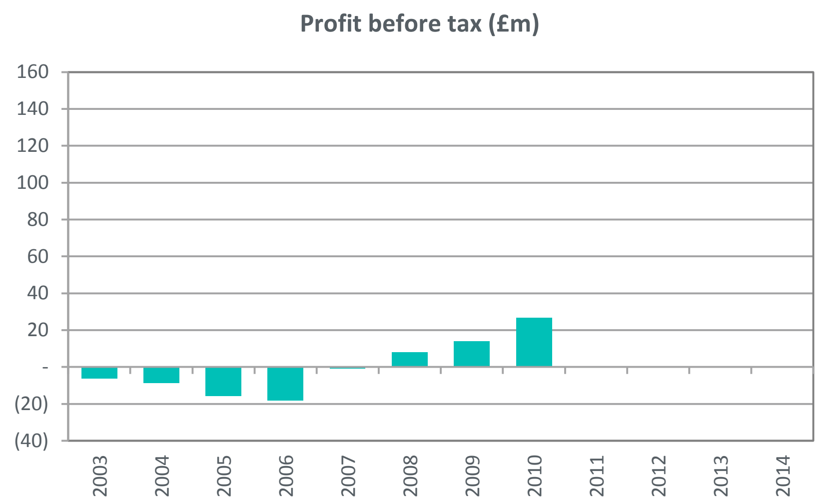
Vanquis Bank
Today's agenda

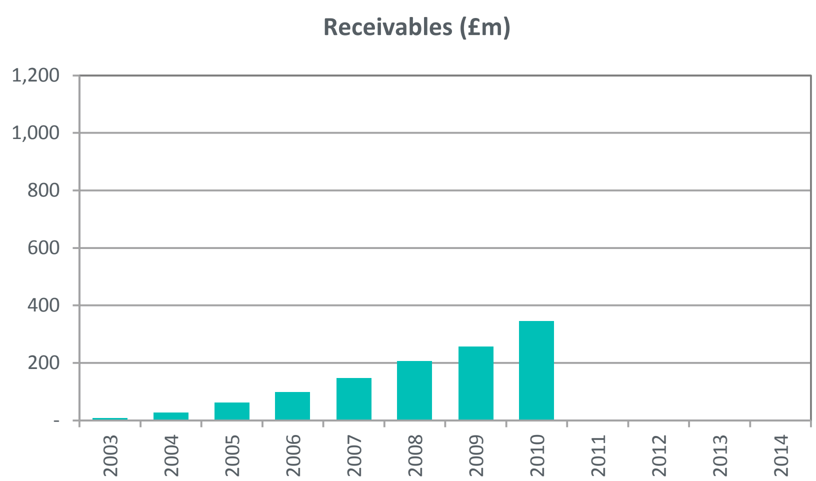
1. **High returns** – Vanquis Bank has consistently delivered against strategic targets
2. **Market leadership** – The business has developed its market and is the leading provider of cards to the underserved non-standard market
3. **Sustainable** – We are focused on the customer and our model has inherent stability
4. **Growth potential** – Predictable, consistent performance provides confidence in revised targets
5. **Strong management** – Stable management with depth a core strength and well placed to continue to deliver

Vanquis Bank – High returns

Lets look back when we met in 2011……..the business was gaining momentum

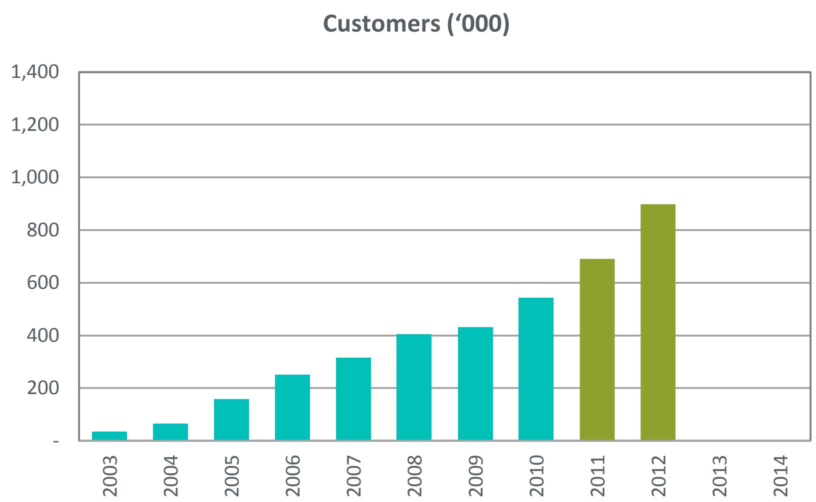


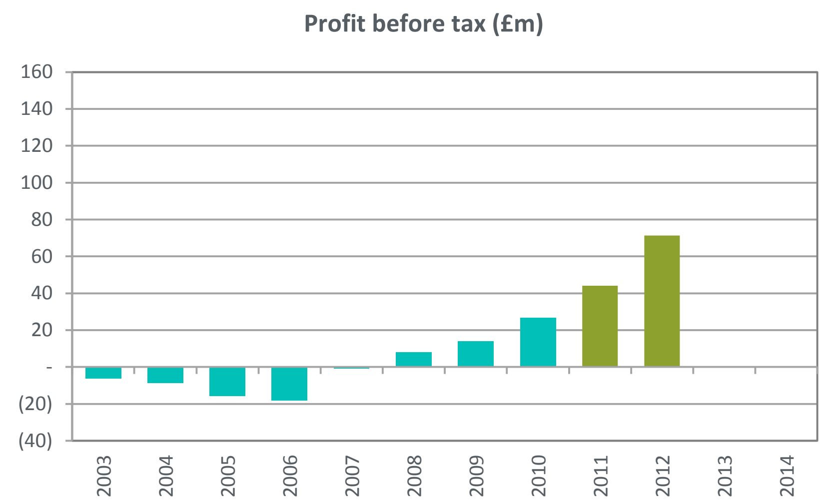


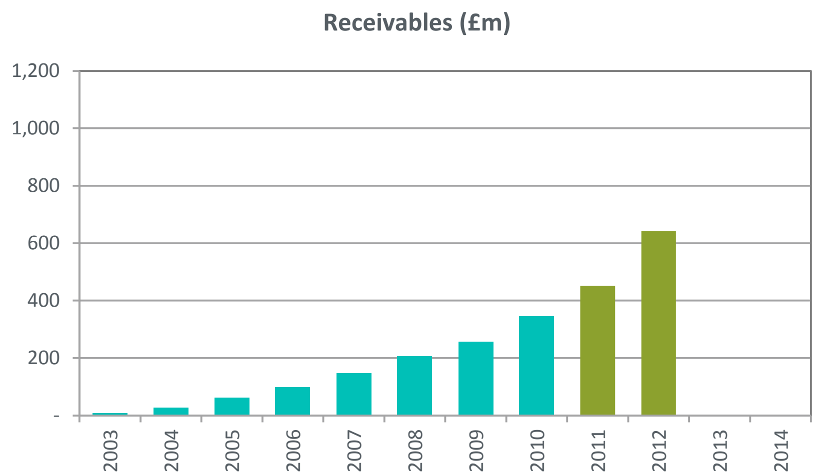


Vanquis Bank – High returns

And the progress when we met towards the end of 2013.......

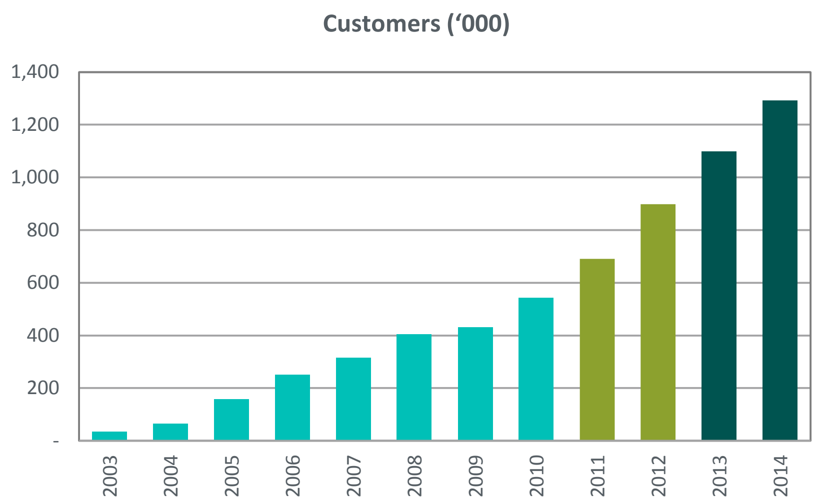


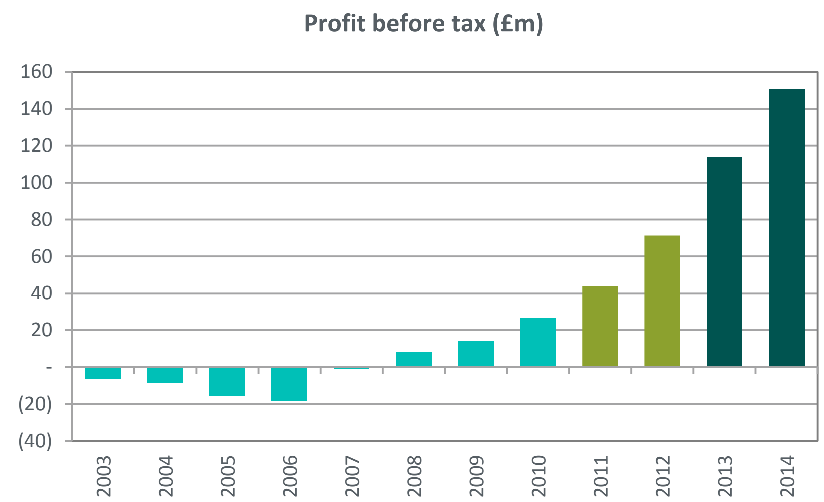


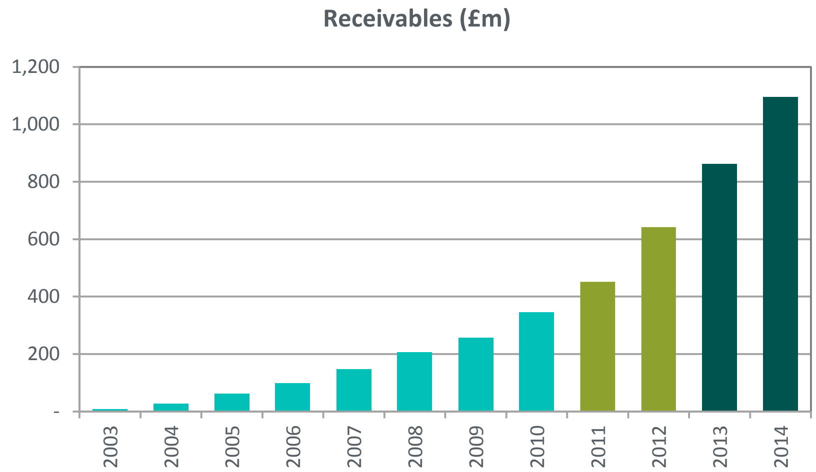


Vanquis Bank – High returns

Now up to date……….having passed through 1.3 million accounts and £1bn receivables







Vanquis Bank – Market leadership

We have led the development of the underserved non-standard credit card market, providing a key service to the financially excluded

- 62% of customers have no other cards at acquisition
- For c.30% it is their first ever card
- Customers are typically in their late 30's/early 40's

Demographics	Prime issuer	Vanquis Bank
Employment status	Employed	Employed
Annual income	£25k+ p.a.	£15-30k p.a.
Residential status	Owner/mortgaged	Tenant (75%)
Use of other credit cards	High	Low
Use of other borrowings	Medium	Very low

Usage	Prime issuer	Vanquis Bank
Credit line	£5,000+	£1,300
Line utilisation	25%	70%+
Typical APR	15-20%	39.9%
Primary purpose of card	Transactor/Revolver	Revolver

- Standard Visa credit card
- 56 days interest free period
- Cash advances: 3%/£3
- Default fees: £12

Vanquis Bank – Market leadership

We operate in a market with few mainstream competitors… but there is competition from specialists

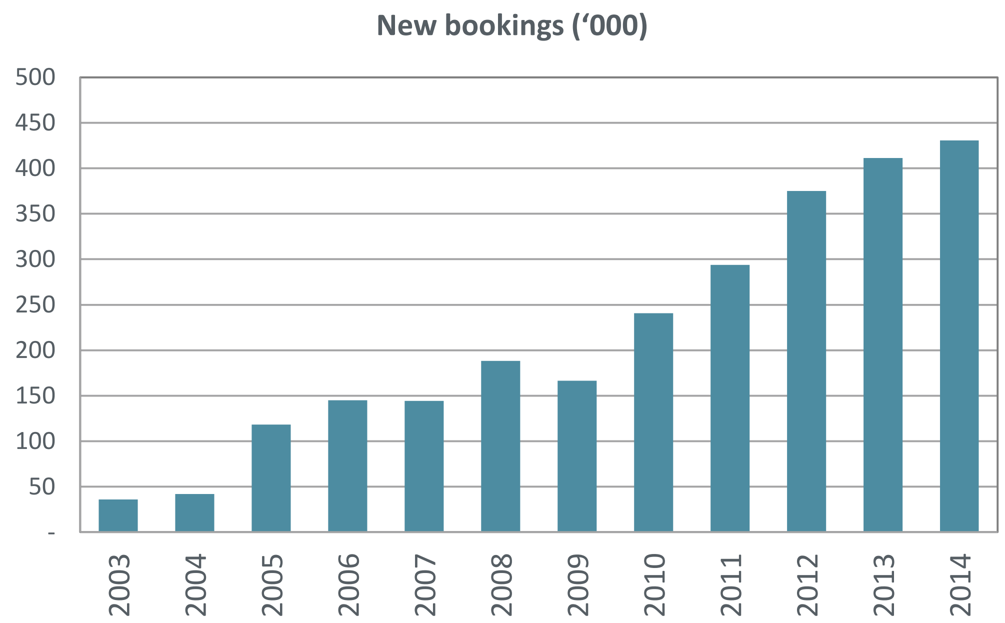
- Main competitors are CapitalOne, Newday (SAV/Aqua) and Barclaycard
- Minimal overlap with payday lending

Vanquis Bank – Market leadership

Internet and direct mail provided the foundations and are still major channels to market for new account acquisition

Vanquis Bank – Market leadership

We have successfully grown by diversifying acquisition channels beyond the traditional direct mail and introducing propositions



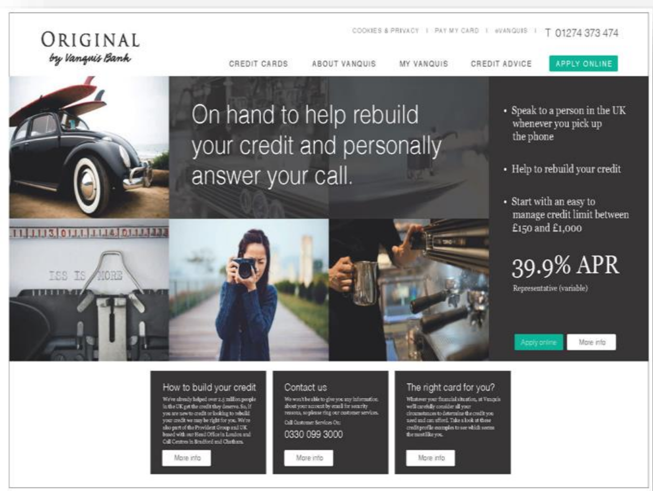
Vanquis Bank – Market leadership

We continue to develop new channels to market

- Face to face
- Point of sale finance
- Door drops

Vanquis Bank – Market leadership

Our strategy has been to supplement core proposition with new brands........and price points



Vanquis Bank – Market leadership

And is also based on focus and expertise

- Focus on our target non standard market
- Bespoke underwriting with 12 years of data and experience
- World class collections capability (now servicing the group)
- Lack of legacy and complexity
- MI a core competency

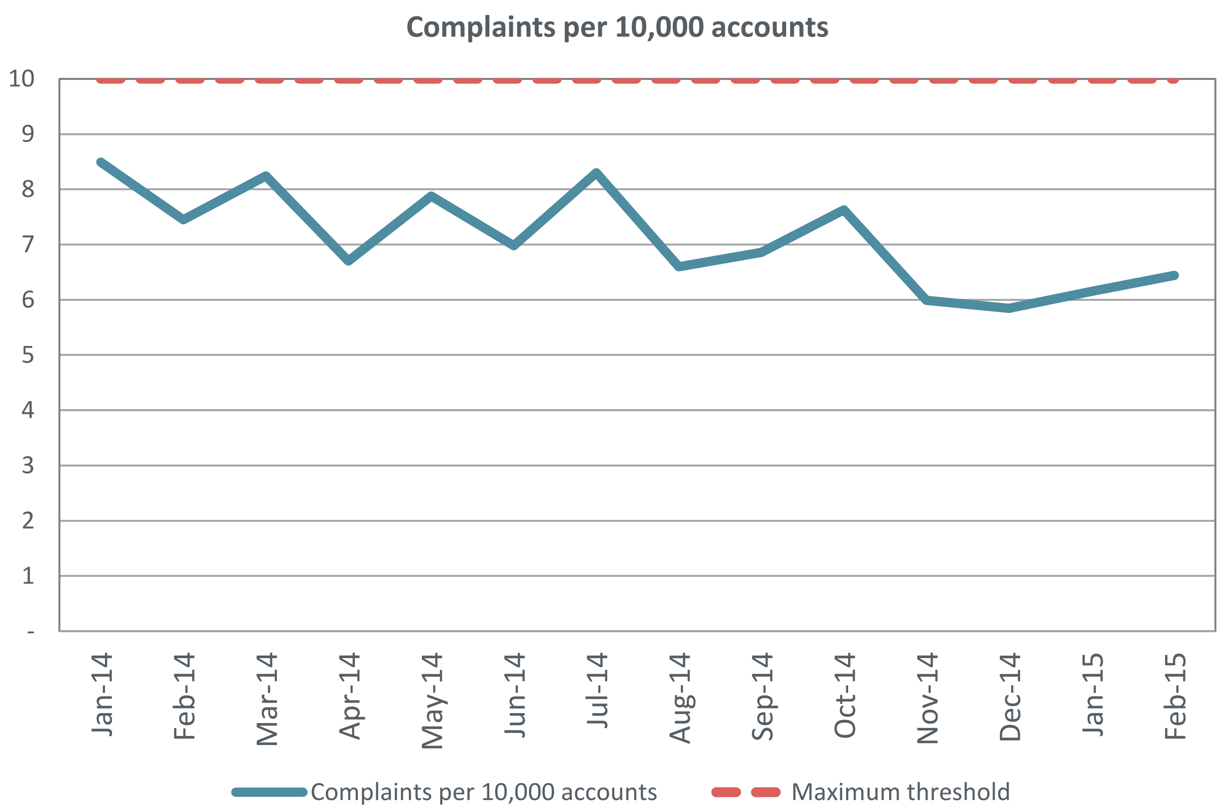
Vanquis Bank – Sustainability

Our focus on the customers is evidenced by senior management attending customer focus groups to meet customers face to face and understand their needs

- Output from customer focus groups informs:
  - Marketing and product development
  - Conduct risk management

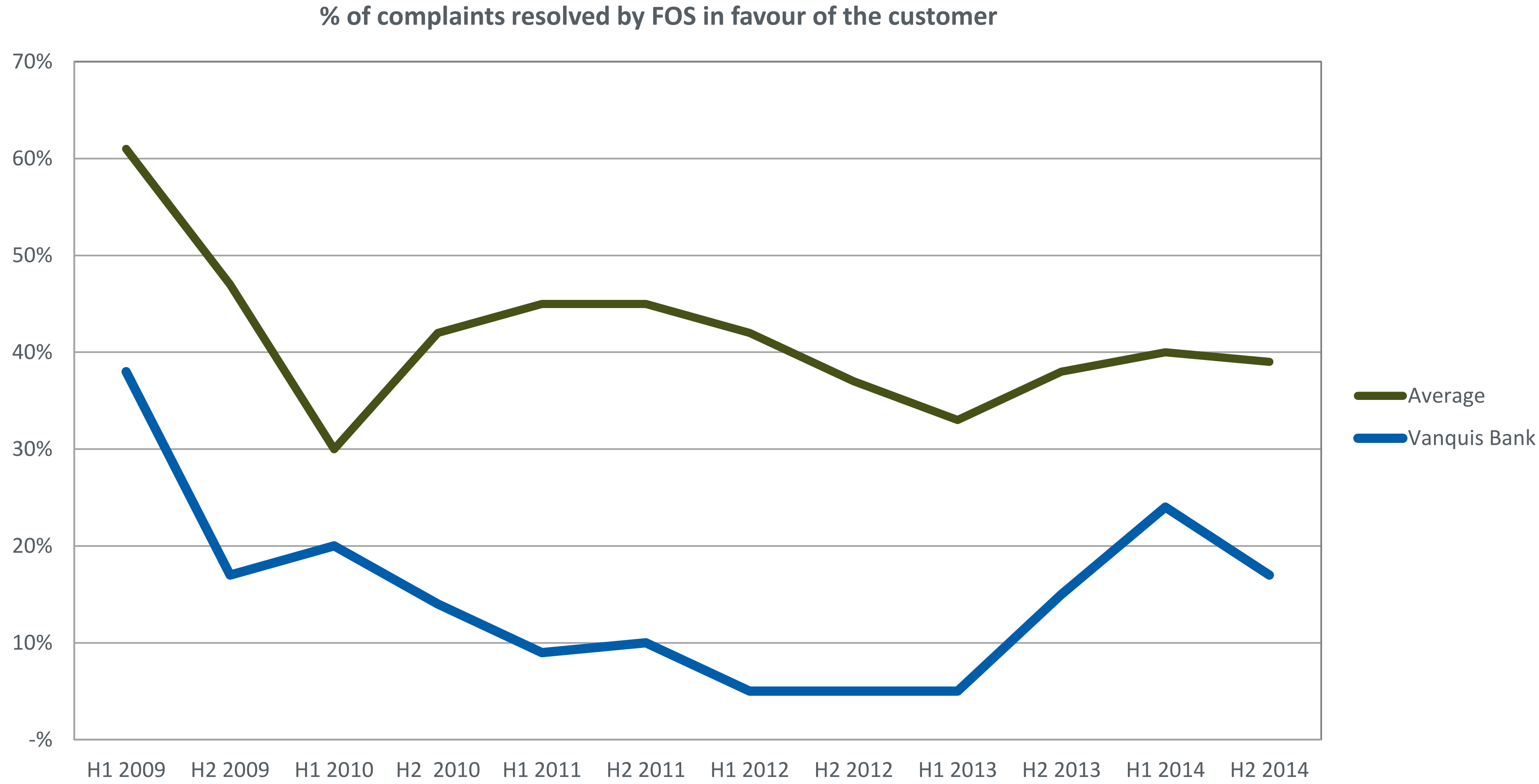
Vanquis Bank – Sustainability

Our low internal complaint metrics reflect this focus.....



Vanquis Bank – Sustainability

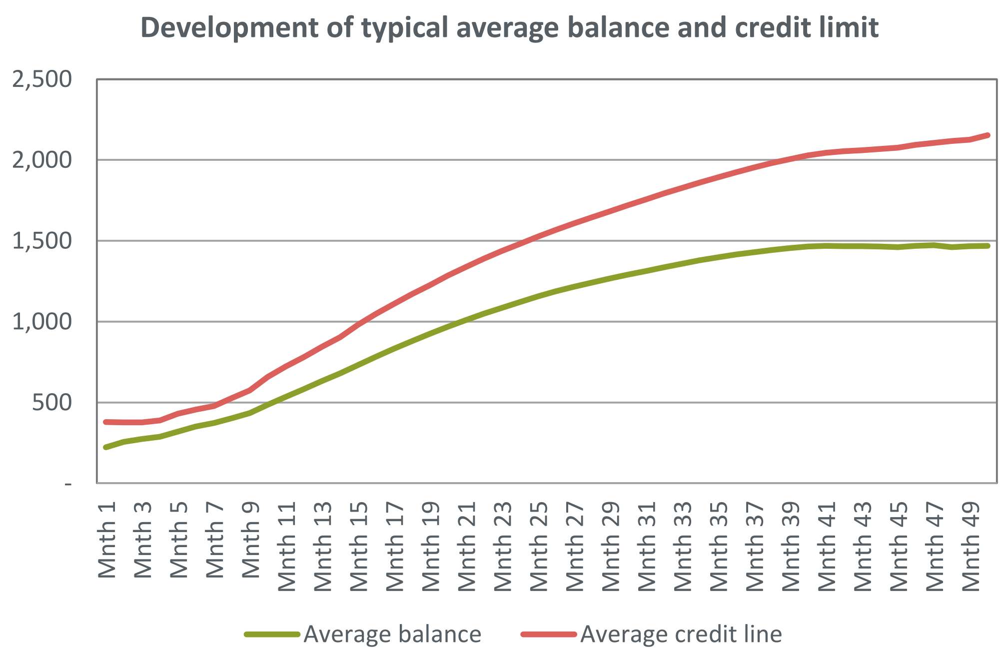
...but is best demonstrated by the independent FOS analysis of resolution found in favour of the customer – Vanquis Bank is consistently the lowest in the industry



Vanquis Bank – Sustainability

We focus on our customers needs by providing affordable credit whilst also minimising business risk

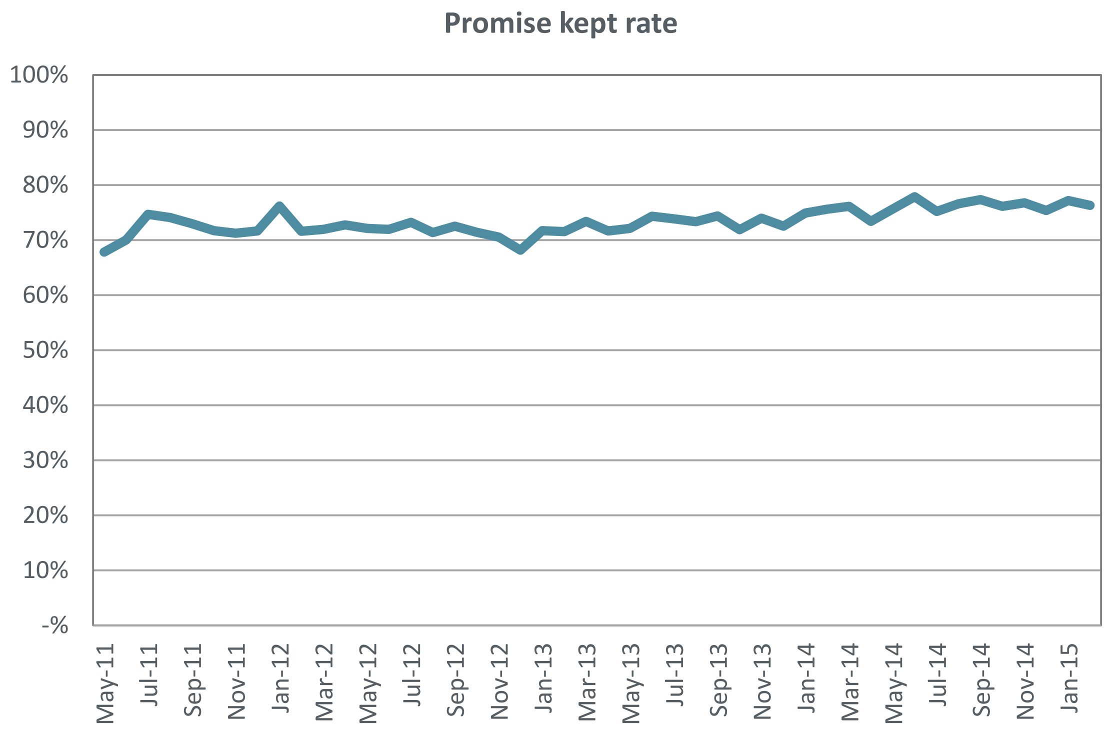
- ‘Low and grow’ (typical initial lines £250-£500)
- Line growth requires renewed underwriting at each step
- Lines capped at £3,500
- High utilisation minimises contingent risk



Vanquis Bank – Sustainability

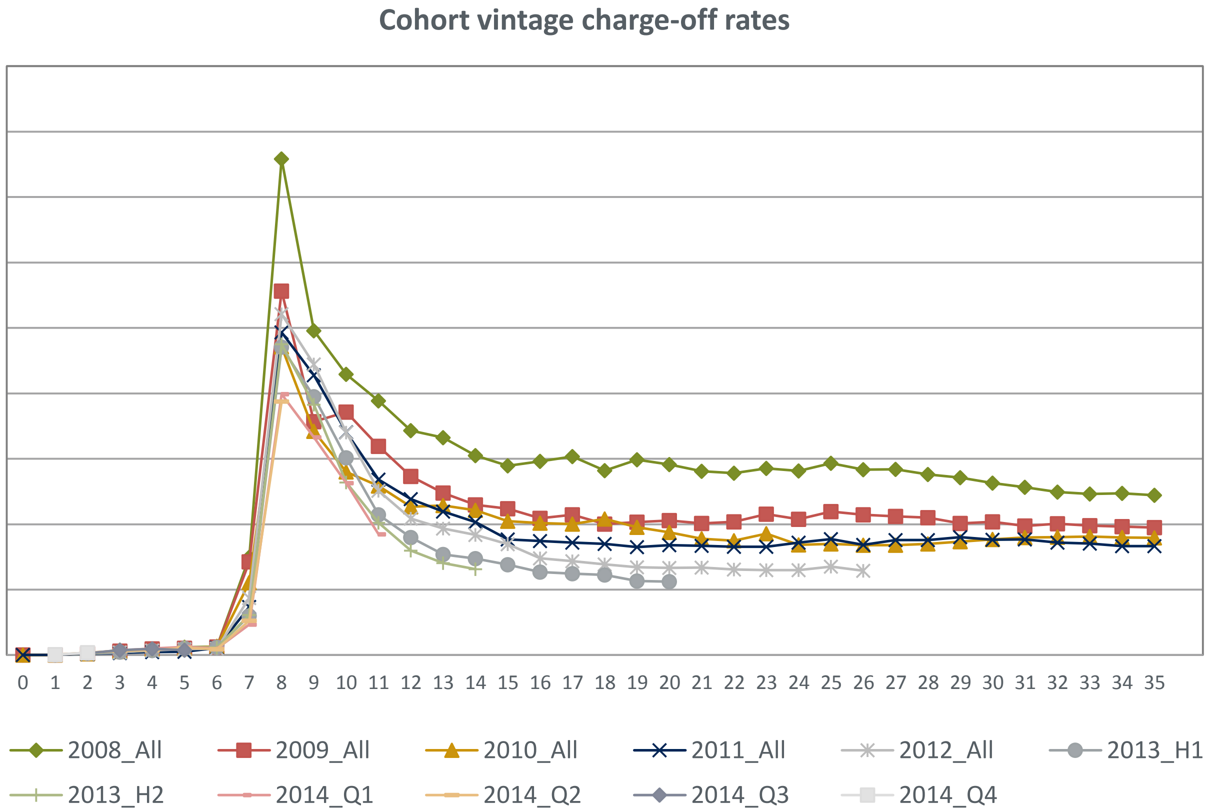
Emphasis is placed on ensuring collections engagement is tailored to customers circumstances

- Focus on realistic and appropriate forbearance
- Excellent enterprise-wide data management maintains high quality contact
- Outcome produces good promise kept rates which benchmark well to the industry



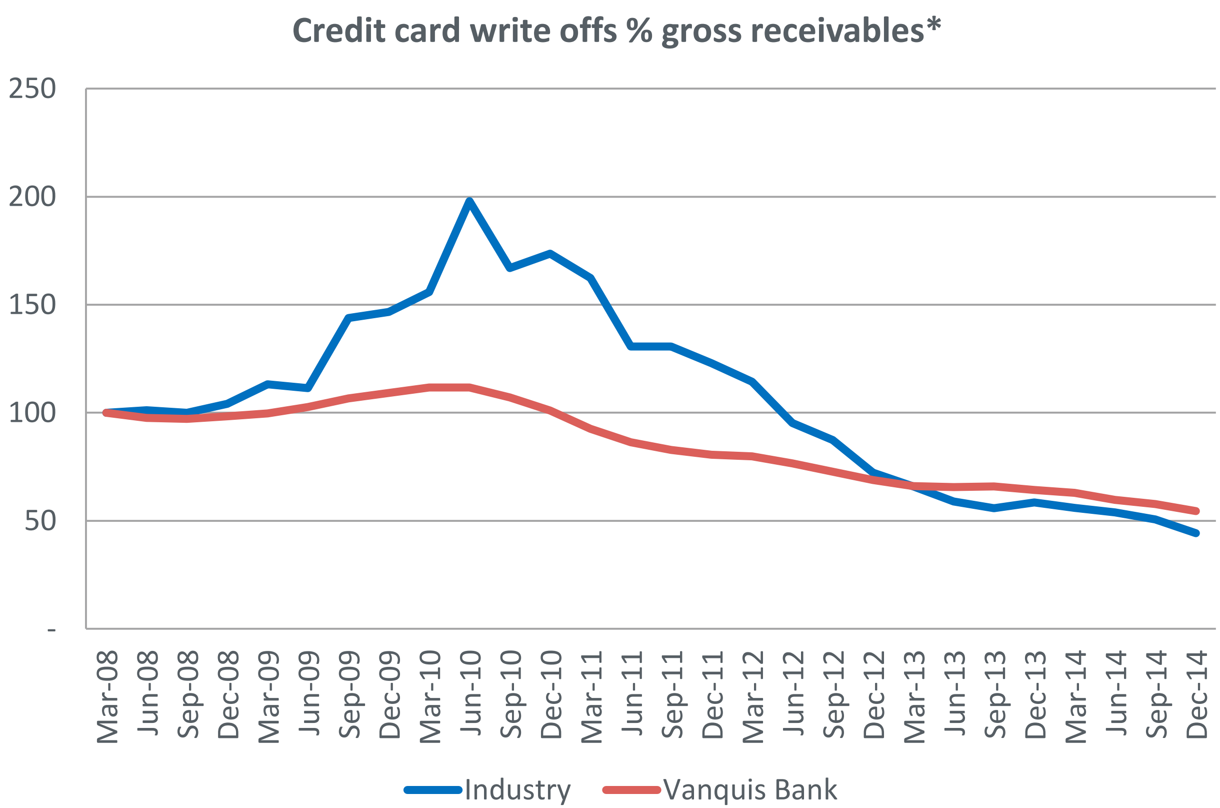
Vanquis Bank – Sustainability

The 'low and grow' model, credit and collections expertise has continued to produce improved impairment performance



Vanquis Bank – Sustainability

The business model has been shown to be inherently robust in a downturn and less volatile than mainstream credit providers

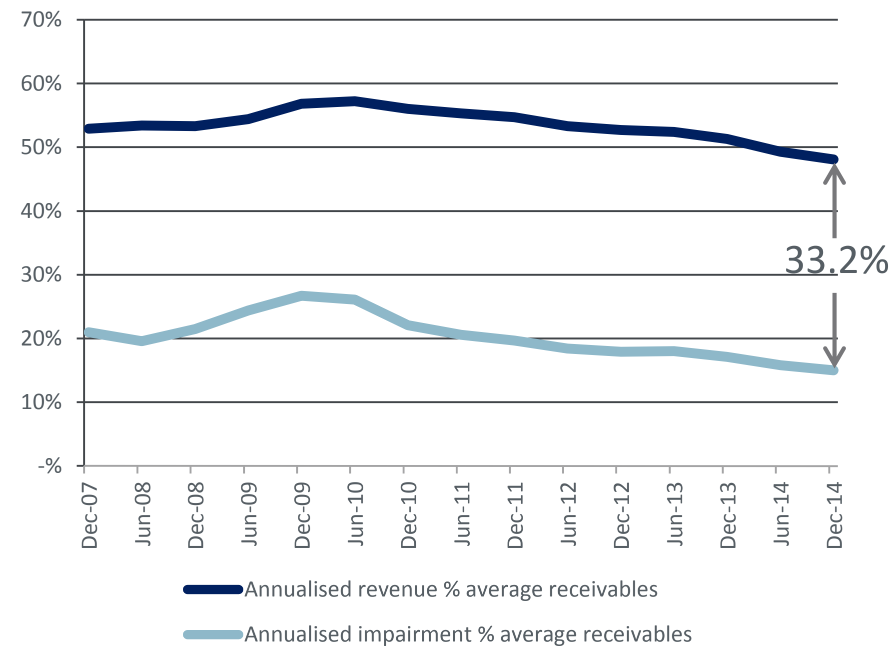


*Indexed to 100 March 2008

Vanquis Bank – Sustainability

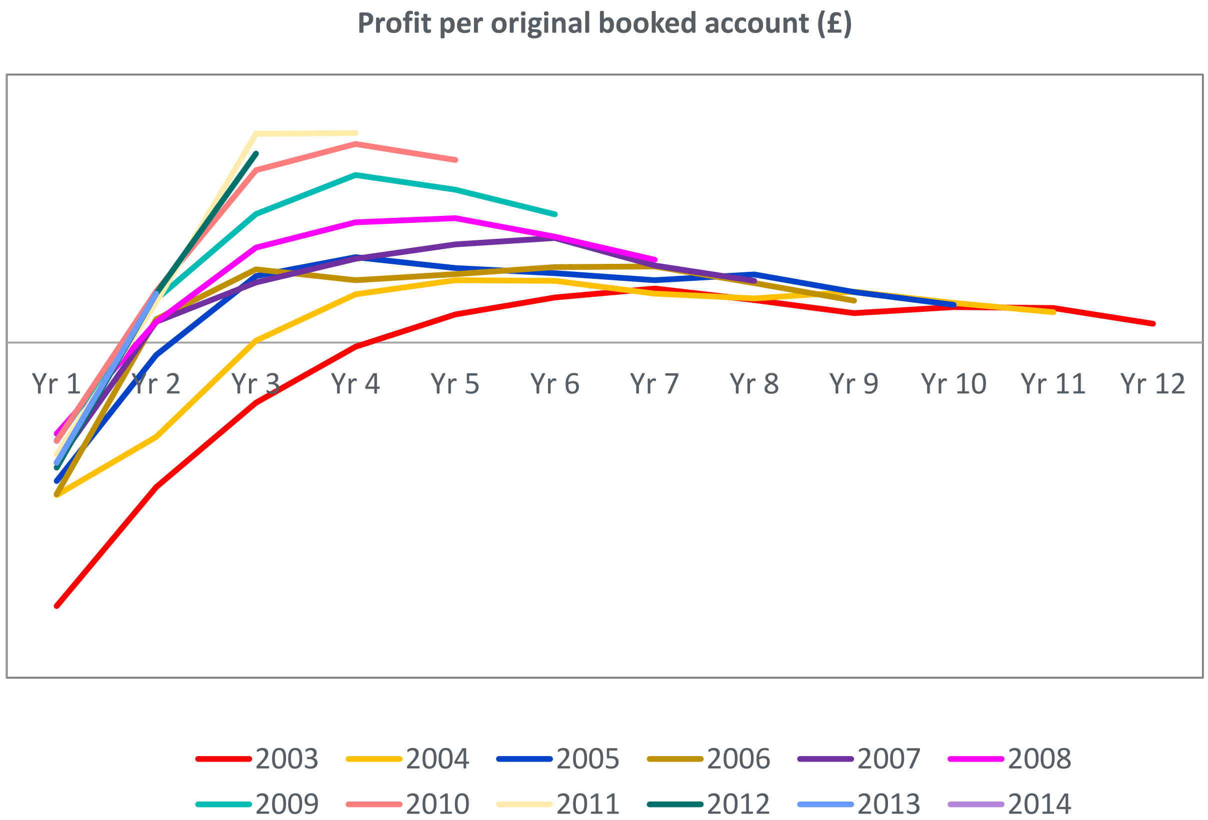
Stable risk-adjusted margin (RAM)

- Business model supports stability of RAM:
  - 'Low and grow' strategy
  - High credit line utilisation minimises volatility of credit losses
- RAM above 30% minimum target:
  - Consistently tight credit standards
  - Stable UK, and more recently improving, employment market
- Recent moderation reflects changes to ROP product in mid-2013
- Expected to remain above 30% target in medium term:
  - After allowing for full impact of changes to ROP
  - After changes to interchange fees following Visa agreement with European Commission



Vanquis Bank – Sustainability

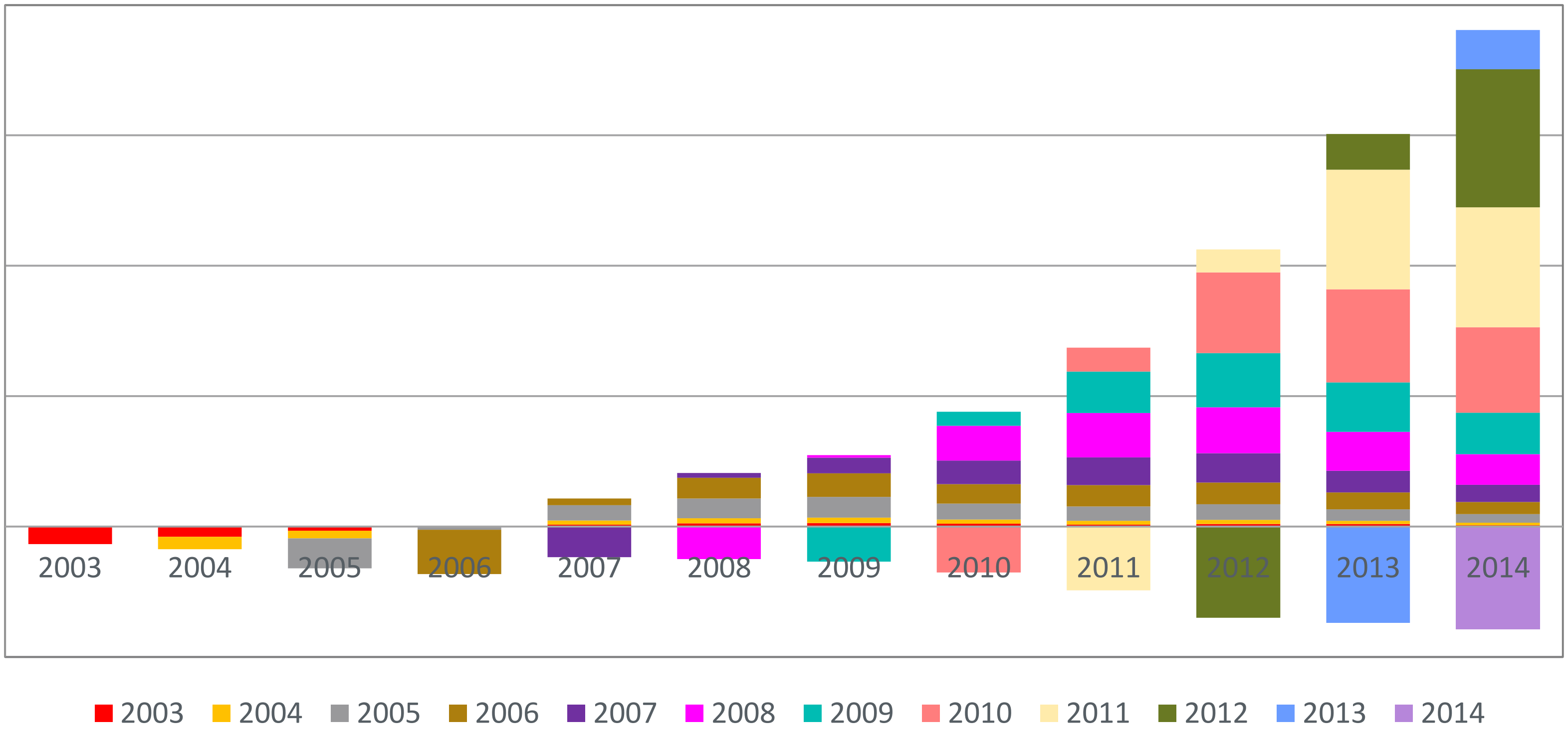
In combination, the robust 'low and grow' model, customer focus and expertise has produced improved cohort profitability…



Vanquis Bank – Sustainability

.......and cohorts with long tails creating a sustainable profit stream

Profit by cohort (£m)

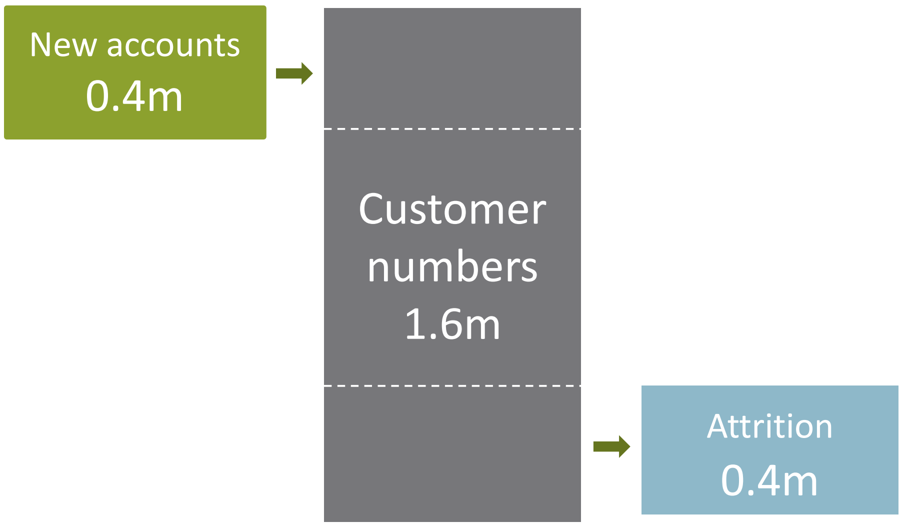


Vanquis Bank – Growth potential

Customer account targets have recently been revised to between 1.5m to 1.8m customers

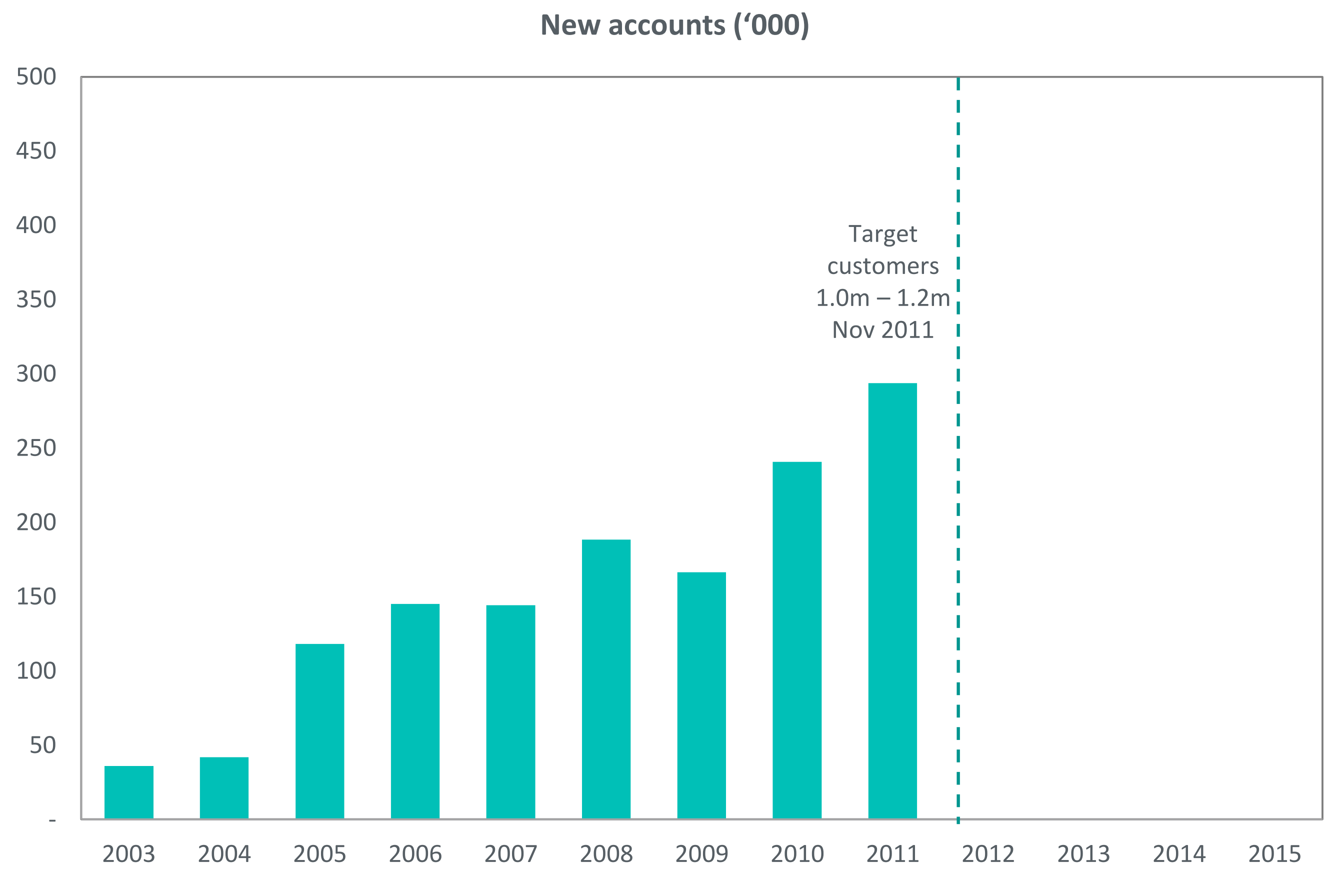
- Based on a new account profile broadly at current levels
- Assumes unchanged underwriting, economic conditions and competition
- Business forecasts are underpinned by complex models but straightforward calculations apply:
  - Average account life of c.4 years x new bookings = total accounts in steady state; or
  - Calculated by the steady state achieved with attrition at c.25% (20% involuntary/5% voluntary)

EXAMPLE



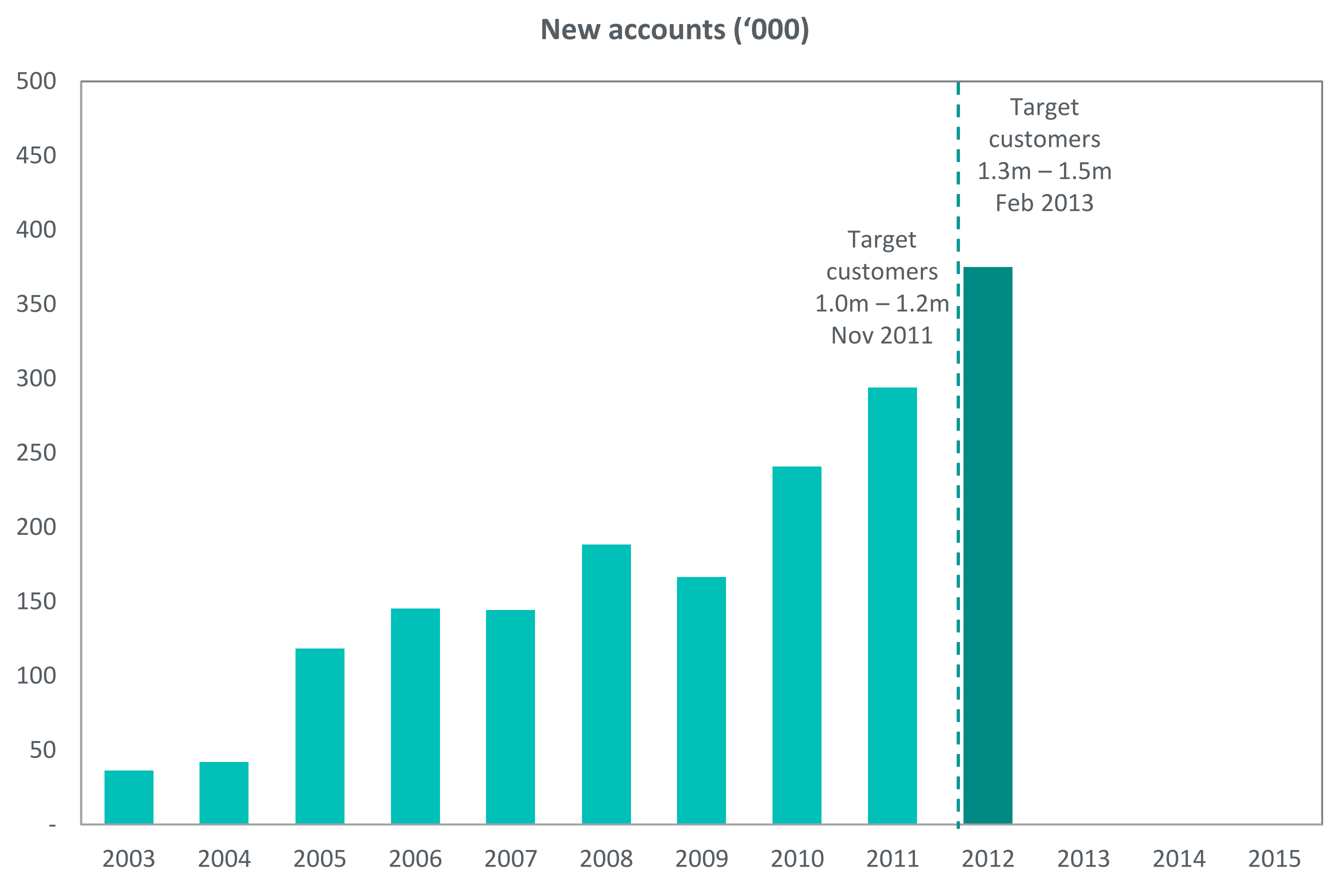
Vanquis Bank – Growth potential

The November 2011 target of between 1.0m to 1.2m customers was based on booking 300,000 new accounts per annum



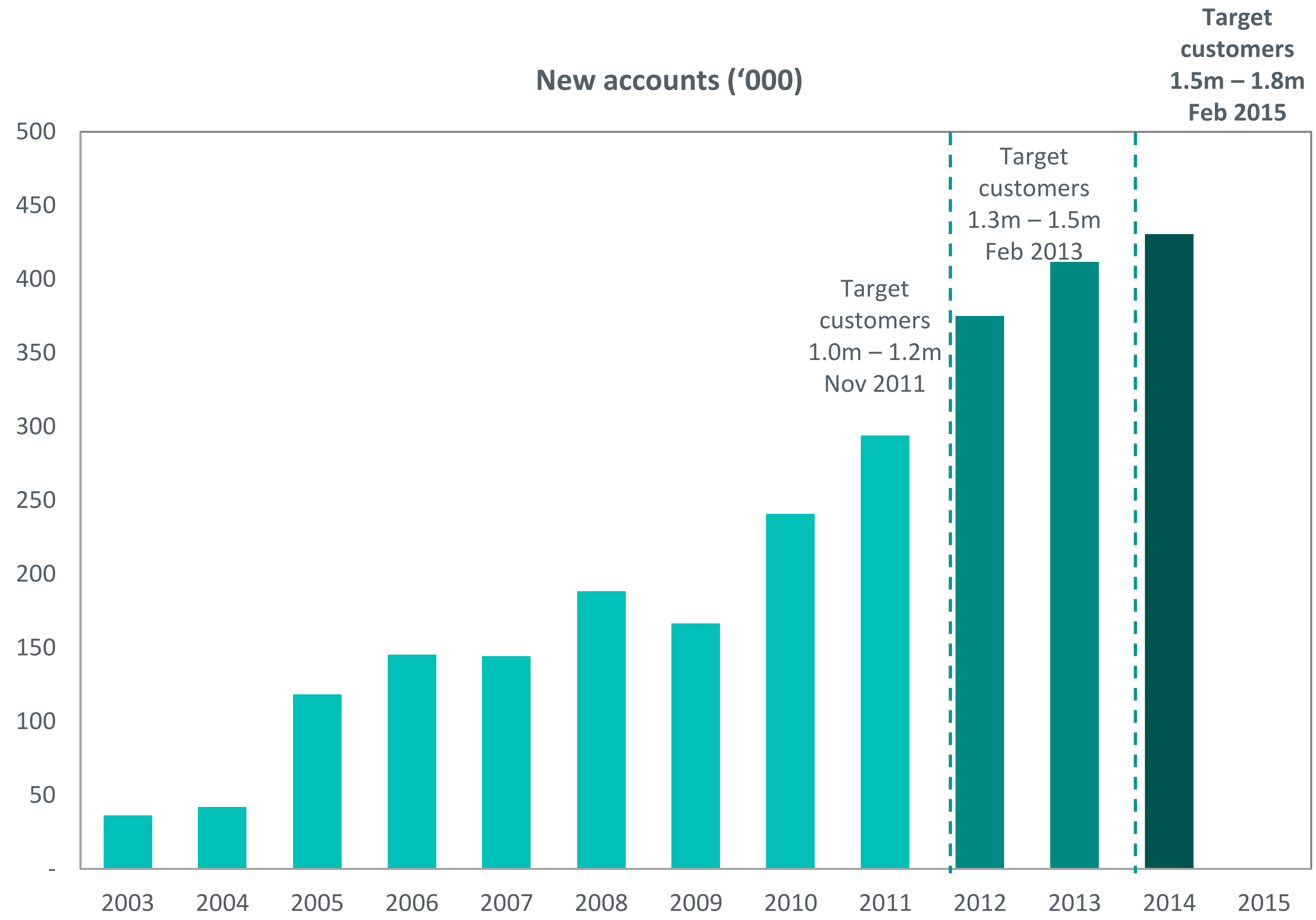
Vanquis Bank – Growth potential

Targets were increased to between 1.3m to 1.5m customers in February 2013 as we became more confident and proved the delivery of new account bookings



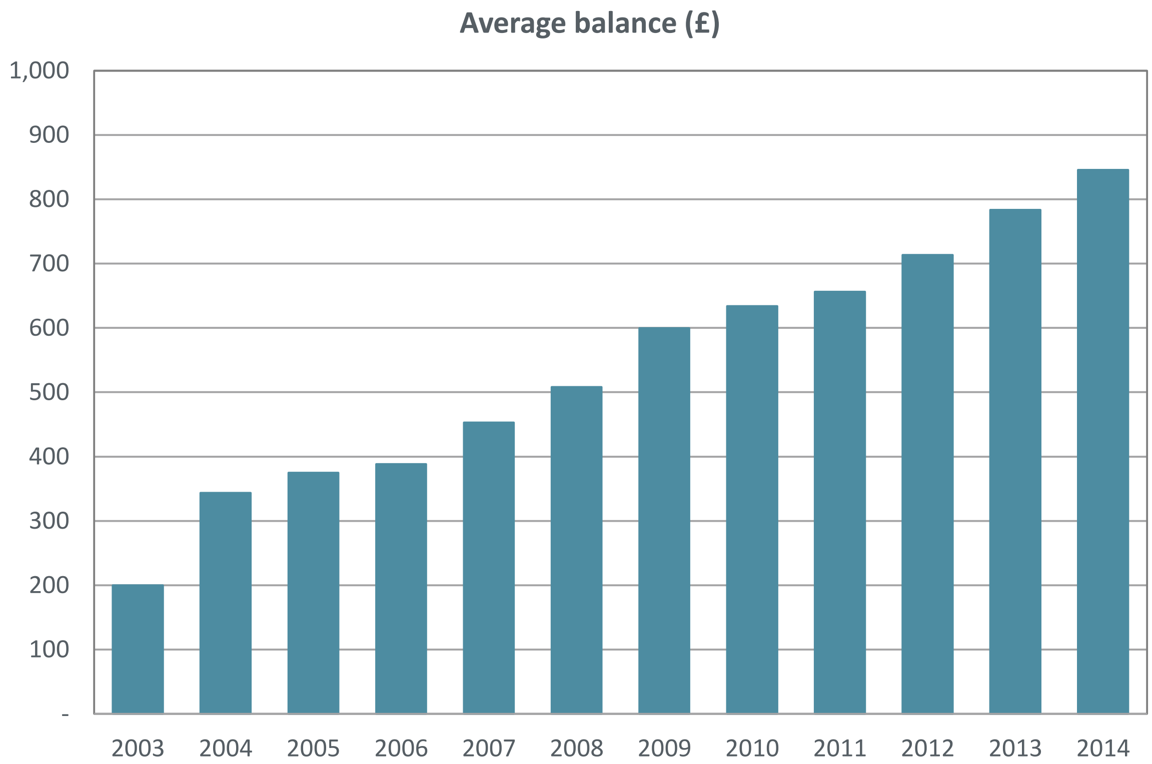
Vanquis Bank – Growth potential

Targets were recently increased to between 1.5m to 1.8m customers based on sustainably booking 400,000 new accounts per annum



Vanquis Bank – Growth potential

Average balance guidance now at £1,000 which is at the top of the previously quoted £800 to £1,000 range



Vanquis Bank – Strong management

Management has a depth of expertise in this market and a proven track record

Executive Committee

Michael Lenora
Managing Director

Carole Jones
Legal Director

David Underwood
IT & Operations Director

Michael Hutko
Commercial Director

Robert van Breda
Finance Director

Vanquis Bank – Strong management

...........depth has been developed below executive level

Strategic Management

Michael Lenora
Managing Director

Executive Committee

Kyle Augustin	James Appleby	Tom Owens	Chris Daniels	Sion O'Connor	Paul Johnson
IT & Change Director	Head of Credit Operations	Credit Director	Business Development Director	Marketing Director	Head of UK & Divisional Finance



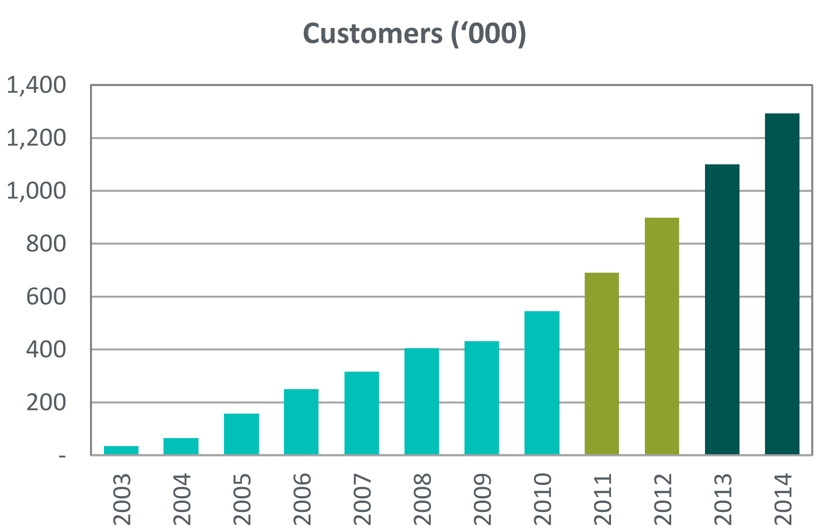


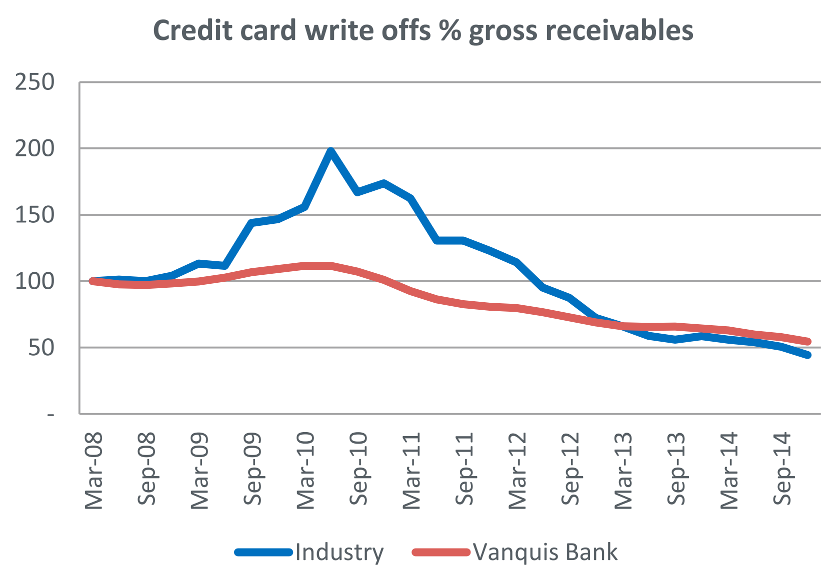

- Individual biographies are included within the Biographies appendix

Vanquis Bank – Conclusion

Continued strong growth

- ✓ **High returns** – Vanquis Bank has consistently delivered against strategic targets
- ✓ **Market leadership** – The business has developed its market and is the leading provider of cards to the underserved non-standard market
- ✓ **Sustainable** – We are focused on the customer and our model has inherent stability
- ✓ **Growth potential** – Predictable, consistent performance provides confidence in revised targets
- ✓ **Strong management** – Stable management with depth a core strength and well placed to continue to deliver





Target = 1.5m to 1.8m customers with an average balance of approximately £1,000

Conclusion

Peter Crook – Chief Executive

PFG – Strong growth potential

High return businesses with attractive growth potential

		Product	Growth potential
	VANQUIS BANK	Credit cards	**1.5m to 1.8m customers with an average balance of £1,000**
CCD	Provident EST. 1880 The loan that comes to you	Home credit	High returns business with large market share but limited growth potential
CCD	Satsuma™ loans.co.uk	Online loans	**£300m+ receivables in the medium term**
CCD	glo THE GUARANTOR LOAN OPTION	Guarantor loans	**£300m+ receivables in the medium term**
CCD		Other unsecured lending	**£300m+ receivables in the medium term**
	moneybarn credit you can trust	Vehicle finance	**£300m to £400m receivables in the medium term**

Investment case

The group is well placed to continue to deliver excellent returns to shareholders

- Leaders in non-standard credit will be larger, well managed lenders with sustainable business models
- We have a good mix of businesses which deliver attractive growth and returns over the medium term and exhibit low volatility through the economic cycle
- Strong track record of growing businesses organically
- Significant competitive advantage in the areas of technology, marketing, underwriting and collections
- Highly skilled and experienced management teams
- Tougher regulation and transition to the FCA is causing dislocation which provides new opportunities for responsible lending businesses
- We have a robust balance sheet and prudent funding
- We generate sufficient capital to support planned growth and business development without compromising our progressive dividend policy

APPENDIX – Biographies

Investor & Analyst Event

16 April 2015

Appendix – Biographies

Consumer Credit Division

Mark Stevens, Managing Director
Mark holds an MBA from Stanford University Business School, CA and a MA in Economics from Cambridge University.

Mark's early career was as Analyst, Associate and then Partner at Mercer Management Consulting before becoming a Principal of the Leveraged Buy-Out Group at Apax Partners in 1999. In 2003 he joined Bradford & Bingley plc as Managing Director, Group Strategy, M&A and Communications before being appointed to the plc Board in 2007 as Group Sales Director.

After time as Chief Executive of Yorkshire Cancer Research and Director of Strategy at Leeds Building Society, Mark joined Provident in 2012 as CCD's Commercial Director and subsequently became Managing Director in September 2013. He is responsible for defining and implementing CCD's strategy and driving CCD's performance across the balanced scorecard.

Hemant Patel, New Markets Director
Hemant has a BSc Physics & Astrophysics from Manchester University and is FCMA and ACMA qualified. He has also completed the Programme for Leadership Development, Harvard Business School.

Hemant's early career was spent at SC Johnson (Inc) (1995-6) and Lex Vehicle Leasing (1992-5). He subsequently joined Mars (Inc) where he held a number of senior finance management roles. In 2003, Hemant joined Asda Stores, holding a variety of positions including Retail Finance Director (2008-11), Director of Private Label (a commercial marketing role) (2011-13), Director of Strategy (2013) before becoming Commercial Finance Director (2014).

Hemant joined Provident in December 2014 as CCD's New Markets Director responsible for leading new business start ups, including Satsuma and glo.

Appendix – Biographies

Moneybarn

Peter Minter, Managing Director
Peter qualified as a Civil Engineer and completed an MBA at INSEAD in 1985. He has over twenty years' experience in vehicle finance and leasing and was the Chairman of the Motor Finance Division of the Finance and Leasing Association (FLA).

Peter joined Moneybarn in 2002 and has led the business for over 13 years, guiding it through the credit crunch to a period of unprecedented growth. He is responsible for the strategic direction of Moneybarn and directing that strategy towards the profitable operation and growth and of the business.

Shamus Hodgson, Commercial Director
An experienced sales, commercial and customer management professional, Shamus has 20 years' experience with blue chip organisations such as IBM, Manpower and Aviva.

Since joining Moneybarn in 2008, Shamus has led the redevelopment of the Moneybarn growth and customer management strategies. As Commercial Director he is responsible for marketing, partnership relations, customer acquisition, and in-life customer management.

Simon Law, Finance Director
Simon is a chartered accountant, and began his career with KPMG. He is experienced at raising finance, managing transactions and shareholder relationships in the financial services sector. After 5 years with the London Stock Exchange and subsequently the FSA, Simon spent a decade in the investment banking industry as a financial services specialist.

Simon joined Moneybarn in 2012 and is responsible for financial reporting and overall financial control.

Appendix – Biographies
Vanquis Bank

Michael Lenora, Managing Director
Michael holds an MBA from the University of Chicago and a Masters in Applied Economics from Leuven University in Belgium. From 1980 to 2004, he held a number of senior marketing and administrative positions including Head of International Operations at Associates Corporation and Commercial Director at Barclaycard International. In 2006, he also established the London office of Auriemma Consulting.

In addition, Michael spent many years on the Visa USA Marketing committee and more recently founded Hatua, a charity that educates children from the slums of Nairobi.

Michael joined Vanquis Bank in June 2007 as Managing Director.

Bob van Breda, Finance Director
Bob graduated in Economics and is a Chartered Banker and Management Accountant.

Between 1990 and 1998 he held a number of positions at NatWest including Corporate Banking and Group Finance roles. He joined Providian in 2001 becoming Head of Finance.

In 2002, Bob joined Vanquis Bank as Head of Finance before becoming Finance Director and a member of the Vanquis Bank Board in 2004. During his time at Vanquis Bank he has also been responsible for the IT and Audit functions.

Appendix – Biographies

Vanquis Bank – Strategic management

Kyle Augustin, IT & Change Director

- Joined Vanquis Bank in 2014
- Specialises in cyber security, project delivery and innovation and has 18 years of technology experience within financial services
- Graduated in Business Studies

James Appleby, Head of Credit Operations

- Joined Vanquis Bank in 2008
- Expert in collections operations and previously spent 10 years at Barclaycard in various roles including running the existing customer portfolio and working on a credit card start up
- Graduated with a MSc in Information Management

Tom Owens, Credit Director

- Joined Vanquis Bank in 2013
- Previously spent 12 years at Barclays and has 14 years of experience within financial services in credit/financial risk roles
- Graduated with a MA in Management

Appendix – Biographies

Vanquis Bank – Strategic management

Chris Daniels, Business Development Director

- Joined Vanquis Bank in 2008
- Previously worked for Barclaycard and has 12 years financial services experience, predominantly within credit risk
- Graduated with a BSc in Economics

Sion O'Connor, Marketing Director

- Joined Vanquis Bank in 2009
- Previously worked for Home Service, Capital One, British Airways, GE Capital and John Lewis, in various countries
- Graduated with an MBA, specialising in customer value segment marketing

Paul Johnson, Head of UK & Divisional Finance

- Joined Vanquis Bank in 2013
- Previously spent 15 years at Citi within various senior finance roles including UK Consumer CFO (Citi and Egg)
- Qualified Accountant with over 20 years banking and finance experience

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