

Prospectus dated 21 March 2014



International Personal Finance plc

(incorporated with limited liability in England and Wales with registered number 06018973)

unconditionally and irrevocably guaranteed by:

IPF Holdings Limited

(incorporated with limited liability in England and Wales with registered number 01525242)

International Personal Finance Investments Limited

(incorporated with limited liability in England and Wales with registered number 00961088)

IPF International Limited

(incorporated with limited liability in England and Wales with registered number 00753518)

EUR 1,000,000,000

Euro Medium Term Note Programme

Arranger for the Programme

CITIGROUP

Dealers

**CITIGROUP, HSBC, NUMIS SECURITIES, UNICREDIT BANK,
CANACCORD GENUITY AND SANTANDER GLOBAL BANKING & MARKETS**

IMPORTANT NOTICES

AN INVESTMENT IN THE NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS. PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION HEADED “RISK FACTORS” IN THIS PROSPECTUS.

About this document

This document (the “**Prospectus**”) constitutes a base prospectus prepared in accordance with the Prospectus Rules of the United Kingdom Financial Conduct Authority. Under the Euro Medium Term Note Programme described in this Prospectus (the “**Programme**”), International Personal Finance plc (the “**Issuer**” or “**IPF**”) may from time to time issue notes denominated in any currency (the “**Notes**”) which will be unconditionally and irrevocably guaranteed on a joint and several basis by each of IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited (each a “**Guarantor**”, together the “**Guarantors**” and their respective guarantee in respect of the Notes, the “**Guarantee**”). The Issuer and its subsidiaries (including the Guarantors) taken as a whole are referred to in this Prospectus as the “**Group**”. The aggregate nominal amount of Notes outstanding will not at any time exceed EUR1,000,000,000.

This Prospectus is valid for one year and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. This Prospectus contains important information about IPF, the Group and the terms of the Programme. This Prospectus also describes the risks relevant to IPF and its business and risks relating to an investment in the Notes generally. The specific terms of each series or tranche of Notes to be issued under the Programme will be specified in the final terms issued by the Issuer and published via a Regulatory Information Service (the “**Final Terms**”). An Investor should read and understand fully the contents of this Prospectus and any applicable Final Terms before making any investment decisions relating to any Notes issued under this Prospectus.

Responsibility for the information contained in this Prospectus

The Issuer and the Guarantors accept responsibility for the information contained in this Prospectus and, in relation to each Tranche

of Notes, for the information contained in the applicable Final Terms for such Tranche of Notes. To the best of the knowledge of the Issuer and the Guarantors (each having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Use of defined terms in this Prospectus

Certain terms, words or phrases in this Prospectus are defined in double quotation marks, and subsequent references to that term are designated with initial capital letters. See also the section “*Index of Defined Terms*” in this Prospectus.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “sterling” and “£” are to the currency of the United Kingdom (and references to “£m” are to millions of pounds sterling) and references to “€”, “EUR” and “euro” are to the single currency of those Member States participating in the third stage of European economic and monetary union from time to time.

Credit Rating Agency Regulation notice

The Issuer has been given a long-term issuer default rating of BB+ and a short-term issuer default rating of B by Fitch Ratings Ltd. The Programme has been rated BB+ by Fitch Ratings Ltd. Fitch Ratings Ltd is established in the EU and is registered as a credit rating agency under Regulation (EC) No. 1060/2009 (the “**CRA Regulation**”). Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme and the applicable rating will be specified in the relevant Final Terms. Whether a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency

established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

“BB” ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments. The modifier “+” is appended to a rating to denote relative status within the major rating category.

Information incorporated by reference in this Prospectus

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*” section).

The Notes to be issued under the Programme are not protected by the Financial Services Compensation Scheme

The Notes to be issued under the Programme are not protected by the Financial Services Compensation Scheme (the “**FSCS**”). As a result, neither the FSCS nor anyone else will pay compensation to an Investor upon the failure of the Issuer, the Guarantors or the Group as a whole.

No offer of Notes

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors or the Dealers to subscribe for, or purchase, any Notes.

Questions relating to this Prospectus and the Notes to be issued under the Programme

See the section starting on the following page entitled “*How do I use this Prospectus?*” If an Investor has any questions regarding the content of this Prospectus, any Final Terms and/or any Notes or the actions they should take, they should seek advice from their independent financial adviser, tax adviser or other professional adviser before making any investment decision.

HOW DO I USE THIS PROSPECTUS?

An Investor should read and understand fully the contents of this Prospectus and the relevant Final Terms before making any investment decisions relating to any Notes. This Prospectus contains important information about the Issuer, the Guarantors, the Group, the terms of the Notes and the terms of the Guarantee; as well as describing certain risks relevant to the Issuer, the Guarantors, the Group and their businesses and also other risks relating to an investment in the Notes generally. An overview of the various sections comprising this Prospectus is set out below:

The “**SUMMARY**” section sets out in tabular format standard information which is arranged under standard headings and which the Issuer is required, for regulatory reasons, to include in a prospectus summary for a base prospectus of this type. This section also provides the form of the “issue specific summary” information, which will be completed and attached to Final Terms relating to any Notes which are to be offered under the Programme.

The “**RISK FACTORS**” section describes the principal risks and uncertainties which may affect the Issuer’s and/or Guarantors’ respective abilities to fulfil their obligations under the Notes and/or the Guarantee, as the case may be.

The “**INFORMATION ABOUT THE PROGRAMME**” section provides an overview of the Programme in order to assist the reader. This is a good place to start for the most basic information about how the Programme works and how Notes are issued.

The “**BUSINESS DESCRIPTION OF INTERNATIONAL PERSONAL FINANCE PLC AND THE GROUP**” section describes certain information relating to the Issuer and its group structure, as well as the business that the Group conducts.

The “**BUSINESS DESCRIPTION OF THE GUARANTORS**” section briefly sets out information relating to the Guarantors under the Programme.

The “**REGULATORY INFORMATION**” section contains information on the regulatory framework within which the Group currently operates, together with details of any regulatory investigations and proceedings and/or litigation in connection with the Group’s business.

The “**DOCUMENTS INCORPORATED BY REFERENCE**” section contains a description of the information that is deemed to be incorporated by reference into this Prospectus (rather than being set out in the body of the Prospectus).

The “**SUBSCRIPTION AND SALE**” section contains a description of the material provisions of the Dealer Agreement, which includes the selling restrictions applicable to any Notes that may be issued under the Programme.

The “**TAXATION**” section provides a brief outline of certain United Kingdom taxation implications regarding any Notes that may be issued under the Programme.

The “**IMPORTANT LEGAL INFORMATION**” section contains some important legal information regarding the basis on which this Prospectus may be used, forward-looking statements and other important matters.

The “**TERMS AND CONDITIONS OF THE NOTES**” section sets out the terms and conditions which apply to any Notes that may be issued under the Programme. The relevant Final Terms relating to any offer of Notes will complete the terms and conditions of the Notes.

The “**SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**” section briefly sets out certain information relating to the clearing systems and settlement of securities in CREST and is a summary of certain parts of those provisions of the Global Notes which apply to the Notes while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the terms and conditions of the Notes as set out in this Prospectus.

The “**FORM OF FINAL TERMS**” section sets out the respective forms of Final Terms that the Issuer will publish if it offers any Notes under the Programme. Any such completed Final Terms will detail the relevant information applicable to each respective offer, adjusted to be relevant only to the specific Notes being offered.

The “**GENERAL INFORMATION**” section sets out further information on the Issuer, the Guarantors and the Programme which the Issuer is required to include under applicable rules. These include the availability of certain relevant documents for inspection, confirmations from the Issuer and details relating to application for listing and application for admission to trading on the London Stock Exchange plc.

The “**INDEX OF DEFINED TERMS**” section provides an explanation of technical terms used in this Prospectus.

A “**TABLE OF CONTENTS**” section, with corresponding page references, is set out on the following page.

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SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities, Issuer and the Guarantors. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities, Issuer and the Guarantors, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warning:		
Element	Disclosure Requirement:	Disclosure
A.1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus (as supplemented at the relevant time, if applicable) as a whole by the Investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in such securities.
A.2		[Not Applicable; the Notes may be offered only in circumstances in which an exemption from the obligation under the Prospectus Directive to publish a prospectus applies in respect of such offer.] [An offer of certain Tranches of Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may be made by the Dealers [and [●]] other than pursuant to Article 3(2) of the Prospectus Directive in [●] (“Public Offer Jurisdictions”) during the period from [●] until [●] (“Offer Period”).] [In respect of this Tranche of Notes, the Issuer and each of the Guarantors consent to the use of this Prospectus in connection with a Public Offer of any relevant Notes during [●] (the “Offer Period”) [in [●] by [●],[●] and [●].] [In respect of this Tranche of Notes, the Issuer and each of the Guarantors consent to the use of this Prospectus in connection with a Public Offer of any relevant Notes during [●] (the “Offer Period”) [in [●] by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive and which satisfies the following conditions: [●]] [or] [by the financial intermediaries, in [●] and subject to [●] for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive.] The Issuer and each of the Guarantors may give consent to additional financial intermediaries after the date of these Final Terms.] An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the “Terms and Conditions of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time such Public Offer is made by the Authorised Offeror to the Investor. None of the Issuer, any of the Guarantors or any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

Section B – Issuer and Guarantors:																																																		
B.1	Legal and commercial name:	The Issuer's legal and commercial name is International Personal Finance plc.																																																
B.2	Domicile, Legal Form, Country of Incorporation and Legislation under which the Issuer Operates:	The Issuer is a public limited company incorporated and registered in England and Wales on 5 December 2006 under the Companies Act 1985 as a company limited by shares with registered number 6018973.																																																
B.4b	Known Trends Affecting the Issuer and its Industry:	The companies in the Issuer's corporate Group operate in the international home credit market, which tends to be affected by various changes and fluctuations. These include fluctuations in the cost of obtaining capital, changes in political, economic and financial market conditions, fluctuations in interest and currency exchange rates and changes in governmental regulations, legislation and industry standards. However, there are no known and specific trends currently affecting the Issuer or the industry in which it operates.																																																
B.5	Group Position:	The Issuer is the ultimate parent in its corporate Group, which is composed of wholly owned subsidiaries of the Issuer. The Issuer's Group operates seven principal overseas subsidiaries in central and eastern Europe and Mexico. The Group's Lithuanian business operates as a branch of the Group's Polish subsidiary. The Group has certain UK subsidiaries which provide business services, financial support or debt option facilities to fellow subsidiary undertakings.																																																
B.9	Profit Forecasts:	Not applicable. No profit forecast or estimate made.																																																
B.10	Description of any Qualifications in the Audit Report on the Historical Financial Information:	Not applicable. The audit reports on the Issuer's consolidated historical financial information are not qualified.																																																
B.12	Key Historical Financial Information: Issuer	Issuer Consolidated income statement <table> <tr> <th></th><th><i>Audited Year ended 31 December 2013 £m</i></th><th><i>Audited Year ended 31 December 2012 £m</i></th></tr> <tr> <td>Revenue</td><td>746.8</td><td>651.7</td></tr> <tr> <td>Impairment</td><td>(198.6)</td><td>(176.2)</td></tr> <tr> <td>Revenue less impairment</td><td>548.2</td><td>475.5</td></tr> <tr> <td>Finance costs</td><td>(49.0)</td><td>(41.6)</td></tr> <tr> <td>Other operating costs</td><td>(112.5)</td><td>(100.3)</td></tr> <tr> <td>Administrative expenses</td><td>(268.6)</td><td>(238.5)</td></tr> <tr> <td>Total costs</td><td>(430.1)</td><td>(380.4)</td></tr> <tr> <td>Profit before taxation, exceptional items and fair value adjustments</td><td>118.1</td><td>95.1</td></tr> <tr> <td>Exceptional items</td><td>12.4</td><td>(4.8)</td></tr> <tr> <td>Profit before taxation</td><td>130.5</td><td>90.3</td></tr> <tr> <td>Tax (expense)/income</td><td></td><td></td></tr> <tr> <td>– UK</td><td>1.2</td><td>4.4</td></tr> <tr> <td>– Overseas</td><td>(36.1)</td><td>(20.6)</td></tr> <tr> <td>Total tax expense</td><td>(34.9)</td><td>(16.2)</td></tr> <tr> <td>Profit after taxation attributable to owners of the parent</td><td>95.6</td><td>74.1</td></tr> </table>		<i>Audited Year ended 31 December 2013 £m</i>	<i>Audited Year ended 31 December 2012 £m</i>	Revenue	746.8	651.7	Impairment	(198.6)	(176.2)	Revenue less impairment	548.2	475.5	Finance costs	(49.0)	(41.6)	Other operating costs	(112.5)	(100.3)	Administrative expenses	(268.6)	(238.5)	Total costs	(430.1)	(380.4)	Profit before taxation, exceptional items and fair value adjustments	118.1	95.1	Exceptional items	12.4	(4.8)	Profit before taxation	130.5	90.3	Tax (expense)/income			– UK	1.2	4.4	– Overseas	(36.1)	(20.6)	Total tax expense	(34.9)	(16.2)	Profit after taxation attributable to owners of the parent	95.6	74.1
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Consolidated Balance Sheet		Audited 31 December 2013 £m	Audited 31 December 2012 £m
Assets			
Non-current assets			
Intangible assets	1.8	3.2	
Property, plant and equipment	28.8	28.3	
Deferred tax assets	65.2	57.1	
	<u>95.8</u>	<u>88.6</u>	
Current assets			
Amounts receivable from customers			
– due within one year	739.1	627.2	
– due in more than one year	45.7	23.1	
	<u>784.8</u>	<u>650.3</u>	
Derivative financial instruments	6.5	—	
Cash and cash equivalents	24.6	24.2	
Other receivables	14.4	15.4	
Current tax assets	1.3	2.0	
	<u>831.6</u>	<u>691.9</u>	
Total assets	<u>927.4</u>	<u>780.5</u>	
Liabilities			
Current liabilities			
Borrowings	(14.4)	(16.4)	
Derivative financial instruments	(3.7)	(1.4)	
Trade and other payables	(102.8)	(68.2)	
Current tax liabilities	(25.6)	(21.1)	
	<u>(146.5)</u>	<u>(107.1)</u>	
Non-current liabilities			
Retirement benefit obligation	(0.9)	(3.2)	
Borrowings	(386.1)	(294.4)	
	<u>(387.0)</u>	<u>(297.6)</u>	
Total liabilities	<u>(533.5)</u>	<u>(404.7)</u>	
Net assets	<u>393.9</u>	<u>375.8</u>	
Equity attributable to owners of the parent			
Called-up share capital	24.0	24.9	
Other reserve	(22.5)	(22.5)	
Foreign exchange reserve	9.8	13.7	
Hedging reserve	(0.5)	(0.3)	
Shares held by employee trust	(3.0)	(4.5)	
Capital redemption reserve	1.7	0.8	
Retained earnings	384.4	363.7	
Total equity	<u>393.9</u>	<u>375.8</u>	
Consolidated statement of cash flows			
	Audited Year ended 31 December 2013 £m	Audited Year ended 31 December 2012 £m	
Net cash generated from operating activities	<u>(1.3)</u>	<u>29.2</u>	
Net cash used in investing activities	<u>(13.3)</u>	<u>(8.4)</u>	
Net cash used in financing activities	<u>15.3</u>	<u>(14.9)</u>	
Net increase/(decrease) in cash and cash equivalents	0.7	5.9	
Cash and cash equivalents at the start of the period	24.2	17.9	
Exchange (losses)/gains on cash and cash equivalents	(0.3)	0.4	
Cash and cash equivalents at the end of the period	<u>24.6</u>	<u>24.2</u>	

		Since 31 December 2013, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of the Issuer have been prepared, there has been no material adverse change in the prospects of the Issuer and its controlled entities taken as a whole.
B.13	Description of Recent Events Material to the Issuer's Solvency:	Not applicable. There have been no recent events material to the Issuer's solvency.
B.14	If the Issuer is Dependent upon other Entities Within the Group, this must be Clearly Stated:	As the Issuer is the ultimate holding company of the Group, and the Group's business is conducted through the members of the Group referenced in that Element, the Issuer is, accordingly, dependent upon those members of the Group.
B.15	Issuer's Principal Activities:	The business of the companies in the Issuer's corporate Group is the international provision of home credit. The Group's business involves the provision of small sum unsecured cash loans ranging from approximately £100 to approximately £2,000. The loans are in local currency and, typically, are delivered to the customer's home and the repayments are collected from the customer's home weekly by the group's agents. Loans are short-term and generally range from six months to two years, with the average loan term during 2013 being 54 weeks. For the majority of home collected loans, the total amount repayable on the loan is fixed at the outset and no additional penalty charges or interest as a result of missed payments are subsequently added. This applies regardless of the number of missed payments or changes in interest rates.
B.16	Control of the Issuer:	Not applicable. The Issuer is an entity whose ordinary shares are admitted to trading on the Main Market of the London Stock Exchange and, to the best of the Issuer's knowledge and belief, is not directly or indirectly owned or controlled by any person.
B.17	Credit Ratings Assigned to the Issuer or its Debt Securities at the Request of or in Co-operation with the Issuer:	<i>Programme summary:</i> The Programme has been rated BB+ by Fitch Ratings Ltd. The Issuer has been given a long-term issuer default rating of BB+ and a short-term issuer default rating of B by Fitch Ratings Ltd. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme and the applicable rating will be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. <i>Issue specific summary:</i> [[The Notes to be issued [are not/have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]: Fitch Ratings Limited: [●]
B.18	Guarantee:	The Guarantors have, on a joint and several basis, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and Coupons. Their obligations in that regard are contained in the Trust Deed.
B.19/B.1	Legal and commercial name:	IPF Holdings Limited.

B.19/B.2	Domicile, Legal Form, Country of Incorporation and Legislation under which the Guarantor Operates:	IPF Holdings Limited is a private limited company incorporated and registered in England and Wales on 29 October 1980 under the Companies Act 1948 as a company limited by shares with registered number 01525242.
B.19/B.4b	Known Trends Affecting the Guarantor and its Industry:	The companies in the Issuer's corporate Group operate in the international home credit market, which tends to be affected by various changes and fluctuations. These include fluctuations in the cost of obtaining capital, changes in political, economic and financial market conditions, fluctuations in interest and currency exchange rates and changes in governmental regulations, legislation and industry standards. However, there are no known and specific trends currently affecting IPF Holdings Limited or the industry in which it operates.
B.19/B.5	Group Position:	IPF Holdings Limited is a wholly owned subsidiary of the Issuer and parent company to IPF Financial Services Limited and International Personal Finance Investments Limited.
B.19/B.9	Profit Forecasts:	No profit forecast or estimate is made in relation to IPF Holdings Limited and the audit reports thereon are without qualification.
B.19/B.10	Description of any Qualifications in the Audit Report on the Historical Financial Information:	See paragraph B.10 above. Not applicable. No qualifications were made in the audit reports on the historical financial information of the Issuer (on a consolidated basis).
B.19/B.12	Key Historical Financial Information:	See paragraph B.12 above. Financial data has been extracted without material adjustment from the Issuer's consolidated audited historical financial information for the financial years ended 31 December 2013 and 31 December 2012.
B.19/B.13	Description of Recent Events Material to the Guarantor's Solvency:	Not applicable. There have been no recent events material to IPF Holdings Limited's solvency.
B.19/B.14	If the Guarantor is Dependent upon other Entities Within the Group, this must be Clearly Stated:	As an intermediate holding company, IPF Holdings Limited is dependent on the Issuer for the provision of funding, and upon the business performance of operating subsidiaries.
B.19/B.15	Guarantor Principal Activities:	IPF Holdings Limited's principal business activity is to act as the intermediate holding company of International Personal Finance Investments Limited and IPF Financial Services Limited.
B.19/B.16	Control of the Guarantor:	IPF Holdings Limited is owned and controlled by the Issuer.
B.19/B.17	Credit Ratings:	IPF Holdings Limited is not independently rated. The Programme has been rated BB+ by Fitch Ratings Ltd.
B.19/B.18	Guarantee:	The Guarantors have, on a joint and several basis, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and Coupons. Their obligations in that regard are contained in the Trust Deed.

B.19/B.1	Legal and commercial name:	International Personal Finance Investments Limited.
B.19/B.2	Domicile, Legal Form, Country of Incorporation and Legislation under which the Guarantor Operates:	International Personal Finance Investments Limited is a private limited company incorporated and registered in England and Wales on 28 August 1969 under the Companies Act 1948 as a company listed by shares with registered number 00961088.
B.19/B.4b	Known Trends Affecting the Guarantor and its Industry:	The companies in the Issuer's corporate Group operate in the international home credit market, which tends to be affected by various changes and fluctuations. These include fluctuations in the cost of obtaining capital, changes in political, economic and financial market conditions, fluctuations in interest and currency exchange rates and changes in governmental regulations, legislation and industry standards. However, there are no known and specific trends currently affecting International Personal Finance Investments Limited or the industry in which it operates.
B.19/B.5	Group Position:	International Personal Finance Investments Limited is a wholly owned subsidiary of IPF Holdings Limited and parent company to various operating subsidiaries including IPF International Limited, IPF Financing Limited and IPF Development (2003) Limited.
B.19/B.9	Profit Forecasts	No profit forecast or estimate is made in relation to IPF Holdings Limited and the audit reports thereon are without qualification.
B.19/B.10	Description of any Qualifications in the Audit Report on the Historical Financial Information:	See paragraph B.10 above. Not applicable. No qualifications were made in the audit reports on the historical financial information of the Issuer (on a consolidated basis).
B.19/B.12	Key Historical Financial Information:	See paragraph B.12 above. Financial data has been extracted without material adjustment from the Issuer's consolidated audited historical financial information for the financial years ended 31 December 2013 and 31 December 2012.
B.19/B.13	Description of Recent Events Material to the Guarantor's Solvency:	Not applicable. There have been no recent events material to International Personal Finance Investments Limited's solvency.
B.19/B.14	If the Guarantor is Dependent upon other Entities Within the Group, this must be Clearly Stated:	As an intermediate holding company, International Personal Finance Investments Limited is dependent on the Issuer for the provision of funding, and upon the business performance of operating subsidiaries.
B.19/B.15	Guarantor Principal Activities:	International Personal Finance Investments Limited's principal business activity is to act as an intermediate holding company of certain of the Group's operating subsidiaries.
B.19/B.16	Control of the Guarantor:	International Personal Finance Investments Limited is owned and controlled by IPF Holdings Limited.

B.19/B.17	Credit Ratings:	International Personal Finance Investments Limited is not independently rated. The Programme has been rated BB+ by Fitch Ratings Ltd.
B.19/B.18	Guarantee:	The Guarantors have, on a joint and several basis, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and Coupons. Their obligations in that regard are contained in the Trust Deed.
B.19/B.1	Legal and commercial name:	IPF International Limited.
B.19/B.2	Domicile, Legal Form, Country of Incorporation and Legislation under which the Guarantor Operates:	IPF International Limited is a private limited company incorporated and registered in England and Wales on 14 March 1963 under the Companies Act 1948 as a company limited by shares with registered number 00753518.
B.19/B.4b	Known Trends Affecting the Guarantor and its Industry:	The companies in the Issuer's corporate Group operate in the international home credit market, which tends to be affected by various changes and fluctuations. These include fluctuations in the cost of obtaining capital, changes in political, economic and financial market conditions, fluctuations in interest and currency exchange rates and changes in governmental regulations, legislation and industry standards. However, there are no known and specific trends currently affecting IPF International Limited or the industry in which it operates.
B.19/B.5	Group Position:	IPF International Limited is a wholly owned subsidiary of International Personal Finance Investments Limited.
B.19/B.9	Profit Forecasts:	No profit forecast or estimate is made in relation to IPF International Limited.
B.19/B.10	Description of any Qualifications in the Audit Report on the Historical Financial Information:	See paragraph B.10 above. Not applicable. No qualifications were made in the audit reports on the historical financial information of the Issuer (on a consolidated basis).
B.19/B.12	Key Historical Financial Information:	See paragraph B.12 above. Financial data has been extracted without material adjustment from the Issuer's consolidated audited historical financial information for the financial years ended 31 December 2013 and 31 December 2012.
B.19/B.13	Description of Recent Events Material to the Guarantor's Solvency:	Not applicable. There have been no recent events material to IPF International Limited's solvency.
B.19/B.14	If the Guarantor is Dependent upon other Entities Within the Group, this must be Clearly Stated:	IPF International Limited is dependent on the Issuer for the provision of funding.
B.19/B.15	Guarantor Principal Activities:	IPF International Limited's principal business activities are to provide services and business know-how to fellow subsidiary undertakings.
B.19/B.16	Control of the Guarantor:	IPF International Limited is owned and controlled by International Personal Finance Investments Limited.

B.19/B.17	Credit Ratings:	IPF International Limited is not independently rated. The Programme has been rated BB+ by Fitch Ratings Ltd.
B.19/B.18	Guarantee:	The Guarantors have, on a joint and several basis, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and Coupons. Their obligations in that regard are contained in the Trust Deed.
Section C – Notes:		
C.1	Description of the Type and Class of Securities:	<i>Programme summary:</i> Up to EUR 1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of unsecured and unsubordinated debt securities, outstanding at any one time pursuant to the Programme. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “Final Terms”). The Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) only. Each Tranche of Bearer Notes will be represented on issue by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in Element C.5 below), otherwise such Tranche will be represented by a Permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”. <i>Issue specific summary:</i> Type of Note: [Fixed Rate Note/Floating Rate Note/Zero Coupon Note] Series Number: [●] Tranche Number: [●] Aggregate Nominal Amount: [●] ISIN: [●] Common Code: [●]
C.2	Currency:	<i>Programme summary:</i> Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers. <i>Issue specific summary:</i> The Specified Currency or Currencies of the Notes [is/are] [●].
C.5	A Description of any Restriction on the Free Transferability of Securities:	<i>Programme summary:</i> There are no restrictions on the free transferability of the Notes. The Issuer and the Dealers have agreed certain customary restrictions on offers, sale and delivery of Notes and of the distribution of offering material in the United States, the European Economic Area, the United Kingdom and Japan. The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as amended. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Final Terms states

		that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable. <i>Issue specific summary:</i> Regulation S Compliance Category [2]; [TEFRA C/TEFRA D/TEFRA/Not applicable.]
C.8	A Description of the Rights Attaching to the Securities, Including Ranking and any Limitation on those Rights:	Issue Price Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. <i>Issue specific summary:</i> [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]] Withholding Tax All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom, unless such withholding is required by law (in which case the Noteholders will receive such amounts as they would have received under the Notes had no such withholding been required, subject to certain exceptions). Ranking The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantors, respectively. Negative pledge The Notes contain a negative pledge provision pursuant to which (subject to certain exceptions) none of the Issuer, the Guarantors or any of their subsidiaries may create or have outstanding any security interest upon the whole or (to the extent that the Issuer and the Guarantors can procure compliance through proper exercise of voting and other rights or powers of control) any part of its or their respective undertakings or assets (present or future) to secure any debt instruments or any guarantee or indemnity obligation in respect of debt instruments without granting such security to the holders of the Notes, or making arrangements not materially less beneficial. Optional redemption If so specified in the Final Terms in respect of an issue of Notes, if a Change of Control Put Event occurs, a holder of a Note will have the option to require the Issuer to redeem such Note at 101 per cent. of its nominal amount, together with any accrued interest thereon. Financial covenants The terms of the Notes will contain financial covenants in respect of the maintenance of a Consolidated EBITA to Consolidated Interest Payable Ratio and the Maintenance of Consolidated Total Borrowings to Consolidated Net Worth Ratio. Events of Default Events of Default under the Notes include non-payment of interest for 14 days, non-payment of principal for seven days, breach of other obligations under the Notes or Trust Deed (which breach is not remedied within 30 days), cross acceleration relating to indebtedness for borrowed money of the Issuer, the Guarantor or any material subsidiary subject to an aggregate threshold of £5,000,000, appointment of an insolvency officer, enforcement of security, insolvency-type events and cessation of business. The provisions include certain minimum thresholds, provisos and grace periods. Prescription Claims against the Issuer or any Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) and the Guarantee shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

		Meetings of Noteholders Meetings of Noteholders may be convened to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Notes including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority. Governing law English law.
C.9	Items in addition to those in C8:	Maturity Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. <i>Issue specific summary:</i> Maturity date: [●] Final redemption [The Final Redemption Amount of the Note is [●] per Calculation Amount.] Early redemption Notes issued under the Programme may be subject to redemption by the Issuer prior to their stated maturity for reasons related to taxation or, if the relevant Final Terms so specify, at the option of the Issuer. Interest Periods and Interest Rates The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms. Fixed Rate Notes Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. <i>Issue specific summary:</i> [Fixed Rate Notes are not being issued pursuant to these Final Terms.] [Rate[(s)] of Interest: [●] per cent. per annum payable [●] in arrear on each Interest Payment Date] Interest Payment Date(s): [●] in each year Fixed Coupon Amount[(s)]: [●] per Calculation Amount] Indication of yield: [●] Floating Rate Notes Floating Rate Notes will bear interest determined separately for each Series by reference to LIBOR, LIBID, LIMEAN, WIBOR, PRIBOR, ROBOR, BUBOR, TIIE or EURIBOR as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms. <i>Issue specific summary:</i> [Floating Rate Notes are not being issued pursuant to these Final Terms.] [Interest Period(s): [●] Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out below] First Interest Payment Date: [●] Interest Period Date: [●] Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]]

		Zero Coupon Notes Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest. <i>Issue specific summary:</i> [Zero Coupon Notes are not being issued pursuant to these Final Terms.] [Amortisation Yield: [●] per cent. per annum] Trustee The Law Debenture Trust Corporation p.l.c.
C.10	Derivative component in interest payments:	Not applicable. There is no derivative component in the interest payments made in respect of any Notes issued under the Programme.
C.11	Listing and admission to trading:	<i>Programme summary:</i> Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the London Stock Exchange plc's Regulated Market. <i>Issue specific summary:</i> [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the electronic order book for retail bonds of the] London Stock Exchange plc's Regulated Market/[●] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the electronic order book for retail bonds of the] London Stock Exchange plc's Regulated Market with effect from [●].]
C.21	Indication of the Market where the Securities will be Traded and for which Prospectus has been Published:	<i>Issue specific summary:</i> This Prospectus is to be published in the United Kingdom [and [Poland]/[Slovakia]/[Czech Republic]/ [and] [Hungary]] and application [has been/will be] made to admit the Notes to trading on the London Stock Exchange plc's Regulated Market [and [the Regulated Market operated by BondSpot S.A.]/ [the Regulated Market operated by the Warsaw Stock Exchange]].
Section D – Risks:		
D.2	Key Information on the Key Risks Specific to the Issuer:	Summary of key risks that may affect the Issuer and the Group • The Group is at risk from changes in political, economic, and financial market conditions, such as a global or local recession, inflation and fluctuations in interest and currency exchange rates. Change to the political landscape in one of the Group's geographic markets could undermine general demand for loans, lead to labour unrest, or, if capital controls are imposed, restrict the ability of a Group subsidiary to remit funds to the UK holding company. Recession could reduce demand for the Group's products and services. Rising inflation could erode Group profitability, as the rate of interest on loans made by the Group is generally fixed at the outset, whilst the Group's costs rise in line with inflation. Rising interest rates can lead to higher costs of Group borrowing, reducing profitability. The Group reports results in sterling, but the majority of its assets are denominated in foreign currencies, so exchange rate fluctuations may adversely affect the Group's income statement account, its reserves or future cash flows. • The performance of the Group is influenced by the economic conditions of the countries in which it operates around the world. The countries in which the Group currently operates are emerging economies and so are subject to greater volatility in economic, political and financial market conditions. Changes in the economic and political climate both globally and locally, as well as changes in market conditions generally could have a material adverse effect on the Group's business, results of operations and financial condition. • The Group is at risk from regulation and litigation (including the effects of changes in law or interpretation of the law in the Group's operating markets) associated with the fact that the Group operates in a highly regulated industry. Any change such as the introduction of statutory

		caps on loans charges, could affect the Group's profitability, solvency and capital requirements and may give rise to increased costs of compliance. Litigation on the basis that the Group's charges are unfair or usurious could compel a change in the Group's business model. • There could be challenges to the tax treatment of certain transactions and arrangements between the companies in the Group. Although the Group is headed by a UK holding company, the Group does not have substantial operations in the UK. This exposes the Group to the UK's international tax regime. The treatment of such international groups under UK tax law may be subject to significant change. Changes in accounting rules could also significantly impact the Group's tax liabilities. Changes in tax or accounting rules could damage the Group's financial position. • The Group sees less clarity in tax legislation in its overseas markets than in the UK, and some uncertainty generally arising from the fact that court decisions are often not binding. In the overseas markets in which the Group operates, certainty of tax treatment may be obtained only once the operation has been subject to tax audit and these take place irregularly, typically once every four to six years. A home credit business has a number of unusual features which may make it unclear how overseas tax authorities will tax certain aspects of the operations. Adverse changes in, or conflicting interpretations of, tax legislation and practice in the different jurisdictions in which the Group operates may lead to an increase in the Group's taxation liabilities and effective tax rate. • Risks arise from the implementation of the business strategy of the Group, both in respect of existing markets and new markets. In particular, the Group's focus on a single business model (the provision of home credit) increases the Group's exposure to competitive and regulatory threats. The Group may misjudge its entry into a new geographic market, potentially leading to a loss on withdrawal from the market. • Loss may arise from the failure to ensure employee and agent safety, which could lead to agents or managers being harder to retain or being unwilling to make home visits, as well as personal injury claims and reputational damage, and the loss of key people, which could disrupt the Group's business. • The Group is at risk of losses or liabilities incurred as a result of the business failure of a counterparty (for example, major IT suppliers, funding banks and retail banking facilities). Failure of an IT services outsourcer could significantly disrupt the business operation, and failure of a bank with which the Group has a cash balance on account could lead to loss of the deposit or lack of sufficient cash to fund short-term business operations in the market where such bank is based. • There is a risk of damage to the Group's brands or reputation or a decline in customer confidence in the Group or its products. Adverse publicity could affect customer willingness to take Group products or make repayments, or make it more difficult for the Group to recruit. Unfavourable publicity could in turn lead to increased pressure for changes to regulation of the consumer credit industry in the relevant market.
D.3	Key Information on the Key Risks which are specific to the Securities:	<i>Summary of general risks affecting the Notes:</i> • The Notes are not protected by the Financial Services Compensation Scheme (the "FSCS") or any equivalent scheme in another jurisdiction. As a result neither the FSCS nor anyone else will pay compensation to Investors upon the failure of the Issuer, the Guarantors or the Group as a whole. • The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an Investor generally would not be able to reinvest the redemption proceeds at an interest rate as high as that on the Notes being redeemed and may only be able to do so at a significantly lower rate. • Investors who hold through CREST through the issuance of CDIs ("CDI Holders") hold or have an interest in a separate legal

		instrument and will have only indirect interests in the underlying Notes. This could potentially lead to the CDI Holders having different rights and returns in respect of such underlying Notes as against those Investors who have a direct interest in their Notes. • Defined majorities may be permitted to bind all Noteholders with respect to modification and waivers of the Conditions of the Notes, even if some Noteholders did not attend or vote. • Notes may have no established trading market when issued, and one may never develop, or may develop and be illiquid. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. • In respect of Notes tradable on the ORB, a market-maker may not continue to act as a market-maker for the life of the relevant Notes and a replacement market-maker may not be appointed, impacting the ability to sell the relevant Notes. <i>Summary of issue specific risks affecting the Notes:</i> • An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. • The market value of Inverse Floating Rate Notes is typically more volatile than other conventional floating rate debt securities. An increase in the reference rate decreases not only the interest of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes. • The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. • The indication of yield stated within the Final Terms of the Notes applies only to investments made at the issue price of the Notes. If an Investor invests in Notes issued under the Programme at a price other than the issue price of the Notes, the yield on that particular Investor's investment in the Notes will be different from the indication of yield on the Notes as set out in the Final Terms of the Notes.
Section E – Offer:		
E.2b	Reasons for Offer and Use of Proceeds:	<i>Programme summary:</i> The net proceeds from the issue of each Tranche of Notes will be applied by the Group for general corporate purposes unless otherwise specified below with respect to a specific Issue of Notes. <i>Issue specific summary:</i> Reasons for the offer: [●] The net proceeds of the issue of the Notes will be used by the Issuer for [general funding purposes]/[●].
E.3	A Description of the Terms and Conditions of the Offer:	<i>Issue specific summary:</i> Offer Price: [Issue Price]/[●] Conditions to which the offer is subject: [Not Applicable]/[●] Description of the application process: [Not Applicable]/[●] Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable]/[●] Details of the minimum and/or maximum amount of application: [Not Applicable]/[●] Details of the method and time limits for paying up and delivering the Notes: [Not Applicable]/[●] Manner in and date on which results of the offer are to be made public: [Not Applicable]/[●]

		Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable]/[●] Whether tranche(s) have been reserved for certain countries: [Not Applicable]/[●] Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable]/[●] Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable]/[●] Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None]/[●]
E.4	A Description of any Interest that is Material to the Issue/Offer, Including Conflicting Interests:	<i>Programme summary:</i> The relevant Dealer(s) may be paid fees in relation to any issue of Notes. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. <i>Issue specific summary:</i> [Save for [●], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, including conflicting interests.] [Not applicable. There is no such material interest or conflicting interest.]
E.7	Expenses Charged to the Investor by the Issuer as Offeror:	<i>Programme summary:</i> If an Investor intends to acquire or does acquire any Notes in a Non-exempt Offer from an offeror other than the Issuer or a Dealer in its capacity as an Authorised Offeror, that Investor will do so in accordance with any terms and other arrangements in place between such offeror and that Investor including as to price, allocations, expenses, payment and delivery arrangements. Neither the Issuer, the Guarantors nor any of the Dealers are party to such terms or other arrangements. <i>Issue specific summary:</i> [Not applicable; there are no expenses charged to the Investor by the [Issuer/offeror]]/[Expenses to be charged to the Investor by the [Issuer/offeror]: [●.] [[including commissions of [●]]/[and] management expenses of [●]]

RISK FACTORS

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

Factors which the Issuer and the Guarantors believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer and the Guarantors may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective Investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S AND THE GUARANTORS' ABILITY TO FULFIL THEIR OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Economic and political risks

The Group is exposed to the risk of political or economic instability in the markets in which it operates.

The Group has operations in Poland, the Czech Republic, Hungary, Slovakia, Romania, Bulgaria and Lithuania (all of which are members of the European Union) and Mexico (which is a party to the North American Free Trade Agreement). These are developing markets undergoing rapid economic, political and social development.

The Group's operations are, and will continue to be, exposed to risks common to regions undergoing rapid political, economic and social change, including economic recession, currency fluctuations, exchange control restrictions, an evolving regulatory environment, inflation, tax regime changes, local market disruption and labour unrest. The prevailing political, economic and social conditions in a territory may significantly affect the general demand for loans, other credit services in that territory, the creditworthiness of the Group's customers and the regulatory and taxation regime in which the Group operates. Restrictions on the ability of the Group to freely move capital and dividends from subsidiaries to the holding company in the United Kingdom may prevent the Group from meeting its financial obligations.

The Group is exposed to funding and liquidity risk, credit rating risk, credit quality risk, counterparty risk, exchange rate fluctuation risk, interest rate fluctuation risk, and cost inflation risk.

Funding and liquidity risk: Liquidity risk is the risk that the Group does not have sufficient financial liquid resources to meet its obligations when they fall due, or can only do so at excessive cost. The ability of the Group to access debt funding sources on acceptable economic terms over the longer term is dependent on a variety of factors, such as general market conditions and confidence in the global banking system, which are outside the Group's control. Liquidity risk is particularly relevant following the recent significant reduction in the general availability of bank funding.

The Group relies, in part, upon the effective management of its banking and other borrowing relationships and upon securing facilities across a number of lenders. Current facilities total £575.8 million, with Group borrowing at 31 December 2013 being £400.5 million, giving headroom of £175.3 million. These facilities have a range of maturities from 2014 through to 2020. There is, however, a risk that all or some of these facilities may not be refinanced in the future.

The capital markets in the countries in which the Group currently operates are less developed and subject to greater volatility than developed markets. There is also a risk that a market in which the Group operates may become illiquid or less liquid in cash, thereby limiting the Group's access to cash in that market. This could hinder the Group's ability to raise, renew and service its borrowings

and affect its ability to extend credit to customers in that market. At the extreme, this could lead to a breach of banking covenants causing all outstanding facilities to fall due for repayment or the going concern status of the business being called into question.

Even with sufficient debt facilities at a Group level, local currency debt funding may not be available in each country, or may only be available at a prohibitively high cost, and it may not be possible to swap funding available to the Group in other currencies into local currency.

Failure to secure liquid funding and ensure covenant compliance could adversely impact the Group's business, results of operations and financial condition.

Credit rating risk: Credit ratings are opinions on the Issuer's creditworthiness. The Issuer's credit ratings affect the cost and availability of its funding from capital markets and other funding sources. If the Issuer fails to maintain its current credit ratings, this could adversely affect its cost of funds and its access to capital markets.

Credit quality risk: The Group is exposed to risks associated with the uncontrolled deterioration in the credit quality of its customers, which may be driven by, for example, socio-economic or customer-specific factors linked to economic performance. For instance, in 2009, the Group experienced a significant rise in impairment levels due to the global economic downturn. The impact of higher impairment levels on the profitability of the Group is likely to be exacerbated by a consequent reduction in the number of current customers with the potential to take a new loan. This would cause a rapid fall in the Group's revenue at a time of increased impairments.

Declining credit quality and increased impairment levels impact profitability, the number of existing customers capable of taking on new loans, and employee and agent engagement, and could ultimately have a material adverse effect on the Group's business, results of operations and financial condition.

Counterparty risk: The Group has cash balances in the accounts of banks in all of its countries of operation to ensure sufficient cash availability to fund the short-term operation of the business. Although the Group has policies in place to mitigate counterparty risk, including policies with respect to the minimum acceptable credit rating of institutions with whom the Group places cash, there is nevertheless a counterparty risk in terms of the institutions used.

Exchange rate fluctuation risk: The Group is subject to risks associated with exchange rate fluctuations. Although the Group is based in the United Kingdom and files its consolidated financial reports and accounts in sterling and pays dividends to shareholders in sterling, all of its existing operations are based overseas and most of its profits and losses are denominated in foreign currency. The sterling value of foreign currency denominated profits and losses cannot be effectively hedged in the long term and so exchange rate fluctuations may adversely affect the Group's income statement account, its reserves or future cash flows.

Additionally, the existing operations of the Group have net assets which are denominated in foreign currencies. The Group's policy is to use local currency borrowings to the maximum possible level to fund local currency assets to provide a natural hedge (either through direct borrowings or via currency transactions for funding raised in non-operational currencies). Any residual exposure remains unhedged. This residual unhedged exposure could adversely affect the sterling value of the Group's net assets if the value of sterling weakens against the currency in which the residual unhedged exposure is denominated.

A significant proportion of the Group's borrowing is in euro and sterling and the Group swaps these proceeds into the Group's operational currencies. Exchange rate fluctuations may have the effect of reducing or removing the overall headroom on the Group's debt facilities. The majority of the Group's current bank facilities are denominated in foreign currencies, such that committed local currency funding is in place to partly fund local currency assets. A number of these facilities, including the Group's syndicated facility, can be drawn in alternative currencies (such as sterling or euro) on a committed or uncommitted basis. In addition, the Group has issued bonds denominated in Czech crowns, Hungarian forint and Romanian lei under this Programme, which provides local currency funding. There can, however, be no assurance that the Group will be successful in negating the potential impact of risks associated with volatility in foreign currency

exchange rates. Such rates or changes could have a material adverse effect on the ability of the Group to fund its growth strategy, on the value of the Group's future cash flows required to pay dividends and on its results of operations and financial condition.

Interest rate fluctuation risk: To the extent that interest costs are not fixed or hedged on borrowings required to fund fixed rate loans to customers for the duration of the repayment period, there is a risk that increases in interest rates will reduce the profit margin on those loans to customers.

In order to limit its net exposure to interest rate risk, the Group enters into hedging transactions. If the Group engages in hedging transactions, it will be exposed to the risk of default by its derivative counterparties.

There can be no assurance that the Group will be able to successfully manage the potential negative impact of risks associated with rapid interest rate changes. Such changes could have a material adverse effect on the Group's business, results of operations and financial position if, as a result of the Group's borrowings not being fixed or hedged, the costs of such borrowings rise whilst the fixed rate of interest on any loan to a customer which has been funded by such borrowings remains the same.

Cost inflation risk: The revenue which can be earned by the Group from the vast majority of its customer loans is fixed at the outset of that loan. However, most of the costs attributable to that revenue are subject to inflation. Employee costs and branch and head office running costs will increase through a combination of earnings and price inflation and can erode profitability. Significant cost inflation coupled with failure by the Group to protect itself against such inflation could materially and adversely affect the results of the Group.

The Group's businesses, earnings and financial condition could be affected by any future crisis in global financial markets and/or deterioration in the global economic outlook.

The performance of the Group is influenced by the economic conditions of the countries in which it operates around the world. Further, the countries in which the Group currently operates are emerging economies and so are likely to be subject to greater volatility in economic, political and financial market conditions. The precise nature of all the risks and uncertainties the Group faces, and will face, as a result of any future global financial crisis or deterioration in the global economic outlook cannot be predicted and many of these risks are outside the Group's control.

A deterioration in economic conditions globally and in the markets in which the Group operates, including, but not limited to, business and consumer confidence, unemployment, household disposable income, the state of the housing market, foreign exchange markets, counterparty risk, inflation, the availability and cost of credit, and the liquidity of global financial markets or market interest rates, may reduce the level of demand for the products and services of the Group, adversely affect the earnings the Group can achieve on its products and lead to reduced volumes of credit issued, reduced revenue and increased levels of impairment charge. Following maturity of the Group's existing sources of financing, this may affect the Group's ability to obtain sufficient liquid, local currency funds to meet the requirements of the business, to issue sufficient volumes of credit at appropriate levels of impairment and to maintain adequate cover on its financial covenants. A global recession may also result in the Group being unable to execute its growth strategy. The aforementioned factors may materially and adversely impact the Group's operating results, financial condition and prospects.

Legal, regulatory and tax risks

The Group may be affected by changes in financial services regulation, or other laws or regulations applicable to the Group, or their respective interpretations.

The Group's operations are subject to legislation, regulations, rules, guidance, codes of conduct and government policies in the jurisdictions in which it conducts business and in relation to the products it markets and sells (for further information in relation to the regulation to which the Group is subject, see the "*Regulatory Information*" section of this Prospectus). Regulatory authorities have broad jurisdiction over many aspects of the Group's business, marketing and selling practices, advertising and terms of business.

Financial services laws, regulations, rules, guidance, codes of conduct, government policies and/or their respective interpretations currently affecting the Group may change and, although the Group monitors developments, it cannot predict future initiatives or changes.

Any such changes may materially and adversely affect, amongst other things, the Group's product range and activities, the sales and pricing of its products, the Group's profitability, solvency and capital requirements and costs of compliance. The total charges for the Group's loans are higher than for loans provided by mainstream banks, reflecting the higher lending risk, the absence of default fees for missed payments on the majority of loan agreements and the high level of personal service provided by the agent. This can attract criticism and bring calls for statutory caps on charges. The Group has responded to the introduction of caps on interest rate or the APR on its products by the increased use of its 'flexible product', the principal feature of which is that agent service is provided as a separate, optional service. The optional home collection service fee generally falls outside of interest rate, total cost of credit or APR caps in the markets in which the Group operates. If these charges were required to be included within the scope of interest rate, total cost of credit or APR caps, the Group's profitability may be adversely affected.

The European markets in which the Group operates have all implemented the consumer credit directive, Directive 2008/48/EC (the "**CCD**").

The European Commission published guidelines in May 2012 relating to the application of the CCD. Although the guidelines are non-binding, it nevertheless remains uncertain how national regulators and courts will interpret them and, accordingly, there is a risk that the Group's business could be adversely affected. In particular, there is a risk that the Group may be compelled to make further changes to its product structure in some markets in order to comply with the provisions dealing with calculation of APR. The European Commission has embarked upon a formal review of the implementation of the CCD which may have the potential for regulatory developments that could impact on the Group.

The Group is at risk of further, or changes to existing, interest rate, total cost of credit or APR (and other types of lending) restrictions, changes to usury or good morals laws, withdrawal of a key licence or removal of an entry from the relevant register, changes to the laws or regulations on, or prohibition of, doorstep lending, more restrictive product regulation, more stringent consumer credit legislation, responsible lending legislation, employment and health and safety legislation, implementation of new or more stringent licensing or registration procedures (for example, the introduction of financial intermediary licensing or the introduction or tightening of licensing requirements for non-banking financial institutions), broader grounds for challenges to the Group's commercial practices or product terms and conditions by customers or interest groups and any other legal or regulatory changes designed to restrict the growth of credit in any given country in which the Group operates.

The Group's operations in central and eastern European jurisdictions are exposed to a risk that courts could invoke civil law provisions in order to render void contracts that contain provisions that are entered into in bad faith or that are contrary to rules of social coexistence. Most countries also contain criminal law provisions that enable penalties to be imposed on those persons responsible for transactions that are deemed usurious.

The Group's Romanian subsidiary, Provident Financial Romania Institutie Financiara Nebancara S.A. ("**Provident Romania**"), is registered in the General Register of Non-banking Financial Institutions ("**NBFIs**") kept by the National Bank of Romania. If an NBFi meets certain criteria, it must be registered in the Special Register held by the National Bank of Romania. To date, Provident Romania has not met these criteria and is not anticipated to do so for the foreseeable future. However, the Group may qualify for inclusion into the Special Register in the future if entry criteria are changed. If an NBFi is registered in the Special Register, it is obliged to observe stricter requirements, not least around documentation and a maximum loan-to-income ratio based on the consumer's taxable income. This may limit the size or volume of loans that the Group can make to its Romanian customers, thereby reducing profitability.

The Group's Polish subsidiary Provident Polska Spółka Akcyjna ("**Provident Polska**") currently offers a 'bancassurance' product to its customers. Bancassurance involves the distribution of insurance products via a financial institution, with both parties sharing the commission. The bancassurance market is currently under review and the Polish Financial Supervision Authority

published a draft recommendation on 27 December 2013 relating to the sale and distribution of such products. If the proposed changes are implemented, changes to Provident Polska's distribution method and product structures would be required and alternatives to the bancassurance product are also being explored.

The Group may have to respond to any material changes in legislation or regulation which could potentially affect its business by adapting its business model or products in the relevant market. There can be no assurance, however, that the Group will be able to effectively respond to any such changes and this may affect the Group's operations and the conduct and success of its business in the relevant market.

The Group is, and in the future may be, subject to regulatory and legal actions or intervention in the ordinary course of its business.

The Group is subject to risks of regulatory investigations and proceedings and/or litigation in connection with its business. On 24 December 2013, the Group announced that Provident Polska received a notice from the Polish Office of Competition and Consumer Protection (the "**Office**") stating that the Office believes that the way Provident Polska calculates the annual percentage rate of charge ("**APR**") amounts to a collective infringement of consumer interests and subjected Provident Polska to a fine. However, on the basis of legal advice received, the Group is currently in the process of appealing the decision.

Information on the regulatory framework within which the Group currently operates, together with full details of any regulatory investigations and proceedings and/or litigation in connection with the Group's business, can be found in the "*Regulatory Information*" section of this Prospectus.

A number of customer court claims have been brought and are ongoing, challenging the validity of the Group's Slovak subsidiary's loans on the basis, inter alia, that the loans are unfair, misleading, contrary to good morals and usurious and that the APR is incorrectly calculated. More recently, the claims have been brought challenging the amount and validity of certain fees included in the loan agreement. Whilst the Group has been mostly successful in defending the claims in the first instance, there have been adverse rulings, on the basis that the administrative fee and home service fee are unfair. The Group is appealing the decisions. An unfavourable final ruling could result in changes to the Group's business model being required.

The Group may also be vulnerable to regulatory action by competition or fair trading authorities if it is found to be dominant in a particular market, or if the markets in which it operates are not functioning competitively.

Regulatory and legal actions may be difficult to assess or quantify and may seek recovery of large or indeterminate amounts, which may remain unknown for substantial periods of time. In addition, such actions could result in adverse publicity for the Group or could affect its relations with customers, as well as divert management's attentions from the day-to-day management of the Group's business.

Legal challenges to contractual terms and collective redress.

Loss may arise or liabilities may be incurred from defective transactions or contracts, either where contractual obligations are not enforceable or are judged unlawful or do not allocate rights and obligations as intended. This may arise in a number of ways.

The Group may incur losses if it cannot recover all or part of the debt from its customers because its contracts with those customers are held to be partly or wholly unenforceable. For example, local or national courts may find a customer contract to be in breach of anti-usury or "good morals" laws and regulation and therefore unlawful, thereby also increasing the risk that the number of claims by customers seeking to avoid their loan repayment will increase. Failure by the Group to sustain effective debt recovery methods or a loss in confidence of the Group to recover debt under its contracts with customers, by recourse to the courts or otherwise, could severely impede the Group's business in the affected jurisdiction. In addition, the European Commission introduced a recommendation in June 2013 encouraging the introduction of collective redress mechanisms as a means of addressing mass consumer claims in all member states. Although it is too early to assess the potential impact of the EU initiatives on the Group's business, legislative proposals in some of the Group's territories will introduce class actions for civil claims, and may pose a risk of

the relevant subsidiary being party to a collective dispute in the event that it commences litigation, or if litigation is commenced against it. Such provisions came into force in Poland in July 2010 and in Romania in October 2013. A system for the filing of class actions relating to, inter alia, infringement of consumer rights was also introduced in Mexico in February 2012.

Legal characterisation of status of agents.

In most territories, the home credit agent is treated as being self-employed rather than being an employee or agent of the relevant entity of the Group. In certain countries, however, business entities must perform their usual business activities through employees. There is a risk that the interpretation of employee or agent could be challenged. A challenge, if successful, could result in increased costs of operation for the Group, or may require the Group to reassess its home credit business model and/or discontinue its operations in the affected locality. It may also render the relevant entity within the Group liable to, amongst other things, fines, or non-financial penalties or require changes to be made to its employee and/or agent remuneration and structure.

The Group operates in markets which include comparatively new legal and regulatory systems.

The legal systems of Mexico and most central and eastern European countries in which the Group operates have undergone substantial change in recent years. In many cases, the interpretation of the new legal and regulatory systems is still being developed, which may result in existing laws and regulations being applied inconsistently. This leads to a greater risk of an unexpected adverse impact.

Judicial and dispute resolution systems may be less developed and, in some circumstances, it may not be possible to obtain timely legal remedies provided for under these laws and regulations. If the Group becomes party to legal proceedings in a market with an insufficiently developed judicial system, it may be difficult for the Group to make a reasonable qualification or quantification of any proceedings, or to make, or defend against, claims.

There can be no assurance that the Group will be able to successfully mitigate country risk in central and eastern Europe and in Mexico, nor that political, economic and social developments in such territories will not have a material and adverse effect on the business, results of operations and financial condition of the Group.

The Group may be subject to changes in tax laws or regulations, or their respective interpretations.

Although the Group is headed by a UK holding company, the Group does not have substantial operations in the UK. This exposes the Group to the UK's international tax regime, including its controlled foreign companies regime, and makes the UK tax position more difficult to manage. The treatment of such international groups under UK tax law has been, and may be, subject to significant change. Changes in accounting rules could also significantly impact the Group's tax liabilities. Such changes in the tax environment and accounting rules could materially and adversely affect the Group's financial position and ability to achieve its business objectives.

Tax legislation and interpretation in the jurisdictions in which the Group operates have been subject to significant change. In general, the Group sees less clarity in tax legislation in its overseas markets than in the UK, and some uncertainty generally arising from the fact that court decisions are often not binding. Coupled with this, a home credit business has a number of unusual features which may make it unclear as to how overseas tax authorities will tax certain aspects of the operations. For example, the rules which determine the extent to which tax relief for impairment is obtained are often very complex and in certain jurisdictions in which the Group operates have been, or are potentially, subject to significant change. A restriction in the availability of tax deductions for impairment could significantly increase the Group's tax liabilities and reduce post-tax returns.

Adverse changes in, or conflicting interpretations of, tax legislation and practice in the different jurisdictions in which the Group operates may lead to an increase in the Group's taxation liabilities and effective tax rate. As with other financial services institutions, the Group is subject to the risk of additional taxation arising from new taxes levied on the financial sector, either at a local level or at an EU level, including a tax on financial transactions, if implemented.

In the overseas markets in which the Group operates, certainty of tax treatment may be obtained only once the operation has been subject to tax audit and these take place irregularly, typically once every four to six years. The Group therefore typically carries a higher level of tax uncertainty than a similar group operating exclusively within the United Kingdom, where the tax authority carries out a review on an annual basis.

The Group is currently subject to a tax audit with respect to one of the Group's Mexican subsidiaries for the years 2009 and 2010, and with respect to Provident Polska for the year 2008. The Mexican taxation authority issued a preliminary ruling in late 2013, challenging tax deductions claimed for bad debt and an assessment is expected during 2014 with respect to the 2009 year. The proceedings with regard to the year 2010 are at an earlier stage, and a preliminary ruling is expected in late 2014. With regards to Provident Polska, a protocol was issued in July 2013 by the Polish tax authority, challenging the timing of taxation of revenues and deductions taken for certain expenses. The Group has filed its written reservations in response to the protocol and is engaged in ongoing discussions with the tax authority.

Changes to taxation law, which includes rules governing indirect taxes, personal taxes and capital taxes, may also affect the attractiveness of certain products offered by the Group. This could result in a significant reduction in sales of those products which, in turn, could have a material adverse effect on the Group's business, results of operations and financial condition. As with other financial services institutions operating within the EU, changes to the VAT treatment of financial services may materially and adversely affect, among other things, the Group's sales and pricing of its products and the Group's profitability. The European Commission is considering revisions to the current Directive governing the VAT treatment of insurance and financial services, and has issued a working paper and adopted a proposal for a Directive aimed at modernising and simplifying the complex VAT rules for financial and insurance services, although currently there is no firm timeline for implementation. Changes in the scope of VAT exempt financial services may have a material adverse impact on the Group's VAT position in terms of the VAT status of supplies to customers and of services received from suppliers including agents.

Challenges to the tax treatment of arrangements amongst the companies in the Group could materially and adversely affect the Group's financial and operating results.

The Group companies in the UK provide various services and support to the overseas businesses. There are also a number of significant intra-Group cross-border transactions that take place between various of the Group's overseas subsidiaries, including sales of debt, provision of finance and provision of services. The UK Group companies also provide loan funding to certain of the Group's overseas businesses and a guarantee of third party debt. The provision of the know-how, services, loans and guarantees is priced, for transfer pricing purposes, on what is considered to be an arm's length basis. Where provision is made from the UK, the pricing has been discussed in advance with HM Revenue & Customs, and the pricing methodology in respect of intra-Group loans and the provision of guarantees of third party debt has been agreed with HM Revenue & Customs under an advanced pricing agreement for the accounting periods through to 2015. Nevertheless, the Group is exposed to the risk of a challenge by tax authorities in respect of intra-Group transactions, with an associated risk of an increased liability to tax.

Business risks

Changes in the small sum credit markets in any of the Group's markets and, in particular, an increase in competition in any of the Group's markets.

There is the risk of an increasing level of competition from existing or new competitors in the small sum credit markets in which the Group operates (in the home credit sector, small sum credit card sector and in other credit product sectors). The Group's business model, which has high direct and overhead costs, may become unsustainable in the face of competition from other lenders who operate business models with lower costs.

Competition from remote lenders for those customers at the higher socio-economic end of the home credit sector could intensify as the prime market matures and mainstream financial institutions seek to attract customers who are deemed to be of lower creditworthiness. Aspiring competitors may be prepared to offer loan products, where collections are made remotely by the customer, in the small sum credit sector at lower prices than the Group is able to offer.

An increase in competition may reduce market share leading to increased costs of customer acquisition and retention, reduced credit issued, greater pressure upon the Group to recruit and retain high calibre staff, lower revenue and lower profitability.

New markets and acquisitions.

The Group may be prevented from entry into a new geographic market or may make an error in judgement of entry into a new geographic market, despite any research or pilot it undertakes beforehand. The Group may be prevented from making acquisitions in new and/or existing markets, or may make an error in judgement on an acquisition. The Group may be precluded from entering into a new geographic market and/or making an acquisition due to insufficient debt funding being available to fund expansion, or due to a lack of management and/or agent resource. The Group may not be able to successfully support its growth strategy in a newly entered geographic market and/or acquired business if it cannot recruit agents and well-qualified staff for those businesses. The Group may not be able to take advantage of market opportunities due to under-performance elsewhere in the Group's business. The Group may misjudge customer demand or requirements or it may not be able to respond to local conditions or competitive pressure, so that its operations in new geographic markets or acquired businesses do not perform as expected.

If the Group consequently disposes of the acquired business or withdraws from a market (as it did in April 2009 following a pilot in Russia), the Group will incur costs of withdrawal and may have lost out on the opportunity of having instead entered another more appropriate market. The losses will be of greater magnitude if the Group makes such an error in relation to a number of markets or acquisitions and this could materially and adversely affect the Group's business, results of operations and financial condition.

Moreover, if future profits do not materialise on entry into a new market or the Group withdraws from the new market, effective tax relief for start-up losses will not be available and may lead to an adverse impact on the Group's tax charge.

The Group may misjudge the implementation of a new product group or strategy for the acquisition of new customers or of a new pricing or credit assessment method or analytical tools and data.

The Group may seek to introduce new product groups, pricing and credit assessment analysis methods and uses of data in order to retain existing customers whose needs have evolved, and to attract new customers for whom the existing product offering or methods of acquisition are unattractive or ineffective and/or for whom more competitive pricing and more sophisticated underwriting processes are required. However, the Group may make an error of judgement in the conception, planning and/or implementation of these strategies and methods, which may materially and adversely affect its results of operations and financial condition.

Single business model strategy

The Group's current business model is concentrated on expansion through a home credit business model (the provision of small sum unsecured loans with optional home collection service) because of the superior returns this is thought to provide. The Group's strategy includes the development of its product offerings, with the intention to include more products offered through digital channels, to ensure its products remain in demand as the competitive landscape within which the Group operates evolves. In the shorter term this concentration toward the home credit business model increases exposure to adverse regulatory or competitive threats.

Operational risk

Possible risks to agent and employee safety.

Possible risks of personal injury to the Group's agents or employees could affect the ability of the Group to retain and engage agents or employees to perform the home service, or the ability or willingness of its managers to visit customers, which could give rise to an increase in personal injury claims against the Group and may damage the reputation, brands and profitability of the Group. It may also lead to a change in legislation, regulations, rules, guidance, codes of conduct and government policies relating to the health and safety of agents and employees performing the home service, which may require the Group to review its agent delivery and collection model and

which may be adverse to the business, results of operations and financial condition of the Group. The personal safety of agents and other employees continues to be a priority of the Group, and to that end, the Group has implemented formal health and safety policies and procedures that are managed by designated safety managers in every market and overseen by a competent person at the Group's head office. Notwithstanding the aforementioned precautions taken by the Group, a small number of the Group's agents and employees have nevertheless sustained fatal or other personal injuries during the course of, or for reasons related to, their work for the Group over a number of years.

Failure by a member of the Group to comply with privacy and data protection laws and regulation may lead to action being taken against that member and/or the Group.

The Group relies on the collection and use of information from customers to conduct its business. It discloses its information collection and usage practices in a published privacy policy on the websites of its operating entities, which may be modified from time to time to meet operational needs, changes in the law or industry best practice. Companies within the Group may be subject to investigative or enforcement actions by data protection authorities, legal claims and reputational damage if they act, or are perceived to be acting, inconsistently with the terms of the privacy policy, customer expectations or applicable law. In addition, concern among customers about the Group's privacy practices could deter them from using its services and require the alteration of its business practices with attendant costs and possible loss of revenue.

Concerns may be expressed about whether the Group's use of data compromises the privacy of customers. Concerns about the Group's collection, use or sharing of personal information or other privacy-related matters, even if unfounded, could damage its reputation and operating results.

Data protection legislation and regulation in the jurisdictions in which the Group operates may change in the future and impose new burdensome requirements, compliance with which may increase the Group's costs or require it to change the way it conducts business with attendant costs and possible loss of revenue.

Failure to attract, motivate and retain high calibre agents, management and personnel at all levels of the Group's business.

The Group is dependent on its ability to attract, motivate and retain high quality and highly skilled agents, management and key executives. There can be no assurances that these employees will remain with the Group.

The Group may expand into new products and markets in the future and such expansion can place a significant strain on existing management, employees, systems and resources. In particular, the success of the Group's strategy to expand into new geographic markets will depend to a large degree on bringing through existing middle management to more senior roles and successful recruitment at a senior level. As the Group grows, it will need to recruit and retain additional suitable personnel and failure to do so could result in a reduction in the Group's growth and profitability.

Moreover, the Group needs to continue to engage agents in order to service existing customers and to seek new business at a pace which serves both the Group's existing requirements at any given time as well as any future policy for expansion. The success of the Group's strategy to expand the business will depend on the ability to identify, engage, motivate and incentivise a sufficient number of high calibre agents to enable the Group to achieve increased scale and expand into new geographic markets in the future.

The Group also needs to be able to retain its current agents and operational managers. Experience has shown that the longer an agent or operational manager remains with the Group, the better he or she performs. Experienced agents also promote customer loyalty through developing relationships with their customers and through subsequent loans to customers.

The Group aims to have sufficient depth of personnel able to implement the strategy of the Group. However, the loss of key personnel or of a substantial number of talented employees, or an inability to attract, retain and motivate the calibre of agents, operational managers and employees required for the continuation of, the expansion of, the Group's activities (as a result of, for example,

increased employee competition at the local level, a lack of senior manager opportunities or failure to provide adequate rewards), could cause disruption to the Group's business and have a material adverse effect on its business, growth prospects, results of operations and financial condition.

The Group may be adversely affected by the failure to manage change.

In order to successfully implement its development and growth strategy, the Group has established certain procedures in order to manage changes that may be required to the Group's existing business and operations. These include system pilots, compliance frameworks, monitoring programmes, audits and regular progress reporting. Despite these controls, however, a new project, system, product or guide may fail to deliver the business benefits required to implement the Group's business model and/or growth strategy. A failure in the Group's management of any change can be for reasons such as non-compliance with best practice, technology failure, unexpected changes in external conditions and resource constraints. Failure to deliver on the Group's change programme could have a material adverse effect on its business, results of operations and financial condition.

The success of the Group's business is dependent on the Group's brands and reputation.

The Group's success and, in particular, sales and collections are dependent, in part, upon the strength of the Group's brands and the reputation of its business. The Group operates a business model where integrity and customer trust and confidence are vitally important. The Group could suffer damage to its reputation and brands as a result of adverse publicity in connection with, for example, the perception of unreasonably high charges (when compared with prime market providers and non-home credit products) for its home credit products and/or adverse publicity could derive from the activities of legislators, pressure groups and the press, in spite of high levels of satisfaction amongst its customers. Such adverse publicity could directly affect customer willingness to take the Group's products or make contractual repayments, or make it more difficult for the Group to recruit and retain management, employees and agents and thereby directly affect profitability. It could also adversely affect its ability to engage and retain agents. Unfavourable publicity could, in turn, lead to increased pressure for changes to regulation of the consumer credit industry in the relevant market, with material and adverse consequences on the Group's business, results of operations and financial condition.

Possible risk relating to the breakdown of operating processes, systems or controls that underpin the Group's business model.

There is a risk that the Group's business model would not be scalable if the Group failed to apply it consistently or if there was a systematic breakdown of operating procedures, processes, systems or controls that underpin the model. The Group accepts that the growth of the business creates additional risk of operational underperformance. The Group only implements significant business change initiatives following a business case and pilot. The Group operates a risk-based internal audit programme and also maintains a risk management framework to ensure key operational risks are identified, measured, monitored and mitigated.

System and technological failures or ineffectiveness, failure of business continuity planning, corruption of databases and service disruption.

The Group's business depends on its ability to process a large number of transactions efficiently and accurately. The Group's ability to develop business intelligence systems, to monitor and manage collections, to maintain financial and operating controls, to monitor and manage its risk exposures across the Group, to keep accurate records, to provide high-quality customer service and to develop and sell profitable products and services in the future depends on the success of its business continuity planning, the uninterrupted and efficient operation of its information and communications systems, including its information technology and the successful development and implementation of new systems.

However, in common with information technology systems generally, losses can result from inadequate or failed internal control processes and protection systems, human error, fraud or external events that interrupt normal business operations. This may result in a loss of data and a failure to provide quality service to customers. The Group's information technology, databases and other systems may be subject to damage or interruption from earthquakes, volcanic eruptions, floods, fires, power loss, telecommunication failures and similar events as well as to damage from

the introduction to its systems of incorrect programming language by its employees and contractors. These systems may also be subject to computer viruses, physical or electronic break-ins, sabotage, vandalism and similar misconduct. The same is true of third party service providers and software providers on which the Group depends.

The Group has in place certain business continuity plans to guard against service disruptions. However, the Group's business continuity plans may prove to be inadequate.

If any of the above risks materialise, the interruption or failure of the Group's information technology and other systems (or the failure of those provided by third party service providers and software providers) could impair the Group's ability to provide its services effectively, causing direct financial loss and may compromise the Group's strategic initiatives. In addition, it could damage the Group's reputation if customers believe its systems are unreliable which, in turn, could have an adverse effect on the Group's ability to collect loan repayments from customers and to attract new and retain existing customers. Technology failure or underperformance could also result in a higher number of customer and agent disputes and may increase the Group's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, an irrecoverable loss of any customer database would be expensive and time-consuming to endeavour to retrieve or recreate, would have a material adverse effect on the Group's operations and financial situation and may damage its reputation and brands.

Possible risk relating to the integrity of the Group's accuracy of reporting and the ability to produce appropriate reporting.

The integrity of the Group's control and information systems requires that the financial position of the business is known accurately and in a timely fashion by management. The Group has an internal control framework and associated assurance mechanism to ensure that ongoing systems, controls and processes are operating as required, and will only implement significant changes to such controls and processes following an approved business case and pilot. However, there is still a risk that these measures will fail to ensure the provision of accurate and timely data on the financial position of the business, which could lead to the Group's control and information systems being compromised, materially adversely affecting the Group's business. Notwithstanding the foregoing, nothing in this risk factor should be taken as implying that either IPF or the Group will be unable to comply with its continuing obligations under the UK Listing Authority's Listing Rules, Disclosure Rules or Transparency Rules.

Impairment of the value of intellectual property or failure to maintain database integrity could diminish the competitive position of the Group.

If there is any unauthorised use or infringement of the Group's intellectual property rights and the Group fails to enforce such rights, or the Group fails to maintain its database rights and the database's integrity, the value of the Group's products and services could be diminished, its competitive position could be adversely affected and its business may suffer. Third party rights in respect of the "Provident" name may exist in some countries in which the Group does business or intends to do business in the future. If such third party right owners brought infringement proceedings, the Group's right to use the "Provident" name in such countries may be restricted or impaired.

There are also risks inherent in using the same name as another entity, as the Group may suffer the adverse consequences of any damage to the "Provident" name caused by such other entity.

If the Group discloses the source code of any material software which it owns or is licensed to use, the value of such software may be impaired. If the Group develops software using external consultants and fails to enter into appropriate licence or assignment agreements, or uses third party software other than as permitted by the relevant licence, its right to use such software may be impaired and there may be a risk of infringement of third party rights.

Pandemics may adversely affect the Group.

A pandemic outbreak may threaten the Group's agent delivery and collection model in some or all of the markets in which the Group operates, depending on the severity of the outbreak and the restrictions on movement put in place by national governments and/or the World Health Organization. The severity of a pandemic is inherently unpredictable. A large-scale pandemic

could have a material adverse effect on the Group's business, results of operations and financial condition. The Group has policies in place to protect itself against the effects of pandemics, but there can be no guarantee these would be adequate.

Catastrophes and weather-related events may adversely affect the Group.

The Group's business relies on the ability of agents to collect and arrange loans, and on customers having sufficient household income to repay those loans. Catastrophes and weather-related events including, but not limited to, earthquakes, volcanic eruptions, severe storms, flooding and prolonged periods of snow or freezing weather affect both the ability of agents to arrange and collect loans, as well as the ability of customers to repay loans if their household income is significantly reduced as a result. The incidence and severity of catastrophes and weather-related events are inherently unpredictable. Catastrophes and weather-related events, therefore, may have a material adverse effect on the Group's consolidated financial condition, results of operations and cash flows.

The Group may be affected by disputes with, or the failure or ceasing of, adequate provision of services by, key third party suppliers.

As with other retail financial services groups, disputes arising with, or failure of adequate provision of services by, third parties who provide ancillary services which are material to the Group's business (for example, the provision of equipment, software and associated services in connection with arrears management software) may cause disruption to the Group's operations, result in losses, may lead to incurred legal and court costs and also detract management's time from the Group's business, thereby affecting it, its results of operations and its financial condition.

The Group may incur losses if a counterparty, such as a key supplier or operational partner, ceases to operate. There is a risk of business failure of a counterparty such as an IT services outsourcer, which may cause significant disruption to the business or impact upon the Group's ability to operate.

Notwithstanding anything in the "*Operational Risk*" section of these risk factors, nothing in the "*Operational Risk*" section of these risk factors should be taken as implying that either IPF or the Group will be unable to comply with its continuing obligations under the UK Listing Authority's Listing Rules, Disclosure Rules or Transparency Rules.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

Notes subject to optional redemption by the Issuer.

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

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

Inverse Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes issued at a substantial discount or premium.

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

Higher volatility can in turn depress the market value of such securities, as price volatility is an unattractive feature of an investment for an Investor seeking stable returns.

Fixed Rate Notes – yield.

The indication of yield stated within the Final Terms of the Notes applies only to investments made at (as opposed to above or below) the issue price of the Notes. If an Investor invests in Notes issued under the Programme at a price other than the issue price of the Notes, the yield on that particular Investor's investment in the Notes will be different from the indication of yield on the Notes as set out in the Final Terms of the Notes.

Risks related to Notes generally**General.**

If an Investor chooses to sell its Notes issued under the Programme in the open market at any time prior to the maturity of the Notes, the price the Investor will receive from a purchaser may be less than its original investment, and may be less than the amount due to be repaid at the maturity of the Notes if an Investor were to hold onto the Notes until that time. Factors that will influence the price received by Investors who choose to sell their Notes in the open market may include, but are not limited to, market appetite, inflation, the period of time remaining to maturity of the Notes, prevailing interest rates and the financial position of the Issuer. In addition, inflation may reduce the real value of the Notes over time which may affect what Investors can buy with their investments in the future (including on the maturity of the Notes).

Instruments subject to redemption for tax reasons.

In the event that the Issuer or any Guarantor (i) has or will become obliged to increase the amounts payable in respect of any Notes or Coupons due to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political subdivision or authority thereof or therein having power to tax, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or authority thereof or therein having the power to tax, or any change in the application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first tranche of the relevant series of Notes, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it, the Issuer may redeem all of the outstanding Notes of the relevant series in accordance with their Terms and Conditions.

Modification, waivers and substitution.

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such, (iii) the substitution of another company in place of the Issuer as principal debtor under the Notes in the circumstances described in Condition 11 of the Terms and Conditions of the Notes or (iv) the release of a Guarantor or the accession of a new Guarantor in certain circumstances.

EU Savings Directive.

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

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015.

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

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, pursuant to the Savings Directive or any other directive implementing the conclusions of ECOFIN Council meeting of 26-27 November 2000, none of the Issuer, any Guarantor, any Paying Agent or any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. However, the Issuer and the Guarantors are required, pursuant to Condition 7(e)(vii) of the Notes, to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, provided that the Issuer and the Guarantor shall not be obliged to maintain a Paying Agent with a specified office in such Member State unless at least one Member State does not require a paying agent making payments through a specified office in that Member State so to withhold or deduct tax, whether pursuant to the Savings Directive, under the law of that Member State, or otherwise. The Savings Directive does not prevent Member States from levying other types of withholding tax.

Change of law.

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes. Any such change could adversely impact the value of the Notes by, for example, calling into doubt in some way any of the rights and remedies under English law available to Noteholders as at the date of issue of their Notes, and which were therefore an intrinsic element of the value ascribed to such Notes at the date of issue.

Bearer Notes where denominations involve integral multiples.

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

The Notes are not protected by the Financial Services Compensation Scheme.

Unlike a bank deposit, the Notes are not protected by the Financial Services Compensation Scheme (the “**FSCS**”) or any equivalent schemes in other jurisdictions. As a result, neither the FSCS, nor anyone else, will pay compensation to an Investor in the Notes upon the failure of the Issuer, the Guarantors or the Group as a whole.

Risks related to the market generally

Risk of absence of market-maker.

In the case of Notes issued under the Programme which are tradable on the London Stock Exchange's electronic order book for retail bonds (the "**ORB**"), a market-maker will be appointed in respect of the relevant Notes from the date of admission of those Notes to trading. Market-making means that a person will quote prices for buying and selling securities during trading hours. However, the market-maker may not continue to act as a market-maker for the life of the relevant Notes. If a replacement market-maker is not appointed in such circumstances, this could have an adverse impact on an Investor's ability to sell the relevant Notes.

The secondary market generally.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, or have been structured to meet the investment requirements of limited categories of Investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Moreover, notwithstanding in the case of Notes issued under the programme to be traded on the ORB, the presence of at least one market-maker for the Notes may severely and adversely impact the price that an Investor would receive if it wishes to sell its Notes, but only where trading activity levels are low.

Exchange rate risks and exchange controls.

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

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

Interest rate risks.

Fixed Rate Notes bear interest at a fixed rate. Investors should note that (i) if interest rates start to rise then the income to be paid by the Notes might become less attractive and the price the Investors get if they sell such Notes could fall, and (ii) inflation will reduce the real value of the Notes over time and may make the fixed interest rate on the Notes less attractive in the future. However, the market price of the Notes has no effect on the interest amounts due on the Notes or what Investors will be due to be repaid on the Maturity Date if the Notes are held by the Investors until they mature.

Credit ratings may not reflect all risks.

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

Legal investment considerations may restrict certain investments.

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Foreign account tax compliance withholding.

Under Sections 1471 through 1474 of the US Internal Revenue Code ("**FATCA**"), the Issuer or, as the case may be, any Guarantor (and other non-US financial institutions through which payments on the Notes are made) may be required to withhold US tax at a rate of up to 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of the Notes unless, in each case, the recipient of the payment complies with certain certification and identification requirements.

FATCA is particularly complex and the full extent of its application in general, and its potential application to the Issuer or the Notes, remains to a degree uncertain at this time. The description set out here is based in part on proposed regulations and official guidance that is subject to change.

If an amount were to be deducted or withheld from interest, principal or other payments on the Notes on account of FATCA, neither the Issuer (nor, as the case may be, any Guarantor) nor any paying agent, nor any other person would, pursuant to the Terms and Conditions, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, if payments in respect of the Notes are subject to FATCA withholding, Investors may receive less interest, principal or other payments (as the case may be) than expected.

On 12 September 2012, the United Kingdom and the United States entered into the Intergovernmental Agreement to Improve International Tax Compliance and to Implement FATCA (the "**Agreement**"). Pursuant to FATCA and the Agreement, a United Kingdom Financial Institution (as defined in the Agreement) in compliance with the UK implementing legislation of the Agreement would not be subject to withholding under FATCA on payments it receives and generally would not be required to withhold under FATCA from payments it makes.

The clearing systems.

Because the Global Note relating to each Series may be held by or on behalf of Euroclear and Clearstream, Luxembourg, an Investor will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes in each Series will be represented by a temporary or permanent Global Note. Such Global Note may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Note, an Investor will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the relevant Global Note. While any Notes issued under the Programme are represented by a Global Note, an Investor will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While Notes are represented by a Global Note, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in the Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in any Global Note.

Holders of interests in a Global Note will not have a direct right to vote in respect of the Notes represented by such Global Note. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

Holding CREST Depository Interests.

Investors may hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) ("**CREST**") through the issuance of dematerialised depository interests ("**CDIs**") issued, held, settled and transferred through CREST, representing interests in the Notes underlying the CDIs (the "**Underlying Notes**"). Holders of CDIs (the "**CDI Holders**") will hold, or have an interest in, a separate legal instrument and will not be the legal owners of the Underlying Notes. The rights of CDI Holders to the Underlying Notes are represented by the relevant entitlements against CREST Depository Limited (the "**CREST Depository**") which (through CREST International Nominees Limited (the "**CREST Nominee**")) holds interests in the Underlying Notes. Accordingly, rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under the Underlying Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

CDIs are constituted under English law and transferred through CREST and will be issued by the CREST Depository pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**"). The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the CREST Deed Poll. Potential Investors should note that the provisions of the CREST Deed Poll, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the "**CREST Rules**") contain indemnities, warranties, representations and undertakings to be given by CDI Holders, and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of, and returns received by, CDI Holders, may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service. Potential Investors should note that none of the Issuer, the Guarantors, the Arranger, the Dealers, the Trustee or the Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations. The CDIs are not the subject of this Prospectus.

INFORMATION ABOUT THE PROGRAMME

		Refer to
What is the Programme?	The Programme is a debt issuance programme under which IPF as the issuer may, from time to time, issue debt instruments which are referred to in this Prospectus as the Notes. Notes are also commonly referred to as bonds. The payment of all amounts owing in respect of Notes issued by IPF will, in certain circumstances, be unconditionally and irrevocably guaranteed on a joint and several basis by each of IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited under their respective guarantee in respect of such Notes (the “Guarantee”) (in such capacity, each of IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited is referred to as a “Guarantor”, and together the “Guarantors”). The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by IPF to undertake any number of issues of Notes from time to time in the future, subject to a maximum limit of EUR 1,000,000,000. The Terms and Conditions of the Notes are set out later in this Prospectus. The Programme was established on 19 April 2010.	Terms and Conditions of the Notes beginning on page 104
How are Notes issued under the Programme?	Whenever the Issuer decides to issue Notes, it undertakes what is commonly referred to as a “drawdown”. On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents which Investors will need to be aware of when deciding whether to invest in Notes issued as part of a drawdown over the 12 month period from the date of this Prospectus are: (a) any supplement to this Prospectus and (b) the applicable Final Terms for such Notes. In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion or removal from this Prospectus is necessary for the purpose of allowing an Investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Group and the Guarantors, and the rights attaching to the Notes, the Issuer will prepare and publish a supplement to this Prospectus or prepare and publish a new Prospectus, in each case, for use in connection with such Notes.	Terms and Conditions of the Notes beginning on page 104, Supplementary Prospectus on page 84 and the Form of Final Terms beginning on page 140

	Each Final Terms is a pricing supplement to this Prospectus (as supplemented or replaced from time to time) which sets out the specific terms of each issue of Notes under the Programme. Each Final Terms is intended to be read alongside the Terms and Conditions of the Notes, and the two together provide the specific terms of the Notes relevant to a specific drawdown. Each Final Terms may be submitted to the Financial Conduct Authority (the “FCA”) and the London Stock Exchange plc or to BondSpot S.A. or the Warsaw Stock Exchange and published by the Issuer in accordance with the Prospectus Directive.	
What types of Notes may be issued under the Programme?	The following types of Notes, or a combination of them, may be issued under the Programme: Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes. Fixed Rate Notes are Notes where the interest rate payable by the Issuer on the Notes is fixed, for the life of the Notes, as a set percentage at the time of issue. Floating Rate Notes are Notes where the interest rate is calculated by reference to a fluctuating benchmark rate. Under the Programme, that benchmark rate will be one of the Euro Interbank Offered Rate (EURIBOR), the Paris Interbank Offered Rate (PIBOR), the London Interbank Bid Rate (LIBID), the London Interbank Offered Rate (LIBOR), the London Interbank Mean Rate (LIMEAN), the Warsaw Interbank Offered Rate (WIBOR), the Prague Interbank Offered Rate (PRIBOR), the Romanian Interbank Offered Rate (ROBOR), the Budapest Interbank Offered Rate (BUBOR), the Interés Interbancaria de Equilibrio (TIIE), or the Sofia Interbank Offered Rate (SOFIBOR). The appropriate benchmark rate is likely to be dictated by, among other things, the currency in which the Notes are denominated. So for a Floating Rate Note denominated in Polish Zloty, the benchmark rate chosen by the Issuer might be WIBOR (though the Issuer would be free to choose one of the other rates listed above if for any reason it felt it was more appropriate to a particular issuance of Notes). The floating interest rate is calculated on or about the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates which are recalculated on or about the start of each new interest period. Although the floating interest rate will be based on the benchmark rate, it will typically also include a fixed percentage margin which is added to (or subtracted from) the benchmark rate. Zero Coupon Notes are Notes which do not carry any interest but are generally issued at a deep discount	Terms and Conditions of the Notes beginning on page 104 and the Form of Final Terms beginning on page 140

	to their nominal amount. Zero Coupon Notes are repaid at their full amount. Therefore, if Investors purchase Zero Coupon Notes on their issue date and hold them to maturity, their return will be the difference between the issue price and the nominal amount of the Zero Coupon Notes paid on maturity. Alternatively, they might realise a return on Zero Coupon Notes through a sale prior to their maturity. The specific details of each Note issued will be specified in the applicable Final Terms.	
What is the relationship between the Issuer and the Group?	All references to the Group are to IPF, its subsidiaries (which include the Guarantors) and its subsidiary undertakings taken as a whole. IPF is the ultimate holding company of the Group. IPF's financial condition depends upon the receipt of funds provided by other members of the Group.	N/A
Why has the Programme been established? What will the proceeds be used for?	The Group established the Programme in order to diversify their sources of funding and the debt maturity profile of the Group. The net proceeds from each issue of Notes will be applied by the Group for their general corporate purposes. If, in respect of any particular issue of Notes under the Programme there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.	N/A
Have any Notes been issued under the Programme to date?	As of the date of this Prospectus IPF has made seven drawings under the Programme. All seven of those Series of Notes have been admitted to trading on the regulated market of the London Stock Exchange.	N/A
How will the price of the Notes be determined?	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of "pricing" of the Notes in accordance with prevailing market conditions. The issue price for each tranche will be specified in the applicable Final Terms.	Form of Final Terms beginning on page 140
What is the yield on Fixed Rate Notes and Zero Coupon Notes?	The yield in respect of each issue of Fixed Rate Notes and Zero Coupon Notes will be calculated on the basis of the Issue Price and specified in the applicable Final Terms. Yield is not an indication of future price. Investors can find a sample calculation of yield set out on page 158. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield.	General Information – 13 beginning on page 158
Will the Notes issued under the Programme be secured?	The Issuer's obligations to pay interest and principal on the Notes issued under the Programme will not be secured either by any of the Issuer's or any other member of the Group's assets, revenues or otherwise. The terms and conditions of the Notes do, however, contain a "negative pledge", which gives the	Terms and Conditions of the Notes beginning on page 104

	Noteholders some protection from the Issuer or Guarantors creating security in favour of other creditors holding securities similar to the Notes.	
Will the Notes issued under the Programme be guaranteed?	The payment of all amounts owing in respect of Notes issued by IPF will, for so long as IPF has any outstanding financial indebtedness, be unconditionally and irrevocably guaranteed by the Guarantors.	N/A
Will the Notes issued under the Programme have a credit rating?	A Series of Notes issued under the Programme may be rated by a credit rating agency or unrated. Such ratings will not necessarily be the same as the rating assigned to the Issuer or to any other Series of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Programme is currently rated, and further information can be found at the start of this Prospectus.	Important Notices – Credit Rating Agency Regulation Notice beginning on page 2 and Summary – B.17 on page 10
Will the Notes issued under the Programme have voting rights?	Holders of Notes issued under the Programme have certain rights to vote at meetings of Noteholders of the relevant Series, but are not entitled to vote at any meeting of shareholders of the Issuer or of any other member of the Group.	Terms and Conditions of the Notes – 11 Meetings of Noteholders, Modification, Waiver and Substitution beginning on page 128
Will I be able to trade the Notes issued under the Programme?	Applications have been made (i) to the FCA in its capacity as competent authority for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority and (ii) to the London Stock Exchange plc for such Notes to be admitted to trading on the London Stock Exchange's regulated market and through its electronic order book for retail bonds (the "ORB"). Once listed, Notes may be purchased or sold through a broker. The market price of Notes may be higher or lower than their issue price depending on, among other things, the level of supply and demand for such Notes, movements in interest rates and the financial performance of the relevant Issuer and the Group. (See Section 2 "<i>Risk Factors – Risks related to the market generally – The secondary market generally</i>").	General Information – 1 on page 156
What will Noteholders receive in a winding up of the Issuer and the Group?	If the Issuer or a Guarantor becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. An Investor's claim as a Noteholder would be expected to rank after the claims of any holders of the Issuer or Guarantor's secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of the Issuer's, or Guarantor's, shareholders, as applicable.	N/A

A simplified diagram illustrating the expected ranking of the Notes compared to other creditors of the Issuer and the Guarantors, as the case may be, is set out below.

	Type of obligation	Examples of obligations
	Proceeds of fixed charge assets	Currently none
	Expenses of liquidation/ administration	Currently none
	Preferential creditors	Including remuneration due to employees
	Proceeds of floating charge assets	Currently none
	Unsecured obligations, including guarantees in respect of them	Including any Notes of the Issuer to be issued under the Programme and the Guarantee of the Guarantors. Also includes unsecured obligations (including guarantee obligations) in respect of various Group banking facilities and other financings
Highest ranking		
	Shareholders	Ordinary shareholders
Lowest ranking		

However, as well as being aware of the ranking of the Notes issued under the Programme compared to the other categories of creditor and the shareholders of the Issuer, Investors should note that the Issuer holds a substantial majority of its assets in its subsidiaries. (See “Business Description of International Personal Finance Plc and The Group – Organisational structure” on page 46 for details of the Issuer’s principal subsidiaries.)

The Issuer’s right (and, where relevant, the Guarantor’s rights) to participate in a distribution of its subsidiaries’ assets upon their liquidation, re-organisation or insolvency is generally subject to any claims made against the subsidiaries, including secured creditors such as any lending bank and trade creditors. The obligations of the Issuer under any Notes issued by it and of the Guarantor are therefore structurally subordinated to any liabilities of that entity’s subsidiaries. Structural subordination in this context means that, in the event of a winding up or insolvency of the Issuer’s subsidiaries, any creditors

	of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Issuer (i.e. including Noteholders). A simplified diagram illustrating the structural subordination of the Issuer's obligations under the Notes to any liabilities of the Issuer's subsidiaries referred to above is set out below. By way of example, reference is made to an indirect subsidiary of the Issuer (and a Guarantor under the Programme), International Personal Finance Investments Limited ("IPFIL"), but Investors should note that this diagram applies equally to all Guarantors' obligations: <table> <tr> <th></th><th>Type of obligation</th><th>Examples of obligations</th></tr> <tr> <td rowspan="5">  </td><td>Proceeds of fixed charge assets</td><td>Currently none</td></tr> <tr> <td>Expenses of liquidation/administration</td><td>Currently none</td></tr> <tr> <td>Preferential creditors</td><td>Including remuneration due to IPFIL's employees</td></tr> <tr> <td>Proceeds of floating charge assets</td><td>Currently none</td></tr> <tr> <td>Unsecured obligations, including guarantees in respect of them</td><td>E.g. trade creditors and unsecured obligations (including obligations as borrower or guarantor) in respect of various Group banking facilities and other financings. Also includes the Guarantee of the obligations under the Notes for so long as IPFIL is a Guarantor</td></tr> <tr> <td>Lowest ranking</td><td>Shareholders</td><td>IPFIL's sole shareholder, IPF Holdings Limited, which is a direct subsidiary of IPF</td></tr> </table>		Type of obligation	Examples of obligations		Proceeds of fixed charge assets	Currently none	Expenses of liquidation/administration	Currently none	Preferential creditors	Including remuneration due to IPFIL's employees	Proceeds of floating charge assets	Currently none	Unsecured obligations, including guarantees in respect of them	E.g. trade creditors and unsecured obligations (including obligations as borrower or guarantor) in respect of various Group banking facilities and other financings. Also includes the Guarantee of the obligations under the Notes for so long as IPFIL is a Guarantor	Lowest ranking	Shareholders	IPFIL's sole shareholder, IPF Holdings Limited, which is a direct subsidiary of IPF	
	Type of obligation	Examples of obligations																	
	Proceeds of fixed charge assets	Currently none																	
	Expenses of liquidation/administration	Currently none																	
	Preferential creditors	Including remuneration due to IPFIL's employees																	
	Proceeds of floating charge assets	Currently none																	
	Unsecured obligations, including guarantees in respect of them	E.g. trade creditors and unsecured obligations (including obligations as borrower or guarantor) in respect of various Group banking facilities and other financings. Also includes the Guarantee of the obligations under the Notes for so long as IPFIL is a Guarantor																	
Lowest ranking	Shareholders	IPFIL's sole shareholder, IPF Holdings Limited, which is a direct subsidiary of IPF																	
Who will represent the interests of the Noteholders?	The Law Debenture Trust Corporation p.l.c. (the "Trustee") is appointed to act on behalf of the Noteholders as an intermediary between Noteholders and the Issuer and the Guarantors (if applicable) throughout the life of any Notes issued under the Programme. The main obligations of the Issuer and the Guarantors (if applicable) (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Notes) are owed to the Trustee. These obligations are, in the normal course, enforceable by the Trustee only, not the Noteholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer, the Trustee's role is to protect the interests of the Noteholders as a class.	N/A																	

Can the Terms and Conditions of the Notes be amended?	The Terms and Conditions of the Notes provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to: (a) waive, modify or authorise any breach or proposed breach of any provisions of the Trust Deed if, in the opinion of the Trustee, such modification is not prejudicial to the interests of the Noteholders; (b) any modification of any of the provisions of the Trust Deed that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error; (c) the substitution of another company as principal debtor under the Notes in place of the Issuer, in certain circumstances, and subject to the satisfaction of certain conditions; and (d) the release of a Guarantor in certain circumstances. Noteholders may also sanction a modification of the Terms and Conditions of the Notes by passing an Extraordinary Resolution.	Terms and Conditions of the Notes – 11 Meetings of Noteholders, Modification, Waiver and Substitution beginning on page 128
What if I have further queries?	If Investors are unclear in relation to any matter, or uncertain if the Notes issued under the Programme are a suitable investment, they should seek professional advice from their broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.	N/A

BUSINESS DESCRIPTION OF INTERNATIONAL PERSONAL FINANCE PLC AND THE GROUP

1. Company Information

International Personal Finance plc (“**IPF**”) is the holding company for an international provider of home credit to consumers with average to below average incomes. IPF and its subsidiaries (as defined in the Companies Act 2006) (the “**Group**”) focus on the provision of small sum, primarily home collected, short-term unsecured loans in emerging markets. The Group operates in Poland, the Czech Republic, Slovakia, Hungary, Romania, Mexico, Lithuania and Bulgaria and has approximately 6,960 employees and 30,000 agents. The Group’s head office is in Leeds in the United Kingdom. The issued share capital of IPF comprises 239,705,096 ordinary shares of ten pence each, each of which is fully paid up. The Group is a member of the FTSE 250 index.

The memorandum and articles of association of the Issuer are incorporated by reference into this Prospectus and the objects of the Issuer are unrestricted.

2. History and development

IPF is a public limited company incorporated and registered in England and Wales on 5 December 2006 as a company limited by shares, with registered number 6018973. IPF’s registered office is at Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD. The telephone number of IPF’s registered office is +44 (0)113 285 6700.

The Group was originally established in 1997 as the international division of Provident Financial plc, a UK-based home credit provider, to develop home credit business in emerging markets. Since establishing businesses in Poland and the Czech Republic in 1997, the Group opened further operations in Hungary and Slovakia in 2001, Mexico in 2003 and Romania in 2006. All of these businesses were profitable during the 2013 financial year. In 2013, the Group successfully expanded its footprint through opening operations in Lithuania and Bulgaria.

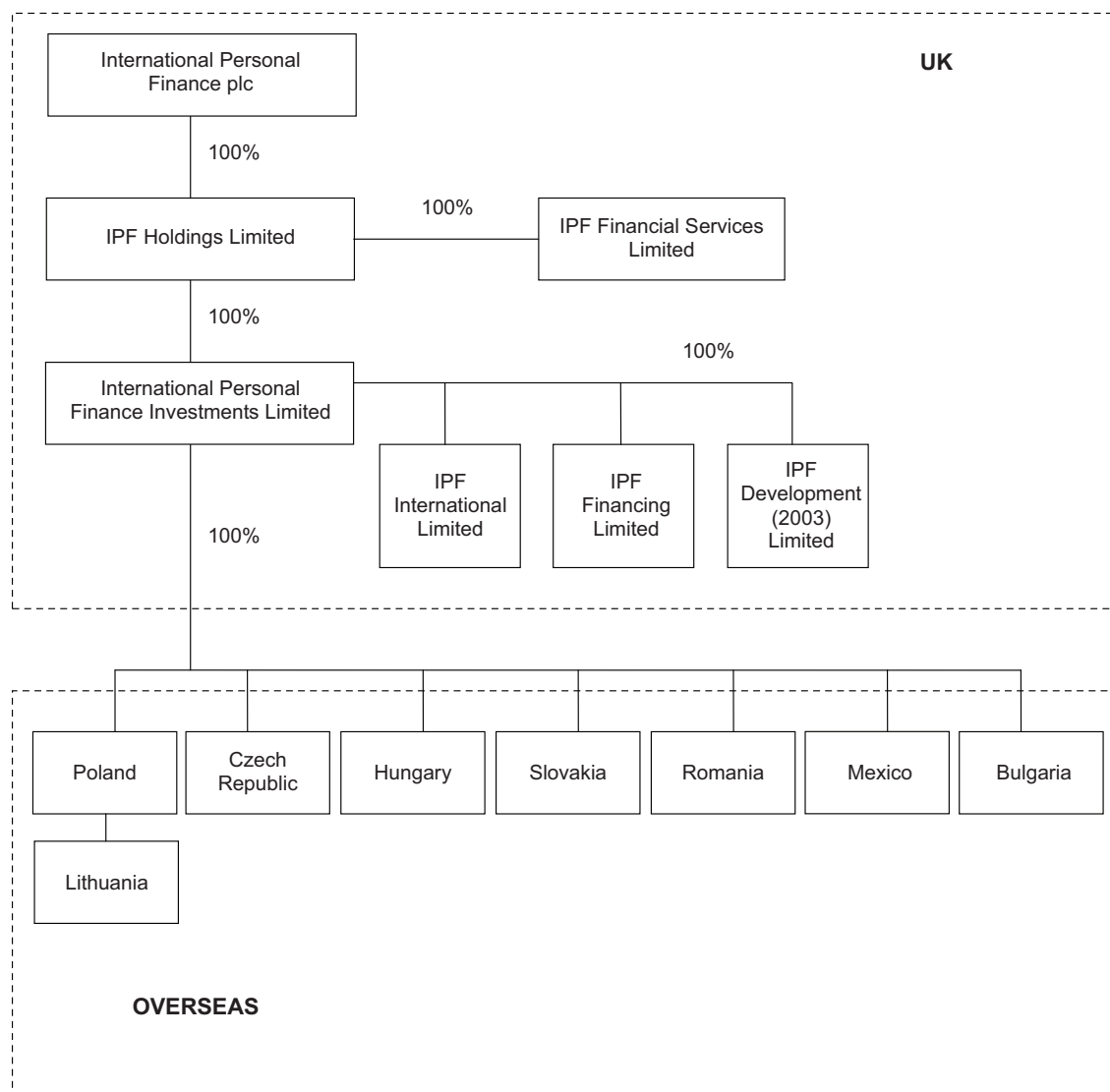
In July 2007, the Group demerged from Provident Financial plc and its ordinary shares were listed on the Official List and were admitted to trading on the London Stock Exchange. In 2012, the Group’s ordinary shares were admitted to trading on the Warsaw Stock Exchange.

In 2013, profit increased by 24 per cent. to £118.1 million before tax and exceptional items. The key drivers of this performance were accelerated customer growth to 7 per cent. (2012: 4 per cent.) and credit issued growth to 15 per cent. (2012: 13 per cent.) which, in turn, led to revenue growth of 11 per cent. (2012: 9 per cent.).

3. Organisational structure

IPF is headquartered in the UK and operates seven principal overseas subsidiaries in central and eastern Europe and Mexico. The Group's Lithuanian business operates as a branch of Provident Polska. IPF also has certain UK subsidiaries which provide business services, financial support or debt option facilities to fellow subsidiary undertakings.

The following chart shows, in simplified form, the organisational structure of the Group.



4. Industry overview

The financial services industry can, broadly speaking, be divided into four categories: banking, fund management, insurance services and consumer credit. The consumer credit sector encompasses mortgages, credit cards, hire purchase, cash loans and other forms of credit. The Group operates in a sub-sector of the consumer credit market, offering small-sum, primarily home-collected, short-term unsecured cash loans in the developing credit markets of central and eastern Europe and Mexico. Home-collected credit products are primarily purchased by customers who require small sum loans delivered rapidly and who prefer personal service. Most have average or below average incomes.

5. Business overview

5.1 Introduction

The Group is an international provider of home credit. The Group's business involves the provision of small sum unsecured cash loans ranging from approximately £100 to approximately £2,000. The loans are in local currency and, typically, are delivered to the customer's home and the repayments are collected from the customer's home weekly by the Group's agents. Loans are short-term and generally range from six months to two years, with an average loan term during 2013 being 54 weeks.

For the majority of home collected loans, the total amount repayable on the loan is fixed at the outset and no additional penalty charges or interest as a result of missed payments is subsequently added. This applies regardless of the number of missed payments or changes in interest rates.

The credit vetting of customers and, where the home service is provided, the provision of the loan and the collection of weekly instalments are all performed in the convenience of the customer's home by a home credit agent (supported by central credit scoring systems) who is responsible for servicing the customer's needs over the course of their relationship with the Group.

The Group employs standard operational and administrative processes across its markets using a consistent information technology platform. These processes include financial control systems and fraud detection and security systems.

The following table¹ gives information in respect of the Group and the markets in which it operates for the financial year ended 31 December 2013:

Market	Year entered market	Country rating (Fitch) ²	Population (m)	Customer numbers (000s)	Credit Issued (£m)	Revenue (£m)	Gross receivables (£m)	Gross receivables (% of total)
Poland	1997	A-	38.5	841	380.4	295.7	573.5	41
Lithuania	2013	BBB+	3.0					
Czech Republic ..	1997	A+	10.5	381	230.2	142.8	304.0	21
Slovakia	2001	A+	5.4					
Hungary	2001	BB+	9.9	307	138.5	97.6	195.0	14
Mexico	2003	BBB+	120.8	744	196.9	143.9	212.1	15
Romania	2006	BBB-	21.3	305	104.8	66.8	129.6	9
Bulgaria	2013	BBB-	7.3					
Total				2,578	1,050.8	746.8	1,414.2	100

Customers and gross receivables as at 31 December 2013. Credit issued and Revenue year ended 31 December 2013.

¹ Source: IPF Key Statistics, central customer database and world bank.

² Credit ratings for Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria and Lithuania are produced by Fitch Ratings Limited. The credit rating for Mexico is provided by Fitch, Inc. Fitch, Inc. is not established in the European Union and is not registered under the CRA Regulation. However, Fitch Ratings Limited is established in the European Union and is registered under the CRA Regulation, and endorses on an ongoing basis, the international credit ratings published by Fitch, Inc.

5.2 Strategy

IPF has core strategic goals which are designed to accelerate growth and increase shareholder value. The Group's strategy aims to develop the business through four strategic actions:

- **Expand the Group's footprint** – grow in existing markets and enter new markets through greenfield start-up businesses or small scale acquisitions which complement the Group's existing operations;

- **Improve customer engagement** – enhance customer acquisition and their experience to improve retention and profitability, provide new product offerings and more digital channels;
- **Develop a more sales focused culture** – develop a stronger sales mindset and invest in the recruitment and development of people with the skill set to meet the Group's growth plans, use marketing skills to gain a better understanding of the Group's customers; and
- **Improve the Group's ability to efficiently execute strategy** – invest in technology to execute the Group's strategy more efficiently and help deliver a more technology-enabled approach to serving its customers and to strengthen its business model, such that it is flexible and focused on customers' changing needs. The Group is committed to optimising the amount of equity capital in its business to enhance shareholder returns.

Execution of IPF's strategy is supported by an experienced management team who combine long-term home credit experience and wider financial services experience.

5.3 Products and pricing

The Group offers its customers short-term cash loans for terms of between six months and two years, with repayments collected weekly. The loans are unsecured and the customer is not required to provide a guarantor. The loans are delivered by money transfer via a bank or post office or if the customer opts for the home service option, the loan is delivered in cash to the customer's home by one of the Group's agents. A customer, who chooses to take the money transfer product without the optional home service, will generally be charged default charges for missed payments.

The amount and term of the loan will vary according to the circumstances of the customer and the evaluation of their creditworthiness. New customers carry higher credit risk and are offered smaller loans repayable over shorter terms, whereas established customers with a good repayment history will be offered higher values over longer terms.

The average loan value for a new customer was £263 for the financial year ended 31 December 2013 with an average duration of 47 weeks. For a repeat customer, the average loan value was £379 over longer terms, with the average duration being 57 weeks.

The Group operates with a flexible product structure in all of its markets (except Mexico) which gives the customer visibility on how the cost of their loan is made up with fixed interest charges, administrative and preparatory fees, insurance costs (Poland only), home service charges and any other costs all clearly set out.

The Group's home credit service product has two core features: the small sum unsecured cash loan and a home collection, agent-based service. The home collection, agent-based service provides a number of benefits to customers:

- The receipt of the loan in cash;
- The convenience of servicing the loan in the comfort of the customer's own home;
- Direct and indirect costs of repaying a loan through the banking network are avoided; and
- Most significantly, where the agent service is provided, the customer is not generally charged any default interest or fees as a result of late payments and can therefore take comfort in the fact that the amount the customer owes does not increase as a result of missed payments and they have the flexibility to miss the occasional payment without penalty.

Most of the Group's customers choose a service which eliminates penalty fees for missed payments.

In 2011, the Group piloted a new pricing strategy in its Slovak market called Preferential Pricing. The pricing strategy rewards the Group's best customers for their loyalty and repayment with preferential borrowing rates. Preferential Pricing has now been successfully adopted market-wide in the Group's Czech, Polish and Hungarian markets over the course of 2013.

A pilot for Preferential Pricing is underway in Romania and the Group anticipates the pricing strategy will be rolled out in full during the course of 2014. Preferential Pricing forms an important part of the Group's product strategy and is intended to be adopted in all new markets at the appropriate time.

The Group's strategy includes the development of its product offerings, with the intention to include more products offered through digital channels, to ensure its products remain in demand, as the competitive landscape within which the Group operates evolves.

5.4 Customers

Since recruiting its first customer at the end of 1997, the Group has delivered over 16 years of customer growth through its strategy of entering new markets and then growing organically through expansion of its branch network.



As at 31 December 2013, the Group had over 2.5 million customers in total, comprising approximately 841,000 in Poland and Lithuania, 744,000 in Mexico, 381,000 in the Czech Republic and Slovakia, 307,000 in Hungary and 305,000 in Romania and Bulgaria.

Approximately 55 per cent. of the Group's customers are women and the households served have average to slightly below average incomes. Customers will typically be employed or have a regular secure income from self-employment or pensions. Typically, customers will be looking to borrow small sums of money to meet an immediate, specific purpose and therefore will not want to borrow more than they need. Demand is highest at periods such as Christmas, Easter, summer and returning to school after the holidays.

5.5 Agents and the home collection model

The Group's business model is distinct from most other lenders due to its use of agents. As the primary distribution channel for the business, the Group's agents represent the main access point for customers and are critical in the lending and repayment processes, from both the business and customer perspective.

There are some 30,000 agents working across the eight countries in which the Group operates and over three quarters of these agents are women. When the Group enters a new market, agents are initially selected through an advertisement in the local press or through leaflet distribution. In the Group's established businesses, many agents are previous

customers who are familiar with the Group and its products. All of the Group's agents are self-employed, with the exception of Hungary where local regulation requires that agents are employed directly by the Group's Hungarian subsidiary.

New agents complete a structured induction programme, which lasts around three months, and during which they are closely monitored by a field manager ("**Development Manager**") to ensure that loans are properly issued. It is Group policy that all agents meet their Development Manager for a formal interview at least once every week. A Development Manager will typically monitor between 10-15 agents who, in total, serve about 1,000 customers.

Agent remuneration is predominantly based on the value of the collections they make rather than the value of the credit they issue to customers. A typical commission structure for an agent would involve receipt of a small amount (between £5-£10) for taking on a new customer plus 5 per cent. of the value of loan instalments they collect. An established agent will typically receive around 80 per cent. to 90 per cent. of their income from collections. This weighting of income to collections helps promote responsible lending.

Agents carry out a number of key functions:

New business – Aided by national marketing, agents are the primary source of new business. Agents also play an important role in deciding whether to make a loan and determining the appropriate levels of credit to issue to new customers, supported by centralised credit management systems which use statistical models to determine the credit risk of applicants and the recommended term and amount of the loan.

Development of relationship with customer – The weekly home visit enables the agent to develop a knowledge of the customer and their circumstances. The agent is therefore well placed to consider whether the level of credit is affordable and can also monitor a customer's circumstances with a view to being responsive to changes in circumstances which may lead to missed repayments.

Collection of loan repayments from the customer's home – Regular weekly collections at the customer's home reduce the effort, the cost (for example, travel expenses) and time (which may be difficult alongside work and family commitments) incurred by the customer in making repayments. Personal collections provide an external discipline for customers, which may help them to keep their account in good order. Over the course of a year, the Group's team of agents will make approximately 100 million customer visits.

Risk management – The agent network plays a key role in the management of impairment levels. The initial home visit provides the agent with additional information (largely unavailable to remote lenders) that forms part of the credit assessment. With regular personal interaction the agent is also well positioned to assess changes in the customer's financial circumstances more swiftly and more accurately than certain other types of lender. The home visit and development of customer relations therefore serves a dual purpose, benefiting both the customer and IPF by preventing over-lending and keeping impairment costs at acceptable levels.

5.6 Credit risk management

IPF utilises its database of previous lending made since the business commenced in 1997 to drive its credit risk management systems, together with the local knowledge of the agents. Credit reference agency ("**Credit Bureau**") data has currently been introduced into IPF's Hungarian and Mexican businesses as well as the Group's newer business in Lithuania. Credit Bureau data is planned to be introduced into each of IPF's markets to supplement its credit risk management. Credit controls are supervised by the Group Credit Committee, which meets monthly, comprising the CEO, CFO, Chief Commercial Officer, Group Marketing Director and Group Credit Director. The Group Credit Committee reviews Group credit performance and controls and makes decisions on Group credit risk management policies and also on local credit risk management decisions which significantly impact volumes, impairment and profitability. Local credit committees operate in each of IPF's markets and meet monthly to review local credit performance and controls and report credit decisions to

the Group Credit Committee. Local credit committees are comprised of the local market Country Manager, Credit Director, Finance Director, Operations Director and also include a representative of the Group Credit function. The local credit committees are empowered to make decisions within a defined framework, any decisions with an impact outside of that defined framework are referred to the Group credit committee along with a recommendation.

The initial contact in respect of a potential new customer would typically be via one of the Group's customer service centres or through the local agent. Initial credit rejection at this first contact is based on whether the customer has previously had loans which have been written off, is too young, does not have a regular source of income or is unemployed.

The agent will visit the potential customer who passes this initial vetting in their home and will help them to complete an income and expenditure assessment. As part of this process, the agent will verify the customer's income (for example, by way of salary slips or bank statements) and outgoings to relevant documentation (for example, rental agreements or other financial commitments) and will make an allowance for other costs of living. This gives an indication of the customer's net disposable income.

Details about the customer will be entered via SMS into the application scoring system. Application scorecards are developed and maintained by in-house statisticians and are subject to on-going monitoring of their effectiveness to identify if redevelopment is required. Application scoring factors include gender, age, phone availability, employment status and bank account availability. The application scoring system will generate a recommendation of the amount and term of any loan that might be offered or will advise the agent that no loan can be offered. The agent can offer the customer less than the recommendation of the application scoring system, but not more. If this happens, or the agent lends to a customer who has been rejected by the application scoring system, this will be reported as an exception to the agent's Development Manager. The system was enhanced further in 2013 to reflect the differing experience and performance of agents. The Group now allows greater offer flexibility to high performing agents and they can offer higher value loans to customers. Agents, therefore, play an important role in deciding whether to make a loan and determining the appropriate levels of credit to issue to customers. In particular, the higher performing agents tend to offer larger issue values for lower levels of missed repayments, reflecting their experience.

Agents visit customers' homes to assess new loan applications. This gives the agent some insight into a customer's personal situation. Where a customer has opted for the home service, agents visit the customers' homes every week to collect repayments. This is intended to enable them to react to a customer's changing circumstances and needs. They may also be able to identify whether there may be a larger local impact resulting from general economic problems in the community in which they operate, such as redundancies at a local factory. Consequently, the Group may be able to adapt its lending decisions based on the latest local information which may have been identified by these agents.

For all repeat loans, the agent verifies basic income and outgoings information to re-establish the capacity of the customer to repay the loan. Agents are supported in this process by behavioural scoring systems. This behavioural scoring system uses the same demographic information as the application scoring system, overlaid with the detailed payment performance on a customer-by-customer basis, which is updated weekly. These systems utilise Experian "Probe" software and allow more flexibility in the way credit offers are controlled and to allow more sophisticated testing strategies such as "Champion Challenger Routines" and faster changes of credit strategy. This is important because the constant challenge around the credit settings overseen by the local and Group credit committees gives rise to a large number of small changes to the Group's credit system settings each year. The basic rationale underpinning the scorecards is that a person's past behaviour is indicative of future behaviour. The behavioural scorecards contain 12 to 14 measures, for example, recent payments as a percentage of due payments, recent full payments made and recent percentage reduction in balance. Statistical tests of each of the scoring systems are performed on a rolling quarterly basis to ensure that they remain fit for purpose. If a scoring system is starting to weaken in its performance it is re-built.

Each week the agent is typically given data on the offers available to their customers, giving details of the length of the loan term, the value of the weekly repayment and maximum value of the loan that can be issued.

5.7 Collections and arrears management

Arrears are managed through a combination of visits, telephone calls and letters. Customers are typically visited weekly by the agent and, with the support of their Development Manager, the agent is primarily responsible for managing accounts in arrears. Given the lower income profile of the customer base, the Group expects a certain level of missed payments and factors this into product pricing and its response to missed payments. Accordingly, there is scope to take a flexible approach with late paying customers. A key factor in this approach is the knowledge and personal relationship fostered by the agent. However, irrespective of the reason for a missed payment or the agent's response, the provisioning system will raise an impairment provision and the behavioural scoring system will modify the loan offer available.

Systems are in place to determine arrears customers to be visited by the agent's Development Manager where the Development Manager is not empowered to select customers based on his or her experience and judgement. The Development Manager will (by way of a visit or a call to the customer) try to establish the reason for the arrears (for example, to ensure that missed payments are not simply due to the agent relationship having broken down) and try to manage the customer in tandem with the agent. This can be via a temporary reduction in weekly repayment, for example in the case of illness, or a longer term rescheduling of payments if the Development Manager and agent agree that the latter would be the best course of action. Although the Development Manager is authorised to agree a revised schedule of payments, no new loan agreement is entered into and any rescheduling of debt or reduction in payments is noted on the customer record. The customer's arrears and impairment are calculated by reference to the original terms of the loan agreement.

The Group also supplements field based arrears management actions with calls from the central collections unit within the customer service centre in all markets except Slovakia and Bulgaria where this activity will be introduced during 2014. In Poland and the Czech Republic, the arrears collection action is managed on the debt manager platform from Fair Isaac which allocates the appropriate arrears action to the customer circumstances (whether that action be by way of Development Manager visit, phone call, letter, SMS or no action).

5.8 Debt recovery

Customers that persistently fail to pay (for 16 weeks or more) are reviewed by an operations manager and written off from the field operation and are referred to the central debt recovery department, provided that the review confirms an appropriate level of arrears collection effort has been made. The agent will no longer visit that customer. The recovery department uses a combination of calls and letters and, where there is a persistent refusal to pay or failure to make contact with the customer, will engage a reputable external debt collector and/or may take the customer to court.

5.9 Impairment provisioning systems

The Group stores all transactional data on loans issued and collections made since the start of the business in 1997. This provides a data source which the Group uses to build its statistical models and for comparing performance across markets at each stage of their development.

Where customers miss a payment (or any part of a payment) they are classified as delinquent (with the exception of the first four weeks for a new customer, which allows repayment patterns to be established) and in arrears with an impairment provision applied. For the purpose of assessing the impairment of customer loans and receivables, customers are categorised into arrears stages, as this has been shown to be a reliable predictor of future repayment performance. A customer's arrears stage is determined by reference to their most recent 12-week repayment performance. The provision percentages for each arrears stage have been derived via statistical modelling of past customer performance. The actuarial

models used to derive expected future cash flows are regularly reviewed to take account of the current environment and recent customer payment performance. Models are produced for each product term in each market and are reviewed for suitability on a regular basis.

Provisioning systems operate independently of the agent and local management and are entirely objective and mechanistic in their operation. The Group's provisioning systems always reference the customer's original contractual obligations rather than any change in the agreed weekly repayment rate when calculating impairment provisions.

5.10 Fraud detection

The Group employs a dedicated loss prevention team whose role includes the prevention and detection of fraudulent activity, utilising a team of around 200 Fraud Managers located within the branch network across all markets supported by statistical modelling and anti-fraud controls in our operating and administrative systems. There are also head office management teams based in individual markets that include fraud investigators and administrators overseen by the Group loss prevention team based at the Group's head office in Leeds. The reporting structure ensures that the loss prevention department operates independently of the operational activities of the business. All Fraud Managers are trained in cognitive interviewing and indicative behaviour with a view to ensuring there is an opportunity to deter and detect fraud in the early stages and therefore hopefully reducing potential losses which would otherwise be incurred. The cost of fraud in each market has typically been found to be less than 1 per cent. of revenue.

6. Markets and competitive position

6.1 IPF's markets

The Group has established markets comprising Poland, the Czech Republic, Hungary, Slovakia, Romania and Mexico.

In 2013 the Group entered two new markets: Lithuania and Bulgaria. A generally favourable business environment and supportive regulatory, tax and funding arrangements, together with a generally positive economic outlook were contributory factors in deciding to launch the Group's business in Lithuania. Supported by the existing infrastructure in Poland, national coverage is expected within 18 months of the market's launch in July 2013. The Group is targeting around 80,000 customers in Lithuania at maturity. Bulgaria has a growing economy and a customer base generally underserved by existing providers of consumer credit, providing a good business opportunity for the Group. Supported by the existing infrastructure in Romania, the Group launched its Bulgarian business in September 2013 with the aim of having over 100,000 customers at maturity.

The Group operates in the small sum, fast cash loan credit markets in each of these countries. The Group has direct, home-collected competitors in all of its established European markets with the exception of Lithuania. These are smaller than IPF in each market and do not have full, national coverage, with the exception of Slovakia, the Czech Republic and Bulgaria. The Group's Slovakian subsidiary has four direct national competitors, Profi Credit, Kesovka, Pohotovost and Fair Credit, with around 70,000, 60,000, 30,000 and 15,000 customers respectively. The Group's Czech subsidiary has five direct national competitors, Smartpujcka, Fair Credit, Help Financial, Door Financial and Profi Credit with around 50,000, 25,000, 20,000, 15,000 and 100,000 customers respectively. The Group's Bulgarian subsidiary has one direct national competitor, EasyCredit, with around 50,000 customers.

Mexico is the Group's fastest growing market and is the largest in geographical terms. There are no direct, home-collected competitors in the market but in the small sum cash loan segment there are a number of "for-profit" and "not-for-profit" lenders. The most significant is Compartamos. This company lends to customers with a similar profile to the Group but predominantly operates a group lending model where small groups are jointly and severally liable to make repayments regardless of who benefits from the loan being granted.

6.2 Competition

The onset of the financial crisis saw the competitive environment change, with mainstream lenders generally less willing to lend to the lower income section of the consumer credit market. In addition, a number of direct competitors withdrew from the consumer credit market altogether. Over recent years however, the level of competition within a number of the Group's markets has started to increase.

The Group has seen an expansion of similar lenders in a number of its European markets. These firms have business models which are directly comparable to the Group's own business model.

Other competitive developments include the development of the use of internet and telephony communication channels as a way of gaining national presence in a market. Competitive offers have ranged from online loans with similar terms to the Group's products, 'pay-day' loans (where small sums of money are borrowed for short periods (for example, Vivus and Wonga)) and credit cards (for example, Vanquis). The increase in the number of lenders offering pay day loans has been most recently noticeable in Poland. The Group considers its product offering to be distinct from the products offered by a typical pay day lending business in a number of ways:

- the Group does not charge default fees on its home collected service;
- the Group does not roll over loans – it does not offer credit to customers who require the money to pay off an existing Group loan;
- the Group's business model is defined on forbearance – if a customer misses a payment, the Group will work with the customer to reschedule their loan and, as a result, default or penalty fees are not a revenue stream within the Group's home service business model;
- the Group does not employ a continuous payment authority; the Group's home service repayments are collected by an agent at pre-arranged times; and
- the Group's agents are primarily paid on what they collect, rather than the products they sell, which helps to promote a responsible lending structure within the Group's business model.

The Group has succeeded in establishing a leading, national market position in the fast cash loan segment in all of its established central European markets and has created the home credit category in all the markets it has entered (except Slovakia where this concept existed prior to the Group's entry). The Group has established itself through the following five key aspects of product differentiation:

- **Personal service** – The agent home delivery and collection of loans has proved to be attractive to many customers and has allowed agents to closely monitor customers' circumstances as well as collect additional data (which is largely unavailable to banks or other remote lenders) to ensure that appropriate levels of credit are issued.
- **Rapid service** – The agent service allows the process of credit vetting and delivery of the cash loan to the customer's home to be completed rapidly.
- **Flexibility** – The close and regular agent-customer relationship allows the Group to respond promptly and sympathetically to changes in customer circumstances which may lead to missed repayments.
- **Inclusive** – The Group's products accommodate customers on below average incomes who do not wish to (or are not able to) borrow large sums and prefer manageable repayments. These customers are often not well served by larger financial institutions and therefore the Group's business model aims to target this underserved market.
- **Accessible** – By deploying approximately 30,000 agents who make in excess of 100 million home visits each year, the Group's business model provides a high level of access to consumers.

6.3 Barriers to entry

The Group's business model requires long-term investment in building an infrastructure of agents, employees and branches and this entails start-up losses during the early years of a market's development. To date, when establishing and growing businesses in new markets the Group has experienced a 'J-Curve' effect to the profitability of those businesses as early losses are experienced before economies of scale are reached. This initial cycle of loss making before a market comes into profit results in capital barriers to entry for potential national competitors.

In addition to the high capital requirements and the relatively long period of losses required to establish a national home credit business, there are specialist skills and processes that are essential to manage the home credit business model. The Group has leveraged the experience gained in the UK and established European markets to transport skills to new countries or new regions in order to manage a new agent network. Agents are given formal and on-the-job training in customer recruitment, sales, customer service and collections. Without the existing skills and knowledge of experienced managers from other IPF markets, it would be more difficult to establish a home credit business. IPF has developed a large pool of experienced field staff capable of transferring their skills to new branches and new countries. There are currently 36 expatriates from the UK and established European markets supporting the business.

As part of the demerger agreement which governs the terms under which the Group's businesses were demerged from Provident Financial plc in 2007, IPF has exclusive rights to use the Provident brand name in all countries excluding the UK and Ireland.

The latest independent market research into the proportion of the adult population who recognise the Group's brand when prompted with the company name or logo (aided brand awareness) shows that awareness of the Group's core brand, Provident, is relatively high and stable in the Group's established markets and awareness is growing in Mexico where the Group is expanding geographically.

Aided brand awareness (%)	Poland	Czech	Slovakia	Hungary	Romania	Mexico
2013.....	77	79	72	89	67	68
2012.....	65	72	67	93	72	46
2011.....	65	74	70	92	64	44
2010.....	68	72	71	93	61	36*

* Source: Gfk brand tracker

7. Demonstration of the resilience of IPF's business model

Home credit businesses have been operating in the UK for over 130 years. Moreover, the model that the Group operates in emerging markets has been tested during the global economic downturn witnessed in recent years.

In particular, the Group adopted certain strategies to manage the business through the macro-economic downturn of 2008-2009. These strategies included a tightening of the credit rules in both application and behavioural scoring systems to increase the volume of customers not offered any loans, to reduce the value of loans offered and to reduce the average term of loan offered; the Group's Credit Management and Management Information systems were further developed to enable credit controls at branch level rather than at a country-wide level; field management incentives were altered during certain periods so that the focus was predominantly on collections and there was a significant reduction in cost base, primarily in the central European markets, delivered through a number of strategies including a reduction in marketing and advertising costs.

The success of these strategies was evidenced by the strong improvement in the financial performance as 2009 progressed, including a return to normal levels of impairment by the second quarter of 2009. Impairment levels have continued to remain stable since 2009.

Part of the resilience of the Group's business is attributable to the short-term nature of its lending which enables the risk profile of the loan book to be changed very quickly. The Group provides short-term credit of, on average, less than 54 weeks duration in most markets.

At 31 December 2013, the average period of receivables outstanding was 5.8 months (2012: 5.4 months) reflecting the short-term nature of the Group's lending.

8. Overview of performance for year ended 31 December 2013

8.1 Summary

With the Group's strategy for growth embedded, the Group has accelerated customer and credit issued growth through expanding its geographic footprint in existing and new markets, broadening its product offer, growing its agent network and increasing its credit risk appetite. The Group successfully implemented its 2013 growth initiatives, whilst at the same time maintaining credit quality and managing costs tightly. Together, these elements resulted in a strong trading performance and profit growth.

8.2 Growth Strategy Update

Expanding our footprint

The Group made good progress in growing its business in existing markets and new European countries.

The Group entered Lithuania and Bulgaria in 2013, demonstrating its ability to leverage its existing infrastructure and management resources to open in neighbouring countries quickly and cost-effectively. In Lithuania the Group opened two branches in Vilnius and Kaunas plus four smaller offices, and has 70 agents serving 1,800 customers. In Bulgaria, where the Group opened in September, the Group has four branches, 96 agents and around 2,400 customers. The Group plans to accelerate geographical expansion in both of these markets during 2014.

The Group opened four new branches in Mexico including its first branch in Mexico City in December 2013, a conurbation with a population of more than 20 million. As part of the Group's expansion in Mexico City, it is testing the delivery of loans to customers by way of a pre-paid card. In addition, it has expanded its office infrastructure in Romania, building a solid platform to reach more customers from 2014 onwards.

Improving customer engagement

The feedback the Group receives from its customers and the improvements it is seeing in customer retention indicates that the Group provides products and services that customers value. Nevertheless, the Group is committed to improving customer engagement and the Group believes that expanding its product offerings to customers is key to this.

The Group's research indicates that many of its customers would like to borrow a larger sum of money but maintain the same weekly instalment as for their current smaller sum loan(s). To meet this demand the Group rolled out a range of longer-term loan products to its best quality customers in Poland, the Czech Republic and Slovakia. Longer-term loans were also launched in Hungary in February 2014 and a pilot is currently underway in Romania.

The Group continued to reward good quality, loyal customers through Preferential Pricing. At the end of 2013, this was in place in Poland, the Czech Republic, Slovakia and Hungary and trials of Preferential Pricing began in Mexico and Romania. The Group's intention is to roll Preferential Pricing out in these markets during the second half of 2014.

The Group also piloted a home insurance product in Hungary from which it gained valuable insight. The Group is currently working with its insurance partner to introduce improved product pricing, more levels of cover and more effective sales processes in its field workforce. In the last quarter of 2013, the Group also launched a pilot scheme offering life and medical assistance insurance to its customers in Mexico for the duration of their loan. The insurance risk associated with these products is not reflected on the Group's balance sheet.

Developing a sales culture

Having experienced and motivated employees and agents is key to achieving the Group's growth ambitions and it has made significant progress in this area during 2013. The Group grew its agency force by 5 per cent. to around 30,000 whilst at the same time reducing agent turnover by 11 percentage points to 46 per cent. The Group also saw employee turnover reduce by 1 per cent. to 22 per cent. and made significant improvements in the engagement levels of employees and agents across all of the Group's markets.

A major development in 2013 was the re-engineering of the role of the Development Managers who manage the Group's agency force. Under the branding of 'ProXXI', the removal of unnecessary activities and the introduction of tablet technology has enabled the Development Managers to devote more time to growing their business, supported by reward and recognition systems linked closely to sustainable profitable growth. To date around 1,000 Development Managers have benefited from these changes, which have been rolled out in Hungary and will be completed in Poland in April 2014. These changes will be made in the Group's other markets during 2014 and 2015.

Effective execution

The Group benefits from the use of credit scoring systems as well as the information the Group gains from its agency force, who meet with every customer before a loan is approved. From a scoring system perspective, the Group continues to extend the use of Credit Bureau data across all of its markets to enable it to make better lending decisions. The use of Credit Bureau data is now part of the Group's new customer decision making process in Hungary, Mexico and Lithuania. The Group is piloting the idea in Poland and Romania, and plans to extend the pilot into the Czech Republic, Slovakia and Bulgaria during 2014.

The Group also tested the impact of increasing credit limits on a centrally approved basis for its best and most experienced agents. This showed that the Group was able to increase loan sizes for good quality customers by approximately 5-10 per cent. while, at the same time, maintaining or reducing the level of impairment. As a result of these tests, the Group introduced segmented credit rules to its best agents in Poland and Hungary towards the end of 2013, and plans to introduce this initiative in other markets in 2014.

To ensure that the Group executes its strategy for growth successfully across its markets, it has established a global change programme, "Transformation for Growth", to manage developments in products, processes and technology in a controlled way. The Group has also engaged a major new IT partner, who has a strong global presence and a proven track record in partnering large businesses to deliver technology programmes. This will support the modernisation of the Group's systems and help it deliver a more technology-enabled approach to serving its customers.

8.3 Market overview

The global economy has strengthened gradually since the 2008 and 2009 financial crisis and GDP growth in the Group's markets was positive during 2013, with the exception of the Czech Republic.

Overall, consumer confidence improved in the Group's European markets in 2013. In Mexico, consumer confidence reduced, but it is still at a higher level than that of Europe.

As a consequence of the buoyant economies in which the Group operates and the strong demand for credit from consumers, the Group continues to see competition intensifying in most of its European markets, particularly from the payday lending sector in Poland, the Czech Republic, Slovakia and Lithuania. Whilst the Group does not compete head-to-head with these providers, they have impacted the Group's share of voice in the media. The Group also saw growing competitive pressure in the Czech Republic, with intensified media activity from bank and non-bank lenders, together with other home credit operators. The competitive environment in Mexico's micro-finance sector was largely unchanged.

8.4 Summary of 2013 performance

The Group delivered a record full year profit of £118.1 million before tax and exceptional items, an increase of 24 per cent. on 2012. The key drivers of this performance were customer growth of 7 per cent. (2012: 4 per cent.) and credit issued growth of 15 per cent. (2012: 13 per cent.) which, in turn, led to revenue growth of 11 per cent. (2012: 9 per cent.). At the same time, the Group's robust credit controls and strong operational management resulted in stable credit quality and a modest improvement in impairment as a percentage of revenue to 26.6 per cent. The Group income statement is set out below:

	2013 £m	2012 £m	Change £m	Change %	Change at CER %*
Customer numbers (000s)	2,578	2,415	163	6.7	6.7
Credit issued	1,050.8	882.1	168.7	19.1	15.1
Average net receivables	710.0	588.3	121.7	20.7	16.5
Revenue (net of ESRs)	746.8	651.7	95.1	14.6	10.6
Impairment	(198.6)	(176.2)	(22.4)	(12.7)	(8.7)
	548.2	475.5	72.7	15.3	11.3
Finance costs	(49.0)	(41.6)	(7.4)	(17.8)	(12.9)
Agents' commission	(86.1)	(74.9)	(11.2)	(15.0)	(11.2)
Other costs	(295.0)	(263.9)	(31.1)	(11.8)	(10.2)
Profit before taxation and exceptional items	118.1	95.1	23.0	24.2	
Exceptional items	12.4	(4.8)	17.2		
Statutory profit before taxation	130.5	90.3	40.2		

* CER refers to the percentage change after restating prior year figures at a constant exchange rate for 2013 in order to present the underlying performance variance.

Half way through 2013 the Group highlighted that customer growth was below expectations and that it was taking action to address this through expanding its agency force and further incentivising managers and agents to deliver growth. The Group worked hard to achieve these plans through the second half of 2013, resulting in agency growth of 5 per cent. to around 30,000 and customer growth of 7 per cent. to 2.6 million, a significant acceleration compared to the 3 per cent. customer growth reported half way through 2013.

The 7 per cent. increase in customer numbers, together with a 9 per cent. increase in the amount of credit issued per customer, resulted in credit issued growth of 15 per cent. This was partly due to Group strategies of rolling out longer-term higher value loans to better quality customers and selective credit easing. More than £1 billion of credit was also granted for the first time. However, the average period to maturity of outstanding receivables remains short at 5.8 months (2012: 5.4 months).

This growth also resulted in a 17 per cent. increase in average net receivables to £710 million. Revenue grew by 11 per cent. in 2013 (2012: 9 per cent.) and the rate of growth increased through the year as follows:

	Q1	Q2	Q3	Q4	Full year
Revenue growth	8%	10%	11%	13%	11%

This acceleration reflects a combination of the growth in the receivables book and a reducing year-on-year impact of early settlement rebates ("ESR") in Poland. At £8.4 million, the total impact of ESRs in 2013 was slightly lower than the Group's guidance and is now fully embedded in the Group's income statement.

The Group's credit management systems are well tested and it has been successful in refining its credit rules to deliver faster growth while maintaining robust collections. Consequently,

impairment as a percentage of revenue reduced to 26.6 per cent. (2012: 27 per cent.) and remains firmly with the Group's target range. As a result of revenue growth and good credit quality, net revenue increased by 11 per cent.

Finance costs increased by 13 per cent., which is 11 percentage points less than the 24 per cent. increase in average borrowings. This reduction in average interest cost was driven by a combination of the lower margin on bonds issued in 2013 together with a reduction in local interest rates in the Group's markets. Agents' commission costs, which are based largely on collections in order to promote responsible lending, increased by 11 per cent. to £86.1 million in line with growth of the business.

The Group continued to manage costs tightly and its cost-income ratio improved by 0.3 percentage points to 39.5 per cent. after absorbing £4.4 million of start-up costs in Lithuania and Bulgaria. The cost-income ratio adjusted for new market investment improved to 38.9 per cent., a reduction of 0.9 percentage points on 2012. This improvement was also achieved after investing an additional £8.4 million in growth opportunities, which included marketing expenditure and field management incentivisation.

8.5 Segmental results

To provide a better understanding of underlying performance, the following table shows the performance of each of the Group's markets, highlighting the impact of the higher ESRs, investment in new markets and stronger FX rates used to translate the Group's local currency profits into sterling. All markets delivered underlying profit growth during the year, and growth at Group level increased by 28 per cent. to £27.1 million, driven by strong credit issued growth, stable credit quality and good cost control.

	2013 reported profit £m	Underlying profit movement £m	Additional ESR costs £m	New market costs £m	Stronger FX rates £m	2012 reported profit £m
Poland-Lithuania	62.3	11.8	(8.4)	(1.9)	5.9	54.9
Czech-Slovakia	32.5	5.0	—	—	0.4	27.1
Hungary	19.4	5.5	—	—	1.4	12.5
Romania-Bulgaria	3.1	0.9	—	(2.5)	0.2	4.5
Mexico	14.5	4.5	—	—	0.8	9.2
UK costs.....	(13.7)	(0.6)	—	—	—	(13.1)
Profit before taxation*	118.1	27.1	(8.4)	(4.4)	8.7	95.1

* Before exceptional items

Poland and Lithuania

The Group's largest market, Poland, delivered a strong set of results, and the Group launched its business in Lithuania – the first of two new markets opened by the Group in 2013. Adjacent to the Group's Polish market, the Group's Lithuanian business is now serving around 1,800 customers from two branches in the key cities of Vilnius and Kaunas supported by teams located in four smaller offices.

Poland also spearheaded the Group's global change agenda with its ProXXI programme, which aims to introduce more efficient ways of working to improve the way the Group serves customers and delivers growth. The Group's managers at the front-end of the business have taken a lead role in developing initiatives to support the Group's change objectives including the removal of non-value adding tasks, performance management, new incentive schemes, agent credit segmentation and the introduction of tablet technology for Development Managers.

From a trading perspective, Poland delivered good growth in credit issued and receivables together with well controlled costs resulting in a 13 per cent. increase in profit before tax of

£62.3 million. These factors resulted in an £11.8 million increase in underlying profit and a £5.9 million benefit from stronger FX rates, partially offset by £8.4 million of higher ESR costs and a £1.9 million investment in Lithuania.

	2013 £m	2012 £m	Change £m	Change %	Change at CER %*
Customer numbers (000s)	841	821	20	2.4	2.4
Credit issued	380.4	326.6	53.8	16.5	11.9
Average net receivables	282.6	235.7	46.9	19.9	15.0
Revenue	295.7	268.8	26.9	10.0	5.6
Impairment	(84.3)	(79.5)	(4.8)	(6.0)	(1.6)
	211.4	189.3	22.1	11.7	7.3
Finance costs	(20.2)	(17.4)	(2.8)	(16.1)	(11.0)
Agents' commission	(30.0)	(27.1)	(2.9)	(10.7)	(6.4)
Other costs	(98.9)	(89.9)	(9.0)	(10.0)	(10.1)
Profit before taxation	62.3	54.9	7.4	13.5	
Poland	64.2	54.9	9.3	16.9	
Lithuania	(1.9)	—	(1.9)	—	
Profit before taxation	62.3	54.9	7.4	13.5	

* CER refers to the percentage change after restating prior year figures at a constant exchange rate for 2013 in order to present the underlying performance variance.

Competition in Poland intensified in 2013 with an increased presence of payday lenders which reduced the Group's share of voice in the media despite an increase in advertising investment. The Group's product offering is different from such lenders and, while payday lenders' emergence has influenced regulatory debate, the Group estimates that the impact of such lenders on customer growth in 2013 was marginal.

Against this backdrop, the Group delivered credit issued growth of 12 per cent. This was driven by a combination of 2 per cent. customer growth and the introduction of new products, in particular longer-term loans, which were offered to better quality customers and which represented 15 per cent. of credit issued in 2013.

Average net receivables increased by 15 per cent., reflecting the strong growth in credit issued. As expected, revenue grew at the slower rate of 6 per cent. due to the £8.4 million impact of higher ESRs and lower revenue yields on the Group's longer-term product. Revenue growth rates increased from 1 per cent. in the first quarter of 2013 to 10 per cent. in the fourth quarter of 2013 as the year-on-year impact of ESRs slowed throughout the year.

Managing and refining the Group's credit systems helped deliver growth while maintaining stable credit quality. As a result, the Group was successful in improving the impairment to revenue ratio by 1.1 percentage points to 28.5 per cent.

Expansion into new markets is a key strand of the Group's growth strategy. The Group expects significant customer and credit issued growth in Lithuania in 2014 by achieving full geographic coverage of the country by the end of the year, increasing its agent network from 70 to approximately 300 agents and building higher awareness of its offers through continued marketing investment and advertising. Including the Group's investment in the launch of this new market, the cost-income ratio for Poland and Lithuania increased to 33.4 per cent. The cost-income ratio for the Group's Polish business increased slightly to 32.8 per cent. as a result of the dilutive impact that higher ESRs had on revenue growth together with an additional £2.5 million in growth-related expenditure. In 2014, the Group expects the investment in start-up losses in Lithuania to be between £4 and 5 million.

The Group plans to deliver further growth in Poland and Lithuania in 2014. The Group expects to achieve this by completing the roll out of ProXXI in Poland, investing more in marketing and incentives and expanding market coverage in Lithuania.

Czech Republic and Slovakia

Management delivered good growth in credit issued and a strong 20 per cent. increase in reported profit to £32.5 million in 2013.

	2013 £m	2012 £m	Change £m	Change %	Change at CER %*
Customer numbers (000s)	381	383	(2)	(0.5)	(0.5)
Credit issued	230.2	206.6	23.6	11.4	9.3
Average net receivables	161.7	145.3	16.4	11.3	8.9
Revenue	142.8	133.4	9.4	7.0	4.8
Impairment	(33.8)	(34.2)	0.4	1.2	2.9
	109.0	99.2	9.8	9.9	7.4
Finance costs	(9.5)	(8.8)	(0.7)	(8.0)	(4.4)
Agents' commission	(15.4)	(14.8)	(0.6)	(4.1)	(2.0)
Other costs	(51.6)	(48.5)	(3.1)	(6.4)	(3.6)
Profit before taxation	32.5	27.1	5.4	19.9	

* CER refers to the percentage change after restating prior year figures at a constant exchange rate for 2013 in order to present the underlying performance variance.

Market conditions in Slovakia are generally positive and more supportive of delivering growth. In the Czech Republic, however, the Group faced growing competitive pressure, primarily from other home credit operators but also from banks and non-bank lenders which utilised higher profile advertising to attract customers. Economic activity in this market also contracted.

Greater competition resulted in a reduction in customer numbers in the first half of 2013 in the Czech Republic. The Group worked hard to return to growth and concentrated its efforts on growing customer numbers through improving agent productivity, expanding its product range and aligning incentive schemes to growth objectives. As a result, the Group added 5,000 customers and closed the year 0.5 per cent. down on 2012, reversing the 3 per cent. contraction reported half way through 2013. These actions also helped deliver a 9 per cent. increase in both credit issued and average net receivables and revenue growth of 5 per cent.

The Group continued with the roll out of longer-term higher value products, discounted loans for loyal customers and selective credit easing. Longer-term products were offered to the Group's higher quality customers and contributed to 19 per cent. of lending in 2013. In the fourth quarter of 2013, the Group's discounted offer was available to around 18 per cent. of its customers and made up 19 per cent. of credit issued in 2013.

The Group aims to test Credit Bureau data in both the Slovakian and Czech Republic markets in 2014 to support its objective to accelerate growth. Impairment as a percentage of revenue reduced by 1.9 percentage points to 23.7 per cent., falling outside the Group's target range of 25 per cent. to 30 per cent., indicating that there is scope to capture further sales opportunities and grow the business faster, particularly in Slovakia.

Other costs were controlled, resulting in the cost-income ratio reducing by 0.4 percentage points to 36.1 per cent.

The Group is looking to maintain the rate of credit issued growth and increase customer numbers and revenue growth in 2014. The Group will also refine its credit management rules to enable growth and expects the impairment to revenue ratio to rise into the target range as a result.

Hungary

In 2013, the Group's Hungarian business had more than 300,000 customers, a strong trading performance and has been identified as being a premium brand within its respective market, and therefore granted "Superbrand" status, demonstrating its excellent reputation in the consumer credit sector as a provider of products that customers value.

On trading performance, the Group delivered excellent growth in credit issued and profit, together with a significant reduction in the cost-income ratio of nearly five percentage points. Underlying profit growth of £5.5 million coupled with a £1.4 million benefit from stronger FX rates resulted in a 55 per cent. increase in reported profit of £19.4 million.

	2013 £m	2012 £m	Change £m	Change %	Change at CER %*
Customer numbers (000s)	307	268	39	14.6	14.6
Credit issued	138.5	114.2	24.3	21.3	19.3
Average net receivables	97.3	76.6	20.7	27.0	24.6
Revenue	97.6	78.2	19.4	24.8	22.5
Impairment	(18.4)	(11.9)	(6.5)	(54.6)	(52.1)
	79.2	66.3	12.9	19.5	17.2
Finance costs	(7.5)	(6.3)	(1.2)	(19.0)	(15.4)
Agents' commission	(15.8)	(13.4)	(2.4)	(17.9)	(16.2)
Other costs	(36.5)	(34.1)	(2.4)	(7.0)	(8.6)
Profit before taxation	19.4	12.5	6.9	55.2	

* CER refers to the percentage change after restating prior year figures at a constant exchange rate for 2013 in order to present the underlying performance variance.

Hungary has the most stable and engaged workforce within the Group and this has been the key driver behind the 15 per cent. increase in customer numbers to 307,000 in 2013. This customer growth, together with a Group strategy to ease credit controls for existing customers, helped deliver a strong increase in credit issued of 19 per cent. and resulted in average net receivables and revenue growth of 25 per cent. and 22 per cent. respectively.

Hungary's customer portfolio continued to demonstrate excellent credit quality and its collections performance remains good. As planned, impairment as a percentage of revenue increased by 3.7 percentage points to 18.9 per cent., reflecting the Group's appetite for growth. It is, however, well below the Group's target range of 25 per cent. to 30 per cent., so the Group will continue to target opportunities for further profitable growth through easing credit controls.

Despite successful growth, the Group controlled costs tightly and, as a result, the cost-income ratio improved by 4.9 percentage points to 37.4 per cent., falling below 40 per cent. for the first full year.

In 2014, the Group aims to grow customer numbers to 321,000 and increase credit issued through the introduction of a longer-term, higher value product and continued easing of credit controls for existing customers.

Romania and Bulgaria

The Group's business in Romania delivered an improved performance in 2013, marked by passing the 300,000 customer number milestone in the fourth quarter of 2013. The Romanian management team also expanded the geographical footprint in the third quarter of 2013 when trading in Bulgaria commenced – the Group's second new market of the year. 2013 was a year of investment that will facilitate further growth in 2014 and, therefore, underlying profit growth was modest at £0.9 million. Reported profit for the year was £5.6 million before investing £2.5 million in the launch of Bulgaria.

	2013 £m	2012 £m	Change £m	Change %	Change at CER %*
Customer numbers (000s)	305	260	45	17.3	17.3
Credit issued	104.8	85.8	19.0	22.1	15.7
Average net receivables	60.8	52.0	8.8	16.9	10.7
Revenue	66.8	57.2	9.6	16.8	10.8
Impairment	(18.9)	(18.3)	(0.6)	(3.3)	1.6
	47.9	38.9	9.0	23.1	16.5
Finance costs	(4.8)	(4.1)	(0.7)	(17.1)	(9.1)
Agents' commission	(6.8)	(5.6)	(1.2)	(21.4)	(15.3)
Other costs	(33.2)	(24.7)	(8.5)	(34.4)	(27.2)
Profit before taxation	3.1	4.5	(1.4)	(31.1)	
Romania	5.6	4.5	1.1	24.4	
Bulgaria	(2.5)	—	(2.5)	—	
Profit before taxation	3.1	4.5	(1.4)	(31.1)	

* CER refers to the percentage change after restating prior year figures at a constant exchange rate for 2013 in order to present the underlying performance variance.

Macroeconomic conditions in Romania stabilised in 2013 which allowed the Group to change its focus from collections to targeting faster growth during the second quarter of 2013. The Group also invested in expanding its geographical coverage by opening offices within its existing regional footprint, which has allowed the Group to reach a broader base of new customers. These actions resulted in customer growth of 17 per cent. and the Group ended 2013 with 305,000 customers in Romania and Bulgaria.

Credit issued grew by 16 per cent. and was driven largely by the strong growth in customer numbers and easing credit rules for existing customers. The Group's 78 week longer-term product, which it piloted in 2013, has been well received by customers and is planned to be rolled out across the market in 2014. Average net receivables and revenue both grew by 11 per cent.

At the same time as achieving strong growth, the Group delivered an improved collections performance and impairment as a percentage of revenue improved by 3.7 percentage points to 28.3 per cent. This is well within the Group's target range.

The investment in additional infrastructure to deliver growth, excluding Bulgaria, resulted in the cost-income ratio increasing by 2.3 percentage points to 46 per cent. The Group expects the cost-income ratio to reduce in 2014 as it leverages investment in 2013 to deliver further growth in customers and credit issued.

In Bulgaria, the Group has opened four branches and is now serving around 2,400 customers. The Group plans to open a further six branches to achieve full geographic coverage in 2014 which, in turn, will enable it to commence mass marketing on television and through other media channels. As a result, the Group expects its investment in start-up losses to increase to between £4-5 million in 2014.

Mexico

The Group's Mexican business remains focused on increasing revenue per customer, maintaining impairment as a percentage of revenue in the Group's target range of 25 per cent. to 30 per cent. and reducing the cost-income ratio to below 40 per cent. During 2013, the Group delivered against these objectives with continued strong growth driving an increase in profit per customer from £14 to £21 and a 58 per cent. increase in reported profit to £14.5 million.

The Group also expanded its geographic footprint by opening four new branches, including its first in Mexico City in December 2013. Mexico City has a population of more than 20 million and represents a potentially significant source of future growth.

	2013 £m	2012 £m	Change £m	Change %	Change at CER %*
Customer numbers (000s)	744	683	61	8.9	8.9
Credit issued	196.9	148.9	48.0	32.2	26.5
Average net receivables	107.6	78.7	28.9	36.7	31.1
Revenue	143.9	114.1	29.8	26.1	21.1
Impairment	(43.2)	(32.3)	(10.9)	(33.7)	(28.6)
	100.7	81.8	18.9	23.1	18.2
Finance costs	(7.0)	(5.0)	(2.0)	(40.0)	(34.6)
Agents' commission	(18.1)	(14.0)	(4.1)	(29.3)	(24.0)
Other costs	(61.1)	(53.6)	(7.5)	(14.0)	(10.3)
Profit before taxation	14.5	9.2	5.3	57.6	

* CER refers to the percentage change after restating prior year figures at a constant exchange rate for 2013 in order to present the underlying performance variance.

The Group's primary objective is to increase revenue per customer, whilst maintaining a good rate of customer growth. The Mexican business made good progress against these objectives with customer growth of 9 per cent., supported by an increase in branch infrastructure from 54 to 58 branches and strong growth in revenue of 21 per cent. As part of the Group's expansion in Mexico, the agency force grew by 9 per cent. to 9,400 and, at the same time, agent turnover reduced significantly by 7 percentage points to 46 per cent.

The increase in revenue per customer was supported by the progressive introduction of new credit settings, which enabled the business to issue higher value loans over extended loan terms to better quality customers. These new credit settings are now in place in 42 branches across Mexico and contributed to strong growth in credit issued of 27 per cent. and average net receivables of 31 per cent. The Group plans to roll out these new credit settings to its remaining branches in 2014.

Impairment as a percentage of revenue increased slightly to 30 per cent. The Group did, however, introduce Credit Bureau data in its credit decision making process in Mexico during the second half of 2013 and, going forward, it believes that this will be an important tool in enabling it to further increase revenue per customer whilst maintaining the impairment ratio within the Group's target range.

Agents' commission increased in line with revenue growth, whilst other costs continued to be controlled tightly, resulting in a 3.9 percentage point improvement in the cost-income ratio to 42.5 per cent.

In 2014, the Group plans to open a further five branches and to continue to develop its operations in Mexico City.

8.6 **Exceptional items**

The income statement includes an exceptional gain of £12.4 million. This comprises a profit on the sale of impaired receivables originating from loans issued in Poland of £15.9 million and a write down of IT assets of £3.5 million. The impairment of IT assets arose from a review of the future technology platforms that the Group needs to support its growth strategy, which identified assets that are no longer compatible with this vision.

8.7 Taxation

The taxation charge for the year on statutory pre-tax profit was £34.9 million (2012: £16.2 million) which equates to an effective rate of 26.7 per cent. The underlying tax charge on pre-exceptional profit was £31.9 million which represents an effective tax rate of 27 per cent. The effective tax rate is expected to remain broadly at this level in 2014.

8.8 Dividends

In accordance with the Group's progressive dividend policy and subject to shareholder approval, a final dividend of 5.5 pence per share will be payable which will bring the full year dividend to 9.3 pence per share (2012: 7.7 pence per share), an increase of 20 per cent. The increased dividend reflects the underlying trading performance and cash generative nature of the Group's business model. The dividend will be paid on 9 May 2014 to shareholders on the register at the close of business on 11 April 2014. The shares will be marked ex-dividend on 9 April 2014.

8.9 Balance sheet, funding and cash flow

The Group has a well funded balance sheet with low gearing and its business model generates strong cash flow.

The Group has a strong balance sheet with 50 per cent. of its receivables book funded by equity, which is in line with the Group's new target following the completion of a £60 million share buyback in November 2013. The Group has an objective of making the balance sheet work harder and a key driver is expected to be the anticipated reduction in funding costs when it refinances its core eurobond funding. The Group expects to refinance the eurobond comfortably ahead of its maturity date in August 2015. Gearing is low at 1.0 times and the Group has significant headroom against its funding covenants. A core feature of the Group's business model is that it borrows long and lends short, which enables the Group to maintain financial flexibility. At the 2013 year end 92.1 per cent. of borrowings were due after more than one year and 94.2 per cent. of receivables were due within one year.

The Group is well funded with headroom of £175.3 million against total facilities of £575.8 million. The Group has a clear strategy to diversify sources, extend term and reduce the costs of its funding, and it made good progress against these objectives in 2013. During 2013, the Group issued £132 million of bonds from a range of bond markets and extended £51 million of bank facilities, whilst also extending its overall debt maturity profile. The bonds were issued on a like-for-like basis at around 500 basis points lower than the 2010 eurobond. The Group issued £101.5 million seven year sterling retail bonds at a fixed coupon of 6.125 per cent., £11.2 million five year Hungarian forint denominated bonds at a fixed coupon of 11 per cent., £7.6 million five year Czech crown bonds at a fixed coupon of 5.25 per cent. and £11.3 million three year Romanian lei bonds at a fixed coupon of 8.10 per cent. Around 70 per cent. of the Group's debt facilities and almost all drawn borrowings at the year end were provided by the Group's bonds. The Group has local currency denominated bonds in all of its established European markets, which reduces exposure to currency volatility.

The Group's business model is cash generative and during the year it generated operating cash flows of £227.3 million (2012: £172.6 million) before funding a £143.1 million increase in net receivables (2012: £74.4 million). This cash flow meant that borrowings increased by £92.8 million to £400.5 million, despite the growth in net receivables and the £60 million share buyback.

8.10 Receivables

At 31 December 2013, the Group had net assets of £393.9 million (2012: £375.8 million) and receivables of £784.8 million (2012: £650.3 million).

	2013 (£m)	2012 (£m)
Gross customer receivables	1,414.2	1,169.3
Net customer receivables	784.8	650.3
Net as percentage of gross customer receivables	55%	56%

The gross customer receivables represents the total amount still to be paid on all outstanding agreements. At the start of an agreement the gross balance equates to the total amount payable under the terms of the loan agreement i.e. the amount of credit issued plus a single, fixed charge for the loan, including all interest fees and service costs. The gross customer receivables balance is reduced by the value of customer repayments until either a loan is fully repaid or written off. The Group's receivables book is short term.

The following table splits the Group's gross receivables by age (i.e. time elapsed since issued):

£ million	0-3 months	3-6 months	6-9 months	9-12 months	>12 months	Total
Poland – Lithuania.....	198.8	124.4	87.2	53.5	109.6	573.5
Czech – Slovakia.....	101.1	72.0	43.5	25.0	62.4	304.0
Hungary	76.6	44.9	32.3	16.8	24.4	195.0
Mexico	83.1	61.2	36.7	15.2	15.9	212.1
Romania – Bulgaria	48.5	31.7	19.1	9.0	21.3	129.6
Group	508.1	334.2	218.8	119.5	233.6	1,414.2

The average period of receivables outstanding at the year-end was 5.8 months (2012: 5.4 months) with 94 per cent. of year end receivables due within one year (2012: 96 per cent.).

9. Current trading, trends and prospects

The Group's strategy is delivering growth and it reported a record profit in 2013. The macroeconomic backdrop in the Group's markets is positive and forecast to be supportive of its growth plans in 2014. While the level of regulatory debate and competition is increasing, the Group has a strong track record of adapting its business model to meet new requirements and continue to serve its customers with products that they value. Through the Group's strategy for growth it is on track to expand the business, strengthen customer relationships and develop its product range, and it is confident of making further good progress in 2014.

10. Borrowings and debt facilities

10.1 Borrowings

The Group has achieved a diversified funding profile with around 70 per cent. of committed facilities being provided by bonds. The Group has issued bonds under this Programme of approximately £335 million and in addition, during 2010 the Group was recognised as being the first non-domestic issuer of corporate bonds on the Warsaw Stock Exchange.

The Group's trading performance in 2013 generated operating cash flows of £84.2 million (2012: £98.2 million). These operating cash flows funded a £143.1 million increase in net receivables (2012: £74.4 million) and left £84.2 million of internally generated funding to support capital investment, investor returns and taxation. This cash flow meant that borrowings increased by £92.8 million to £400.5 million despite growth in net receivables and a £60 million share buyback. This compared with facilities totalling £575.8 million, giving headroom on facilities of £175.3 million. Gearing, calculated as borrowings divided by shareholders' equity, increased to 1.0 times (31 December 2012: 0.8 times).

10.2 Bonds

The Group had the following bonds outstanding:

In August 2010, IPF issued €225 million five year bonds at a fixed coupon of 11.5 per cent. under this Programme.

In September 2010, IPF Investments Polska Sp. z o.o. issued 200 million Polish zloty bonds maturing 30 June 2015 under the Group's Polish Medium Term Note programme ("PMTN"). The coupon is a floating six month WIBOR (the relevant Polish bank reference rate) plus a margin of 750 basis points.

In February 2011 IPF issued 36.5 million Romanian lei three year bonds at a fixed coupon of 12.0 per cent. under this Programme.

In July 2012 IPF issued an aggregate of CZK 380 million of bonds under this Programme. This is split between CZK 280 million three year bonds at a fixed coupon of 8.5 per cent. and CZK 100 million four year bonds at a fixed coupon of 9.0 per cent.

In January 2013, IPF issued 4 billion Hungarian forint five year bonds at a fixed coupon of 11.0 per cent. under this Programme.

In May 2013, IPF issued 70 million sterling seven year bonds at a fixed coupon of 6.125 per cent. under this Programme. In November 2013, IPF issued a second tranche of these bonds, raising a further 31.5 million sterling of bonds with the same terms as those issued in May 2013.

In October 2013, IPF issued 60.5 million Romanian lei three year bonds at a fixed coupon of 8.1 per cent. under this programme. In connection with this issuance, IPF agreed to repurchase 7 million Romanian lei of the 12.0 per cent. bonds due 10 February 2014 previously issued under this Programme in February 2011.

In November 2013, IPF issued 250 million Czech koruna five year bonds at a fixed coupon of 5.25 per cent. under this Programme.

10.3 Bank facilities

The Group's total bank facilities at 31 December 2013 were £200.3 million. £125.8 million of these facilities mature during 2015. The remaining term facilities (£54.5 million) mature in 2014, 2015 and 2016 (£19.9 million, £14.6 million and £20 million respectively). The Group's syndicated and bilateral facilities reflect a broad banking group that has a good strategic and geographical fit with the Group's operations.

Substantially, the Group's bank facilities are committed in the local currencies of each operating subsidiary, with the IPF local subsidiary as the borrower. The syndicated facility is split into five tranches, one for each of Poland, the Czech Republic, Hungary, Slovakia and Romania. The Company can borrow under the facility (sterling, euros, as well as local currencies). The Group's debt facilities are structured with a view to ensuring that all bank lenders are treated equally in an enforcement scenario. This is achieved through using downstream guarantees for all borrowings. For example, when banks lend to Provident Polska, they agree to rely on the IPF parent and UK holding company guarantees in an enforcement situation, rather than making a direct claim on the assets of the borrower. Substantially, all of the existing IPF bank facilities have the same covenant structure, including financial covenants, and it is intended that this position will be maintained in future debt facilities.

The Group continues to maintain good headroom on all of its banking covenants.

10.4 Summary of debt facility maturities³

	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m	2020 £m	Total £m
Bonds							
Euro.....	—	186.8	—	—	—	—	186.8
Polish	—	40.1	—	—	—	—	40.1
Czech	—	8.5	3.0	—	7.6	—	19.1
Romanian	5.5	—	11.3	—	—	—	16.8
Hungarian	—	—	—	—	11.2	—	11.2
Retail	—	—	—	—	—	101.5	101.5
Total Bonds	5.5	235.4	14.3	—	18.8	101.5	375.5
Multi-Currency Bank Facilities							
Bank facilities	19.9	125.8	14.6	20.0	—	—	180.3
Short-term facilities	20.0	—	—	—	—	—	20.0
Total bank facilities	39.9	125.8	14.6	20.0	—	—	200.3
Total facilities	45.4	361.2	28.9	20.0	18.8	101.5	575.8

⁽³⁾ FX rates at 31st December 2013.

11. Directors

The following table sets out a list of directors of IPF and the principal activities performed by them outside IPF where these are significant to IPF as at the date of this Prospectus.

Name	Position	Other principal activities
Christopher Rodrigues	Non-Executive Chairman	Chairman of: VisitBritain Almeida Theatre Company Limited The Windsor Leadership Trust The British Bobsleigh & Skeleton Association Openwork Holdings Limited Advisor to: Monitise plc Council member and Trustee of: The National Trust Executive Committee member of: World Tourism and Travel Council
Gerard Ryan	Chief Executive Officer	None
David Broadbent	Chief Commercial Officer	None
Adrian Gardner	Chief Financial Officer	Director of: Amdocs Limited Member of the Advisory Council: Worcester College, Oxford University

Name	Position	Other principal activities
Tony Hales	Senior Independent non-executive director	Chairman of: Canal & River Trust Director of: Capital & Regional plc The Services Sound and Vision Corporation Welsh National Opera Chair of Trustees: NAAFI Pension Fund Trustees
Edyta Kurek	Independent non-executive director	Vice President of: Nordics, East Europe Middle East and France General Manager of: Herbalife Polska Sp.z.o.o.
Richard Moat	Independent non-executive director	Chief Financial Officer of: Eircom Limited Chairman of: The ACCA Accountants for Business Global Forum Advisory Board member of: Tiaxa, Inc Chile Trustee of: The Peter Jones Foundation
Nicholas Page	Independent non-executive director	None

Cathryn Riley

Independent
non-executive director

Director of:
The Equitable Life Assurance
Society

The business address of each of the directors is c/o Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD.

The Board of Directors of IPF (the “**Board**”) may, subject to and in accordance with, the provisions of its articles of association, authorise any matter which would otherwise involve a director breaching his duty under the Companies Act 2006 to avoid conflicts of interest. Where the Board gives authority in relation to a conflict of interest the Board may (a) require the relevant director to be excluded from the receipt of information, the participation in discussion and/or the making of decisions related to the conflict of interest; (b) impose upon the relevant director such other terms for the purpose of dealing with the conflict of interest as it may determine; and (c) provide that the relevant director will not be obliged to disclose information that is confidential to a third party and obtained otherwise than through his position as a director of IPF, or to use or apply the information in relation to IPF’s affairs, where to do so would amount to a breach of that confidence. The Board may revoke or vary such authority at any time.

The above paragraph details how future potential conflicts of interests not known as at the date of this Prospectus are to be addressed by IPF and the directors, should any such potential conflicts arise.

As to any potential conflicts of interest as at the date of this Prospectus, save for the fact that any of the directors of IPF may purchase and hold Notes issued under the Programme from time to time (which would make them creditors of IPF in their personal capacity for so long as they hold the Notes), there are no potential conflicts of interest between the duties of the directors listed above to IPF and their private interests and/or other duties. As at the date of this Prospectus, no directors do in fact hold any Notes issued under the Programme except as disclosed below.

Nicholas Page holds EUR 400,000 Notes issued under the Programme.

Director Profiles

Christopher Rodrigues CBE, Non-Executive Chairman

Graduated with a degree in economics and economic history and has an MBA. He joined the Board of IPF in 2007 at the time of the demerger from Provident Financial plc, serving as Executive Chairman until October 2008 when the chairmanship became a non-executive role. He is currently Chairman of VisitBritain, Almeida Theatre Company Limited, The Windsor Leadership Trust, the British Bobsleigh & Skeleton Association and Openwork Holdings Limited and an advisor to Monitise plc; he is on the Council, and a Trustee of, the National Trust and is an executive committee member of the World Tourism and Travel Council. He was previously a non-executive director of Ladbrokes plc, director of Ladbrokes Employee Share Trust Limited, Chief Executive of Thomas Cook, Chief Executive of Bradford and Bingley, board member of the Financial Services Authority, President and Chief Executive of Visa International and Joint Deputy Chairman of Provident Financial plc.

Gerard Ryan, Chief Executive Officer

Qualified as a chartered accountant. He joined the Board of IPF in January 2012 as Chief Executive Officer (Designate) and became Chief Executive Officer at the beginning of April 2012. He was previously Chief Financial Officer of Garanti Bank, Turkey and Chief Executive Officer of GE Money Bank, Prague, Chief Executive Officer for Citi’s consumer finance businesses in the Western Europe, Middle East and Africa region and director of Citi International plc, Egg plc and Morgan Stanley Smith Barney UK.

David Broadbent, Chief Commercial Officer

Qualified as a chartered accountant, having graduated with a degree in classics and has an MBA. He joined the Board of IPF as Finance Director in 2007 and became Chief Commercial

Officer at the beginning of 2014. He was previously a Senior Manager with PricewaterhouseCoopers, and Financial Controller, and later Finance Director of, the International Division of Provident Financial plc.

Adrian Gardner, Chief Financial Officer

Graduated in Engineering Science and is a Fellow of the Institute of Chartered Accountants in England and Wales. He joined the Board of IPF on 2 January 2014 as Chief Financial Officer. He is a non-executive director of Amdocs Limited and is a Member of the Advisory Council to Worcester College, Oxford University. He was previously Chief Financial Officer of RSM Tenon Group plc, PA Consulting Group Limited and ProStakan Group plc and a Managing Director of Lazard LLC.

Tony Hales CBE, Senior Independent non-executive director

Graduated with a degree in chemistry. He joined the Board of IPF as a non-executive director in 2007. He is currently Chairman of the Canal & River Trust and non-executive director of Capital & Regional plc and a board member of The Services Sound and Vision Corporation. He is also a director of Welsh National Opera Limited and Chairs NAAFI Pension Fund Trustees. He was previously Chief Executive of Allied Domecq plc, Chairman of Workspace Group plc and NAAFI Limited, and a non-executive director of Provident Financial plc, Welsh Water plc, Aston Villa plc, HSBC Bank plc and Reliance Security Group plc.

Edyta Kurek, Independent non-executive director

Graduated with a degree in nuclear engineering. She joined the board of IPF as a non-executive director with effect from 15 February 2010. She is Vice President of Nordics, East Europe, Middle East and France, and General Manager of Herbalife Polska Sp.z.o.o. She has previously held positions in Oriflame Poland Sp.z.o.o and UPC Poland Sp.z.o.o.

Richard Moat, Independent non-executive director

Graduated with a degree in law and he is a Fellow of the Association of Chartered Certified Accountants. He joined the board of IPF as a non-executive director in July 2012. He is Chief Financial Officer of Eircom Limited, an advisory board member of Tiaxa, Inc Chile, Trustee of the Peter Jones Foundation, and chair of the ACCA Accountants for Business Global Forum. He was previously Deputy Chief Executive Officer and Chief Finance Officer of Everything Everywhere Limited, Managing Director of T-Mobile UK Limited, Chief Executive Officer of Orange Romania SA, Orange Denmark A/S and Orange Thailand Limited.

Nicholas Page, Independent non-executive director

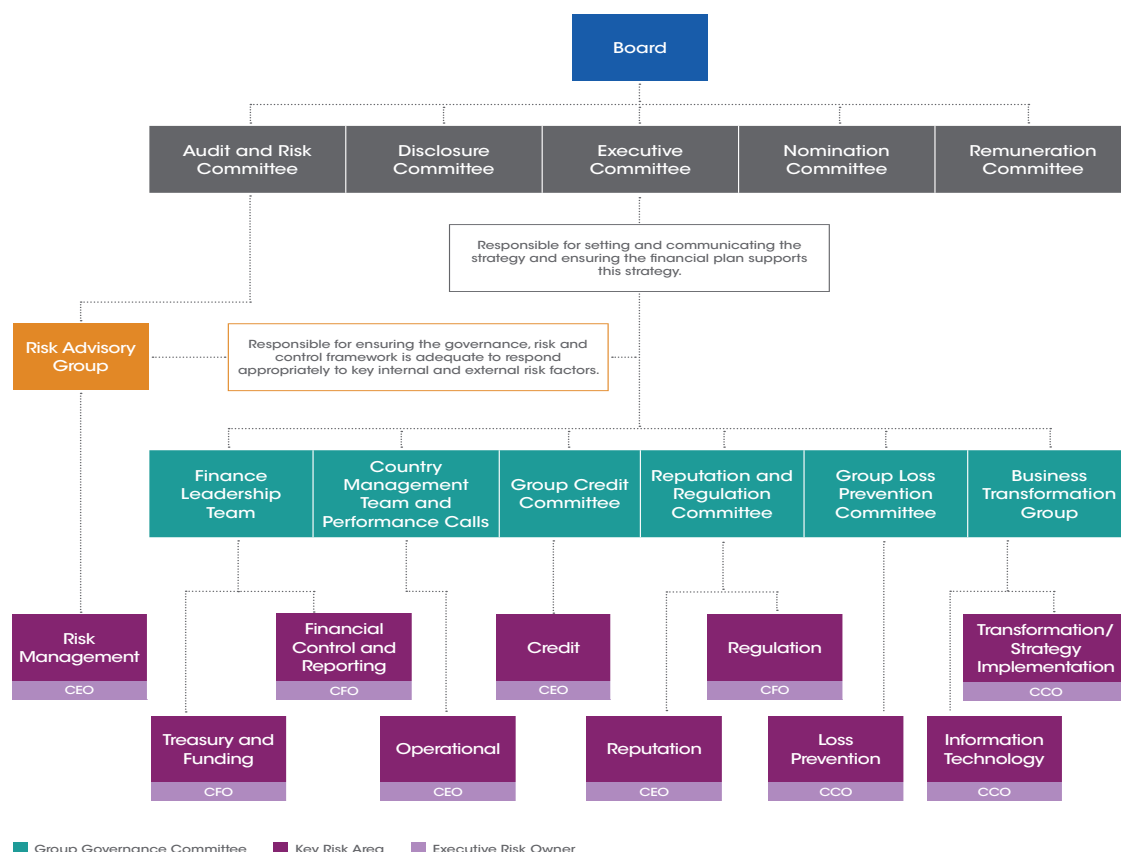
Graduated with a degree in philosophy, politics and economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. He joined the board of IPF as a non-executive director in 2007. He was previously chair of C.A.R.E. Europe 1 S.a.r.l and C.A.R.E. Europe 2 S.a.r.l, a non-executive director of MoneyGram International Limited, Collins Stewart Hawkpoint plc and RSM Tenon Group plc, Chief Operating Officer of Travelex plc, Managing Director of Hambro Insurance Services plc, Executive Director of Hambros Bank and Joint Deputy Chairman of Hambro Group Investments.

Cathryn Riley, Independent non-executive director

Has an MA in Manpower Studies, completed CEDEP's General Management Programme and is a graduate of the Institute of Personnel/HR Management. She joined the board of IPF as a non-executive director in February 2014. She is a non-executive director of The Equitable Life Assurance Society. She was previously Group Chief Operations Officer of Aviva plc, Chair of Aviva Healthcare UK Ltd, Aviva Global Services and Hill House Hammond, General Manager, Transformation at BUPA and a management consultant in the financial services division at Coopers & Lybrand.

12. The Group's Governance Structure

The Group's governance and oversight structure is summarised below:



The IPF Board leads and provides strategic direction to the Group. There is a formal schedule of matters reserved specifically for the Board's decision. These include the approval of the Group's strategy and risk appetite; results; budgets; dividends; major transactions; treasury policies; amendment of a prospectus; issuance of bonds and notes; Board appointments and appointments to Board committees; health and safety and environmental policy; corporate governance; annual review of the effectiveness of the Group's systems of internal control; directors' conflicts of interest; and certain credit policies, particularly write-offs and material changes to product structure and pricing.

Other matters are delegated specifically to five principal Board committees. The Chairman of each Committee briefs the whole Board at each Board meeting on the principal items that were discussed, decisions and issues.

The day-to-day running of the business is delegated to the Executive Committee, which comprises the Chief Executive Officer, the Chief Financial Officer and the Chief Commercial Officer.

The Disclosure Committee meets as required to consider whether an announcement to the London Stock Exchange and/or Warsaw Stock Exchange is required. It comprises the Chief Executive Officer, the Chief Financial Officer, the Chief Commercial Officer and the Company Secretary.

The Audit and Risk Committee comprises three Non-Executive Directors: Nicholas Page (Chairman of the Committee), Tony Hales and Richard Moat. Nicholas Page is a Fellow of the Institute of Chartered Accountants in England and Wales, and has relevant and recent experience for the purposes of the UK Corporate Governance Code as published by the Financial Reporting Council (the "**Governance Code**"). Meetings related to risk are normally attended by all members of the Board. The external auditor, Deloitte LLP, attends all meetings by invitation. Periodically, senior management from across the Group are invited to present on specific aspects of the business.

The Audit and Risk Committee also meets from time to time with the external auditor, without an Executive Director or member of Group's senior management being present to discuss the external audit process. The Head of Compliance and Risk reports directly to the Chairman of the Committee, which ensures his independence from the management and operation of the business.

The objective of the Committee is to oversee the Group's financial reporting, internal controls and risk management procedures together with the work performed by the external auditor and internal audit function. The main responsibilities are as follows:

- keep under review the effectiveness of the Group's system of internal control, including operational and compliance controls and risk management;
- monitor the integrity of the Financial Statements of the company and the formal announcements relating to the company's financial performance, reviewing significant reporting judgements contained in them;
- provide advice to the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy;
- make recommendations to the Board, for the Board to put to shareholders into a general meeting in relation to the appointment of the external auditor, and in relation to the internal audit firm, and to approve their terms of appointment;
- review and monitor the objectivity of the external auditor and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- review and approve the internal audit programme for the year and monitor the effectiveness of the internal audit function in the delivery of the plan; and
- keep under review the Group risk register and to consider the most important risks facing the Group and their mitigation.

13. Corporate Governance

The Issuer complied, throughout the year ended 31 December 2013, with all the provisions of the Governance Code as published by the Financial Reporting Council.

SELECTED FINANCIAL INFORMATION OF INTERNATIONAL PERSONAL FINANCE PLC

The financial summary set out below in relation to the years ended 31 December 2013 and 31 December 2012 has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2013 and 31 December 2012. Such selected financial information should be read together with such consolidated financial statements. The audited consolidated financial statements of the Issuer for the years ended 31 December 2013 and 31 December 2012 are incorporated by reference into this Prospectus.

Consolidated income statement

	Audited Year ended 31 December 2013 £m	Audited Year ended 31 December 2012 £m
Revenue	746.8	651.7
Impairment	(198.6)	(176.2)
Revenue less impairment	548.2	475.5
Finance costs	(49.0)	(41.6)
Other operating costs	(112.5)	(100.3)
Administrative expenses	(268.6)	(238.5)
Total costs	(430.1)	(380.4)
Profit before taxation, exceptional items and fair value adjustments	118.1	95.1
Exceptional items	12.4	(4.8)
Profit before taxation	130.5	90.3
Tax (expense)/income – UK	1.2	4.4
– Overseas	(36.1)	(20.6)
Total tax expense	(34.9)	(16.2)
Profit after taxation attributable to owners of the parent	95.6	74.1

Consolidated balance sheet

	Audited 31 December 2013 £m	Audited 31 December 2012 £m
Assets		
Non-current assets		
Intangible assets	1.8	3.2
Property, plant and equipment	28.8	28.3
Deferred tax assets	65.2	57.1
	<u>95.8</u>	<u>88.6</u>
Current assets		
Amounts receivable from customers		
– due within one year.....	739.1	627.2
– due in more than one year	45.7	23.1
	<u>784.8</u>	<u>650.3</u>
Derivative financial instruments	6.5	—
Cash and cash equivalents	24.6	24.2
Other receivables	14.4	15.4
Current tax assets	1.3	2.0
	<u>831.6</u>	<u>691.9</u>
Total assets	<u>927.4</u>	<u>780.5</u>
Liabilities		
Current liabilities		
Borrowings	(14.4)	(16.4)
Derivative financial instruments	(3.7)	(1.4)
Trade and other payables	(102.8)	(68.2)
Current tax liabilities	(25.6)	(21.1)
	<u>(146.5)</u>	<u>(107.1)</u>
Non-current liabilities		
Retirement benefit obligation	(0.9)	(3.2)
Borrowings	(386.1)	(294.4)
	<u>(387.0)</u>	<u>(297.6)</u>
Total liabilities	<u>(533.5)</u>	<u>(404.7)</u>
Net assets	<u>393.9</u>	<u>375.8</u>
Equity attributable to owners of the parent		
Called-up share capital	24.0	24.9
Other reserve	(22.5)	(22.5)
Foreign exchange reserve	9.8	13.7
Hedging reserve	(0.5)	(0.3)
Shares held by employee trust	(3.0)	(4.5)
Capital redemption reserve	1.7	0.8
Retained earnings	384.4	363.7
Total equity	<u>393.9</u>	<u>375.8</u>

Cash flow statement for the year ended 31 December

	2013 £m	2012 £m
Cash flows from operating activities		
Cash generated from operating activities	84.2	98.2
Established businesses	101.8	89.6
Developing businesses	(17.6)	8.6
	<u>84.2</u>	<u>98.2</u>
Finance costs paid	(47.0)	(40.9)
Income tax paid	(38.5)	(28.1)
	<u>(1.3)</u>	<u>29.2</u>
Net cash (used in)/generated from operating activities ..		
Cash flows from investing activities		
Purchases of property, plant and equipment	(13.9)	(9.4)
Proceeds from sale of property, plant and equipment.....	0.6	2.5
Purchases of intangible assets	—	(1.5)
	<u>(13.3)</u>	<u>(8.4)</u>
Net cash used in investing activities		
Net cash from operating and investing activities		
Established businesses	21.0	30.9
Developing businesses	(35.6)	(10.1)
	<u>(14.6)</u>	<u>20.8</u>
Cash flows from financing activities		
Proceeds from borrowings	142.4	54.6
Repayment of borrowings	(47.4)	(25.9)
Dividends paid to Company shareholders	(20.4)	(18.6)
Acquisition of own shares	(60.0)	(25.0)
Cash received on options exercised	0.7	-
	<u>15.3</u>	<u>(14.9)</u>
Net cash generated from/(used in) financing activities		
Net increase in cash and cash equivalents	<u>0.7</u>	<u>5.9</u>
Cash and cash equivalents at beginning of year	24.2	17.9
Exchange (losses)/gains on cash and cash equivalents.....	(0.3)	0.4
	<u>24.6</u>	<u>24.2</u>
Cash and cash equivalents at end of year		
Net cash generated from operating activities.....	<u>(1.3)</u>	<u>29.2</u>
Net cash used in investing activities	<u>(13.3)</u>	<u>(8.4)</u>
Net cash used in financing activities.....	<u>15.3</u>	<u>(14.9)</u>
Net increase/(decrease) in cash and cash equivalents	<u>0.7</u>	<u>5.9</u>
Cash and cash equivalents at the start of the period	24.2	17.9
Exchange (losses)/gains on cash and cash equivalents	(0.3)	0.4
	<u>24.6</u>	<u>24.2</u>
Cash and cash equivalents at the end of the period.....		

BUSINESS DESCRIPTION OF THE GUARANTORS

1. IPF Holdings Limited

IPF Holdings Limited is a private limited company incorporated and registered in England and Wales on 29 October 1980 as a company limited by shares with registered number 01525242. Its registered office is at Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD and the telephone number of its registered office is +44 (0) 113 285 6700.

IPF Holdings Limited is a wholly owned subsidiary of the Issuer and its principal business activity is to act as the intermediate holding company of International Personal Finance Investments Limited and IPF Financial Services Limited.

The principal objects of IPF Holdings Limited are set out in clause 3 of its memorandum of association.

2. International Personal Finance Investments Limited

International Personal Finance Investments Limited is a private limited company incorporated and registered in England and Wales on 28 August 1969 as a company limited by shares with registered number 00961088. Its registered office is at Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD and the telephone number of its registered office is +44 (0) 113 285 6700.

International Personal Finance Investments Limited is a wholly owned subsidiary of IPF Holdings Limited and its principal business activity is to act as the intermediate holding company of the Group's operating subsidiaries.

The principal objects of International Personal Finance Investments Limited are set out in clause 3 of its memorandum of association.

3. IPF International Limited

IPF International Limited is a private limited company incorporated and registered in England and Wales on 14 March 1963 as a company limited by shares with registered number 00753518. Its registered office is at Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD and the telephone number of its registered office is +44 (0) 113 285 6700.

IPF International Limited's principal business activities are to provide services and business know-how to fellow subsidiary undertakings.

The principal objects of IPF International Limited are set out in clause 3 of its memorandum of association.

4. Directors of the Guarantors

The following table sets out a list of directors of each of the Guarantors and the principal activities performed by them outside of their duties as directors for the Guarantors, where these are significant to any of the Guarantors as at the date of this Prospectus.

Name	Position	Other principal activities
Gerard Ryan	Director	None
David Broadbent	Director	None
Adrian Gardner	Director	Director of Amdocs Limited
John Williams	Director	None
Helen Thornton	Director	None

The business address of each of the directors listed above is c/o Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD.

As at the date of this Prospectus, save for the fact that any of the directors of any of the Guarantors may purchase and hold Notes issued under the Programme from time to time (which would make them creditors of the Guarantors in their personal capacity for so long as they held the Notes), there are no potential conflicts of interest between the duties of the directors of each of the Guarantors listed above to any of the Guarantors and their private interests and/or other duties. As at the date of this Prospectus, no directors of the Guarantors do in fact hold any Notes issued under the Programme.

REGULATORY INFORMATION

1. Central Europe

1.1 European Union (“EU”) Consumer Credit Legislation

The provision of credit to consumers in the EU, including consumer loans, is at present governed by national legislative provisions which implement the provisions of the consumer credit directive, Directive 2008/48/EC (the “**CCD**”).

The CCD focuses on transparency and consumer rights in relation to consumer credit agreements. It requires a comprehensive set of information to be given to consumers in good time before the consumer credit agreement is concluded and also requires such information to be included as part of the consumer credit agreement itself.

Contrary to the position under the previous consumer credit directive, the CCD takes the approach of ‘targeted full harmonisation’. This means that whilst member states have discretion in certain areas, they are not permitted to adopt or retain more stringent provisions in their national law. The intention is that this will lead to a largely consistent legislative position across Europe, thereby encouraging cross-border trade.

As part of the move towards consistent European consumer credit legislation, the CCD seeks to provide a standard mechanism for calculating the Annual Percentage Rate of Charge (the “**APR**”) that must be included as part of the information to be provided to consumers entering into credit agreements. This means that, for the first time, the definition and formula for the calculation of APR is harmonised at EU level. The CCD requires that:

- (i) only the amounts that consumers are required to pay in connection with the credit agreement, and which are known to the consumer credit provider, should be included in the total cost of credit to the consumer (and hence the APR); and
- (ii) costs in respect of ancillary services relating to the credit agreement are only included in the total cost of credit to the consumer (and hence the APR) if the conclusion of a service contract is compulsory in order to obtain the credit, or to obtain it on the terms and conditions marketed.

Agreements for the provision of short term, low value credit with short repayment periods often attract attention as a result of their high APRs, although such attention is typically as a result of misconception as to the meaning of APR and its significance. Further, the total charges for the Group’s loans are higher than for loans provided by mainstream banks, reflecting the higher lending risk, the absence generally of default fees for missed payments and the high level of personal service provided by the agent. Both of these factors can attract criticism and increase calls for statutory caps on charges.

The Group’s consumer lending activities in Hungary, Lithuania, Poland and Slovakia are currently subject to maximum rate provisions. Additional restrictions are currently under consideration in several of the markets in which the Group operates.

The Group has responded to the introduction of caps on interest rates and/or APR by the use of its ‘flexible product’, the principal feature of which is that a home collection service is provided as a separate, optional service. Customers who choose to receive this service pay a service fee. Those who decide not to receive a separate home collection service instead make repayments via the bank or post office. The European Commission published guidelines in May 2012 relating to the application of the CCD. Although the guidelines are non-binding, it is nevertheless uncertain how national regulators and courts will interpret them and, accordingly, there is a risk that the Group’s business could be adversely affected. The optional home collection service fee generally falls outside of interest rate, total cost of credit or APR caps in the markets in which the Group operates. If these charges were required to be included within the scope of interest rate, total cost of credit or APR caps, the Group’s profitability may be adversely affected.

In particular, there is a risk that the Group may be compelled to make further changes to its product structure in some markets in order to comply with the provisions dealing with calculation of APR, including new provisions as they are implemented.

The level of regulatory debate on rate caps and other consumer protection initiatives across Europe has continued to increase during the past year. This is a reaction, in part, to the perceived excesses of the financial services industry that were identified in the recent global financial crisis and follows increased regulation of the banking sector. As a result, financial services companies, including consumer lenders, face increased legislation and challenges from consumer protection authorities. More recently the attention of the media, politicians and regulators has also shifted to the non-bank consumer credit sector, driven by a combination of market specific matters, such as the shadow banking (non-bank lending) issue in Poland, and the rise in payday lending.

On 10 January 2014, a proposal containing a package of measures, including a revised cap on interest and fees for the provision of loans was presented to the Slovakian Parliament. The proposal calls for a ban on the delivery (but not on the collection) of loans in cash. The first reading in the Slovakian Parliament took place at the end of January and the proposal was passed on to the Parliamentary committees to be considered further alongside other proposals. Discussion and debate in the committee continues and it is likely that this process will result in changes to the draft amendments. The Group expects the final draft of the proposed legislation to be presented to the Slovakian Parliament in late March/early April and any changes are expected to become effective in the second quarter of 2014.

In addition to the existing interest cap, further lending restrictions are currently being debated in Poland. According to the latest draft assumptions submitted to the Polish government on 4 March 2014, the current proposal is that the total cost of credit, excluding interest charges, cannot exceed a variable percentage of the total amount of credit, dependent on the duration of the loan. The cap for a 60 week loan would be approximately 60 per cent. The cap on non-interest charges would be in addition to the existing interest rate cap already in place in Poland, which is currently 16 per cent.; four times the Lombard rate (the interest rate charged to banks for credit usually supplied by a central government). The Group believes that its business model and current charges are sufficiently flexible to operate within the proposed cap on mandatory, non-interest charges, given that the home collection service offered to customers is entirely optional and would sit outside this proposed rate cap. As such, if this legislation is passed, the Group's existing business would not currently be impacted.

On 24 December 2013 the Group announced that Provident Polska had received a notice from the Polish Office of Consumer Protection and Competition (the "**Office**"), stating that the way Provident Polska calculates APR amounts to a collective infringement of consumer interests and subjected it to a fine of 12.4 million Polish Zloty (approximately £2.4 million). The Office believes that the fee for the optional home collection service and an associated preparatory fee should be included in the total cost of credit and, therefore, the APR figure. The Group disagrees with the Office's decision and has a legal opinion supporting the view that the way the fees are currently calculated is correct. The Group has submitted its appeal and the decision is now expected to go through the court appeal process. There are three possible levels to the appeal process and if the Group were to lose all three, then under current legislation, Provident Polska would be required to update its loan documentation and marketing to include the relevant fees in the total cost of credit and APR calculations. The Office is also reviewing the practices of a number of non-bank consumer credit providers, in respect of the calculation of fees for loan products. Provident Polska's charging methodologies are in line with industry standards but, as part of this review, the Group is exploring alternatives in respect of certain elements of the product structure with the Office.

In February, a recently-formed, populist opposition party in the Czech Republic passed into committee a proposal for a rate cap based on a multiplier of twenty times the Lombard rate, with a minimum of 25 per cent. and a maximum of 100 per cent APR. The proposed bill was voted through the first reading in Czech Parliament in February 2014 and has

been sent to the Budget Committee and the Committee on Petitions for consideration and review. The committees now have up to 90 days to discuss the proposal and it is expected that the recommendation of the committees will be put forward for a second reading in May 2014. A final reading is expected to take place in May or June 2014. Were the proposal to be adopted, the Group's current assumption is that it would become effective from the beginning of 2015.

The CCD also includes harmonised provisions relating to reductions in the total cost of credit to consumers who choose to utilise their right to early settlement of their credit obligations. Whilst similar provisions were included in the previous consumer credit directive, they were non-standardised and related only to full early settlement. The CCD extends this by providing an entitlement for consumers to a reduction on the total cost of credit on partial, as well as full, early settlement of their credit obligations.

Under the CCD, EU member states are under an obligation to ensure that, before the conclusion of a credit agreement with a consumer, the consumer credit provider assesses the consumer's creditworthiness on the basis of sufficient information obtained from the consumer where appropriate, or on the basis of a consultation of the relevant national database. Furthermore, EU member states are under an obligation to ensure that, where parties to a consumer credit agreement agree to change the total amount of credit after the conclusion of the credit agreement, the consumer credit provider updates the financial information at its disposal concerning the consumer and re-assesses the consumer's creditworthiness before any significant increase in the total amount of credit made available.

The local implementing legislation differs slightly from the CCD in some cases and there is a possibility that local interpretation of the rules may vary.

The Group's activities in the Czech Republic, Poland and Slovakia are subject to general trade licences only, as opposed to any licensing or supervision by a financial authority. In Lithuania, the business is included in a register of credit providers, maintained by the National Bank. The Group's operations in Bulgaria, Hungary and Romania are subject to an operating licence issued by the respective National Bank.

1.2 Good Morals Laws

Each of the EU member states in which the Group operates has civil law provisions that apply principles of good morals to contracts. The precise wording of these principles varies from country to country. As a general rule, however, each country's civil law contains provisions that enable courts to hold an agreement null and void if it is deemed to be unfair or if the agreement is considered to have been concluded in bad faith.

Similarly, each of the EU member states in which the Group operates has criminal law provisions that relate to the principles of good morals in contracts. While the wording varies from country to country, the criminal codes in all relevant countries contain a general principle that a criminal offence would be committed by, for example, a consumer credit provider, if it were to exploit a consumer's position or state of distress. There are also, in certain of the relevant countries, specific criminal provisions that relate to usury.

1.3 Anti-Money Laundering

All of IPF's European businesses are subject to local anti-money laundering and terrorist financing legislative requirements which were introduced pursuant to the requirements of the European Third Money Laundering Directive, Directive 2005/60/EC.

2. Regulatory Framework in Mexico

The Group's Mexican subsidiary is not classified as a financial institution and therefore it is not subject to the supervision of the National Banking Commission, or any other financial authority in Mexico, and does not require any permits or licences in respect of financial regulation to conduct its business. The Group's Mexican activities are subject to general trade licences only.

However, the Group's Mexican subsidiary is subject to the Law for the Transparency and Order of Financial Services and to the Federal Protection Consumers Law which are both supervised and enforced by The Federal Protection Agency for Consumers. Such laws introduce certain requirements applicable to commercial entities that habitually grant loans (such as provision of information about charges, content of agreements and advertisements, including the requirement to specify the total annual cost) and protect customers' interests accordingly.

The Federal Criminal Code and various State Criminal Codes contain provisions relating to exploitation. Each of such Criminal Codes contemplates slight differences among them to qualify the offence, however, the basic elements are taking advantage of someone's inexperience, extreme necessity or ignorance; obtaining notoriously superior gains over those authorised or applicable; or obtaining the aforementioned through deceitful means.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

International Personal Finance plc

- (i) the following sections of the Annual Report and Financial Statements of the Issuer for the financial year ended 31 December 2013 published on the Issuer's website on 20 March 2014:
 - (a) Principal Risks on pages 37 to 41;
 - (b) Operational Review on pages 26 to 32;
 - (c) Financial Review on pages 33 to 36;
 - (d) Independent auditor's report on pages 79 to 81;
 - (e) Consolidated Income Statement on page 82;
 - (f) Consolidated Statement of Comprehensive Income on page 82;
 - (g) Consolidated Balance Sheet on page 83;
 - (h) Consolidated Statement of Changes in Equity on pages 84 to 85;
 - (i) Consolidated Cash flow statement on page 86; and
 - (j) Notes to the Financial Statements on pages 87 to 114;
- (ii) the following sections of the Annual Report and Financial Statements of the Issuer for the financial year ended 31 December 2012 published on the Issuer's website on 20 March 2013:
 - (a) Principal Risks on pages 32 to 35;
 - (b) Operational Review on pages 20 to 27;
 - (c) Financial Review on pages 28 to 31;
 - (d) Independent auditor's report on page 69;
 - (e) Consolidated Income Statement on page 70;
 - (f) Consolidated Statement of Comprehensive Income on page 91;
 - (g) Consolidated Balance Sheet on page 72;
 - (h) Consolidated Statement of Changes in Equity on pages 73 to 74;
 - (i) Consolidated Cash flow statement on page 75; and
 - (j) Notes to the Financial Statements on pages 96 to 106;
- (iii) the memorandum and articles of association of the Issuer;

IPF Holdings Limited

- (iv) the memorandum and articles of association of IPF Holdings Limited;

International Personal Finance Investments Limited

- (v) the memorandum and articles of association of International Personal Finance Investments Limited;

IPF International Limited

- (vi) the memorandum and articles of association of IPF International Limited;

Previous Prospectuses

- (vii) the Terms and Conditions set out on pages 40 to 78 of the Prospectus dated 19 April 2010 relating to the Programme;
- (viii) the Terms and Conditions set out on pages 40 to 78 of the Prospectus dated 13 September 2011 relating to the Programme; and
- (ix) the Terms and Conditions set out on pages 44 to 71 of the Prospectus dated 7 December 2012 relating to the Programme,

each of which have been previously published or are published simultaneously with this Prospectus and which have been approved by the FCA or filed with it. Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any information contained in any of the documents incorporated by reference which is not incorporated in and does not form part of this Prospectus is either not relevant for Investors or is covered elsewhere in the Prospectus.

If documents which are incorporated by reference into this Prospectus themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Regulatory News Service operated by the London Stock Exchange at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. The other contents of the Issuer's website shall not form part of the Prospectus.

SUPPLEMENTARY PROSPECTUS

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”), the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus or a further Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by the UK Listing Authority and Section 87G of the FSMA.

The Issuer and the Guarantors have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in, or removal from, this Prospectus is necessary for the purpose of allowing an Investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, any Guarantor and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

SUBSCRIPTION AND SALE

The Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 21 March 2014 (the “**Dealer Agreement**”) between the Issuer, the Guarantors, the Permanent Dealers (as defined in the Dealer Agreement) and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer may agree with a Dealer to pay such Dealer a commission in respect of Notes subscribed by such Dealer. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantors have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder. The relevant Final Terms will identify whether TEFRA C rules or TEFRA D rules apply, or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Arranger, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Public Offer Selling Restriction Under the Prospectus Directive

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

as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United Kingdom

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

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

Ireland

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

- (A) it has not, directly or indirectly, offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (B) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 – 2013 (as amended) of Ireland, the Central Bank Acts 1942 - 2013 (as amended) and any code of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended); and
- (C) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Poland

The Polish Financial Supervision Authority (the “**PFSA**”) has not received a copy of the Prospectus with a translation of its summary into Polish and its supplements (if any), nor has it received a copy of the Final Terms. Furthermore, the PFSA has not been notified of the approval of the Prospectus by the FCA in relation to the issue of the Notes.

The Notes may not be offered in Poland through a public offer, as defined in Art. 3 of the Polish Act on Public Offerings and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies dated 29 July 2005 as amended (the “**Polish Act on Offerings**”), to sell the Notes, made in any form or by any means, if the offer of the Notes is addressed to an unspecified addressee or to a number of persons exceeding the number specified in Article 3 of the Polish Act on Offerings (“**Public Offering**”), unless such offer is made pursuant to the provision of Article 7 and Article 37 of the Polish Act on Offerings.

The Issuer and/or the Dealers will only be authorised to carry out the Public Offering of Notes to the public in Poland (which does not fall within an exemption from the requirement to make a prospectus available to the public in Poland), once the FCA provides the PFSA with:

- (i) a certificate of approval of the Prospectus by the FCA, including information required to be provided to the PFSA pursuant to the Polish Act on Offerings;
- (ii) a copy of the approved Prospectus, along with either its translation into Polish or a translation into Polish of its summary;
- (iii) the web address of the FCA, the London Stock Exchange or the Issuer, where the Prospectus is posted.

In addition, an English language version of the Prospectus with a Polish language summary has been made available to the public. Together such steps are equivalent to authorising the Offering to the public in Poland.

Save for the cases of a Public Offering in Poland in compliance with the requirements of the Polish Act on Offerings referred to in the paragraph above, each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has not offered or sold, and will not offer or sell, any Notes in Poland through a Public Offering – subject to several exemptions set out in the Polish Act on Offerings, as part of their initial distribution or otherwise, to residents of Poland or within the territory of Poland.

Each Dealer acknowledges that the acquisition and holding of the Notes by residents of Poland may be subject to restrictions imposed by Polish law (including foreign exchange regulations) and that the offers and sales of the Notes to Polish residents or in Poland in secondary trading may also be subject to restrictions.

Any references to the Polish Act on Offerings are made with respect to the relevant provisions of this Act applicable as of the date of this Prospectus and, as may be amended, supplemented or replaced by new Polish legislation regulating the same which will become valid and effective after the date of this Prospectus.

Czech Republic

No action has been taken in the Czech Republic (including obtaining approval of the prospectus from the Czech National Bank (the “**CNB**”) and the admission to trading on a regulated market (as defined in Section 55 (1) of Czech Act No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the “**Czech Capital Markets Act**”)) for the purposes of any Notes to qualify as securities admitted to trading on the Czech regulated market (as defined in the Czech Capital Markets Act) or any other European regulated market within the meaning of the Czech Capital Markets Act.

The Issuer and/or the Dealers will only be authorised to carry out the offering of Notes in the Czech Republic (which are not exempt from the requirement to produce a prospectus pursuant to the provisions of the Czech Capital Markets Act implementing Article 3(2) of the Prospectus Directive (a “**Czech Public Offer**”)), once:

- (i) the FCA has provided the CNB (being the competent authority in the Czech Republic) with a certificate of approval attesting that this Prospectus and the Final Terms related to the Czech Republic Public Offer have been drawn up in accordance with the Prospectus Directive;
- (ii) the issuance of the certificate by the FCA has been communicated to the European Supervisory Authority (European Securities and Markets Authority) established under the Regulation (EU) No. 1095/2010; and
- (iii) the Prospectus and the Final Terms related to the Czech Republic Public Offer in English and the summary of the Prospectus in Czech have been made available to the public, which is equivalent to authorising an offering to the public in the Czech Republic.

Save for the cases of a Czech Republic Public Offer in compliance with the requirements of the Czech Capital Markets Act referred to in the paragraph above, each Dealer represents and agrees with the Issuer that it has not offered or sold, and will not offer or sell, any Notes in the Czech Republic through a public offering, being subject to several exemptions set out in the Czech Capital Markets Act, any communication to a broader circle of persons containing information on the securities being offered and the terms under which they may acquire the securities and which are sufficient for the Investor to make a decision or to subscribe for, or purchase, such securities.

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has complied with and will comply with all the requirements of the Czech Capital Markets Act and has not taken, and will not take, any action which would result in the issue of the Notes being classed as “accepting deposits from the public” by the Issuer in the Czech Republic under Section 2 (1) of Czech Act No. 21/1992 Coll., on Banks (as amended) (the “**Czech Act on Banks**”) or requiring a permit, registration, filing or notification to the CNB or other authorities in the Czech Republic in respect of the Notes in accordance with the Czech Capital Markets Act, the Czech Act on Banks or the practice of the CNB.

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has complied with and will comply with all the laws of the Czech Republic applicable to the conduct of business in the Czech Republic (including the laws applicable to the provision of investment services (within the meaning of the Czech Capital Markets Act) in the Czech Republic) in respect of the Notes.

Any references to the Czech Capital Markets Act and the Czech Act on Banks are made with respect to the relevant provision of those laws applicable as of the date of this Prospectus and, as may be amended, supplemented or replaced by new Czech legislation regulating the same which will become valid and effective after the date of this Prospectus.

Slovak Republic

No permit for the issue of the Notes has been obtained (including obtaining approval of the terms and conditions of the Notes) from the Slovak National Bank (the “**SNB**”) nor is any required under Slovak Act No. 530/1990 Zb. Coll., on Bonds (the “**Slovak Bonds Act**”). No action has been taken in the Slovak Republic (including (i) obtaining approval of the Prospectus or base prospectus from the SNB pursuant to Slovak Act No. 566/2001 Coll., on Securities and Investment Services and on Amendments or Other Acts, as amended (the “**Slovak Securities and Investment Act**”) and (ii) the admission to trading on a regulated market (as defined under the Slovak Act No. 429/2002 Coll., Stock Exchange Act, as amended (the “**Slovak Stock Exchange Act**”)) for the purposes of any Notes to qualify as securities admitted to trading on the Slovak regulated market (as defined in the Slovak Stock Exchange Act) or any other European regulated market within the meaning of the Slovak Stock Exchange Act.

The Issuer and/or the Dealers will only be authorised to carry out the offering of Notes in the Slovak Republic (which is not exempt from the requirement to make a prospectus pursuant to the provisions of the Securities and Investment Act implementing Article 3(2) of the Prospectus Directive (a “**Slovak Public Offer**”)), once:

- (i) the FCA has provided the SNB (being the competent authority in the Slovak Republic) with a certificate of approval attesting that this Prospectus and the Final Terms related to the Slovak Public Offer have been drawn up in accordance with the Slovak Prospectus Directive together with a copy of the Prospectus in English and the summary of the Prospectus in Slovak;
- (ii) the issuance of the certificate by the FCA has been communicated by the European Supervisory Authority (European Securities and Markets Authority) established under the Regulation (EU) No. 1095/2010; and
- (iii) the Prospectus and the Final Terms in English and the summary of the Prospectus in Slovak related to the Slovak Public Offer have been made available to the public.

Save for the cases of a Slovak Public Offer in compliance with the requirements of the Slovak Securities and Investment Act referred to in the paragraph above, each Dealer represents and agrees with the Issuer that it has not offered or sold, and will not offer or sell, any Notes in the Slovak Republic through a public offering, being subject to several exemptions set out in the Slovak Securities and Investment Act, any communication to a broader circle of persons containing information on the securities being offered and the terms under which they may acquire the securities and which are sufficient for the Investor to make a decision or to subscribe for, or purchase, such securities.

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has complied with and will comply with all the requirements of the Slovak Securities and Investment Act and the Slovak Bonds Act and has not taken, and will not take, any action which would result in the Notes being deemed to have been issued in the Slovak Republic, the issue of the Notes being classed as “accepting of deposits” by the Issuer in the Slovak Republic under Section 2 (1) letter a) of Slovak Act No. 483/2001 Coll., on Banks (as amended) (the “**Slovak Act on Banks**”) or requiring a permit, registration, filing or notification to the SNB or other authorities in the Slovak Republic in respect of the Notes in accordance with the Slovak Securities and Investment Act, the Slovak Bonds Act, the Slovak Act on Banks or the practice of the SNB.

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has complied with and will comply with all the laws of the Slovak Republic applicable to the conduct of business in the Slovak Republic (including the laws applicable to the provision of investment services (within the meaning of the Slovak Securities Act) in the Slovak Republic) in respect of the Notes.

Any references to the Slovak Bonds Act, the Slovak Securities and Investment Act, the Slovak Stock Exchange Act and the Slovak Act on Banks are made with respect to the relevant provisions of those laws applicable as of the date of this Prospectus and, as may be amended, supplemented or replaced by new Slovak legislation regulating the same which will become valid and effective after the date of this Prospectus.

Hungary

No permit for the issue of the Notes has been obtained (including obtaining approval of the terms and conditions of the Notes) from the National Bank of Hungary (the “NBH”) nor is required under Hungarian Act CXX of 2001 on Capital Markets (the “**Hungarian Capital Markets Act**”). No action has been taken in Hungary (including obtaining approval of the base prospectus from the NBH and the admission to trading on a regulated market (as defined in Chapter II, Section 5.(1)114, of the Hungarian Capital Markets Act)) for the purposes of any Notes to qualify as securities admitted to trading on the Hungarian regulated market (as defined in Chapter IV of the Hungarian Capital Markets Act) or any other European regulated market within the meaning of the Hungarian Capital Markets Act.

The Issuer and/or the Dealers will only be authorised to carry out the offering of Notes in Hungary (which is not exempt from the requirement to make a prospectus pursuant to the provisions of the Hungarian Capital Markets Act implementing Article 3(2) of the Prospectus Directive (a “**Hungarian Public Offer**”), once:

- (i) the FCA has provided the NBH (being the competent authority in Hungary) with a certificate of approval attesting that this Prospectus and the Final Terms related to the Hungarian Public Offer have been drawn up in accordance with the Prospectus Directive;
- (ii) the issuance of the certificate by the FCA has been communicated by the European Supervisory Authority (European Securities and Markets Authority) established under the Regulation (EU) No. 1095/2010; and
- (iii) the Prospectus and the Final Terms related to the Hungarian Public Offer in English and the summary of the Prospectus in Hungarian have been made available to the public.

Save for the cases of a Hungarian Public Offer in compliance with the requirements of the Capital Markets Act referred to in the paragraph above, each Dealer represents and agrees with the Issuer that it has not offered or sold, and will not offer or sell, any Notes in Hungary through a public offering, and has not provided and will not provide any communication to a broader circle of persons containing information on the securities being offered and the terms under which they may acquire the securities and which are sufficient for the Investor to make a decision or to subscribe for, or purchase, such securities.

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has complied with and will comply with all the requirements of the Hungarian Capital Markets Act and has not taken, and will not take, any action which would result in the Notes being deemed to have been issued in Hungary, the issue of the Notes being classed as “taking deposits and other repayable funds from the public” by the Issuer in Hungary under Section 3.(1)(a) of the Hungarian Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (the “**Hungarian Banking Act**”) or requiring a permit, registration, filing or notification to the NBH or other authorities in Hungary in respect of the Notes in accordance with the Hungarian Capital Markets Act or the practice of the NBH.

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it has complied with and will comply with all the laws of Hungary applicable to the conduct of business in Hungary (including the laws

applicable to the provision of investment services – within the meaning of the Hungarian Act as of Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities – in Hungary) in respect of the Notes.

Any references to the Hungarian Capital Markets Act and the Hungarian Banking Act are made with respect to the relevant provisions of those laws applicable as of the date of this Prospectus and, as may be amended, supplemented or replaced by new Hungarian legislation regulating the same which will become valid and effective after the date of this Prospectus.

If the Notes are offered in a private placement in Hungary, the Issuer must report such private placement to the NBH within 15 days from the closing date of the private placement.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that if the Notes are offered in a private placement in Hungary, (i) all written documentation prepared in connection with a private placement in Hungary will clearly indicate that it is a private placement; (ii) it will ensure that all Investors receive the same information which is material or necessary to the evaluation of the Issuer's current market, economic, financial or legal situation and its expected development, including that which was discussed in any personal consultation with an Investor, and (iii) the following standard wording will be included in such written communication:

“PURSUANT TO SECTION 18 OF ACT CXX OF 2001 ON THE CAPITAL MARKETS, THIS (NAME OF DOCUMENT) WAS PREPARED IN CONNECTION WITH A PRIVATE PLACEMENT IN HUNGARY.”

Romania

No action has been taken in Romania (including obtaining approval of the prospectus or base prospectus from the Romanian Financial Supervisory Authority (the “**RFSA**”) and/or the admission to trading on a regulated market/ATS in Romania nor has any notification under Article 18 of the Prospectus Directive been made to the RFSA) for the purposes of any Notes to qualify as securities, as defined in Law no. 297/2004 on capital markets, as republished and further amended, including, without limitation, by Government Emergency Ordinance no. 32/2012 implementing into Romanian law some of the provisions of the Prospectus Amending Directive 2010/73/EC (the “**Romanian Capital Markets Law**”) or to be admitted to trading on a market in Romania, within the meaning of the Romanian Capital Markets Law and relevant secondary legislation.

The Issuer and/or the Dealers will only be authorised to carry out the offering of Notes in Romania (which is not within an exemption from the requirement to make and approve a prospectus pursuant to the provisions of the Romanian Capital Markets Law implementing Article 3 (2) of the Prospectus Directive) (a “**Romanian Public Offer**”), once:

- (i) the FCA has provided the RFSA (being the competent authority in Romania) with a certificate of approval attesting that this Prospectus and the Final Terms related to the Romanian Public Offer have been drawn up in accordance with the Prospectus Directive, together with a copy of this Prospectus and the Final Terms and the Romanian translation of the summary of the Prospectus produced in accordance with the Romanian Capital Markets Law;
- (ii) the issuance of the certificate by the FCA has been communicated to the European Supervisory Authority (European Securities and Markets Authority) established under the Regulation (EU) No. 1095/2010); and
- (iii) the Prospectus and the Final Terms related to the Romanian Public Offer in English and the summary of the Prospectus in Romanian have been made available to the public.

Save for the cases of a Romanian Public Offer in compliance with the requirements of the Romanian Capital Markets Law and related secondary legislation referred to in the paragraph above, each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that:

- (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in Romania through a public offering and has not provided and will not provide any communication to a

broader circle of persons containing information on the securities being offered and the terms under which they may acquire the securities and which are sufficient for the Investor to make a decision or to subscribe for, or purchase, such securities;

- (ii) it has not communicated or caused to be communicated and will not communicate or cause to be communicated any invitation, inducement to engage in investment activity or any other type of advertising materials (within the meaning of the Romanian Capital Markets Law and the Prospectus Directive Regulation) received or issued by it in connection with the issue or sale of any Notes;
- (iii) it will not take any action which would result in the Notes being deemed to have been issued in Romania, or that the issue of the Notes being classed as “taking deposits and other repayable funds from the public” by the Issuer in Romania under the Romanian Government Emergency Ordinance No. 99/2006, as amended (the “**Romanian Banking Law**”), or requiring a permit, registration, filing or notification to the RFSA, the National Bank of Romania (“**NBR**”) or other authorities in Romania in respect of the Notes in accordance with the Romanian Capital Markets Law, the Romanian Banking Law or the practice of the RFSA and/or the NBR; and
- (iv) it has complied, and will comply with all the laws of Romania, including applicable provisions of the Romanian Capital Markets Law and the Romanian Banking Law and with all relevant regulations issued by the RFSA, NBR and the European Union legislation with respect to anything done by it in relation to the Notes (including any further resale of the Notes) in, from or otherwise involving Romania.

Any references to the Romanian Capital Markets Law and the Romanian Banking Law are made with respect to the relevant provisions of those laws applicable as of the date of this Prospectus and, as may be amended, supplemented or replaced by new Romanian legislation regulating the same which will become valid and effective after the date of this Prospectus.

Bulgaria

The Issuer has not been registered as an issuer of securities subject to registration with the Bulgarian Financial Supervision Commission (the “**FSC**”) and the Notes have not been admitted to trading on the Bulgarian Stock Exchange in accordance with the provisions of the Bulgarian Act on the Public Offering of Securities dated 30 December 1999 (which entered into force on 31 January 2000) as amended (the “**Bulgarian POSA**”) and the Bulgarian Act on Markets in Financial Instruments dated 29 June 2007 (which entered into force on 1 November 2007) as amended.

Accordingly, the Notes may not be offered to the public in Bulgaria. An offer to the public is defined in Article 4, paragraph 1 of the Bulgarian POSA as any communication to 100 and more persons or to an unspecified circle of addressees in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an Investor to decide to purchase or subscribe to these securities (“**Public Offer**”).

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that:

- (i) it has not offered or sold, and will not offer or sell, any Notes in Bulgaria through a Public Offer;
- (ii) it has complied and will comply with all applicable provisions of the Bulgarian POSA and the relevant secondary legislation with respect to anything done by it in relation to any Notes in, from or otherwise involving Bulgaria; and
- (iii) it has not taken, and will not take, any action which would result in the issue of the Notes being classed as “taking deposits and other repayable funds from the public” by the Issuer in Bulgaria under the Bulgarian Credit Institutions Act dated 21 July 2006 (entered into force on 1 January 2007) as amended or would otherwise require a permit, registration, filing or authorization from the Bulgarian National Bank (“**BNB**”) or any other authority in Bulgaria in respect of the Notes in accordance with the applicable Bulgarian legislation or the practice of the FSC, BNB or any other regulatory authority.

Mexico

The Notes have not been and will not be registered in the Mexican National Registry of Securities (*Registro Nacional de Valores*). Therefore, the Notes may not be offered or sold in the United Mexican States ("**Mexico**") by any mean, or otherwise be the subject of brokerage activities (*Intermediación*) in Mexico, except in circumstances which constitute a private offering (*oferta privada*) pursuant to Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*). The Mexican Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) has not issued any certificate as to the investment quality of the Notes or solvency, liquidity or credit quality of the Issuer. All applicable provisions of the Mexican Securities Market Law must be complied with respect to anything done in relation to the Notes in, from or otherwise involving Mexico.

Jersey

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

Isle of Man

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Prospectus has not been, and will not be, registered or filed as a prospectus with any governmental or other authority in the Isle of Man, and this Prospectus and the issue of Notes have not been approved by the Isle of Man Financial Supervision Commission. Any offer for subscription, sale or exchange of the Notes within the Isle of Man shall be made by (i) an Isle of Man financial services licenceholder licensed under Section 7 of the Financial Services Act 2008 to do so or (ii) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 or exemption contained in the Financial Services (Exemptions) Regulations 2011.

Guernsey

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

- (a) the Notes issued under the Programme cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the regulations enacted thereunder, or any exemption therefrom;
- (b) this Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey; and
- (c) this Prospectus may not be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than:
 - (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended; or
 - (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense.

TAXATION

The comments below are of a general nature based on United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which practice may not be binding on HM Revenue & Customs) at the date hereof and are not intended to be exhaustive. The comments relate only to the position of persons who are absolute beneficial owners of Notes. Prospective Noteholders should be aware that the particular terms of any Series of Notes, as specified in the relevant Final Terms, may affect the tax treatment of that and other Series of Notes. Any Noteholders who are in doubt as to their own tax position (in particular those who may be liable to taxation in jurisdictions other than the United Kingdom) should consult their professional advisers.

Interest on the Notes

The Notes issued will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the United Kingdom Listing Authority and are admitted to trading on the London Stock Exchange.

Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest payable on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where the Notes have a maturity date less than one year from the date of issue, provided the Notes are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

In all other cases, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

HM Revenue & Customs have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HM Revenue & Customs may be provided to tax authorities in other countries.

Payments by a Guarantor

If a Guarantor makes any payments under the Guarantee in respect of the Notes, such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent), subject to such relief as may be available under the provisions of any applicable double taxation treaty or other exemption which may apply. Such payments by a Guarantor may not be eligible for the exemption (in respect of securities listed on a recognised stock exchange) from United Kingdom withholding tax described above.

Gross-up for withholding tax

As set out in Condition 8 of the Terms and Conditions of the Notes, if the Issuer or a Guarantor is at any time required by law to deduct or withhold an amount in respect of any withholding taxes in respect of payments under the Notes or the Guarantee (as applicable), the Issuer or that Guarantor (as applicable) must, subject to certain exclusions, pay such additional amounts as shall result in the receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such deductions or withholding been required.

The Savings Directive

Under the Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person

established within its jurisdiction to, or collected by such a person for, an individual or certain other persons resident in that other Member State. However, for a transitional period, Austria and Luxembourg may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories have adopted similar measures.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015.

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

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuer, any Guarantor, any Paying Agent or any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. However, the Issuer and the Guarantors are required, pursuant to Condition 7(e)(vii) of the Notes, pursuant to the Savings Directive or other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, provided that the Issuer and the Guarantors shall not be obliged to maintain a Paying Agent with a specified office in such Member State unless at least one Member State does not require a paying agent making payments through a specified office in that Member State so to withhold or deduct tax whether pursuant to the Savings Directive, under the law of that Member State or otherwise. The Savings Directive does not prevent Member States from levying other types of withholding tax.

IMPORTANT LEGAL INFORMATION

This Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 3.2 of the Prospectus Directive (in this context meaning an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency)) (“**Non-exempt Offers**”) in each Member State in the European Economic Area (each a “**Non-exempt Offer Jurisdiction**” and together, the “**Non-exempt Offer Jurisdictions**”). Any person making or intending to make a Non-exempt Offer of the Notes on the basis of this Prospectus must do so only with the consent of the Issuer and the Guarantors – see “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” below.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of any Non-exempt Offer of the Notes, the Issuer and each Guarantor accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Prospectus (as supplemented at the relevant time, if applicable) and the relevant Final Terms under Section 90 of the FSMA in relation to any person (an “**Investor**”) who purchases any Notes in a Non-exempt Offer made by an Authorised Offeror (as defined below), where that offer is made in compliance with all the conditions attached to the giving of consent to the Authorised Offeror. Such consent is described below under “*Consent*”.

Except in the circumstances described below, none of the Issuer, any Guarantor or any Dealer has authorised the making of any Non-Exempt Offer by any offeror and neither the Issuer nor any Guarantor has consented to the use of this Prospectus or any Final Terms by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer and the Guarantors is unauthorised and neither the Issuer, the Guarantors nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Prospectus for the purposes of Section 90 of the FSMA in the context of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

Consent

Subject to the conditions set out below and to the conditions set out under “*Common Conditions to Consent*” below:

- (A) if the basis of consent is specified as being “**Specific Consent**” in the relevant Final Terms, the Issuer and the Guarantors consent to the use of this Prospectus (as supplemented at the relevant time, if applicable) and the relevant Final Terms in connection with any Non-exempt Offer of a Tranche of Notes in the Non-exempt Offer Jurisdictions specified in the relevant Final Terms during the Offer Period specified in the relevant Final Terms by:
 - (i) the Dealer(s) specified in the relevant Final Terms;
 - (ii) any financial intermediaries specified in the relevant Final Terms;
 - (iii) any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the website of the Issuer (www.ipfin.co.uk) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer in respect of, and at the time such financial intermediary makes, the relevant Non-exempt Offer; and
- (B) if the basis of consent is specified as being “**General Consent**” in the relevant Final Terms, the Issuer and the Guarantors offer to grant their consent, to the use of this Prospectus (as supplemented at the relevant time, if applicable) and the relevant Final Terms, in connection with any Non-exempt Offer of a Tranche of Notes in the Non-exempt Offer Jurisdictions during the Offer Period specified in the relevant Final Terms by: (i) the relevant Dealer(s)

and (ii) any financial intermediary which satisfies the Authorised Offeror Terms as set out below. The “**Authorised Offeror Terms**” are that the relevant financial intermediary represents and agrees throughout the relevant Offer Period that it:

- (a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, including under any applicable implementing measure in each relevant jurisdiction (“**MiFID**”) (in which regard, Investors should consult the register of authorised entities maintained by the FCA at www.fca.org.uk/firms/systems-reporting/register) (MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors);
- (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the Rules published by the FCA (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by an Investor and disclosure to any potential Investor;
- (c) complies with the restrictions set out under “*Subscription and Sale*” in this Prospectus which would apply as if it were a Dealer;
- (d) ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;
- (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the FSMA and/or the Financial Services Act 2012;
- (f) complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and “know your client” Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (g) retains Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Dealers, the Issuer and/or any Guarantor or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantors and/or the Dealers in order to enable the Issuer, the Guarantors and/or the Dealers to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer, the Guarantors and/or the Dealers;
- (h) does not, directly or indirectly, cause the Issuer, the Guarantors or any Dealer to breach any Rule or subject the Issuer, the Guarantors or the Dealers to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (i) agrees and undertakes to indemnify the Issuer, the Guarantors and each Dealer (in each case on behalf of such entity and its respective directors, officers, employers, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantors or the Dealers;

- (j) immediately gives notice to the Issuer, the Guarantors and the relevant Dealers if at any time it becomes aware or suspects that it is or may be in violation of any Rules or the terms of these Authorised Offeror Terms, and takes all appropriate steps to remedy such violation and comply with such Rules and these Authorised Offeror Terms in all respects;
- (k) does not give any information other than that contained in this Prospectus (as may be amended or supplemented by the Issuer and/or the Guarantors from time to time) as completed by the relevant Final Terms or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;
- (l) agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer or any Guarantor via Regulatory News Service at the end of the Offer Period will be consistent with the Prospectus as completed by the relevant Final Terms, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and the Guarantors and must expressly confirm that neither the Issuer nor the Guarantors have accepted any responsibility for the content of any such communication;
- (m) does not use the legal or publicity names of any Dealer, the Issuer, any Guarantor or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;
- (n) agrees and accepts that:
 - (A) the contract between the Issuer, the Guarantors and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's and Guarantors' offer to use this Prospectus and the relevant Final Terms with its consent in connection with the relevant Non-exempt Offer (the "**Authorised Offeror Contract**") and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law; and
 - (B) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the courts of England; and
 - (C) each of the Dealers will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract between the Issuer, the Guarantors and the financial intermediary, formed upon acceptance by the financial intermediary of the Issuer's and the Guarantors' offer to use the Prospectus and relevant Final Terms with its consent in connection with the relevant Non-Exempt Offer, which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms;

The financial intermediaries referred to in paragraphs (A)(ii), (iii) and (B)(ii) above are together referred to herein as the "**Authorised Offerors**".

Any financial intermediary falling within sub-paragraph (B) above who wishes to use this Prospectus in connection with a Non-exempt Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and the Guarantors and the conditions attached thereto in the following form (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

*"We, [specify legal name of financial intermediary], refer to the offer of [specify title of the relevant Notes] (the "**Notes**") described in the Prospectus dated 21 March 2014 [as supplemented] and the Final Terms dated [specify date] (together, the "**Prospectus**") published by International Personal Finance plc (the "**Issuer**"). In consideration of the Issuer and the Guarantors offering to grant their consent to our use of the Prospectus in connection with the offer of the Notes (the "**Non-Exempt Offer**") in [specify Member State(s)] during the Offer Period in accordance with the Authorised Offeror Terms and subject to the other conditions to such consent (as specified in the Prospectus), we accept such offer by the Issuer. We confirm that we are authorised under MiFID to make, and are using the Prospectus in connection with, the Non-exempt Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Prospectus."*

Common Conditions to Consent

The conditions to the Issuer's and the Guarantors' consent (in addition to the conditions described in sub-paragraph (B) above if the applicable Final Terms specifies "General Consent" as being applicable) are that such consent:

- (a) is only valid in respect of the relevant Tranche of Notes;
- (b) is only valid during the Offer Period specified in the relevant Final Terms;
- (c) only extends to the use of this Prospectus and the relevant Final Terms to make Non-Exempt Offers of the relevant Tranche of Notes in the Non-Exempt Offer Jurisdiction(s) as specified in the relevant Final Terms; and
- (d) is subject to any conditions set out in Part B of the relevant Final Terms.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Prospectus.

To the extent specified in the relevant Final Terms, a Non-Exempt Offer may only be made during the relevant Offer Period (as specified in the relevant Final Terms) by any of the relevant Dealers or any other relevant Authorised Offeror in the relevant Non-Exempt Offer Jurisdictions and subject to any relevant conditions, in each case all as specified above and/or in the relevant Final Terms.

Other than as set out above, neither the Issuer, nor any Guarantor nor any Dealer has authorised the making of any Non-Exempt Offer by any person in any circumstances and such person is not permitted to use this Prospectus or any Final Terms in connection with any offer of Notes. Any such offers are not made on behalf of the Issuer, the Guarantors or by any of the Dealers or other Authorised Offeror and none of the Issuer, any Guarantor, the Dealers nor any other Authorised Offeror has any responsibility or liability for any of the actions of any person making such offers.

Arrangements between the Investor and the financial intermediaries who will distribute the Notes under the Programme

None of the Issuer, the Guarantors nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer or sale.

If an Investor intends to acquire or does acquire any Notes from an Authorised Offeror, an Investor will do so, and offers and sales of the Notes to that Investor by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and Investor including as to price, allocations and settlement arrangements. Neither the Issuer nor any Guarantor will be a party to any such arrangements with an Investor in connection with the offer or sale of any Notes and, accordingly, this Prospectus does not contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to an Investor at the relevant time. None of the Issuer, the Guarantors nor any Dealer or other Authorised Offeror has any responsibility or liability for such information.

Notice to potential Investors

The Notes may not be a suitable investment for all Investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential Investor should consider, on its own or with the help of its financial or other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement or the relevant Final Terms;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased by Investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential Investor's overall investment portfolio.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors or any of the Dealers or the Arranger.

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no change in the financial position of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Prospectus nor any other information supplied in connection with the offering of any Notes should be considered as a recommendation by the Issuer, any Guarantor, any Dealer or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and any purchase of Notes should be based upon such investigation as it deems necessary.

The Dealers, the Arranger and the Trustee

None of the Dealers, the Arranger or the Trustee accepts any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger, the Trustee or a Dealer or on its behalf in connection with the Issuer, the Guarantors or the issue and offering of the Notes. The Arranger, the Trustee and each Dealer accordingly disclaims all and any liability

whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantors, the Arranger, the Trustee or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Trustee or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Guarantors during the life of the arrangements contemplated by this Prospectus nor to advise any Investor or potential Investor in the Notes of any information coming to the attention of any of the Dealers, the Trustee or the Arranger.

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

No incorporation of websites

The contents of the websites of the Group do not form part of this Prospectus, and an Investor should not rely on them.

Stabilisation

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

Forward-looking statements

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

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other factors are discussed in more detail under the section headed “*Risk Factors*”. Many of these factors are beyond the control of the Issuer, the Guarantors and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking

statements are based prove incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer and the Guarantors do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Prospectus.

This Prospectus is based on English law in effect as of the date of issue of this Prospectus. Except to the extent required by laws and regulations, the Issuer and the Guarantors do not intend, and do not assume any obligation, to update the Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Prospectus.

CREST depository interests

In certain circumstances, Investors may also hold interests in the Notes through CREST through the issue of CDIs representing interests in Underlying Notes. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Neither the Notes nor any rights attached to the Notes will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Notes and, accordingly, all dealings in the Notes will be effected through CREST in relation to the holding of CDIs. An Investor should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) dated 21 March 2014 between the Issuer, IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited (as “**Guarantors**”) and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 21 March 2014 has been entered into in relation to the Notes between the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

1. Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon, provided that, in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholder’s option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery

or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called or put for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Guarantees and status of Notes

- (a) **Guarantee:** The Guarantors have unconditionally and irrevocably guaranteed, on a joint and several basis, the due payments of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and Coupons. Their obligations in that respect (the “**Guarantee**”) are contained in the Trust Deed.
- (b) **Status:** The Notes and the Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them and of the Guarantors under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantors respectively, present and future.

4. Covenants

- (a) **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Issuer and the Guarantors will not, and will procure, so far as they can by the proper exercise of voting and other rights or powers of control exercisable by them in relation to their respective Subsidiaries, that no such Subsidiary will, create or permit to subsist any mortgage, charge, pledge, lien or other encumbrance (other than any arising by operation of law) (a “**Security Interest**”) upon the whole or any part of their respective undertakings or assets (present or future) to secure any Relevant Indebtedness (as defined below) or to secure any guarantee or indemnity given by the Issuer or any Guarantor or any of their respective Subsidiaries in respect of any Relevant Indebtedness, without at the same time as, or prior to, the creation of such Security Interest according to the Notes and the Coupons, to the satisfaction of the Trustee, the same security or such other arrangement (whether or not it includes the creation of a Security Interest) as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders save that the Issuer or any Subsidiary may create or have outstanding (without any obligation to secure the Notes or Coupons) a Permitted Security Interest.

In this Condition 4(a):

“**Group**” has the meaning given to it in Condition 10;

“**Permitted Security Interest**” means a Security Interest on the undertaking or assets of a company acquired by a member of the Group after the Issue Date, provided that such Security Interest was not created in contemplation of such acquisition and the principal amount secured by such Security Interest is not subsequently increased (or any Security Interest renewing or replacing the same);

“**Relevant Indebtedness**” means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities and which is for the time being, or is capable of being, quoted, listed, dealt in or traded on a stock exchange or over the counter or other recognised securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness; and

“**Subsidiary**” has the meaning given to it in Condition 10.

- (b) **Maintenance of Consolidated EBITA to Consolidated Interest Payable Ratio:** So long as any of the Notes remains outstanding, the Issuer will not permit the ratio of Consolidated EBITA to Consolidated Interest Payable, as each is determined on a Rolling Twelve Month basis ending as of each Year-End Date and Semi-Annual Date, to be less than 2.0 to 1.0.
- (c) **Maintenance of Consolidated Total Borrowings to Consolidated Net Worth Ratio:** So long as any of the Notes remains outstanding, the Issuer will not permit the ratio of Consolidated Total Borrowings to Consolidated Net Worth to be greater than 3.75 to 1.0 as of each Year-End Date and Semi-Annual Date.
- (d) **Information:** The Issuer has agreed in the Trust Deed, so long as any of the Notes remains outstanding:

(i) **Financial statements**

to supply to the Trustee, as soon as available, but in any event not later than:

- A. 120 days after each Year-End Date, a copy of its annual report containing its audited consolidated and unconsolidated, as applicable, financial statements for that financial year; and
- B. 90 days after each Semi-Annual Date, a copy of its unaudited consolidated interim semi-annual financial statements for that financial half-year;

(ii) **Compliance certificate**

- A. to supply to the Trustee, with each set of financial statements delivered pursuant to Condition 4(d)(i), a compliance certificate setting out (in reasonable detail) computations as to compliance with Conditions 4(b) and (c) above as at the date as at which those financial statements were drawn up; and
- B. that each compliance certificate shall be signed on behalf of the Issuer (but without personal liability) by two directors or a director and the secretary of the Issuer.

The Trustee shall be entitled to rely on such compliance certificates or any certificate delivered under Condition 4(d)(iii) without further investigation or liability and will not otherwise be responsible for monitoring compliance with Conditions 4(b) and 4(c);

(iii) **Requirements as to financial statements**

that it shall procure that each set of consolidated financial statements of the Issuer delivered pursuant to Condition 4(d)(i) is prepared using IFRS unless, in relation to any set of financial statements, it gives notice to the Trustee and to

the Noteholders in accordance with Condition 16 that there has been a change in generally accepted accounting principles in the United Kingdom and it delivers to the Trustee:

- A. a description of any change necessary for those financial statements to reflect IFRS; and
- B. a certificate signed by two directors or a director and a secretary of the Issuer setting out (in reasonable detail) the relevant computations and certifying that Conditions 4(b) to (d) have been complied with; and

(iv) Information: miscellaneous

to supply to the Trustee a copy of all documents dispatched by the Issuer to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched.

In these Conditions 4(b) to (d):

“Consolidated EBITA” has the meaning given to it in Condition 10;

“Consolidated Interest Payable” means, in respect of any period, the aggregate of all amounts of interest and equivalent financial expenses of the Issuer or its Subsidiaries payable to persons who are not the Issuer or such a Subsidiary (calculated on a consolidated basis but after deducting any interest receivable from persons who are not the Issuer or such a Subsidiary) attributable to such period and shall include:

- (i) any discount, fees and any element attributable to interest comprised in payments to lessors under Finance Leases or to owners under hire-purchase agreements; and
- (ii) without limitation and for the avoidance of doubt, any amounts of such interest and expenses which may have accrued in any such period and which are payable in a later period but are attributable to such period,

as determined in accordance with IFRS.

In calculating Consolidated Interest Payable for any period, due account shall be taken of (and a consequential adjustment, whether positive or negative, shall be made to reflect) the net benefit or loss (as the case may be) to the Issuer and its Subsidiaries for or in respect of any payments accruing to or from them in such period pursuant to any settlements due on interest rate swaps, hedging or analogous contracts for the mitigation of interest rate fluctuations or movements which they have entered into with third parties in respect of Moneys Borrowed but any item of income or expense that is material (either individually or in aggregate) and either of an unusual or a non-recurring nature shall be excluded, in each case, as determined in accordance with IFRS;

“Consolidated Net Worth” means, at any time, as determined in accordance with IFRS, the aggregate of:

- (i) the amount paid up or credited as paid up on the issued share capital of the Issuer; and
- (ii) the amount standing to the credit of the consolidated capital, revenue and other reserves of the Group (including, without limitation, share premium and retained earnings),

but after:

- (a) deducting all amounts attributable to minority interests;
- (b) excluding any amounts derived from writing up the book value of any fixed assets to the extent otherwise included in paragraph (ii) above (save for amounts arising from a formal revaluation carried out by an independent and duly qualified valuer);

- (c) excluding the effect under IAS 32 and IAS 39 of the fair valuation of derivative assets and liabilities;
- (d) excluding any defined benefit (or similar) pension scheme surplus or deficit and any other items relating to any defined benefit (or similar) pension scheme to the extent otherwise included in paragraph (ii) above; and
- (e) making any such adjustments as may be necessary to measure Moneys Borrowed in accordance with paragraphs (i) and (ii) of the definition of Consolidated Total Borrowings;

“Consolidated Total Borrowings” means, at any time, the aggregate of the amount of Moneys Borrowed of the Issuer and its Subsidiaries determined on a consistent basis (and determined in accordance with IFRS) and eliminating inter-company items and (to the extent not otherwise required by IFRS) items arising under netting arrangements which are subject to contractual rights of set-off.

For the purposes of this definition:

- (i) Moneys Borrowed shall be measured at their principal amount and not their amortised amount (whether or not such Moneys Borrowed are the subject of a fair value hedge in accordance with IAS 39); and
- (ii) where Moneys Borrowed are denominated in a currency other than sterling and are matched by a cross-currency swap which contains a contracted exchange rate to sterling, such Moneys Borrowed will be translated at the rate of exchange provided in the relevant cross-currency swap contract and not at the closing rate;

“Finance Lease” means any lease entered into by any member of the Group as lessee which would be classified as a “finance lease” under IFRS;

“Gross Tangible Assets” has the meaning given to it in Condition 10;

“Group” has the meaning given to it in Condition 10;

“IAS 32” has the meaning given to it in Condition 10;

“IAS 39” has the meaning given to it in Condition 10;

“IFRS” has the meaning given to it in Condition 10;

“Moneys Borrowed” has the meaning given to it in Condition 10;

“Rolling Twelve Months” means a period of twelve consecutive calendar months treated as a single accounting period;

“Semi-Annual Date” means the last day of the first six-month period of each financial year of the Issuer;

“Subsidiary” has the meaning given to it in Condition 10; and

“Year-End Date” means the last day of each financial year of the Issuer.

5. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).
- (b) **Interest on Floating Rate Notes:**
 - (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such

interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to Screen Rate Determination.

Screen Rate Determination for Floating Rate Notes

- (x) the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as above, with the reference to 11.00 a.m. being taken to be the Relevant Time specified in the Final Terms in the Relevant Financial Centre specified in the Final Terms.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation

Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, or if the Reference Rate is other than LIBOR or EURIBOR, the principal Relevant Financial Centre's office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is other than LIBOR or EURIBOR, at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or if the Reference Rate is other than LIBOR or EURIBOR, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or if the Reference Rate is other than LIBOR or EURIBOR, the Relevant Financial Centre's inter-bank market as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is other than LIBOR or EURIBOR, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or if the Reference Rate is other than LIBOR or EURIBOR, the Relevant Financial Centre's inter-bank market as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of

such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
 - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.0000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the

Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee may do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The Trustee shall not be liable for any delay in so doing or any loss arising as a result thereof.
- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**); and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual – ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- (viii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“**Euro-zone**” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest

Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"Interest Commencement Date" means the Issue Date or such other date as may be specified hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"Reference Rate" means either LIBOR, LIBID, EURIBOR, WIBOR, PRIBOR, ROBOR, BUBOR, TIIE or LIMEAN, each for the relevant period, as specified hereon.

"Relevant Financial Centre" has the meaning specified hereon.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"Relevant Time" has the meaning specified hereon.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. Redemption, Purchase and Options

(a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount).

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (a) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (b) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 or more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it (or, if the Guarantee was called, a Guarantor) has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or authority thereof or therein having power to tax, including any treaty to which the United Kingdom is a party, or any change in the application or interpretation of such laws or regulations, including a decision of any court or tribunal and any generally published pronouncements by any tax authority, which change, amendment or pronouncement becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the relevant Guarantor(s), as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the relevant Guarantor(s), as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.
- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying

Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption Following Change of Control:** If Change of Control Put is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at 101 per cent. of its nominal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (each such event being a "**Change of Control**");
- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
 - A. a credit rating from any Rating Agency provided by such Rating Agency at the invitation of the Issuer and any such rating is, within the Change of Control Period, either downgraded by one or more rating categories (*from BB+ to BB or such similar lowering*) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) restored to its earlier credit rating or better by such Rating Agency (in each case, regardless of whether any other Rating Agency maintains and does not downgrade any other credit rating assigned to the Notes); or
 - B. no credit rating and a Negative Rating Event also occurs within the Change of Control Period; and
- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (A) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall, and the Trustee, if so requested by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 16 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Change of Control Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 14) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(f) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(f), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at 101 per cent. of their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred, or to seek any confirmation from any Rating Agency pursuant to paragraph (ii) or (iii) above or pursuant to the definition of Negative Rating Event below, and, until it shall have notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

In this Condition 6(f):

“Change of Control Period” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control or, where a Rating Agency has publicly announced that the Notes are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending 90 days after the Change of Control), the later of (i) such 90th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

a **“Negative Rating Event”** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer, from a Rating Agency or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least the Negative Rating Event Specified Rating specified hereon (or, where a rating was ascribed to the Notes on the Issue Date (the **“Initial Rating”**), a rating that is one rating category lower than the Initial Rating) by the end of the Change of Control Period from a Rating Agency;

“Rating Agency” means Moody’s Investors Service Limited (**“Moody’s”**), Fitch Ratings Ltd. (**“Fitch”**) or Standard & Poor’s Credit Market Services Europe Limited (**“S&P”**) or any of their respective successors or any rating agency (a **“Substitute Rating Agency”**) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee; and

“Relevant Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

If the rating designations employed by any of Moody’s, Fitch or S&P are changed from those which are described in the definition of “Negative Rating Event” above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody’s, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s, Fitch or S&P and this Condition 6(f) shall be construed accordingly.

- (g) **Purchases:** The Issuer, the Guarantors and any of their respective Subsidiaries may at any time purchase the Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantors or any of their respective Subsidiaries may, at the option of the Issuer, be held or may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Notes held by or on behalf of the Issuer, the Guarantors or any of its or their respective Subsidiaries shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders or for the purposes of Condition 10.

7. Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the

relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to: (i) any applicable fiscal or other laws, regulations and directives; and (ii) any withholding or deduction imposed by Sections 1471 through 1474 of the US Internal Revenue Code (“**FATCA**”) or any agreement entered into pursuant to FATCA but, in each case, without prejudice to the provisions of Condition 8. No commission or expenses in each case shall be charged to the Noteholders or Couponholders in respect of such payments. Except to the extent that the Issuer or any Guarantor is required to pay any additional amounts under Condition 8 on account of a withholding or deduction, neither the Issuer nor any Guarantor will be required to pay any additional amounts on account of a withholding or deduction and, accordingly, the Issuer or the relevant Guarantor shall be acquitted and discharged of so much money as is represented by any such withholding or deduction as if such sum had actually been paid to the Noteholder or Couponholder.

- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantors and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantors and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantors reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer and the Guarantors shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer

Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least one major European city, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (vii) a Paying Agent (which, for the avoidance of doubt, may be one of the Paying Agents referred to in (v) or (vi)) with a specified office in a Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC (the “**Savings Directive**”) or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, provided that the Issuer and the Guarantors shall not be obliged to maintain a Paying Agent with a specified office in such Member State unless at least one Member State does not require a paying agent making payments through a specified office in that Member State so as to withhold or deduct tax whether pursuant to the Savings Directive or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, under the law of that Member State or otherwise.

In addition, the Issuer and the Guarantors shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London, in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer or any Guarantor in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political subdivision or authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, except to the extent that the withholding or deduction is made in respect of FATCA, or any agreement entered into pursuant to FATCA, the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as shall result in the receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to anything done (including any withholding or deduction made) under or pursuant to FATCA or with respect to any Note or Coupon:

- (a) **Other connection:** presented for payment or held by, or by a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days; or
- (c) **Savings Directive:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the Savings Directive 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 to conform to, such directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State; or
- (e) **Declaration of exemption:** presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by satisfying any statutory

requirements (including but not limited to obtaining and/or presenting any form of certificate) or by making a declaration or any other statement or claim for exemption (including, but not limited to, a declaration of non residence), but fails to do so.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed. For the avoidance of doubt any withholding or deduction made in respect of any agreement entered into pursuant to FATCA shall be treated as a withholding or deduction required by law.

9. Prescription

Claims against the Issuer or any Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) and the Guarantee shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, and if so directed by the holders of at least one-fifth in nominal amount of the Notes then outstanding or by an Extraordinary Resolution of the Noteholders shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction (but, in the case of the happening of any of the events mentioned in paragraph (b) below and, in relation to a Material Subsidiary, any of the events mentioned in paragraphs (c) to (i) inclusive below, only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (a) default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes;
- (b) the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except where the Trustee considers such failure to be incapable of remedy) such failure continues for the period of 30 days after written notice of such failure shall have been given to the Issuer and the Guarantors by the Trustee requiring the same to be remedied;
- (c) any Moneys Borrowed owing by the Issuer or any Guarantor or any Material Subsidiary is validly declared to be due and payable prior to the date on which the same would otherwise become due and payable by reason of an event of default (howsoever described) in relation thereto or the Issuer or any Guarantor or Material Subsidiary defaults in the repayment of any Moneys Borrowed at the maturity thereof as extended by any applicable grace period (or in the case of any Moneys Borrowed payable on demand, within seven days of such demand) or if any guarantee or indemnity in respect of Moneys Borrowed of any party given by the Issuer or any Guarantor or any Material Subsidiary shall not be paid when due and called upon (as extended by any applicable grace period), provided that the aggregate amount of the relevant Moneys Borrowed,

guarantees and indemnities in respect of which one of the events mentioned in this paragraph (c) has occurred exceeds £5,000,000 (or its equivalent in any other currency or currencies as at the date the same became due and payable or the relevant event of default occurs or such payment is not made) and, in any such case, the liability of the Issuer, Guarantor or Material Subsidiary is not being contested in good faith;

- (d) an administrator is appointed in relation to the Issuer or any Guarantor or any Material Subsidiary or a final order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any Guarantor or any Material Subsidiary or other analogous bankruptcy or insolvency proceedings and, where possible, is not discharged or stayed within a period of 30 days (in each case except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, consolidation or voluntary winding-up either (i) on terms previously approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Material Subsidiary (other than a Guarantor), the result of which will be that all or substantially all of the Material Subsidiary's assets and undertaking will be transferred to or otherwise be vested in another solvent entity within the Group which is or thereupon becomes a Material Subsidiary. If any two directors of such transferee entity certify that, in their opinion, such entity is solvent, the Trustee shall be entitled to rely on such certification without further investigation or liability);
- (e) the Issuer or any Guarantor or Material Subsidiary becomes insolvent within the meaning of Section 123(1)(e) of the Insolvency Act 1986 or is determined by any competent court to be insolvent or bankrupt;
- (f) any kind of composition, scheme of arrangement, compromise or other similar arrangement involving the Issuer or any Guarantor or Material Subsidiary and its non-Group creditors generally is entered into or made or any moratorium is agreed or is declared or comes into effect in relation to all or substantially all of the debts of the Issuer or any Guarantor or Material Subsidiary owing to non-Group creditors (in each case except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, consolidation or voluntary winding-up either (i) on terms previously approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Material Subsidiary (other than a Guarantor), the result of which will be that all or substantially all of the Material Subsidiary's assets and undertaking will be transferred to or otherwise be vested in another solvent entity within the Group which is or thereupon becomes a Material Subsidiary. If any two directors of such transferee entity certify that, in their opinion, such entity is solvent, the Trustee shall be entitled to rely on such certification without further investigation or liability);
- (g) an administrative or other receiver or other similar official is appointed in relation to the whole or substantially the whole of the undertaking, property and assets of the Issuer or any Guarantor or Material Subsidiary as a consequence of bankruptcy or insolvency;
- (h) a distress, execution or any similar proceedings is levied or enforced upon or sued out against or any involuntary public or private sale procedures are commenced in respect of the whole or substantially the whole of the chattels or property of the Issuer or any Guarantor or Material Subsidiary and in any such case is not removed, paid out or discharged within 60 days;
- (i) any present or future Security Interest created or assumed by the Issuer or any Guarantor or any Material Subsidiary becomes enforceable and is enforced in respect of all or a material part of the assets of the Issuer, or such Guarantor or any Material Subsidiary;
- (j) the Issuer or any Guarantor or any Material Subsidiary ceases or threatens (through an action of the board of directors) to cease to carry on business or stops or suspends or threatens (through an action of the board of directors) to stop or suspend payment of its debts generally (in each case except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, consolidation or voluntary winding-up either (i) on terms previously approved by the Trustee in writing or by an Extraordinary

Resolution of the Noteholders or (ii) in the case of a Material Subsidiary (other than a Guarantor), the result of which will be that all or substantially all of the Material Subsidiary's assets and undertaking will be transferred to or otherwise be vested in another solvent entity within the Group); or

- (k) any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e), (f), (g) or (h) above.

In this Condition 10:

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

- (i) after adding back (to the extent otherwise deducted) interest payable;
- (ii) before any deduction for or on account of taxation;
- (iii) after adding back (to the extent otherwise deducted) any amount attributable to the impairment of goodwill;
- (iv) after adding back (to the extent otherwise deducted) any amount attributable to the amortisation or impairment of intangible assets;
- (v) excluding any item of income or expense that is material (either individually or in aggregate) and either of an unusual or a non-recurring nature including, without limitation, any such item:
 - (a) in relation to:-
 - (a) the restructuring of the activities of an entity;
 - (b) disposals, revaluations or impairment of non-current assets; or
 - (c) disposals of assets associated with discontinued operations; or
 - (b) which is a reversal of any item falling within this paragraph (v); and
- (vi) excluding the effect under IAS 32 and IAS 39 of the fair valuation of derivative assets and liabilities,

all as determined in accordance with IFRS.

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

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

as determined in accordance with IFRS.

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

"IAS 32" means International Accounting Standard 32 (Financial Instruments: Disclosure and Presentation), as in force at 31 December 2013 and as applied by the Issuer in connection with the preparation of its annual audited financial statements for the financial years ended 31 December 2012 and 31 December 2013.

"IAS 39" means International Accounting Standard 39 (Financial Instruments: Recognition and Measurement), as in force at 31 December 2013 and as applied by the Issuer in connection with the preparation of its annual audited financial statements for the financial years ended 31 December 2012 and 31 December 2013.

“IFRS” means international accounting standards within the meaning of Regulation 1606/2002 on the Application of International Accounting Standards as applied by the Issuer in connection with the preparation of its annual audited financial statements for the financial years ended 31 December 2012 and 31 December 2013.

A company is a **“Subsidiary”** of another company, if that other company:

- (i) holds a majority of the voting rights in it, or
- (ii) is a member of it and has the right to appoint or remove a majority of its board of directors, or
- (iii) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if it is a Subsidiary of a company that is itself a Subsidiary of that other company.

“Material Subsidiary” means each Subsidiary of the Issuer from time to time, whether owned at the date of the issuance of Notes or acquired subsequently:

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

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

A certificate of two directors or a director and a secretary of the Issuer or any Guarantor (as the case may be) listing their respective Subsidiaries and stating that in their opinion a Subsidiary is or is not or was or was not at any particular time or throughout any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

“Moneys Borrowed” of any person means, without duplication:

- (i) any indebtedness for moneys borrowed of such person including, without limitation, indebtedness created by means of acceptances, the issue of loan stock and any liability evidenced by bonds, debentures, notes or similar instruments;
- (ii) capitalised rental obligations of such person under finance leases; and
- (iii) any guarantees or indemnities given by such person in respect of any obligations described in paragraph (a) or (b) above of another person not being a member of the Group (it being understood that the liability on any date in respect of any guarantee of obligations under a credit facility shall be an amount equal to the funded obligations for Moneys Borrowed under such facility as of such date).

11. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear

majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify or cancel the Guarantee (other than in circumstances described in Condition 11(c) below), or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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 Noteholders.

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary (as defined in the Trust Deed) of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes.

The Trust Deed also contains provisions requiring the Trustee to agree, without the consent of the Noteholders or the Couponholders, to the release of a guarantor in certain circumstances. In addition the Trust Deed contains provisions requiring the Issuer to procure the accession of a new guarantor in certain circumstances. Any such release or accession will occur if there is a release of a guarantor, or the accession of a new guarantor, under the terms of the Issuer's multi-currency facilities agreement dated 18 November 2010 (as subsequently amended, restated, modified, re-financed or replaced from time to time, the "**Facilities Agreement**") and will take effect as soon as is reasonably practicable following such release or accession under the Facilities

Agreement. The Issuer will provide to the Trustee not less than 45 days' notice of any planned change of guarantor under the Facilities Agreement before any such change is to take effect under the Facilities Agreement.

- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantors, the Trustee and the Noteholders.

14. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in Luxembourg (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

15. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that

such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

17. Contracts (Rights of Third Parties) Act 1999

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

18. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer and the Guarantors have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

Each Series (as defined in “*Summary*”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**Temporary Global Note**”) or a permanent global note in bearer form (each a “**Permanent Global Note**” (and, together with a Temporary Global Note, the “**Global Notes**”). Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined in “*Summary*”) to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Certificates will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in this Section.

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Neither depositing the Global Notes with the Common Safekeeper nor indicating that they are to be held in a manner which would allow Eurosystem eligibility necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such

Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

In certain circumstances, Investors may also hold interests in the Notes through CREST through the issuance of CDIs, representing interests in the underlying Notes. CDIs are constituted under English law and transferred through CREST and will be issued by the CREST Depository pursuant to the CREST Deed Poll. Neither the Notes nor any rights attached thereto will be issued, settled, held or transferred within the CREST system other than through the issue, settlement holding or transfer of CDIs. CDI holders will not be entitled to deal directly in the Notes and, accordingly, all dealings in the Notes will be effected through CREST in relation to the holding of CDIs.

3. Exchange

3.1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Summary – Element C.5*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for definitive notes, such Notes shall be issued only in a principal amount which is an integral multiple of the Specified Denomination.

3.2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a Permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.5 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

3.6 Crest Depository Interests

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

The CDIs will represent indirect interests in the interest of the CREST Nominee in the Underlying Notes. Pursuant to the CREST Manual, Notes held in global form may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

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

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

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

The CDIs will have the same International Securities Identification Number (“**ISIN**”) as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 3 of the CREST Manual which contains the form of the CREST Deed Poll entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear and/or Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

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

- (i) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
- (ii) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a clearing system. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the clearing system in or through which the Underlying Notes are held.
- (iii) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of a relevant intermediary, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
- (iv) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (v) Potential Investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (vi) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential Investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at www.euroclear.com/site/public/EUI.

- (vii) Potential Investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDI's through the CREST International Settlement Links Service.
- (viii) Potential Investors should note that none of the Issuer, the Guarantor, the Dealers, the Trustee, the Paying Agent or their respective advisers will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.
- (ix) Potential Investors should note that Notes issued in Temporary Global Note form exchangeable for a Permanent Global Note will not be eligible for CREST settlement as CDIs. As such, Investors investing in the Underlying Notes through CDIs will only receive the CDIs after such Temporary Global Note is exchanged for a Permanent Global Note, which could take up to 40 days after the issue of the Underlying Notes. It is anticipated that Notes eligible for CREST settlement as CDIs will be issued directly in permanent global form.

4. Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (*Non-Business Days*).

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

4.5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 *Trustee's Powers*

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.10 *Events of Default*

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Issuing and Paying Agent the nominal amount of such Global Note that is becoming due and repayable.

4.11 *Notices*

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

5. *Record Date in respect of Registered Notes*

Each payment in respect of Registered Notes whilst in global form will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

6. *Electronic Consent and Written Resolution*

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**”) as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purposes of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer, the Guarantors and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in

such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, **“commercially reasonable evidence”** includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer and/or the Guarantors shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

FORM OF FINAL TERMS

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

Final Terms dated [●]

International Personal Finance plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by IPF Holdings Limited, International Personal Finance
Investments Limited and IPF International Limited
under the EUR 1,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 21 March 2014 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms. The Prospectus has been published on [●] website.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Prospectus dated [original date] [and the supplement(s) to it dated [●]] [which are incorporated by reference in the Prospectus dated [current date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Prospectus**), save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]]. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Prospectus [and the supplement(s) dated [●]]. However, a summary of the issue of the Notes is annexed to these Final Terms. The Prospectus has been published on [●] website.]

- | | | | |
|----|---------|--|--|
| 1. | (i) | Issuer: | International Personal Finance plc |
| | (ii) | Guarantor: | IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited |
| 2. | [(i)] | Series Number: | [●] |
| | (ii) | Tranche Number: | [●] |
| | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [●/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [●]]].] |
| 3. | | Specified Currency or Currencies: | [●] |
| 4. | | Aggregate Nominal Amount: | [●] |
| | [(i)] | Series: | [●] |
| | [(ii)] | Tranche: | [●] |

5. Issue Price: [●] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [●]]
6. (i) Specified Denominations: [●]
[●] and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●/Issue Date/Not Applicable]
8. Maturity Date: [●]
9. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR/EURIBOR/●] +/- [●] per cent. Floating Rate]
[Zero Coupon]
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Investor Put]
[Change of Control Put]
[Issuer Call]
[(further particulars specified below)]
13. Date [Board] approval for issuance of Notes [and Guarantee] obtained: [●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual/Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360/360/360/Bond Basis]
[30E/360/Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]
- (vi) [Determination Dates: [●] in each year]

15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●]
 - (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below]
 - (iii) First Interest Payment Date: [●]
 - (iv) Interest Period Date: [●]
 - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
 - (vi) Business Centre(s): [●]
 - (vii) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
 - (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
 - (ix) Screen Rate Determination:
 - Reference Rate: [●]
 - Relevant Financial Centre: [●]
 - Relevant Time: [●]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield: [●] per cent. per annum
 - (ii) [Reference Price: [●]]
 - (iii) [Day Count Fraction in relation to Early Redemption: [[Actual/Actual/Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360/360/360/Bond Basis]
[30E/360/Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]]]

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s): [●] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount

	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
18.	Put Option	[Applicable/Not Applicable]
	(a) Investor Put:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Date method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]
	(b) Change of Control Put:	[Applicable/Not Applicable]
	(i) Optional Redemption Amount(s):	[101 per cent. per Calculation Amount]
	(ii) Negative Rating Event Specified Rating (Condition 6(f)):	[●]
	[(iii) Put Period:	[●]]
	[(iv) Put Date:	[●]]
20.	Final Redemption Amount of each Note:	[●] per Calculation Amount
21.	Early Redemption Amount Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	Bearer Notes:
		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
		[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
		[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
		Registered Notes:
		Global Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

23. Name and address of Registrar: [Not Applicable]/[●]
24. New Global Note: [Yes] [No]
25. Financial Centre(s): [Not Applicable/give details]
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [No/Yes.]

The Issuer

Signed on behalf of **International Personal Finance plc**

By:

Duly authorised

The Guarantors

Signed on behalf of **IPF Holdings Limited**

By:

Duly authorised

Signed on behalf of **International Personal Finance Investments Limited**

By:

Duly authorised

Signed on behalf of **IPF International Limited**

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission
- [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [[the electronic order book for retail bonds of the] London Stock Exchange's regulated market]/[the Regulated Market operated by BondSpot S.A.]/[the Regulated Market operated by the Warsaw Stock Exchange] with effect from [●].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].]
- [Not Applicable.]
- (ii) Regulated or equivalent markets on which Notes of the same class are already admitted to trading:
- [Not Applicable]/[●]

2. RATINGS

- Ratings:
- [The Notes to be issued have been rated]/[Notes issued under the Programme are generally rated]:
- [Fitch: [●]]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer./[●]]

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

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

5. Fixed Rate Notes only – YIELD

Indication of yield: [●]

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. [Floating Rate Notes only – HISTORIC INTEREST RATES]

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

7. OPERATIONAL INFORMATION

- ISIN Code: [●]
- Common Code: [●]
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable]/[●]

Names and addresses of additional Paying Agent(s) (if any): [●]

Names and addresses of Calculation Agent(s) (if not Citibank, N.A., London Branch): [●]

8. DISTRIBUTION

(i) If syndicated:

(A) Names and addresses of Dealers and underwriting commitments: [●]

(B) Date of [Subscription] Agreement: [●]

(C) Names and addresses of Stabilising Manager(s) if any: [Not Applicable/●]

(ii) Indication of the overall amount of the underwriting commission and of the placing commission: [●] per cent. of the Aggregate Nominal Amount

(iii) US Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA C/TEFRA D/TEFRA not applicable]]

(iv) Public Offer: [Applicable]/[Not Applicable]

(a) Name and address of financial intermediaries authorised to offer the Notes: [●]

(b) Country(ies) where the Public Offer [●] (the “**Public Offer Jurisdictions**”) may take place: [United Kingdom]; [Poland]; [Slovakia]; [Czech Republic]; [Hungary]

(c) Offer Period: From [●] to [●].

(d) Further conditions attached to the consent to use: [Not Applicable]/[●]

(e) General consent: [Not Applicable]/[Applicable]

9. TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price] [●]

Conditions to which the offer is subject: [Not Applicable]/[●]

Description of the application process (including the time period, including any possible amendments, for which the offer will be open): [Not Applicable]/[●]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable]/[●]

Details of the minimum and/or maximum amount of application:	[Not Applicable]/[●]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable]/[●]
Manner in and date on which results of the offer are to be made public:	[Not Applicable]/[●]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable]/[●]
Whether tranche(s) have been reserved for certain countries and, if so, which tranche is so reserved:	[Not Applicable]/[●]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable]/[●]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable]/[●]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None]/[●]

[ANNEX – FORM OF ISSUE SPECIFIC SUMMARY]

[●]

FORM OF FINAL TERMS

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

Final Terms dated [●]

International Personal Finance plc
Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**]
Guaranteed by IPF Holdings Limited, International Personal Finance Investments Limited
and IPF International Limited
under the EUR 1,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 21 March 2014 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the **Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on [●] website.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Prospectus dated [original date] [and the supplement(s) to it dated [●]] [which are incorporated by reference in the Prospectus dated [current date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Prospectus**), save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]]. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Prospectus [and the supplement(s) dated [●]]. The Prospectus has been published on [●] website.

- | | | |
|----|--|---|
| 1. | [(i)] Issuer: | International Personal Finance plc |
| | [(ii)] Guarantor: | IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited |
| 2. | [(i)] Series Number: | [●] |
| | [(ii)] Tranche Number: | [●] |
| | [(iii)] Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [●/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [22] below [which is expected to occur on or about [●]]].] |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount of Notes: | [●] |
| | [(i)] Series: | [●] |
| | [(ii)] Tranche: | [●] |

5. Issue Price: [●] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [●]]
6. (i) Specified Denominations: [●]
[●] and integral multiples of [●] in excess
thereof up to and including [●]. No Notes in
definitive form will be issued with a
denomination above [●]
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
(ii) Interest Commencement Date [●/Issue Date/Not Applicable]
8. Maturity Date: [●]
9. Interest Basis: [[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/●]
+/- [●] per cent. Floating Rate] [Zero Coupon]
10. Redemption/Payment Basis: Subject to any purchase and cancellation or
early redemption, the Notes will be redeemed
on the Maturity Date at [100] per cent. of their
nominal amount.
11. Change of Interest Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Investor Put] [Change of Control Put] [Issuer
Call] [(further particulars specified below)]
13. Date [Board] approval for issuance
of Notes [and Guarantee]
respectively obtained: [●] [and [●]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable in arrear on
each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the
Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual/Actual/Actual – ISDA] [Actual/365
(Fixed)] [Actual/365 (Sterling)] [Actual/360]
[30/360/360/360/Bond Basis]
[30E/360/Eurobond Basis] [30E/360 (ISDA)]
[Actual/Actual-ICMA]
- (vi) [Determination Dates: [●] in each year]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●]

- (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [●]
 - Relevant Financial Centre: [●]
 - Relevant time: [●]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
- (x) Margin(s): [+/-][●] per cent. per annum
- (xi) Minimum Rate of Interest: [●] per cent. per annum
- (xii) Maximum Rate of Interest: [●] per cent. per annum
- (xiii) Day Count Fraction: [●]
16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) [Reference Price: [●]]
- (iii) [Day Count Fraction in relation to Early Redemption Amounts: [[Actual/Actual/Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/360]
[Actual/365 (Sterling)]
[30/360/360/360/Bond Basis]
[30E/360/Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]]]

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s): [●] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
 - (iv) Notice period: [●]
18. **Put Option [Applicable/Not Applicable]**
- (a) Investor Put: [Applicable/Not Applicable]
 - (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Date method, if any, of calculation of such amount(s): [●] per Calculation Amount
 - (iii) Notice period: [●]
 - (b) Change of Control Put: [Applicable/Not Applicable]
 - (i) Optional Redemption Amount(s): 101 per cent. of the Calculation Amount
 - (ii) Negative Rating Event Specified Rating (Condition 6(f)): [●]
 - [(iii) Put Period: [●]]
 - [(iv) Put Date: [●]]
20. **Final Redemption Amount of each Note:** [●] per Calculation Amount
21. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

Registered Notes:

[Global Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

- | | | |
|-----|--|-------------------------------|
| 23. | Name and address of Registrar: | Not Applicable]/[●] |
| 24. | New Global Note: | [Yes] [No] |
| 25. | Financial Centre(s): | [Not Applicable/give details] |
| 26. | Talons for future Coupons or attached to Definitive Notes (and dates on which such Talons mature): | [No/Yes] |

The Issuer

Signed on behalf of **International Personal Finance plc**

By:

Duly authorised

The Guarantors

Signed on behalf of **IPF Holdings Limited**

By:

Duly authorised

Signed on behalf of **International Personal Finance Investments Limited**

By:

Duly authorised

Signed on behalf of **IPF International Limited**

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: [Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market]/[the Regulated Market operated by BondSpot S.A.]/[the Regulated Market operated by the Warsaw Stock Exchange] with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: The Notes to be issued have been rated:
[[Fitch: [●]]]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

["Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."/[●]]

5. [Fixed Rate Notes only – YIELD

- Indication of yield: [●]

6. OPERATIONAL INFORMATION

- ISIN Code: [●]
- Common Code: [●]
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable]/[●]
- Names and addresses of additional Paying Agent(s) (if any): [●]
- [Names and addresses of Calculation Agent(s) (if not Citibank, N.A., London Branch): [●]

7. DISTRIBUTION

- US Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA C/TEFRA D/TEFRA not applicable]

[ANNEX – FORM OF ISSUE SPECIFIC SUMMARY]

[●]

GENERAL INFORMATION

- (1) It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a temporary or Permanent Global Note (or one or more Certificates) in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or about 25 March 2014. Prior to official listing and admission to trading of any Tranche of Notes, however, dealings in such Notes will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. Notes may also be issued on the basis that they will be admitted to trading by the Regulated Market operated by BondSpot S.A. or the Regulated Market operated by the Warsaw Stock Exchange, or on the ORB, or on another market and/or stock exchange not being a regulated market (or equivalent) for the purposes of Directive 2004/39/EC.
- (2) The Issuer and the Guarantors have obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment of the Programme. The establishment and update of the Programme was authorised by resolutions of the Board of IPF passed on 12 March 2010 and 20 March 2014, respectively and by the Executive Committee of IPF on 19 April 2010 and 20 March 2014, respectively.
- (3) There has been no significant change in the financial or trading position of the Issuer, any of the Guarantors or of the Group and no material adverse change in the prospects of the Issuer, any of the Guarantors or of the Group since 31 December 2013.
- (4) Save as disclosed below, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer is aware during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Issuer and/or the Guarantors and/or the Group's financial position or profitability. On 24 December 2013 the Group announced that Provident Polska had received a notice from the Office, subjecting it to a fine of approximately £2.4 million for a collective infringement of consumer interests relating to the way Provident Polska calculates APR. The Group is in the process of appealing the decision.
- (5) IPF and Provident Financial plc ("**Provident Financial**") entered into a demerger agreement on 25 June 2007 to effect the demerger of IPF from the Provident Financial group and govern the relationship between their respective groups following the demerger. Pursuant to the demerger agreement, IPF became the owner of the entire issued share capital of Provident International Holdings Limited (which was the then holding company of Provident Financial's international division) and, thereby, its operating subsidiaries. The demerger agreement contains mutual indemnities under which IPF indemnifies the Provident Financial group against certain tax liabilities and liabilities arising in respect of the IPF business and Provident Financial similarly indemnifies the Group against certain tax liabilities and liabilities arising in respect of the businesses carried on by the Provident Financial group. These mutual indemnities are unlimited in terms of amount or duration and are customary for an agreement of this type.
- (6) Save as disclosed above, there are no material contracts entered into other than in the ordinary course of the Issuer's or any of the Guarantors' business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
- (7) Each Bearer Note having a maturity of more than one year Coupon and Talon will bear 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".
- (8) The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). Interests in the Notes may also be held through the issuance of CDIs representing the underlying Notes. The Common Code, the ISIN and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (9) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (10) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer:
 - (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, and the Talons);
 - (ii) the Agency Agreement;
 - (iii) the Memorandum and Articles of Association of the Issuer;
 - (iv) the Issuer's Annual Report and Financial Statements 2012 containing the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2012 together with the audit report thereon and notes thereto;
 - (v) the Issuer's Annual Report and Financial Statements 2013 containing the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2013 together with the audit report thereon and notes thereto;
 - (vi) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);
 - (vii) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
 - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

This Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at:

<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

- (11) The consolidated accounts of the Issuer for the years ended 31 December 2012 and 2013 contained in this Prospectus do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (the "**Act**"). Statutory accounts for the financial years ended 31 December 2012 and 2013 have been delivered to the Registrar of Companies in England and Wales. The Issuer's auditors have made a report under Section 495 of the Act on the last statutory accounts that was not qualified within the meaning of Section 539 of the Act and did not contain a statement made under Section 498(2) or Section 498(3) of the Act. The report of the Issuer's auditors contained the following statement: "This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing."
- (12) Deloitte LLP of 1 City Square, Leeds, LS1 2AL (independent auditors, authorised and regulated by the Financial Conduct Authority for designated investment business and a member of the Institute of Chartered Accountants in England and Wales) have audited, and rendered unqualified audit reports on, the accounts of the Issuer for the years ended 31 December 2012 and 31 December 2013.

- (13) The yield for any particular Series of Notes will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is an example formula for the purposes of calculating the yield of Fixed Rate Notes or Zero Coupon Notes. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield.

$$\text{Issue Price} = \text{Rate of Interest} * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^n} \right)}{\text{Yield}} + \left[\text{Final Redemption Amount} * \frac{1}{(1 + \text{Yield})^n} \right]$$

Where:

“Rate of Interest” means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms and adjusted according to the frequency (and in the case of Zero Coupon Notes, means “0”) i.e. for a semi-annual paying Note, the rate of interest is half the stated annualised rate of interest in the Final Terms;

“Yield” means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms (and in the case of Zero Coupon Notes, means the Amortisation Yield as specified in the applicable Final Terms); and

“n” means the number of interest payments to maturity.

Set out below is a worked example illustrating how the yield on a Series of Fixed Rate Notes could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield for any Series of Notes; it is intended merely to illustrate the way which the above formula could be applied.

Where:

N = 6

Rate of Interest = 3.875%

Issue Price = 99.392

Final Redemption Amount = 100

$$99.392 = 3.875 * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^6} \right)}{\text{Yield}} = \left[100 * \frac{1}{(1 + \text{Yield})^6} \right]$$

Yield = 3.99% (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Series of Notes will not be an indication of future yield.

INDEX OF DEFINED TERMS

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Registered Office of the Guarantors

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**International Personal
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Limited**

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Spain

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81925 Munich
Germany

**Issuing and Paying Agent, Paying Agent, Transfer Agent,
Calculation Agent and Registrar**

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