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3 August 2020



PROVIDENT FINANCIAL PLC

announces a tender offer to the holders of its outstanding

£250,000,000 7.00 per cent. Notes due 2023

Provident Financial plc (the "**Company**") announces today an invitation to holders of its £250,000,000 7.00 per cent. Notes due 2023 (ISIN: XS1827005411) unconditionally and irrevocably guaranteed by each of, Provident Financial Management Services Limited, Provident Personal Credit Limited, Duncton Group Limited, Moneybarn Group Limited and Moneybarn No.1 Limited (the "**Notes**") to tender such Notes for purchase by the Company for cash (the "**Offer**"). The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 3 August 2020 (the "**Tender Offer Memorandum**") prepared by the Company and is subject to the offer restrictions set out below under the heading "*Offer and Distribution Restrictions*" and as more fully described in the Tender Offer Memorandum.

For detailed terms of the Offer, please refer to the Tender Offer Memorandum, copies of which are (subject to distribution restrictions) available from the Tender Agent as set out below.

Capitalised terms used in this announcement but not defined herewith have the meanings given to them in the Tender Offer Memorandum. Details of the Notes are set out in the table below:

<u>Description of the Notes</u>	<u>ISIN/ Common Code</u>	<u>Outstanding Principal Amount</u>	<u>Minimum Purchase Price</u>	<u>Purchase Price</u>	<u>Maximum Acceptance Amount</u>
£250,000,000 7.000 ¹ per cent. Notes due 2023	XS1827005411/1827 00541	£250,000,000	94 per cent. of the nominal amount of the Notes	To be determined pursuant to a modified Dutch auction process as set out herein ²	£75,000,000

¹ Following a step-up event, notice of which was provided to Noteholders on 20 March 2020, the initial rate of interest has been stepped-up by a margin of 1.250 per cent. per annum, applicable from 4 June 2020.

² All Noteholders that submit Tender Instructions which are accepted by the Issuer will receive the same Purchase Price.

THE OFFER

Rationale for the Offer

In line with the Company's stated ambition at last year's Capital Markets Day, the Company intends to proactively manage its outstanding debt and seek efficiencies where possible. It demonstrates the group's strong capital and liquidity positions that the Company is able to launch such a transaction and illustrates one of the benefits of having a bank within the group. Furthermore, the Offer will provide liquidity to those Holders whose Notes are accepted in the Offer.

The Notes purchased by the Company pursuant to the Offer are expected to be cancelled and will not be re-issued or re-sold. Notes which have not been validly submitted and accepted for purchase pursuant to the Offer will remain outstanding.

Purchase Price

The Company will pay for Notes accepted by it for purchase pursuant to the Offer a cash purchase price (expressed as a percentage of the nominal amount of Notes accepted for purchase pursuant to the Tender Offer and rounded to the nearest 0.10 per cent. (with 0.05 per cent. rounded upwards)) (the "**Purchase Price**") determined in accordance with the modified Dutch auction procedures described in the Tender Offer Memorandum, and subject to the Minimum Purchase Price in respect of the Notes, as set out in the table on the cover page of this announcement.

Maximum Acceptance Amount

The Company proposes to accept for purchase Notes up to a maximum aggregate principal amount equal to the maximum acceptance amount of £75,000,000 (the "**Maximum Acceptance Amount**") on the terms and subject to the conditions contained in the Tender Offer Memorandum. The Company reserves the right, in its sole and absolute discretion, to purchase more or less than the Maximum Acceptance Amount, subject to applicable law.

In the event that Tender Instructions are received in respect of an aggregate principal amount of Notes which is greater than the Maximum Acceptance Amount, such Tender Instructions will be accepted on a *pro rata* basis.

Such *pro rata* allocations will be calculated in relation to the Notes by multiplying the aggregate principal amount of the Notes represented by each validly submitted and accepted Tender Instruction by a pro-rata factor equal to (i) the Maximum Acceptance Amount divided by (ii) the aggregate principal amount of the Notes validly tendered and accepted in the Offer (subject to adjustment to allow for the aggregate principal amount of Notes accepted for purchase, following the rounding of Tender Instructions as set out below to equal the Maximum Acceptance Amount exactly). Each tender of Notes reduced in this manner will be rounded to the nearest £1,000 principal amount.

Accrued Interest

The Company will also pay accrued interest from (and including) the last interest payment date to (but excluding) the Settlement Date in respect of Notes accepted by it for purchase pursuant to the Offer (the "**Accrued Interest**").

The Company is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Company of Notes tendered pursuant to the Offer is at the sole discretion of the Company and tenders may be rejected by the Company for any reason.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and the Accrued Interest pursuant to, the Offer, Holders must validly tender their Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 10 August 2020 unless extended, re-opened, amended and/or terminated as provided in the Tender Offer Memorandum.

Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum principal amount of Notes of no less than £100,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of £1,000 thereafter (see "*Procedures for Participating in the Offer*" in the Tender Offer Memorandum for further information).

EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only.

Events	Times and Dates (All times are London time)
<i>Commencement of the Offer</i>	
Announcement of Offer. Tender Offer Memorandum available from the Tender Agent.	3 August 2020
<i>Expiration Deadline</i>	
Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Holders to be able to participate in the Offer.	4.00 p.m. 10 August 2020
<i>Announcement of Results</i>	
Announcement of whether the Company will accept valid tenders of Notes for purchase pursuant to the Offer and, if so accepted, the aggregate principal amount of the Notes accepted for purchase, together with the Purchase Price and applicable pro-ratio factor, if any.	As soon as reasonably practicable on 11 August 2020
<i>Settlement Date</i>	
Expected Settlement Date for the Offer. Payment of the Purchase Price and Accrued Interest in respect of the Offer.	12 August 2020

*The above times and dates are subject to the right of the Company to extend, re-open, amend, and/or terminate the Offer (subject to applicable law and as provided in the Tender Offer Memorandum). Holders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in the Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission and revocation of Tender Instructions will be earlier than the relevant deadlines specified above.***

FURTHER INFORMATION

Holders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offer.

Barclays Bank PLC and NatWest Markets Plc are acting as Dealer Managers for the Offer and Lucid Issuer Services Limited is acting as Tender Agent.

Questions and requests for assistance in connection with the Offer may be directed to the Dealer Managers:

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB

Telephone: +44 203 134 8515
Attention: Liability Management Group
Email: eu.lm@barclays.com

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA

Telephone: +44 207 678 5222
Attention: Liability Management
Email:

liabilitymanagement@natwestmarkets.com

Questions and requests for assistance in connection with the procedures for participating in the Offer, including the delivery of Tender Instructions, may be directed to the Tender Agent:

The Tender Agent

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA

Telephone: +44 20 7704 0880
Attention: David Shilson / Owen Morris
Email: PFG@lucid-is.com

This announcement is released by Provident Financial plc and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("**MAR**"), encompassing information relating to the Offer described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by John Rowan at Provident Financial plc.

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Holder is in any doubt as to the contents of this announcement and/or the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer. The

Dealer Managers are acting exclusively for the Company and no one else in connection with the arrangements described in this announcement and the Tender Offer Memorandum and will not be responsible to any Holder for providing the protections which would be afforded to customers of the Dealer Managers or for advising any other person in connection with the Offer. None of the Company, the Dealer Managers or the Tender Agent has made or will make any assessment of the merits and risks of the Offer or of the impact of the Offer on the interests of the Holders either as a class or as individuals, and none of them makes any recommendation as to whether Holders should tender Notes pursuant to the Offer. None of the Company, the Dealer Managers or the Tender Agent (or any of their respective directors, officers, employees agents or affiliates) is providing Holders with any legal, business, tax or other advice in this announcement and/or the Tender Offer Memorandum. Holders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash.

OFFER AND DISTRIBUTION RESTRICTIONS

This announcement and/or the Tender Offer Memorandum does not constitute an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and/or the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Company, the Guarantors, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement and the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each Holder of Notes participating in the Offer will represent that it is not located in the United States and it is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the "**United States**" that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above two paragraphs, United States means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Italy

None of the Offer, this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**"). The Offer is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999.

Holders or beneficial owners of the Notes can tender some or all of their Notes pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes and/or the Offer.

United Kingdom

The communication of this announcement and the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (together "**relevant persons**"). Any investment or investment activity to which this announcement and the Tender Offer Memorandum relates is available only to, and will be engaged in only with, relevant persons (and is subject to the other restrictions referred to in the Financial Promotion Order).

France

The Offer is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). None of this Announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer has been or shall be distributed to the public in France and only qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, are eligible to participate in the Offer. This Announcement, the Tender Offer Memorandum and any other document or material relating to the Offer have not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

General

This announcement and the Tender Offer Memorandum does not constitute an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and a Dealer Manager or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Holder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offer*" of the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Offer from a Holder that is unable to make these representations will not be accepted. Each of the Company, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender shall not be accepted.