

**SUPPLEMENT DATED 1 MARCH 2011 TO THE OFFERING CIRCULAR DATED 10
SEPTEMBER 2010**



PROVIDENT FINANCIAL PLC

(incorporated with limited liability in England and Wales)

£2,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

PROVIDENT FINANCIAL MANAGEMENT SERVICES LIMITED

(incorporated with limited liability in England and Wales)

and

PROVIDENT PERSONAL CREDIT LIMITED

(incorporated with limited liability in England and Wales)

and

GREENWOOD PERSONAL CREDIT LIMITED

(incorporated with limited liability in England and Wales)

and

PROVIDENT INVESTMENTS PLC

(incorporated with limited liability in England and Wales)

This Supplement (the **Supplement**) to the Offering Circular (the **Offering Circular**) dated 10 September 2010 which comprises a base prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the Euro Medium Term Note Programme (the **Programme**) established by Provident Financial plc (the **Issuer**). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuer.

Each of the Issuer and Provident Financial Management Services Limited, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Investments plc (each a **Guarantor** and together, the **Guarantors**) accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and the Guarantors (which have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

ANNUAL FINANCIAL STATEMENTS

On 1 March 2011 the Issuer published a preliminary announcement of its consolidated audited annual financial statements as at and for the twelve month period ended 31 December 2010. A copy of this preliminary announcement has been filed with the Financial Services Authority and, by virtue of this Supplement, those annual financial statements are incorporated in, and form part of, the Offering Circular. Copies of all documents incorporated by reference in the Offering Circular can be obtained from the office of the Issuer and are published on the Issuer's website at www.providentfinancial.com.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

RISK FACTORS

1. **Factors that may affect the ability of the Issuer and the Guarantors (together the Group) to fulfil its obligations under Notes issued under the Programme**

- (a) The following paragraph shall be inserted after the end of the sub-section headed "Regulatory Risk" on page 16 of the Offering Circular:

"Capital adequacy requirements

The Group, incorporating both CCD and Vanquis Bank, is the subject of consolidated supervision by the FSA in respect of capital adequacy and large exposures but not in respect of liquidity. On 16 December 2010, the Basel Committee on Banking Supervision (the **Basel Committee**) published the Basel III rules in documents entitled "Basel III: A global regulatory framework for more resilient banks and banking systems" (containing the reforms relating to capital). The implementation of the Basel III reforms will begin on 1 January 2013, however the requirements are subject to a series of transitional arrangements and will be phased in over a period of time, to be fully effective by 2019. Any change that limits the Group's ability to manage effectively its balance sheet and capital resources going forward could have a material adverse impact on its financial condition and regulatory capital position."

- (b) The sub-section headed "Liquidity Risk" on page 17 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

"Liquidity risk

Liquidity risk is the risk that the Group will have insufficient liquid resources available to fulfil its operational plans and/or meet its financial obligations as they fall due. Credit markets and economic conditions continue to be difficult making it more challenging for companies to obtain funding.

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

The Group's funding and liquidity policy is designed to ensure that the Group is able to continue to fund the growth of the business through its existing borrowing facilities. The Group therefore maintains committed borrowing facilities in excess of expected borrowing requirements to provide continuing headroom above forecast requirements at all times for at least the following 12 months. In determining the forecast borrowing requirement, attention is paid to the currently undrawn credit lines granted by Vanquis Bank.

The Group is less exposed than mainstream lenders to liquidity risk as the loans issued by Home Credit, the Group's largest business, are of a short-term duration (typically of around one year) whereas the Group's borrowing facilities typically extend over a number of years.

As at 31 December 2010, the Group's committed borrowing facilities had a weighted average maturity of 3.5 years and the headroom on these facilities amounted to £184.7 million. As at 1 March 2011, headroom on the Group's committed borrowing facilities increased to approximately £370 million.

Vanquis Bank has established a liquid asset buffer of £10 million in line with the FSA's recent liquidity guidelines.

Despite the above measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to liquidity risks arise in the future."

- (c) The sub-section headed "Pension Risk" on page 19 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

"Pension risk

Pension risk is the risk that there may be insufficient assets to meet the liabilities of the Group's defined benefit pension scheme.

The Group operates a defined benefit pension scheme based on final salary. There is a risk that the liabilities within the scheme may materially exceed the assets in the scheme due to changes in corporate bond yields, inflation, equity and bond returns and mortality rates. The current economic environment has led to volatile movements in equity markets and corporate yields and mortality rates have been improving in the UK.

In order to mitigate the pension risk, the defined benefit pension scheme was substantially closed to new employees joining the Group after 1 January 2003. All new employees joining the Group after 1 January 2003 are invited to join a stakeholder pension plan into which the Group typically contributes between 5.1 and 10.6 per cent. of members' pensionable earnings, provided the employee contributes, by way of salary sacrifice, between 3 and 8 per cent. of pensionable earnings. The Group has no investment or mortality risk in respect of the stakeholder pension plan. In addition, the Group's defined benefit scheme arrangements were amended in 2006 to give active members the choice of (a) paying higher contributions into the scheme and retaining final salary benefits or (b) paying reduced contributions and joining the 'cash balance' section of the scheme. The scheme's investment strategy is to maintain a balance of assets between equities and bonds in order to reduce the risk of volatility in investment returns.

As at 31 December 2010, the Group had a pension asset, calculated in accordance with IAS 19 'Employee benefits', of £41 million on its balance sheet. The Group, in conjunction with its advisors, continues to monitor investment strategy carefully and the last full actuarial valuation of the defined benefit pension scheme was as at 1 June 2009.

Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to pension risks arise in the future."

2. Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

- (a) The paragraph headed "The secondary market generally" contained within the sub-section headed "Risks related to the market generally" on page 23 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

"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 very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. 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.

There is no guarantee of what the market price for selling or buying the Notes will be at any time. If prevailing market conditions reduce market interest in the Notes, the availability of a market price may be impaired. Moreover, notwithstanding the presence of at least one market maker for the Notes (for Notes issued under the Programme to be traded on the London Stock Exchange's Electronic Order book for Retail Bonds (ORB)), if trading activity levels are low, this may severely and adversely impact the price that an investor would receive if it wishes to sell its Notes.

Yield associated with Fixed Rate Notes

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 the investment will be different from the indication of yield on the Notes as set out in the Final Terms of the Notes."

FORM OF FINAL TERMS

The following paragraph shall be added to the section headed "Form of Final Terms" (i) after "[[Other]: []]" in Part B, Paragraph 2 (Ratings) of the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000 (or its equivalent in another currency) and (ii) after "[[Other]: []]" in Part B, Paragraph 2 (Ratings) of the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency):

"[Name of credit rating agency] [is/is not] established in the European Community and [has applied to be/is/is not] registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies."

DESCRIPTION OF THE ISSUER AND THE GROUP

- (a) The entire sub-section headed "Business Overview of the Group" on page 76 of the Offering Circular shall be deemed deleted and replaced with the following:

"Business Overview of the Group

The Group operates through two principal trading divisions: CCD and Vanquis Bank.

An analysis of profit before tax and exceptional items of the Group for the two years ended 31 December 2010 is as follows:

	Profit/(loss) before taxation	
	2010	2009
	£m	£m
Consumer Credit Division	127.3	121.2
Vanquis Bank	26.7	14.1
Yes Car Credit	-	0.2
	<u>154.0</u>	<u>135.5</u>
Central – costs	(8.1)	(7.0)
– interest (payable)/receivable	(1.4)	1.6
Total central	<u>(9.5)</u>	<u>(5.4)</u>

Total group before exceptional costs	144.5	130.1
Exceptional costs	(2.5)	(4.4)
Total group	142.0	125.7 "

- (b) The entire sub-section headed "Consolidated income statement" on page 77 of the Offering Circular shall be deemed deleted and replaced with the following:

"Consolidated income statement

	Year ended 31 December 2010	Year ended 31 December 2009
	£m	£m
Revenue	866.4	815.6
Finance costs	(69.7)	(58.2)
Finance costs before exceptional cost	(69.7)	(53.8)
Exceptional finance cost	-	(4.4)
Operating costs	(440.6)	(425.3)
Administrative costs	(214.1)	(206.4)
Administrative costs before exceptional cost	(211.6)	(206.4)
Exceptional cost	(2.5)	-
Total costs	(724.4)	(689.9)
Profit before taxation	142.0	125.7
Profit before taxation and exceptional costs	144.5	130.1
Exceptional finance cost	(2.5)	(4.4)
Tax charge	(40.5)	(37.1)
Profit for the period attributable to equity shareholders	101.5	88.6

All of the above activities relate to continuing operations."

- (c) The entire sub-section headed "Consolidated balance statement" on page 78 of the Offering Circular shall be deemed deleted and replaced with the following:

"Consolidated balance sheet

	Year ended 31 December 2010	Year ended 31 December 2009
	£m	£m
ASSETS		
Non-current assets		
Goodwill	2.1	2.1
Other intangible assets	17.4	19.5
Property, plant and equipment	29.9	26.3
Financial assets:		
– amounts receivable from customers	97.4	86.9
– derivative financial instruments	12.4	12.5
Retirement benefit asset	41.0	19.9
Deferred tax assets	2.8	7.7
	203.0	174.9
Current assets		
Financial assets:		
– amounts receivable from customers	1,121.9	1,052.4

	£m	£m
– derivative financial instruments	3.5	-
– cash and cash equivalents	29.0	20.3
– trade and other receivables	23.6	28.2
	<u>1,178.0</u>	<u>1,100.9</u>
Total assets	<u>1,381.0</u>	<u>1,275.8</u>
LIABILITIES		
Current liabilities		
Financial liabilities:		
– bank and other borrowings	(147.7)	(72.7)
– derivative financial instruments	(13.4)	(18.4)
– trade and other payables	(46.0)	(48.0)
Current tax liabilities	(44.4)	(39.2)
Provisions	-	(0.8)
	<u>(251.5)</u>	<u>(179.1)</u>
Non-current liabilities		
Financial liabilities:		
– bank and other borrowings	(817.2)	(817.6)
– derivative financial instruments	(2.9)	(10.7)
	<u>(820.1)</u>	<u>(828.3)</u>
Total liabilities	<u>(1,071.6)</u>	<u>(1,007.4)</u>
NET ASSETS	<u>309.4</u>	<u>268.4</u>
SHAREHOLDERS' EQUITY		
Called-up share capital	28.1	27.9
Share premium account	144.0	142.4
Other reserves	0.9	(13.0)
Retained earnings	136.4	111.1
TOTAL EQUITY	<u>309.4</u>	<u>268.4</u> "

- (d) The entire sub-section headed "Consolidated statement of cash flows" on page 79 of the Offering Circular shall be deemed deleted and replaced with the following:

"Consolidated statement of cash flows

	Year ended 31 December 2010 £m	Year ended 31 December 2009 £m
Cash flows from operations		
Cash generated from operations	150.5	92.7
Finance costs paid	(80.0)	(57.0)
Tax paid	(36.5)	(28.4)
Net cash generated from operating activities	<u>34.0</u>	<u>7.3</u>
Cash flows from investing activities		
Purchase of intangible assets	(4.4)	(6.2)
Purchase of property, plant and equipment	(14.8)	(7.2)
Proceeds from disposal of property, plant and equipment	1.6	0.9
Proceeds from disposal of subsidiary undertaking	-	0.7
Net cash used in investing activities	<u>(17.6)</u>	<u>(11.8)</u>

Cash flows from financing activities		
Proceeds from borrowings	99.0	250.0
Repayment of borrowings	(28.2)	(171.3)
Dividends paid to company shareholders	(84.9)	(84.1)
Proceeds from issue of share capital	1.8	8.4
Purchase of own shares	(0.2)	(0.9)
Net cash (used in)/generated from financing activities	(12.5)	2.1
Net (decrease)/increase in cash, cash equivalents and overdrafts	3.9	(2.4)
Cash, cash equivalents and overdrafts at beginning of period	14.5	16.9
Cash, cash equivalents and overdrafts at end of period	18.4	14.5
Cash, cash equivalents and overdrafts at end of period comprise:		
Cash at bank and in hand	29.0	20.3
Overdrafts (held in bank and other borrowings)	(10.6)	(5.8)
Total cash, cash equivalents and overdrafts	18.4	14.5

- (e) The entire sub-section headed "CCD" on pages 79-80 of the Offering Circular shall be deemed deleted and replaced with the following:

"CCD

Home Credit has been in existence since 1880 and is a leading provider of home credit in the UK and Republic of Ireland, serving approximately 1.9 million customers as at 31 December 2010. The business offers simple, transparent financial services to customers on average or below-average incomes, many of whom find it difficult to obtain or manage other forms of credit. Typically, customers are fairly evenly split between the C2, D and E socio-economic groups (as originally developed by the National Readership Survey).

Home Credit operates under two brand names, Provident Personal Credit and Greenwood Personal Credit, and offers small unsecured cash loans, typically for sums between £300 and £500 repayable over a period of approximately one year. The Annual Percentage Rate (APR) on the most popular loans is currently 254 per cent. The business model requires a large agency force, currently made up of approximately 11,400 self-employed individuals of whom approximately 72 per cent. are female. The agency force is supported by a large branch network comprising of more than 440 locations throughout England, Scotland, Wales, Northern Ireland and the Republic of Ireland. The loans are underwritten and delivered in cash to the customer's home by an agent who then calls every week to collect the repayments. Unlike other forms of lending, Home Credit's loans include all the costs up front and there are no extra fees or penalty charges when a customer misses a payment. Agents are paid commission on what they collect, not what they lend, in order to motivate them to lend only what the customer can afford to pay back.

Home Credit also offers pre-loaded Visa cards where a Home Credit loan is loaded onto a plastic card and pre-paid shopping vouchers which can be redeemed at certain high street retail outlets.

Home Credit regularly commissions independent customer satisfaction surveys to ensure that customers' needs are being met and that customers are satisfied with the service they are receiving. As at 31 December 2010, customer satisfaction in Home Credit was 91 per cent.

CCD also provides direct repayment loans to existing and previous paid up customers with whom Home Credit already has/had a good relationship. These loans are an extension of the weekly collected home credit model and involve an initial agent visit and branch/central underwriting in the customer's home, with payments collected through weekly standing order. The loans are marketed under the brand 'Provident Direct'."

- (f) The entire sub-section headed "Vanquis Bank" on page 80 of the Offering Circular shall be deemed deleted and replaced with the following:

"Vanquis Bank

Vanquis Bank was established as a pilot credit card operation in 2003 prior to advancing into full roll-out during 2004. The business operates in the non-standard sector of the UK credit market, offering credit cards to customers on average to below-average incomes, where the household income is typically between £10,000 and £30,000 per year with limited or impaired credit histories. Credit limits are lower than those generally offered by mainstream credit card companies, with over half of all new customers starting with a credit limit of £250. The maximum initial credit line is currently £1,000. Utilisation on card accounts is high at between 75 per cent. and 80 per cent. and the current average balance is approximately £630. Vanquis Bank cards have a higher minimum repayment amount of around 5 per cent. compared with most other credit cards. The typical initial APR is currently 39.9 per cent.

Customer recruitment is primarily carried out through the internet, direct mailing campaigns and from decline agreements with other card providers. Customer numbers as at 31 December 2010 were 544,000. Vanquis Bank regularly commissions independent customer satisfaction surveys to ensure that customers' needs are being met and that customers are satisfied with the service they are receiving. As at 31 December 2010, customer satisfaction in Vanquis Bank was 84 per cent."

- (g) The entire sub-section headed "The European Consumer Credit Directive (Credit Directive)" on page 81 of the Offering Circular shall be deemed deleted and replaced with the following:

"The European Consumer Credit Directive (Credit Directive)

The Credit Directive was finally implemented into UK law on 1 February 2011.

During 2010, the Group amended practice and procedures to take account of the changes introduced by the Credit Directive to ensure compliance both with the new law and those parts of the OFT Irresponsible Lending Guidance which took effect in February 2011."

- (h) The entire sub-section headed "Credit and Store Card Regulation" on page 81 of the Offering Circular shall be deemed deleted and replaced with the following:

"Credit and Store Card Regulation

In March 2010 the Government and credit and store card companies entered into a Joint Commitment agreeing to implement five new rights for credit and store card users by the end of 2010. These included a right to repay against the highest rate debt first, a right to control the level of credit limits, more time to reject interest rate increases, rights to clearer information to enable users to make comparisons and to deal more effectively with payment difficulties and a ban on increases in credit limits and interest rates for those who are at risk of financial difficulties. Along with other

credit and store card providers, during 2010, Vanquis Bank made the system and other procedural changes necessary to ensure compliance with the Joint Commitment."

- (i) The following wording shall replace the penultimate paragraph of the subsection headed "FSA Regulation" on page 82 of the Offering Circular:

"The ICG set by the FSA is expressed as a percentage of the minimum Pillar I requirement for credit risk, operational risk, counterparty risk and market risk calculated using predetermined formulae plus a nominal capital add-on. As at 31 December 2010, the regulatory capital held as a percentage of the minimum Pillar I requirement was 300 per cent. for the supervised Group and 257 per cent. for Vanquis Bank. These were comfortably in excess of the final ICGs set by the FSA."

- (j) The entire sub-section headed "Current Government Initiatives" on page 82 of the Offering Circular shall be deemed deleted and replaced with the following:

"Current Government Initiatives

In October 2010, HM's Treasury (**HMT**)/Department for Business, Innovation and Skills (**BIS**) issued a Call for Evidence in support of its Review of Credit and Insolvency Law. The Review is wide ranging and The Call for Evidence sought comments on issues arising at each stage of the life of a credit agreement, from advertising to debt recovery. The Call for Evidence closed on 10 December 2010 and responses are now being considered by BIS. There is, as yet, no formal indication of when the results will be published.

The government's coalition document published in May 2010 makes reference to giving regulators new powers to define and ban excessive interest rates on credit and store cards.

In December 2010 a joint HMT/BIS Consultation was launched setting out the Government's proposal to transfer responsibility for consumer credit from the OFT to a new Financial Conduct Authority (**FCA**). Although the paper sets out two options for regulation it is made clear that the Government's preferred option would be to bring the regulation of all retail financial products under one regulatory regime. The Consultation closes on 22 March 2011 and the Consumer Credit Association, the home credit trade body, will be submitting a response to which the home credit division will contribute. Vanquis Bank will contribute to the submission to be made by UK Cards."

- (k) The entire sub-section headed "Major Shareholders" on page 82 of the Offering Circular shall be deemed deleted and replaced with the following:

"Major Shareholders

The principal shareholders of the Issuer as at 1 March 2011 are as follows:

Invesco Limited:	23.22%
Schroder Investment Management Limited:	9.78 %
M&G Investment Management Limited:	7.73%
Marathon Asset Management Limited:	5.02%
Tweedy Browne Company:	5.00%
Legal & General Investment Management Limited:	3.98%
Baillie Gifford & Co Limited:	3.93%"

- (l) The following paragraphs shall be added to the end of the sub-section headed "Recent Developments" on page 84 of the Offering Circular:

"On 13 January 2011, the Group entered into a committed £100 million 10-year term loan facility amortising between years 5 and 10 with Prudential/M&G Investments UK Companies Financing Fund.

On 3 February 2011, the Group entered into a committed €10 million 7-year loan facility. On 28 February 2011, the Group secured commitments for the issue of a £20 million 7-year note under the Issuer's EMTN Programme."

DESCRIPTION OF THE GUARANTORS

- (a) References to Michael Ashley Palmer as a director in the sub-sections headed "Administrative, Management and Supervisory Bodies" on pages 85, 86 and 87 of the Offering Circular shall be deemed to be deleted.
- (b) The penultimate paragraph of the sub-section headed "Administrative, Management and Supervisory Bodies" beginning with the words "Mr A Palmer..." on page 85 of the Offering Circular shall be deemed to be deleted.

ADDRESS OF THE ISSUER AND THE GUARANTORS

- (a) References to the address of each of the Issuer and the Guarantors on pages 83, 85, 86, 87, 88 and 96 of the Offering Circular shall be deemed to be deleted and replaced with the following paragraph:

"No. 1 Godwin Street
Bradford
West Yorkshire BD1 2SU".

- (b) The telephone number of the Issuer on page 76 of the Offering Circular shall be deemed to be deleted and replaced with the following:

"+44 1274 351 351".

- (c) The telephone numbers of Provident Financial Management Services Limited on page 85 of the Offering Circular, Provident Financial Personal Credit Limited on page 86 of the Offering Circular and Provident Investments plc on page 88 of the Offering Circular shall be deemed to be deleted and replaced with the following:

"+44 1274 351 135".

- (d) The telephone number of Greenwood Personal Credit Limited on page 87 of the Offering Circular shall be deemed to be deleted and replaced with the following:

"+44 1274 351 555".

SIGNIFICANT OR MATERIAL CHANGE

The paragraph "Significant or Material Change" on page 95 of the Offering Circular shall be deemed deleted and replaced with the following paragraph:

"There has been no significant change in the financial or trading position of the Group since 31 December 2010 (being the date of its last published annual financial statements) and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2009. There has been no

significant change in the financial or trading position, and no material adverse change in the prospects, of each of Provident Investments plc, Provident Personal Credit Limited, Greenwood Personal Credit Limited and Provident Financial Management Services Limited and its subsidiaries since 31 December 2009."

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

In accordance with section 87Q(4) FSMA, investors who have agreed to purchase or subscribe for the Notes before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.