

Update statement on FCA's assessment of the Scheme - 14/7/2021

On 13 July 2021, Provident SPV Limited (the "**Company**", "**we**" or "**us**") received a letter from the Financial Conduct Authority (the "**FCA**"). In this letter, the FCA informed us that:

The FCA has assessed the Scheme by reference to the FCA's statutory objectives and has concluded that the Scheme is inconsistent with the FCA's rules, principles and objectives. Therefore, the FCA does not support the Scheme and has summarised the serious concerns it has regarding the Scheme in this letter.

However, in this case the FCA has decided not to appear in Court to oppose the sanction of the Scheme as a matter of company law. The FCA's assessment of the Scheme against its statutory objectives is a distinct, and necessarily broader, assessment than whether the Court will sanction the Scheme as a matter of company law. In this case, the FCA's decision not to oppose in Court is based on two key factors:

1. The Lenders face an imminent insolvency in which many Redress Creditors would receive less than under the Scheme; and
2. The Lenders are not continuing their business and there appears to be no unfair benefit to the Group and its stakeholders at the expense of Redress Creditors."

You can find out further details about the FCA's views on the Scheme, including their concerns with it, by reading their letter to the Company, which is available in full here <https://scheme.providentpersonalcredit.com/Further Letter from FCA on the Scheme - 13 July.pdf>

While the FCA does not support the Scheme and has told us that it has a number of concerns with it, we note that the FCA has confirmed that it does not intend to oppose the sanction of the Scheme. We believe that this is the right decision for the customers of Provident, Satsuma, Glo and Greenwood (the "**Lenders**").

The Scheme requires more than 50% of all creditors by number who vote on the Scheme to vote in favour, and the total value of their claims to represent at least 75% of the value of the claims of all creditors who vote. The result of the creditors' vote will be announced as soon as possible following the Scheme Meeting on Monday, 19 July 2021.

Assuming the vote is passed by the statutory majority at the Scheme Meeting, the Scheme will be considered by the High Court at the sanction hearing on Friday, 30 July 2021, where the Court will either approve the Scheme or not.

We would encourage all Scheme Creditors who have not yet voted on the Scheme to do so, by either submitting a Claim Form online (which you can do here <https://scheme.providentpersonalcredit.com/Claims.html>) or by calling us on 0800 0568936, in each case before 5pm on Wednesday, 14 July 2021

If the Scheme is approved by creditors and the Court, the Scheme is expected to become fully effective in August this year and customers with valid claims are expected to receive compensation by late 2022. If the Court were to reject the Scheme, the Provident Group intends to withdraw financial support for the Company and the Lenders, and both the Company and the Lenders would then be expected to commence insolvency proceedings, in which case customers would receive no compensation for their redress claims.