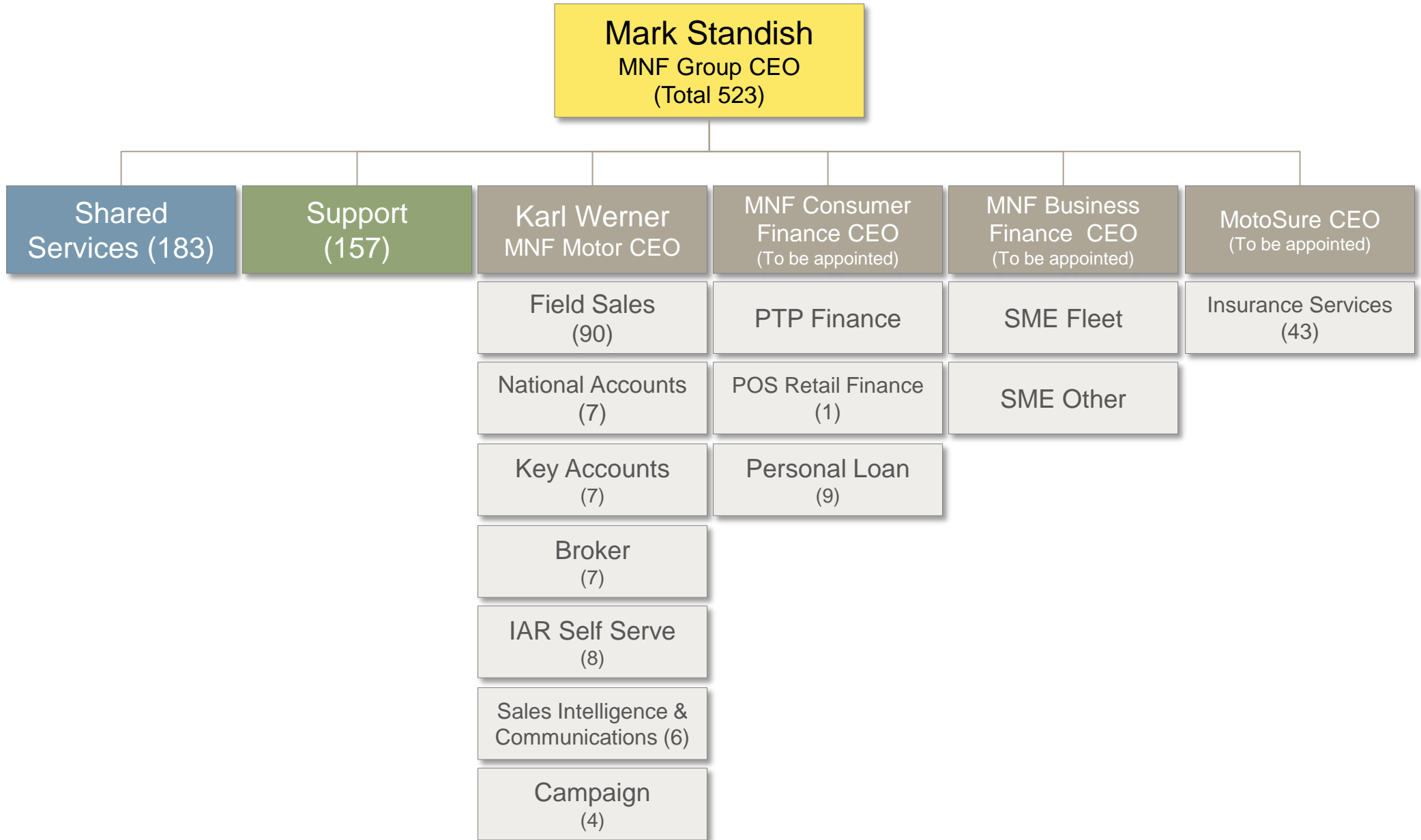


MotoNovo Finance history and description

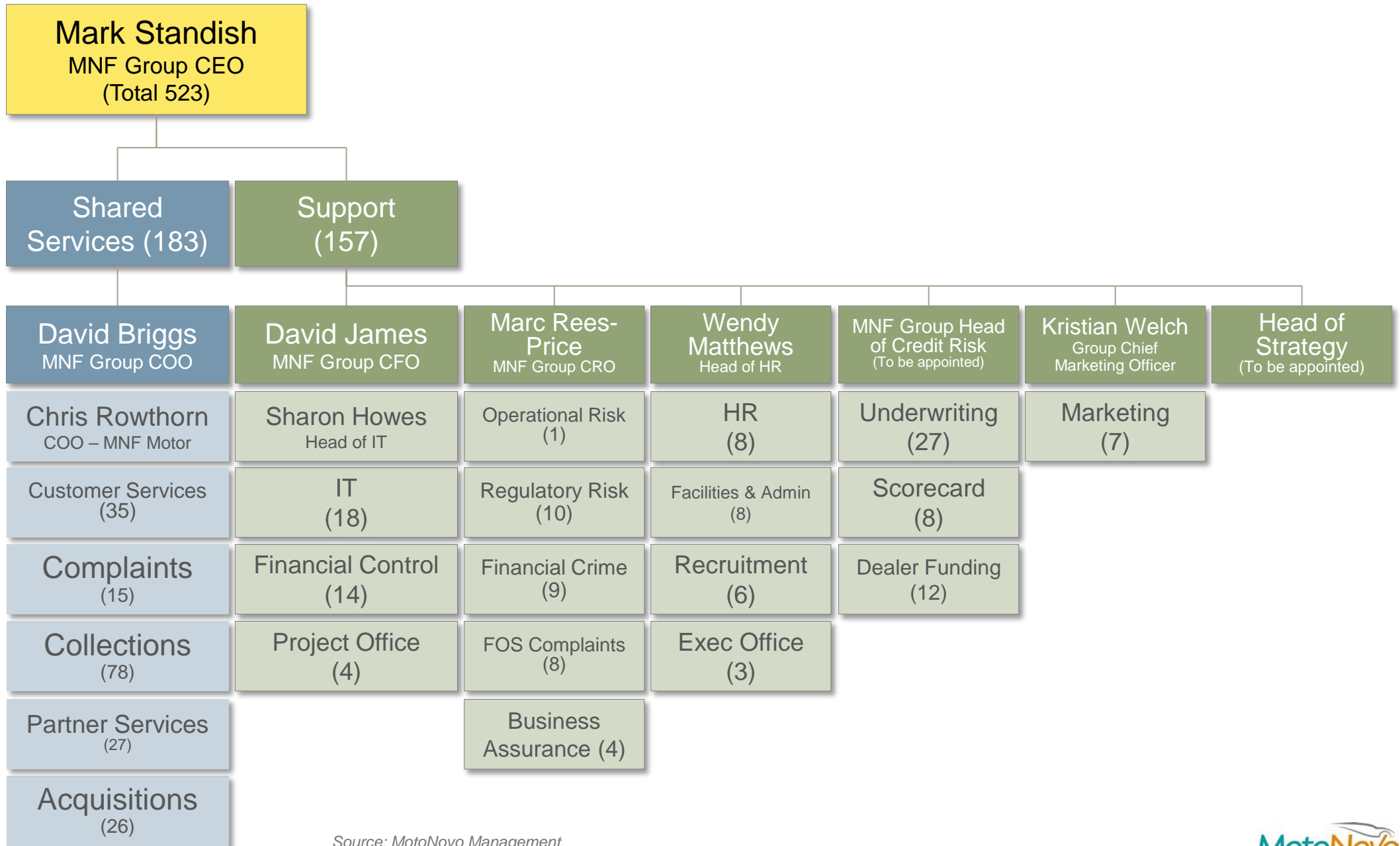
- The business was originally a division of Julian Hodge Bank Ltd under whose parentage it remained until it was acquired by FirstRand Bank Ltd (WesBank division) in July 2006
- From a small regional player with a focus on South Wales, the business has expanded during the past decade to create a footprint that covers the whole of the UK mainland and Northern Ireland
- MotoNovo changed its name from Carlyle Finance in February 2012 to reflect the significant improvements made to the business under the new ownership structure, and to better reflect our qualities of innovation and change by embracing technology and progressing a digitally enabled consumer centric proposition
- The business has expanded from its core offering of HP finance on used cars to include motorcycles and light commercial vehicles, Personal Contract Purchase (“**PCP**”) and linked personal loans
- New business levels reached £1,573mn in 2015/16, a 36% growth on the previous year of £1,154mn¹
- Net receivables have grown over the same period by 41% to £2.3bn from £1.7bn
- Over the past 10 years the business has been transformed from a manually intensive branch based operation to a centralised and largely automated operation based in Cardiff that focuses on delivering an outstanding customer experience to a wide network of motor retailers and over 380,000 individual hirers. The business currently employs 517 staff
- The growth in business and headcount has allowed it to invest in new premises in the centre of Cardiff. It has leased 71,000 square feet over 5 floors in a new 8 storey office block in the financial district, next to the central train station. The plan is to move in early December 2016 and it will accommodate our planned growth to over 1,000 staff

¹MotoNovo Finance Management Accounts, June 2016

MotoNovo Organisational Structure & Headcount



MotoNovo Organisational Structure & Headcount, cont.



Source: MotoNovo Management

MotoNovo Management Team



Mark Standish, Group CEO

Mark has worked within the auto loan industry for 29 years, operating at senior levels within Wagon Finance and Capital Bank before joining MotoNovo (formerly Carlyle Finance) in November 1999. Aged 49, Mark is the longest serving Head of an independent motor finance company in the UK having led MotoNovo for the past 17 years.



David James, Group CFO

David joined MotoNovo in July 2011. Prior to joining he spent 10 years at Julian Hodge Bank (who owned MotoNovo until 2006), and was Finance Director for the last 8 years. He worked for Capital Bank in senior financial roles from 1991 to 2001 in the auto loans business



Karl Werner, Motor Division CEO

Karl has been with MotoNovo since 2003 and was promoted to his current position in May 2016, previously holding the position of Head of Sales & Marketing. Prior to joining MotoNovo he spent 6 years in various management positions with Lombard / First National Motor Finance



David Briggs, Group COO

David has been with MotoNovo since 2000 and was promoted to his current role in May 2016, previously holding the position of Head of Dealer Operations. He has been employed within the industry for 29 years. Prior to joining MotoNovo he served in a variety of roles within Mercantile Credit, Wagon Finance and First National Motor Finance



Wendy Matthews, Head of HR

Wendy has been with MotoNovo since 2001. Prior to joining MotoNovo Wendy served as an HR Manager in the Caudwell Group, Laura Ashley and Peacocks Stores



Sharon Howes, Head of IT

Sharon has been with MotoNovo since 2007. Prior to joining MotoNovo she served as an IT Consultant with WesBank and the Oracle Corporation and spent 10 years working within ABSA, designing and implementing front-end and back office financial applications



Marc Rees Price, Group CRO

Marc joined MotoNovo as a Compliance Officer in 2005. Since then he has held various positions within the company before being promoted to his current role in May 2016. Prior to joining MotoNovo (then Julian Hodge Bank) Marc worked at HMRC



Chris Rowthorn, Motor Division COO

Chris was promoted to his current position in May 2016, previously holding the position of Head of Customer Operations. Prior to joining the business, Chris had brief stints working for Chartered Trust (now Black Horse) and Fortis Insurance before joining MotoNovo in 2002 and progressing through the managerial ranks



Robert Gwerengwe, Head of Personal Loans

Robert joined MotoNovo in June 2016. Having spent 10 years within the FirstRand Group in a variety of roles ranging from marketing, data and credit risk analysis to an executive leadership role, with all roles being focussed on consumer finance and in particular personal loans and insurance.



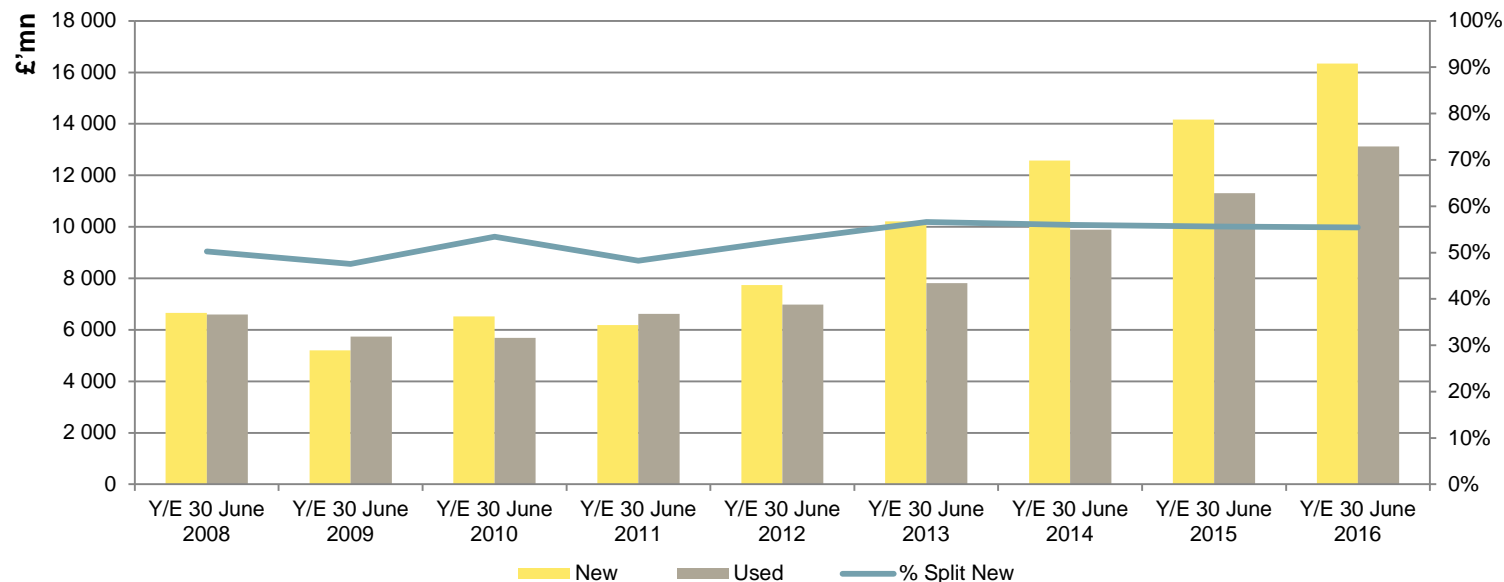
Kristian Welch, Group CMO

Kristian joined MotoNovo in 2016 from GoCompare.com where he served as Marketing Director managing a marketing budget of 88.1 million GBP and completed the successful launch of their money comparison business, prior to that Kristian held the Marketing /Digital director positions at RAC, Skyscanner, Avis, Glass's & HPI having begun his career in banking with JPMorgan and Citibank.

UK motor finance industry

- New and used car financing continues to grow strongly in 2016, both exhibiting a 12 month rolling growth rate over 12%. The trend up to June 2016 has been driven by improving economic conditions, returning consumer confidence and healthy levels of vehicle sales in both the new and used car market. The growth has been accompanied by good lending margins, robust arrears performance and exceptional returns both within the captive and independent sectors which has attracted new entrants as well as the re-emergence of the direct lender (personal loan) community
- Of course the biggest surprise event of the year thus far was the “Brexit” vote in June 2016, accompanied by the sudden drop in the value of sterling and the monetary policy actions taken by the Bank of England in August 2016. There is little data and much comment on what the impact of “Brexit” may be on the new car sector in terms of the future of the indigenous UK manufacturing sector exporting to Europe, and the importing of European cars affected by higher prices due to exchange rates. No one can be certain at this early stage how it will play out, but until further data is available MotoNovo are planning on “business as usual” for the foreseeable future

Annual Consumer Business Origination by Value



UK motor finance industry (cont'd)

- UK Consumer Motor New Business Origination (£'mn)

	Product	2015/2016 (As at June 2016)	2014/2015	2013/2014	2012/2013	2011/2012
New Cars to June	Hire Purchase	2 557	2 732	2 939	2 714	2 480
	Personal Contract Purchase	13 314	11 209	9 410	7 204	5 048
	Personal Loans	295	226	231	295	212
	Total	15 866	14 167	12 580	10 213	7 740
	Total % Growth (YoY)	12%	13%	23%	32%	26%
Used Cars to June	Hire Purchase	7 208	6 624	6 119	5 026	4 504
	Personal Contract Purchase	5 196	4 022	2 934	1 863	1 483
	Personal Loans	547	721	841	931	994
	Total	12 951	11 367	9 894	7 820	6 981
	Total % Growth (YoY)	14%	15%	27%	12%	6%
MotoNovo New Business to June	Hire Purchase	1 351	1 093	795	508	438
	Personal Contract Purchase	207	52	9	0	0
	Personal Loans	74	9	0	0	0
	Total	1 632	1 154	804	508	438
	Total % Growth (YoY)	41%	44%	58%	16%	20%

- UK wide arrears (31 days or more in arrears) by balance

Product (%)	Jun-16	Mar-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11	Dec-10	Dec-09	Dec-08
Hire Purchase	1.5	1.4	1.1	1.1	1.3	2.3	3.3	3.8	3.8	10.5
Personal Contract Purchase	0.3	0.3	0.2	0.2	0.2	0.3	0.4	0.4	0.6	1.7
POS personal loan	3.3	3.4	3.6	3.6	3.9	6.8	9.0	9.9	4.7	4.4
Direct personal loan	3.1	3.2	3.3	3.6	4.4	5.2	6.5	7.7	n/a	n/a
Direct secured loan	13.1	13.4	16.5	17.0	19.6	20.7	20.7	22.2	21.3	18.8

Market size and split for 2015/2016

New Business (Retail)	MotoNovo		Captives		Independents		Total		MotoNovo Market Share	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Asset Type										
New Cars	£0.06bn	£0.04bn	£15.0bn	£13.08bn	£2.81bn	£2.40bn	£17.41bn	£15.48bn	2.0%	1.9%
Used Cars	£1.03bn	£0.81bn	£5.28bn	£4.71bn	£6.29bn	£5.45bn	£11.57bn	£10.16bn	16.4%	14.9%
LCV, MC & Other	£0.20bn	£0.15bn	£1.17bn	£1.03bn	£1.40bn	£1.24bn	£2.57bn	£2.27bn	14.3%	12.1%
Finance Type										
H/P	£1.20bn	£0.97bn	£3.91bn	£4.17bn	£5.95bn	£5.46bn	£9.86bn	£9.63bn	20.0%	17.8%
PCP	£0.09bn	£0.03bn	£14.72bn	£12.49bn	£3.99bn	£2.79bn	£18.71bn	£15.28bn	2.2%	1.1%
Motor loan	-	-	£0.03bn	£0.03bn	£0.53bn	£0.82bn	£0.56bn	£0.85bn	-	-
Leasing	-	-	-	-	-	-	£2.82bn	£2.15bn	-	-
Total Outstandings	£1.646bn	£1.139bn	£33.85bn	£28.86bn	£16.05bn	£12.78bn	£49.90bn	£41.64bn	10.3%	8.9%
Live Agreements	271,193	197,339	2,905,375	2,568,144	2,056,669	1,834,679	4,962,044	4,402,823	13.2%	10.8%

- The captives population comprises Banque PSA Finance UK, BMW Financial Services (GB) Limited, FCA Automotive Services UK Limited, Ford Credit – FCE Bank plc, GMAC UK plc, Honda Finance Europe plc, Mercedes-Benz Financial Services UK Limited, RCI Financial Services Limited, Toyota Financial Services (UK) plc and Volkswagen Financial Services (UK) Limited
- The independent population comprises Black Horse Motor Finance, Santander Consumer, Barclays Partner Finance, Close Motor Finance, Northridge Finance and MotoNovo Finance

Industry performance benchmarks

		12 Months ending Dec 2015			3 months to June 2016		
FLA Benchmarks		MotoNovo (Rank)	Independent Average ¹	Captive Average	MotoNovo (Rank)	Independent Average ¹	Captive Average
Profitability Measures	Cost of money	2.33% (5/6)	1.60%	1.74%	2.30% (4/6)	1.59%	1.77%
	Interest Margin	4.30% (3/6)	4.34%	3.21%	4.36% (2/6)	4.07%	3.15%
	Credit & Risk Charge	1.17% (5/6)	0.72%	0.43%	1.35% (5/6)	0.90%	0.40%
	Gross Margin	3.13% (4/6)	3.61%	2.79%	3.01% (4/6)	3.16%	2.75%
	Other Income	2.63% (2/6)	0.66%	0.51%	1.96% (2/6)	0.55%	0.39%
	Contribution	5.76% (2/6)	4.28%	3.29%	4.97% (2/6)	3.72%	3.15%
	Operating Costs	1.98% (4/6)	1.71%	0.96%	1.87% (5/6)	1.35%	0.90%
	Notional Profit (before COF adj)	3.79% (2/6)	2.57%	2.33%	3.10% (2/6)	2.37%	2.25%
Key Performance Indicators	Growth in used car finance by value	28.2% (1/5)	16%	14%	45% (2/6)	17%	7%
	Growth in Retail Outstanding's	45% (1/5)	26%	17%	40% (1/6)	19%	16%
	New Business per head of staff	£3.621mn (4/6)	£3.220mn	£6.678mn	£4.0270mn (4/6)	£4.004mn	£6.585mn
	Operating Costs per head of staff	£94k (5/6)	£94k	£129k	£83k (2/6)	£101k	£119k
	Contribution per head of staff	£274k (4/6)	£235k	£441k	£235k (5/6)	£258k	£413k

- The above benchmark summary confirms MotoNovo's continuing outperformance and improved position in New Business and Balance Sheet growth, and it has achieved the 2nd position by market share in used cars in the quarter to June 2016
- The credit and risk charge spiked in the quarter to June 2016 for a number of reasons, including year end adjustments, but has since returned to more typical trends in the first quarter of 2016/17
- The reduction in other income is driven by the market trend to APR products with lower fees, and the switch from GAP to RTI launched in March 2016 and which has lower penetration and income

¹The six independents are: Black Horse, Santander, Close Motor Finance, Barclays, Northridge and MotoNovo Finance.

Source: MotoNovo Management, Finance and Leasing Association (FLA)

MotoNovo's current market proposition

- Historically, MotoNovo had focused on the needs of small to medium sized independent used car and LCV dealers
- As a result of significant investment in point of sale showroom technology, automated acquisition processes and digital initiatives, the MotoNovo proposition now appeals to a much wider market
- MotoNovo's introducer base now comprises of the following:
 - National and Regional Dealer Groups
 - Car Supermarkets
 - Independent franchised dealers
 - Independent used dealers
 - Specialist Motor Finance brokers
- C. 83% of all assets financed are used cars, 2% new cars and 12% are new and used Light Commercial Vehicles (LCV) and 3% Motorcycles
- All business is written on hire purchase (HP) or personal contract purchase (PCP) agreements. HP are written over average periods of 50 months with a maximum period of 61 months. PCP are written over average period of 46 months with a maximum period of 49 months
- 85% of all business is transacted directly through dealers with c. 15% generated through our motor finance broker relationships
- In addition to the retail finance business MotoNovo also provides wholesale stock funding to dealers. We currently have c. 360 stock funding facilities with balances of approximately £79.4mn against facility limits of £103mn. These facilities are secured against vehicle stocks with additional bricks and mortar security taken where possible. The facilities are provided to secure retail support and typically the reciprocal retail ratio we receive is 7.5:1
- In addition to our lending activities we sell Payment Protection Insurance (PPI) Return to Invoice (RTI) and GAP insurance attaching to the HP agreement
- Accident & Sickness and Unemployment PPI products and GAP insurance contracts are underwritten by Redsands Insurance (Europe) Ltd., while life PPI cover (corresponding to the loan advance) is underwritten by Sterling Insurance plc

MotoNovo Finance Industry Awards

We are proud of the industry and national awards our business has received



Awarded 14th Best Medium Sized Company to Work For in the UK by The Sunday Times 'Best Companies' in 2014

Awarded 6th Best Medium Sized Company to Work For in the UK by The Sunday Times 'Best Companies' in 2016



Awarded Investors in People Gold Award for 2014



Awarded Best Companies to Work for 2013, 2014, 2015, 2016



"Great results achieved in financial performance and staff development while maintaining an impressive vision"



Credit Today Awards
Asset Finance Firm of the Year 2010 & 2011
Car Finance Provider of the Year 2014
Finalist 2016



Finalist for the Motor Trader Industry Awards 2014, 2015



Highly Commended Customer Service
Winner of the Best product or Service Innovation
Winner of CEO of the Year 2016



The Loyalty Awards 2015 Finalist



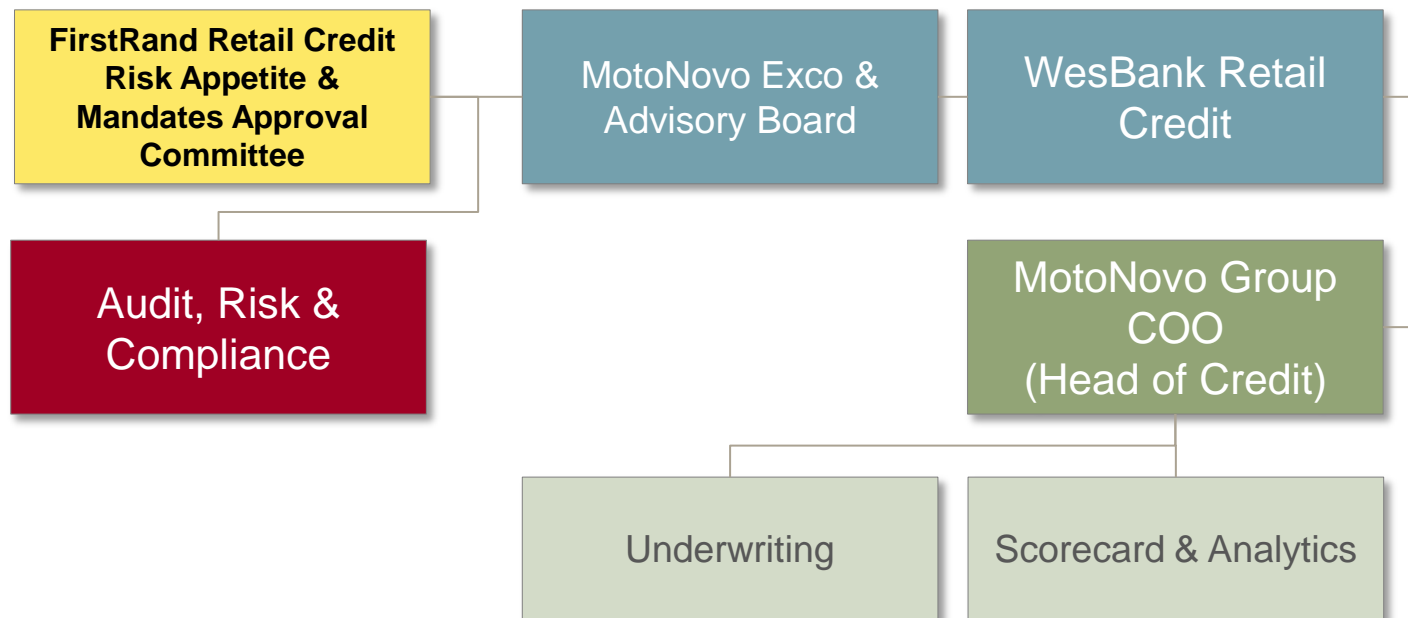
Awarded Car Dealer Power Winner for 2012, 2013, 2015

Lending strategy and risk appetite

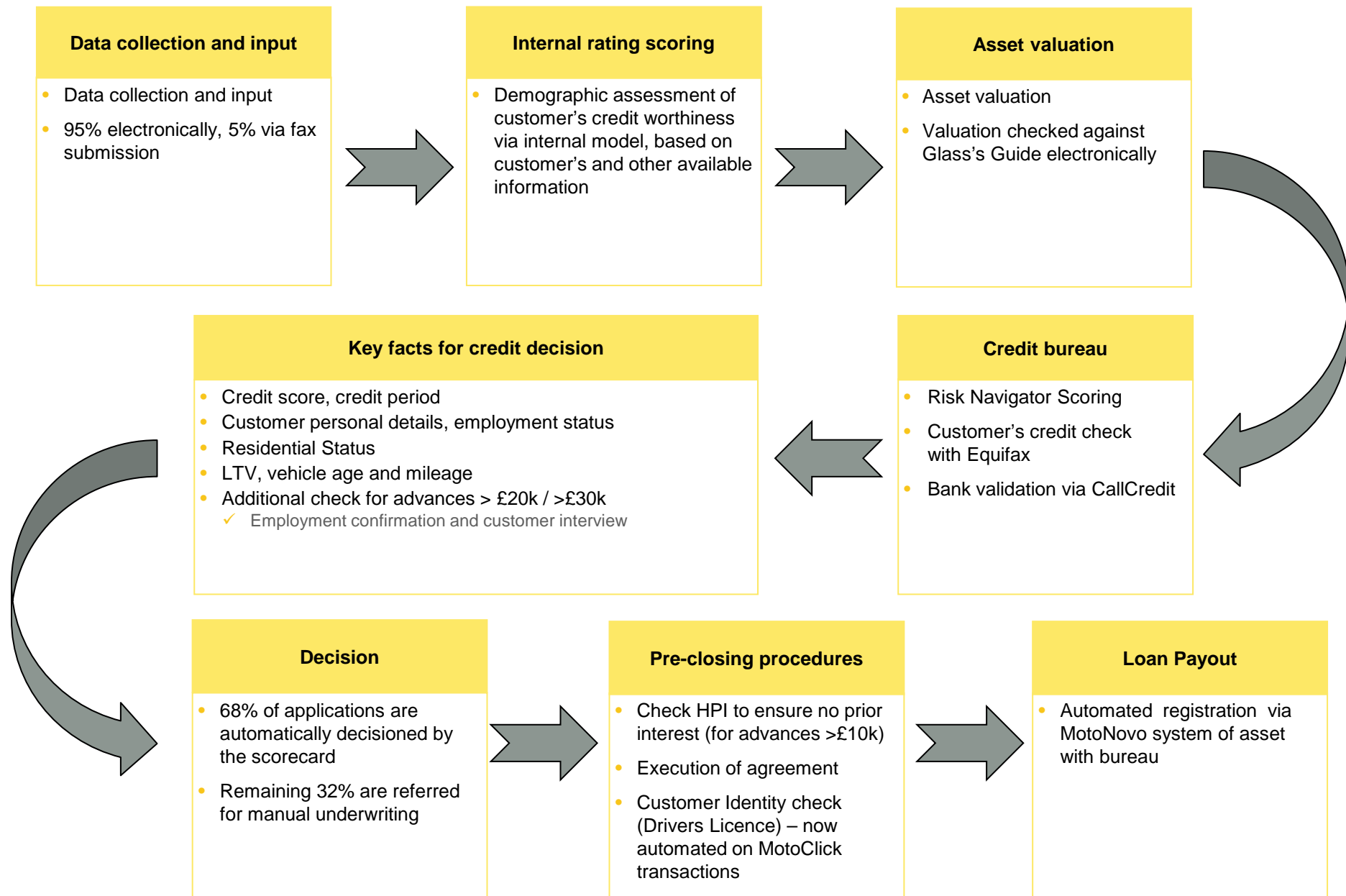
- In terms of the typical credit criteria the following applies to the MotoNovo lending book:
 - Lending is largely prime
 - Lending is conducted at reasonable loan to value ratios
 - The automated credit scoring system, together with manual exception underwriting provides robust controls
 - All products are fixed rate, guaranteeing customers payments throughout the loan
- The business has a current risk appetite of 1.4% for the bad debt charge and the current/historic performance is well within the stated appetite at 1.25%
- A review of dealers business is undertaken regularly to ensure they match our strategy and risk appetite. Any dealers outside of appetite are carefully managed
- A risk based pricing strategy is being developed where rates would be set by MotoNovo rather than the dealer to reflect the new regulation and to manage price for risk more effectively

Credit Risk Governance

- The UK Scorecard & Analytics and Underwriting Teams report to the UK Head of Credit and are responsible for development and application of scorecards, credit risk policy and appetite for the MotoNovo Group
- Performance monitoring and approval of any changes or new models is governed by the equivalent team in South Africa (WesBank Retail Credit) and ultimately sanctioned by the FirstRand Retail Credit Risk Appetite and Mandates Approval Committee who oversee the FirstRand Group



The underwriting process



Credit Scorecard 2016

- The scorecard is continually reviewed and refreshed based upon the experience of MNF and the performance of the business underwritten across the risk grades
- Our current scorecard was implemented in March 2012
- MotoNovo regularly redevelops its scorecard, typically doing so every 4 years. A new scorecard was developed and signed-off in 2016. It is anticipated that this will go live by the end of 2016
- In July 2015, following a rigorous tender process, MNF appointed Equifax, a credit reference agency and experienced provider in the field of decision system design and implementation
- The updated scorecard was developed using our own performance data since March 2012
- Two scorecards were built, one for the 'up-to-date' population and one for the delinquent population. These scorecards use a combination of Equifax data and data specific to the proposed agreement (e.g. Loan-to-value)
- In addition to Risk Navigation Score the business uses enhanced affordability indicators in the scorecard for greater transparency
- The GINI, an industry recognised measure of scorecard effectiveness, improved from 49% to 54%, allowing us to increase the automation and accuracy of system decisioning while maintaining bad debt exposure in line with our current performance
- The performance of the scorecard will be monitored and reviewed monthly with quarterly formal sign off by WesBank
- Equifax has developed a scorecard for a limited company, due to go live shortly

Regulation

Regulatory Permissions

- MotoNovo Finance is a division of FirstRand Bank Limited (London Branch) which is authorised and regulated by the South African Reserve Bank in South Africa and by the Prudential Regulation Authority in the UK
- MotoNovo Finance is subject to regulation by the Financial Conduct Authority for its core lending activities and insurance mediation activities and also limited regulation by the Prudential Regulation Authority

Regulators

- MotoNovo operates in markets that are regulated by the following:
 - The Financial Conduct Authority (FCA);
 - The Prudential Regulation Authority (PRA);
 - The Information Commissioners Office (ICO); and
 - Various Acts of UK parliament – including the Consumer Credit Act (1974) and the Data Protection Act (1998)

Regulation

- The main regulations applicable to MotoNovo include:
 - FCA Sourcebooks including : Insurance Conduct of Business (ICOBS); Dispute Resolution (DISP); Consumer Credit (CONC); Principles for Business (PRIN); Senior Management Arrangements, Systems and Controls (SYSC); Statements of Principle and Conduct of Conduct (CoCon); The Fit and Proper test for Senior Managers (FIT); and Training and Competence (TC)
 - Various Acts of UK Parliament including the Sale of Goods Act 1979; Supply of Goods (Implied Terms) Act 1973; Bribery Act 2010; the Consumer Credit Act 1974 and the Consumer Rights Act 2015
 - In relation to Fraud & Anti Money Laundering – MotoNovo also conforms to the Joint Money Laundering Steering Group guidance (JMLSG) that is based upon the Third EU Money Laundering Directive

Governance Structures

FRB London Governance Structure

