

London Capital & Finance Plc (in administration) (“the Company”)

Previous updates to all parties (including previous Q&As) issued by the Company prior to administration have been retained in this document, to record the statements listed on London Capital & Finance Plc’s website prior to the appointment of the joint administrators on 30 January 2019.

The Financial Conduct Authority has directed London Capital & Finance plc to withdraw all of its existing marketing materials in relation to LCF’s Fixed Rate ISA and Bond.

We apologise for any inconvenience caused.

IMPORTANT NOTICE TO ALL BONDHOLDERS AND BORROWERS

Update Tuesday 22nd January 2019

With respect to the announcement on 28 December 2018 by the Financial Conduct Authority (FCA) that it is conducting an investigation into the affairs of London Capital and Finance plc (LCF), the board of directors of LCF has invited the Security Trustee, Global Security Trustees Limited (GST), to step in to assist in the management of the business of LCF for the time being. This invitation was made by the LCF board as being in the best interests of the bondholders. GST has accepted that invitation as being in the bondholders best interests.

We will provide more information as soon as possible as it becomes available.

Update Wednesday 16th January 2019

London Capital & Finance Plc have no further information to publish on the ongoing FCA investigation at this time.

We continue to assist the FCA with their enquiries.

Going forward we will endeavour to update the website weekly, the next update is expected to be posted on Wednesday 23rd January 2019. However, if there are any significant developments these will be made available as soon as possible.

Update 3 January 2019

LCF and Global Security Trustees Limited, the security trustee, have today sent a letter to all bondholders updating them on the current position. A copy of the letter can be accessed [here](#).

Update 2 January 2019

On 28 December 2018 the FCA published 'Information for London Capital and Finance PLC investors' (the 'Information') on the FCA website . This notified investors that the FCA was conducting an investigation into the affairs of LCF and had imposed certain requirements on LCF, notably that LCF may not without FCA consent deal in any way with its assets, including the money held in LCF's bank accounts. The Information includes a short series of questions and answers to which readers of this website are referred for further details.

The directors of LCF appreciate that the Information, coupled with the earlier direction given by the FCA to LCF to withdraw all its marketing materials relating to its Fixed Rate ISA or Bond, is likely to cause considerable anxiety to LCF bondholders and borrowers. The directors of LCF are committed to providing LCF bondholders and borrowers with updates on the position whenever it is appropriate to do so. However, bondholders and borrowers should appreciate that there is a limit to what LCF staff can say, both because they may not know the answer to the question asked and for legal reasons. That said, LCF will be liaising closely with the FCA with the aim of providing borrowers and bondholders with as much information as possible.

At present, LCF remains unable to carry on any activity relating to its bonds, although it aims to answer all queries from bondholders, subject to the constraints outlined above. Bondholders may call LCF on 0800 410 1155 and speak to a member of LCF staff. LCF is currently experiencing high volumes of calls so there may be a delay in getting through.

In the meantime, the following short series of questions and answers deals with the questions LCF believes will be most frequently asked by borrowers and bondholders.

Why is the FCA taking this action at this point in time?

This is a question best put to the FCA, but it would appear that the FCA has concerns about the ways in which the LCF bonds have been marketed and how that may affect the business of LCF.

I am an LCF bondholder. Will I get my money back?

LCF aims to resume payments of principal and interest to bondholders as soon as possible. It is working on a way to do this which will satisfy the FCA. However at present no payments to bondholders can be made.

Can LCF bondholders claim compensation if they do not receive all their money back?

No. As explained in the marketing material relating to the LCF bonds, the bonds are not covered by the Financial Services Compensation Scheme (FSCS).

I am an LCF borrower. What will happen to my loan?

It may be as part of the process of ensuring that payments to bondholders can resume, borrowers will make repayments of their loans to LCF earlier than was intended when those loans were originally made. However, discussions with borrowers about this possibility are still at a very early stage, and any changes to repayment would only be made if these were mutually beneficial to both borrowers and bondholders. Both LCF and the Security Trustee on behalf of the bondholders are well aware of the desirability of replacement funding to be in place if early repayment of LCF loans were to occur, and that this is likely to take a

reasonable period of time to achieve.

What happens next?

LCF is cooperating fully with the FCA's investigation, but at this point in time LCF cannot say how long the investigation might last or what the outcome might be. LCF will use this website to update bondholders and borrowers on developments when it is appropriate to do so.

Update 27 December 2018

As you will see from the direction from the Financial Conduct Authority (FCA) mentioned above, London Capital & Finance plc (LCF) has been required to withdraw all existing marketing material in relation to its Fixed Rate ISA or Bond. We are currently considering, in conjunction with the FCA, the steps that LCF can take going forward.

In the meantime, LCF is unfortunately unable to make any further loans to borrowers at present, or to make payments of principal or interest to bondholders.

For the avoidance of any doubt, LCF would wish to stress that at the date of this notice no borrower has defaulted on loans made to it and the security taken in respect of each borrower loan remains in place.

LCF will shortly be writing to all bondholders and will update this notice whenever there is a significant development to report.

London Capital & Finance Plc

Website's Historic Footer

London Capital & Finance Plc is incorporated in England and Wales under the Companies Act 2006 as a Public Limited Company with registered number 08140312. We are authorised and regulated by the Financial Conduct Authority with FRN 722603. Investments into the LC&F bond are not protected by the Financial Services Compensation Scheme (FSCS), and the bonds are not regulated by the FCA.

Important information

Our products are aimed at retail clients who are UK taxpayers and who fall in the category of either High Net Worth Individual, Sophisticated, Self Certified Sophisticated or Restricted Investor.

Please note that the products are not regulated by the Financial Services Compensation Scheme. Refer to the section on Security to see how our protection works.

¹ As at 13 November 2018

² As of <https://www.feefo.com/en-GB/reviews/london-capital-and-finance-plc>

³ Bonds are subject to 20% withholding tax

⁴ To be able to hold an ISA investment, you are required to remain eligible under HMRC rules. Each individual's circumstances may differ. If you exceed your allowance, you may have to pay tax. You can invest up to £20,000 of new funds in 2018/19 into an LC&F ISA, or if you already have funds in an ISA, there is no limit to the amount you can transfer.

⁵ Period 07/2012 - 10/2018, all interest and capital have been paid on time and when due. Please note that past performance is not an indicator of future results. Information reflects all investments offered by the company.

Disclaimer

London Capital & Finance Plc ("LC&F") offer bonds with fixed interest rates and are asset-backed for security. A detailed presentation of each bond offered can be found in the respective Information Memorandum, which has been approved for promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA") by London Capital & Finance Plc ("LC&F") of The Old Coach House, Eridge Park, Eridge Green, Tunbridge Wells, Kent. TN3 9JS. LC&F is authorised and regulated by the Financial Conduct Authority with FRN 722603. This website is not intended to be a source of advice or credit analysis and the information contained herein does not constitute investment advice. Therefore, any decision in connection with funds, instruments or transactions described or mentioned within this website must be made solely on the information contained in the relevant Information Memorandum and no reliance should be placed on any other representations. Investors should note that repayment of the bonds offered by London Capital & Finance Plc, and the payment of interest on the bonds, depends on the

performance of loans made by London Capital & Finance Plc to various UK businesses. In the event that these borrowers default on the loans, investors may lose some or all of their investment. Investment in the bonds of London Capital & Finance Plc is therefore speculative and involves a degree of risk.