Provident Financial sro
Slovakia

Kenny McPartland

> 18 years UK and International home credit experience
> DMS, 1997
> Based in Prague since September 1998
> Been based in Bratislava since December 2000
> Moved to Bratislava in February 2001
Slovakia

**Agenda**

- Introduction
  - Management team
  - Why Slovakia?
- Provident Financial sro
  - History of the business
  - Performance
  - Plans for the future

Central European briefing - May 2002
Slovakia

Management team

Kenny McPartland
Country Manager

Greg Green
FDM

Maria Paulenova
Finance Manager
Karin Mlinkova
HR Manager
Ivo Kalik
Operations Manager
Natalia Hercegova
Marketing Manager
Karel Skliba
Security

Central European briefing - May 2002
Slovakia

Why Slovakia?

- 49,036 sq km
- Population – 5.4 million
- Natural progression from Czech Republic
- Language mutually intelligible
- Similar market conditions
- Developed and urban economy
- EU membership

Central European briefing - May 2002
Slovakia

Why Slovakia?

Other British investors
  – Tesco
  – Kingfisher
  – Allied Domeq

Other major investors
  – Volkswagen
  – US Steel
Slovakia

Economic characteristics

- GDP (%)
- Consumer Prices (%)
- 3 Month Money (%)
- Unemployment

Central European briefing - May 2002
Slovakia

Researching the market

> Usage and attitudes
> Profiles
> Media
> Recruitment
> Competition

Central European briefing - May 2002
Slovakia

Population characteristics

> Population 5.4 million
> Majority in the West
> Capital Bratislava – population 450,000
> Well educated
Slovakia

Pilot operation

> Business established in February 2001 in Bratislava
> Key Performance Managers recruited
> Key Function Managers recruited
> Training in Czech Republic initially
> Systems and support from Czech Republic
> Started trading in April
> Pilot operation 2001 – 5057 customers
Slovakia

Expansion in 2002

> Establish local training
> Recruit and train development managers
> Recruit and train more agents
> Grow the customer base
Slovakia

Agents

Q1 01   Q2 01   Q3 01   Q4 01   Q1 02   Apr-02
9       81      159    216    289    340

Central European briefing - May 2002
Slovakia

Agent profile

> Recruitment methods
> Female 61% : male 39%
> Average age is 39
> Commission structure
> Average weekly earnings of £15
Slovakia

Employee numbers

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Employee Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 01</td>
<td>20</td>
</tr>
<tr>
<td>Q2 01</td>
<td>36</td>
</tr>
<tr>
<td>Q3 01</td>
<td>52</td>
</tr>
<tr>
<td>Q4 01</td>
<td>59</td>
</tr>
<tr>
<td>Q1 02</td>
<td>88</td>
</tr>
<tr>
<td>Apr-02</td>
<td>91</td>
</tr>
</tbody>
</table>
Slovakia

Customers

Central European briefing - May 2002
Slovakia

Customer profile

> Recruit through advertising, leafleting and recommendations
> Average age is 38
> Female 55% : male 45%
> 75% pay weekly, 16% fortnightly and 9% monthly
Slovakia

Marketing Activity

> Leaflet distribution
> Press advertising
> Billboards
> Radio
> Public transport
Slovakia

Marketing Activity

Peniaze na ruku

Peniaze na ruku

Central European briefing - May 2002
Slovakia

Loan products

> Cash Loans (between 5,000Sk (£70) and 20,000Sk (£280)
> Current products are:
  – 20 weeks
  – 30 weeks
  – Limited to 1 loan per customer
> Typical first loan issue value 6500 Sk (£95)
> Average customer balance £100
## Slovakia

### Loan product

<table>
<thead>
<tr>
<th></th>
<th>20 week</th>
<th>30 week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical loan amount</td>
<td>6,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Charges</td>
<td>2,400</td>
<td>5,000</td>
</tr>
<tr>
<td>%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Total amount payable</td>
<td>8,400</td>
<td>15,000</td>
</tr>
<tr>
<td>Weekly rate</td>
<td>420</td>
<td>500</td>
</tr>
<tr>
<td>APR</td>
<td>481%</td>
<td>330%</td>
</tr>
</tbody>
</table>

Central European briefing - May 2002
Slovakia

The future?

> Build on pilot successes to date
> Evaluate the pilot in mid 2002
> Controlled growth 2003 - 2005
> People development
> Ultimate potential