Provident Financial

Interim results to 30 June 2001
Provident Financial

Overview

> UK home credit – relatively mature market
> Motor insurance – successful niche player
> International home credit – excellent growth prospects
> New opportunities
> A bright and prosperous future
Provident Financial

Overview

> UK home credit – relatively mature market
> Motor insurance – successful niche player
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> New opportunities
> A bright and prosperous future
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Highlights

> Group customers up by 15%
> Group turnover up by 17%
> Profit before tax up 7.8% to £70.2m
> EPS up 7.5% to 20.52p
> Interim dividend up 7.8% to 11.75p
### Provident Financial

#### Profit before tax (£m)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK home credit</td>
<td>60.3</td>
<td>61.3</td>
<td>1.7%</td>
</tr>
<tr>
<td>International home credit</td>
<td>(6.9)</td>
<td>(2.3)</td>
<td>-</td>
</tr>
<tr>
<td>Motor insurance</td>
<td>16.3</td>
<td>19.4</td>
<td>19.0%</td>
</tr>
<tr>
<td>balance</td>
<td>(0.6)</td>
<td>(1.8)</td>
<td></td>
</tr>
<tr>
<td>Central costs</td>
<td>(4.0)</td>
<td>(6.4)</td>
<td>60.0%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>65.1</td>
<td>70.2</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

6 months to 30 June
## Motor insurance

### Profit before tax (£m)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting</td>
<td>15.0</td>
<td>17.9</td>
<td>+19%</td>
</tr>
<tr>
<td>Broking</td>
<td>1.3</td>
<td>1.5</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16.3</td>
<td>19.4</td>
<td>+19%</td>
</tr>
</tbody>
</table>

6 months to 30 June
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Motor insurance highlights

- Lower premium increases
- Strong volume growth
- Claims inflation 5 – 6%
- Combined ratio at 94%
- Investment income up 13% to £11.2m
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2001 interim results

UK home credit
### UK home credit

**Demanding market – focus on quality**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>change</th>
<th>like for like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers (000)</td>
<td>1,553</td>
<td>1,540</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td>Credit issued</td>
<td>£364.0m</td>
<td>£390.6m</td>
<td>7.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Collections</td>
<td>£596.3m</td>
<td>£634.1m</td>
<td>6.3%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Turnover</td>
<td>£212.4m</td>
<td>£224.3m</td>
<td>5.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Bad debt</td>
<td>£37.8m</td>
<td>£41.0m</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td>Bad debt % credit issued (MAT)</td>
<td>8.2%</td>
<td>8.2%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>£104.4m</td>
<td>£111.4m</td>
<td>6.7%</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>£9.9m</td>
<td>£10.6m</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>£60.3m</td>
<td>£61.3</td>
<td>1.7%</td>
<td></td>
</tr>
</tbody>
</table>

6 months to 30 June
UK home credit catalogue

We offer you...

- Easy weekly payments!
- Free home delivery!
- Top brand names at high street prices guaranteed!
- Hassle free shopping at your convenience!

Provident
Personal Credit
A. Hollywood Home
This giant size play house is in easy construction holds up and can be stored in a carry bag supplied. Measuring 108cm (12') 60cm. Assembled size £80
L173 x W130 x H160cm
(108 x 61) x (51) x 63"
For children aged 3 years +
For tunnel and garage see Item B.
21-31-26 PV

B. Hollywood Garage
This Hollywood garage can be used in conjunction with the Hollywood Home or simply use on its own. Comes complete with play tunnel. For children aged 3 years +
Assembled size L110 x W117 x H114cm.
(42 x 46 x 45)
Length of tunnel 86cm.
21-31-28 PV
CASH PRICE
£50
26 WEEKS ONLY £25.00
APR 19.72 TAP 29.06

C. Heavy Duty Pump
Quick fill electric pump, inflates and deflates. High volume airflow.
3 different modes
3x30 Volt 23-69-18PV
CASH PRICE
£50
26 WEEKS ONLY £25.00
APR 19.72 TAP 29.06

D. Jungle Playland
Jungle Playland bouncing fun. For children aged 3 years +
200 x 100cm
(79 x 40"
21-35-78 PV
CASH PRICE
£70
52 WEEKS ONLY £2.45
APR 19.72 TAP 29.06
UK home credit
Bad debt as a percentage of credit issued (MAT)

- June 98: 6.9%
- June 99: 8.4%
- June 00: 8.2%
- June 01: 8.1%
UK home credit
Bad debt and pre-tax profit as a percentage of credit issued

- Profit as a percentage of credit issued
- Bad debt as a percentage of credit issued

Years to 31 December
Provident Financial

2001 interim results

International home credit
International home credit
International home credit
Poland – economic indicators

GDP growth
Inflation
Interest rates
Unemployment

% 

20
15
10
5
0

98 99 00 01(est) 02(est)

13.0 18.0 19.5
13.1 14.5 16.5
8.5 9.8 8.5
4.8 4.1 4.1

10.4 14.5 15.2
6.1 4.9
4.1 3.3 4.8

Poland – economic indicators
International home credit
Czech Republic – economic indicators

GDP growth
Inflation
Interest rates
Unemployment
## International home credit

### Profit/(loss) before tax (£m)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>(3.4)</td>
<td>0.9</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>(1.4)</td>
<td>0.8</td>
</tr>
<tr>
<td>South Africa</td>
<td>(0.5)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>New countries</td>
<td>-</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Divisional overhead</td>
<td>(1.6)</td>
<td>(1.9)</td>
</tr>
<tr>
<td><strong>Loss</strong></td>
<td>(6.9)</td>
<td>(2.3)</td>
</tr>
</tbody>
</table>

6 months to 30 June
International home credit

Customers

<table>
<thead>
<tr>
<th></th>
<th>June 2000</th>
<th>Dec 2000</th>
<th>June 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>164,000</td>
<td>305,000</td>
<td>416,000</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>98,000</td>
<td>161,000</td>
<td>184,000</td>
</tr>
<tr>
<td>South Africa</td>
<td>19,000</td>
<td>34,000</td>
<td>39,000</td>
</tr>
<tr>
<td>new countries</td>
<td></td>
<td></td>
<td>641,000</td>
</tr>
</tbody>
</table>

June 2000

281,000

June 2001

2,000

Poland

Czech Republic

South Africa

new countries
# International Home Credit

## Czech Republic: Key Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>2000</th>
<th>2001</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit issued</td>
<td>£14.8m</td>
<td>£26.9m</td>
<td>82%</td>
</tr>
<tr>
<td>Collections</td>
<td>£14.8m</td>
<td>£32.4m</td>
<td>119%</td>
</tr>
<tr>
<td>Turnover</td>
<td>£4.9m</td>
<td>£11.8m</td>
<td>141%</td>
</tr>
<tr>
<td>Operating costs</td>
<td>£5.2m</td>
<td>£7.1m</td>
<td>37%</td>
</tr>
<tr>
<td>Bad debt</td>
<td>£0.7m</td>
<td>£2.9m</td>
<td>314%</td>
</tr>
<tr>
<td>Bad debt % credit issued (MAT)</td>
<td>4.0%</td>
<td>7.2%</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>£0.4m</td>
<td>£1.0m</td>
<td>150%</td>
</tr>
<tr>
<td>Profit/(loss)</td>
<td>£(1.4)m</td>
<td>£0.8m</td>
<td></td>
</tr>
</tbody>
</table>

6 months to 30 June
## International home credit

### Poland: key statistics

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit issued</td>
<td>£22.5m</td>
<td>£76.7m</td>
<td>241%</td>
</tr>
<tr>
<td>Collections</td>
<td>£20.5m</td>
<td>£80.0m</td>
<td>290%</td>
</tr>
<tr>
<td>Turnover</td>
<td>£7.5m</td>
<td>£33.0m</td>
<td>340%</td>
</tr>
<tr>
<td>Operating costs</td>
<td>£8.7m</td>
<td>£21.6m</td>
<td>148%</td>
</tr>
<tr>
<td>Bad debt</td>
<td>£1.1m</td>
<td>£5.8m</td>
<td>427%</td>
</tr>
<tr>
<td>Bad debt % credit issued (MAT)</td>
<td>4.3%</td>
<td>6.0%</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>£1.1m</td>
<td>£4.7m</td>
<td>327%</td>
</tr>
<tr>
<td>Profit/(loss)</td>
<td>£(3.4)m</td>
<td>£0.9m</td>
<td></td>
</tr>
</tbody>
</table>

6 months to 30 June
Provident Financial

Group prospects for 2001

> UK home credit to grow at a similar rate to 2000
> Motor insurance to have a good result
> International home credit on track to report a profit
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Group prospects for 2001

We are making good progress and remain confident of a good result in 2001.
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