



International
Personal Finance

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Christopher Rodrigues	–	Executive Chairman
John Harnett	–	Chief Operating Officer
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Good first half performance

- Demerger completed
- Strong results
- Good volume growth
- Credit quality good and under tight control
- Profit before tax up 31% to £15.9m
- Earnings per share up 35% to 4.32p
- July and August results are good
- Maiden interim dividend of 1.90p per share



Good progress towards our medium-term objectives

TARGET

- 50% increase in annual profit from Central Europe to £95m
- Realise potential in Mexico and Romania
- Enter further emerging markets

PROGRESS

- Annualised PBT up 11% to £71.1m
- Improved performance in Mexico
- National roll-out in Romania in progress
- Due diligence on small bank in Russia near completion
- Ukraine and India well advanced



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Financial Review



A good first half

Six months ended 30 June

	Pro forma 2007 £m	Pro forma 2006 £m	Change %
Central European markets	31.1	24.1	29.0
Central costs	(6.4)	(5.9)	(8.5)
Net profit from established markets	24.7	18.2	35.7
Mexico	(6.9)	(5.0)	(38.0)
Romania	(1.9)	(1.1)	(72.7)
Net loss from developing markets	(8.8)	(6.1)	(44.3)
Profit before tax*	15.9	12.1	31.4

*Pro forma PBT stated before exceptional demerger costs



Central Europe

Six months ended 30 June

	Pro forma	Pro forma	
	2007	2006	Change
	£m	£m	%
Customer numbers ('000)	1,542	1,581	(2.5)
Credit issued	252.6	233.2	8.3
Average customer receivables	316.6	292.9	8.1
Revenue	173.1	175.8	(1.5)
Impairment	(34.2)	(64.4)	46.9
Revenue less impairment	138.9	111.4	24.7
Commission*	(23.9)	(20.9)	(14.4)
Expenses*	(73.8)	(57.7)	(27.9)
Interest	(10.1)	(8.7)	(16.1)
Profit before tax	31.1	24.1	29.0

*Including costs of changes requested by Hungarian PSZAF



Central Europe: change in revenue and impairment

H1 2007 vs H1 2006

	Receivables		Revenue		Impairment		Revenue less impairment	
	£m	%	£m	%	£m	%	£m	%
Poland	10.6	6.7	(12.1)	(12.5)	30.7	76.2	18.6	32.8
Czech	5.6	10.2	3.0	9.9	(2.5)	(38.5)	0.5	2.1
Hungary	4.6	7.7	3.8	10.1	1.5	12.0	5.3	21.2
Slovakia	2.9	15.3	2.6	23.9	0.5	9.8	3.1	53.4
	23.7	8.1	(2.7)	(1.5)	30.2	46.9	27.5	24.7



Mexico

Six months ended 30 June

	Pro forma 2007 £m	Pro forma 2006 £m	Change %
Customer numbers ('000)	317	184	72.3
Credit issued	30.7	20.9	46.9
Average customer receivables	21.1	11.4	85.1
Revenue	17.1	11.4	50.0
Impairment	(7.5)	(5.1)	(47.1)
Revenue less impairment	9.6	6.3	52.4
Commission	(2.0)	(1.2)	(66.7)
Expenses	(12.6)	(9.1)	(38.5)
Interest	(1.9)	(1.0)	(90.0)
Profit / (Loss) before tax	(6.9)	(5.0)	(38.0)



Romania

Six months ended 30 June

	Pro forma 2007 £m	Pro forma 2006 £m
Customer numbers ('000)	17	1
Credit issued	3.2	0.1
Average customer receivables	1.9	-
Revenue	1.4	-
Impairment	(0.1)	-
Revenue less impairment	1.3	-
Commission	(0.1)	-
Expenses	(2.9)	(1.1)
Interest	(0.2)	-
Profit / (Loss) before tax	(1.9)	(1.1)



Capital generation

	12 months to June 2007	12 months to Dec 2006
	£m	£m
Profit before tax: Central Europe	71.1	64.1
Taxation at 30%	(21.3)	(19.2)
Profit after tax	49.8	44.9
45% of movement in receivables	(14.8)	1.2
	35.0	46.1
Central support and corporate costs after tax	(8.7)	(8.3)
Capital available	26.3	37.8
New markets		
- loss after tax	(10.5)	(8.6)
- 45% of movement in receivables	(7.2)	(4.4)
	(17.7)	(13.0)
Surplus capital generated	8.6	24.8



Balance sheet

	June 2007 Pro forma £m	Dec 2006 Pro forma £m
Fixed assets	46.7	44.2
Receivables	355.2	331.0
Borrowings	(261.9)	(242.7)
Other net assets	24.7	17.7
Equity	164.7	150.2

- Low sensitivity to borrowing costs
- Sufficient headroom (£198m) to meet requirements until Q1, 2010
- Well capitalised with equity to receivables of 46%



Dividend

- Interim dividend of 1.90p
- Progressive dividend policy with medium-term pay out ratio of 25%



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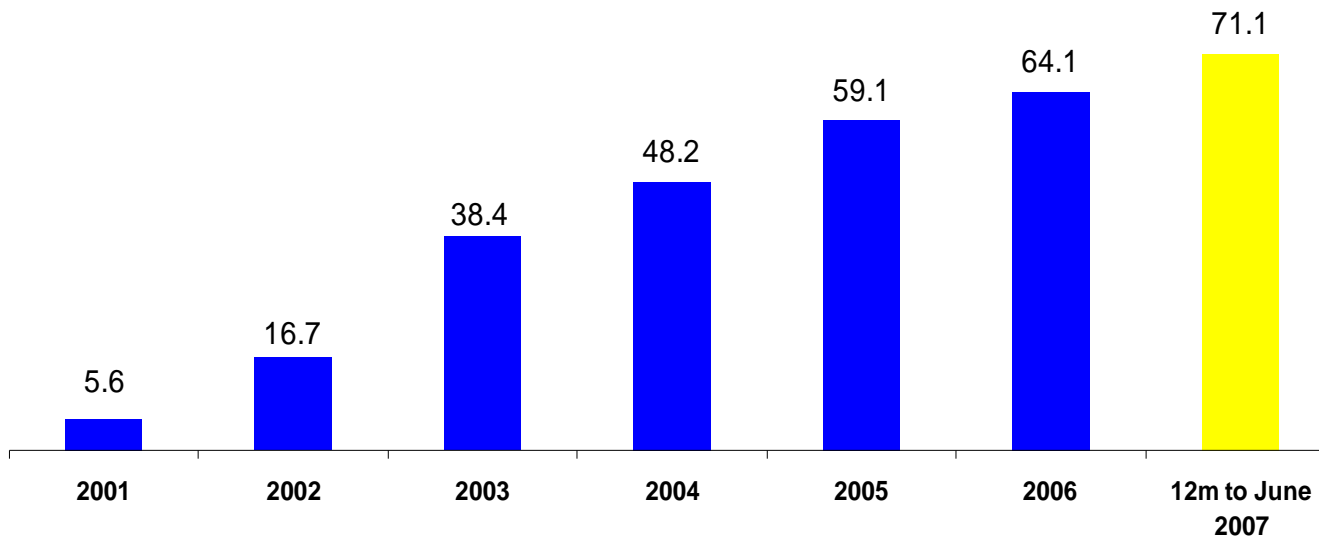
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Review of Operations



Central Europe: strong profit growth

Annual Central Europe profit (£m)



- Post tax return on receivables of 15.9%
- Pro forma annualised earnings per share of 19.01p

Note: 2004 – 2007 IFRS pro forma
2001 – 2003 UK GAAP basis



Central Europe: customer growth resumed

Customers (000's)	June 07	change %	Dec 06	change %	June 06
Poland	857	0.4	854	(5.4)	903
Czech	261	2.8	254	2.8	247
Hungary	293	3.2	284	(6.9)	305
Slovakia	131	-	131	4.0	126
	1,542	1.2	1,523	(3.7)	1,581



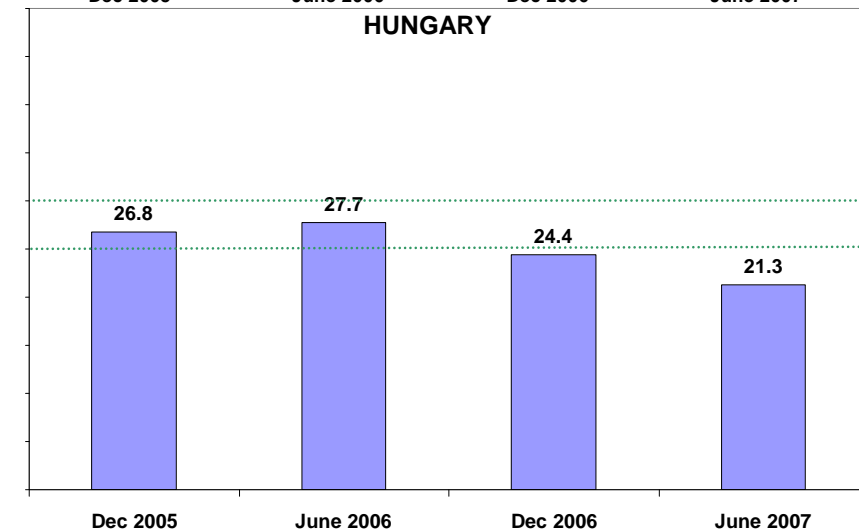
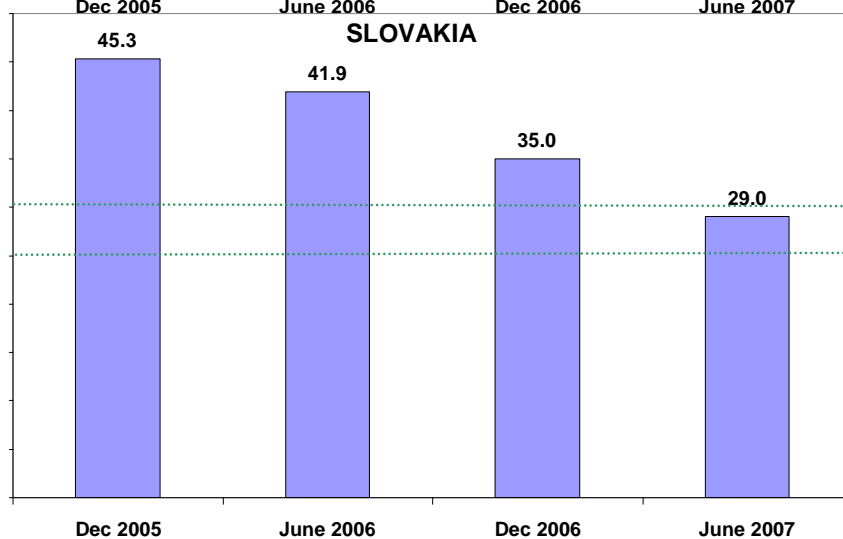
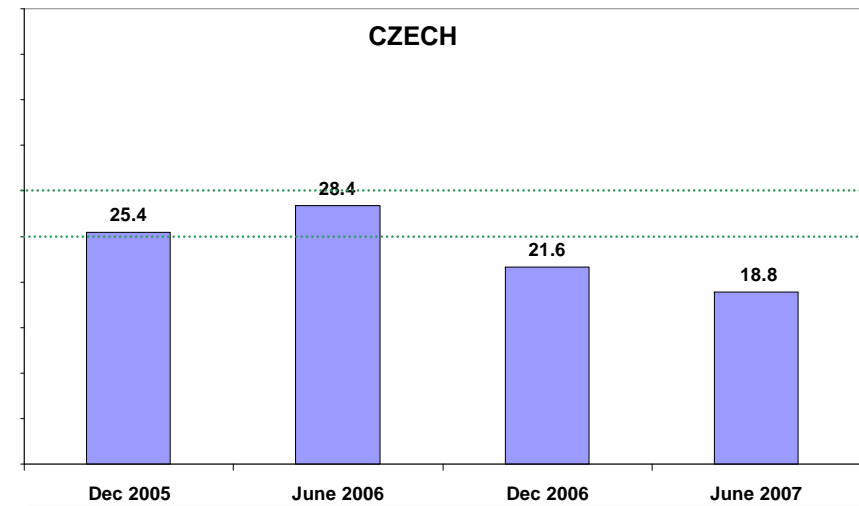
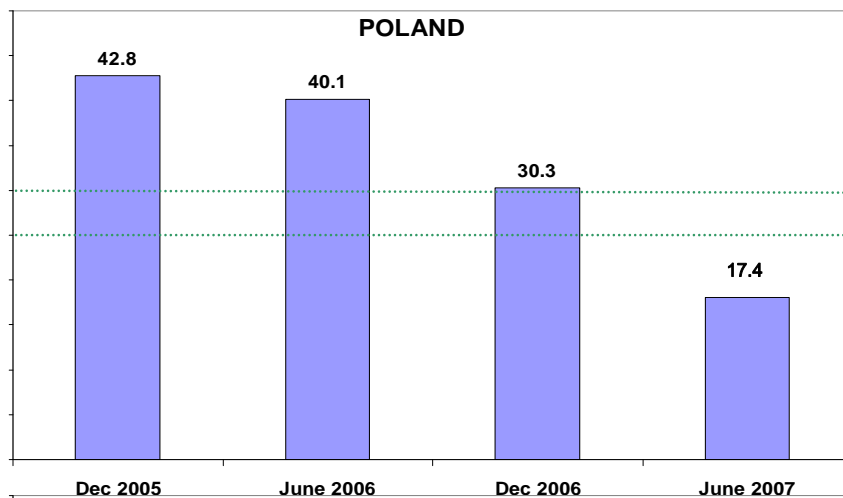
Central Europe: steady growth in credit issued

Credit issued (£m): six months to	Jun 07	Jun 06	change %
Poland	123.8	118.1	4.8
Czech	49.3	43.0	14.7
Hungary	60.1	53.7	11.9
Slovakia	19.4	18.4	5.4
	252.6	233.2	8.3



Improvements in impairment have exceeded expectations

Central Europe impairment as % of revenue (moving annual average)





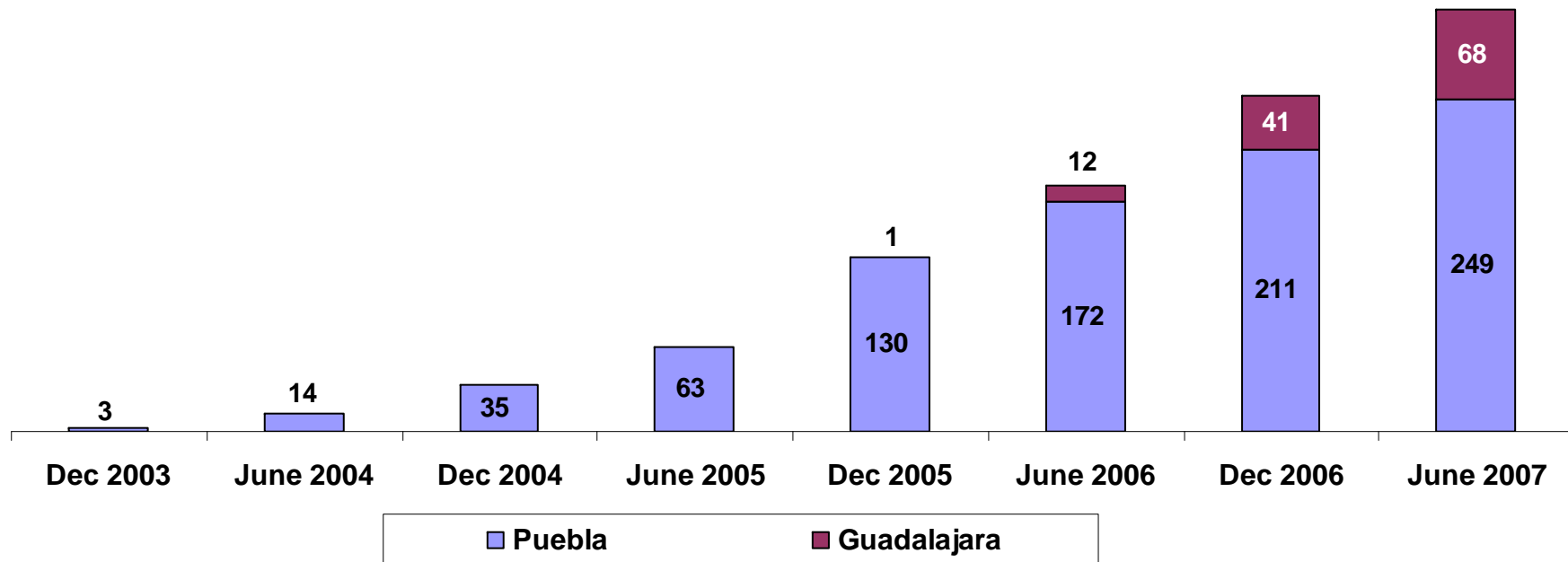
Mexico showing improvement

- Customer growth remains strong
- Experience levels and local skills building
- Impairment stabilising
- Guadalajara performance remains good, Puebla improving
- 9 out of 10 Guadalajara branches have reached profitability
- 10 out of 22 Puebla branches have reached profitability



Customer growth remains strong

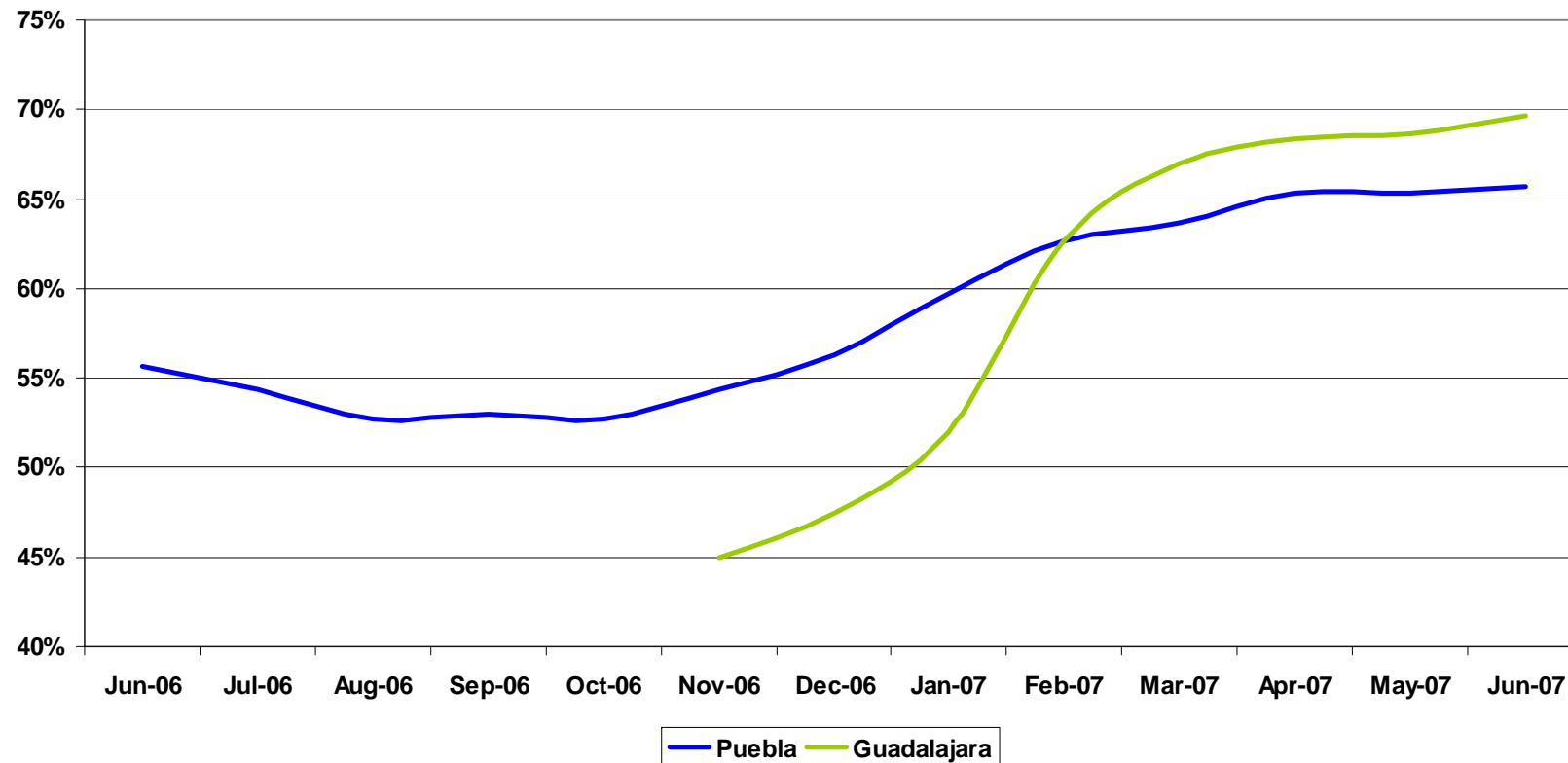
Customer numbers (000's)





Experience levels and local skills building

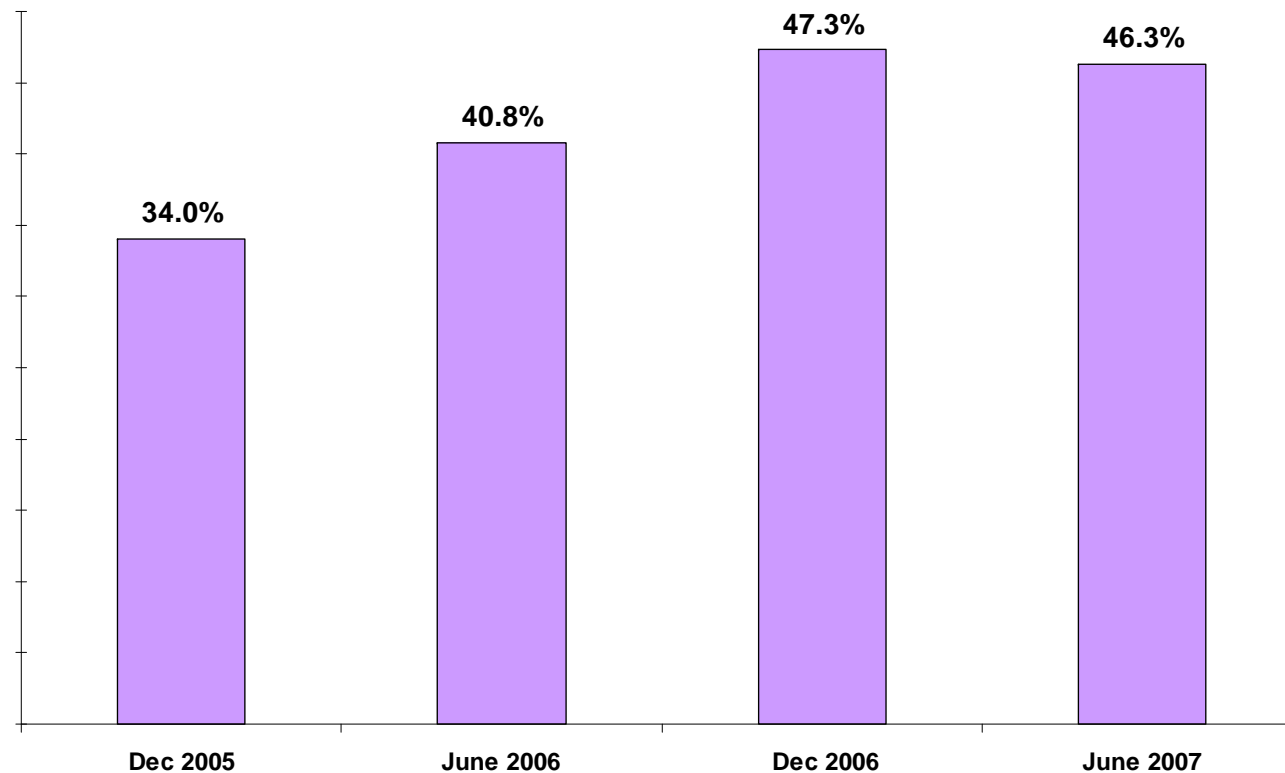
Staff retention after 12 months





Impairment stabilising

Impairment as % of revenue (moving annual average)





Mexico profit plan

- Clear plan divided into three groups of branches
- Guadalajara
 - 10 branches
 - Performing well and capable of delivering regional profit
 - Further branch expansion planned
 - Region to be profitable for 2009
- Puebla: Group A
 - 15 branches, 10 already in profit
 - Forward momentum
 - Sufficient profit to cover regional overheads in 12 – 15 months



Mexico profit plan

- Puebla: Group B
 - 7 branches: poor performers
 - Now under direct control of experienced managers from Central Europe
 - Especially tight credit controls
 - Clear evidence of significant improvement expected early 2008
- Puebla region (A & B) to be profitable for 2009
- Profit in Mexico for 2009



Expansion of operations in Romania



- Currently operating from five branches in Romania (in red)
- Plan to open a further two branches before the end of 2007 (in green)
- Customer numbers up from 6,000 to 17,000 in H1 2007
- Credit quality is good



New market development

- Strategic aim to invest c.25% of profits from profitable markets, less central costs, in new countries
- Russia, Ukraine and India are top candidates for a pilot operation
 - Due diligence on Russian bank (£3m) well advanced
 - Detailed market research in Ukraine nearing completion
 - Researching joint venture opportunities in India



Regulatory environment

- Draft EU Consumer Credit Directive: no issues
- Hungarian business trading well: all PSZAF requirements addressed
- Rate cap under debate in Slovakia and, recently, Hungary
- Poland trading well following 2006 rate cap and product modification



Prospects for second half of 2007

- Continued progress in Central Europe towards strategic profit target
- Improved performance in Mexico with reduced losses in second half and full year loss of about £12m
- Further expansion of branch network in Romania with full year loss of £3 - 4m
- IPF to continue to make good progress in the second half of the year



Summary

- Strong first half results
- Proven business model, substantial growth opportunities
- Strong credit management
- Strong balance sheet
- Committed banking facilities
- Low sensitivity to increases in borrowing costs
- Short-term loans: able to respond quickly
- Good prospects



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Appendices



Pro forma adjustments

Six months ended 30 June

£m	2007 Reported [^]	Interest margin	Reduced borrowing	Listed plc costs	2007 Pro forma
Central Europe	31.9	(0.8)	-	-	31.1
Central costs	(5.0)	-	1.9	(3.3)	(6.4)
Established businesses	26.9	(0.8)	1.9	(3.3)	24.7
Mexico	(6.9)	-	-	-	(6.9)
Romania	(1.9)	-	-	-	(1.9)
Profit before tax*	18.1	(0.8)	1.9	(3.3)	15.9

[^] Reported within interim results of Provident Financial plc

* Stated before exceptional demerger costs



Key statistics: Poland

Six months ended 30 June	2007	2006
Customer numbers ('000)	857	903
	<i>(5.1)%</i>	<i>(4.9)%</i>
Credit issued (£m)	123.8	118.1
	<i>4.8%</i>	<i>(14.5)%</i>
Average customer receivables (£m)	169.9	159.3
	<i>6.7%</i>	<i>3.2%</i>
Revenue (£m)	84.9	97.0
	<i>(12.5)%</i>	<i>(3.4)%</i>
Impairment (£m)	9.6	40.3
	<i>76.2%</i>	<i>15.3%</i>
Revenue less impairment (£m)	75.3	56.7
	<i>32.8%</i>	<i>7.4%</i>



Key statistics: Czech

Six months ended 30 June	2007	2006
Customer numbers ('000)	261	247
	<i>5.7%</i>	<i>7.9%</i>
Credit issued (£m)	49.3	43.0
	<i>14.7%</i>	<i>14.4%</i>
Average customer receivables (£m)	60.6	55.0
	<i>10.2%</i>	<i>24.7%</i>
Revenue (£m)	33.4	30.4
	<i>9.9%</i>	<i>16.5%</i>
Impairment (£m)	9.0	6.5
	<i>(38.5)%</i>	<i>11.0%</i>
Revenue less impairment (£m)	24.4	23.9
	<i>2.1%</i>	<i>27.1%</i>



Key statistics: Hungary

Six months ended 30 June	2007	2006
Customer numbers ('000)	293	305
	<i>(3.9)%</i>	<i>11.3%</i>
Credit issued (£m)	60.1	53.7
	<i>11.9%</i>	<i>9.1%</i>
Average customer receivables (£m)	64.2	59.6
	<i>7.7%</i>	<i>16.4%</i>
Revenue (£m)	41.3	37.5
	<i>10.1%</i>	<i>13.6%</i>
Impairment (£m)	11.0	12.5
	<i>12.0%</i>	<i>(15.7)%</i>
Revenue less impairment (£m)	30.3	25.0
	<i>21.2%</i>	<i>12.6%</i>



Key statistics: Slovakia

Six months ended 30 June	2007	2006
Customer numbers ('000)	131	126
	<i>4.0%</i>	<i>14.5%</i>
Credit issued (£m)	19.4	18.4
	<i>5.4%</i>	<i>17.9%</i>
Average customer receivables (£m)	21.9	19.0
	<i>15.3%</i>	<i>29.3%</i>
Revenue (£m)	13.5	10.9
	<i>23.9%</i>	<i>21.1%</i>
Impairment (£m)	4.6	5.1
	<i>9.8%</i>	<i>(2.0)%</i>
Revenue less impairment (£m)	8.9	5.8
	<i>53.4%</i>	<i>45.0%</i>



Key statistics: Puebla

Six months ended 30 June	2007	2006
Customer numbers ('000)	249	172
	<i>44.8%</i>	<i>173.0%</i>
Credit issued (£m)	24.2	19.8
	<i>22.2%</i>	<i>219.4%</i>
Average customer receivables (£m)	17.4	11.1
	<i>56.8%</i>	<i>258.1%</i>
Revenue (£m)	13.8	11.1
	<i>24.3%</i>	<i>270.0%</i>
Impairment (£m)	6.6	5.1
	<i>(29.4)%</i>	<i>(410.0)%</i>
Revenue less impairment (£m)	7.2	6.0
	<i>20.0%</i>	<i>200.0%</i>



Key statistics: Guadalajara

Six months ended 30 June	2007	2006
Customer numbers ('000)	68	12
Credit issued (£m)	6.5	1.1
Average customer receivables (£m)	3.7	0.3
Revenue (£m)	3.3	0.3
Impairment (£m)	0.9	-
Revenue less impairment (£m)	2.4	0.3
