



**International
Personal Finance**

The human face of finance



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ING investor forum

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– **Finance Director**
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International Personal Finance is focused on emerging markets because they offer the prospect of high growth and excellent returns



A substantial business with an excellent track record

Countries: 7*

Customers: 1.94 million

Agents: 28,000

Employees: 5,500

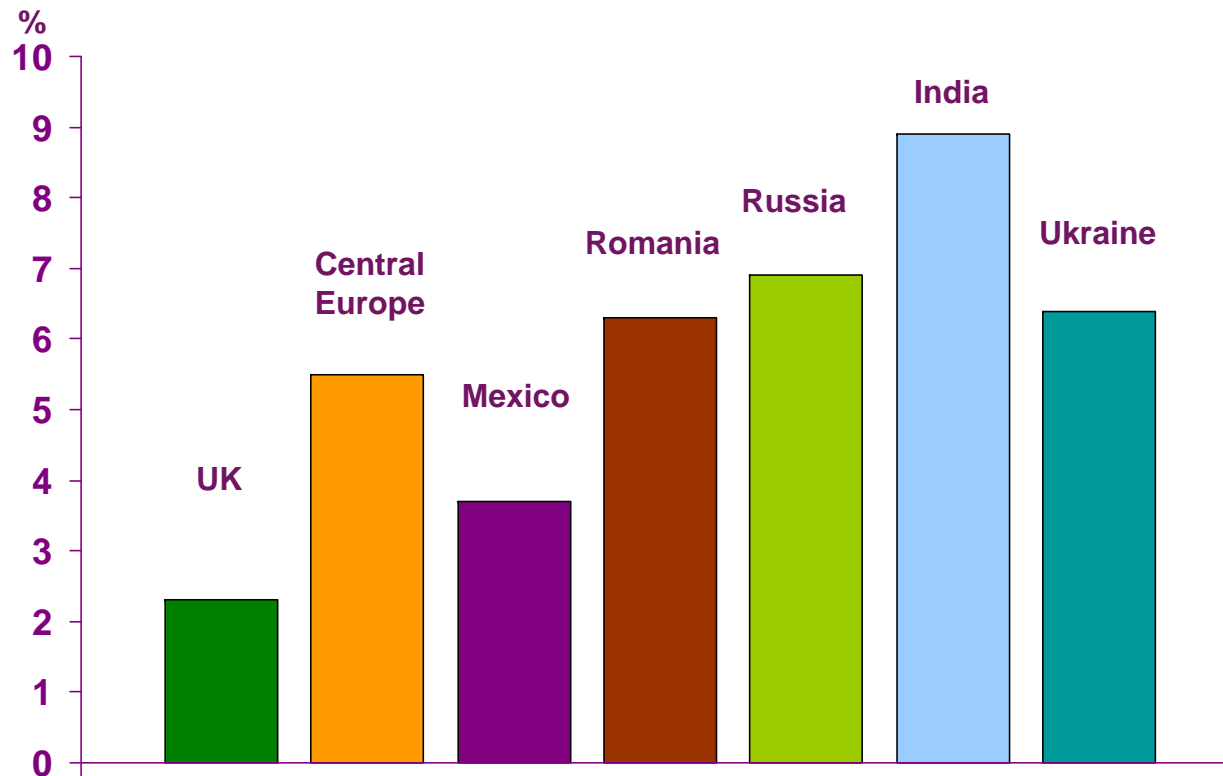
Pre-tax profit: £50.1 Group;
£80.6m from established
Central European markets**



*Includes Russian pilot ** Pro forma before central costs



A portfolio of growth markets



- Markets forecast to grow quickly
- Rising incomes drive receivables growth



Home credit: overview

- Small sum, unsecured loans
- Low and grow strategy
- Fixed charges
- Personal service delivered in the home by agents



Typical customer: overview

- Majority female
- Employed or self-employed
- Average to below average incomes
- Underserved by mainstream lenders
- No credit history



Investment case

①

Proven international
business model

②

A team that can repeat
the success

③

Significant opportunities
and a clear strategy for growth

④

Strong financial
foundations



2007 results

Pro forma profit before tax increased by

+25.6% to £50.1m*

Pro forma earnings per share increased by

+29.5% to 13.65p*

Customer numbers increased by

+8.8% to 1.94m

Receivables up by

+18.8% to £443.2m

Revenue increased by

+8.5% to £409.8m

Impairment reduced by

-20.0% to £83.2m

*Stated on a pro forma basis. The statutory profit before tax is £47.0m and statutory earnings per share is 12.65p.



Strong returns

	EPS (pence)	Earnings growth %	ROE %
Established markets	18.55	34.6	28.7
Developing markets	(4.90)	(51.2)	n/a
	13.65	29.5	19.8



Cornerstones of success

- Cost effective customer acquisition and retention
- Building, training and motivating large scale sales forces
- Management of credit risk
- Ability to adapt as markets develop



Experienced leadership team

- Chairman Christopher Rodrigues
- Chief Operating Officer John Harnett
- Finance Director David Broadbent

Depth of management talent

Long-term incentives reward significant total shareholder returns

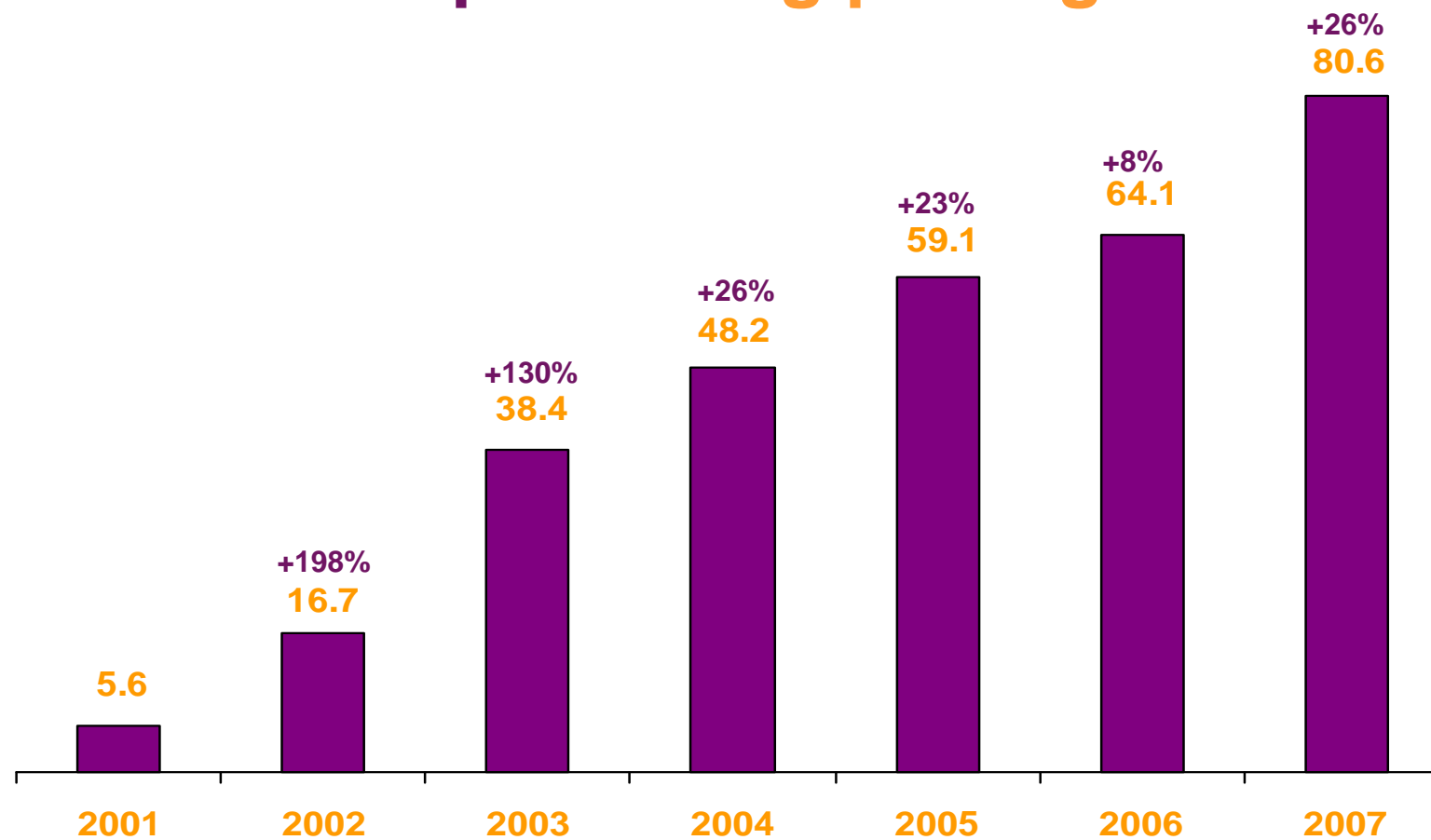


Significant opportunities and a clear growth strategy

- Increase Central Europe profit to exceed £95m target
 - grow customer numbers from 1.5m to 1.8m
 - increase revenue per customer by 20%
 - achieve further operational efficiencies
- Realise potential in Mexico and Romania
 - Mexico: customers 3,000,000 and profit £90 million
 - Romania: customers 500,000 and profit £20 million
- Enter further emerging markets



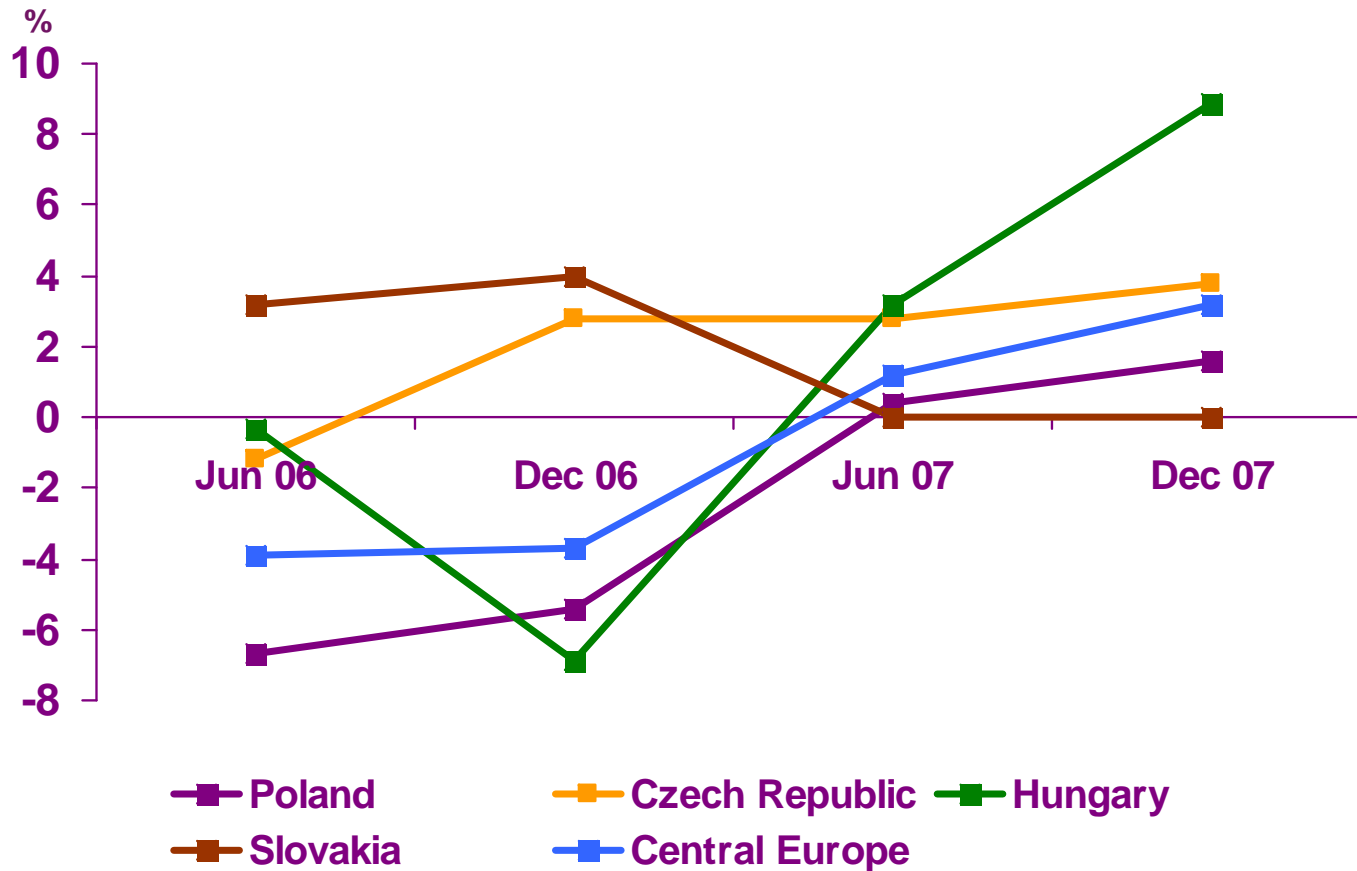
Central Europe: Strong profit growth



Annual pre-tax profit (£m)



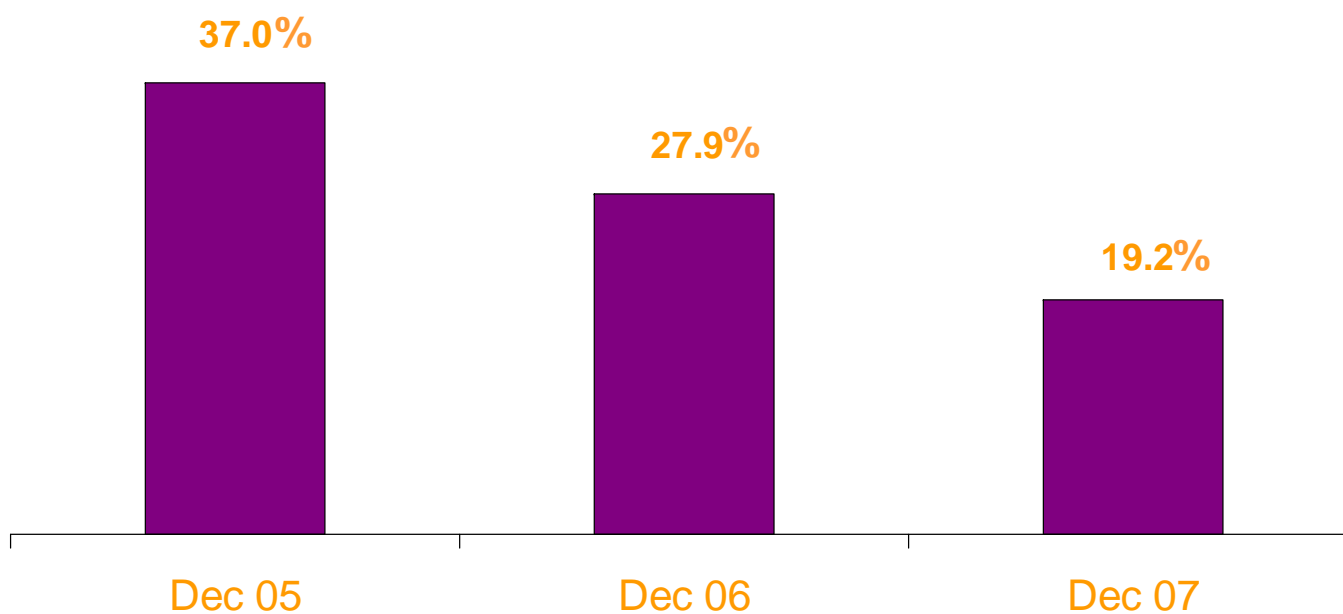
Central Europe: Accelerated customer growth



6 month customer growth %



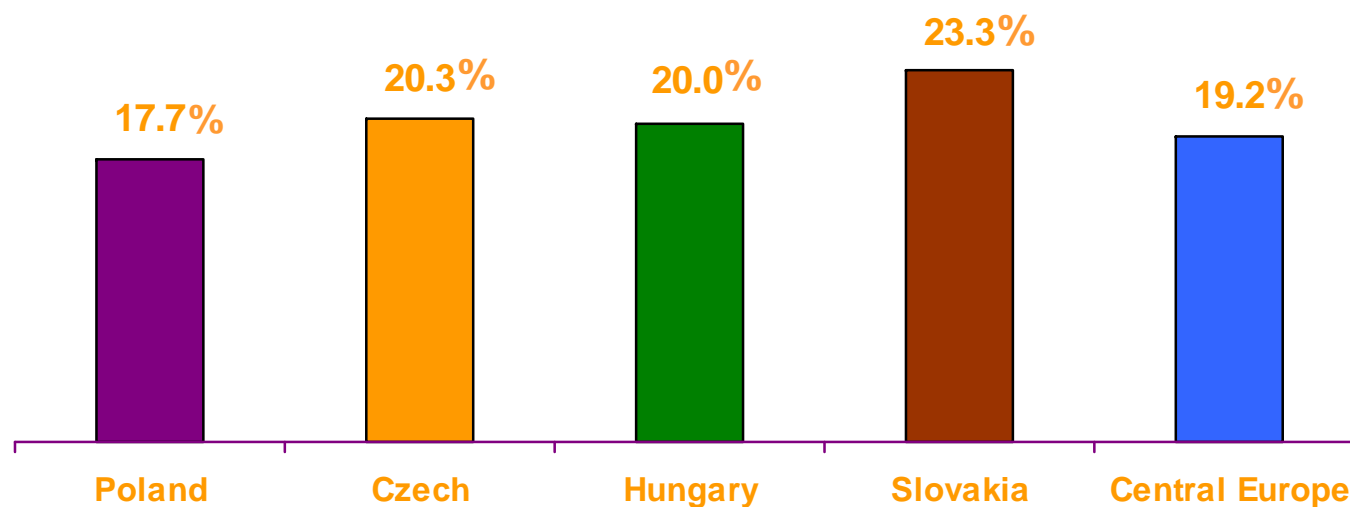
Central Europe: Benefiting from reduced impairment



Underlying impairment as % of revenue



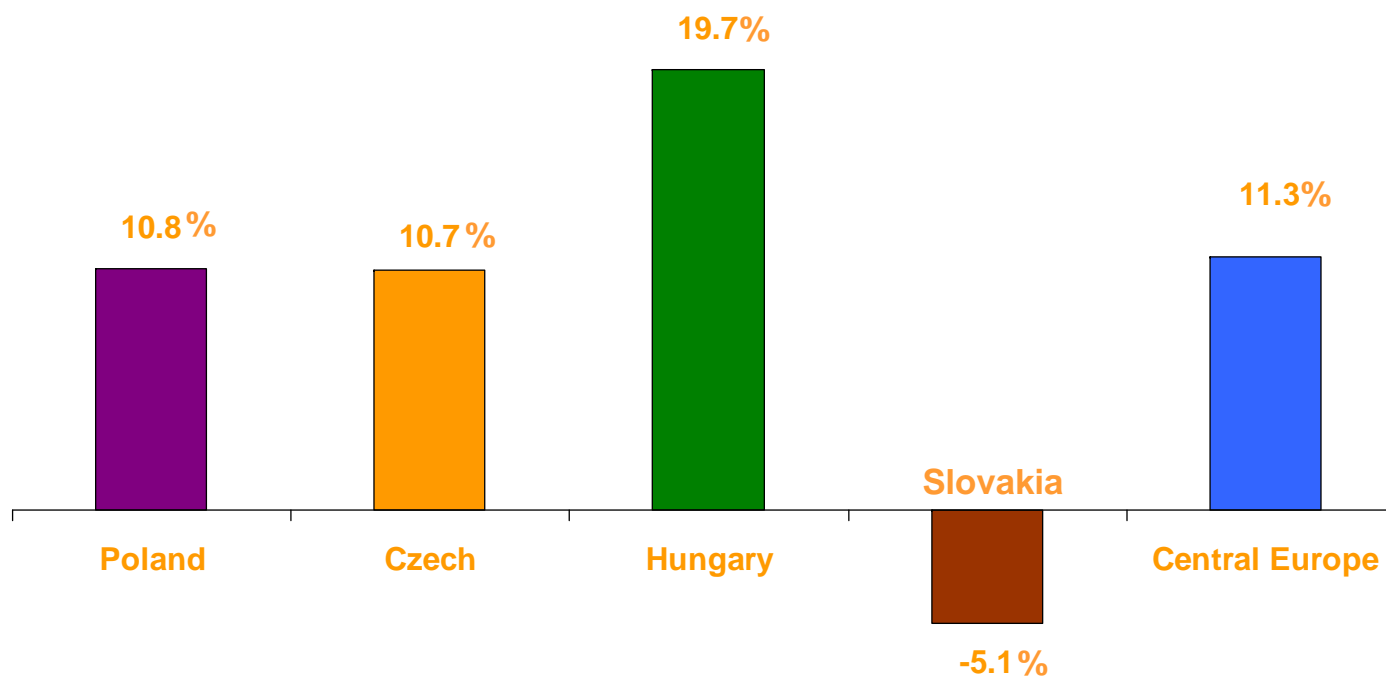
Central Europe: **All markets performing well**



2007 Underlying impairment as % of revenue (moving annual average)



Central Europe: Strong growth in credit issued



2007 growth rates



Central Europe: Rising profit per customer





Central Europe: **Prospects**

- Stronger sales growth
- Credit quality good
- Improved cost-income ratio
- Continued good progress



Mexico: **Good progress**

- **Strengthened management team**
- **Re-trained local staff and agents**
- **Substantially improved credit quality**

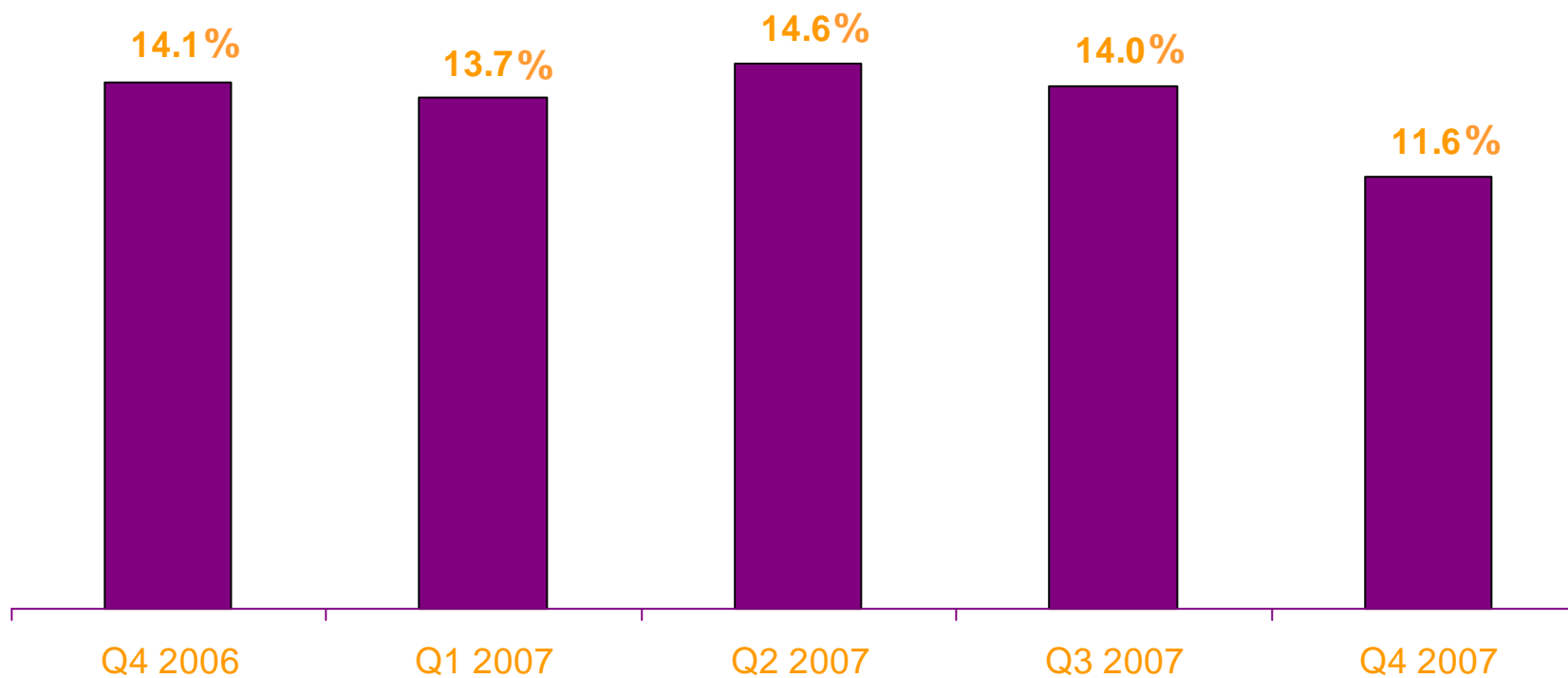


Mexico: **Good progress**

- **Guadalajara:** continues to perform
 - **Puebla A:** much improved
 - **Puebla B:** 6 out of 7 branches turned around
-
- **Sound platform to grow the business**



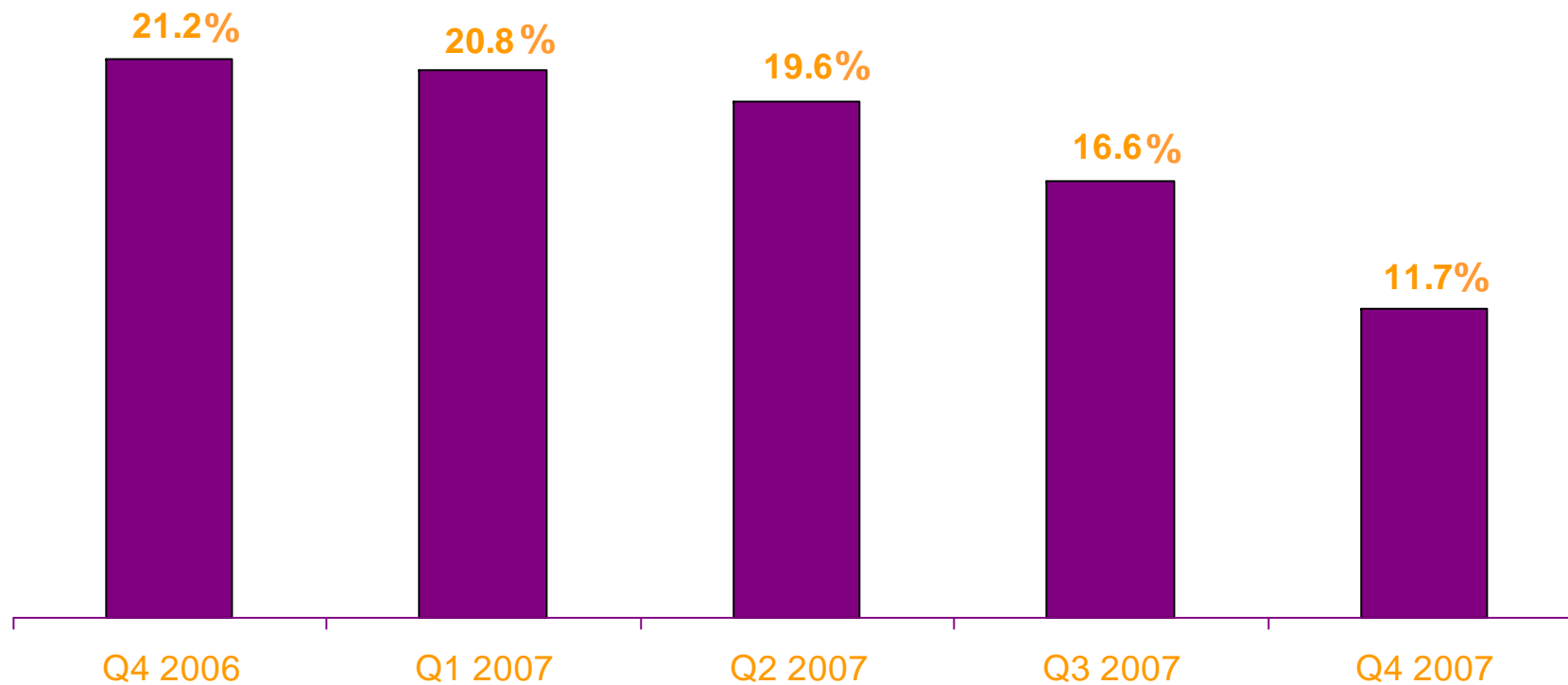
Puebla A: Credit quality shows improvement



Forecast gross cash loss as % of total amount payable



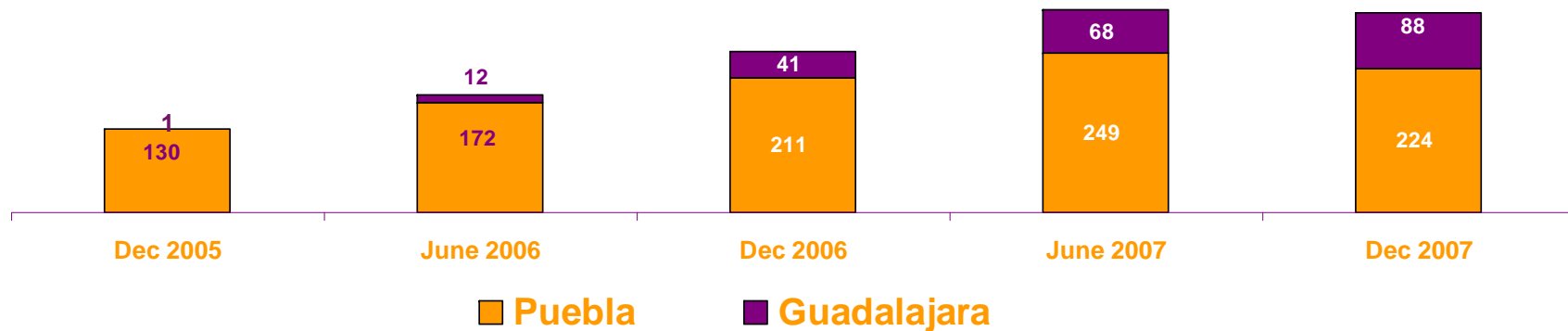
Puebla B: Significant improvement



Forecast gross cash loss as % of total amount payable



Mexico: Customer growth controlled



Customer numbers (000's)



Mexico: Roadmap to profit for 2009

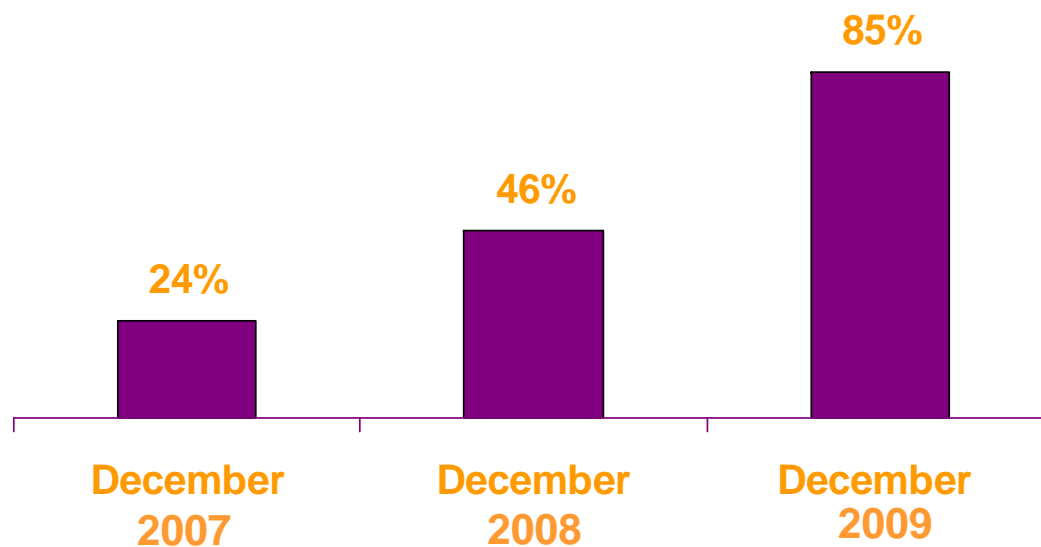
- **Maintain good credit quality**
- **Controlled growth of good quality customers: increase 20% p.a.**
- **Focus larger loans to quality customers: average customer receivables to grow 20% p.a.**
- **Control costs: reduce operating costs from 67% of revenue to below 50%**



Romania: Progressing well

- Customer numbers at 33,000
- Credit quality remains good
- National roll-out progressing to plan
- On track for profit for 2010

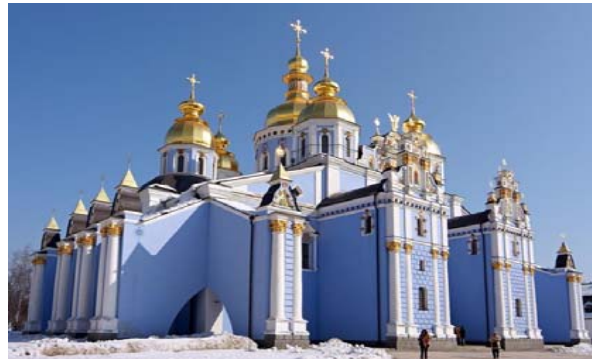
Expansion plan:
% of market addressed by branches





New market development

- **Investment in new market development**
 - Target to invest c.25% of profit from profitable markets
- **New countries**
 - Russian pilot in Moscow to commence H1, 2008
 - Ukraine and India are top candidates for a pilot operation





Pre-tax profit

Year ended 31 December

	Pro forma 2007 £m	Pro forma 2006 £m	Change %
Central European markets	80.6	64.1	25.7
Central costs	(12.5)	(11.9)	(5.0)
Net profit from established markets	68.1	52.2	30.5
Mexico	(13.3)	(9.9)	(34.3)
Romania	(4.2)	(2.4)	(75.0)
Russia	(0.5)	-	-
Net investment in developing markets	(18.0)	(12.3)	(46.3)
Profit before tax*	50.1	39.9	25.6

*Pro forma PBT stated before exceptional demerger costs



Well funded balance sheet

	Dec 2007 Actual £m	Dec 2006 Pro forma £m	Change %	Change at CER %
Fixed assets	59.5	44.2	34.6	26.4
Receivables	443.2	331.0	33.9	18.8
Cash	88.8	44.6	99.1	88.4
Borrowings	(370.8)	(242.7)	(52.8)	(37.9)
Other net liabilities	(17.1)	(26.9)	36.4	34.0
Equity	203.6	150.2		
Equity to receivables	45.9%	45.4%		
Gearing	1.8x	1.6x		



We lend short and borrow long

31 December 2007	Year end receivables £m	%	Funding facilities £m	%
Less than one year	422.7	95	29.3	5
More than one year	20.5	5	516.9	95
	443.2	100	546.2	100
Borrowings			(370.8)	
Headroom			175.4	



Regulatory environment

- **Slovakian rate cap to be introduced**
- **EU Consumer Credit Directive**



2008: **Key developments**

- **Continued investment in management development**
- **Next generation of credit systems**
- **Diversifying customer acquisition channels**
- **Build capability to deliver flexible product structures**
- **Improve agent effectiveness**



Summary

- Proven business model
- Substantial growth opportunities
- Strong credit management
- Strong balance sheet
- Good prospects



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