

Our multi-channel strategy

Our strategy centres on providing a positive customer experience and generating strong returns in our European home credit businesses to reinvest in building a long-term sustainable future for these operations, growing Mexico home credit and IPF Digital, and delivering progressive returns to our shareholders. In 2019, we made excellent progress in our European home credit and established digital businesses, and focused on improving operational execution in Mexico home credit and managing credit risk in IPF Digital's new markets.

	Strategic Priorities	2019 Progress	2019 Challenges	Strategic KPIs			2020 Focus
<p>Reinvesting in growth</p> <p>Generating returns</p>	<p>IPF Digital</p> <ul style="list-style-type: none"> Provide superior customer experience through innovation Build scale and leverage data Demonstrate ability to make a return 	<ul style="list-style-type: none"> Successfully delivered maiden profit Good top-line growth Mobile wallet being tested 	<ul style="list-style-type: none"> Worse-than-expected credit quality in new markets led to slower growth Responded to new rate caps in Finland and Latvia 	<p>305,000 customers</p>	<p>8% Year-on-year credit issued</p>	<p>30% Year-on-year revenue</p>	<ul style="list-style-type: none"> Continue to provide great customer experience through innovation Build scale and leverage data Improve new market credit performance then reignite growth Manage transition to new rate cap regime in Latvia and Finland Continue to test mobile wallet
	<p>Mexico home credit</p> <ul style="list-style-type: none"> Expand geographical footprint Build micro-business loans channel Improve operational efficiency and customer penetration rates in selected longer-established branches 	<ul style="list-style-type: none"> Appointed experienced country manager Strengthened management team Improved cost efficiency Opened five new branches 	<ul style="list-style-type: none"> Weaker collections Credit issued contracted as we prioritised credit quality over growth Operational actions implemented to improve credit quality 	<p>795,000 customers</p>	<p>-12% Year-on-year credit issued</p>	<p>5% Year-on-year revenue</p>	
	<p>European home credit</p> <ul style="list-style-type: none"> Provide great customer experience and long-term sustainable future Deliver strong returns Protect the business model Leverage the Provident brand for digital 	<ul style="list-style-type: none"> Strong financial performance Slowed rate of customer contraction Continued excellent credit quality Good growth of Provident-branded digital offering in Poland Invested in agent mobile technology including roll-out of new collections functionality 	<ul style="list-style-type: none"> Contracting customer numbers 	<p>1m customers</p>	<p>1% Year-on-year credit issued</p>	<p>-6% Year-on-year revenue</p>	
				<p>45.0% impairment % revenue</p>	<p>45.7% cost-income ratio</p>	<p>£3.2m profit before tax</p>	<ul style="list-style-type: none"> Continue to provide a great customer experience Optimise existing expansion footprint Manage longer-established branches for returns Develop micro-business loans channel Improve portfolio quality before returning to growth mode
				<p>41.3% impairment % revenue</p>	<p>37.6% cost-income ratio</p>	<p>£10.5m profit before tax</p>	<ul style="list-style-type: none"> Continue to provide a great customer experience Deliver strong returns Protect the business model Leverage the Provident brand for digital Stabilise customer numbers Continue agent mobile technology investment
				<p>12.4% impairment % revenue</p>	<p>42.7% cost-income ratio</p>	<p>£115.1m profit before tax</p>	

Read more on our 2019 key performance indicators on pages 22-23

Read more in our operational review pages 24-29