

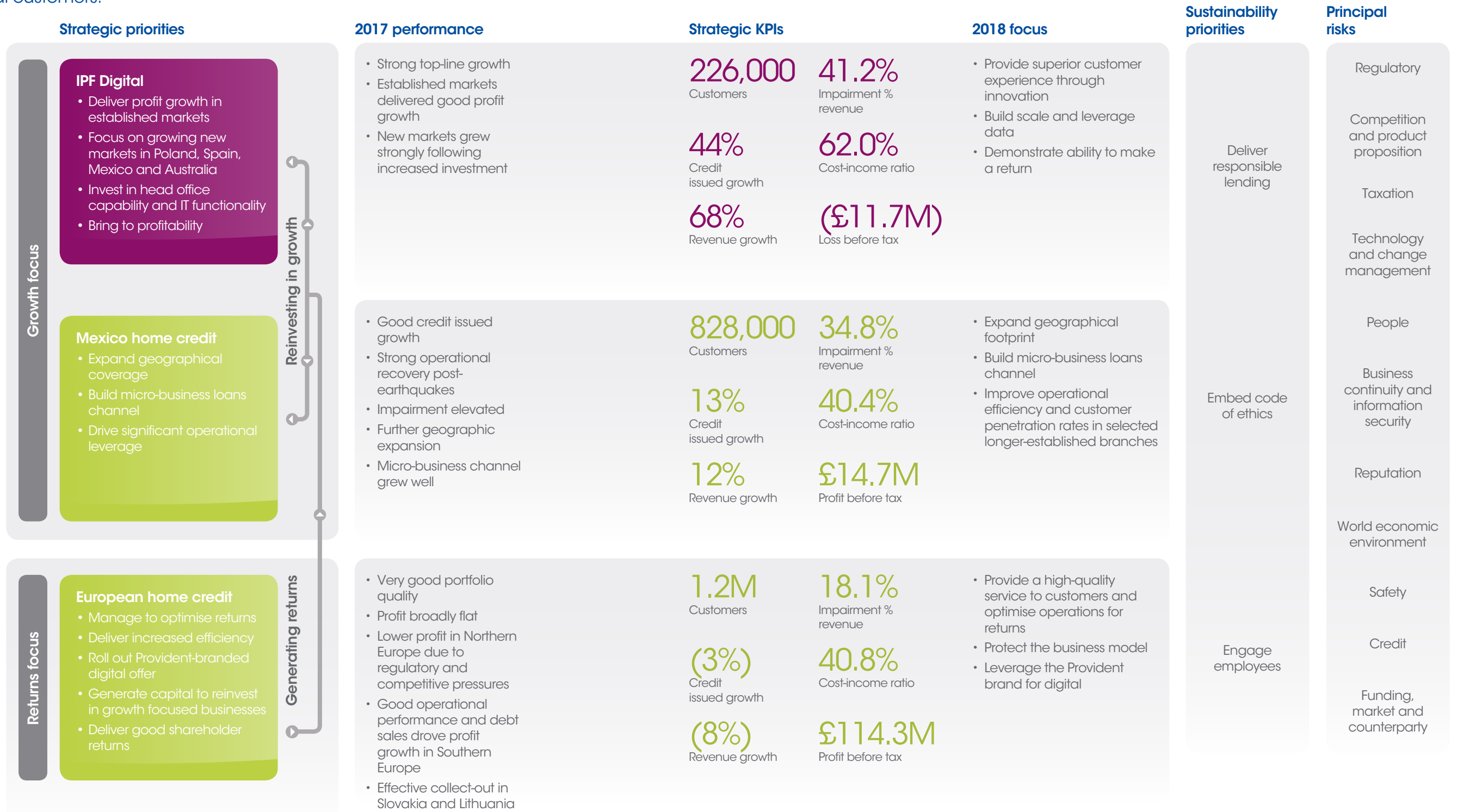
# Our multi-channel strategy

Our success depends on serving our customers well and retaining their custom. Everything we do revolves around the relationships we have with our customers – from the personal relationships our agents have with them in their home, to the service we provide remotely to our digital customers.

We made good progress against our strategy, which is focused on delivering sustainable growth, enhancing profitability and making efficient use of capital. It has been defined in response to:

- strong demand from consumers for unsecured credit, particularly via digital loans;
- increased competition from digital lenders and retail banks;
- growing preference for digital options with the rise of smartphone and internet penetration; and
- increased regulatory oversight focused on price and affordability, which is driving lower margins and restricting issue values.

Our operations are at different stages of maturity and our strategy segments them into 'growth' and 'returns' focused businesses. There are significant growth opportunities in our IPF Digital and Mexico home credit businesses supported by investment of capital generated by our European home credit businesses. To deliver this strategy, we continue to modernise the business through investment in technology and developing our people and their capabilities.



### Sustainability priorities

- Deliver responsible lending
- Embed code of ethics
- Engage employees

### Principal risks

- Regulatory
- Competition and product proposition
- Taxation
- Technology and change management
- People
- Business continuity and information security
- Reputation
- World economic environment
- Safety
- Credit
- Funding, market and counterparty

### 2017 performance

- Strong top-line growth
- Established markets delivered good profit growth
- New markets grew strongly following increased investment

### Strategic KPIs

226,000 Customers	41.2% Impairment % revenue
44% Credit issued growth	62.0% Cost-income ratio
68% Revenue growth	(£11.7M) Loss before tax

### 2018 focus

- Provide superior customer experience through innovation
- Build scale and leverage data
- Demonstrate ability to make a return

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