

# OUR MULTI-CHANNEL STRATEGY

Our strategy puts our customers at the centre of everything we do. Our success depends on serving our customers well with the credit products and services they want and, in doing so, retain their custom.

Our strategy is to optimise the returns of our more mature European home credit operations so that we can reinvest in growing our Mexico home credit and IPF Digital businesses, as well as delivering returns to our shareholders.

Our strategic priorities are focused on enabling us to continue to build a sustainable business which generates long-term growth and enhanced profitability, and makes efficient use of capital. Achievement of this strategy depends on the talent, skills and commitment of our people, and investment in technology to deliver the credit products of today and tomorrow.

	2018 strategic priorities	2018 performance	Strategic KPIs	2019 focus
Reinvesting in growth	<b>IPF Digital</b> <ul style="list-style-type: none"> <li>Provide superior customer experience through innovation</li> <li>Build scale and leverage data</li> <li>Demonstrate ability to make a return</li> </ul>	<ul style="list-style-type: none"> <li>Good demand for credit line product</li> <li>Strong top-line growth</li> <li>Significantly improved credit quality in new markets</li> </ul>	<b>292,000</b> Customers  <b>37.8%</b> Impairment % revenue  <b>35%</b> Year-on-year credit issued  <b>41%</b> Year-on-year revenue  <b>57.9%</b> Cost-income ratio  <b>(£5.6m)</b> Loss before tax	<ul style="list-style-type: none"> <li>Continue to provide superior customer experience through innovation</li> <li>Designing new products and services</li> <li>Build scale and leverage data</li> <li>Prepare to enter home credit markets with digital offering</li> <li>Deliver maiden profit</li> </ul>
	<b>Mexico home credit</b> <ul style="list-style-type: none"> <li>Expand geographical footprint</li> <li>Build micro-business loans channel</li> <li>Improve operational efficiency and customer penetration rates in established branch network</li> </ul>	<ul style="list-style-type: none"> <li>Good credit issued and customer growth</li> <li>Five new branches</li> <li>Maintained acceptable collections</li> <li>Good demand for micro-business loans channel</li> <li>Improved cost leverage</li> </ul>	<b>0.9m</b> Customers  <b>36.7%</b> Impairment % revenue  <b>12%</b> Year-on-year credit issued  <b>9%</b> Year-on-year revenue  <b>38.7%</b> Cost-income ratio  <b>£15.7m</b> Profit before tax	<ul style="list-style-type: none"> <li>Expand geographical footprint</li> <li>Build micro-business loans channel</li> <li>Improve operational efficiency and customer penetration rates in established branch network</li> </ul>
Generating returns	<b>European home credit</b> <ul style="list-style-type: none"> <li>Provide high-quality service to customers and optimise operations for returns</li> <li>Protect the business model</li> <li>Leverage the Provident brand for digital</li> </ul>	<ul style="list-style-type: none"> <li>Stronger than originally expected financial performance</li> <li>Excellent credit quality</li> <li>Intense competition and regulatory pressure drove customer contraction</li> <li>Proactively engaged with regulators to protect the model</li> <li>Provident-branded digital offering in Poland expanded</li> </ul>	<b>1.1m</b> Customers  <b>17.9%</b> Impairment % revenue  <b>(5%)</b> Year-on-year credit issued  <b>(5%)</b> Year-on-year revenue  <b>40.9%</b> Cost-income ratio  <b>£113.8m</b> Profit before tax	<ul style="list-style-type: none"> <li>Provide high-quality service to customers and optimise operations for returns</li> <li>Invest in technology to improve customer experience and business efficiency</li> <li>Protect the business model</li> <li>Leverage the Provident brand</li> <li>Moderate rate of customer contraction</li> </ul>

[Read more in the CEO review](#) on pages 20-23

[Read more on our 2018 operational performance](#) on pages 26-31

[Read more on our principal risks and uncertainties](#) on pages 42-50