INTERIM 2002

PROVIDENT FINANCIAL

'The Dancing House', Prague

Contents

SHAPING OUR FUTURE, COMPETING TO WIN

Our determination to foster a forward-looking, value-generating business culture

Interim results
Group

Strong growth continues

Turnover up **13%** to **£451m**

Customers up **9%** to **3.2m**

Pre-exceptional profit before tax up **6.2%** to **£74.6m**

Pre-exceptional earnings per share up **6%** to **21.76p**

Dividend per share up **6%** to **12.46p**

GOOD PROGRESS

John van Kuffeler,
Chairman

Our Chairman

Chairman's statement 2002

Overview

The group has made good progress in the six months to June 2002. We continue to see strong growth in our established central European businesses in Poland and the Czech Republic, along with steady progress in the UK home credit division. The performance of our pilot operations in Hungary and Slovakia has been excellent and we have decided both will now be rolled out nationally. Motor insurance made a better than expected start to 2002, helped by top of the cycle conditions in the marketplace.

Turnover for the first half of 2002 increased by 13% to £451 million, while customer numbers grew by 9% to 3.2 million and net customer receivables by 10% to £677 million. Profit before tax, prior to the exceptional loss on the sale of Colonnade Insurance Brokers Limited ('Colonnade'), increased by 6.2% to £74.6 million, resulting in a 6% increase in pre-exceptional earnings per share to 21.76 pence per share. An interim dividend of 12.46 pence per share has been declared (June 2001 11.75 pence), an increase of 6%.

Operations

The results for the first half of 2002 are set out below:

Half-year ended 30 June	Unaudited 2002 £m	Unaudited 2001 £m
UK home credit	**62.0**	61.3
International home credit	**1.1**	(1.6)
Motor insurance	**18.0**	17.9
Businesses sold or closed*	**1.0**	(1.0)
Central costs	**(7.5)**	(6.4)
Pre-exceptional profit before tax	**74.6**	70.2

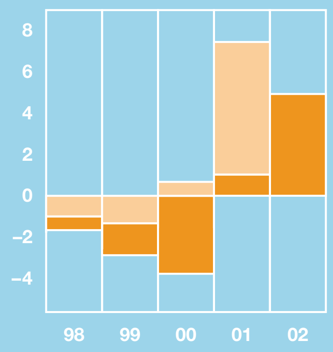
* – includes Provident balance and Provident South Africa which were closed during 2001 and Colonnade which was sold during 2002.

UK home credit division

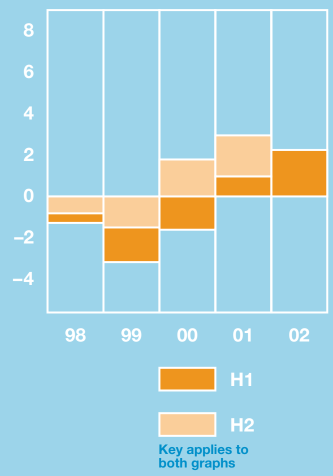
Trading in the first half of the year has been in line with our expectations. Turnover for the UK home credit division rose by 3.5% to £232.0 million and profit before tax increased by 1.1% to £62.0 million (June 2001 £61.3 million).

Customer numbers have increased by 2.2% compared to June 2001. During last year, we introduced a home shopping catalogue, both to attract new customers and to increase sales to existing customers. This has proved successful, providing 44,000 new customers and sales of £10.5 million in the 12 months to 30 June 2002.

Poland profit before tax (£m)



Czech Republic profit before tax (£m)



In the first half of this year, we have improved the order-taking and supply processes and in May we launched a further mailing of our home shopping catalogue. We expect that this initiative will benefit the second half of this year and that the catalogue will continue to be an important contributor to sales and customer recruitment.

Credit issued and collections both grew over the corresponding period of 2001, by 1.4% and 2.7% respectively. As expected, bad debts increased but, as a percentage of credit issued, remained within the 8-9% range (June 2002 8.9%; June 2001 8.2%).

International home credit division

Since its formation almost five years ago, our international team has built a substantial, profitable business that now has 12,600 agents, over 800,000 customers and accounts for almost a quarter of the group's credit issued.

In our established markets of Poland and the Czech Republic we have profitable, market leading businesses with high brand awareness and national infrastructures in countries with a total population of nearly 50 million people.

The focus of our international home credit division for 2002 is to build on our success in central Europe, growing profits in Poland and the Czech Republic and continuing to develop our new businesses in Hungary and Slovakia.

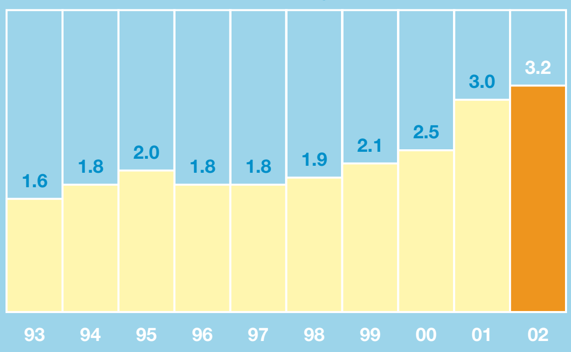
I am pleased to report good progress on all our objectives in the first half of the year, with the division as a whole reporting a half-year profit of £1.1 million (June 2001 loss of £1.6 million). This result is after doubling the investment in start-up losses in Hungary and Slovakia (June 2002 £2.6 million; June 2001 £1.3 million). It represents an excellent performance, achieved despite a slower than expected start to the year due to unusually heavy snowfall in January in Poland and the Czech Republic. Since June 2001, customer numbers for the division have increased by 204,000 (34%) to 806,000. Compared to the first half of 2001, turnover increased by 45%, credit issued by 21% and collections by 44%.

Poland has continued to grow strongly. As compared to the first half of 2001, credit issued increased by 15%. Collections grew by 46%, driving turnover up by 44%. Pre-tax profit was up by £3.5 million to £4.4 million (June 2001 £0.9 million) and the pre-tax profit margin has increased from 3% to 9%. Customer numbers have grown substantially, up by 35% from 416,000 to 561,000 since June 2001. Bad debt as a percentage of credit issued was 9.3% and credit quality is stable with the bad debt ratio remaining in the 9-10% range.

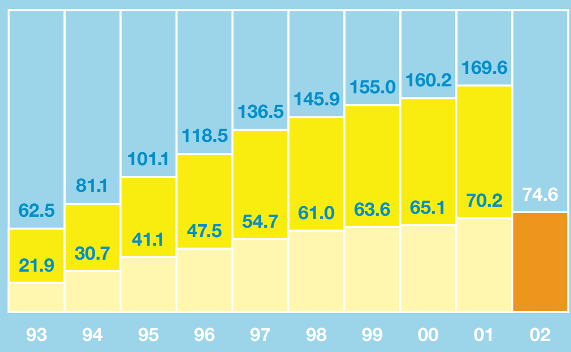
We have also seen good growth in the Czech Republic. Turnover increased by 31%, credit issued by 18% and collections by 24% compared to the first half of 2001. Pre-tax profits were up by £1.1 million to £1.9 million

Group customer numbers at June (m)

Excluding businesses sold or closed



Pre-exceptional profit before tax (£m)



Chairman's statement continued

(June 2001 £0.8 million) and the pre-tax profit margin has increased from 7% to 12%. After relatively slow customer growth for much of the second half of last year, we have seen a return to good growth with customer numbers up 12% from 184,000 to 206,000 since June 2001. Bad debt as a percentage of credit issued was 11.3%. Credit quality in the Czech Republic is also stable with the bad debt ratio remaining in the 11-12% range.

The results of our pilot-scale operations in Hungary and Slovakia have been very encouraging with excellent customer growth, good collections and low bad debts. In the first six months of the year, customer numbers have increased from 10,000 to 27,000 in Hungary and from 5,000 to 12,000 in Slovakia. I am delighted to announce that the group has decided to go ahead with a controlled roll-out to achieve national branch coverage in both these countries. We expect to build substantial value-adding businesses, just as we have done in Poland and the Czech Republic.

Motor insurance division

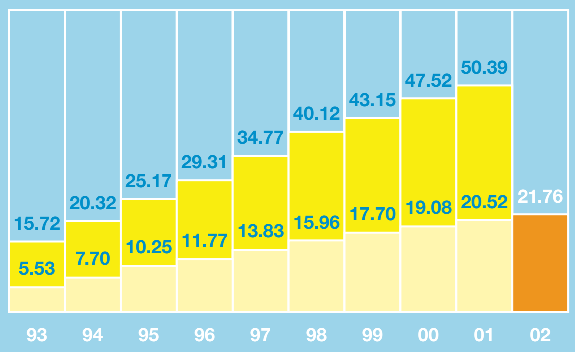
The motor insurance division, excluding broking, reported a profit for the first six months of the year of £18.0 million (June 2001 £17.9 million).

2001 was a record year, but we said earlier this year that we expected a cyclical downturn in margins to begin in 2002. Although, in the first half of this year, we have seen a reduction in our profit margin as a result of both lower investment yields and a rise in claims costs as a percentage of earned premium, the growth in policyholder numbers and the increases in premiums have been better than expected. Since June 2001, policyholder numbers have risen by 2.6% and average premium rates by 5%. Claims inflation was 7%. We have seen strong growth in gross written premiums, up by 18% to £146.9 million (June 2001 £124.4 million) and in gross earned premiums which are 19% higher at £132.6 million (June 2001 £111.4 million).

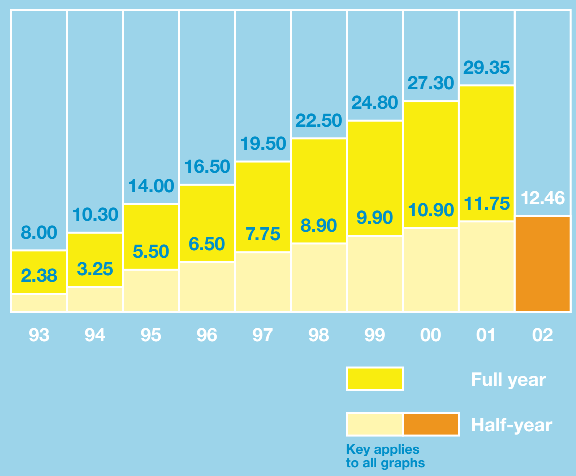
The benefit of rising policyholder numbers and higher premium rates is reflected in the size of our investment fund. This has increased by 20% to £462 million (June 2001 £386 million). Investment income from this fund grew more slowly, up 5.6% to £11.8 million (June 2001 £11.1 million) as a result of lower yields. These fell from 6.2% in the first half of 2001 to 5.4% in the first half of 2002. The division's financial performance remains excellent. In the 12 months to 30 June 2002, it achieved a pre-tax profit of £35.2 million – a pre-tax return of 40% on an average equity capital employed in this period of £88 million.

On 29 May 2002 we sold our insurance broking business, Colonnade, for a total cash consideration, including the repayment of inter-company debt, of £27 million. The sale resulted in a profit on disposal of Colonnade and a consequent increase in net assets

Group pre-exceptional earnings per share (p)



Dividend per share (p)



of £4.1 million. In addition, goodwill of £14.8 million that had previously been charged to reserves has been written back to the profit and loss account, resulting in a net loss on disposal of £10.7 million. This loss has been separately disclosed, on the face of the profit and loss account, as an exceptional item.

Prospects

Our view of the outlook for 2002 is unchanged.

The UK home credit division has shown steady growth and we expect this to continue throughout 2002, at rates similar to those of 2001.

In our motor insurance division we have started the year well, but we continue to expect that a downturn in policyholder numbers and a further reduction in margins may occur in the second half of the year.

The prospects for our international home credit division remain excellent. We expect much stronger profit growth in the second half of this year as a result of increasing volumes and improving profit margins. The prospects for the future are excellent with customer numbers, credit issued and profits expected to grow strongly. The initial successes of our new operations in Hungary and Slovakia are encouraging and we will now begin a controlled roll-out of further branches in these countries. Our target is to achieve national coverage in both countries by 2005 and to move into profitability by 2006.

Overall, the group has made good progress in the first half of 2002 and we expect this to continue during the second half of this year.

John van Kuffeler
Chairman
24 July 2002

Consolidated profit and loss account
for the half-year to 30 June 2002

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Turnover	**450,450**	398,951	833,178
Operating profit	**74,551**	70,210	169,610
Exceptional loss on disposal of business (note 3)	**(10,700)**	–	–
Profit before taxation	**63,851**	70,210	169,610
Taxation (note 4)	**(21,620)**	(19,659)	(45,795)
Profit after taxation	**42,231**	50,551	123,815
Dividends (note 5)	**(30,327)**	(28,946)	(71,788)
Retained profit	**11,904**	21,605	52,027
Earnings per share (note 6)			
Basic	**17.36p**	20.52p	50.39p
Pre-exceptional	**21.76p**	20.52p	50.39p
Diluted	**17.27p**	20.37p	50.08p
Dividend per share (note 5)	**12.46p**	11.75p	29.35p

The results shown in the profit and loss account derive wholly from continuing activities.

Operating profit includes the results of Provident balance and Provident South Africa which were closed during 2001 and Colonnade Insurance Brokers which was sold during 2002.

There is no material difference between the retained profit as shown above and the historical cost equivalent.

Statement of total recognised gains and losses
for the half-year to 30 June 2002

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Profit after taxation	**42,231**	50,551	123,815
Currency translation differences	**(11)**	654	(120)
Total recognised gains and losses relating to the period	**42,220**	51,205	123,695

Segmental analysis of turnover
for the half-year to 30 June 2002

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
UK home credit	**232,007**	224,267	465,539
International home credit	**65,050**	44,837	99,615
Motor insurance	**142,699**	117,622	244,369
	439,756	386,726	809,523
Businesses sold or closed			
Provident balance	**–**	37	37
South Africa	**–**	1,331	1,964
Colonnade Insurance Brokers	**10,694**	10,857	21,654
	10,694	12,225	23,655
	450,450	398,951	833,178

Segmental analysis of operating profit
for the half-year to 30 June 2002

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
UK home credit	**62,015**	61,329	150,376
International home credit	**1,053**	(1,568)	758
Motor insurance	**18,010**	17,912	35,119
Businesses sold or closed	**1,000**	(1,068)	(3,562)
Central costs	**(7,527)**	(6,395)	(13,081)
	74,551	70,210	169,610

The operating profit/(loss) for businesses sold or closed can be analysed as follows:

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Provident balance	**–**	(1,828)	(1,432)
South Africa	**–**	(779)	(3,608)
Colonnade Insurance Brokers	**1,000**	1,539	1,478
	1,000	(1,068)	(3,562)

The international home credit turnover and operating profit/(loss) can be analysed as follows:

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Turnover			
Poland	**47,630**	33,014	74,131
Czech Republic	**15,488**	11,794	24,851
Hungary	**1,456**	13	448
Slovakia	**476**	16	185
	65,050	44,837	99,615
Operating profit/(loss)			
Poland	**4,423**	900	6,746
Czech Republic	**1,923**	820	2,455
Hungary	**(1,642)**	(770)	(2,257)
Slovakia	**(1,045)**	(492)	(1,293)
Divisional overheads	**(2,606)**	(2,026)	(4,893)
	1,053	(1,568)	758

Consolidated balance sheet
as at 30 June 2002

	Unaudited As at 30 June 2002 £'000	Unaudited As at 30 June 2001 £'000	Audited As at 31 December 2001 £'000
Fixed assets	**48,593**	50,227	52,938
Current assets			
Amounts receivable from customers (note 8)			
– due within one year	**668,246**	606,133	719,637
– due in more than one year	**8,523**	8,091	9,614
Debtors	**173,584**	171,165	173,216
Investments			
– realisable within one year	**467,920**	365,000	430,621
Cash at bank and in hand	**64,999**	69,396	44,623
	1,383,272	1,219,785	1,377,711
Current liabilities			
Bank and other borrowings	**(20,562)**	(20,891)	(42,969)
Creditors – amounts falling due within one year	**(146,560)**	(170,842)	(173,047)
Insurance accruals and deferred income	**(488,872)**	(408,843)	(438,838)
	(655,994)	(600,576)	(654,854)
Net current assets	**727,278**	619,209	722,857
Total assets less current liabilities	**775,871**	669,436	775,795
Non-current liabilities			
Bank and other borrowings	**(446,364)**	(377,142)	(473,231)
Provision for liabilities and charges – deferred taxation	**(5,961)**	(2,566)	(6,016)
	(452,325)	(379,708)	(479,247)
Net assets	**323,546**	289,728	296,548
Capital and reserves			
Called-up share capital	**25,439**	25,814	25,433
Share premium account	**52,142**	52,405	51,840
Revaluation reserve	**1,641**	1,641	1,641
Other reserves	**4,358**	3,967	4,358
Profit and loss account	**239,966**	205,901	213,276
Equity shareholders' funds (note 7)	**323,546**	289,728	296,548

Consolidated cash flow statement
for the half-year to 30 June 2002

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Net cash inflow from operating activities	**148,059**	145,314	159,713
Taxation	**(17,429)**	(15,867)	(46,436)
Capital expenditure and financial investment	**(6,313)**	(8,816)	(6,487)
Acquisitions and disposals	**27,000**	(2,510)	(2,510)
Equity dividends paid	**(42,823)**	(40,401)	(69,360)
Management of liquid resources	**(37,299)**	(35,000)	(110,621)
Financing	**(50,984)**	(22,328)	81,000
Increase in cash in the period	**20,211**	20,392	5,299

The cash flow statement above has been prepared in accordance with FRS 1 (Revised 1996) 'Cash Flow Statements'. As required by that standard, the statement aggregates the cash flows arising from the motor insurance and home credit divisions. However, the cash and investments held by the motor insurance division are required by its regulators to be strictly segregated from the rest of the group and are not available to repay group borrowings.

At 30 June 2002 the cash and investments held by the motor insurance division amounted to £462 million (30 June 2001 £386 million).

Reconciliation of net cash flow to movement in net (debt)/funds	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Increase in net cash for the period	**20,211**	20,392	5,299
Cash outflow from increase in liquid resources	**37,299**	35,000	110,621
	57,510	55,392	115,920
Cash outflow/(inflow) from decrease/(increase) in debt	**51,292**	23,111	(103,045)
Change in net debt resulting from cash flows	**108,802**	78,503	12,875
Loans relating to business acquired	**–**	(975)	(975)
Exchange adjustments	**(1,853)**	(5)	(1,696)
Net debt at start of period	**(40,956)**	(51,160)	(51,160)
Net funds/(debt) at end of period	**65,993**	26,363	(40,956)

Consolidated cash flow statement
for the half-year to 30 June 2002

Analysis of changes in net (debt)/funds	31 December 2001 £'000	Cash flows £'000	Other changes £'000	Exchange adjustments £'000	30 June 2002 £'000
Cash at bank and in hand	44,623	20,211	–	165	**64,999**
Overdrafts	–	–	(2,541)	–	**(2,541)**
	44,623	20,211	(2,541)	165	**62,458**
Investments realisable within one year	430,621	37,299	–	–	**467,920**
Bank and other borrowings:					
– less than one year	(42,969)	23,462	2,541	(1,055)	**(18,021)**
– more than one year	(473,231)	27,830	–	(963)	**(446,364)**
	(516,200)	51,292	2,541	(2,018)	**(464,385)**
Net (debt)/funds	(40,956)	108,802	–	(1,853)	**65,993**

Cash, borrowings and overdraft balances shown above at 31 December 2001 and 30 June 2002 agree to the balance sheets at those dates. Investments realisable within one year exclude those current asset investments which are not considered to be liquid resources (being those investments with more than one year to maturity when acquired, but less than one year to maturity at the balance sheet date, other than investments which are traded on an active market).

Reconciliation of operating profit to net cash inflow from operating activities	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Operating profit	**74,551**	70,210	169,610
Depreciation and amortisation	**4,337**	3,549	8,217
(Profit)/loss on sale of tangible fixed assets	**(75)**	124	451
Decrease/(increase) in amounts receivable from customers	**54,420**	33,381	(80,661)
Increase in debtors	**(33,844)**	(8,144)	(8,124)
Increase in insurance accruals and deferred income	**50,023**	34,232	64,211
(Decrease)/increase in other creditors	**(1,353)**	11,962	6,009
Net cash inflow from operating activities	**148,059**	145,314	159,713

Net cash inflow from operating activities can be analysed as follows:

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
UK home credit	**117,411**	124,644	123,535
International home credit	**(7,591)**	(31,923)	(52,523)
Motor insurance	**51,498**	56,699	99,429
Central	**(13,259)**	(4,106)	(10,728)
	148,059	145,314	159,713

Notes to the financial information
Results for the half-year to 30 June 2002

1 The financial information has been prepared on the basis of the accounting policies set out in the group's 2001 statutory accounts except that in these accounts the group has adopted Financial Reporting Standard ('FRS') 19 'Deferred Tax'. The impact of applying FRS 19 is not material to the results of the group. This financial information does not constitute a set of statutory accounts and is unaudited. This document (the 2002 interim report) will be published on the company's website, in addition to the normal paper version. The maintenance and integrity of the Provident Financial website is the responsibility of the directors and the work carried out by the auditors does not involve consideration of these matters. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2 The information relating to the full year ended 31 December 2001 is an extract from the latest published accounts on which the auditors gave an unqualified opinion and which have been delivered to the Registrar of Companies.

3 Exceptional loss on disposal of business

On 29 May 2002, the company sold its subsidiary, Colonnade Insurance Brokers Limited. The resulting loss on disposal comprises:

	Unaudited Half-year to 30 June 2002 £'000
Consideration after the repayment of inter-company borrowings and net of disposal costs	**10,097**
Net assets at disposal	**(6,000)**
Profit on disposal prior to write-back of goodwill	**4,097**
Goodwill previously written off to reserves	**(14,797)**
Exceptional loss on disposal	**(10,700)**

There was no tax impact of the disposal on the results for the period.

4 Taxation

The taxation charge has been calculated by applying the directors' best estimate of the effective tax rate for the year, which is 29% (30 June 2001 28%), to the pre-exceptional profit for the period.

5 Dividends paid and proposed

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Interim dividend declared 12.46p (30 June 2001 11.75p)	**30,327**	28,946	28,971
Final dividend paid 17.60p	**–**	–	42,817
	30,327	28,946	71,788
Dividend cover	**1.39**	1.75	1.72

The interim dividend for 2002 is 1.75 times covered by pre-exceptional earnings.

Notes to the financial information
Results for the half-year to 30 June 2002

6 Earnings per share

The basic and diluted earnings per share figures have been calculated using the profit for the period attributed to ordinary shareholders of £42,231,000 (30 June 2001 £50,551,000) and the weighted average number of shares in issue during the period. The pre-exceptional earnings per share figures have been calculated using a profit after tax result, excluding the exceptional item, of £52,931,000 (30 June 2001 £50,551,000) and the weighted average number of shares in issue during the period.

The weighted average number of shares in issue during the period can be reconciled to the number used in the basic and diluted earnings per share calculations as follows:

Weighted average number of shares	Unaudited Half-year to 30 June 2002 Number	Unaudited Half-year to 30 June 2001 Number	Audited Full year 2001 Number
In issue during the period	**245,431,284**	248,965,864	248,147,454
Held by the QUEST	**(2,126,663)**	(2,643,915)	(2,456,807)
Used in basic earnings per share calculation	**243,304,621**	246,321,949	245,690,647
Issuable on conversion of outstanding options	**1,263,466**	1,821,287	1,546,712
Used in diluted earnings per share calculation	**244,568,087**	248,143,236	247,237,359

The movement on the number of shares in issue during the period is as follows:	Number
At 1 January 2002	245,413,339
Shares issued pursuant to the exercise of options	93,416
At 30 June 2002	**245,506,755**

7 Reconciliation of movement in equity shareholders' funds

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Profit attributable to equity shareholders	**42,231**	50,551	123,815
Dividends	**(30,327)**	(28,946)	(71,788)
Retained profit	**11,904**	21,605	52,027
New share capital issued	**308**	783	1,135
Share capital cancelled on share buy-back	**–**	–	(907)
Share buy-back	**–**	–	(22,273)
Goodwill on disposal (note 3)	**14,797**	–	–
Currency translation differences	**(11)**	654	(120)
Net addition to equity shareholders' funds	**26,998**	23,042	29,862
Equity shareholders' funds at beginning of period	**296,548**	266,686	266,686
Equity shareholders' funds at end of period	**323,546**	289,728	296,548

Notes to the financial information
Results for the half-year to 30 June 2002 continued

8 Amounts receivable from customers

(a) Instalment credit receivables	Unaudited As at 30 June 2002 £'000	Unaudited As at 30 June 2001 £'000	Audited As at 31 December 2001 £'000
Gross instalment credit receivables	**1,055,589**	945,475	1,105,511
Less: provision for bad and doubtful debts	**(103,487)**	(91,196)	(86,251)
Instalment credit receivables after provision for bad and doubtful debts	**952,102**	854,279	1,019,260
Less: deferred revenue thereon	**(275,333)**	(240,055)	(290,009)
	676,769	614,224	729,251
Analysed as: – due within one year	**668,246**	606,133	719,637
– due in more than one year	**8,523**	8,091	9,614
	676,769	614,224	729,251

At 30 June 2002 the net amounts receivable from UK home credit customers were £549.9 million (30 June 2001 £520.3 million) and from international home credit customers were £126.9 million (30 June 2001 £93.9 million).

(b) Bad and doubtful debts	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Audited Full year 2001 £'000
Gross provision at end of period	**103,487**	91,196	86,251
Less: deferred revenue thereon	**(33,384)**	(28,560)	(27,589)
Net provision at end of period	**70,103**	62,636	58,662
Net provision at start of period	**(58,662)**	(54,820)	(54,820)
Increase in provision (net of deferred revenue)	**11,441**	7,816	3,842
Amounts written off (net of deferred revenue)	**49,054**	42,499	92,204
Net charge to profit and loss account for bad and doubtful debts	**60,495**	50,315	96,046
Analysed as: – UK home credit	**46,739**	41,008	76,345
– International home credit	**13,756**	9,307	19,701
	60,495	50,315	96,046

(c) The figures for receivables, provisions and bad and doubtful debts at 30 June 2002 should be compared with the equivalent information at 30 June 2001 in view of the long established seasonal patterns in lending and collections.

Notes to the financial information
Results for the half-year to 30 June 2002 continued

9 Credit issued

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Growth %
UK home credit	**396,217**	390,601	1.4%
International home credit			
Poland	**87,887**	76,652	14.7%
Czech Republic	**31,794**	26,942	18.0%
Hungary	**4,142**	91	
Slovakia	**1,473**	86	
	125,296	103,771	20.7%
South Africa	**–**	3,163	
	521,513	497,535	4.8%

10 Collections

	Unaudited Half-year to 30 June 2002 £'000	Unaudited Half-year to 30 June 2001 £'000	Growth %
UK home credit	**651,087**	634,108	2.7%
International home credit			
Poland	**116,543**	80,056	45.6%
Czech Republic	**40,097**	32,384	23.8%
Hungary	**3,540**	12	
Slovakia	**1,385**	38	
	161,565	112,490	43.6%
South Africa	**–**	3,629	
	812,652	750,227	8.3%

11 Customer numbers

	Unaudited As at 30 June 2002 Number '000	Unaudited As at 30 June 2001 Number '000	Growth %
UK home credit	**1,574**	1,540	2.2%
Motor insurance	**855**	833	2.6%
International home credit			
Poland	**561**	416	34.9%
Czech Republic	**206**	184	12.0%
Hungary	**27**	1	
Slovakia	**12**	1	
	806	602	33.9%
	3,235	2,975	8.7%
South Africa	**–**	39	
Colonnade Insurance Brokers	**–**	343	
	3,235	3,357	(3.6%)

Independent review report to Provident Financial plc

Introduction

We have been instructed by the company to review the financial information which comprises the consolidated profit and loss account, statement of total recognised gains and losses, consolidated balance sheet, consolidated cash flow statement and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2002.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Leeds
24 July 2002

Shareholder information

1 The shares will be marked ex-dividend on 18 September 2002.

2 The interim dividend will be paid on 18 October 2002 to shareholders on the register at the close of business on 20 September 2002.

3 Dividend warrants/vouchers will be posted on 16 October 2002.

4 The interim report is being posted to shareholders on 2 August 2002.

5 The Provident Financial Company Nominee Scheme (“the scheme”) enables shareholders who are eligible, namely individuals, to take advantage of the CREST system for settling transactions in shares in the company by means of a low-cost dealing service. It includes a dividend reinvestment scheme for those who wish to use this facility. Shareholders who wish to take advantage of the scheme should contact the company’s registrar, Capita IRG Plc, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU (telephone: 0870 162 3100) to request an information pack. The registrar’s website is www.capita-irg.com.

Directors

Executive directors

Robin Ashton
Chief Executive

John Harnett
Finance Director

Chris Johnstone
Managing Director, UK home credit

David Swann
Managing Director, international home credit

Non-executive directors

John de Blocq van Kuffeler
Chairman

Charles Gregson
Deputy Chairman and senior non-executive director

Angela Heylin OBE
Chairman of the Remuneration Committee

John Maxwell
Chairman of the Audit Committee

Interim 2002
www.providentfinancial.com

For further information
visit our website

Provident Financial
Interim 2002

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