



**PROVIDENT
FINANCIAL**

Provident Financial
Half year results

To 30 June 2000

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Achievements to 30 June 2000

Customers up to	2.9m	+ 17.0%
Turnover up to	£340.3m	+ 27.8%
Like for like profit up to	£65.1m	+ 6.0%
Earnings per share up to	19.1p	+ 7.9%
Dividend per share up to	10.9p	+ 10.1%

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Divisional highlights

UK home credit

- > Bad debt ratio improved from 8.4% at year end to 8.2%
- > Agents up 4.6% to 11,961
- > Customers up 3.8% to 1.55m
- > Credit issued up 3.8%
- > Profit before tax up 2.4% to £60.3m

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Divisional highlights

International home credit

- > 30 new offices opened
- > Agents up by 2,307 to 5,975
- > Customers up from 149,000 at year end to 281,000
- > Start up loss of £6.9m, up from £4.2m in H1 1999

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Divisional highlights

Motor insurance

- > Record half year
- > Premium rates up 7% in first half
- > Underwriting customers up by 28% to 705,000
- > Claims inflation less than premium increases
- > Broking benefits from price increases
- > Profit up 36% to £15.6m

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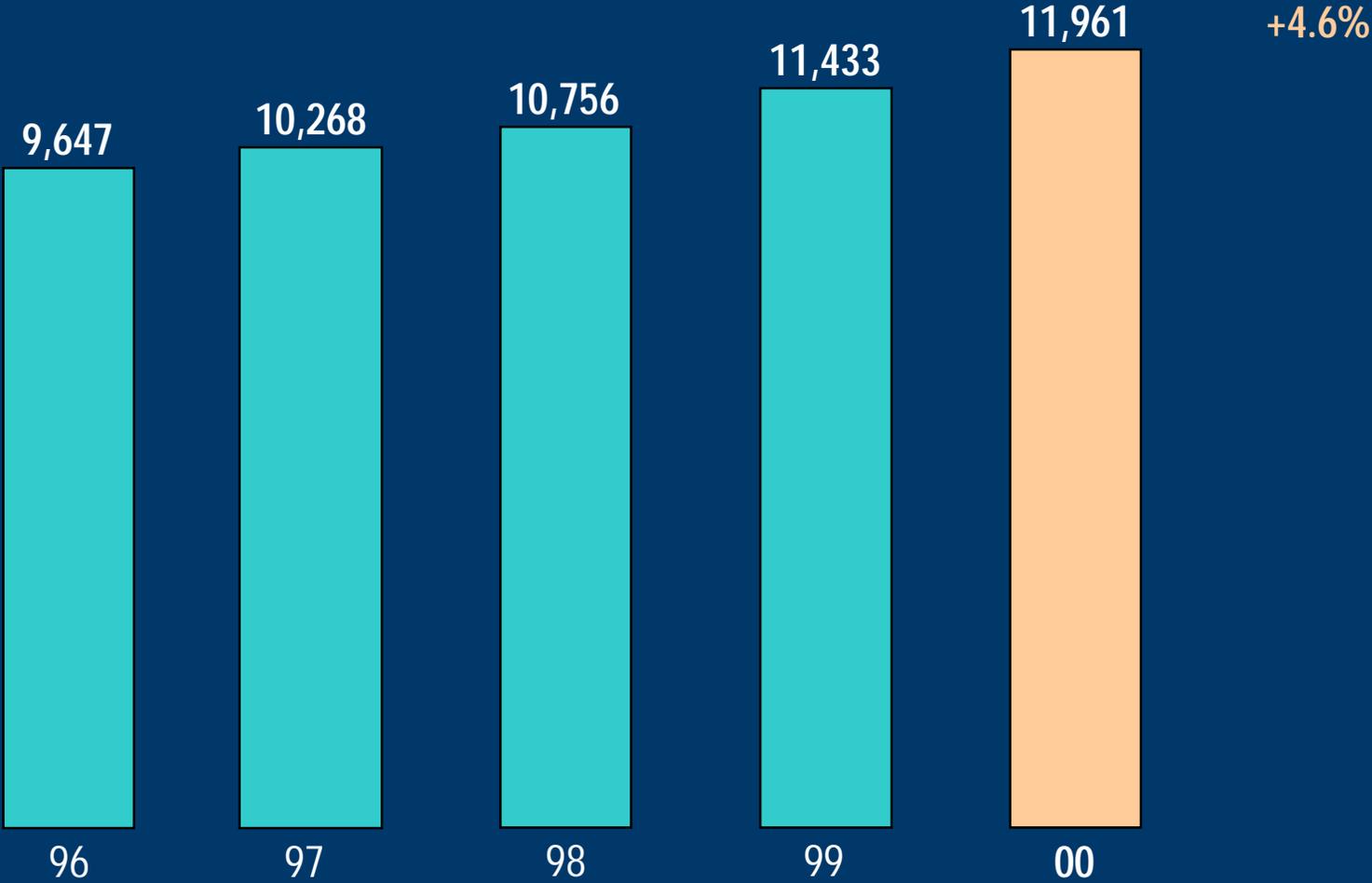
Profit before tax (£m)

	1999 like for like	June 2000
UK home credit	58.9	60.3
International home credit	(4.2)	(6.9)
Insurance	11.5	15.6
Central costs	(4.8)	(3.9)
Profit before tax	61.4	65.1

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Half year results

UK home credit

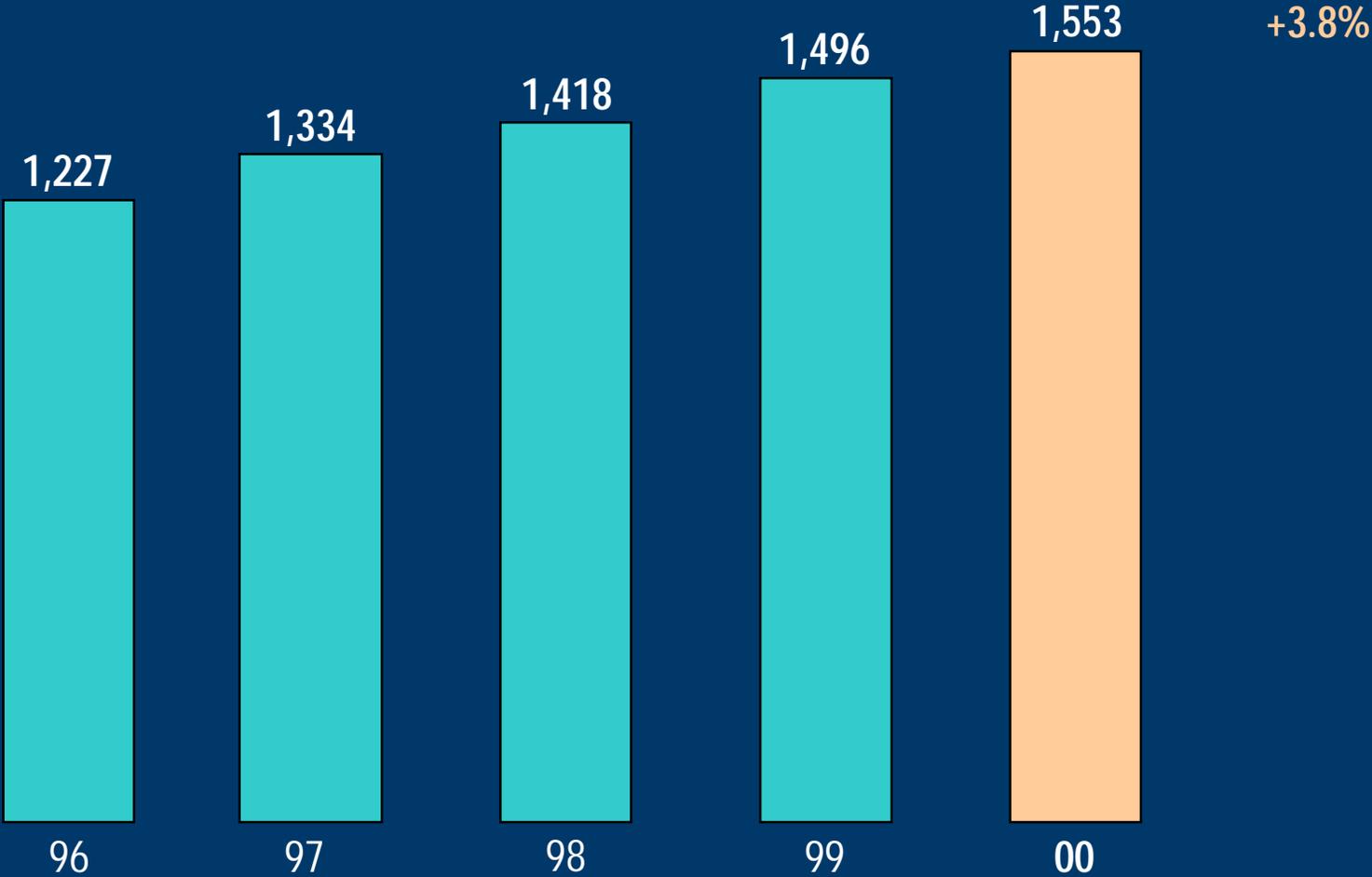
UK home credit Agents



As at 30 June

UK home credit

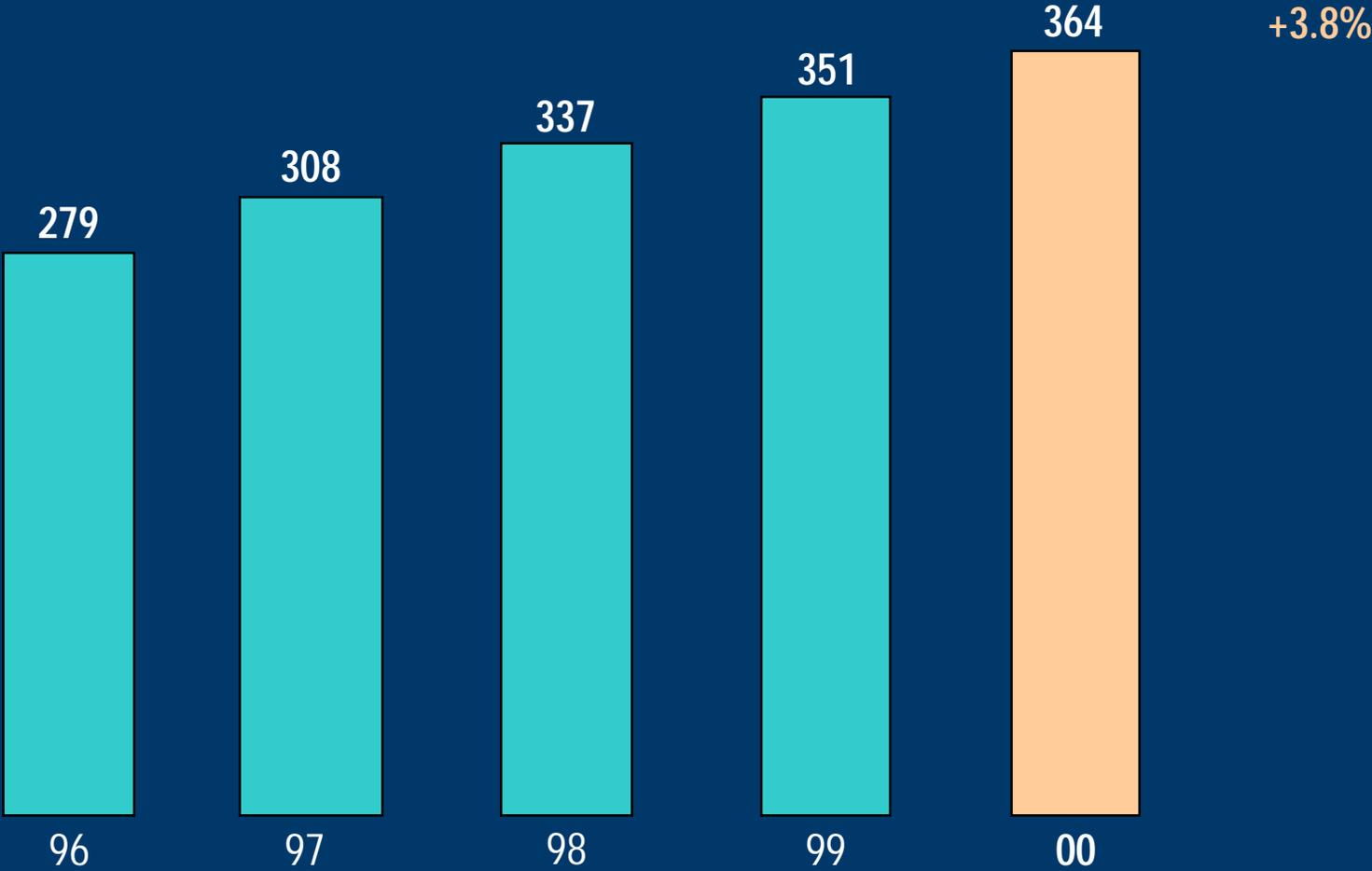
Customers (000s)



As at 30 June

UK home credit

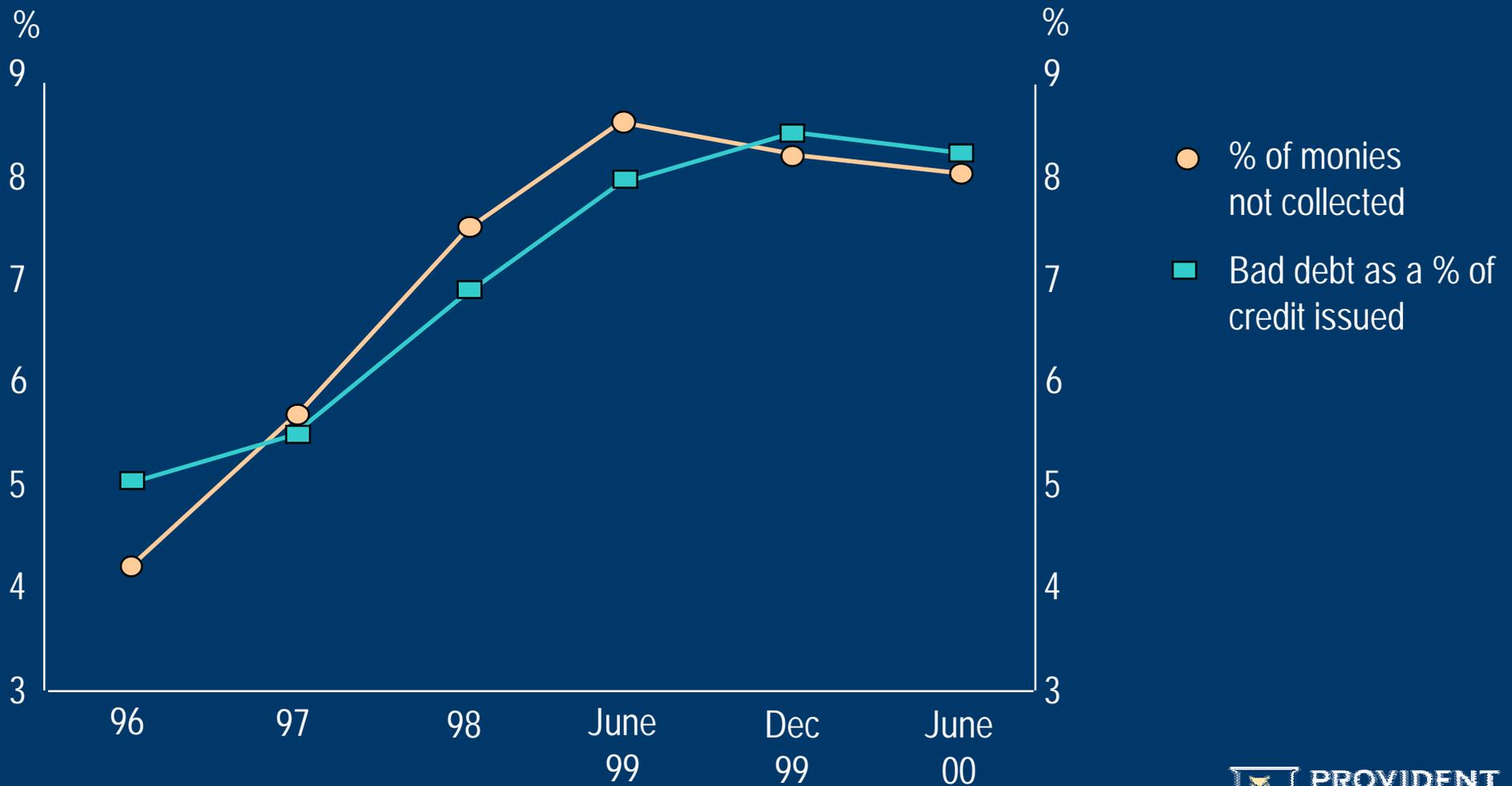
Credit issued (£m)



As at 30 June

UK home credit

Collections and bad debt



UK home credit

Changes taking effect

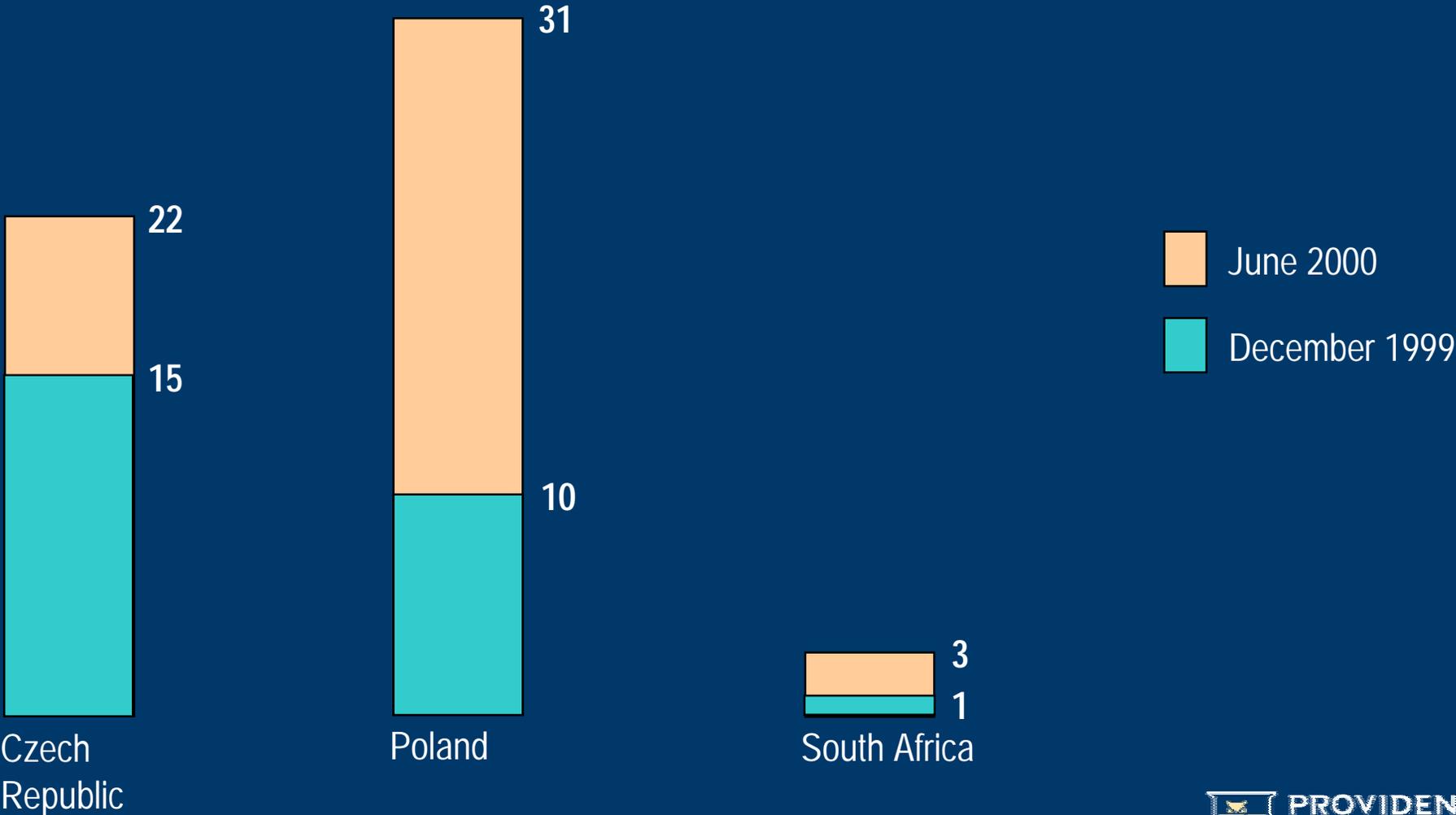
- > Improved support for field force and agents
- > More cautious lending and customer recruitment
- > Collection performance and bad debt ratio improved
- > Level of risk under control
- > Growth strategy remains in place

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Half year results

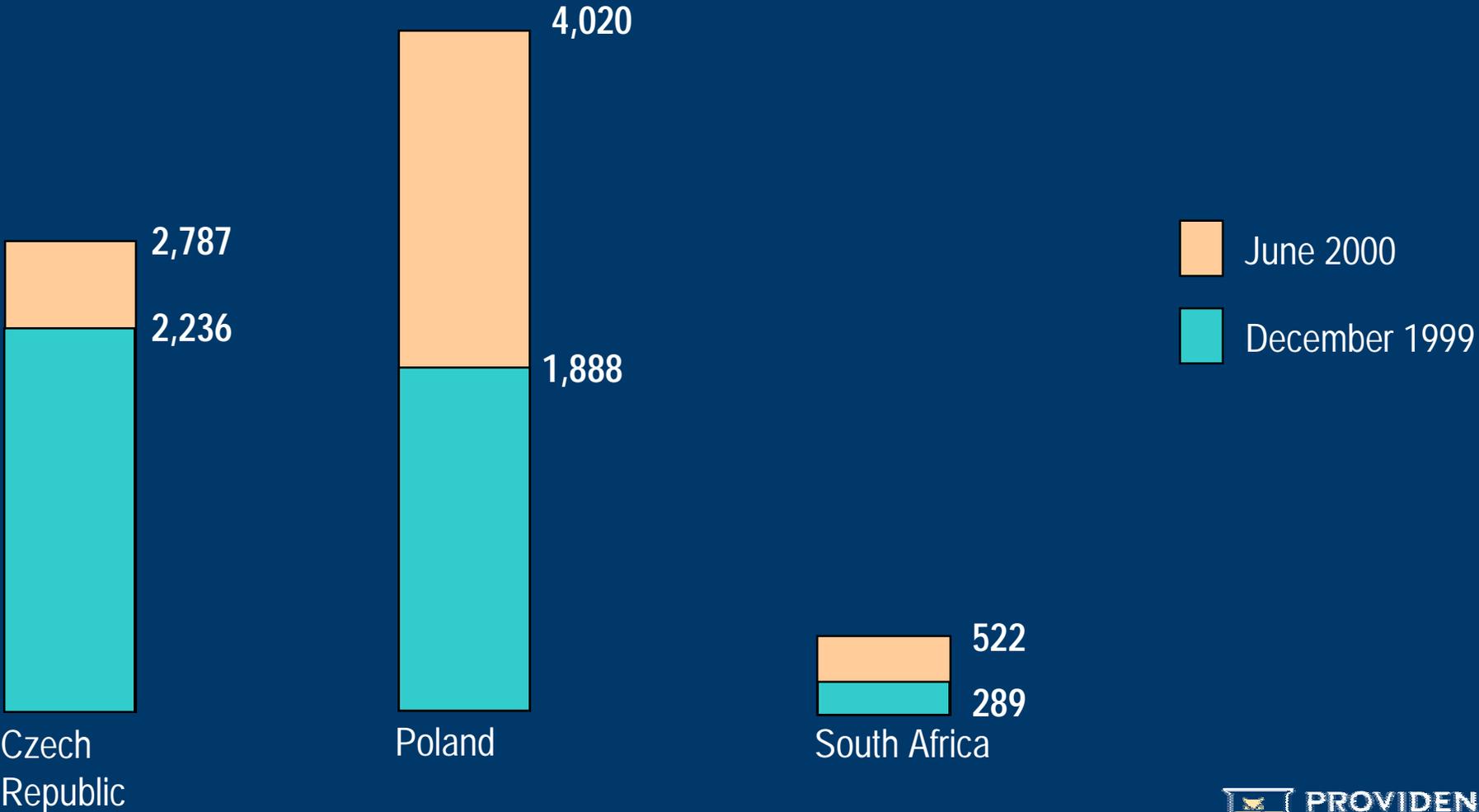
International home credit

International home credit

Locations

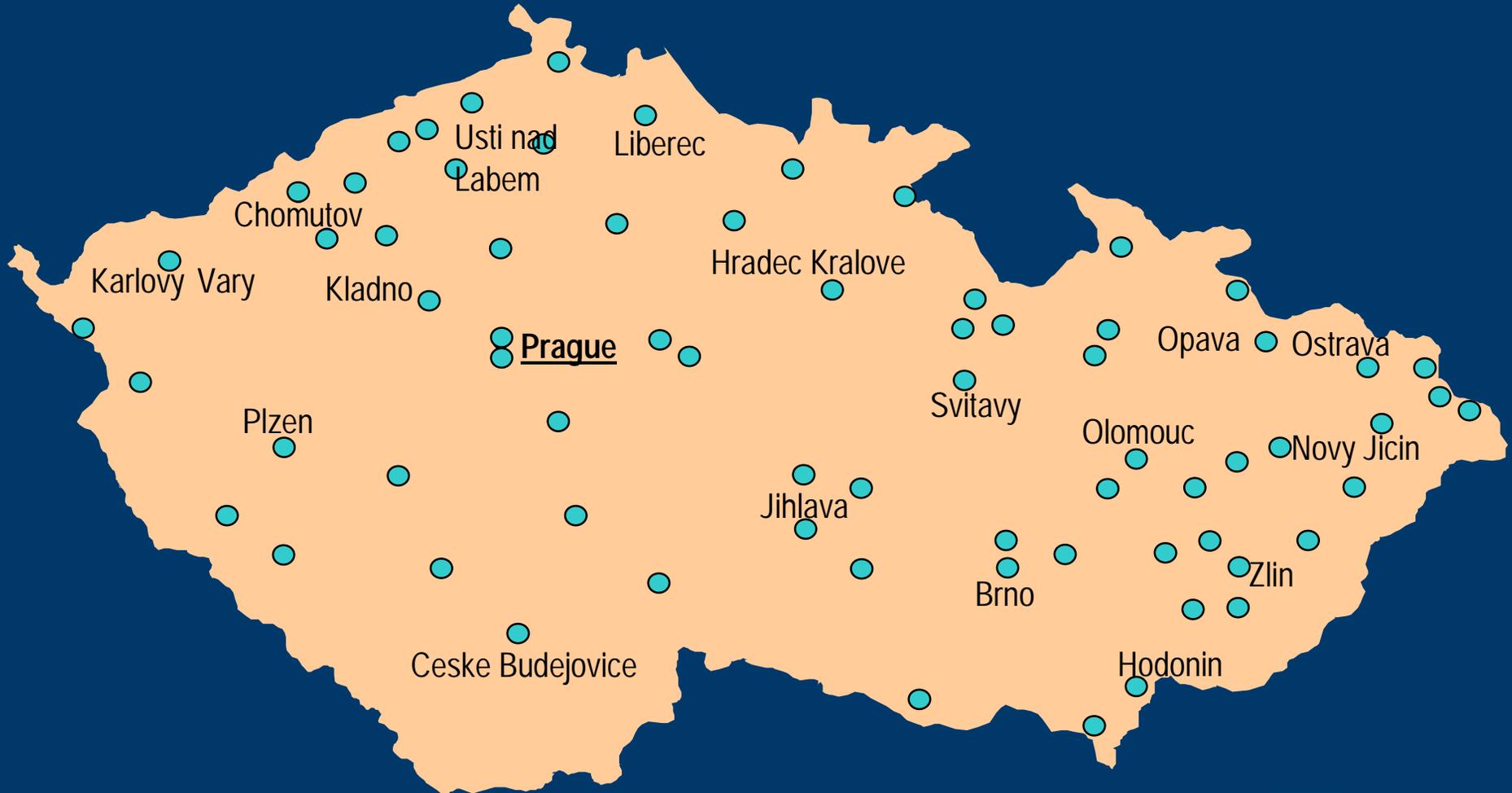


International home credit Staff and agents



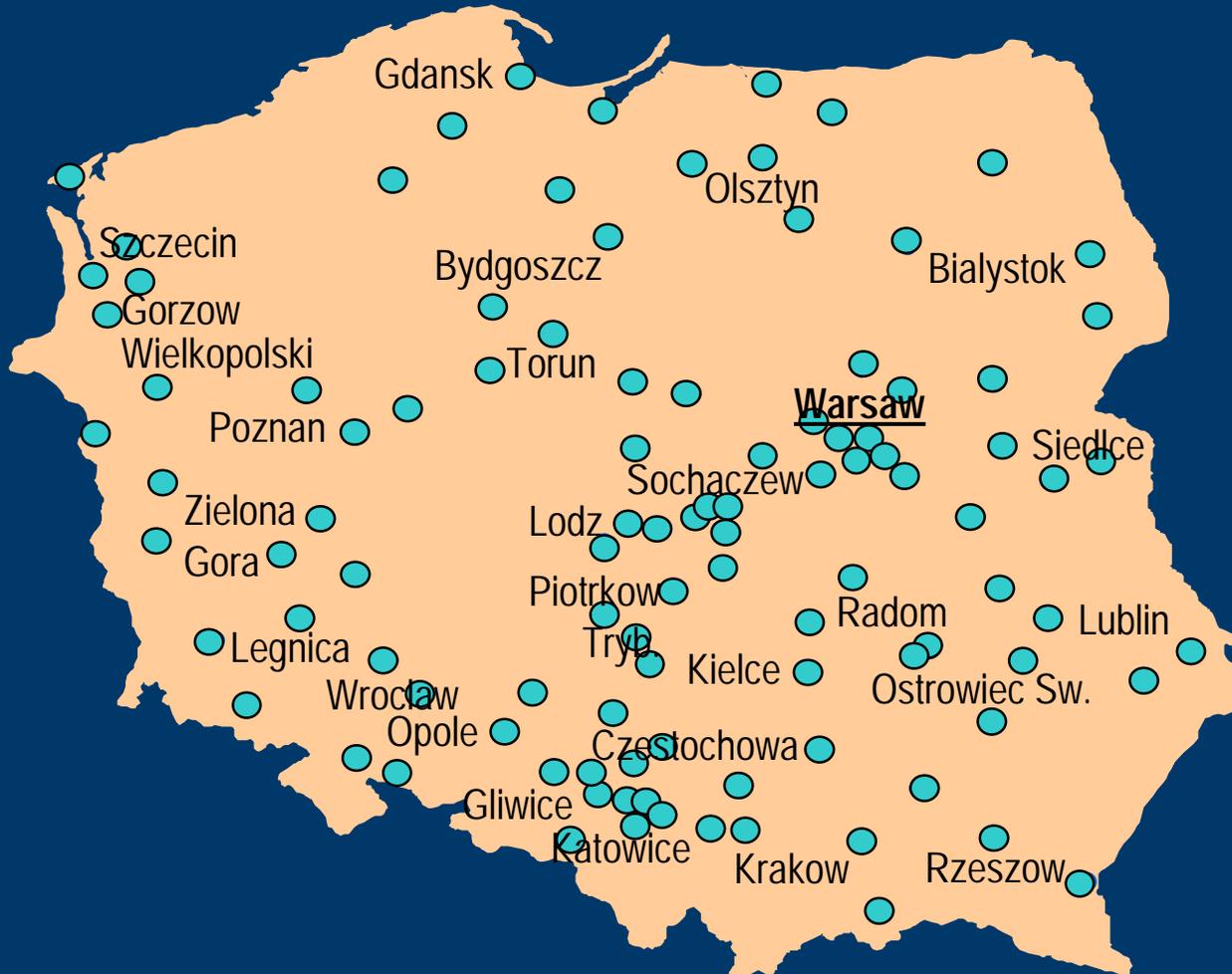
International home credit

Czech Republic coverage

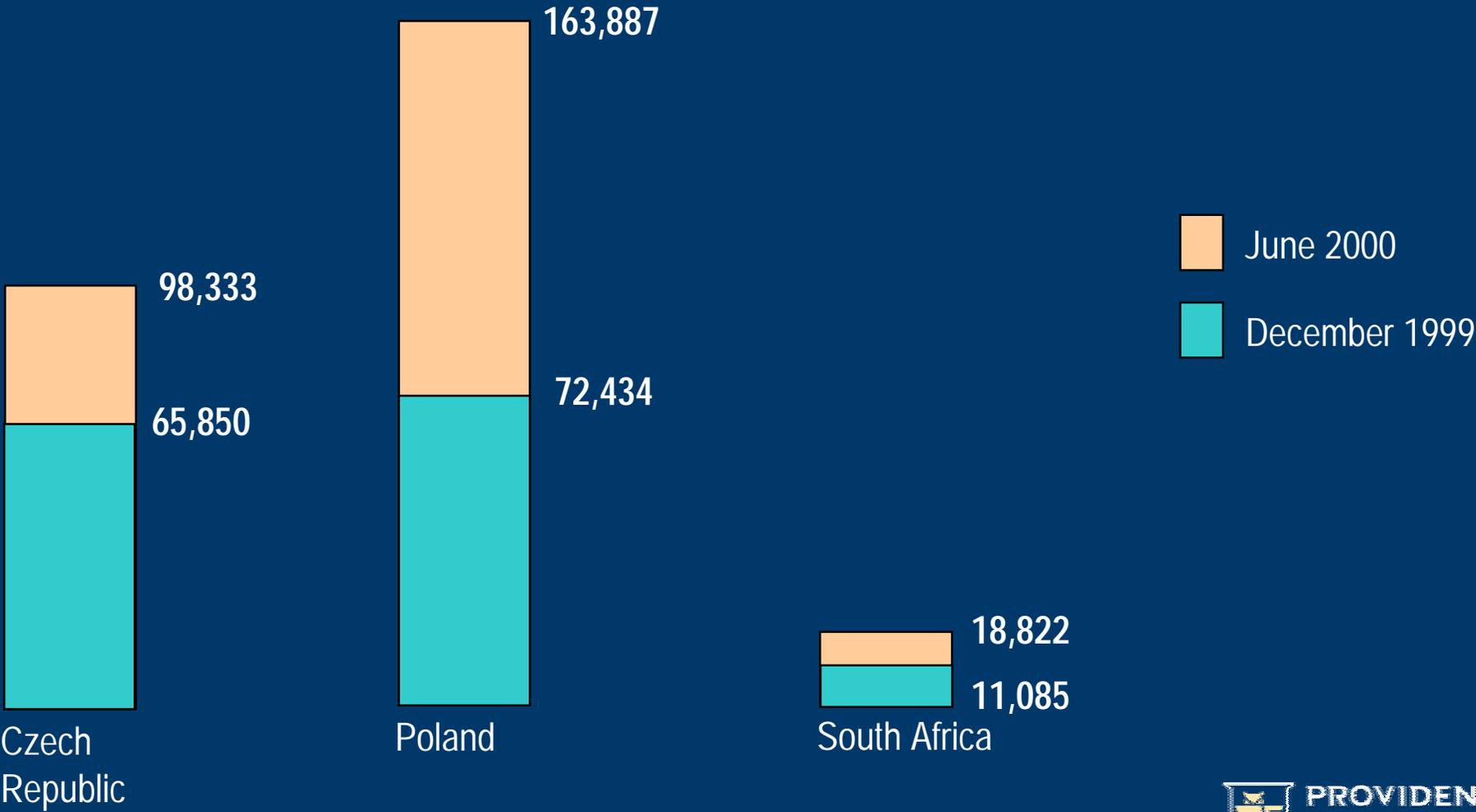


International home credit

Polish coverage



International home credit Customers



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Half year results

Insurance

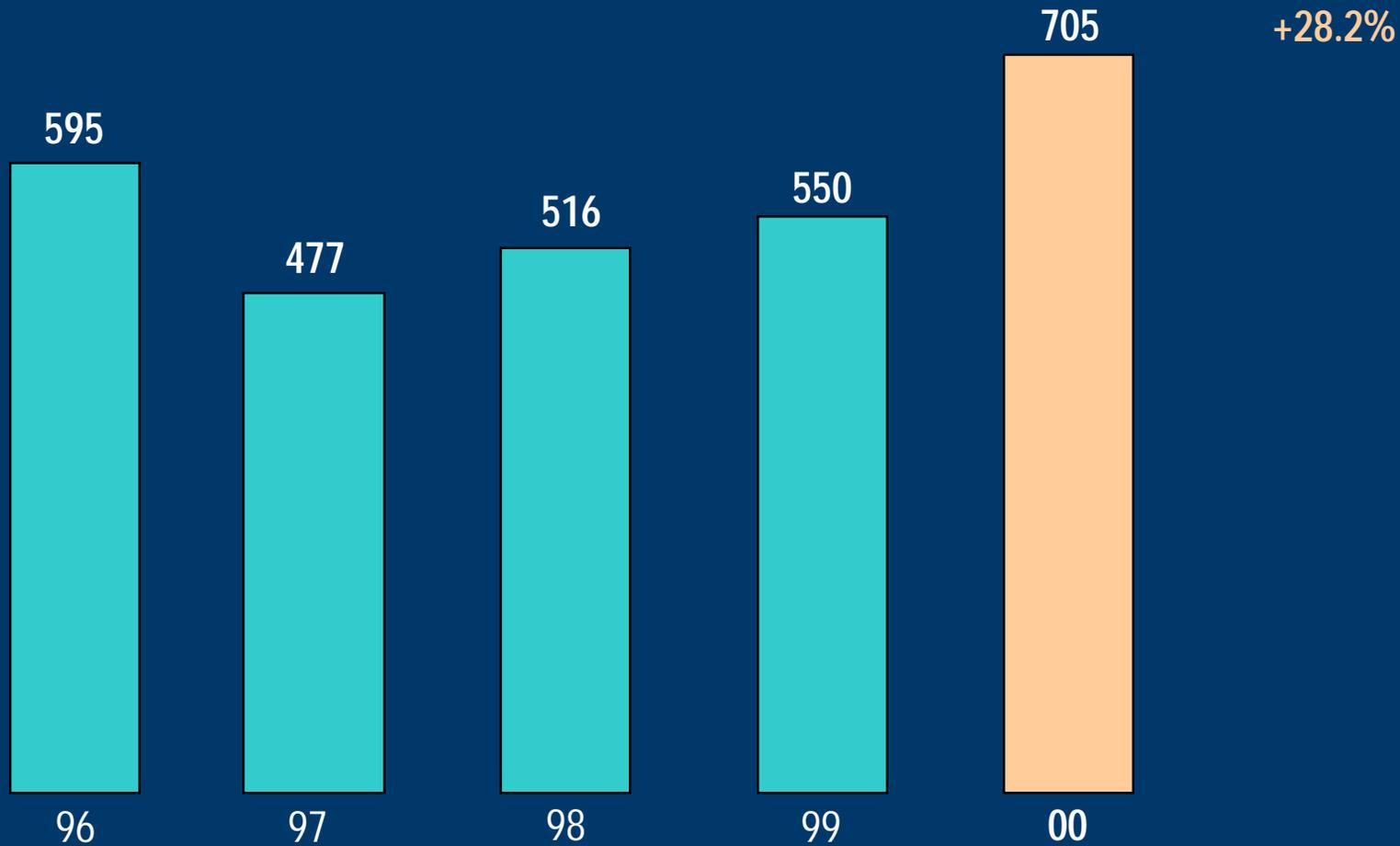
Insurance

2000 performance

- > Record first half
- > Premiums up by 7% in H1, 18% in last 12 months
- > 10% claims inflation per policy in last 12 months
- > Gross written premium up by 75% to £106m
- > Investment fund up 10% to £316 million
- > Profit before tax up 36% to £15.6m

Insurance

Underwriting customers (000s)



As at 30 June

Provident Financial

Group prospects for full year

- > UK home credit - bad debt ratio to stabilise at 8.2%
 - improved profit growth
- > International to trade near breakeven
- > Continued excellent results for insurance division
- > Confident of good result for year

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Group prospects beyond 2000

- > Insurance division - near the top of the cycle?
- > UK home credit - higher rates of profit growth
- > International division to earn profit in 2001 and rapidly progress towards substantial profitability
- > Confident in the future



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