PROVIDENT FINANCIAL

Acquisition of Yes Car Credit

An excellent acquisition

- Good strategic fit
- Opportunity for leading position in attractive market
- Unique and attractive credit-led business model
- Excellent growth prospects
- Modestly earnings enhancing in 2003; increasingly thereafter

Principal terms of the transaction

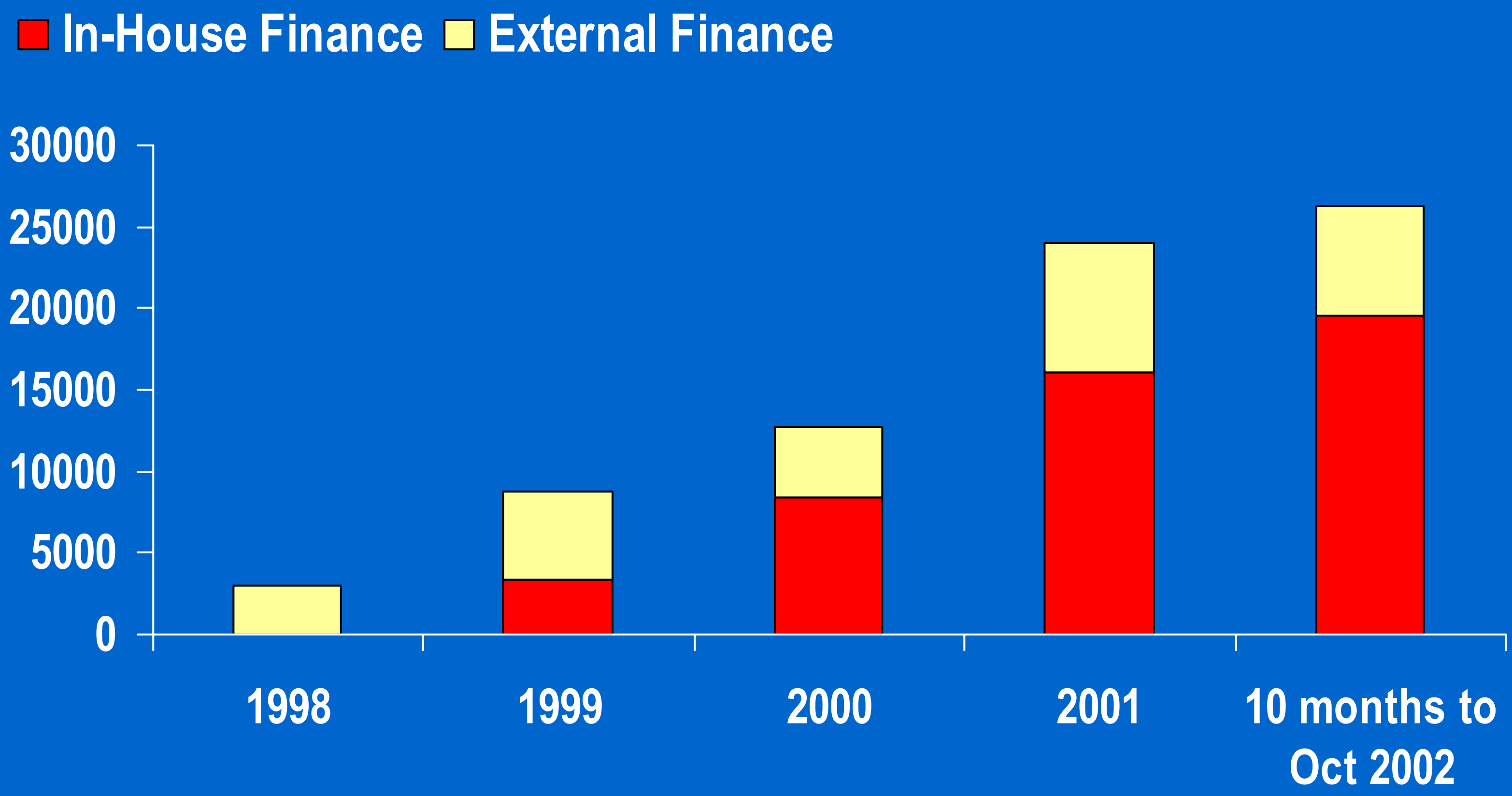
- Purchase price: £53 million unconditional
- Management incentivised by earn-out
- Total earn-out capped at £88m
- 2003 acquisition multiple reduces as earn-out increases
- Funding - bank debt plus an equity placing of £50m
- Target capital structure achieved

Yes Car Credit – The business

- Founded in 1997
- £152.6m turnover for 2001
- Unique credit-led business model
- Integrated sub-prime car finance, car sales and insurance
- Sells & provides 4-year finance for cars, normally 3 - 5 years old
- Average vehicle sales price around £4,800
- Repayment by direct debit

Yes Car Credit's growth record

Cars sold



Branch network & customer acquisition

> National TV advertising

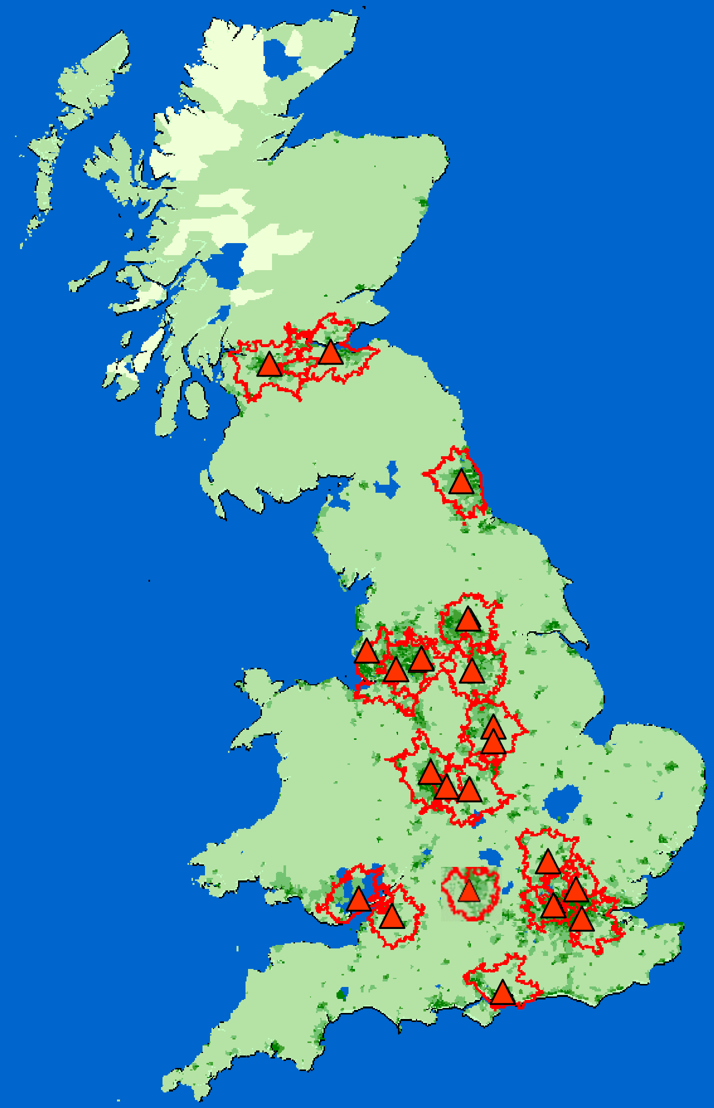
> National press advertising

> Direct mail

> Internet

> Affinity partners

> Partial geographic coverage



Yes Car Credit sales process

- National advertising
- Contact with call centre
- Finance first, then select car
- Related insurances arranged
- High ratio of sales to appointments

Customer benefits

> Confidence of acceptance
> No complicated forms
> Quality car
> Insurance products to reduce risk
> Competitive APRs

Competitive advantages of the Yes Car Credit “integrated” model

- Control of customer acquisition
- Ownership of the customer relationship
- Captures all of the profit
- Direct control of quality of cars

Yes Car Credit - financial summary

	2000	2001	PRO FORMA 2002 10 months to Oct.
Car unit sales	12,718	24,049	26,276
Finance contracts written	8,356	16,035	19,592
£m			
Turnover	80	153	181
Profit/(loss) before tax	(3.1)	(1.6)	4.0
Net receivables	52	103	158
Gross borrowing	63	118	178
Deferred revenue	32	62	93

Credit quality

	2000	2001
Net receivables (£m)	52	103
Bad debt charge (£m)	7.1	12.9
% of receivables	13.6%	12.5%
% of turnover	8.9%	8.5%

Unaudited balance sheet as at 31 October 2002

	£m	£m
Fixed assets		4
Vehicle stock		11
Gross receivables	265	
Less: deferred revenue	(93)	
Less: provision for bad debts	(14)	
Net receivables		158
Other net current liablilities		(2)
Bank and other borrowings		(178)
Net liabilities		(7)

Sub-prime car finance market forecast to grow at 6% p.a

Advances pa (through car dealers)

Sub-prime used cars	£1.5bn
Predicted growth rate*:	c.6% pa

*Datamonitor

Compared to the USA, the UK sub-prime car finance market is relatively under developed

	UK Sub-prime	USA Sub-prime
Finance penetration	48%	90%
Replacement frequency	3.4 years	3.0 years
Cars per household	0.75	1.25

Summary of key growth drivers for Yes Car Credit

> Market expected to grow by 6% per annum

> Greater access to funding

> Scope to expand branch network

> Increased in-house financing

> Increasing profits from deferred revenue release

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Terms of the transaction

> £41 million payable to corporate vendors on completion

> £6 million payable to management on completion

> £6 million payable to management on 30 June 2004

> Management earn-out calculated as 2.58 times average 2002 and 2003 adjusted audited profit after tax, payable on 30 June 2004 (capped at £50 million)

> Institutional earn-out calculated at 6 times the excess of the average 2002 and 2003 adjusted audited profit after tax over £3.23m, payable on 30 June 2004 (capped at £38 million)