



10 June 2020

International Personal Finance plc Trading update and timing of 2020 half-year financial report

International Personal Finance plc (IPF) specialises in providing unsecured consumer credit to more than two million customers across 11 markets. We operate the world's largest home credit business and a leading fintech business, IPF Digital.

In light of the ongoing Covid-19 pandemic, IPF is publishing the following information to update investors on key operational performance metrics for April and May 2020.

- Our guiding principles continue to be to protect our people, our customers and the business.
- Our return to office strategy is underway as lockdowns in Europe and Mexico ease. We are focussed on ensuring our teams are able to serve our customers and work in a 'new normal' environment safely, effectively and with confidence.
- We maintained tighter credit settings in the period to protect credit quality and manage cashflow and, as forecast, restricted Group credit issued to 30% of our original 2020 budget during April and May. In the near-term, our focus for new lending will continue to be on our loyal customers who have strong credit quality characteristics. We expect volumes to increase moderately in June as lockdown restrictions are eased and our collections performance continues to improve.
- Group collections effectiveness improved to 80% of pre-Covid levels in May (April 2020: 76%), driven largely by European home credit where there was an increase in the proportion of agents visiting customers and alternative repayment options were implemented. We expect collections effectiveness to progressively improve in the coming months due to the easing of lockdown restrictions in most of our markets.
- Improving collections, good cost reduction and effective management of sales volumes resulted in robust net cash flow generation in May of £43 million (April 2020: £41 million before £21 million Eurobond coupon payment).
- Cash and headroom on undrawn debt facilities was £223 million at 31 May 2020.
- The following maturing bonds have been repaid since our last trading update:
 - £44 million 6.125% bonds due 8 May 2020
 - PLN 200 million (approx. £40 million) due 3 June 2020The Group is focussing on the need to refinance its €406 million Eurobond, which matures April 2021. As part of ordinary course liability management exercises, IPF has made, and may in the future make, on-market purchases of its outstanding bonds.
- During May, Moody's reaffirmed the Group's credit rating at Ba3 (stable outlook) including the ratings of bonds issued under the Group's Euro Medium Term Note Programme.



In order to be able to provide a greater degree of clarity on performance and to allow more time for preparation and review, we will publish the Group's half-year financial report early in September 2020 rather than the originally scheduled date of 29 July 2020. This is in line with guidance from the FRC.

Gerard Ryan, CEO at IPF plc, commented: *"I am pleased with the progress we have made since our last trading update. We have adhered to our guiding principles of protecting our people, our customers and our business, and through the huge effort, dedication and response of our teams across the business, we have improved our collections effectiveness. We have a resilient business and as restrictions ease further, I am confident that we will increase our volume of new lending and see a steady improvement in performance. It is clear that following the pandemic, the need for a principled and responsible institution that provides finance to underbanked and underserved consumers around the world will be more important than ever. We fully expect to fulfil that role."*

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A copy of this statement can be found on our website – www.ipfin.co.uk

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