



22 January 2021

International Personal Finance plc December 2020 Trading and Regulatory Update

International Personal Finance plc (IPF) specialises in providing unsecured consumer credit to around 1.7 million customers across 11 markets. We operate the world's largest home credit business and a leading fintech business, IPF Digital.

As part of our strategy to regularly update investors on key operational performance metrics during the Covid-19 pandemic, IPF is publishing the following information for December 2020 together with an update on regulatory matters.

- **Robust collections effectiveness**

We continued to deliver a robust level of collections effectiveness in December at 96% of pre-Covid expectations (November 2020: 97%) with all of our businesses contributing well to this performance. We are encouraged that the modest reduction in collections effectiveness we expected during Q4 did not materialise, but we continue to plan for a softening in performance in Q1 2021.

- **Growth in credit issued**

Serving customers responsibly during our seasonal peak month of December supported a 4 ppt increase in credit issued to 65% of pre-Covid expectations. As part of our strategy to rebuild the business in 2021 and beyond, we will continue to progressively relax credit settings while maintaining a clear focus on portfolio quality and the macroeconomic effects of the pandemic.

- **Regulatory update**

As reported in our November trading update, the Polish government had proposed to extend the temporarily reduced cap on non-interest costs of consumer credit from 8 March 2021 until 31 December 2021. During yesterday's parliamentary session, an amendment to shorten the proposed extension until 30 June 2021 was overwhelmingly approved by members and the proposed law now awaits the President's signature. We expect the new law to become effective in the coming weeks and it will only impact new lending from that date. Our 2020 full-year results, which we plan to publish on Wednesday 3 March, will include an assessment of the potential impact of the extension on future lending and profitability.

Gerard Ryan, CEO at IPF, commented: *"We delivered another robust trading performance in December, a testament to how well our colleagues have adapted to serving our customers amid the challenges posed by the pandemic. It is disappointing that the temporary rate cap in Poland has been extended, but as we have demonstrated throughout the pandemic, we have an extremely resilient business model, and will continue our journey to rebuild our business in 2021 by lending responsibly to underbanked and underserved customers, and in turn deliver long-term growth and value to all our stakeholders."*

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

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