

Directors' Remuneration Report



"Our directors' remuneration framework is designed to reward exceptional leadership and drive sustainable value creation. By linking rewards to measurable performance metrics, we foster a culture of excellence and continuous improvement that underpins our future success"

Deborah Davis
Chair of the Remuneration Committee

Committee members

Deborah Davis, Chair and independent non-executive director

Richard Holmes, Independent non-executive director

Stuart Sinclair, Chair of the Board

Katrina Cliffe, Senior independent non-executive director

The table below shows the number of meetings held and the directors' attendance during 2024.

Committee member	Scheduled meetings ¹	No. of meetings attended	% of meetings attended
Deborah Davis	5	5	100%
Richard Holmes	5	5	100%
Stuart Sinclair	5	5	100%
Katrina Cliffe ²	2	2	100%

Notes

1. The scheduled meetings that each individual was entitled to and had the opportunity to attend.
2. Katrina Cliffe was appointed to the Committee in May 2024 following the 2024 AGM.

Dear shareholder,

On behalf of the Board and as Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2024. The report explains how the Committee carried out its duties during the year and the rationale behind the decisions that were taken. The report is divided into three sections:

1. Remuneration at a glance on the left, illustrating how our Next Gen business strategy aligns with our Remuneration Policy, and the link between pay and performance;
2. A summary of the Directors' Remuneration Policy (the 2023 Remuneration Policy), the full detail of which can be found on pages 100-109 of the 2022 Annual Report and Financial Statements; and
3. The 2024 Annual Remuneration Report, providing detail of amounts paid during the reporting year, including incentive outcomes and the planned implementation of the 2023 Remuneration Policy in 2025.

Overview

Role and composition

The Committee comprises three independent non-executive directors and the Chair of the Board. Full biographical details can be found on pages 80 and 81.

The Committee's responsibilities include:

- formulating and approving the Remuneration Policy for executive directors and the senior leadership team, and making recommendations to the Board. The Committee takes account of the remuneration of the wider workforce when setting policy for, and making remuneration decisions in respect of, the executive directors;
- determining appropriate performance targets and incentive outcomes; and
- engaging with shareholders on matters relating to remuneration.

The Committee's responsibilities are explained fully in its Terms of Reference which are available on our website at www.ipfin.co.uk.

Our Remuneration Framework is intended to strike an appropriate balance between fixed and variable pay components, and to provide a clear link between pay and our key strategic priorities. For example:

- profitable growth is recognised via the structure and operation of our annual bonus plan, which carries an 80% weighting on financial metrics;
- delivery of sustainable organisational performance and shareholder value is reflected in a progressive dividend policy, which underpins our Restricted Share Plan (see page 106); and
- our commitment to building a better world through financial inclusion is demonstrated by the adoption of a number of appropriate ESG metrics embedded in executive directors' remuneration, which align clearly to our purpose and reflect issues of direct importance to our key stakeholders, including our shareholders.

Business context

The Committee's remuneration decisions in 2024 were made within the context of the business delivering a strong operational and financial performance which included:

- year-on-year customer lending and receivables growth of 9.2% and 6.8% respectively (at constant exchange rates (CER));
- strong customer repayment performance and excellent credit quality driving a further 2.6 ppt year-on-year improvement in the Group's annualised impairment rate to 9.6%; and
- the successful completion of a £15m share buyback programme.

Shareholder context

Reflecting the continued strong performance of the Group and our strategy to realise the long-term growth potential of the business, a final dividend of 8.0 pence per share is proposed, representing a year-on-year increase of 11.1%. This is in line with our progressive dividend policy and brings the full-year dividend to 11.4 pence per share.

Employee and customer representative context

In making its executive remuneration decisions, the Committee continued to take into account wider workforce remuneration and related policies, and the alignment of incentives and rewards throughout the organisation.

The business continues to work hard to reward and recognise our 20,500 employees and customer representatives, and to provide the best possible opportunities for learning and development. This was reflected in:

- the delivery of over 400 training interventions to colleagues across 10 countries covering topics such as technical upskilling, storytelling and leadership development;
- embracing digital learning through our global learning management system, LinkedIn Learning, and Pluralsight to provide tailored learning experiences to our employees across the Group;
- holding our fourth annual Learning Festival, a week-long global event which attracted over 7,300 participations to more than 88 sessions and hosted by 92 speakers; and
- results from the 2024 Pulse Survey indicated a strong sense of wellbeing and engagement with 97% of colleagues reporting feeling their leader genuinely cares about their wellbeing.

Remuneration decisions made in 2024

As noted in the 2023 Directors' Remuneration Report, remuneration decisions included:

- a 4.5% increase in base salary awarded to the Chief Executive Officer and Chief Financial Officer in line with the typical annual salary increase for the wider UK workforce and less than the planned wider workforce pay budget of 5.5%, with salaries increasing to £614,076 and £356,606 respectively.
- Financial year 2023 bonus awards of 100% of maximum for both the Chief Executive Officer and the Chief Financial Officer (further details on which can be found on page 122 of the 2023 Annual Report and Financial Statements); and
- 2024 Restricted Share Plan awards of 80% of salary each for the Chief Executive Officer and Chief Financial Officer. These awards were in line with the normal level expected under the 2023 Policy.

Progress in 2024

In addition to the effective implementation of the 2023 Remuneration Policy, the Committee made good progress on its principal goals for 2024:

- prioritising the policies and practices as part of the Group's broader purpose agenda.

In respect of the 2024 annual bonus, the Committee refined ESG measures ensuring consistency between the executive directors' bonus priorities in this area, and those of the senior management team below the Board.

Key priorities for 2025

The priorities for the Committee will include:

- undertake a review of the Remuneration Policy, including consultation with shareholders, ahead of a vote at the AGM in 2026;
- continue the effective implementation of the 2023 Policy; and
- continue to monitor broader market and governance trends, and appropriate adaptation in line with compliance requirements.

Implementation of Remuneration Policy in 2025

The Committee approved:

- an increase in base salary of 2.5% each for the Chief Executive Officer and Chief Financial Officer, in line with the typical annual salary increase for the wider UK workforce and less than the planned wider workforce pay budget of 3.0%, with salaries increasing to £629,428 and £365,521 respectively.
- financial year 2024 bonus awards of 100% of maximum for the Chief Executive Officer and 100% for the Chief Financial Officer within the context of the business delivering a strong operational and financial performance (see page 102), and each executive director performing exceptionally well against their personal objectives (see pages 110 and 111);
- legacy 2022 PSP awards that have vested at 29.1% reflecting good TSR performance over the life of the scheme and above threshold performance on EPS, with below threshold achievement on net revenue growth.

The Committee considered base salary increases in the context of the business and external environment, recognising a positive trend in the macroeconomic climate across most of the markets in which our colleagues work. Base salary increases have been tailored in each market to reflect this; similar to 2024, this has resulted in salary increases in most markets being above the 2.5% award made to each of the executive directors. On that basis, the Committee is comfortable that the 2.5% awards made to our executive directors are fair and proportionate.

The Remuneration Committee is committed to maintaining an open dialogue with you, our shareholders, and look forward to reporting on progress in 2025.

Deborah Davis
Chair of the Committee

26 February 2025

Directors' Remuneration Policy 2023

The 2023 Remuneration Policy is included on pages 100-109 of the 2022 Annual Report and Financial Statements. A copy of the Report can be found on our website in the Investors section at www.ipfin.co.uk together with all notes to the Policy. The 2023 Remuneration Policy was approved by shareholders at the 2023 AGM and took effect from 27 April 2023.

The Remuneration Policy table for the executive directors has been reproduced below:

Purpose and link to strategy	Operation	Maximum opportunity	Metrics, weightings and period
Base salary To attract and retain talent capable of delivering the Group's strategy. Rewards executives for their performance in the role.	Base salary is paid in 12 equal monthly instalments during the year. Salaries are normally reviewed annually; generally, any changes are effective from 1 April. Salary levels are set considering role, experience, responsibility and performance, of both the individual and the Company, and also taking into account market conditions and the salaries for comparable roles in other companies.	Salary increases take into account salary reviews across the Group and are usually in line with increases awarded to UK employees. Additionally, due regard is given to any specific external factors or events relevant to the setting and review of executive salaries. By exception, higher awards may be made at the Committee's discretion to reflect individual circumstances. For example: <ul style="list-style-type: none"> – changes to role which increase scope and/or responsibility; – development and performance in the role; and – responding to competitive market pressures. There is no prescribed maximum increase.	None, although overall performance of the individual is considered by the Committee when setting and reviewing salaries annually.
Pension To provide retirement funding.	The Company operates a stakeholder scheme; at the discretion of the Committee, this may be paid as a cash allowance. The Company has closed its defined benefit scheme to new members and future accrual.	Company contribution is set at the most common rate for the wider workforce, currently 12%. Cash allowance is paid net of employer's NIC and other employment taxes.	None
Benefits To provide market-competitive benefits that support the executive directors to undertake their role.	The Company pays the cost of providing the benefits on a monthly, annual or one-off basis. All benefits are non-pensionable.	The standard benefits package includes: <ul style="list-style-type: none"> – life assurance of 4x salary; – car allowance; – long-term disability cover; – private medical cover for executive director and immediate family; – annual medical; and – ability to participate in the IPF Save As You Earn Plan (SAYE) and any other all-employee share plans on the same terms as other employees. Additional benefits may also be provided in certain circumstances, and may include relocation expenses, housing allowance and school fees. Other benefits may be offered if considered appropriate and reasonable by the Committee.	None

Purpose and link to strategy	Operation	Maximum opportunity	Metrics, weightings and period
Annual bonus To motivate and reward the generation of sustainable Group profit before tax and the achievement of specific personal objectives linked to the Company's strategy.	<p>Measures and targets are set annually, and payout levels are determined by the Committee after the year end, based on performance against those targets. The Committee may, in exceptional circumstances, amend the bonus payout should this not, in the view of the Committee, reflect overall business performance or individual contribution. 50% of the total amount is deferred for three years in Company shares through the Deferred Share Plan (DSP) until the executive director has achieved the shareholding requirement of 200%, at which point 25% of the total is deferred on the same basis. The remaining bonus (50% or 75% depending on shareholding) is paid in cash. Payments are made around three months after the end of the financial year to which they relate.</p> <p>There are provisions for clawback adjustments on the occurrence of certain events.</p> <p>Executive directors remain eligible to participate in, and receive pro rata payment under, the terms of the annual bonus during notice, until their date of leaving.</p>	<p>On-target bonus: 50% of maximum.</p> <p>Maximum opportunity: 130% of base salary.</p>	<p>Performance is measured over the financial year and is assessed using the following criteria:</p> <ul style="list-style-type: none"> – typically 80% is based on achievement of financial measures; and – typically 20% is based on achievement of personal objectives linked to achievement of Company strategy. <p>Although each of the annual bonus metrics could pay out independently, the Committee will set a minimum threshold profit target before any other metrics are assessed.</p>
Deferred Share Plan (DSP) To strengthen the link between short- and longer-term incentives and the creation of sustainable long-term value.	<p>50% of the total bonus amount is subject to compulsory deferral for three years in Company shares without any matching, until the executive director has achieved the shareholding requirement of 200%, at which point 25% of the total is deferred on the same basis.</p> <p>Following the vesting of awards, executive directors receive an amount (in cash or shares) in respect of the dividends paid or payable between the date of grant and the vesting of the award on the number of shares that have vested.</p> <p>The DSP has provision for malus and clawback adjustments on the occurrence of certain events.</p> <p>Awards may also be adjusted in the event of a variation of capital, in accordance with the plan rules.</p>	<p>50% of the total bonus amount received (or 25% once the shareholding requirement has been achieved) during the year.</p>	<p>None</p>

Purpose and link to strategy	Operation	Maximum opportunity	Metrics, weightings and period
Restricted Share Plan (RSP) Awards are designed to incentivise executive directors to successfully and sustainably deliver the Company's strategy.	<p>Annual grant of awards, made generally as conditional awards or options. Awards vest at the end of the three-year period subject to:</p> <ul style="list-style-type: none"> – the executive directors' continued employment at the date of vesting; and – the satisfaction of an underpin as determined by the Committee, whereby the Committee can adjust vesting for Company or individual performance. <p>Executive directors will be required to hold any shares acquired on vesting (net of any shares that may need to be sold to cover taxes) for a two-year period starting on the date of vesting.</p> <p>The RSP has provisions for malus and clawback adjustments on the occurrence of certain events.</p> <p>Awards granted under the RSP may incorporate the right to receive an amount (in cash or shares) equal to the dividends which would have been paid or payable on the shares that vest in the period up to vesting.</p>	<p>In normal circumstances, award levels for executive directors are equivalent to 80% of base salary at the time of grant.</p> <p>Rules permit annual grants up to individual limit of 125%.</p> <p>There are no performance conditions on grant, however the Committee will consider prior year business and personal performance to determine whether the level of grant remains appropriate.</p>	<p>Central, quantifiable financial RSP underpin will be adherence to the Group's dividend policy throughout the three-year vesting period of each annual RSP grant. A further basket of underpin factors will be considered at the end of the relevant three-year vesting period. For 2024 awards, these will be as follows:</p> <ul style="list-style-type: none"> – the extent to which any windfall gains have arisen as a result of any marked appreciation in share price; – whether there have been any material sanctions or fines issued by a regulatory body (which may give rise to allocation of individual or collective responsibility); – any material damage to the reputation of individual Group Companies, or the Group itself (which may give rise to allocation of individual or collective responsibility); – the level of employee and customer representative engagement over the vesting period; and – the level of customer engagement (as measured by net promoter scores, Rep Track or such other means as determined by the Committee).
Shareholding requirement Aligns executive and shareholder interests.	<p>Executive directors expected to acquire a beneficial shareholding over time.</p> <p>Shares which have vested unconditionally under the Company's share plans will be taken into account with effect from the date of vesting (but not before).</p> <p>50% of all share awards vesting under any of the Company's share incentive plans (net of exercise costs, income tax and social security contributions) must be retained until the shareholding requirement is met.</p>	<p>The shareholding requirement for executive directors is 200% of base salary.</p>	<p>None</p>
Post-cessation shareholding Aligns executive and shareholder interests.	<p>Post-cessation shareholding policy is set at 1x the shareholding requirement (200%), or the number of shares actually held, at leaving, whichever is lower, for two years. Requirement applies to any shares held, including shares acquired from the executive director's own funds, and any vested shares subject to a holding period.</p> <p>The policy applies only to shares acquired after the date on which the 2020 Remuneration Policy was introduced (30 April 2020).</p>	<p>Not applicable.</p>	<p>Two-year post-cessation holding period.</p>

Directors' Remuneration Report 2024

Remuneration principles and alignment with strategy

As explained in the Committee Chair's opening statement on page 101, our Remuneration Framework is intended to strike an appropriate balance between fixed and variable pay components, and to provide a clear link between pay and key strategic priorities. For example:

- profitable growth is recognised via the structure and operation of our annual bonus plan, which carries an 80% weighting on financial metrics;
- delivery of sustainable organisational performance and shareholder value is reflected in a progressive dividend policy, which underpins our Restricted Share Plan (see page 106), and has a three-year vesting period coupled with two-year post-vesting holding requirements; and
- our commitment to building a better world through financial inclusion is demonstrated by the adoption of a number of appropriate ESG metrics embedded in executive directors' remuneration, which align clearly to our purpose and reflect issues of direct importance to our key stakeholders, including our shareholders.

Remuneration governance

The Committee met five times in 2024, with consideration given to a range of issues as illustrated below:

	Governance	Annual bonus		Share plan				
	Policy	Directors' Remuneration Report	Design	Performance	Grant	Performance	Salary	Wider Workforce Shareholder
January		●					●	
February		●	●	●	●	●	●	●
May								●
December		●	●				●	●

The Chief Executive Officer, Chief HR Officer and Group Head of Reward attended meetings by invitation, to provide advice and respond to questions. Other members of management may attend by invitation. All such attendees are excluded when any matter concerning their own remuneration and performance is under discussion.

Adviser to the Committee

Willis Towers Watson, appointed in April 2016, provides independent remuneration advice to the Committee. During 2024, total fees in respect of advice to the Committee (based on time and materials) totalled £34,125 (excluding VAT), (2023: £40,500). Willis Towers Watson is a founding member of the Remuneration Consultants Group and is a signatory to, and abides by, the Remuneration Consultants Group Code of Conduct. Further details can be found at www.remunerationconsultantsgroup.com. The Committee is satisfied that the advice it receives is objective and independent, and that Willis Towers Watson does not have any connections with the Company or any of the directors that may impair its independence.

Service agreements for executive directors

Copies of the service agreements of the Executive Directors and the Letters of Appointment of the non-executive directors are available for inspection at the Company's registered office during normal business hours. All directors, with the exception of Deborah Davis, will retire at the 2025 AGM and submit themselves for re-election by shareholders at the AGM on 1 May 2025. Gerard Ryan and Gary Thompson have service agreements which provide for a notice period of 12 months and 6 months respectively. Non-executive directors do not have service agreements as they have Letters of Appointment instead.

Executive director	Date of service agreement	Duration of service agreement
Gerard Ryan	January 2012	No fixed term
Gary Thompson	April 2022	No fixed term

Single figure of total remuneration (audited information)

The following table sets out the single figure of total remuneration for directors for the financial years 2023 and 2024.

	A. Salary/Fees £000		B. Benefits £000		C. Bonus ¹ £000		D. LTIP £000		E. Pension £000		Total £000 (A, B, C, D, E)		Total fixed remuneration £000 (A, B, E)		Total variable remuneration £000 (C, D)	
	2024	2023	2024	2023	2024	2023	2024 ²	2023 ³	2024	2023	2024	2023	2024	2023	2024	2023
Executive directors																
Gerard Ryan ⁴	608	581	40	53	790	755	550	883	64	61	2,052	2,333	712	695	1,340	1,638
Gary Thompson	353	337	23	23	459	438	143	–	38	37	1,016	835	414	397	602	438
Non-executive directors																
Stuart Sinclair	200	200	–	–	–	–	–	–	–	–	200	200	200	200	–	–
Deborah Davis ⁵	65	65	–	–	–	–	–	–	–	–	65	65	65	65	–	–
Richard Holmes ⁶	70	88	–	–	–	–	–	–	–	–	70	88	70	88	–	–
Katrina Cliffe ⁷	75	57	–	–	–	–	–	–	–	–	75	57	75	57	–	–
Aileen Wallace ⁸	55	57	–	–	–	–	–	–	–	–	55	57	55	57	–	–

1. Bonus payable in respect of the financial year including any deferral element at face value, at date of award.

2. The value of the awards included in the table for 2024 relates to the PSP award granted in 2022, the performance period for which is the three financial years ending 31 December 2024. The awards have been valued according to an estimate based on expected vesting and the 1-month average share price to 31 January 2025. This value also includes the anticipated value of dividend equivalents that will be payable in 2025, relating to the 2022 Deferred Share Plan from grant to date of vesting. These estimated figures will be updated and based on actual values for the relevant dates in next year's report. Further information about the vesting is provided in the long-term incentives section on page 112.

3. The value of the awards included in the table for 2023 has been reviewed to reflect the actual value of awards at date of vesting and any dividend equivalents received in 2024 when the awards became exercisable.

4. In accordance with Company policy, the benefits for Gerard Ryan in 2024 include additional costs of £12,899 related to expenses associated with a period of business travel for which the Board agreed it was appropriate for his wife to accompany him. All costs associated with her travel were borne by the Company.

5. Deborah Davis was paid a fee of £10,000 in her capacity as Chair of the Remuneration Committee, in addition to her base fee of £55,000.

6. Richard Holmes was paid a fee of £15,000 in his capacity as Chair of the Audit and Risk Committee, in addition to his base fee of £55,000. In 2023 he stood down from the role of senior independent director.

7. Katrina Cliffe was paid a fee of £20,000 in her capacity as senior independent director, in addition to her base fee of £55,000.

8. Aileen Wallace was paid a base fee of £55,000. In 2023 she received backdated fees from when she was appointed in December 2022.

Additional disclosures for the single figure of total remuneration

Base salary

The base salary of the Chief Executive Officer increased by 4.5% in 2024 to £614,076, in line with the typical annual salary increase of the wider UK workforce.

The base salary of the Chief Financial Officer increased by 4.5% in 2024 to £356,606, in line with the typical annual salary increase of the wider UK workforce.

Benefits

The benefits provided to the executive directors in 2024 included: private healthcare, life assurance, annual medical cover, long-term disability cover, and a cash allowance in lieu of a company car. Gerard Ryan's benefits in 2024 also include additional costs of £12,899 related to expenses associated with a period of business travel for which the Board agreed it was appropriate for his wife to accompany him. All costs associated with her travel were borne by the Company.

Determination of 2024 annual bonus

The maximum bonus opportunity for the Chief Executive Officer and Chief Financial Officer was 130% of salary, with 50% of the maximum for on-target performance. During 2024, a balanced scorecard approach was used to ascertain annual bonus outcomes whereby:

- 80% of total bonus opportunity was subject to achieving the profit before tax (PBT) element; and
- the remaining 20% of the bonus opportunity was subject to the achievement of personal objectives.

Qualifiers for the 2024 annual bonus

For any bonus to be payable, the Group must first achieve the PBT threshold figure.

Group bonus targets

Group bonus targets were set considering the Company's operating budget. Targets were designed to be stretching in support of the Company's strategic objectives, and to focus on metrics and personal targets that would deliver in line with this strategy, as well as stretching and motivating participants. Bonus targets for the executive directors for 2024 were as follows:

	Metric	Weighting in Scheme	Threshold	Target	Stretch	Achievement	Bonus payment % of bonusable base salary
Financial ¹	Group PBT	80%	£63.1m	£66.4m	£69.7m	£85.2m	104%

1. Straight line between each point.

The Committee uses the annual bonus to focus on short-term targets that the Board agrees each year consistent with the Group's strategy and on individual performance against personal targets. Performance is assessed over each calendar year and at the start of the following year. The Committee retains the right to exercise its judgement to adjust the formulaic bonus outcomes, to ensure the final bonus outcome for executive directors reflects the broader performance of the Group and the experience of our employees and shareholders over the reported year.

In 2024, the Group delivered a strong financial performance, with pre-exceptional profit before tax up 1.5% year on year to £85.2m. In addition to this improvement in profit before tax, each executive director performed exceptionally well against their personal objectives as summarised on pages 110 and 111. As a result, the Committee did not apply any discretion to the formulaic bonus outcomes.




Personal objectives

The following tables explain the objectives that were set for each executive director in 2024 and achievement against them.

Gerard Ryan – Chief Executive Officer

Category	Objective	Weighting	Results	Achievement
Continue to embed our purpose within the Group	<ul style="list-style-type: none"> – Ensure the 2024 strategy process identifies and incorporates ESG risks and opportunities. – Embed the Responsible Business Framework across the Group and ensure that the deliverables identified for 2024 are achieved. 	25%	<ul style="list-style-type: none"> – The 2024 strategy process successfully identified and incorporated ESG risks and opportunities, ensuring alignment with the Group's broader sustainability commitments. – The Responsible Business Framework was effectively embedded across the Group, with all 2024 deliverables significantly progressed. 	
Evolve the Group strategy	<ul style="list-style-type: none"> – Ensure Next Gen strategy is delivered across the business and is well received by external stakeholders. – Develop stakeholder communication to align with Next Gen strategy and regularly update the Board on progress against key strategic pillars. 	25%	<ul style="list-style-type: none"> – The Next Gen Strategy is fully embedded across the business. – Communication across the Group is aligned fully with the strategy, and the Board received regular updates on both strategic progress and financial performance in line with these objectives. 	
Develop better choices and experiences for our customers	<ul style="list-style-type: none"> – Explore opportunity to roll out credit cards to a new market. 	25%	<ul style="list-style-type: none"> – Successfully secured a full payment institution licence which will enable accelerated growth of credit cards in Poland and allow the Group to extend this offering into new markets. A team dedicated to researching and ultimately implementing credit card expansion opportunities is in place. 	
Develop our people and organisational capability	<ul style="list-style-type: none"> – Establish and develop a structured High Potential Senior Successors (HPSS) programme to build a strong pipeline of future leaders, ensuring succession readiness across key senior roles within the Group. – Establish an AI community across the Group to explore how AI can drive growth and efficiency. 	25%	<ul style="list-style-type: none"> – An HPSS programme was launched successfully during the year and a cohort of high-potential leaders were identified. Executive sponsorship, external development assessments, and detailed personal development plans have also been embedded and mid-programme evaluation indicated strong engagement and that the programme is on track to strengthening the Group's future leadership pipeline. – We successfully established a Group-wide AI community which has become a key driver of AI-led initiatives, generating actionable ideas that enhance both growth and efficiency. 	

Key

-  Criteria met
-  Criteria partially met
-  Criteria not met

Gary Thompson – Chief Financial Officer

Category	Objective	Weighting	Results	Achievement
Ensure that the business operates with strong financial discipline	<ul style="list-style-type: none"> – Deliver Next Gen cost challenge in the 2024 budget. – Deliver optimised commercial finance function in European home credit and show measurable results from new capability and organisation. 	25%	<ul style="list-style-type: none"> – The Next Gen cost challenge was delivered in full, with the Group delivering a strong financial performance for 2024 exceeding budget. – A new commercial finance structure in European home credit was embedded successfully under the leadership of a newly appointed European Commercial Finance Director and has contributed to the robust financial performance delivered in 2024. 	●
Develop a clear strategy for shareholder value creation	<ul style="list-style-type: none"> – Deliver the refinancing of the Eurobond in the most cost-effective manner. – Deliver an effective investor relations (IR) programme to deliver enhanced shareholder value. 	25%	<ul style="list-style-type: none"> – An effective IR programme including a £15m share buyback programme and increased dividend in line with the Group's progressive dividend policy supported increased shareholder value. – Successfully delivered the refinancing of the Group's Eurobond at a lower margin than bonds issued in 2022 and 2023. 	●
Continue to embed our purpose within the Group	<ul style="list-style-type: none"> – With the Chief Legal Officer, deliver the Group's climate change strategy and complete all necessary regulatory obligations and reporting. – Continue to improve the Group's ESG disclosures. 	25%	<ul style="list-style-type: none"> – Advanced the Group's climate change strategy while ensuring compliance with regulatory requirements and reporting obligations. – Responsible business considerations fully integrated into the annual business plan and budget. – Significant progress was made in enhancing sustainability-related disclosures, leading to an upgrade by MSCI to AA rating. 	●
Develop our people and organisational capability	<ul style="list-style-type: none"> – Invest in our people, build a talented successor pipeline, and further strengthen finance function capability. 	25%	<ul style="list-style-type: none"> – Strengthened the finance talent pipeline evidenced by several internal promotions to finance director roles. – Launched three key finance transformation programmes including the implementation of a new financial planning tool, the development of a Group-wide ERP system and established a Group data warehouse, all of which are expected to drive significant improvements in efficiency and operational effectiveness. 	●

Having reviewed the executive directors' performance against their personal objectives, and in the context of the progress made by the Group in 2024, the Committee determined that each executive director met all of his objectives. Consequently, the bonus payout in respect of personal objectives is 100% for the Chief Executive Officer and 100% for the Chief Financial Officer.

Key

- Criteria met
- Criteria partially met
- Criteria not met

Bonus outcomes for 2024

For the year ending 31 December 2024, the Committee awarded bonuses to the executive directors as follows.

Name	Financial objectives – achievement as % of bonusable base salary	Personal objectives – achievement as % of bonusable base salary	Cash bonus £000	DSP – face value of shares due to vest in 2027 £000	Total value of 2024 annual bonus £000	Cash and DSP shares awarded as a % of maximum available bonus
Gerard Ryan ¹	104%	26%	£592.3	£197.4	£789.8	100%
Gary Thompson	104%	26%	£229.3	£229.3	£458.6	100%

1. Gerard Ryan has met the executive director shareholding requirement in 2024, therefore 25%, rather than 50%, of bonus is deferred in line with policy.

In accordance with the 2023 Policy, bonus is payable 50% in cash and up to 50% in deferred shares until the executive director has met the shareholding requirement of 200% of salary at which time 25% of the total bonus is deferred on the same basis. The deferred element will vest at the end of a three-year period, subject to the executive director not being dismissed for misconduct. There are also provisions for clawback with respect to the cash element of the bonus, and malus and clawback with respect to the deferred element of bonus.

Pension

The Company has two pension schemes, the International Personal Finance plc Pension Scheme (the pension scheme), closed to future accrual, and the International Personal Finance Workplace Pension Scheme (the WPP).

The Company contribution rate for the Chief Executive Officer and the Chief Financial Officer is 12% of base salary (10.5% net). These contribution rates are in line with the wider workforce. At the discretion of the Committee, this may be paid wholly, or in part, as a cash allowance, net of employer's NI contributions.

The Company's contributions in respect of Gerard Ryan during 2024 amounted to £64,061, all of which was paid as a cash allowance. The Company's contributions in respect of Gary Thompson during 2024 amounted to £38,411, of which £28,411 was paid as a cash allowance.

Long-term incentives

Awards estimated to vest during 2025 (included in 2024 single figure)

The LTIP amount included in the 2024 single figure table on page 108 relates to the PSP awards granted in March 2022. The performance achieved against the performance targets is shown below:

PSP

Performance condition	Weighting	Threshold	Maximum	Achieved	Projected vesting
Absolute TSR performance ¹	50%	30%	60%	32.7%	31.6%
Cumulative EPS growth ²	25%	60.3 pence	82.9 pence	68.8 pence	53.0%
Net revenue growth ²	25%	5.7%	11.4%	5.5%	0.0%
Total					29.1%

1. Based on TSR between 1 January 2022 and 31 December 2024.

2. Table reflects actual threshold and maximum targets as approved by the Remuneration Committee at the time of grant. Due to an administration error the pre-grant draft targets had been included in the 2022 Directors Remuneration Report.

Awards granted in 2024

Executive directors were granted long-term incentive plan awards structured as RSP conditional awards for Gerard Ryan in March 2022 and to Gary Thompson in April 2022, in line with the 2023 Remuneration Policy. The resulting number of RSP conditional awards and associated performance underpins are set out below.

Name	Number of RSP conditional awards	Face value ¹ £	Percentage of base salary	End of performance period	Performance underpin
Gerard Ryan	417,242	£470,106	80%	31 December 2026	Adherence to the Group's dividend policy and a further basket of underpin factors for the relevant three-year vesting period (see page 106)
Gary Thompson	242,301	£273,000	80%	31 December 2026	Adherence to the Group's dividend policy and a further basket of underpin factors for the relevant three-year vesting period (see page 106)

1. The face value was calculated using the average mid-market closing price of the three days preceding the date of grant, being 112.67 pence per share.

DSP

In 2024, 25% the annual bonus award earned by the Chief Executive Officer and half of the annual bonus award earned by the Chief Financial Officer in respect of 2023 was deferred into shares. There are no further performance conditions attached to the vesting of the deferred shares. The following table sets out details of awards of nil-cost options made in the year under the DSP:

	Date of award	Face value ¹ £
Gerard Ryan	20 March 2024	£188,707
Gary Thompson	20 March 2024	£219,172

1. The face value was calculated using the mid-market closing price for the day preceding the date of grant, being 112.00 pence per share.

Save As You Earn (SAYE)

UK-based executive directors are entitled to participate in the Company's all-employee SAYE plan. The executive directors did not participate in the 2024 SAYE plan, therefore no options were granted to them under the plan in 2024.

Loss of office payments

No loss of office payments were made in 2024.

Payments to past directors

There were no payments made to past directors in 2024.

Annual percentage change in the remuneration of directors and employees

The table below shows how the percentage change in each director's salary, benefits and bonus compared with the average percentage change in each of those components for employees on a full-time equivalent basis. The table will build over time to show five years' data. Leavers during the year are excluded.

	2021 vs. 2020			2022 vs. 2021			2023 vs. 2022			2024 vs. 2023		
Percentage change in the relevant period	Base salary	Benefits ¹	Bonus ²	Base salary	Benefits ¹	Bonus ²	Base salary	Benefits ¹	Bonus ²	Base salary	Benefits ¹	Bonus ²
Executive directors												
Gerard Ryan ³	0%	0%	100%	5%	-1%	5%	5%	110%	6%	4%	-26%	4%
Gary Thompson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4%	2%	4%
Non-executive directors												
Deborah Davis	12%	N/A	N/A	5%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Richard Holmes ⁴	N/A	N/A	N/A	15%	N/A	N/A	-2%	N/A	N/A	N/A	N/A	N/A
Stuart Sinclair	N/A	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A
Katrina Cliffe ⁵	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aileen Wallace	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-3%	N/A	N/A
Employees	-2%	-2%	100%	15%	3%	1%	8%	7%	-16%	6%	2%	-4%

1. Non-executive directors are ineligible for any benefits.

2. Non-executive directors are ineligible for any bonus.

3. Gerard Ryan's benefits in 2024 include additional costs of £12,899 related to expenses associated with a period of business travel for which the Board agreed it was appropriate for his wife to accompany him. All costs associated with her travel were borne by the Company.

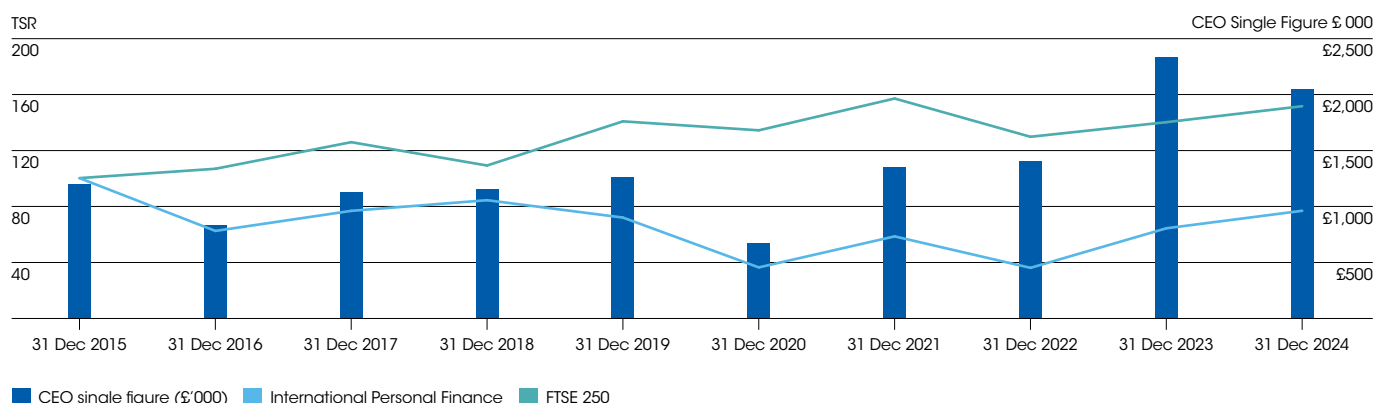
4. Richard Holmes stood down from the role of senior independent director on 1 December 2023 and received pro rata fees for the year in respect of that role. As such, the percentage change is not reflective of a normal year-on-year comparison.

5. Katrina Cliffe was appointed to the Board with effect from 1 August 2022, receiving pro rata fees in 2022, and was subsequently appointed senior independent director from 1 December 2023. As such, the percentage change is not reflective of a normal year-on-year comparison.

TSR performance

The graph below compares the TSR of the Company with the companies comprising the FTSE 250 Index for the 10-year period ended 31 December 2024. This index was chosen for comparison because it is the index in which IPF was listed originally, and to which it continues to compare itself. TSR data is presented in tandem with Chief Executive Officer single figure total remuneration for the same period to highlight the relationship between remuneration and shareholder returns.

TSR performance vs Chief Executive Officer single figure of total remuneration



The table below shows the corresponding Chief Executive Officer remuneration, as well as the annual variable element award rates and long-term vesting rates against maximum over the same period:

Year	Chief Executive Officer	Chief Executive Officer single figure of remuneration £000	Annual bonus payout (as % of maximum opportunity)	LTIP vesting (as % of maximum opportunity)
2024	Gerard Ryan	2,052	100.0%	29.1%
2023	Gerard Ryan	2,333	100.0%	100.0%
2022	Gerard Ryan	1,409	98.0%	–
2021	Gerard Ryan	1,353	98.3%	–
2020	Gerard Ryan	677	–	–
2019	Gerard Ryan	1,260	72.3%	33.0%
2018	Gerard Ryan	1,158	98.0%	–
2017	Gerard Ryan	1,130	96.6%	–
2016	Gerard Ryan	838	16.0%	23.3%
2015	Gerard Ryan	1,197	45.0%	58.8%

Relative spend on pay

The table below shows the expenditure and percentage change in overall spend on employee remuneration and dividend:

	2024 £m	2023 £m	Percentage change
Overall expenditure on pay	200.2	198.4	0.9% ¹
Dividend paid in the year	23.9	21.5	11.2%

1. The percentage change at a constant exchange rate is 3.2%.

Other directorships

Neither executive director currently holds any external directorships or external appointments.

Directors' shareholdings and share interests (audited information)

The interests of each person who has served as a director of the Company during the year as at 31 December 2024 (together with interests held by his or her persons closely associated) are shown in the table below. Katrina Cliffe is currently within the three-year period to build shareholding. Stuart Sinclair, however, has served the Company for more than three years and his shareholding is therefore currently below the required quantum. This will be rectified as soon as practicable. Executive directors are required to retain half of any vested Company share plan options until the shareholding requirement is met.

	Shares held	Executive directors' interests in Company share plans							Requirement met
	Owned outright	Unvested and subject to performance conditions	Unvested and subject to deferral only	Unvested and subject to continued employment	Vested but not yet exercisable and subject to continued employment	Vested and exercisable, but not yet exercised	Shareholding required (% salary/fee)	Shareholding (% salary/fee) ¹	
Executive directors ²									
Gerard Ryan	1,977,907	2,077,444	910,068	–	–	–	200	431	Y
Gary Thompson	165,700	904,929	353,115	24,000	–	–	200	62	N
Non-executive directors ³									
Katrina Cliffe	40,000	–	–	–	–	–	100	71	N
Deborah Davis	60,000	–	–	–	–	–	100	122	Y
Richard Holmes	275,133	–	–	–	–	–	100	521	Y
Stuart Sinclair	130,050	–	–	–	–	–	100	86	N
Aileen Wallace	47,835	–	–	–	–	–	100	115	Y

- Based on a share price of 132.5 pence, being the closing price on 31 December 2024 and using the non-executive directors' base fee. Any vested but unexercised shares are included in the shareholding requirement calculation net of tax and national insurance.
- Executive directors are expected to acquire a beneficial shareholding over time, with 50% of all share awards vesting to be retained until the requirement is met. Of the 1.98 million shares held by Gerard Ryan, 0.9 million were purchased outright by him using his own funds. Of the 166 thousand shares held by Gary Thompson, 16 thousand were purchased by him using his own funds.
- Non-executive directors are expected to acquire a beneficial shareholding equivalent to 100% of their director fee within three years of appointment.

There were no changes to these interests between 31 December 2024 and 26 February 2025.

No director has notified the Company of an interest in any other shares, transactions or arrangements which requires disclosure.

The current shareholding requirements for executive and non-executive directors are described in the 2023 Remuneration Policy which can be found on pages 100 to 109 of the 2022 Annual Report and Financial Statements, available in the Investor section of the Company website at www.ipfin.co.uk.

Executive directors' interests in Company share plans (audited information)

	Date of award	Awards held at 31 December 2023	Awarded in 2024	Exercised in 2024	Lapsed / Surrendered in 2024	Awards held at 31 December 2024	Performance condition period	Market price at date of grant (p)	Exercise price (p)	Exercise period
Gerard Ryan										
PSP	23 Mar 21	810,185	–	(810,185)	–	–	01 Jan 2021 – 31 Dec 2023	104	–	23 Mar 2024 – 22 Mar 2031
PSP	10 Mar 22	1,178,864	–	–	–	1,178,864	01 Jan 2022 – 31 Dec 2024	97	–	10 Mar 2025 – 9 May 2032
RSP	10 May 23	481,338	–	–	–	481,338	01 Jan 2023 – 31 Dec 2025	99	–	10 May 2026 – 09 May 2033
RSP	20 Mar 24	–	417,242	–	–	417,242	01 Jan 2024 – 31 Dec 2026	113	–	20 Mar 2027 – 19 Mar 2034
Deferred	10 Mar 22	377,701	–	–	–	377,701	–	97	–	–
Deferred	3 Apr 23	363,878	–	–	–	363,878	–	103	–	–
Deferred	20 Mar 24	–	168,489	–	–	168,489	–	112	–	–
Total		3,211,966	585,731	(810,185)	–	2,987,512				

	Date of award	Awards held at 31 December 2023	Awarded in 2024	Exercised in 2024	Lapsed / Surrendered in 2024	Awards held at 31 December 2024	Performance condition period	Market price at date of grant (p)	Exercise price (p)	Exercise period
Gary Thompson										
PSP	05 Apr 22	383,105	–	–	–	383,105	01 Jan 2022 – 31 Dec 2024	106	–	05 Apr 2025 – 04 Apr 2032
RSP	10 May 23	279,523	–	–	–	279,523	01 Jan 2023 – 31 Dec 2025	99	–	10 May 2026 – 09 May 2033
RSP	20 Mar 24	–	242,301	–	–	242,301	01 Jan 2024 – 31 Dec 2026	113	–	20 Mar 2027 – 19 Mar 2034
Deferred	03 Apr 23	157,425	–	–	–	157,425	–	103	–	–
Deferred	20 Mar 24	–	195,690	–	–	195,690	–	112	–	–
SAYE	26 Aug 22	24,000	–	–	–	24,000	–	–	75	01 Nov 2025 – 31 May 2026
Total		844,053	437,991	–	–	1,282,044				

Share dilution

During 2024 the Company operated within the standard guidelines of 10% of issued ordinary share capital in respect of the all-employee share plan and 5% in respect of discretionary plans.

Shareholder voting

The table below summarises the total voting outcomes for and against the Directors' Remuneration Policy and the Directors' Remuneration Report at the 2023 and 2024 AGM, including the percentage of total votes cast and number of votes withheld:

AGM			Votes for	Votes against	Withheld ¹	
2024	Annual Remuneration Report	164,256,528	99.29%	1,179,880	0.71%	9,020
2023	Directors' Remuneration Policy	185,597,585	99.33%	1,246,936	0.67%	10,493

1. Votes withheld are not counted in the votes for or against a resolution but would be considered by the Committee in the event of a significant number of votes being withheld.

Statement of Remuneration Policy implementation for 2025

The base salary for the Chief Executive Officer will increase by 2.5% to £629,428.

The base salary for the Chief Financial Officer will increase by 2.5% to £365,521.

Maximum bonus opportunity will be 130% of base salary (on target 50% of maximum), in line with the 2023 Policy, with performance measures weighted 80% financial and 20% personal and strategic, also in line with the 2023 Policy. Annual bonus targets are not disclosed on a forward-looking basis because they are considered by the Board to be commercially sensitive but will continue to be disclosed retrospectively to ensure transparency.

The Committee expects to make 2025 RSP awards prior to the 2025 AGM in accordance with the 2023 Remuneration Policy.

The central, quantifiable financial underpin for 2025 RSP awards will be adherence to IPF's dividend policy throughout the vesting period of the RSP grant. To ensure a robust assessment, the Committee will consider a further basket of underpin factors at the end of the three-year vesting period, as follows:

1. the extent to which any windfall gains have arisen as a result of any marked appreciation in share price;
2. whether there have been any material sanctions or fines issued by a regulatory body (which may give rise to allocation of individual or collective responsibility);
3. any material damage to the reputation of individual Group Companies, or the Group itself (which may give rise to allocation of individual or collective responsibility);
4. the level of employee and customer representative engagement over the vesting period; and
5. the level of customer engagement (as measured by Net Promoter Score, our Rep Track survey or other such means as determined by the Committee).

Approved by the Board

Deborah Davis

Chair of the Committee

26 February 2025