

# Improving choice, to enhance experience



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**Stuart Sinclair**  
Chair

## Welcome to our 2023 Annual Report

I am delighted to report another year of strong operational and financial performance, reflecting our commitment to our simple but compelling purpose of including more people in the financial mainstream.

## Excellent progress in 2023

Regarding some of our main achievements in 2023, we saw continued, controlled expansion to new geographies in Mexico; profit contributions made by IPF Digital's six territories reflecting strong cost control and product innovation; and the deft execution by our business in Poland of a significant and innovative move into credit cards. Other long-planned initiatives which gained traction during the year included the growth of several retail partnerships, and a transformation of the field forces in a number of our markets to offering better control and improved customer experience.

To make our purpose more tangible to yet more customers we expanded our product portfolio, among my favourites being education packages which are now available to customers in Poland, and a growing range of healthcare insurances.

We also continued our plan to put customers "in the driving seat" by offering more choice of how they interact with us, be it face to face, remotely by mobile or other devices, or a mixture of both, tailored to reflect their needs and history with us, and our own assessment of their financial circumstances. Faster access to loans and cash, one of the top requests coming through the numerous and comprehensive surveys we carry out, is another frontier we pushed hard on.

Together with these advancements, customers' responsiveness to both speed of service and increased options is monitored closely, not least by all Board members, to be sure that these criteria align with the specific consumer types we excel in serving, and which many competitors either overlook or serve only sporadically.

## Strong financial performance and dividend increase

This excellent execution of our strategy supported the delivery of a strong set of results, and profit before tax increased by 8% to £83.9m, despite the continued inflationary pressures and cost-of-living challenges that both our customers and the business faced.

Our ever closer attention to costs, particularly in our regional hubs and at head offices, credit quality, loan size, funding and the other determinants of profitability, helped underpin yet another year in our progressive dividend policy. In this regard, am pleased to announce a final dividend of 7.2 pence per share, bringing the full-year dividend to 10.3 pence per share, up 12% on 2022.

## A dedicated team focused on purpose

As always, these achievements have only been possible through the dedication and ingenuity of thousands of colleagues across our nine territories. But they are also a manifestation of something deeper - the successful pursuit of our purpose. We have no difficulty in expressing that purpose. As it was when IPF was established in 2007, it is to offer affordable financial services to customers who are ill served or indeed ignored by mainstream finance companies or banks. This important contribution to the wellbeing of the countries they live in is acknowledged, often quietly, by many stakeholders there. We continue to invest in understanding and often contributing expert testimony to the parliamentary and regulatory debates in each country, which to an extent also shape how we go to market.

## Outlook

To sum up, 2023 was another strong year, in terms of both customer outcomes and operating results.

Notwithstanding the fact that it looks like we have more regulatory change to deal with in Poland following a recently received communication from our regulator (which is described more fully on pages 16 and 30), the Board is confident that all the hard work undertaken by our team and that I have alluded to here - whether it be on customer service, technological and product innovations, cost focus or funding - will continue to reward us all for many years to come.

Thank you for your continued support.

**Stuart Sinclair**  
Chair

14 March 2024