International Personal Finance

Investing with purpose

Annual Report and Financial Statements 2024

Investing with purpose

Unlocking growth

IPF is a global financial services business, helping people who can often face barriers to accessing credit to be included in the financial system.

Our purpose to build a better world through financial inclusion drives everything we do, and over the past 26 years we have served more than 15 million customers. By investing in innovative products, expanding our geographic footprint and embracing digital transformation, we are creating opportunities to better serve our customers and deliver sustainable growth for all our stakeholders.

Looking ahead, our ambition is clear: to accelerate the pace of growth and change to serve 2.5 million active customers in the medium term while continuing to make a positive impact in the communities we serve.

Contents

Alternative performance measures

This Annual Report and Financial Statements provides alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards. We believe these APMs provide readers with important additional information on our business. To support this, we have included an accounting policy note on APMs on page 165, a reconciliation of the APMs we use where relevant and a glossary on pages 203 to 204 indicating the APMs that we use, an explanation of how they are calculated and why we use them.

Percentage change figures for all performance measures, other than profit or loss before taxation and earnings per share, unless otherwise stated, are quoted after restating prior year figures at a constant exchange rate (CER) for 2024 in order to present the underlying performance variance.

International Personal Finance plc (IPF).
Company number: 6018973.

Follow us on LinkedIn, X and Facebook

Find out more at www.ipfin.co.uk

Over the past 26 years we have helped

15m

customers gain access to essential financial services.

See page 50 for more information

A strong performance in 2024

Growing
our credit offering
We are introducing new products and channels to meet our customers' preferences and credit profiles.

Strengthening
our funding position
Successfully refinancing our €341m Eurobond strengthened our funding position to support future growth.

Driving
growth
Strong demand for credit and an excellent operational performance drove good lending growth.

Investing
in digitalisation
Technology is improving customer experience, giving quicker access to finance and simplifying processes.

Expanding
our reach
We expanded our geographic footprint in Mexico, opening a new branch in Mexicali.

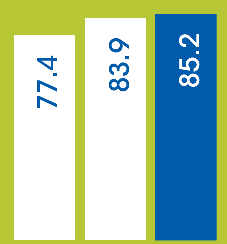
Delivering
returns
A strong financial performance in 2024 enabled increased returns to shareholders.

Customer lending (£m)*

£1,215m
+9.2%

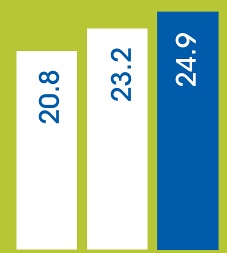
* at constant exchange rates

Pre-exceptional profit before tax (£m)



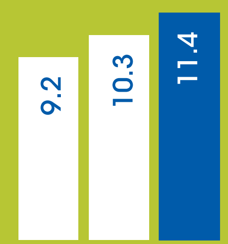
£85.2m
+1.5%

Pre-exceptional earnings per share (p)



24.9p
+ 7.3%

Dividend per share (p)



11.4p
+ 10.7%

Customers

1.7m

Pre-exceptional return on required equity

15.7%

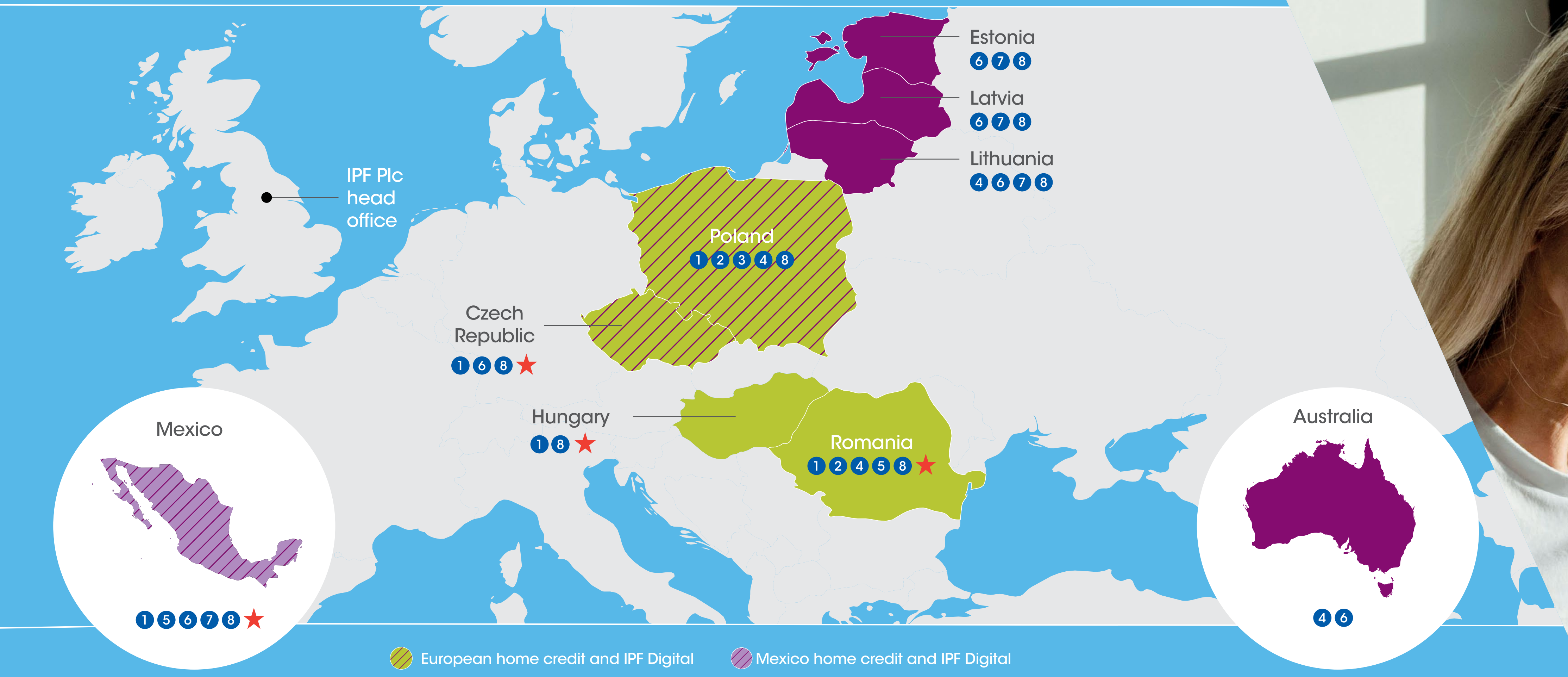
Awards

We were recognised for multiple awards in 2024

At a glance

We play a crucial role in the lives of millions of customers who can't always access credit through banks. By offering unsecured, affordable credit and value-added services in a responsible way, we help people when and where they need it most. Our business is highly regulated, and our success over the years has been driven by meeting the changing needs of our customers and adapting to the evolving market and regulatory landscape.

Growing across our three divisions



European home credit

- Well-established, cash generative business.
- Increasingly digitalised and expanding product offering.
- Delivering target returns of c.20%.

£460m

+3%*

2024: closing net receivables

* at constant exchange rates

Mexico home credit

- Significant growth prospects and expanding geographic coverage.
- Digitalising to improve customer experience.
- Delivering target returns of c.20% while investing in growth.

£159m

+3%*

2024: closing net receivables

IPF Digital

- Strong brands, great growth potential and rebuilding scale.
- Single hub serving multiple countries.
- Focusing on growth and continuing to improve returns.

£251m

+18%*

2024: closing net receivables

Products

1. Home credit
2. Hybrid loans
3. Credit card
4. Digital instalment loans
5. Retail partnerships
6. Revolving credit line
7. Mobile wallet
8. Value-added services

Progress

● Existing offering

★ New product opportunity
We will launch new products in this market that have proven to be successful in another.

Balancing stakeholder needs

Driven by our purpose to build a better world through financial inclusion and supported by our values, we operate responsibly with strong financial discipline to ensure our loans are affordable while delivering an appropriate financial return, balancing the needs of all our stakeholders.

Financial model

The central part of our financial model is that we must deliver a return on required equity (RoRE) of between 15% and 20% which we consider to be sustainable and balances the needs of all our stakeholders. It enables:

- Fair, affordable and transparent customer pricing
- Full compliance with all legal and regulatory requirements
- Care for our colleagues and communities
- Sustainable returns for our shareholders

Return on required equity
15-20%

Supports minimum dividend payout ratio of
40%

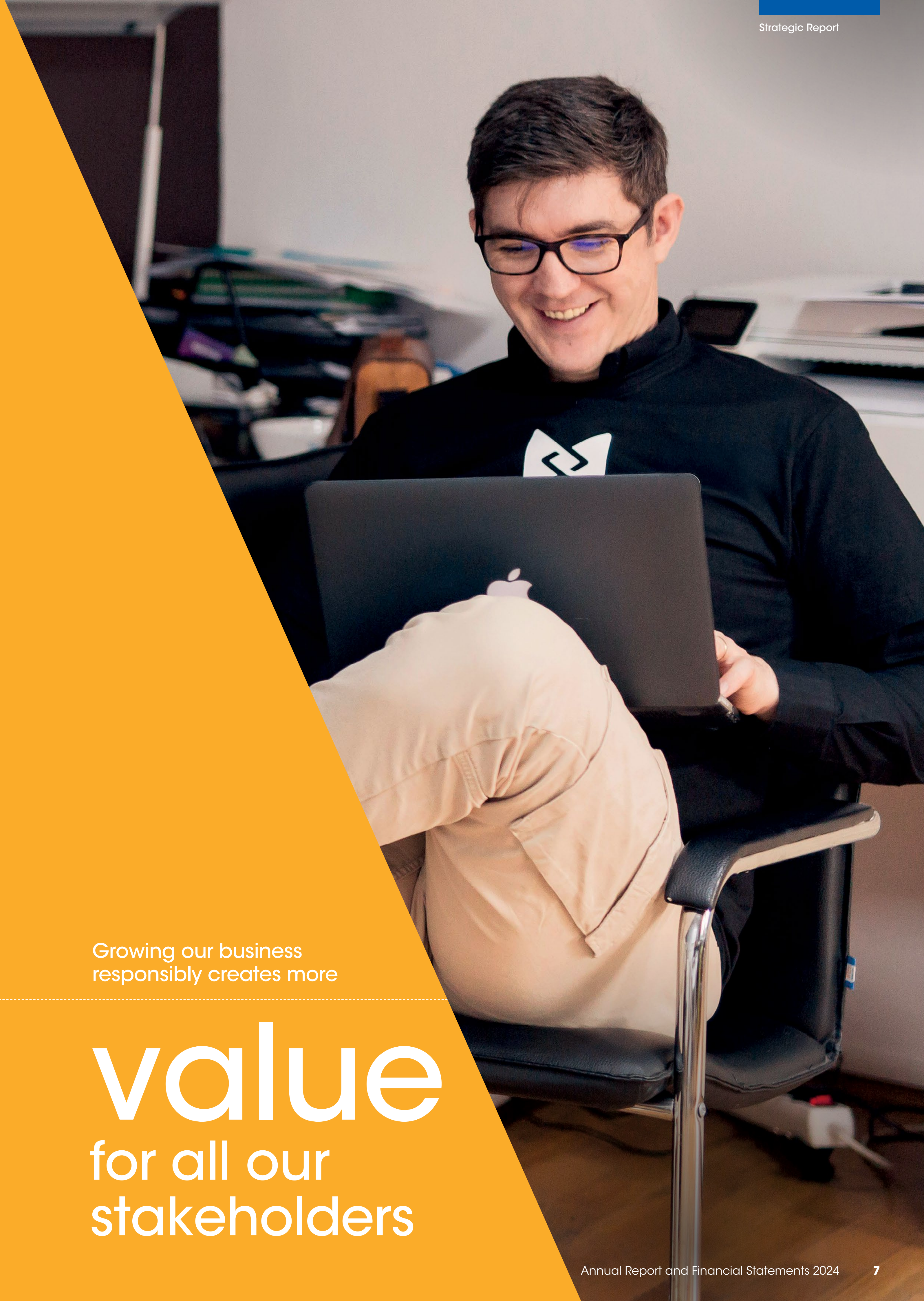
Maintains equity to receivables ratio at
40%

Funds annual net receivables growth of up to
10%

Growth at IPF

As we pursue significant growth opportunities, our financial framework is designed to deliver sustainable earnings while maintaining a robust balance sheet. We are committed to a minimum dividend payout of 40% of post-tax earnings, supporting annual growth and sustaining an equity to receivables ratio at 40%. This approach ensures that capital allocation delivers appropriate shareholder returns while balancing the needs of all our stakeholders. We believe that returns materially in excess of 20% would result in us not sufficiently balancing their needs.

See page 33 for more information



Growing our business responsibly creates more

value

for all our stakeholders

Our investment case

Our Next Gen strategy combined with market-leading brands, personal customer relationships and digital innovation, position us uniquely to serve more customers and deliver good returns to investors.

1
Market-leading and financially inclusive

As a specialist financial services business we responsibly provide a range of credit products and value-added services to underserved consumers.

Our focus on transparency and ethical lending practices ensures that we meet the diverse needs of our customers, empowering them to achieve financial stability and growth in their lives.

2
Exciting sustainable growth opportunities

With increasing consumer demand, a diverse product family and multiple distribution channels, there is substantial potential for sustainable, long-term growth.

Our continuous innovation and commitment to customer-centric solutions ensure we are well-positioned to capture future opportunities and drive growth.

3
Effective risk management

We have a proven track record of managing key risks, including credit, regulation, competition and liquidity, with a well-developed risk management framework.

By continuously monitoring and adapting to emerging risks, we ensure that we mitigate potential challenges while maintaining a strong focus on delivering value to our stakeholders.

4
Strong financial foundation

The business is profitable, resilient and generates strong cash flows. With a robust balance sheet and strong funding position, we are investing to drive growth.

This strong foundation allows us to pursue new opportunities, innovate and respond to market changes, ensuring we remain competitive in the evolving financial landscape.

5
Attractive, sustainable returns

We focus on sustainable growth, targeting a return on required equity (RoRE) of 15% to 20% to support a progressive dividend payout ratio of at least 40% of earnings.

Prioritising long-term value creation and maintaining disciplined capital allocation enhances returns while ensuring that our growth strategy remains aligned with our sustainability and social responsibility commitments.

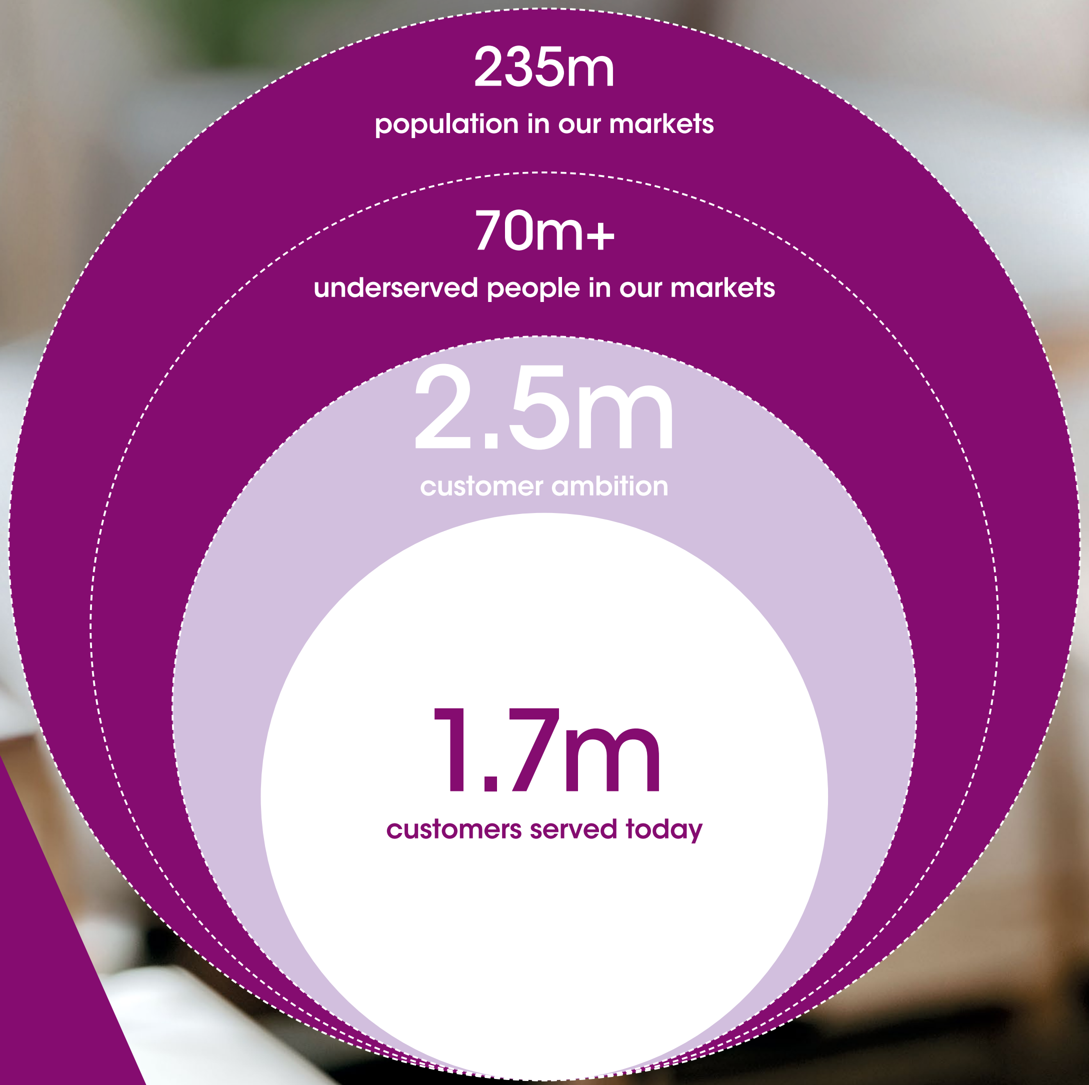
6
Significant future value

With three profitable divisions, each offering attractive long-term growth potential, we are well positioned to deliver sustainable returns and unlock higher valuation potential for investors.

Focusing on financial inclusion, customer satisfaction and innovation enhances our competitive edge, allowing us to capitalise on market opportunities and create value for all stakeholders.

The IPF advantage

Our total addressable market



Committed to financial inclusion

"We are making a real difference in the lives of millions and helping to shape more financially inclusive communities."

Stuart Sinclair
Chair

Welcome to our 2024 Annual Report

In 2024, we proudly served our 15 millionth customer, marking a significant milestone in our commitment to financial inclusion. This achievement underscores our dedication to providing vital financial services to underserved consumers globally. By providing individuals with access to credit, we enhance their financial wellbeing and contribute to the broader development of the communities we serve.

A strong performance

I am pleased to report that 2024 was another strong year for us thanks to the successful execution of our Next Gen strategy. This strategy continues to transform the business, driving us towards our goal of being the leading provider of financial services to underserved communities. We saw good growth momentum this year, supported by an excellent customer repayment performance, and delivered pre-exceptional profit before tax of £85.2m.

We have continued to improve our service to our 1.7m customers by offering more products and channels, for example, introducing our mobile app in Mexico and expanding retail credit through strategic partnerships in both Romania and Mexico. For our shareholders, we delivered another strong dividend performance and a successful share buyback programme was completed in Q3. For our colleagues, we provided more training and development and for our communities we helped thousands of people through our 'Invisibles' programme. The Board is engaged closely with management to ensure we continue delivering our strategic goals.

Dividend and returns

Reflecting on the Group's strong performance and our confidence in the business's long-term growth potential, the Board is recommending an 11.1% increase in the final dividend to 8.0 pence per share. Subject to shareholder approval at our AGM in May, this will bring the full-year dividend to 11.4 pence per share, an increase of 10.7% on 2023. This represents a pre-exceptional payout ratio of 46% of post-tax earnings, in line with our progressive dividend policy. I am also pleased to report our intention to commence a further share buyback programme of up to £15m, enhancing capital efficiency whilst maintaining a robust balance sheet to support the Group's growth strategy and progressive dividend policy.

Responsible business

We entered into the second year of our responsible business strategy and I am very pleased with the progress we are making on our sustainability journey, an area we are deeply committed to. Early in 2024, the Board approved the Group's updated Code of Ethics which was subsequently communicated to all colleagues throughout the business. You can find further details of our responsible business strategy and stakeholder engagement from page 44.

Culture

A key part of delivering on our strategy is fostering a culture that reflects our values: being respectful, responsible and straightforward. One of the highlights of my year has been getting out into the business and spending time with our colleagues in the markets we serve. During my visits this year, it was inspiring to see our teams' passion and enthusiasm for our customers first hand, and it is clear that their commitment to supporting customers who are often ignored by mainstream finance companies and banks is at the heart of what they do.

Looking ahead

As we move into 2025, we remain focused on our strategic priorities. The financial services world is constantly evolving and so are we. We are committed to adapting and innovating to meet our customers' needs. We will also continue to invest in new technologies and expand our product range, making sure we stay relevant, competitive, and – most importantly – there for our customers when they need us.

Finally, I would like to take this opportunity to thank our shareholders, customers and colleagues for their continued support and trust in our Company. Together, we are making a real difference in the lives of millions and helping shape more financially inclusive communities.

Stuart Sinclair
Chair

26 February 2025

Excellent strategic execution drives strong performance

"In 2024, we delivered a very strong performance, and are now focused on accelerating the rate of growth and the pace of change to better serve our customers."

Gerard Ryan
Chief Executive Officer

Q. How would you sum up performance in 2024?

A. We had a great year, with a very strong operational performance delivering very good financial results. Considering the difficult and inauspicious start to the year, with the Polish regulator's announcement on applying the country's rate cap to credit cards, I have to say that I'm delighted with how our colleagues around the Group responded to deliver such a positive result for our customers and other stakeholders.

We also provided well over £1bn of credit facilities to customers who do not find it easy to get finance from high-street banks. That's £1bn worth of financial inclusion that otherwise might not have happened. I like to think of it as tens of thousands of needs met and aspirations supported, all through a fair and transparent process.

We delivered growth across our Group, from the Baltics to Australia, and Romania to Mexico. There's clearly strong demand for credit among our customer demographic, and by executing our Next Gen strategy, we are meeting that demand with a broader array of products and distribution channels. And it is worth noting that in meeting our customers' needs more effectively, we are also delivering better returns to our shareholders, showing that financial inclusion and strong business performance go hand in hand.

Q. What were the most significant achievements?

A. A personal highlight for me was serving our 15 millionth customer in September. Sharing this milestone with colleagues across the Group was incredibly special – fifteen million lives impacted in a positive way. It's a reminder that financial inclusion means giving people the opportunity to improve their circumstances, no matter their starting point.

Other highlights include the broadening of our product and channel set in our markets and these developments are helping us reach more customers in meaningful ways.

Another major achievement was the successful refinancing of our Eurobond. We attracted an array of new investors who, after understanding our story and purpose, were happy to partake in the new issue, resulting in the bond being several times oversubscribed.

Finally, our share buyback programme in Q3 was very successful. Beyond its immediate benefits, it led to increased liquidity in our daily traded stock volumes, strengthening our position in the market.

Q. How did you advance the Group's strategic priorities?

A. As a leadership team, I think we have done a great job of explaining the three pillars of our Next Gen strategy, namely, Next Gen financial inclusion, Next Gen organisation and Next Gen tech and data.

On Next Gen financial inclusion, we made excellent progress in taking products or channels that have proven successful in one or more of our markets and transporting them to serve new customers in another. In Mexico, we continued our geographic expansion with the opening of another new branch and signed up new retailers for our retail partnership model. Our mobile wallet "health check" feature proved to be very popular, helping to double the number of mobile wallet users in 2024.

For Next Gen organisation, we implemented a new field structure for European home credit. The leadership team's primary task is standardising processes across these four markets, laying the foundation for unified systems that will simplify our technology estate and make us far more efficient. We also significantly strengthened Group leadership with key appointments in information security, data operations and change management.

Undoubtedly, one of the most exciting areas has been the progress made on pillar three, Next Gen tech and data. Our customer experience is so much better thanks to new call centre technology and enhanced customer apps. Although we had a temporary issue with our technology in Mexico and had to revert to manual processes for a while, we now have a more modern and resilient infrastructure and are boosting efficiency for both our customer representatives and our customers. We also strengthened our operational risk management framework to meet the new Digital Operational Resilience Act (DORA).

And finally, it is impossible not to mention AI. It is certainly too early to claim major success, but its potential is transformative and we are beginning some very interesting developments in lead management, call centre efficiency, automated affordability checks and processes to integrate data across our different platforms.

Q. How significant is the large payment institution licence in Poland?

A. The new licence offers significant growth potential for our new credit card offering, both in Poland and beyond. While our credit card created a completely new market and was proving extremely popular with customers with 130,000 cards issued by the end of 2023, we were forced to limit the amount of lending in 2024 under the rules of the old licence. The granting of the new licence in November means these restrictions have been taken away and my colleagues in Poland are really looking forward to accelerating growth. We are focusing our initial efforts on offering existing customers increased credit lines if they require them, and we began to market credit cards to new customers early in 2025. The new licence is passportable to other European countries and we are exploring the potential to introduce our credit card into our other markets.

Q. What were the key challenges and how did you address them?

A. As I mentioned earlier, the major challenge was the letter that we and others received from the Polish regulator, stating its view that the existing rate cap should apply to credit cards. This news came just days before our 2023 results announcement, forcing us to delay for the first time ever – a situation I do not want to repeat. I must express my appreciation to our shareholders for their patience and confidence as we worked through the issue. Once we announced our results and detailed our response to the regulatory challenge, the market adjusted, and we moved forward with execution. This involved significant changes to our Polish business, including streamlining and an organisational restructure, which are now being successfully embedded.

Staying with regulation, in Romania we adapted to a new rate cap, a change we had anticipated for years. Our local leadership team worked hard to make sure the changes required were fully compliant by the deadline and as we have reported previously, the financial impact on the Group is not material.

In Mexico, our home credit business faced slower growth particularly in the second half due to two key issues: the impact of two underperforming regions, Sureste and Norte, and, as I mentioned earlier, a temporary reversion to manual field operations during an upgrade to a more resilient and flexible IT platform. I'm happy to say that both hurdles are largely behind us and we are looking forward to accelerating growth in 2025.

These challenges tested us, but our teams responded with resilience and focus, positioning us for stronger performance in the year ahead.

Q. How are you improving customer experience?

A. Improving customer experience continues to be a key focus for us, and we have made great strides over the past year. We are leveraging technology to improve lead management, application processes and credit decisions, enabling a faster and more efficient service. Our digital platforms, such as mobile apps, support customers throughout their credit journey, offering convenience and accessibility.

We are also expanding our range of products and channels, giving customers more options that are tailored to their needs. Feedback plays a critical role in shaping our offerings, and we actively engage with customers to understand their experiences and implement meaningful improvements.

Q. What trends are shaping financial services and how are you adapting?

A. In thinking about our area of expertise, namely providing small-sum credit to the underbanked and underserved, affordability is always top of mind. Our customers have maintained their repayment performance which is clear evidence that they are conscientious borrowers and want to build a stronger credit profile. While we are well positioned to accelerate growth, we are also very aware that our customers lives have been made more difficult by high inflation and will continue to lend responsibly, including tightening credit settings quickly if this were needed.

Even though their credit choices may be limited, our customers are not shy about stating their expectations. They want faster service with fewer steps, starting an application on their phone, speaking to the call centre and then to their customer representative for fulfilment. They also want to be able to review their account or make payments online or in person. To meet these needs, we are investing in technology to deliver an omnichannel service and enhance our customer apps with richer functionality for a seamless experience. While this is an ongoing journey, I'm proud of the significant progress we have made.

Q. How is the competitive landscape evolving?

A. In a word, rapidly. There is plenty of competition to fulfil customers' financial needs, but we remain uniquely positioned in our segment, offering both digital and in-person credit solutions.

In Europe, the peak of the 'buy now pay later' (BNPL) trend seems to have passed, with the industry likely entering a phase of consolidation and greater focus on returns. Regulation for BNPL providers also seems imminent – a welcome step in my view. Meanwhile, much of the enthusiasm around fintech seems to have quietened, with sustainable returns now a regular topic of conversation. In Mexico, we have seen new financial players investing heavily in their brands, targeting prime customers in the main. Their heavy promotion of credit cards and digital wallets is raising the bar for customer expectations. While these trends challenge us to evolve, I am confident our strategy aligns with these demands. We are committed to enhancing our offering in ways that truly resonate with and suit our customers.

Q. What progress has been made on your sustainability goals?

A. We made good progress on our sustainability goals this year, with a focus on ethics, colleague development and governance. We implemented our refreshed Code of Ethics which is endorsed by the Board, and marked the tenth anniversary of our Ethics Week with interactive discussions on ethical practices. Colleagues also completed our annual ethics training, ensuring these values remain embedded in everything we do. We hosted our fourth Group-wide Learning Festival, blending face-to-face and virtual sessions to support colleague development, and enhanced our mental health support programmes. We also dedicated significant effort to governance and upgraded our non-financial reporting disclosures which supported improvements in our external ESG ratings with MSCI upgrading our rating to AA and we maintained our inclusion in the FTSE4Good Index.

Q. What are the key priorities for 2025 and your vision for the future?

A. In 2025, our focus is on accelerating the pace of growth and change within the business to enhance our capabilities and better serve our customers. In Poland, our new payment licence means we can accelerate growth of our credit card offering while in Mexico home credit, we are ready to meet the expected strong demand and expand into new areas. We are also prioritising the extension of successful products into new markets where they are not yet available, supported by advancements in technology to further streamline the customer journey and improve operational efficiency.

Looking to the future, our vision is ambitious: to become a modern, tech-enabled business serving 2.5 million customers. This aligns with our commitment to delivering innovative, inclusive financial solutions that empower communities and drive sustainable growth.

We will remain focused on our strategic priorities, adapting to the evolving financial services landscape. By investing in new technologies and expanding our product range, we aim to stay relevant, competitive and available to our customers when they need us most. I would like to thank our shareholders, customers and colleagues for their continued support and trust.

Gerard Ryan
Chief Executive Officer

Our growth vision

2025: Accelerating our growth vision

Building upon the operational and financial progress achieved in 2024, we are well-positioned to accelerate growth and drive transformation across the business. By steadfastly executing our Next Gen strategy, we aim to enhance our capabilities, better serve our customers and deliver increased value to our stakeholders.

Accelerating the pace of growth

Credit cards	Our new full payment institution licence will support faster credit card growth in Poland and allow us to passport this popular offering to other European markets.
Expanding retail partnerships	Our retail credit partnerships in Romania and Mexico are gaining significant momentum, positioning us for further growth in 2025.
Digital offerings	Our proven track record of growing our digital products will support expansion of our new digital offering in Romania.
Poland recovery	Our home credit and digital businesses in Poland have returned to growth, and we will focus on serving more customers and rebuilding scale in this important market.
Mexico expansion and product diversification	We will expand our geographic footprint with two new branches in 2025 and introduce new products to deliver sustainable, quality growth and consistent, attractive returns.
IPF Digital opportunities in Mexico and Australia	Our standout digital operations in Mexico and Australia represent significant long-term growth opportunities, and we will leverage our digital capabilities to expand in these markets.

Accelerating the pace of change

Omnichannel touchpoints	We are expanding our customer experience programme to ensure faster responses and enhanced service during customer engagements.
Customer apps	We will make our customer app available across all our home credit markets, strengthening customer engagement and providing real-time data insights to better meet customer needs.
Transformation office	We are establishing a Transformation Office to oversee and coordinate strategic initiatives, ensuring efficient execution of change projects across the Group.
Credit card platform	We are developing our credit card platform to enable expansion of this exciting offering into new markets.
AI/Robotics	We are exploring AI applications to improve lead generation, automate affordability checks, and support colleague training to enhance business performance.

Our customers and financial inclusion

Today's customers:

c.60%
of our customers are female

c. 45%
are 30-50 years old, and many have children

- Low to medium income
- Underserved by other lenders
- No or limited credit history

The next generation:

c.20%
of customers are

18-30
years old

- Often single
- Full-time workers
- Often rent their homes
- Mostly located in larger cities

Our customers

Our customers budget very carefully, preferring to borrow small amounts with clear costs and affordable repayments. Typically, they are not heavily indebted and have incomes from various sources, including government support. Many are new to credit, relying on us as their first step to building a credit profile. They also value a sympathetic service and forbearance during challenging times.

Many customers face limited access to financial services

- They have low or medium incomes with little or no savings.
- Most work but their income often varies from month to month.
- Many don't have a formal credit history.
- They may live in a rural area or can not easily reach a bank.
- Some have had past credit issues resulting in a poor credit history.
- They are charged for bank services.

How our customers use their loans

- Education and return-to-school expenses.
- Healthcare and medical expenses.
- Smoothing their budgets and managing unexpected expenses.
- Home improvements and household goods.
- Supporting their micro business.
- Family celebrations and Christmas.

Typical loans

European home credit	Mexico home credit	IPF Digital
Typical loan	Typical loan	Average credit line principal outstanding
£900	**£360**	**£1,250**
Average term	Average term	Average instalment loan
88 weeks	**47 weeks**	**£650**

Delivering financial inclusion

Around 1.7 billion people worldwide are excluded from regulated financial services making it difficult to save, access fair-priced credit or start a business. We specialise in providing responsible, accessible and flexible financial services, enabling customers to plan for important events, manage unexpected challenges and gain peace of mind with health and life cover. Our commitment to outstanding customer experience gives people more reasons to choose our products and remain loyal. In turn, we expand financial inclusion and grow the business.

Responsible approach

Our Customer Promise sets out the standards for how we engage with our customers and is based on what we understand matters most to them. It aligns to the broader lending cycle and governs our actions at every stage of the process. By making and keeping promises, we uphold responsible lending practices and enhance customer satisfaction.

How we create financial inclusion

Responsibly serving more customers	Providing appropriate products and services	Offering solutions to underserved people	Expanding our geographic reach	Supporting customers who have financial difficulties

See page 50 for more information

Our products and services

Our products and services are tailored to meet our customers' needs and different credit profiles and preferences. Through digital transformation, we have streamlined services to enhance the customer experience while preserving the personal interactions our customers value. This balanced approach ensures we deliver flexible, accessible financial solutions while staying true to the personal service our customers trust.

Expanding our reach through proven products

One of the ways we are reaching more customers and delivering growth is by replicating successful products or channels from one market to serve new customers in another. Today, all our markets, excluding Hungary, now offer digital credit and we are exploring new opportunities for our credit card offering beyond Poland.

Our customer apps

Our mobile apps enable customers to manage their account, access credit and see when a payment is due. We aim to have a mobile app available in all our markets by the first quarter of 2026.

Home credit instalment loans

Small-sum loans with weekly personal service and an increasingly digital touch, provided in customers' homes by our customer representatives.

Hybrid loans

A unique blend of customer representative and digital channels for those who do not have a strong enough credit profile to get a fully digital offer.

Credit card

A convenient way for customers to make in-store purchases, shop online, or access cash through their customer representative or ATMs.

Retail credit

Partnering with retailers to provide instalment loans to customers, both in store and online.

Value-added services

A range of value-added products beyond credit including health and life insurance.

Digital instalment loans

Affordable, end-to-end digital service with terms from one month to three years and monthly repayments.

Revolving credit line

Flexible access to money up to a preset limit, and when customers pay down, more credit becomes available.

Mobile wallet

Online payment transactions and value-added services in the pocket of our customers.

We offer a range of terms to our customers, from one month to three years

Our brands

There is strong awareness of our Provident home credit and Credit24 digital brands while our newer digital brand, Creditea, is rapidly gaining prominence. Together, these brands reflect our commitment to delivering trusted financial solutions tailored to the customers we serve.

"I used the money to make improvements in our home, and when our family recently needed urgent help, our customer representative responded immediately and we received the money without any complications."

Hajnalka, Hungary
Customer

"I recently purchased a medical package for myself and my child from my customer representative. My little one has acute allergies; he had shortness of breath one night, but the quick medical assistance helped him."

Patrycja, Poland
Customer

"Provident's credit card has been a great help to me. I have been able to renovate my room and buy gifts for my family. I really like having the flexibility to use it whenever I need it."

Piotr, Poland
Customer

"Creditea has helped me out of many tight spots and family emergencies. I like the flexibility to make extra payments to save interest or pay off the loan. It's an excellent option and the company truly cares about customers."

Josh, Mexico
Customer

Responsible business model

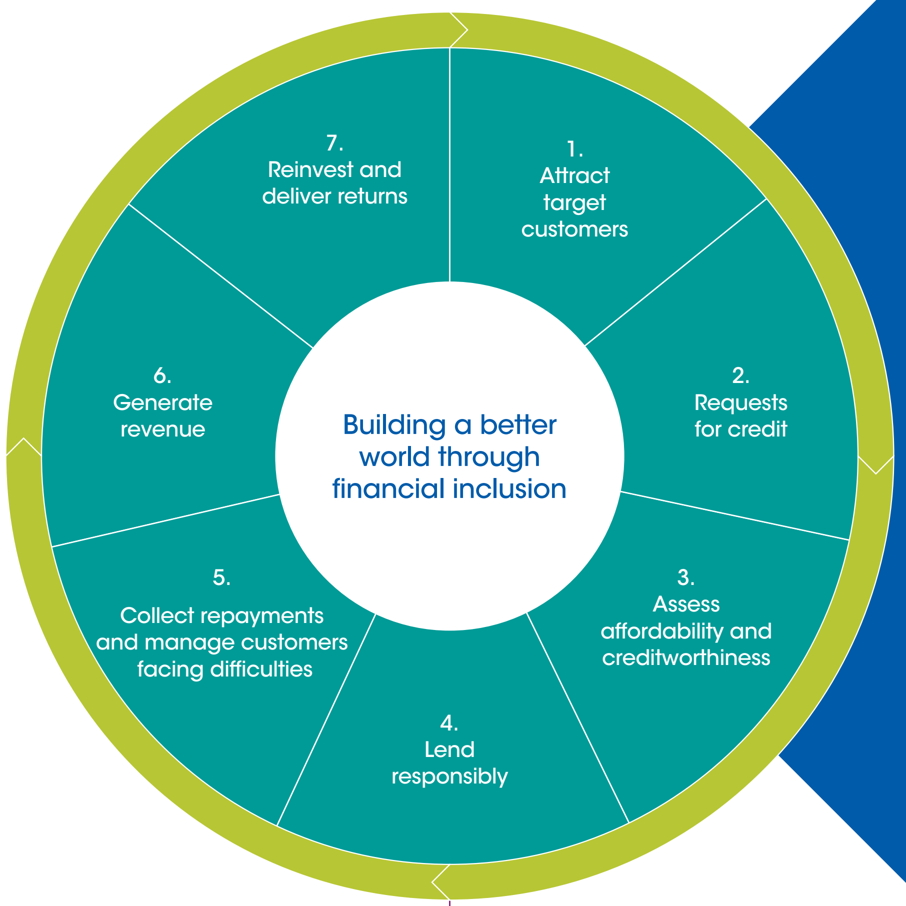
Our unique proposition helps underserved consumers access financial services and creates long-term value for the communities we serve.

What we do

We play a vital role in society by helping underserved consumers in nine markets gain access to affordable financial products and value-added services.

We have built a suite of products ranging from home credit and digital instalment loans through to a credit card, retail credit, digital credit lines and a mobile wallet. We also offer a range of insurances and other value-added services which are underwritten by leading, reputable third-party partners.

All of our products are tailored to our customers' financial circumstances and needs, and we deliver them in a responsible way. In doing so we are increasing financial inclusion for millions of people.



Underpinned by our values

Responsible	Respectful	Straightforward
Taking due care in all our actions and decisions.	Treating others as they would like to be treated.	Being open and transparent in everything we do.

What makes us different

Specialist lender

We are experts with deep market knowledge gained over 26 years of serving customers who are underbanked and underserved.

Unique product offering

We are the only financial services business to provide both home credit and digital offerings, plus a range of value-added services. We meet our customers' different credit profiles and create a flexible path for them to access our products as their credit history improves.

Close customer relationships

Knowing our customers enables us to make more accurate affordability assessments, approve more loans and support financial inclusion. Many of our customer representatives meet customers at their homes every week and it is this close contact that helps customers stay in control of repayments. We also maintain regular engagement with our digital customers across various channels.

Competitive advantage

The home credit model, with its large customer representative infrastructure, is extremely difficult to replicate and takes years of experience to manage effectively.

Profitable and highly scalable business

We are a profitable, cash generative business. Our home credit divisions deliver our target returns and we are scaling up our digital business to meet rising demand for affordable credit online, drive profit growth and deliver our target returns.

Data insight

Using AI and machine learning allows us to integrate high-quality data into our analytics, enhancing risk models and enabling smarter lending decisions. This ensures customers receive affordable credit that's right for them. It also optimises marketing returns and provides deeper insights into our target audience so we can refine customer journeys and improve engagement.

Our key relationships and value creation

Customers

Strategic pillars FI O TD

Trusted, personal relationships help us understand our customers, adapt our business model and design new products that meet their needs in a responsible and sustainable way.

How we create value

Giving access to affordable, regulated credit helps customers buy the things they want and build a credit history.

1.7m

customers included in the financial mainstream

Colleagues

Strategic pillars O

Engaging our employees and customer representatives is critical to delivering our increasingly digitalised business model while retaining the human touch through our unique personal customer relationships.

How we create value

Fostering an inclusive culture motivates colleagues to serve customers well, achieve exciting careers and deliver growth.

20,500

colleagues

Investors and ratings agencies

Strategic pillars FI O

Strong relationships with shareholders and funding partners help maintain a strong financial profile. By generating capital for growth, we enhance financial inclusion and deliver attractive, sustainable returns to investors.

How we create value

Generating good returns, delivering growth responsibly and capturing market opportunities.

>£240m

dividends paid to shareholders since listing in 2007

Communities

Strategic pillars O

Our community investment activities focus on financial inclusion. In addition, our customer representatives live and work in the communities they serve, building positive relationships with customers and providing unique insights into the needs of our communities.

How we create value

Enabling financial inclusion, supporting community initiatives and providing career opportunities.

£920,270

invested in our communities in 2024

Suppliers

Strategic pillars FI O TD

Collaboration with our business partners is essential if we are to continue to meet customers' needs. Our suppliers embrace our values and help our business grow, improve efficiency and enhance performance.

How we create value

Supporting thousands of businesses and forming strong, professional and sustainable partnerships with them.

3,000

suppliers globally

Regulators, politicians and non-governmental organisations

Strategic pillars FI

Regular, open dialogue with regulators and legislators builds their understanding of our customers' needs and our essential role in society.

How we create value

Providing consumers with access to regulated, affordable credit and complying with all market regulations.

c.25

sector associations

Strategic pillars key

FI Next Gen financial inclusion
O Next Gen organisation
TD Next Gen technology and data

Read our investment proposition on page 8

Our marketplace and key trends

Our business is well-positioned to capture substantial long-term growth opportunities in the large and growing markets where we serve customers.

We focus on a target consumer segment that remains significantly underserved, with an estimated 70 million adults across our nine markets facing financial constraints and limited access to traditional banking services.

Operating within the highly regulated non-bank financial institution sector, we navigate a landscape shaped by price caps, affordability requirements and other regulatory measures that vary across regions. Closely monitoring key consumer and market trends informs our Next Gen strategy so we can address challenges and capitalise on growth opportunities.

Market trends

Our response

Economic outlook

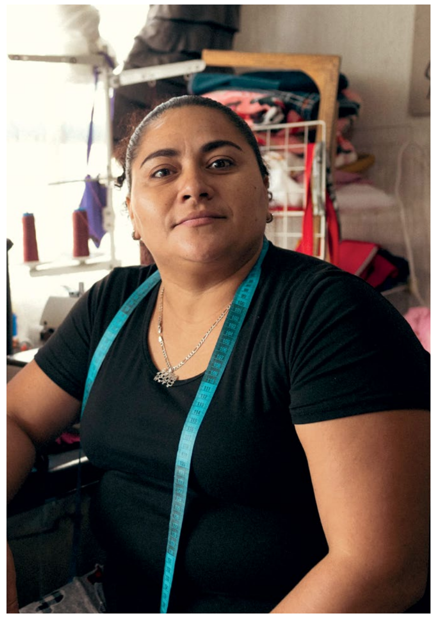
1 3 5

- Stable or improving economic indicators in most markets supporting good customer repayment behaviour.
- Interest rates are forecast to decline, reducing borrowing costs for consumers and lowering our blended cost of funding.
- Sterling has strengthened against some of our operational currencies particularly in Mexico and Hungary, impacting sterling-denominated returns.
- Governments are seeking to balance their budgets through tax rises.

Our response

- We benefit from a diversified business model in nine geographies.
- With a more positive outlook, we will accelerate growth but can tighten credit settings quickly if this changes.
- We always focus on cost efficiency and process optimisation to help mitigate inflation and the cost of funding.

Proven track record of managing through economic cycles



Changing customer expectations

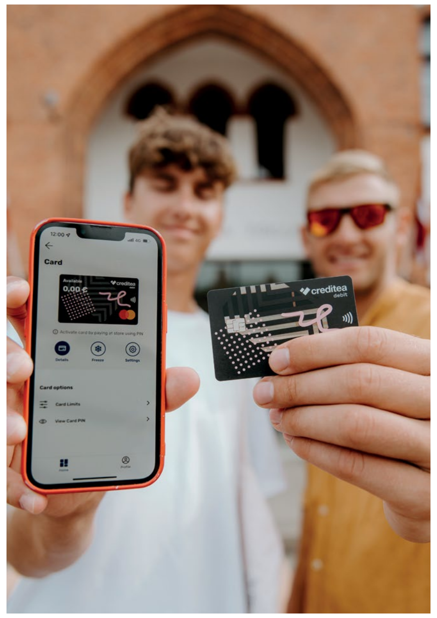
4 6 7 8 10

- Customers are demanding more personal, convenient and joined-up experiences.
- Trusted brand status is increasingly important.
- Consumers expect credit solutions to be available when they make purchases.
- Credit options for underserved customers are reducing in most markets except for credit cards in Mexico.

Our response

- We are introducing new products and channel choices across our markets.
- We are enhancing customer experience through our Think Customer programme.
- We refreshed the Provident brand in Europe to appeal to more people.
- We are implementing omnichannel technologies to provide faster responses during customer interactions.
- We are expanding retail partnerships to provide credit at the point of purchase.

Expanding credit access and enhancing customer experience



Technology

7 8 10

- Consumers expect multi-channel interactions alongside digital solutions.
- Mobile and digital devices, and online customer service are increasingly important.
- AI and 'big data' offer productivity and growth opportunities.
- High demand for fast service and seamless experiences.
- Increased digital transactions heighten cyber security risks.

Our response

- We are using data to improve lending decisions, optimise marketing investment and improve the customer journey.
- We are exploring new ways to develop innovative, user-friendly digital credit solutions, improve marketing effectiveness and deliver cost efficiencies.

Developing innovative digital credit solutions

Competition

7

- All our markets remain very competitive.
- No major new entrants serving our consumer segment.
- Some competition is being impacted by increased regulation.
- Increasing brand investment from new financial players in Mexico targeting prime customers.
- Whilst not direct competition, BNPL business models have scaled back.

Our response

- We are increasing product and channel choices to attract more customers.
- Our home credit model continues to offer competitive barriers to entry.
- Our strong financial performance, robust balance sheet and market-leading brands mean we are well-placed to capitalise on market share opportunities.

Increasing products and channel choices

Regulation

2 4 7 8

- Focus on affordability, fair pricing and consumer protection continues.
- Bank-like regulations for non-banking financial institutions are increasing.
- New rate cap in Romania.
- Government subsidies and minimum wage increases may impact demand and collections.

Our response

- We engage with regulators and legislators to highlight our role in extending financial inclusion.
- We are operating successfully under pricing and affordability regulations in most of our markets.
- We will accelerate credit card growth in Poland under the new full payment institution licence.
- We are making changes necessary under the EU Consumer Credit Directive II.

Advocating for financial inclusion

Principal risks

1 Credit
2 Future legal and regulatory development
3 Funding, liquidity, market and counterparty
4 Reputation
5 Taxation
6 Change management
7 Brand and proposition
8 Technology
9 People
10 Information security and cyber risk

See pages 38-43 for more information

Consistent execution of our Next Gen strategy

Our Next Gen strategy fuels our commitment to unlocking sustainable long-term growth.

Our purpose	Building a better world through financial inclusion.		
Our vision	We aim to be the leading provider of financial services for underserved communities around the world; data driven, technology-enabled and always with a human touch.		
Next Gen's strategic pillars	1. Next Gen financial inclusion	2. Next Gen organisation	3. Next Gen technology and data
Guided by our financial model	We are guided by our financial model in balancing the needs of our stakeholders.		
Supported by our values	Responsible	Respectful	Straightforward

Strategic progress at a glance

We made strong progress against our strategic objectives in 2024, advancing key initiatives that position us to deliver more for our customers and sustainable growth.

1. Next Gen financial inclusion

Building the products, channels and territories to ensure our propositions are attractive to the next generation of customers.

Strong progress in 2024

- Grew credit card offering in Poland to 150,000 active customers.
- Granted a full payment institution licence in Poland.
- Launched a new branch in Mexicali, northern Mexico.
- Expanded point of purchase finance in Romania.
- Launched a retail distribution channel in Mexico.
- Grew mobile wallet users to over 115,000.

Priorities in 2025

- Accelerate credit card growth in Poland and conclude on the launch of our next market.
- Open two new branches in Mexico home credit.
- Accelerate growth in IPF Digital Mexico and Australia.
- Increase retail partnerships model.
- Grow our digital channel in Romania.

2. Next Gen organisation

Becoming a more efficient organisation that makes a positive impact on society.

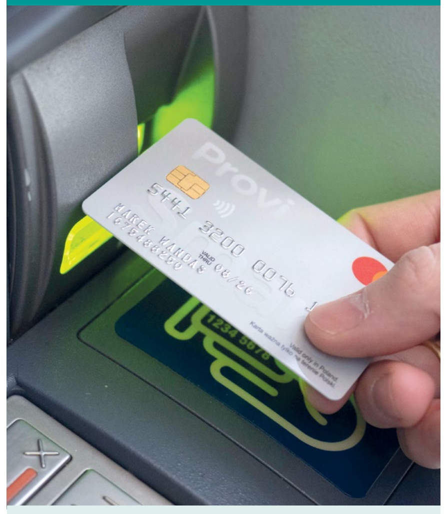
Strong progress in 2024

- New field force structure in European home credit to improve efficiency through process standardisation.
- Delivered more than 400 different training programmes to colleagues.
- MSCI ESG rating upgraded to AA and retained in FTSE4Good Index.
- Invested £920,270 in our global community programme.
- 4,000+ days volunteered by colleagues to support good causes.
- Multiple award wins including Outstanding Customer Service, Top Employer and Fair to Women 2024.

Priorities in 2025

- Create strategic leadership hubs to accelerate multi-market delivery.
- Continue investment in our colleagues to ensure we remain a great place to work.
- Support more communities through our Invisibles programme.

3. Next Gen technology and data



Becoming a data driven and technology-enabled partner for our customers.

Strong progress in 2024

- Consolidated and modernised the Group's IT architecture.
- Upgraded customer contact centres in Poland and the Czech Republic.
- Launched a new mobile app in Mexico home credit.
- Generated value from AI and data to enhance customer experience.
- Integrated AI into WhatsApp for faster communication and lead generation.
- Added a credit health monitor to our mobile wallet.

Priorities in 2025

- Enhance IT security across the Group.
- Generate further value from data and AI.
- Complete cloud migration of data in European home credit.
- Continue call centre modernisation to unlock customer experience and productivity enhancements.
- Complete paperless transformation programme.

See pages 24 and 25 for our key performance indicators.

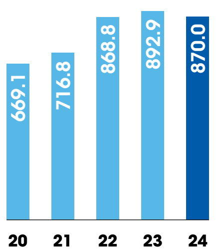
Key performance indicators

We track progress towards achieving our purpose and strategic priorities through a balanced set of financial and non-financial key performance indicators.

Financial

Closing net receivables

£870.0m



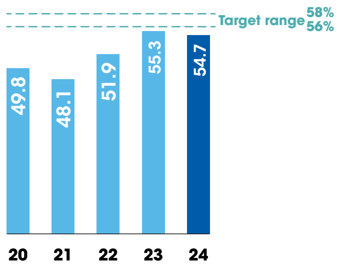
What we measure: The closing amounts receivable from customers translated at constant exchange rates.

Why it's important: This enables changes in customer receivables to be compared on a consistent basis, which is important because it is a key driver of revenue growth.

How we performed: Closing receivables increased by 6.8% (at CER) due mainly to strong growth of 18% delivered by IPF Digital, with low single-digit growth in both European and Mexico home credit. We expect to accelerate growth in 2025.

Revenue yield

54.7%



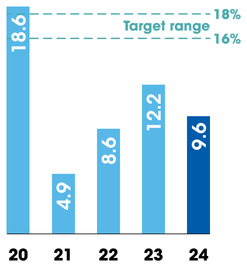
What we measure: Revenue divided by average gross receivables before impairment provision.

Why it's important: It reflects revenue earned from receivables and customer charges, ensuring our pricing is fair and appropriate to deliver our target returns. Our 56% to 58% target range reflects our product structure and current regulatory landscape, primarily characterised by rate caps in most of our markets.

How we performed: Revenue yield decreased marginally reflecting the impact of the rate cap on credit cards introduced in Poland in the first quarter. Excluding Poland, the revenue yield strengthened to 57.3%, in line with our target range.

Impairment rate

9.6%



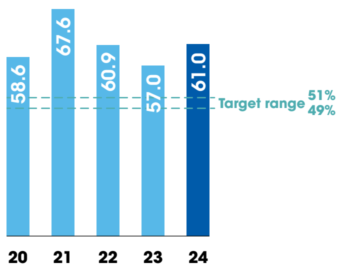
What we measure: Impairment as a percentage of average gross receivables before impairment provision.

Why it's important: Profitability is maximised by optimising the balance between growth and credit quality. Impairment rate helps us assess the amount of principal we are unable to collect. Our target range is 14% to 16%.

How we performed: Customer repayments remained strong despite cost-of-living pressures and global economic uncertainty. Our disciplined lending approach supported good portfolio quality and robust repayments, improving the impairment rate in 2024. We are well positioned to accelerate growth in 2025, and expect the impairment rate to gradually return to our target range.

Cost-income ratio

61.0%



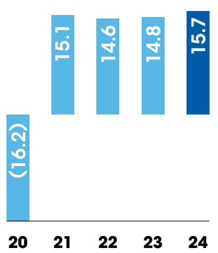
What we measure: The direct expenses of running the business including customer representatives' commission as a percentage of revenue.

Why it's important: To ensure we run our business in the most efficient manner as this ratio is a key driver of profitability. Our medium-term target range is 49% to 51%.

How we performed: The ratio increase was due wholly to reduced revenue in Poland. Excluding Poland, the ratio at 55.4% was in line with 2023 as we invested in growth and transformation capability. We are committed to our target as we deliver growth, build scale and execute our cost-efficiency programme.

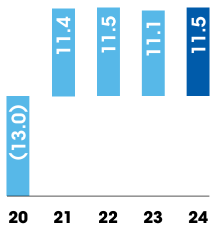
Pre-exceptional return on required equity (RoRE)

15.7%



Pre-exceptional return on equity (RoE)

11.5%



What we measure: RoRE is pre-exceptional profit after tax divided by average required equity of 40% of receivables. RoE is pre-exceptional profit after tax divided by average equity.

Why it's important: RoRE and RoE are good measures of overall shareholder returns. We target 15% to 20%, as this is a return which we consider to be sustainable and balances the needs of all our stakeholders.

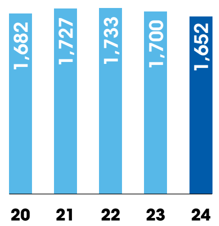
How we performed: RoE is lower than RoRE due to the additional capital held above our target level of 40%. The pre-exceptional RoRE improved by 0.9ppts to 15.7% as a result of improved profitability and a reduced tax rate of 35%. We expect returns to moderate in 2025 due to strong receivables growth which results in extra IFRS 9 impairment charges up front and a modest increase in the tax rate. We expect returns to improve in 2026 before reaching target returns again in 2027.

See our Financial review on pages 33 to 37 for more information.

Non-financial

Customers

1.7m



What we measure: Total number of customers across the Group.

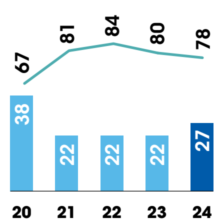
Why it's important: Customer numbers demonstrate the level of financial inclusion and scale in our markets. Our longer-term ambition is to serve 2.5m customers.

How we performed: Customer numbers grew by 1% to 1.7m, excluding the impact of Poland where they declined by 18%. With Poland's return to growth and continued strong momentum from new products and channels across the Group, we anticipate an acceleration in customer growth in 2025.

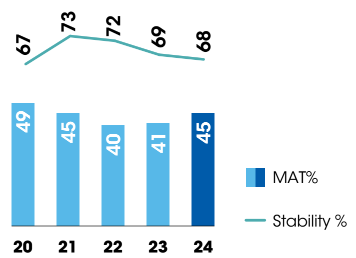
See page 50 for more information.

Employee and customer representative turnover and stability

Employees



Customer representatives



What we measure: Moving annual turnover (MAT) is the total leavers in the last 12 months divided by the average headcount in the same period. Stability is the number of employees with more than 12 months' service compared to the corresponding number 12 months ago.

Why it's important: Low and stable MAT correlates with providing high levels of customer service and strong employee and customer representative engagement. High levels of stability indicate that skills and experience are being retained, and support the maintenance of strong working relationships, which in turn supports high levels of customer service.

What we measure: As part of our commitment to delivering on our purpose, we target minimum stability scores of 75% for employees and 70% for customer representatives.

How we performed: Customer representative and employee MAT increased slightly in 2024, driven by several reorganisations aimed at improving efficiency. As anticipated, customer representative and employee stability contracted modestly as levels returned closer to normalised, pre-pandemic rates. However, they continue to reflect strong colleague engagement, supported by the results of our people pulse surveys conducted in 2024.

See page 53 for more information.

Community investment

£920,270

What we measure: Total value of our contribution to supporting communities.

Why it's important: This investment demonstrates our contribution to the communities where we live and work.

How we performed: In 2024, our investment in local communities focused on our flagship programme, Invisibles, and financial education. We also created more than 4,000 days of volunteering opportunities for colleagues to support our local community initiatives. In 2025, we will focus on extending our reach to helping more 'invisible' groups living in our communities, and understanding the impact of our support.

See page 58 for more information.

Customer recommendations (Net Promoter Score)

+77

What we measure: The proportion of customers recommending our products to others minus those who would not.

Why it's important: Net Promoter Score is a measurement of customer loyalty and satisfaction which are important drivers of future growth. We target a minimum score of +55 as part of our commitment to delivering on our purpose.

How we performed: Our Group Net Promoter Score at December 2024 was +77, an improvement on 2023 and well above our target of +55. Our focus in 2025 will be on maintaining this strong score with continued emphasis on improving customer experience through our Think Customer programme.

See page 51 for more information.

Group performance review

We delivered a strong operational and financial performance in 2024, with all divisions contributing positively to these results.

An analysis of our 2024 divisional results (2023 restated*) is set out below:

	2024 £m	2023 £m	Change £m	Change %
European home credit*	**57.4**	67.7	(10.3)	(15.2)
Mexico home credit	**26.0**	23.1	2.9	12.6
IPF Digital*	**17.0**	8.1	8.9	109.9
Central costs	**(15.2)**	(15.0)	(0.2)	(1.3)
Pre-exceptional profit before taxation	**85.2**	83.9	1.3	1.5
Exceptional items	**(11.9)**	–	(11.9)	(100.0)
Profit before taxation	**73.3**	83.9	(10.6)	(12.6)

* As part of a change in management responsibility from the end of 2023 and as reported with the interim results, the nascent digital lending business in the Czech Republic, which was previously reported as part of European home credit, is now included in the results of IPF Digital. All comparatives have been amended accordingly and are presented on a like-for-like basis. The Czech Republic digital business contributed a loss of £2.6m for 2023.

The detailed income statement of the Group, together with associated KPIs is set out below:

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**1,652**	1,700	(48)	(2.8)	
Customer lending	**1,214.5**	1,150.6	63.9	5.6	9.2
Average gross receivables	**1,327.5**	1,388.9	(61.4)	(4.4)	(1.6)
Closing net receivables	**870.0**	892.9	(22.9)	(2.6)	6.8
Revenue	**726.3**	767.8	(41.5)	(5.4)	(2.1)
Impairment	**(127.5)**	(169.4)	41.9	24.7	21.1
Revenue less impairment	**598.8**	598.4	0.4	0.1	3.2
Costs	**(443.2)**	(437.6)	(5.6)	(1.3)	(4.0)
Interest expense	**(70.4)**	(76.9)	6.5	8.5	6.0
Pre-exceptional profit before taxation	**85.2**	83.9	1.3	1.5	
Exceptional items	**(11.9)**	–	(11.9)	(100.0)	
Profit before taxation	**73.3**	83.9	(10.6)	(12.6)	
Revenue yield	**54.7%**	55.3%	(0.6) ppts		
Impairment rate	**9.6%**	12.2%	2.6 ppts		
Cost-income ratio	**61.0%**	57.0%	(4.0) ppts		
Pre-exceptional EPS[1]	**24.9p**	23.2p	7.3%		
Pre-exceptional RoE[1]	**11.5%**	11.1%	0.4 ppts		
Pre-exceptional RoRE[1,2]	**15.7%**	14.8%	0.9 ppts		

1. Prior to a pre-tax exceptional charge of £11.9m, and an exceptional tax credit of £17.4m in 2024 and an exceptional tax charge of £4.0m in 2023 (see note 10 for more details).
2. Based on required equity to receivables of 40%.

Group performance

The strong momentum in performance built over the past three years, and now underpinned by the execution of our Next Gen strategy, resulted in good growth and exceptional customer repayment behaviour in the year. Pre-exceptional profit before tax of £85.2m was ahead of the guidance of between £78m and £82m we provided with the interim results and 1.5% up on last year (2023: £83.9m), despite an adverse year-on-year impact of £5m due to weaker foreign exchange rates in our geographies.

The full-year result includes exceptional one-off costs totalling £11.9m, comprising £6.1m of restructuring costs in European home credit and £5.8m of costs associated with refinancing the Group's Eurobond in June. Statutory profit before tax was therefore £73.3m (2023: £83.9m).

Group customer lending grew by 9% (at CER) driven by strong growth in IPF Digital and European home credit. Mexico delivered relatively modest growth due to disruption from an IT upgrade in the final quarter but has returned to expected levels of growth in early 2025.

For more information see the Financial review on pages 33 to 37.

Group net receivables closed the year up 7% (at CER) to £870.0m (2023: £892.9m), due particularly to strong growth of 18% in IPF Digital with European home credit and Mexico home credit delivering low single digits growth. Whilst receivables in Poland showed a year-on-year reduction of 10%, both the home credit and digital businesses have now returned to growth and delivered 6% receivables growth in the final quarter.

Customer numbers grew by 1% to 1.7m, excluding the impact of Poland, where customer numbers declined by 18%. As noted above, Poland is now returning to growth and with continued strong momentum from the Group's new products and channels we anticipate an acceleration in customer growth in 2025.

Delivery of our financial model is underpinned by the revenue yield, impairment rate and the cost-income ratio, and we continue to maintain a sharp focus on these key financial levers.

The annualised revenue yield decreased marginally from 55.3% to 54.7% in 2024. This reflects the impact of the introduction of the rate cap on credit cards in Poland in the first quarter. Excluding Poland, the revenue yield strengthened to 57.3%, in line with the Group's target range of 56% to 58%.

Customer repayments continued to be excellent in 2024 despite cost-of-living pressures on consumers and general global macro-economic instability. Our strong operational execution, together with a further reduction of £6m (2023: £5m) in the Group's cost of living provision, supported a 2.6ppt improvement in the annualised impairment rate to 9.6% (2023: 12.2%). The improved credit quality has resulted in a reduction in the impairment coverage provision from 36.3% at December 2023 to 32.9% at December 2024. With excellent credit quality across all our divisions, we are well positioned to accelerate growth in 2025.

We continue to maintain a strict focus on efficiency and cost control. The Group's cost-income ratio increased by 4.0 ppts to 61.0% (2023: 57.0%) wholly due to reduced revenue in Poland. Excluding Poland, the ratio of 55.4% was in line with 2023 as we invested in growth in the second half of the year as well as the resources and capability to accelerate change across the Group. Despite this investment, we remain committed to our medium-term target of 49% to 51% as we deliver increased growth, build scale and continue to execute on our cost efficiency programme.

The pre-exceptional RoRE improved by 0.9ppts to 15.7% (2023: 14.8%) as a result of improved profitability and a reduced tax rate of 35% (2023: 38%). We expect returns to moderate in 2025 due to strong receivables growth which results in extra IFRS 9 impairment charges up front and a modest increase in the tax rate. We expect returns to improve in 2026 before reaching target returns again in 2027. The Group's pre-exceptional RoE, based on actual equity, increased to 11.5% (2023: 11.1%).

Pre-exceptional earnings per share (EPS) grew 7.3% to 24.9p per share (2023: 23.2p), reflecting higher profits, a lower tax rate and a reduced number of shares in issue following successful completion of the £15m share buyback programme in the second half of the year. Reported EPS of 27.3p per share (2023: 21.5p) showed a larger increase of 27.0%, due to the impact of pre-tax exceptional charges of £11.9m being more than offset by an exceptional tax credit of £17.4m (see note 10 for more details).

Purpose and strategy

Our purpose is to build a better world through financial inclusion. With 1.7 million customers across nine countries, we aim to grow this to 2.5 million, extending access to affordable financial products to support significantly more underserved consumers.

We have made a strong start to our Next Gen strategy which we launched early in 2024, with the business aligned on delivering its three core strategic priorities:

1.Next Gen financial inclusion

We aim to increase our reach to appeal to more consumers by expanding our geographic footprint, increasing our product range and growing the number of channels through which customers can access our offers:

- *Accelerating credit cards:* The granting of a full payment institution license in Poland in November will enable us to accelerate growth of our credit card offering in the year ahead. We have now issued over 200,000 credit cards, up from 130,000 at the end of 2023, with 150,000 active customers who are using their cards increasingly in stores and on-line. Based on our experience to date, we are developing plans to expand the proposition into other European markets which we plan to announce with our 2025 half year results.
- *Expanding in Mexico:* We continued to expand our geographic footprint in this growth market with a new branch opening in Mexicali, northern Mexico in June. We also plan to open two new branches in 2025, and all our branches launched in the past two years are performing well.
- *Building distribution channels through strategic partnerships:* We expanded our retail credit partnership significantly in 2024, an offering which provides finance for consumers at the point of purchase. In Romania, we now offer in-store credit at nearly 700 retail outlets, up from 160 at the end of 2023. Our test of this distribution channel in Mexico is also gaining traction and we now offer credit in more than 50 online retailers.
- *Growing our mobile wallet in IPF Digital:* We enhanced our mobile wallet with the addition of a digital credit health monitor, which leverages internal and external data to help customers manage their credit profiles and behaviours more effectively, and keep their credit score in good standing. The number of mobile wallet users has more than doubled to over 115,000 in the past 12 months, and they now represent around half of IPF Digital's customer base.

2.Next Gen organisation

We are becoming a smarter, more efficient organisation that makes a positive impact on society:

- *Field transformation:* We implemented a new structure for our European home credit division to standardise processes across the four markets, laying the foundation for unified systems that will simplify our technology estate and enhance efficiency.
- *Supporting our communities:* We invested £920,270 in community support and assisted thousands of people through our global community investment programme 'Invisibles' which helps people from those segments of society who struggle to have their needs recognised gain access to financial services and become visible to influential stakeholders who can provide practical help.
- *Being a great place to work:* We received recognition through a variety of awards demonstrating our commitment to our colleagues, gaining Top Employer in Poland and Wellbeing Employer of the Year in Romania, in addition to awards for great customer care and innovation.

3.Next Gen technology and data

We are investing in the capabilities required to become a data-driven and technology-enabled partner for our customers:

- *Customer app rollout:* Building on the success of our mobile app in Poland, we launched an app in Mexico, providing customers with a convenient and accessible way to manage their finances. By the end of the first quarter of 2026, the app will be available across all our home credit markets.
- *Offering omnichannel touchpoints:* In 2024, we expanded our Xenia customer experience programme into Poland and the Czech Republic, building on its success in Romania. This is transforming our European home credit operations, integrating multiple customer touchpoints to provide a unified, 360-degree view of customers.
- I*ntegration of AI:* The potential of AI is transformative, and we are at an early stage in developing its use in lead management and call centre efficiency, automated affordability checks and AI-driven processes to integrate data across our different platforms.

In 2025, we will continue with the above activities as well as accelerate the pace of change as we continue to upgrade and simplify our IT estate to make us more productive, cost efficient, secure and agile.

Regulatory update

As previously reported, the new total cost of credit cap in Romania came into force on 11 November 2024. Our Romanian business has adapted its product offering to customers in accordance with the new cap and we do not expect the impact to be material to the Group's results.

Following a two-year process, in November 2024, our Polish home credit business was granted a full payment institution licence from the Polish financial supervision authority, the Komisja Nadzoru Finansowego. This represented a significant step forward as the previous licence restricted the amount of credit our Polish business could issue and now, with the new licence, we can accelerate growth in Poland.

Our business in the Czech Republic, which is our smallest operation, has remained our only European market without a rate cap. Earlier this month, a public consultation document for the adoption of the EU Consumer Credit Directive 2 (CCD2) contained a proposal for the introduction of a rate cap. We are working with industry groups to ensure that any rate cap is appropriate and assists the provision of responsibly provided credit to those in need. The Group has demonstrated a strong track record in adapting to regulatory changes, including new rate caps.

The Digital Operations Resilience Act (DORA) took effect from 17 January 2025. The requirements cover, amongst other things, the management of IT and security risk, disaster recovery plans and third-party supplier risk. We introduced the necessary enhancements to our risk and governance process to meet the requirements of DORA in advance of the deadline.

Outlook

Our strong operational and financial performance in 2024, together with our strong balance sheet, lays the foundation for accelerating the rate of growth and the pace of change in 2025 as we continue to execute against our Next Gen strategy.

In Poland, the receipt of the full payment institution licence enables us to accelerate its return to growth whilst in Mexico home credit, where we have upgraded our IT systems infrastructure, we anticipate strong demand to fuel growth and geographic expansion. Following an excellent performance in 2024, we expect IPF Digital will continue to build scale and deliver further strong growth in 2025, particularly in the very attractive Mexico and Australia markets. Additionally, further growth in our divisions will be driven by broadening our product set, further roll-out of mobile wallet in our digital markets and increasing our retail credit partnerships.

We will also drive change at a faster pace to enhance our ability to serve customers and improve operational efficiency. We are investing in technology to streamline customer journeys through apps and omnichannel touchpoints, understand how AI will support the business and develop platforms and processes to deliver efficiencies, enable innovation and support compliance with all local regulatory requirements.

Building upon our performance in recent years, we are focused on delivering our ambitious long-term vision to be the leading provider of financial services to underserved communities around the world, data-driven, technology enabled and always with the human touch. We are dedicated to turning this vision into reality, ensuring inclusive financial growth for all.

European home credit

European home credit performed very well in 2024, despite adapting to the new rate cap on credit cards in Poland which came into force in the first half of the year. Strong operational execution against our Next Gen strategy delivered good lending growth whilst maintaining excellent credit quality.

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**725**	754	(29)	(3.8)	
Customer lending	**662.1**	601.7	60.4	10.0	12.6
Average gross receivables	**706.0**	791.1	(85.1)	(10.8)	(8.9)
Closing net receivables	**459.6**	475.4	(15.8)	(3.3)	3.0
Revenue	**328.2**	375.9	(47.7)	(12.7)	(11.0)
Impairment	**(8.1)**	(35.6)	27.5	77.2	77.1
Revenue less impairment	**320.1**	340.3	(20.2)	(5.9)	(4.0)
Costs	**(225.1)**	(225.2)	0.1	–	(1.6)
Interest expense	**(37.6)**	(47.4)	9.8	20.7	19.1
Pre-exceptional profit before taxation[1]	**57.4**	67.7	(10.3)	(15.2)	
Revenue yield	**46.5%**	47.5%	(1.0) ppts		
Impairment rate	**1.1%**	4.5%	3.4 ppts		
Cost-income ratio	**68.6%**	59.9%	(8.7) ppts		
Pre-exceptional RoRE[1]	**19.9%**	21.6%	(1.7) ppts		

1. Prior to a pre-tax exceptional charge of £6.1m and, in respect of RoRE, an exceptional tax credit of £1.1m in 2024, and an exceptional tax charge of £4.0m in 2023 (see note 10).

The division reported pre-exceptional profit before tax of £57.4m (2023: £67.7m), down £10.3m, of which £2m was due to weaker foreign exchange rates in our European geographies. Excluding the adverse impact of foreign exchange rates, the result was ahead of the guidance provided with the 2023 full-year results where we expected a £10m profit impact due to the introduction of the rate cap on credit cards in Poland.

Consumer demand remained robust and supported the acceleration of customer lending growth through the year. Hungary, which delivered record lending, Romania and the Czech Republic collectively delivered lending growth of 12% (at CER), with momentum increasing from 8% growth in the first half to 17% in the second half. In Poland, lending trends improved significantly as the year progressed, recovering from a 5% year-on-year contraction in the first half to 36% growth in the second half (+13% for the year as a whole) and the business has now fully adapted to the combined impact of the lower rate caps and enhanced affordability assessments now required. The granting of the full payment institution licence in November will allow Poland to increase credit card lending volumes going forward.

Closing net receivables improved by 3% (at CER) to £459.6m (2023: £475.4m). This reflects strong growth of 13% (at CER) delivered by Hungary, Romania and the Czech Republic combined, partly offset by Poland's receivables which reduced by 13% (at CER) year on year. However, after stabilising in the third quarter, the increased lending volumes in Poland led to a 6% increase in receivables in the fourth quarter to just over £150m. Overall, with the strong momentum we are seeing in lending volumes we anticipate European home credit receivables growth in excess of 15% in 2025.

Customer numbers ended the year at 725,000, representing a year-on-year reduction of 3.8%. Hungary, Romania and the Czech Republic showed combined growth of 6% which was more than offset by a 18% reduction in Poland. Now that Poland has recommenced growth, we expect mid-single digit growth in customer numbers for European home credit in 2025.

The annualised revenue yield reduced modestly year-on-year by 1.0ppt to 46.5% (2023: 47.5%), wholly due to the re-pricing of credit cards in Poland. The yield is expected to remain stable in the year ahead.

The strong financial performance of European home credit was buoyed by excellent customer repayments across all four markets and a continued strong debt sale market. As a result of the excellent credit quality, the cost-of-living provision was reduced by £3.9m in the year and the impairment rate showed an improvement of 3.4ppts to 1.1% (2023: 4.5%). As the Polish business regrows in 2025, we expect the impairment rate to increase and then to normalise into the target range for European home credit of between 8% and 10% in the medium term.

Cost management continues to remain a priority. Due to the reduction in revenue yield in Poland together with investment in growth, the cost-income ratio increased from 59.9% in 2023 to 68.6% in 2024. As we maintain our cost efficiency programme and Poland regains scale, we remain focused on reducing the cost-income ratio to our target range of between 49% to 51% in the medium term.

As part of the ongoing transition of the Polish business, a restructuring of our field and head office organisation resulted in a reduction of 250 roles. As a result, the 2024 results reflect a one-off exceptional cost of £6.1m relating to redundancy payments and other associated costs.

As expected, the annualised pre-exceptional RoRE for the division decreased to 19.9% (2023: 21.6%), due to the reduction in profits. We anticipate that returns will further moderate in 2025 as we accelerate receivables growth leading to an increase in up front IFRS 9 impairment charges. We then expect returns to regrow in 2026.

European home credit remains the cornerstone of the Group's profitability and offers good opportunities for future growth, as demonstrated by the strong growth momentum in the second half of 2024. The full payment institution licence in Poland will underpin the acceleration of growth in this market as we rebuild scale and expand our credit card offering to both existing and new customers. We will also continue to expand our digital and retail partnership credit offering in Romania, and focus on customer acquisition and improving the customer journey across all markets. We are also committed to enhancing efficiency and unlocking synergies through technology deployment and the sharing of resources and best practices across the division.

Mexico home credit

Mexico home credit delivered record profit before tax of £26.0m (2023: £23.1m), underpinned by a return to target impairment levels and strong cost control. The year-on-year growth in profits of 12.6% was adversely impact by the weaker Mexican peso which impacted profits by £2m.

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**680**	716	(36)	(5.0)	
Customer lending	**289.2**	302.8	(13.6)	(4.5)	1.4
Average gross receivables	**306.9**	299.4	7.5	2.5	8.5
Closing net receivables	**159.4**	187.1	(27.7)	(14.8)	3.0
Revenue	**263.8**	261.6	2.2	0.8	7.1
Impairment	**(92.4)**	(96.7)	4.3	4.4	(2.0)
Revenue less impairment	**171.4**	164.9	6.5	3.9	10.0
Costs	**(131.0)**	(129.7)	(1.3)	(1.0)	(6.3)
Interest expense	**(14.4)**	(12.1)	(2.3)	(19.0)	(26.3)
Reported profit before taxation	**26.0**	23.1	2.9	12.6	
Revenue yield	**85.9%**	87.4%	(1.5) ppts		
Impairment rate	**30.1%**	32.3%	2.2 ppts		
Cost-income ratio	**49.6%**	49.6%	– ppts		
RoRE	**24.4%**	20.7%	3.7 ppts		

While consumer demand for credit remains robust, year-on-year customer lending growth of 1% (at CER) and a 5% contraction in customer numbers to 680,000 were lower than our original expectations. This was wholly due to a 6% year-on-year contraction in lending during the fourth quarter. Due to ongoing instability in our Provi Digital (the front-end lending technology used by our customer representatives) and customer app, we took the decision to upgrade to a more modern and resilient infrastructure to provide a more stable and secure base to accelerate growth in the future. This change disrupted our field activities for a period, but we are pleased to report that the upgraded technology was deployed in mid-January 2025 and the business has now returned to weekly year-on-year sales growth. With the added traction from the management actions implemented in the previously underperforming regions of Mexico City and Sureste, and the weak fourth quarter comparative, we expect to deliver lending growth in excess of 10% in 2025.

Our geographic expansion strategy continues to progress successfully. Our new branch opening in June in Mexicali and two branches in Tijuana and Tampico, which we opened at the end of 2022 and early 2023 respectively, are performing well and in line with our plan. Together they have attracted more than 17,000 customers to date. We plan to open another two branches in 2025.

Closing net receivables grew by 3% (at CER) to £159.4m, driving a 7% (at CER) increase in revenue. We expect much faster receivables growth of approximately 15% in 2025. While the revenue yield saw a moderate decline from 87.4% to 85.9%, this reflects the increase in the proportion of lending to existing good-quality customers compared with new customers as the receivables book grows. Existing customers tend to be served with higher value, longer duration loans which have a lower yield, but this is compensated for by better impairment outcomes.

Improving the impairment rate in Mexico was a key priority in 2024, and our team successfully achieved a rate in line with the target level of 30%. Focused actions to enhance the quality of receivables and promote positive repayment behaviour led to a 2.2ppt year-on-year improvement in the impairment rate to 30.1% (2023: 32.3%). The improvement in quality also led to a £1.2m reduction in the cost-of-living provision.

Despite the continued investment in geographic expansion and the investment to upgrade the IT infrastructure, the cost-income ratio remained in line with last year at 49.6% and is consistent with our 49% to 51% target range. Costs remain tightly controlled and we expect to maintain this ratio as we continue to grow the business.

Interest costs increased by 26.3% (at CER), reflecting both an 8.5% (at CER) increase in average gross receivables and higher funding costs of the Mexican business. Despite this increase, and the impact of the disruption in the fourth quarter, the strong financial fundamentals of Mexico home credit led to a 3.7ppt improvement in the RoRE to 24.4% (2023: 20.7%).

Mexico home credit represents a significant growth market for the Group and forms a key part of our Next Gen strategy. Our immediate focus in 2025 is to accelerate the rate of growth, supported by a more resilient and flexible IT infrastructure. We are committed to expanding our geographic footprint to attract more new customers and plan to open a further two new branches during the year and continue to grow those launched in recent years. We will also continue to prioritise sustainable, quality growth to deliver consistent and attractive returns, which has been an underpinning feature of the business over the last three years.

IPF Digital

IPF Digital delivered very strong growth and a significantly improved financial performance, reporting a £8.9m (110%) increase in profit before tax to £17.0m (2023: £8.1m), despite a £1m year-on-year impact from weaker foreign exchange rates, particularly in Mexico.

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**247**	230	17	7.4	
Customer lending	**263.2**	246.1	17.1	6.9	9.9
Average gross receivables	**314.6**	298.4	16.2	5.4	8.1
Closing net receivables	**251.0**	230.4	20.6	8.9	17.6
Revenue	**134.3**	130.3	4.0	3.1	6.1
Impairment	**(27.0)**	(37.1)	10.1	27.2	24.2
Revenue less impairment	**107.3**	93.2	14.1	15.1	17.9
Costs	**(72.0)**	(67.8)	(4.2)	(6.2)	(8.1)
Interest expense	**(18.3)**	(17.3)	(1.0)	(5.8)	(8.3)
Reported profit before taxation	**17.0**	8.1	8.9	109.9	
Revenue yield	**42.7%**	43.7%	(1.0) ppts		
Impairment rate	**8.6%**	12.4%	3.8 ppts		
Cost-income ratio	**53.6%**	52.0%	(1.6) ppts		
RoRE	**11.4%**	5.6%	5.8 ppts		

All our markets contributed improved performances, with Mexico and Australia delivering strong growth and record profit contributions while Poland successfully transitioned to operating under a tighter rate cap introduced late in 2023 and returned to growth during the second half of the year.

Customer demand for fully remote credit offerings continued to increase, driving year-on-year growth in customer numbers and customer lending of 7% and 10% respectively (both at CER), with strong performances in particular delivered by Mexico and Australia with 22% and 21% year-on-year growth in lending respectively. The Czech Republic delivered 15% growth in lending whilst the more mature markets in the Baltics delivered 3% growth. Poland saw a return to growth of 20% in the second half of the year following a reduction of 18% in the first half (-2% for the year as a whole).

Our growth strategy to build receivables and achieve target returns is delivering good results. Closing net receivables increased by 18% (at CER) to £251.0m (2023: £230.4m). Mexico, Australia and our emerging digital business in the Czech Republic were standout performers each delivering growth of more than 26%, while our more mature markets in the Baltics delivered 13% growth. In Poland, we are pleased to report that we saw a return to growth of 3% for the year as a whole, with growth of 6% to £38m being delivered in the last quarter. In 2025, we expect IPF Digital's overall receivables growth to be similar to 2024.

The revenue yield reduced modestly by 1ppt to 42.7% (2023: 43.7%), primarily due to lower rate caps introduced in Latvia and Poland at the end of 2022, as well as in Estonia which is recalculated biannually. These impacts were partially offset by the increasing proportion of receivables with a higher revenue yield in Mexico.

Customers continue to repay very well in all our digital operations and portfolio quality is very good. Together with a reduction in the cost-of-living provision of £1.4m, this has resulted in the impairment rate improving significantly by 3.8 ppts to 8.6% (2023: 12.4%). We anticipate that the medium-term impairment rate for IPF Digital will settle into the Group's target range of 14%-16% as Mexico becomes a bigger proportion of the receivables book.

Operating costs rose by 8.1% (at CER) as we invested in marketing and technology to drive customer acquisition and build scale. This investment together with the reduction in the revenue yield resulted in the cost-income ratio softening by 1.6ppts year on year to 53.6% (2023: 52.0%). We expect the cost-income ratio to improve toward our long-term target of approximately 45% for our digital division as we scale and leverage operational efficiencies.

IPF Digital's excellent performance in 2024 resulted in its RoRE strengthening year on year by 5.8 ppts to 11.4% (2023: 5.6%), reflecting our progress in building scale and maintaining strong credit quality. IPF Digital represents a significant long-term growth opportunity for the Group, particularly in Mexico and Australia. There are very attractive organic growth opportunities as well as good returns from our broad product set of digital instalment loans, revolving credit lines, mobile wallet and retail finance products. We will also consider inorganic opportunities to enhance scale and returns should a suitable opportunity arise. Based on our growth trajectory, our goal is to achieve returns at the lower end of our 15% to 20% Group target in 2027.

Financial review

"We delivered an excellent financial performance in 2024 which provides a strong foundation for accelerating the pace of growth and delivering increased returns to shareholders."

Gary Thompson
Chief Financial Officer

I am pleased to report that the Group delivered a strong financial performance in 2024. We continued to make good progress on executing our strategy, diversifying our funding position and maintaining a very conservatively capitalised balance sheet to mitigate any further potential deterioration in the volatile macroeconomic environment.

Financial model

Our business is well managed and operates with strong ethical and financial disciplines. As we navigate our future growth opportunities and business choices, we have a formal financial model which underpins our Next Gen strategy and balances the needs of our various stakeholders including customers, colleagues, regulators, shareholders and debt providers. It sets out the target returns we need to deliver sustainable earnings, support our progressive dividend policy, invest in the future growth of the business and ensure we maintain a strong balance sheet.

Our financial model, details of which can also be found on page 6, focuses on the following:

1. Return on required equity (RoRE)

The first, most integral part of our model is to deliver a target RoRE of between 15% and 20%. In practice, 15% is a short-term target with sustainable returns of nearer 20% being the medium to longer-term target. We believe that returns materially above this range would not balance the needs of all of our stakeholders in delivering our purpose of building a better world through financial inclusion. We calculate RoRE as profit after tax divided by the average required equity of 40% of receivables. This allows us to ensure comparability between divisions and is more consistent with the financial model which assumes a 40% equity to receivables ratio. We will also continue to disclose our return on equity (RoE) on a Group basis. We target each of our divisions to deliver a return of at least 20% to ensure that we can deliver the Group RoRE, after taking account of central costs.

The Group's pre-exceptional RoRE improved by 0.9 ppts to 15.7% compared with 14.8% at the end of 2023, as a result of improved profitability and a reduced tax rate of 35% (2023: 38%). We expect returns to moderate in 2025 due to the strong receivables growth which results in extra IFRS 9 impairment charges up front together with a modest increase in the tax rate. We expect returns to improve in 2026 before reaching target returns again in 2027. The Group's pre-exceptional RoE, based on actual equity, increased to 11.5% (2023: 11.1%).

We firmly believe each of our businesses is capable of delivering a 20% RoRE and the RoRE by division is set out below:

	2024	2023
European home credit	19.9%	21.6%
Mexico home credit	24.4%	20.7%
IPF Digital	11.4%	5.6%

European and Mexico home credit are already delivering a RoRE in line with the 20% threshold we set for each division. IPF Digital's RoRE improved by 5.8 ppts year on year to 11.4% (2023: 5.6%) reflecting our progress in building scale and maintaining strong credit quality. Although IPF Digital currently has lower scale than necessary to reach our target returns, it is growing rapidly and there are strong organic growth opportunities in our existing markets as we rebuild the business, particularly in Mexico, Australia and Poland. We will also continue to consider inorganic opportunities to deliver scale and increase returns.

Delivery of RoRE is supported by a strict focus on revenue yield, impairment rate and cost-income ratio, see page 24, key performance indicators for further information.

2. Distribution of earnings

The delivery of a RoRE of 15% supports the distribution of a minimum of 40% of our post-tax earnings. A RoRE of nearer 20% would allow us to either distribute more than 40% of our earnings to shareholders and/or deliver additional receivables growth.

"Our total dividend of 11.4 pence per share in 2024 represents a pre-exceptional payout ratio of 46%. We anticipate our payout ratio to be in excess of 40% of earnings in 2025 as we deploy capital to accelerate the pace of receivables growth."

3. Receivables growth

Returning capital of 40% of post-tax earnings allows us to fund receivables growth in the following year by up to 10%. If we grow in excess of 10% we will utilise any additional capital resources over our target capital base. If we grow at less than 10% we will either retain capital or increase the capital return to shareholders above our 40% minimum threshold.

In 2024, receivables increased by 6.8% compared with 2023. As a result of this growth being less than 10%, we generated additional capital over and above our financial model during 2024.

4. Equity to receivables ratio

A target equity to receivables ratio of 40% is our current view of an appropriate balance sheet, offering plenty of security in both good and more difficult times. At the end of 2024, the Group's equity to receivables ratio was 54% (2023: 56%), higher than our target of 40%.

Our strong capital position supports our ambitious growth plans and progressive dividend policy through to the point at which we are delivering our target returns and operating in line with our financial model, we estimate that this will be in 2027.

"We believe that each of our businesses is capable of delivering a target RoRE of 20%."

Taxation

The pre-exceptional taxation charge on the profit for 2024 is £29.8m, which represents an effective rate for the year of approximately 35% (2023: 38%).

"The lower tax rate in 2024 reflects a number of elements, including a reduction in the disallowable impairment in Poland, partly as a result of being a payments institution as well as the availability of additional tax allowances on utilisation of brought forward tax losses in Mexico."

We now expect the effective tax rate on an ongoing basis to be approximately 38%, lower than previous expectations of 40%.

The 2024 results reflect an exceptional tax credit of £17.4m (2023: exceptional tax charge of £4.0m), which comprises two items:

- In 2022, the Group recorded an exceptional tax charge of £15.2m following the derecognition of the non-current asset previously held in respect of the Group's finance company arrangements. This stemmed from the decision by the General Court of the European Union in June 2022 confirming the European Commission's earlier decision that the UK's Group Financing Exemption constituted partial illegal state aid. Following a favourable judgement of the European Court of Justice in favour of the UK on 19 September 2024, regulations have been issued (in force from 31 December 2024) requiring HMRC to put taxpayers back in the position they would have been in had the European Commission's Decision not been issued. Accordingly, the £15.2m previously derecognised has been reinstated resulting in an exceptional tax credit of £15.2m. Repayment of the tax is expected during 2025. In conjunction with the recognition of the exceptional tax credit, the Group has also included a contingent liability in respect of HMRC's review of the Group's finance company's compliance with certain conditions under the UK domestic tax rules to confirm whether the company is eligible for the benefits of the Group Financing Exemption which were claimed in historic tax returns (see note 32 to the Financial Statements).
- An exceptional tax credit of £2.2m has been recognised in 2024 with respect to the £11.9m total exceptional costs relating to the refinancing of the Group's Eurobond (£5.8m) and restructuring of the Polish home credit business (£6.1m).

In 2022 and 2023, exceptional tax charges of £5.1m and £4.0m respectively were reflected in relation to a two-year temporary "extra profit special tax" in Hungary. We noted in the 2023 annual report that the temporary tax had been extended for an additional year and, therefore, a further £2m exceptional tax charge was expected to arise in 2024. However, the tax has now been extended into 2025 and, consequently, the "extra profit special tax" now forms part of our pre-exceptional tax charge.

Earnings per share (EPS)

Pre-exceptional earnings per share (EPS) grew 7.3% to 24.9p per share (2023: 23.2p), reflecting higher profits and a lower tax rate. Reported EPS of 27.3p per share (2023: 21.5p) showed a larger increase of 27.0%, due to the net credit impact of exceptional items as well as a reduced number of shares in issue following the successful completion of the £15m share buyback programme in the second half of the year.

24.9p	11.4p
Pre-exceptional earnings per share	Dividend per share

Share buyback

The Group's financial model is to deliver a target RoRE of between 15% and 20%, which supports a minimum dividend payout ratio of 40%, funds receivables growth of up to 10% per annum, whilst maintaining an equity to receivables ratio at 40%. This financial framework ensures that capital is only allocated where it can deliver appropriate returns to shareholders whilst also balancing the needs of all our stakeholders.

As a result of the Group's strong capital position and favourable financial performance, the Board announced a share buyback programme of £15m with the half year results in July 2024, which was successfully completed in November.

The Group continues to have a very strong capital position with an equity to receivables ratio of 54% at December 2024, compared with our target of 40%. After assessing the Group's current trading performance, cash generation and future growth plans, the Board announces its intention to commence a further share buyback programme of up to £15m, which is expected to be completed by the third quarter. This will promote capital efficiency based on an assessment of any surplus capital beyond that necessary to deliver future growth and fund the Group's progressive dividend.

Dividend

Reflecting the continued strong performance of the Group and our strategy to realise the long-term growth potential of the business, the Board is pleased to declare an 11.1% increase in the final dividend to 8.0p per share (2023: 7.2p). This is in line with our progressive dividend policy and brings the full-year dividend to 11.4p per share (2023: 10.3p), an increase of 10.7% on 2023 and represents a pre-exceptional payout rate of 46% (2023: 44%). Subject to shareholder approval, the 2024 final dividend will be paid on 12 May 2025 to shareholders on the register at the close of business on 11 April 2025. The shares will be marked ex-dividend on 10 April 2025.

11.1%	46%
increase in the final dividend	Pre-exceptional payout rate

"As a result of the excellent results, our strong balance sheet and positive growth prospects, we propose an increase in the final dividend of 11.1% to 8.0 pence per share, in line with our progressive dividend policy."

Balance sheet, treasury risk management and funding

Balance sheet

We continue to maintain a very conservatively capitalised balance sheet, a strong funding position and robust financial risk management.

At the end of December, the Group's equity to receivables ratio was 54% (2023: 56%), compared with our target of 40%. Despite strong capital generation, we have seen a 2 ppt reduction in the ratio in 2024 due to the successful completion of the £15m share buyback programme in the second half of the year as well as foreign exchange losses of £57m taken to reserves, primarily due to the weakening of the Mexican Peso (c.20%) and Hungarian forint (c.10%). Our strong capital position supports: (i) the Group's ambitious growth plans; (ii) our intention to commence a further share buyback programme of up to £15m; and (iii) the Group's progressive dividend policy through to the point at which we are delivering our target returns and operating in line with our financial model in 2027.

The Group's gearing ratio was 1.2 times (2023: 1.1 times) at the end of the year, comfortably within our covenant limit of 3.75 times, and our interest cover covenant was 2.6 times (2023: 2.5 times), compared with our covenant limit of 2.0 times.

Closing receivables in 2024 were £870m, which is an increase of 6.8% (at CER) compared with 2023, due in particular to strong growth of 18% in IPF Digital with European home credit and Mexico home credit delivering low single digits growth. The average period of receivables outstanding at the end of 2024 was 13.5 months (2023: 13.2 months) with 72% of year-end receivables due within one year (2023: 77%).

Reflecting the continued caution in respect of the volatile environment, our balance sheet remains very robust with an impairment coverage ratio of 32.9% at the end of the year, which is slightly lower than 36.3% in 2023. The Group's impairment provision includes £9.6m of post-model adjustments in respect of the cost-of-living crisis and the moratorium in Hungary compared with £23.2m held at the end of 2023 in respect of Covid-19 and the cost-of-living crisis. The gross contractual cashflows supporting the receivables valuation amounts to £1.7bn at the end of 2024 (2023: £1.7bn).

The business has a strong track record of cash generation, even during adverse market and regulatory conditions. During the outbreak of Covid-19 in 2020, the business restricted lending to customers and had a strong focus on customer repayments. Due to the short-term nature of the receivables book, this action generated cash from operating activities of £330m, which enabled the Group to reduce borrowings by £184m and increase cash by £80m. In addition, when a decision has been taken to withdraw from a territory due to inadequate returns being available (e.g. Slovakia in European home credit in 2015 and more recently Finland in IPF Digital in 2020), we have demonstrated that the collect-out takes around 2 to 3 years and the cash recoveries (net of any costs) have typically been close to the value of the net receivables from the time of the decision to cease the operations. This represents 1.7 times to 2.0 times the value of the debt funding supporting those receivables.

The strong cash generation of the Group has again been highlighted in 2024. With receivables growth at a relatively modest level of 6.8% in 2024 due to the contraction in Polish receivables, the Group generated cash from operating activities of £114m (2023: £193m).

Treasury risk management

The Group has Board-approved policies to address the key treasury risks that the business faces – funding and liquidity risk, financial market risk (currency and interest rate risk), and counterparty risk. The policies are designed to provide robust risk management, even in more volatile financial markets and economic conditions within our planning horizon.

Compliance with these policies is monitored monthly by the Treasury Committee chaired by the Chief Financial Officer and the Board receives a comprehensive funding and liquidity overview through monthly reporting. Funding and liquidity of the Group are managed centrally by the Group Treasurer and experienced treasury personnel. The Group sets cash management controls for operating markets that are subject to independent annual testing.

Our funding policy requires us to maintain a resilient funding position for our existing business and for future growth. We aim to maintain a prudent level of headroom on undrawn bank facilities. Our currency policy addresses economic currency exposures and requires us to fund our receivables portfolios with local currency borrowings (directly or indirectly) to achieve a high level of balance sheet hedging. We do not hedge the translational risk of foreign currency movements on accounting profits and losses. Our interest rate policy requires us to hedge interest rate risk in each currency to a relatively high level. Our counterparty policy requires exposures to financial counterparties to be limited to BBB-rated entities as a minimum except as approved, or delegated for approval, by the Board. In addition to these policies, our operational procedures and controls ensure that funds are available in the right currency at the right time to serve our customers throughout the Group.

“The successful refinancing of the Group’s Eurobond ensures that we have a strong funding position to support our ambitious growth plans.”

The currency structure of our debt facilities broadly matches the asset and cash flow profile of our business. We have multiple local currency bank facilities, and our main €341m Eurobond provides direct funding to our markets using the euro currency and to markets using other currencies via foreign exchange transactions. For this reason, we do not expect fluctuations in the value of sterling to have a major impact on our funding position.

Debt funding is provided through a diversified debt portfolio with acceptable terms and conditions. We have wholesale and retail bonds denominated in euro, sterling and Polish zloty, with varying maturities, together with facilities from a group of 18 banks that have a good strategic and geographic fit with our business. The Group’s debt is senior unsecured debt, with all lenders substantially in the same structural position. We maintain our Euro Medium Term Note programme as the platform for bond issuance across a range of currencies.

Funding

As reported at the half year, we successfully refinanced the Group’s €341m Eurobond through a tender offer in June well ahead of its maturity. The bonds have a coupon of 10.75% and a maturity of five and a half years. We redeemed €274m of the old bonds with €67m remaining outstanding and maturing in November 2025. Tender costs of £4.1m together with a £1.7m of unamortised fees in respect of the old bonds, resulted in an exceptional cost of £5.8m. The bonds are trading very well in secondary markets with a yield of between 8.5% - 9.0%.

In addition to the Eurobond refinancing, we secured 103m of bank facilities during the year of which £37m was new or increased facilities. We continue to have very strong and supportive relationships with 18 lending banks across our businesses and this is further demonstrated by a further £20m of bank facilities being secured in early 2025.

As reported with our half year results, the Group redeemed the SEK 450m (c.£35m) of Nordic bonds in July, some three months in advance of their original maturity date.

The successful refinancing and bank extension process resulted in the Group having total debt facilities of £657m at the end of December 2024, consisting of £441m of bonds and £216m of bank facilities. Total borrowings amounted to £524m and headroom, consisting of undrawn facilities and non-operational cash balances, amounted to £138m. The average maturity profile of the Group’s debt facilities now stands at 3.0 years, up from 2.0 years at December 2023. Approximately £490m of the Group’s debt funding now matures beyond 2025. The Group’s current funding and cash generation supports the Group’s growth plans through to the end of 2025.

A full analysis of the maturity profile of the debt facilities is set out in note 21 to the Financial Statements and is summarised below:

Maturity profile of debt facilities

	Maturity	£m
Eurobond	November 2025	55.2
Polish bond	November 2026	14.0
Hungarian bond	December 2026	9.6
Sterling bond	December 2027	80.0
Eurobond	December 2029	282.2
Total bonds		441.0
Bank facilities	2025 to 2027	215.9
Total debt facilities		656.9
Total borrowings		523.5
Headroom against debt facilities		133.4
Non-operational cash balances		4.3
Headroom and non-operational cash balances		137.7

Our blended cost of funding in 2024 was 13.3%, lower than 14.0% in the prior year. This was due to a reduction in interest rates across our markets as well as lower costs of hedging as interest differentials narrowed, offset primarily by the headline rate of the new Eurobond being 100bps higher than the old 2025 bond. Approximately 30% of our debt facilities are at variable rates compared with 20% of our revenues, which are subject to interest-linked rate caps. We expect the Group’s funding rate to be broadly stable in 2025 as the higher cost of the Eurobond is offset by the impact of the downward trend in interest rates.

	2024 £m	2023 £m
Bond costs	47.5	44.4
Bank funding cost	6.3	12.7
Hedging costs	11.0	16.8
Other	5.6	3.0
Total interest	70.4	76.9
Average gross borrowings	529.3	548.9
Cost of funding %	13.3%	14.0%

Following the successful refinancing of the Eurobond, Fitch upgraded the Group’s long-term credit rating from BB- to BB with the outlook remaining Stable. Our credit rating from Moody’s Investment Services remained unchanged at Ba3 (Outlook Stable).

As a result of maintaining a strong financial profile, we operate with adequate headroom on the key financial covenants in our debt facilities, as set out in the table below:

	Covenant	**2024**	2023
Gearing[1]	Max 3.75 x	1.2x	1.1x
Interest cover	Min 2x	2.6x	2.5x

1. Borrowings adjusted for lease liabilities, unamortised arrangement fees and issue discount. Net assets adjusted for pension assets and derivative financial instruments, in accordance with the debt funding covenant definitions.

Foreign exchange on reserves

The majority of the Group’s net assets are denominated in our operating currencies and, therefore, the sterling value fluctuates with changes in currency exchange rates.

In accordance with accounting standards, we have restated the opening foreign currency net assets at the year-end exchange rate and this resulted in a £57m (2023: £23m) foreign exchange movement, which has been debited (2023: credited) to the foreign exchange reserve.

Going concern

In considering whether the Group is a going concern, the Board has taken into account the Group’s 2025 business plan and its principal risks (with particular reference to macroeconomic and regulatory risks). The forecasts have been prepared for the two years to 31 December 2026 and include projected profit and loss, balance sheet, cashflows, borrowings, headroom against debt facilities and funding requirements. These forecasts represent the best estimate of the Group’s expected performance, and in particular the evolution of customer lending and repayments cashflows.

The financial forecasts have been stress tested in a range of downside scenarios to assess the impact on future profitability, funding requirements and covenant compliance. The scenarios reflect the crystallisation of the Group’s principal risks, with particular reference to macroeconomic and regulatory risks. Consideration has also been given to multiple risks crystallising concurrently and the availability of mitigating actions that could be taken to reduce the impact of the identified risks. In addition, we examined a reverse stress test on the financial forecasts to assess the extent to which a macroeconomic scenario would need to impact our operational performance in order to breach a covenant. This showed that net revenue would need to deteriorate significantly from the financial forecast and the Directors have a reasonable expectation that it is unlikely to deteriorate to this extent.

At 31 December 2024, the Group had £138m of non-operational cash and headroom against its debt facilities (comprising a range of bonds and bank facilities), which have a weighted average maturity of 3.0 years. The total debt facilities as at 31 December 2024 amounted to £657m of which £170m (including £35m which is uncommitted) is due for renewal over the following 12 months. A combination of these debt facilities, the embedded business flexibility in respect of cash generation and a successful track record of accessing funding from debt capital markets over a long period (including periods with challenging macroeconomic conditions and a changing regulatory environment, tested in both 2020 and 2022), are expected to meet the Group’s funding requirements for the foreseeable future (12 months from the date of approval of this report).Taking these factors into account, together with regulatory risks set out on page 40 of the Annual Report, the Board has a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, the Board has adopted the going concern basis in preparing the Annual Report and Financial Statements.

Gary Thompson
Chief Financial Officer

26 February 2025

Managing our risks

Managing our risks

Our ability to achieve the objectives of our Next Gen strategy relies on effective risk management and a proactive response to current and emerging risks while seizing business opportunities for sustainable growth and reinforcing our foundation for long-term success. This approach also strengthens our capacity to deliver value for all our stakeholders.

Enterprise risk management approach

We strategically manage risk through the enterprise risk management (ERM) methodology. This is designed to identify, evaluate, manage, monitor and report on a wide range of risks, uncertainties and opportunities across the Group in an integrated way.

Risk appetite plays a fundamental role in our approach, supporting our understanding and ability to address the capacity of IPF to sustain risk over time, ensure risks are considered in decision making across the Group and enable the Board to perform its supervisory role. Our risk management approach and activities are aligned to the UK Corporate Governance Code (2024).

The ERM programme addresses a broad spectrum of risks and uncertainties that could impact the Group's strategic goals and other key stakeholder expectations. The ten most significant risks – those that we believe have the greatest potential to threaten our business model, future performance, solvency or liquidity, and reputation – form our principal risks. The tables on pages 40 to 43 include a summary of how each principal risk developed in 2024, how we are addressing them and links to the key strands of our Next Gen strategy.

Risk appetite

Our risk management strategy involves mitigating, to the maximum reasonable extent, those risks that are within our control and, therefore, the internal control system is key in how we manage risk. Externally-driven risks, which are not within our control, are monitored to ensure a prompt response should alternatives become available to further mitigate the risk. These risks are subject to contingency planning to ensure business resilience.

Risk appetite is reviewed and approved by the Board at least on an annual basis and is the central component that prompts the arrangements we put in place to organise and execute the ERM programme. We evaluate each risk periodically based on the likelihood and potential impact at both market and Group level. We monitor the level of current risk and compare it with the Board-approved risk appetite to determine if additional actions are needed to bring risks in line or if there are opportunities within the existing appetite parameters.

To validate and/or adjust risk appetite levels, we have enhanced our framework with two key concepts. Firstly, we identify specific risks that fall outside our appetite and lack short-term mitigation options. By consolidating and reporting these risks to the Board, we are able to inform them of the Group's full, unmitigated exposure. These risks are monitored periodically, and we seek the earliest opportunity to address them, if or when appropriate. Secondly, we scrutinise risks that have materialised with significant impact on the business to understand why they were not anticipated. Then we seek to understand if our risk appetite is adequate in the light of these events or if there were areas that should have had stronger controls for that particular risk.

Risk ownership, governance, and oversight structure

We have defined a comprehensive structure of roles across the Group to ensure risks are managed effectively at all levels within the business.

This structure was built to align with the principles of the ERM, including all-encompassing portfolio risk management, as well as with the principles of the three lines of defence approach which we also apply in risk assurance.

Our framework for risk ownership, governance and oversight together with our three lines of defence approach is illustrated below:

Risk management roles and responsibilities

Board of Directors
Determines the nature and extent of risks the Board is willing to take to achieve strategic objectives.

Audit and Risk Committee (ARC)
Reviews processes for the management of risks and internal control systems on behalf of the Board. Makes recommendations to the Board on Group risk appetite, Group risk profile, and the effectiveness of the risk management system.

Risk Advisory Group (RAG)
Supports the ARC in reviewing risk exposure levels against risk appetite and provides the ARC and the Board with an overall view of the Group's risk position.

Local risk committees
Support the RAG in reviewing the risk profiles of the markets.

Assured by three lines of defence

1. Operational management	2. Risk management	3. Internal audit
Responsible for executing business processes, delivering products or services, and managing day-to-day risks by executing risk control measures.	ERM function, compliance and other control functions provide oversight, guidance, and monitoring of risks and controls.	Provides an objective and independent assessment of the adequacy and effectiveness of risk management and internal control systems.

Risk assessments

We perform a quarterly risk assessment across the Group to update the level of risks facing the business, identify any weaknesses in the internal control environment and take additional actions to address risks which are outside appetite.

The Chair of the Risk Advisory Group challenges the assessments performed by the Risk Owners based on a wide range of assurance data from first-line control testing, risk management performance indicated by the key risk indicators or independent assurance provided by our internal audit function.

In addition to this process, risks are considered and addressed as part of any new project, initiative or strategic plan across the Group.

Our approach to addressing climate-related risks

Climate change and sustainability-related risks have created significant impacts and uncertainties globally. Recognising that climate-related risk is a business risk, it is integrated into our ERM programme.

We have reported on climate-related risks and opportunities since 2022 as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). Our 2024 TCFD disclosures are included on pages 68 to 76.

At the end of 2023, we reviewed our climate change taxonomy and throughout 2024, we monitored the following climate-related risks:

- Physical risks: weather events
- Physical risks: second-order impacts
- Transition: policy and legal
- Transition: reputation
- Transition: market

In assessing physical risks, we utilise a model that considers three scenarios, details of which are included on page 72. Our climate strategy aims to align our portfolio with a maximum global warming scenario of 1.5°C and the transition to a net zero economy by 2050.

Emerging risks

In our view, an emerging risk is a new or altered circumstance that could significantly impact the Group, where the likelihood, timescale and/or materiality may be difficult to accurately assess.

Emerging risks are monitored to determine if they have become key risks and if any mitigating actions should be taken. When we consider our response to emerging risks, we classify them into two categories, based on the type of response required.

i. Those with a high velocity will be addressed as crisis events and crisis management protocols will be triggered.
ii. Those with a moderate and low velocity will be monitored and reported until impacts are understood, and specific response actions and contingency plans are developed.

Emerging risks in 2024

Economic conditions, tax developments and the use of AI were previously categorised as emerging risks. However, changes in the risk environment resulted in re-categorising them as standard key risks during 2024, and they are now monitored and addressed as part of our ERM programme. Even though information security is a Group key risk, we have monitored cyber risk as though it is an emerging risk.

Cyber risk – Cyber attacks are a common occurrence and the risk is considered a business-as-usual threat in today's digital environment. However, the rapid and continuous developments in this domain are notable, with cyber criminals adopting increasingly professional, sophisticated and automated attack methods. Ransomware attacks, in particular, present particular challenges with the potential to cause significant operational and reputational damage. For further details of our mitigating actions, please refer to the Information security and cyber risk disclosure on page 43.

Internal control focus in the UK Corporate Governance Code (2024)

In January 2024, the Financial Reporting Council issued an update to the UK Corporate Governance Code, mandating a more detailed process for monitoring and reporting on the effectiveness of internal controls. We aim to comply with the Code and are taking proactive measures before its provisions on internal control come into force in 2026. This year, we have focused on three key areas:

- defining material controls;
- establishing effectiveness thresholds to determine reportable controls; and
- developing definitions for compliance, operational, financial, and reporting controls.

Principal risks and uncertainties

Credit risk

The risk of the Group suffering financial loss if our customers fail to meet their contracted repayment obligations; or the Group fails to optimise profitable business opportunities because of our credit, collection or fraud strategies and processes.

↔ FI

Consumer appetite for borrowing remained robust despite the uncertain economic landscape. Inflation and cost-of-living impacts on affordability improved over the course of 2024 supporting strong customer repayment behaviour. The transformation of our business in Poland to offer credit cards has been well executed and the credit performance remained in line with our expectations. The granting of a full payment institution licence in Poland will enable accelerated growth in 2025.Overall, Group credit losses were in line with our plan for the year. The impairment rate at the end of 2024 was 9.6%, within our risk appetite and below our target range of 14% to 16%.

How it is managed

- Detailed, regular monitoring of customer repayments to identify specific issues.
- Detailed analysis and enhancement of our credit scorecards and Credit Policy to ensure they remain optimal.
- Tightening of lending rules as necessary, to protect customers and the quality of the portfolio.
- Regular assessment of the external macroeconomic environment, regulatory landscape and competitor activities.
- Ensuring repayments and arrears management activities remain a key part of customer representative and field management incentive schemes.

Future legal and regulatory development risk

The risk that the Group suffers loss as a result of new, or a change in, existing legislation or regulation.

↔ FI TD

The second Consumer Credit Directive (CCD II), entered into force in November 2023 and EU member states are required to transpose CCD II into their national laws by 20 November 2025, with the Directive becoming fully applicable from 20 November 2026. From January 2024, the Komisja Nadzoru Finansowego (KNF) assumed supervision of all non-bank financial institutions in Poland, including our home credit and digital businesses in this market. In response to KNF requirements on credit card pricing, we introduced a new pricing structure for all new credit cards in March 2024. We also secured a full payment institution licence in Poland. In November 2024, a total cost of credit cap came into force in Romania, the impact of which is not expected to be material on the Group. We strengthened our operational risk management framework to meet the Digital Operational Resilience Act (DORA) and enhanced sustainability reporting to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD). For further information on regulation see page 29. The CSRD Statement begins on page 123.

How it is managed

- Horizon-scanning, monitoring political, legislative and regulatory developments and risks.
- Engagement with regulators, legislators, politicians and other stakeholders.
- Active participation in relevant sector associations.
- Contingency plans in place for significant regulatory changes.

Funding, liquidity, market and counterparty risk

The risk of insufficient availability of funding, unfavourable pricing, or that performance is impacted significantly by interest rate or currency movements, or failure of a banking counterparty.

↑ FI

Despite an uncertain macroeconomic backdrop, we refinanced the Group's €341m Eurobond in June 2024, ahead of its maturity in November 2025. This strengthened the Group's funding position and led to Fitch Ratings upgrading IPF's credit rating to BB from BB- Outlook Stable. We also have a long-term rating of Ba3 (Outlook Stable) from Moody's Investor Services. The blended cost of funding reduced in 2024 as interest rates in our markets fell and hedging costs decreased as interest differentials narrowed. We expect the funding rate in 2025 to remain at a similar level. Weaker foreign exchange rates, particularly the Mexican peso and Hungarian forint, impacted sterling-denominated returns. For further information see pages 36 and 37.

How it is managed

- Board-approved policies require us to maintain a resilient funding position with a good level of headroom on undrawn bank facilities, appropriate hedging of market risk, and appropriate limits to counterparty risk.
- Compliance with these policies is monitored on a monthly basis by the Group's Treasury Committee which is chaired by the Chief Financial Officer.
- The Board receives a comprehensive funding and liquidity overview as part of the Chief Financial Officer's report.
- The Group's funding and liquidity is managed centrally by the Group Treasurer and qualified treasury personnel.
- The Group sets cash management controls for operating markets that are subject to independent annual testing.

Reputation risk

Risk of reputational damage due to our methods of operation, ill-informed comment, malpractice, fines or activities of some of our competition.

↔ FI

The financial sector remained under scrutiny and faced challenges in the run-up to elections in several of our markets. We maintain strong relationships with key stakeholders to enhance their understanding of our business model, purpose and societal role, as well as how we deliver services to our customers. We also engage with customers to ensure continued access to credit and offer repayment support when appropriate. Additionally, we contribute to best practices in lending by participating in various associations to support fair treatment of customers across the industry. Our working practices are subject to tight control and oversight to ensure our products and services are in line with legislation and customer expectations. This helps protect the business from unforeseen events that could damage our reputation. In 2024, we received awards recognising our business as a top employer, our high standards of customer experience and for being a socially responsible business.

How it is managed

- Clearly defined corporate values and ethical standards are communicated throughout the organisation.
- Employees and customer representatives undertake annual ethics e-learning training.
- Regular monitoring of key reputation drivers both internally and externally.
- Strong oversight by the senior leadership team on reputation challenges.

Taxation risk

The risk of failure to comply with tax legislation or adoption of an interpretation of the law which cannot be sustained together with the risk of a higher future tax burden.

↔ FI

We continue to monitor EU and OECD developments which might be of application to the Group on an ongoing basis. 2024 was the first year in which the Group fell within the OECD's Pillar 2 rules. An assessment has been carried out and it is expected that the Group will fall within the safe harbour provisions with respect to all of the territories in which it operates and accordingly no top-up tax is expected to arise. Further information is set out in note 5.

For some years the Group had an Irish finance company which benefited from the Group Financing Exemption contained in the UK's Controlled Foreign Companies legislation. This legislation was the subject of a State Aid challenge by the European Commission in April 2019. In September 2024 the European Commission's Decision was annulled by a judgement of the Court of Justice of the European Union, and amounts paid under the original State Aid challenge are now repayable. Accordingly the Group has recognised a repayable amount of £15.2m in its balance sheet. Further details can be found on page 34. Further risks associated with the Group's Irish finance company are set out in note 32.

During 2024, a number of tax audits were open across the Group, and closed with negligible findings. This includes the long-running Mexican tax audit relating to 2017. As at the end of 2024, the only open tax audit relates to the Group's digital business in Mexico, for 2019.

How it is managed

- Tax strategy and policy in place.
- Qualified and experienced tax teams at Group level and in market.
- External advice taken on material tax issues in line with Tax Policy.
- Binding rulings or clearances are obtained from authorities where appropriate.
- Appropriate oversight at Board level over taxation matters.

Change management risk

The risk that the Group suffers losses or fails to optimise profitable growth resulting from change initiatives failing to deliver to agreed scope, time, cost and quality measures, or failing to realise desired benefits.

↔ O TD

Effectively managing change and transformation risk is crucial for minimising negative financial impacts, maintaining high levels of employee engagement, and ensuring successful adaptation to evolving business needs. We continue to manage a large and complex change agenda driven by three key factors:

- regulatory-driven change which can have a significant impact if not addressed and prioritised;
- migration to 'Next Gen' platforms which mitigates technology debt and end-of-life risk; and
- business-driven changes reflecting strategic priorities to improve business performance.

In 2024, we enhanced our benefits realisation framework and further embedded the Group's change management framework.

How it is managed

- Change management framework and monitoring process in place.
- Appropriate methods and resources used in the delivery of change programmes.
- Continuous review of change programmes, with strong governance of all major delivery activity including:
  - alignment with Investment Appraisal Policy, owned by the finance function; and
  - a Group change capability being established in 2024, focused on synergy and consistency across the Group, and agreeing a Group-wide approach for oversight of change and transformation.

Risk environment and link to strategic pillars key

- ↑ Risk environment improving
- ↔ Risk environment remains stable
- ↓ Risk environment worsening
- FI Financial inclusion
- O Organisation
- TD Technology and data

Brand and proposition risk

The risk of brand perception deteriorating and failing to respond to market trends can limit profitable growth. ↔ FI	There was increased competitive activity in our markets in 2024, however there were no major new entrants serving our segment of consumers. Banks were more willing to lend to customers with a positive repayment history and Mexico remains an active fintech market with many new brands. While there is an inherent risk of disruptive new business models targeting our consumer segment, increased regulation creates barriers to entry. In response to the competitive landscape, and consumers' expectations for quick contact and online communication channels, we invested in technological, and customer experience tools and processes, including mobile apps. We also expanded our retail credit offering in Romania and Mexico, refreshed the Provident brand and continued investment in our Creditea digital brand.
	How it is managed – Product development committees and processes in place to review the product development roadmap, manage product risks and develop new products. – Product and promotions incorporate adequate risk criteria and risk assessment protocols. – Regular monitoring of competitors and their offerings, advertising and share of voice in our markets. – Strategic planning and tactical responses on competition threats. – Customer engagement and brand tracking surveys.

Technology risk

The risk of failure to develop and maintain effective technology solutions. ↓ TD	A proactive approach to technology risk management is essential for maintaining the currency and capabilities of the Group in an increasingly digital landscape. In 2024, we focused on removing software components nearing technological obsolescence to reduce the Group's potential exposure to a cyber attack. We completed the replacement of telephony systems in our customer service centres in European home credit with a modern omnichannel solution. We also progressed the transition from physically-hosted data centres to a centralised cloud environment, reducing our digital footprint and, as a consequence, reducing the risk of potential cyber attack. In Mexico, we upgraded to a more modern and resilient IT infrastructure to provide a more stable and secure base to accelerate growth in the future.
	How it is managed – Ongoing reviews of partner services and relationships to ensure effective operations. – Enterprise architecture tooling to link apps to underlying software components. – Utilisation of vulnerability tools to identify gaps in our IT estate for both retrospective remediation and proactive testing for new developments. – Annual review to prioritise technology investment and ensure appropriateness of the technology estate. – Appointment of a Chief Information Security Officer. – Engaging experienced third parties to handle security penetration testing and security network operations.

People risk

The risk that the achievement of the long-term Group strategy and operational results may be compromised due to insufficient capacity (number) or capability (quality) in the workforce, or an inability to recruit external talent, retain key employees, or engage our people effectively. ↔ O	The actions taken to align with our Next Gen strategy resulted in some fluctuations in colleague turnover, but also led to improvements in our organisational structures and operating processes. Additionally, our employee value proposition and reward strategy continues to demonstrate our effectiveness in attracting external talent. In 2024, we deepened our investment in professional development and remain committed to retaining, developing, and engaging colleagues to minimise any impact on the customer experience and the Group's overall performance. Robust processes are in place to ensure effective succession planning, the identification of key leaders and personnel, and the planning of their retention and development. For more information on our colleagues see pages 53 to 56.
	How it is managed Our HR control environment identifies key people risks and implements controls to mitigate them, focusing on: – *Monitoring and action*: Regularly assessing key people risks and addressing issues proactively. – *Strategic alignment*: Ensuring objectives are aligned with the Group's strategy. Our people processes are designed to develop significant strength and depth of talent across the Group. We also maintain the flexibility to move talent between countries, reducing our exposure to critical roles being under-resourced and ensuring continuity in key areas.

Risk environment and link to strategic pillars key

↑ Risk environment improving	↔ Risk environment remains stable	↓ Risk environment worsening
FI Financial inclusion	O Organisation	TD Technology and data

Information security and cyber risk

The risk that the Group suffers loss, theft or corruption of information leading to breaches of relevant regulation, loss of reputation, loss of commercial advantage or other impacts on customers and colleagues. The risk that Group infrastructure, platforms and applications are compromised or damaged such that customers and colleagues cannot use or access our products and services. ↓ TD	We are updating our information security strategy to strengthen key controls and further enable timely detection and response to security breaches, as well as having appropriate recovery arrangements in place. The risk is also highly dependent on the behaviour of people, technology advancements and our ability to upgrade end-of-service life IT systems. Globally, the emerging threat of AI-driven cyber attacks and the increasing sophistication of cyber criminals pose significant risks. We are strengthening web, cloud and device security, implementing stricter network access controls, and enhancing colleague awareness through training. The number of cyber attacks remains substantial but we continue to defend these and strengthen our controls by implementing technical upgrades that will help create a more modern and resilient IT platform. For more information on data protection and cybersecurity see page 62 and 63.
	How it is managed – Group-wide information security strategy, policy and priorities in place. – Board and senior management team oversight and ownership of cyber security risk. – Group and local security teams with core security competencies. – Information security awareness and training conducted regularly. – Regulatory compliance programmes to comply with emerging EU and other regulations.

Viability statement

The Directors have assessed the long-term prospects of the business and taken into account:

- structural changes impacting business growth and profitability;
- the beneficial portfolio effect of operating across a number of different jurisdictions which mitigates concentration risk;
- the Group's multi-channel strategy and strategic priorities;
- risk appetite, principal risks and risk management processes;
- that the Group provides access to regulated credit in a responsible, transparent and ethical manner, for people who might otherwise be excluded from mainstream credit operators, acknowledging that it is possible to regulate away the supply of credit but not the demand; and
- the historical resilience of the Group's business model over many years, including times of adverse macroeconomic conditions and a changing competitive and regulatory environment.

Assessment of continuing operations

The Group has a clear strategy to deliver its purpose and long-term profitable growth. The Group has a robust capital structure supported by significant equity and a balanced portfolio of debt funding, the largest element of which matures in November 2029, all of which together form the strong capital foundations required to support business growth. Based on this analysis, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the period of three years from the date of this report and that the Group has adequate long-term prospects. This assessment has been made with reference to the Group's current financial position, its prospects, its strategy and its principal risks, as set out in the Strategic Report.

Business planning and stress testing

The Group undertakes an annual business planning and budgeting process that includes updated strategic plans together with an assessment of expected performance, cash flows, funding requirements and covenant compliance. The financial forecasts in the business plan have been stress tested over a range of downside scenarios to assess the impact on future profitability, funding requirements and covenant compliance. The scenarios reflect the crystallisation of the Group's principal risks (with particular reference to market and regulatory risks) as outlined on pages 40 to 43.

Consideration has also been given to multiple risks crystallising concurrently and the availability of mitigating actions that could be taken to reduce the impact of the identified risks. In addition, the Group undertook a reverse stress test on the financial forecasts to assess the extent to which a recession would need to impact our operational performance in order to breach a covenant.

Viability assessment

The Directors have determined that three years is an appropriate period over which to provide the viability statement because it aligns to the key period of the planning process, and reflects the relatively short term nature of our business and our ability to change products, adjust credit risk in the receivables book and flex our business model. The delivery of the business plan is expected to require the Group to access wholesale funding markets in 2025 and beyond and the Directors have assumed that those markets remain accessible so as to allow the Group's existing arrangements to be refinanced and further funding put in place if necessary, and that the legal, taxation, and regulatory framework allows for the provision of short term credit to the markets in which the Group operates.

For further information on funding see pages 36 and 37.

Responsible business

Responsible business

Building a better world

Our Responsible Business Vision

As a global lending business we have a responsibility to positively impact our customers' financial futures while contributing to a fairer and more ethical society.

Our Responsible Business Framework, which is approved by our Board, is an important part of how we deliver our purpose to build a better world through financial inclusion. It sets out how we are committed to a sustainable future and to improving the social, economic and environmental wellbeing of the communities of which we are a part. It reflects the fact we conduct our business in a socially responsible and ethical manner, and that we respect the law, support universal human rights, protect the environment and benefit the communities where we operate. In this section, we explore how the actions we undertake within the Responsible Business Framework contribute to a sustainable planet, aligned with the objectives of the United Nations Global Compact.

New disclosures

This year, for the first time, we are also providing disclosures in line with the Corporate Sustainability Reporting Directive (CSRD). These disclosures will further enhance transparency and accountability, supporting more consistent and balanced sustainability reporting. Our CSRD Statement accompanies our 2024 financial statements and can be found on pages 123 to 150.

2024 highlights

£920,270

total community investment in 2024

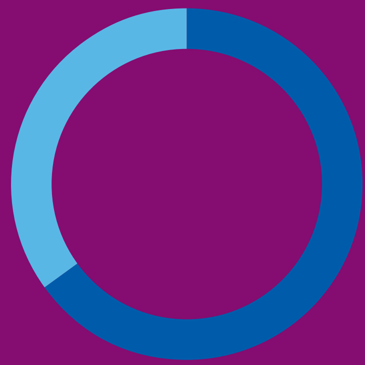
4,000+

days volunteered by colleagues to support good causes

400+

training programmes delivered

Global workforce



Female	65%
Male	35%

* Includes customer representatives in Hungary and Romania where they are employed to meet local legislation

Stakeholder engagement

Our stakeholder engagement strategy ensures we listen, understand and act on the views, concerns, and expectations of those we impact. These insights shape our Next Gen strategy to drive growth through financial inclusion and align sustainability initiatives with what matters most to our stakeholders. Regular updates to our Responsible Business Steering Group and Group Board ensure alignment. Below, we outline our 2024 stakeholder engagement efforts and their connection to our broader strategic goals.

Strategic pillars key

- FI Next Gen financial inclusion
- O Next Gen organisation
- TD Next Gen technology and data

Our customers

Why they matter

Regular engagement and face-to-face contact with our customers build trust and long-term relationships, which in turn encourages loyalty when they want credit to buy the things they need.

Strategic pillars

FI O TD

What matters to them?

- Access to financial services
- Affordability and price
- Data protection and privacy
- Flexible repayments when things go wrong
- Convenience
- Range of products to choose from
- Simple, personal and seamless experience
- Trusted brands

Ways we engage

- Customer surveys and focus groups
- Product proposition and usability testing
- Digital analytics
- Complaints analysis
- Double materiality assessment
- External reputation survey

Board considerations of stakeholder interest

- Board Stakeholder Update
- Customer metrics form part of the Chief Executive Officer's Report discussed at every Board meeting
- Customer visits and meetings with customer representatives in all markets
- "Deep dive" sessions with Chief Marketing Officer twice annually
- Review of double materiality assessment results

Colleagues

Why they matter

Our colleagues are one of our most important strengths and are key to delivering our purpose and Next Gen strategy. Attracting, retaining and developing talent is therefore integral to our future successful performance.

Strategic pillars

O

What matters to them?

- Development opportunities
- Recognition and reward
- Wellbeing
- An ethical and customer-focused culture
- A safe working environment

Ways we engage

- Global People Survey
- Wellbeing surveys
- Annual engagement conferences
- Internal reputation survey
- Double materiality assessment

Board considerations of stakeholder interest

- Board Stakeholder Update
- Engage with colleagues outside formal meetings including "skip-level" dinners
- Reviews by the Remuneration Committee of workforce policies and practices
- Workforce Engagement Director programme
- Twice annual HR strategy sessions at Board meetings including review of people survey results
- Non-executive director participation in our Annual Learning Festival
- Review of double materiality assessment results

Investors and rating agencies

Why they matter

Our investors provide capital, including for growth. We rely on their confidence, support and investment to deliver our strategy and long-term sustainable success.

Strategic pillars

FI O TD

What matters to them?

- Performance and growth potential
- Risk management
- Cash generation
- ESG risks and reporting
- Executive remuneration
- Easily available information on the Group
- Share price growth

Ways we engage

- Results presentations and webinars
- Corporate website
- Investor meetings
- Market visits
- Double materiality assessment

Board considerations of stakeholder interest

- Board Stakeholder Update
- Shareholder events
- Debt investor roadshows
- Chief Executive Officer and Chief Financial Officer updates to the Board
- Investor feedback reports
- Annual general meeting
- Review of double materiality assessment results

Communities

Why they matter

Making a positive contribution to our communities by supporting local causes and addressing issues that colleagues and customers care about, empowers communities and helps attract people to work with us.

Strategic pillars

O

What matters to them?

- Community investment
- Financial literacy
- Social wellbeing
- Environmental impacts
- Volunteering

Ways we engage

- Our Invisibles programme
- Other community programmes
- Colleague volunteering
- Double materiality assessment

Board considerations of stakeholder interest

- Board Stakeholder Update
- Visits to community investment projects
- Updates in Chief Executive Officer Report
- Review of double materiality assessment results

Suppliers

Why they matter

Building strong relationships with our suppliers enables us to obtain the very best value and high-quality service. We look to partner with leading organisations who understand our business and work to the highest ethical standards.

Strategic pillars

FI O TD

What matters to them?

- Business performance
- Payment practices
- Ethical business policies and practices

Ways we engage

- Supplier feedback
- Supplier surveys
- Double materiality assessment

Board considerations of stakeholder interest

- Board Stakeholder Update
- Approval of key supplier contracts
- Chief Financial Officer Report highlights any material non-performance by suppliers
- Review of modern slavery strategy and how these risks are managed in our supply chain
- Review of double materiality assessment results

Regulators, politicians and non-governmental organisations (NGOs)

Why they matter

Having positive relationships with regulators, politicians and NGOs helps their understanding of our value in society and ensures our business practices reflect their expectations.

Strategic pillars

FI

What matters to them?

- Regulatory compliance
- Control and supervision
- Responsible lending
- Social inclusion
- Tax contribution
- Community engagement
- Ethical business policies and practices

Ways we engage

- Membership of trade associations
- Contributing to public consultations
- Engagement on draft regulations with decision makers
- Partnerships with NGOs
- Double materiality assessment

Board considerations of stakeholder interest

- Board Stakeholder Update
- Regulatory updates via the Chief Executive Officer Report and to the Audit and Risk Committee
- Review of double materiality assessment results

Section 172 and Board decision making

We maintain an ongoing dialogue with our stakeholders and integrate their feedback into our decision-making processes. This approach ensures we remain responsive and accountable, adapting to evolving needs while upholding the highest standards of transparency and responsibility.

The key areas and methods of engagement are:

- **Product and service improvements:** Customer insights from surveys and direct interactions inform refinements to our offering, for example improving digital experiences.
- **Responsible practices:** Customer feedback guides the development and updating of policies to promote responsible lending and financial wellbeing.
- **Workplace culture and wellbeing:** Colleague surveys provide insights into workplace satisfaction, shaping policies on benefits, professional development and diversity initiatives.
- **Operational efficiency:** Colleague suggestions drive process improvements and innovation.
- **Compliance and risk management:** Engagement with regulatory bodies ensures compliance and informs our risk management framework.
- **Policy advocacy:** Regulatory insights guide our involvement in policy discussions, helping align regulations with sector and societal needs.
- **Investor feedback:** Investor feedback shapes long-term growth strategies, capital allocation decisions, financial transparency and ESG goals and reporting.
- **Community engagement:** Interactions identify local needs, guiding financial literacy initiatives, community projects and volunteering opportunities.
- **Sustainability practices:** Stakeholders inform the development of policies and practices to minimise environmental impact and enhance societal contributions.
- **Ethical sourcing and collaboration:** Supplier and partner feedback ensures responsible supply chain operations strengthening codes of conduct and sustainability practices.

By leading the way in fostering a positive culture, the Board seeks to create positive and lasting benefits for the Group and our stakeholders. Read more about the Board's role in shaping culture on page 87. As we position ourselves to deliver further growth through our Next Gen strategy, described in more detail on pages 22 and 23, stakeholder engagement remains central to our journey. The Board values stakeholders' perspectives and recognises their integral role in supporting our long-term sustainable success.

For the purposes of Section 172, the Board reviews and confirms its key stakeholder groups annually. The importance of these key stakeholders to the Group, their concerns and how the Group and the Board engage with them are set out on pages 46 and 47.

The Board recognises that stakeholder engagement is essential to understand what matters most to our stakeholders and the likely impact of our key decisions. Stakeholder considerations received greater focus in 2024, particularly through the completion of our first double materiality assessment, undertaken as a key step in preparing for disclosures under the Corporate Sustainability Reporting Directive (CSRD). Read more about this on pages 123 to 150.

The Board remains committed to our purpose and during the year approved its inclusion into our Articles of Association, embedding stakeholder considerations at the centre of the Group's governance framework and value-creation approach for all stakeholders. Our Matters Reserved to our Board and our Committee Terms of Reference also reinforce the importance of considering stakeholder views in decision making. At each Board meeting, the Chief Executive Officer reports on how the Group has delivered value for our key stakeholders. Additionally, detailed stakeholder updates are presented to the Board twice a year, to ensure that it has comprehensive insight on stakeholders' views. Our Board and Committee papers also include a dedicated section articulating an assessment of the relevant stakeholder impacts. These various stakeholder touchpoints informed Board discussions and shaped Board decisions to balance stakeholders' interests, where possible,

Board engagement with stakeholders

Section 172(1) statement

In this statement, we describe how our directors have had regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 (Section 172) when performing their duty to promote the success of the Company.

This engagement, both directly and through regular reports from individual business areas and various Group functions, ensures the Board is made aware of key issues to enable the Directors to comply with their legal duty under Section 172. Our cultural values of being responsible, respectful and straightforward are at the heart of how we operate and engage with stakeholders. The Board seeks to ensure these values guide decision making and shape how we interact with each other in the workplace and with other stakeholders.

Members of the Board as a whole and individually are bound by their duties under S172. This statement, and the information covering our key stakeholder groups on pages 46 and 47, summarise how the Board promotes the Group's success for the benefit of its stakeholders having regard to:

- the likely long term consequences of decisions;
- the interests of the Group's employees;
- the quality of the Group's relationships with customers, suppliers and other stakeholders;
- the impact of the Group's operations on communities and the environment;
- the importance of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between the Group's shareholders.

Stakeholders and Board decisions

Here we highlight some of the key decisions made by the Board in 2024 and how stakeholders were considered during the decision-making process, including Section 172 considerations. The directors confirm that the deliberations of the Board incorporated appropriate consideration of the matters detailed in Section 172. As stewards of the Company, the Board recognises that having regard to the needs and expectations of stakeholders is crucial, as it ensures that the Group is well positioned to deliver long-term sustainable growth for the benefit of all its stakeholders.

Reviewing the double materiality assessment

In 2024, as part of the Group's strategy discussions, the Board reviewed and approved the Group's double materiality assessment to identify and assess sustainability-related impacts, risks and opportunities (IROs) and to ensure compliance with the CSRD, a framework established to improve corporate transparency and accountability in sustainability reporting.

Stakeholder considerations

As part of the double materiality assessment process, the Board considered various IROs affecting the Group as well as the Company's impact on the environment and wider communities. The process deepened understanding of key stakeholder perspectives who also took part in the assessment. The outcomes informed strategic decision making including a review of our 2025 strategic plan, and helped prioritise themes in our external reporting and broader stakeholder communication.

Approval of £15m share buyback programme

In July, the Board approved the commencement of a £15m share buyback to return excess capital to shareholders.

Stakeholder considerations

To support these discussions ahead of approval, the Board was provided with the views of a number of the Group's largest shareholders on capital return options. Information provided by the Group's joint brokers was also considered in order to understand the perceptions of investors to a proposed share buyback and guide the subsequent announcement at the time of the 2024 interim results. The Board also considered debt holders and credit rating agencies in relation to the decision.

Considering customer strategy

The Board prioritises fostering a customer-centric culture and enhancing the customer experience, exemplified by our customer representatives' personal interactions and the expanding range of digital products and services. In 2024, the Board reviewed and discussed the Group's customer strategy, informed by progress updates, proposals for the 2024 strategic priorities and presentations on customer research, leading to the Board's endorsement of the Group's customer strategy.

Stakeholder considerations

Insights from case studies and market research demonstrated the direct link between customer experience and sales performance. With this understanding, the Board was able to consider the Group's customers and evaluate critical factors that affect customer experience, both positive and negative. Consequently, these discussions enabled the Board to endorse the 2024 customer strategy priorities to extend the successful Think Customer programme, focus on tailored training for colleagues and to deliver process standardisation.

Stakeholders in focus

In this section, we provide insight into how we worked with four of our key stakeholder groups in 2024; our customers, colleagues, suppliers and communities.

Our customers

Financial inclusion

We are proud that so many of our customers are from groups that have historically been excluded from access to financial services. Helping so many people who often struggle to access credit reflects the dedication of our business to increase financial inclusion and make a positive impact on the people and communities we serve.

We provide credit to consumers who are often underserved by mainstream lenders, including:

- female customers: around 60% of our customers are women;
- those living in rural areas or locations with limited banking access;
- microbusiness owners, particularly in Mexico;
- older consumers who prefer face-to-face solutions over digital-only options; and
- individuals with past credit difficulties.

As a responsible lender, we invest in financial education initiatives to empower our communities. While many customers expertly manage tight budgets, a lack of formal financial education can sometimes limit their engagement with financial services companies. Through face-to-face and online financial literacy programmes, we aim to help individuals make more informed financial decisions.

Improving customer experience: Think Customer successes in 2024

In 2024, we extended our Think Customer programme to IPF Digital's six markets, building on the success of this initiative in our home credit operations. It is now embedded across the Company, driving our vision to deepen customer relationships, deliver high-quality experiences and keep customers at the heart of everything we do.

The programme comes to life through initiatives including:

- communicating our Customer Promises and Customer Charter externally in the European home credit markets, reinforcing our commitments;
- using customer journey insights to enhance experiences, leading to increased satisfaction and significant improvements across our home credit businesses over the past two years;
- appointing customer programme leaders in each market to share best practices and support customer-focused behaviours. Regular colleague rewards based on customer KPIs further reinforce this culture; and
- launching an interactive customer experience dashboard to track satisfaction, Net Promoter Scores and unmet expectations, supported by our Voice-of-the-Customer programme which helps us understand and improve how we operate.

In 2024, we also mapped digital lending customer journeys through focus groups, surveys and detailed analysis. This research led to the creation of targeted action plans.

91%
Customer satisfaction

+77
Net Promoter Score

Advancing financial inclusion through digital transformation

Technology plays a vital role in improving access to financial services for our customers. A new generation of customers expects instant solutions, seamless digital and physical interactions, and uses social media to voice their opinions.

Most customers now engage with us digitally at some point in their journey with us, often via mobile phones or our websites. This shift drives our focus on digital transformation, investing in technology to streamline onboarding, reduce decision times and deliver credit faster.

In 2024, we focused on establishing our new digital lending offering in Romania and the number of mobile wallet users more than doubled to over 115,000, accounting for around half of our digital division's customer base. We also launched a new customer app in Mexico, which attracted 362,000 downloads by the end of the year. This app enhances our credit service by enabling balance checks and communication while supporting financial inclusion. It complements our established app in Poland, and we have plans to introduce similar apps in Hungary, Romania and the Czech Republic. All markets in which we operate now have a digital lending option for customers, with the exception of Hungary where regulation does not facilitate digital lending for our segment.

Keeping a pulse on customer feedback

We actively seek customer insights to refine our products, improve service quality and remain competitive in a fast-changing market. Customer satisfaction is crucial – it drives loyalty, enhances our reputation and supports our long-term growth ambitions by encouraging repeat business and recommendations.

Our Think Customer dashboard tracks key customer experience metrics across all markets and is reviewed monthly by senior management to guide actions. We measure satisfaction with products, customer representative and call centre interactions, as well as processes like loan issuance and website engagement. This ongoing effort has yielded strong results, reflected in our customer satisfaction and Net Promoter Score (NPS) which, at December 2024, were 91% and +77 respectively.

To enhance service standards, we set new objectives for 2025 to improve customer satisfaction outcomes. Progress against these goals, set out below, will be reported in future years.

2025 objectives

- Undertake customer service standards training for field colleagues in European home credit.
- Extend mobile customer apps across all markets.
- Refresh our 'HeartBeat' analysis of customer pain points.
- Complete a review of how service quality impacts commercial performance and build action plans.
- Enhance the Think Customer programme for our digital channels.

Acting ethically

Our overall approach to customers, products and services is owned at a Group level by our Chief Marketing Officer, who works closely with Directors of Marketing and customer experience leaders. Consideration of new products and assessment of the performance of existing products from a customer satisfaction perspective are reviewed regularly by Local Product Development Committees, which are established in each of our markets. More significant product, promotion and pricing changes are reviewed by the Global Product Development Committee, which is chaired by the Chief Marketing Officer. The brand and product proposition risk is one of the key risks in our enterprise risk management methodology which enables this risk category to be monitored, and appropriate mitigation measures undertaken where required.

Incorporating risk management into our product development process is essential to creating sustainable, customer-focused solutions. From the initial concept phase through to launch, we conduct thorough risk assessments to identify potential challenges, including market, regulatory, and operational risks. By integrating these insights early, we can tailor products to meet customer needs while adhering to strict standards for security, compliance, and affordability. Our cross-functional teams collaborate closely to ensure that each product aligns with our risk tolerance and company values, helping us deliver offerings that are both innovative and responsibly managed for long-term resilience while delivering our target returns. Ultimately, the Board oversees the management of customers and receives regular market intelligence tracking the Group's performance on a range of customer-related metrics.

In every market, all our marketing communications are prepared with the objective of meeting relevant legal and regulatory standards, and to ensure our customers understand the credit commitment they are choosing. Our advertisements, promotions and product information are created in a way that is easily understood, accurate, does not mislead and complies with applicable regulation. We are always very clear when it comes to the price of our products with all cost information explained clearly in our contracts with consumers. Our Global Pricing and Promotions Policy sets out how we ensure fair advertising policies and procedures globally, which are complemented by market guidelines on this topic.

As part of our commitment to responsible lending, we prioritise prudent credit underwriting to mitigate potential debt challenges. Our approach includes thorough assessments of internal and external data, as well as customers' income and expenses, to ensure loan affordability. In our home credit businesses, direct relationships with customer representatives provide early insights into repayment issues, enabling proactive support should customers experience difficulties.

For customers facing difficulties, we offer flexibility such as agreeing missed or reduced repayments, ensuring this option is not overused to prevent financial strain. Should a customer go into arrears, we collaborate to create short-term arrangements tailored to their circumstances.

Our customers continued

Walk in our Customers' Shoes

As part of the Think Customer programme in our home credit businesses we launched the 'Walk in our Customers' Shoes' programme. By means of customer visits, global workshops and videos, our colleagues were able to see things through the eyes of our customers. Having a clear picture of every step our customers go through when interacting with us gives a valuable perspective of their needs, struggles and perceptions, from application and onboarding to repaying their loan. It also shows what we are doing well and, importantly, where we need to improve in our interactions.

Streamlining customer engagement with AI

Building on the success of our chat-bot initiatives to transform lead management and improve customer engagement, we enhanced our digital processes by introducing AI-driven customer support. Our home credit operations integrated AI into WhatsApp, seamlessly transitioning potential customers from Facebook enquiries to an interactive chat-bot for application processing before involving our field team.

This initiative has significantly reduced application times for customers to just five minutes. It has also decreased customer service adviser involvement by 30% in AI-implemented campaigns, time which can now be used to assist more customers and enhance the overall customer experience.

Empowering financial inclusion with credit health checks

In 2024, we launched a digital credit health monitor in our mobile wallet to help customers better manage their credit profile and improve their financial wellbeing. With a digital content strategy focused on financial education, customers can access tips on managing their household budget and saving. The app also provides customers with their internal credit score and a picture of their financial journey, including simple, educational guides to improve their credit score over time. This is particularly helpful for consumers in Mexico where credit score knowledge is lower.

Resolving customer concerns and complaints

An effective complaints-handling process is critical for building transparency, trust, and continuous improvement. We manage complaints in line with established policies and legal requirements, ensuring accessibility and responsiveness for all customers. We clearly outline how customers can raise concerns through our consumer-facing websites, which explain the complaints process, expected timeframes and resolution steps.

Customer contracts also provide relevant contact information. Complaints can be submitted online, by phone or in person with a customer representative, and are logged, categorised by severity and managed accordingly. Simple issues are resolved quickly, while complex cases are escalated to our dedicated complaints team for investigation and resolution.

Root-cause analysis also helps identify systemic issues and improve our overall service. As is the case with all financial institutions, we do receive complaints from customers, but the level of complaints received by the Group in 2024 was low. In 2024, complaints totalled approximately 60,200 (2023: 60,000), representing 4% of active customers and the average resolution time was 8 days (2023: 7 days), both of which were broadly in line with the prior year. In 2025, we will continue monitoring complaints trends and addressing root causes to enhance the customer experience.

Looking ahead

In 2025, we will build on the progress made in 2024 by enhancing our customer-centric culture, evaluating service effectiveness, and delivering customer service standards and training. Plans include further developing our Think Customer programme in IPF Digital, introducing customer appreciation awards and testing AI in service centres to help further improve customer satisfaction.

Our colleagues

Our 20,500 dedicated colleagues power our success, bringing passion and purpose to their work every day. Their commitment enables us to deliver affordable, accessible and responsible financial services to underserved communities. In return, we foster an inclusive environment where everyone feels valued, supported and empowered to excel. Our people strategy focuses on recruiting, developing, rewarding, and retaining a diverse and high-performing workforce aligned to our purpose.

In 2024, we made significant strides in inclusion, empowerment, and championing diversity, equity, and inclusion. Programmes, including The Pink Initiative, advanced gender diversity, while our neurodiversity awareness campaign enhanced workplace inclusivity. Employee engagement remained a key priority, with townhalls, forums, and informal gatherings ensuring colleagues' voices were heard. Insights from our Global People Survey and pulse surveys drove improvements, with the majority of employees expressing confidence in leaders' care for their wellbeing.

We also deepened our investment in professional development, delivering over 400 training sessions and expanding digital learning pathways through platforms like LinkedIn Learning. Ethics remains at the heart of our culture, with the tenth anniversary of Ethics Week reinforcing integrity in every aspect of our work.

To align with European Sustainability Reporting Standards (ESRS), we conducted a double materiality assessment, identifying working conditions and workers' rights as our most material sustainability-related matters. In compliance with ESRS S-1, we disclosed key workforce data on gender diversity, training, and employee impacts. Details are included in our CSRD Statement from page 123.

As our colleagues continue to drive our purpose, we remain committed to building an inclusive, innovative organisation that meets customers' needs while contributing to a better world through financial inclusion.

Empowering local talent by embracing diversity

We are committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion (DE&I).

With operations spanning Europe, Mexico and Australia, our commitment to recruiting and developing local talent remains a core element of our people strategy. Having local teams with in-depth knowledge of their markets allows us to better understand the needs of our customers and build trusted relationships within each community. This year, we strengthened our local recruitment efforts and welcomed more than 6,000 new colleagues to our business. Our workforce represents a broad spectrum of backgrounds and cultures, mirroring the diversity of the communities we serve and enhancing our ability to deliver impactful, customer-centred solutions.

We undertake a wide range of activities to promote and celebrate diversity across the organisation. From our Power of Inclusion celebrations to tailored development pathways for women, we strive to create a culture where everyone can thrive. In 2024, we undertook a number of impactful initiatives to increase awareness and understanding of the many aspects of DE&I principles.

Our colleagues continued

Building neurodiversity awareness

In 2024, IPF Digital launched its first neurodiversity campaign, "Welcome to the IPF Digital World," to foster inclusivity and highlight the unique strengths of neurodiverse individuals. The three-month initiative included 12 educational newsletters and a dedicated intranet care page with resources and practical tools to enhance understanding. A key highlight was a webinar exploring the workplace experiences of neurodiverse women, addressing the intersection of gender and neurodiversity. This campaign marked a significant step in creating a more inclusive culture, advancing diversity, equity and inclusion while empowering neurodiverse talent and celebrating their contributions.

Power of Inclusion

In April 2024, we hosted our third Power of Inclusion conference, a global online event attended by 600 colleagues, celebrating diversity and inclusivity. The conference showcased programmes like The Pink Initiative and the Becoming Development Managers programme in Mexico, to increase female representation in our Sales and Service teams. The event highlighted the importance of diversity, equity and inclusion in driving innovation, enhancing workplace culture and boosting organisational performance. Attendees received practical advice on fostering inclusivity and as part of our 5,000 Story Challenge, colleagues shared inspiring examples of their contributions to financial inclusion.

Celebrating a decade of Ethics Week

2024 marked the tenth anniversary of our global Ethics Week, reinforcing our commitment to making ethical decisions every day. The week began with a video message from our CEO affirming our dedication to doing the right thing, followed by engaging activities promoting our Code of Ethics and ethical awareness.

A live global broadcast, hosted by our Hungarian business, featured senior leaders sharing personal ethical challenges and was viewed by over 500 colleagues. Across all markets, local events included film screenings, quizzes and discussions on ethical dilemmas, fostering debate and engagement.

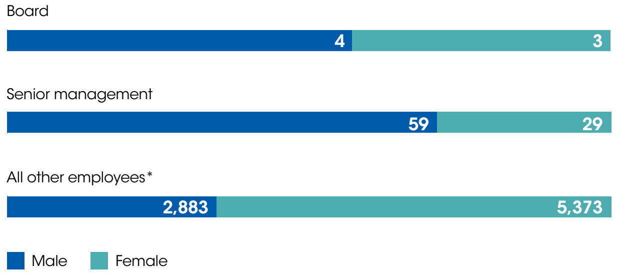
Our ethics e-learning course and quiz, completed by 97% of colleagues globally, provided practical guidance on navigating ethical dilemmas and emphasised the business impact of ethical decision making. This milestone event underscored our unwavering commitment to integrity and high standards in all we do.

97%

of colleagues completed ethics training in 2024

Gender split of employees

at 31 December 2024



* All other employees include customer representatives in Hungary and Romania where they are employed to meet local legislation.

Building trust with customers

Our customer representatives are the face of our business, working directly in the communities we serve. They play a crucial role in supporting our customers, providing financial services that we have designed and tailored to meet their unique needs and upholding our commitment to responsible lending. With around 15,200 customer representatives across the Group they are a fantastic example of our strategy of empowering local talent.

More often than not, our customer representatives are longstanding members of the communities they serve, which enables them to understand and respond to our customers' evolving needs. By regularly visiting customers in person, they build meaningful relationships that go beyond financial transactions. Every year we conduct millions of face-to-face customer visits across our markets, creating a sense of connection and trust. These face-to-face interactions are particularly valuable in emerging markets, where customers may not have access to traditional banking services and appreciate the reassurance of an in-person relationship.

With a deep understanding of local cultures and communities, our customer representatives are instrumental in building trust and fostering strong relationships with customers across all our regions.

Personal development and career growth

Our success is built on the growth and development of our people. By investing in their personal and professional development journey, we equip colleagues with the skills, knowledge and confidence to deliver the high standards our customers expect.

In 2024, we provided over 400 training interventions to our colleagues across ten countries covering a range of topics, including technical upskilling, storytelling and leadership development, all designed to meet industry demands and deliver responsible, ethical customer service. We also expanded our career development programmes for customer-facing colleagues with our established learning academies supporting structured pathways for over 15,200 customer representatives. Topics included sales and territory management, personal development and customer-centric service, ensuring colleagues are equipped for ongoing success.

Digital learning remains a cornerstone of our people development strategy. Through our global learning management system and platforms like LinkedIn Learning and Pluralsight, we offered tailored online resources, enabling self-paced learning aligned with roles and career aspirations. In 2024, over 300 colleagues completed nearly 1,300 courses, enhancing their expertise and adapting to evolving professional demands. Our 'Let's Talk Me' performance appraisal process reinforces this approach by encouraging colleagues to set personal development goals and collaboratively design tailored training plans, reinforcing our commitment to nurturing talent and supporting individual success. Internal mobility also highlights our commitment to career progression. In 2024, over 500 colleagues transitioned into new roles within European home credit, demonstrating our dedication to nurturing talent and providing meaningful opportunities for growth across the organisation.

Supporting colleague wellbeing

The safety and wellbeing of our people are central to our success. Through the Global Care Programme, a key part of our Next Gen organisation pillar, we create a supportive environment where colleagues can thrive personally and professionally.

In 2024, our care plan focused on four key pillars:

- Engaging with colleagues to identify their wellbeing priorities.
- Promoting mental health through psychological safety training and enhanced support systems.
- Encouraging physical health with initiatives like health screenings and step challenges.
- Strengthening team connections through social events.

Wellbeing highlights:

- In Romania, psychological safety training boosted trust and collaboration as part of our Culture of Compassion programme.
- In Mexico, our Diversity, Equality, Inclusion and Belonging initiative engaged employees across 17 branches, fostering understanding and inclusion.
- In Poland, a new employee assistance programme, Mental Benefits, provided over 1,000 psychological consultations.
- IPF Digital launched its Neurodiversity in the Workplace campaign, raising awareness and supporting neurodivergent employees.

Looking ahead to 2025, we will focus on fostering innovation, strengthening connections and enhancing psychological safety to address evolving needs. By caring for our people, we continue to build a workplace where everyone can excel.

Engaging with our colleagues

In 2024, we prioritised meaningful engagement with our workforce, ensuring colleagues' perspectives were actively heard and addressed. Through a range of communication channels, we encouraged open dialogue and inclusivity. Townhall events allowed employees to connect directly with leadership fostering transparency and discussions on critical topics, while informal gatherings created a relaxed environment for colleagues to share their views and open discussions. Formal employee and customer representative forums were also established across our home credit markets and reflected workforce diversity by considering factors like location, division, tenure, and seniority to ensure that the voices of all colleagues were heard on a range of important issues.

Building on insights from the 2023 Global People Survey, conducted biannually across the business, we refined programmes to address employee feedback. In 2024, Group-wide pulse surveys delivered overwhelmingly positive results, with over 80% of responses reflecting positive scores. Notably, a significant proportion of colleagues (97%) felt their leaders genuinely care about their wellbeing.

These positive results reaffirm our commitment to fostering a culture of empathy, inclusion, and trust. By actively listening to and addressing the needs of our workforce, we continue to strengthen collaboration and ensure employees feel valued and motivated. This commitment to engagement reinforces our goal of making IPF a great place to work.

Rewarding impact and innovation

Recognising our people's contributions is key to driving performance and innovation. Our total reward approach combines monetary and non-monetary rewards to attract, retain and engage colleagues, ensuring a competitive and equitable experience. In 2024, we proudly achieved accreditation as a UK Living Wage employer, reflecting our commitment to fair and sustainable wages and supporting workforce wellbeing.

A vital part of our approach is regular performance appraisals and feedback through our 'Let's Talk Me' performance management process, in place for over a decade. This framework focuses on employee performance and development, driving opportunities across our businesses and fostering growth aligned with organisational goals.

Looking ahead

Our focus for the future is advancing initiatives that support colleague growth and wellbeing while aligning with organisational goals. Our strategic priorities include expanding access to tailored digital learning programmes and strengthening local leadership development to equip teams for a rapidly changing environment.

We will enhance engagement efforts, fostering a resilient, inclusive, and customer-focused culture. By prioritising inclusivity, development and wellbeing, we empower colleagues to thrive and deliver on our purpose.

Our suppliers

Our goal is to co-operate with informed and engaged suppliers who understand how their products and services contribute to the delivery of our purpose and business goals, and who also act according to our values and culture.

Our supply chain

In 2024, we spent around £200m on a broad range of products and services with almost 3,000 suppliers globally. We categorise our suppliers into four tiers – strategic, critical, leverage and routine, depending on an assessment of defined business risk factors, sustainability risk assessment, regulatory requirements and spend. Of our global suppliers, 142 are deemed strategic or critical. The major areas of expenditure within our supply chain are marketing, property services, professional services and IT.

Doing business responsibly with suppliers

Our procurement and supplier management activities are provided by an internal procurement function, which is part of the Group's broader finance function. The procurement function is responsible for sourcing, supplier selection, negotiations and contracting, and continuous supplier relationship management for assessing, managing and mitigating risks relating to supplier relationships including potential breaches to approved sourcing processes. Their actions are overseen in each of our markets by a Local Procurement Committee, which comprises members of the local board and procurement function, and which meets every quarter. Important matters, including any suppliers evaluated as high risk, are reported subsequently to the Global Procurement Committee which meets on a quarterly basis and comprises members of the Group's procurement, finance, legal, and internal audit functions. The Group's Global Responsible Procurement Policy and Group Procurement Standards document the minimum standards for our engagement with suppliers, including sourcing, supplier selection, negotiations, contracting, supplier risk management, contract requirements, and supplier management and evaluation processes. Group Procurement Standards ensure that all procurement activity is undertaken according to the following principles:

- Social responsibility, in particular that suppliers and outsourcing partners comply with international labour standards including fair wages, safe working conditions, non-discrimination, and prohibition of child or forced labour; respect human rights throughout the supply chain aligned with the United Nations Guiding Principles on Business and Human Rights; and support community development, fair trade practices, and inclusion of diverse and underrepresented groups;
- Ethical governance, ensuring that procurement and outsourcing decisions are made with transparency, accountability, and ethical considerations. Suppliers and service providers must demonstrate anti-corruption and anti-bribery measures, ensure compliance with GDPR in managing personal data across outsourced operations and maintain robust governance structures to promote business ethics and accountability; and
- Environmental responsibility, ensuring that suppliers and outsourced service providers demonstrate environmental responsibility. The Group's Global Responsible Procurement Policy is approved by the Chief Financial Officer.

Creating a sustainable supply chain

Our Global Responsible Procurement Policy and Group Procurement Standards detail our approach to managing our supply chain sustainably. Our supplier evaluation process involves identifying, assessing and monitoring supplier practices in the areas of human and labour rights, the environment, health and safety, anti-corruption, data protection, ICT resilience, supplier reputation and others. This is achieved through the undertaking of a supplier evaluation process against relevant standards in each of these areas, and supplier re-evaluation in the case of introduction of improvement plans or any risk mitigation activities. This effort is designed to ensure that relevant principles and standards are upheld throughout our supply chain and is in line with our commitment to the UN Global Compact. As defined by the Supplier Operational Management Standard, our Code of Ethics is shared with all suppliers who are required to adhere to equivalent behaviours and standards. Suppliers can raise any matters of concern through our whistleblowing channels. We pay suppliers promptly and within contracted periods.

We believe that given the markets we operate in, modern slavery and human rights remain the most significant potential sustainability risks within our supply chain. In 2023, we undertook a comprehensive human rights and modern slavery assessment process which identified suppliers of cleaning, maintenance and facilities services to be the greatest potential risks areas in our supply chain. Following this assessment, we amended our supplier segmentation procedure to include these risks in our evaluation criteria and extended our definition of critical suppliers to include relevant suppliers. In 2024, we expanded on these earlier efforts with our supplier segmentation programme which identified 44 suppliers globally as critical from a human rights and modern slavery perspective. These suppliers were subsequently reclassified and are now fully integrated into our supplier risk assessment process. We also introduced a Supplier Sustainability Questionnaire which is a key component of our Supplier Risk Management Group Procurement Standard. This new questionnaire plays a crucial role in evaluating human rights and modern slavery risks in our supply chain. As of 2024, all 142 strategic and critical suppliers are subject to this sustainability assessment, further strengthening our commitment to responsible sourcing.

Engaging with suppliers

The procurement function engages with suppliers to better understand their perspectives on the Group. Those suppliers which are assessed as strategic or critical are the focus of our engagement activity. Engagement takes place through multiple channels, from discussing with specific suppliers when at the point of contract renewal or termination, tender processes with existing and potential suppliers and dedicated supplier relationship management activities. The discussions with existing suppliers address their performance, including on sustainability matters.

Recognising our suppliers as key stakeholders of our business, we engaged a number of key suppliers in the double materiality assessment, undertaken to support compliance with the new Corporate Sustainability Reporting Directive and which helps us prioritise sustainability and ESG issues based on their impact on our business and our potential for positive influence. To ensure comprehensive insights, we invited 50 suppliers across our European markets to participate in a survey, a key step in identifying the most important sustainability-related topics for our business. We received a strong response reflecting their commitment and high engagement in our shared sustainability goals.

We are actively expanding our focus on ESG risks and opportunities as well as on operational resilience, and broadening the scope of risk assessments in our supply chain. To support this, we are updating all our supplier management policies and Group Procurement Standards to enhance our understanding of how companies are addressing their ESG responsibilities, reinforce IT security resilience and refine the criteria for defining strategic and critical suppliers.

To meet these goals for 2025 we are in the process of amending our existing Group Procurement Standards:

- Supplier Segmentation Group Procurement Standard: widening the critical supplier definition increasing this key supplier group which is covered by extended risk management and risk monitoring procedures;
- Sourcing Group Procurement Standard: including our due diligence procedure as an additional mandatory step in the selection process for all suppliers supporting critical and important functions and processes. All sourcing processes will also be executed in accordance with an amended list of internal Group policies including Anti-bribery and Corruption Policy, Conflict of Interest Policy, Data Protection Policy, Gifts and Hospitality Policy, Human Rights Policy, ICT Third-Party Risk Management Policy, Information Security Policy, Modern Slavery Policy, and the Whistleblowing Policy;
- Supplier Relationship Management Standard: additional obligations of continuous performance monitoring for all critical and strategic suppliers; and
- Supplier Risk Management Group Procurement Standard: including additional risks assessment criteria to our Supplier Evaluation Process including conflict of interests, concentration risk, strength of exit strategy, ICT resilience risk and business continuity.

In addition, a new ICT third-party risk management policy and ICT third-party risk assessment procedure will be introduced to increase our operational resilience and ICT security, increasing the level of supplier risk assessment, risk monitoring and ensuring operational continuity.

Our communities

We are committed to contributing to the social and economic development of the communities in which we operate. Our primary focus is on supporting groups facing challenges with financial inclusion by ensuring their stories are heard and advancing financial education initiatives directly through our own programmes and in partnership with NGOs. Through our focus on financial inclusivity and social equity, we strive to build more sustainable and resilient communities.

Our community strategy is built around three core pillars:

- our *Invisibles* programme;
- financial education initiatives; and
- volunteer opportunities for our colleagues.

In 2024, we continued our investment in a wide range of community initiatives which are important to both our colleagues and communities. We support our communities through a variety of means, including financial contributions, in-kind support, and active employee involvement. In 2024, our total community investment amounted to £920,270 and 4,011 days of volunteering.

Our Invisibles programme

We recognise that financial vulnerability, stemming primarily from economic disparities, poses a significant challenge and that we have an important role to play in addressing this issue.

Our Invisibles programme was created to ensure those segments of society that currently struggle to access financial services become visible to stakeholders and are also provided with practical help. The programme has four elements:

1. **Identify:** Studies commissioned by independent third parties to identify the underbanked groups in each of our markets provided meaningful insights concerning the specific challenges they face.
2. **Highlight:** Publish the results of the study to highlight the insights we have gathered and what it means for that market.
3. **Engage:** Initiate dialogue with relevant stakeholders on what practical steps would improve the situation of the identified invisible groups.
4. **Help:** Identify a relevant NGO partner to enable joint working to offer help to one or more selected invisible groups.

Building on the foundations laid in 2022 and 2023 in our home credit markets, we expanded this flagship community initiative in 2024 into Estonia, Lithuania and Latvia where IPF Digital operates. During the first phase, we identified the most excluded groups in these countries and hosted events to raise awareness of their challenges. This included the "People in the Shadow of Social Exclusion" conference in Riga, attended by NGOs, politicians, academics and businesses who came together to discuss and debate the issues of exclusion. In Estonia and Lithuania, we also launched a podcast series to shed light on the difficulties faced by these marginalised groups, amplifying their voices and fostering greater understanding.

In our home credit markets, where the Invisibles programme is well established, we partnered with new NGOs to broaden our reach and support more groups facing barriers to financial visibility. In the Czech Republic, we collaborated to assist young adults leaving the state childcare system, and developed a programme to support social workers. We also launched a financial education initiative for senior citizens.

In Romania, we partnered with six NGOs, each focusing on a specific invisible group, with particular emphasis on employability workshops and senior citizens. In Mexico, we began collaborating with UN Women to support women in isolated areas facing extreme poverty, and worked with Save the Children to assist migrant families by providing education and tools to navigate life changes.

In Hungary, we renewed our strategic partnership with Hungarian Interchurch Aid, committing to support its anti-poverty efforts for the next three years. In Poland, our focus shifted from aiding Ukrainian refugees to supporting children transitioning out of state childcare.

In 2025, we plan to extend our efforts to reach new invisible groups and make a lasting, positive impact on financially vulnerable people.

Building empowerment through financial education

Alongside our Invisibles programme we invested in delivering financial education initiatives to empower individuals. Financial literacy plays an essential role in the lives of excluded consumers because it equips them with the knowledge and skills to manage money with confidence, access financial services, make informed financial decisions and improve their resilience and wellbeing. Our research into financial wellbeing suggests many people in our markets do not receive a formal financial education and would value the opportunity to learn more about financial management.

We have implemented comprehensive financial literacy programmes targeting financially vulnerable individuals. These initiatives include workshops, webinars and educational materials aimed at improving financial knowledge, developing budgeting skills and supporting long-term financial planning. They also provide volunteering opportunities for our colleagues to impart their knowledge and expertise on these topics for the benefit of financially vulnerable individuals.

Empowering seniors through financial education

In 2024, we launched the Senior Academy in Hungary to provide financial education for retirees in small towns. The three-session programme covers managing finances, avoiding financial fraud and understanding credit. Partnering with Semmelweis Medical University, we hosted three events attended by around 60 seniors each, offering financial tips from colleague volunteers and healthy living advice from university experts. Following its success, we plan to expand the Academy in 2025, helping more elderly people navigate their finances with confidence.

Supporting young adults transitioning from state care

In 2024, we extended our Invisibles programme in the Czech Republic to support young adults leaving state childcare by offering financial support to an NGO responsible for supporting them. We also selected three talented individuals who had recently left the state childcare system and gave them direct financial support to help them live independently.

Supporting communities through volunteering

Thousands of our colleagues make a difference in their communities through volunteering in both company time and their own.

In 2024, they supported a range of community projects from financial education to environmental causes. Our volunteering programme also helps improve teamwork, engagement and motivation.

Our focus for volunteering is brought together with our annual Volunteer and Financial Inclusion Month, which we organise each May. Colleagues got involved in a range of activities including painting community hubs that host Invisibles-supported projects, visiting people in assisted-living homes and tree planting. In this one month alone, our team of nearly 2,500 volunteers supported 85 projects benefiting 250,000 people and raised more than €100,000.

In September 2024, some of the worst floods in a decade hit our Central European markets, sadly claiming many lives and destroying thousands of homes. Faced with this serious challenge, our teams set about helping the communities most badly affected by fundraising and volunteering to help build flood barriers and clean homes.

4,011

days of volunteering undertaken by colleagues

£920,270

invested in our communities

IPF in Society

Here we provide additional sustainability disclosures beyond the requirements of the Corporate Sustainability Reporting Directive (CSRD), offering a more comprehensive view of our ESG initiatives.

Our Code of Ethics

Our Code of Ethics is designed to ensure everyone working for the Group understands how we deliver on our purpose and how to act ethically and with integrity at all times. The Code can be viewed on the policies section of our website at www.ipfin.co.uk. The Chief Legal Officer has responsibility for the implementation and effectiveness of the Code of Ethics and reports annually to the Board on this. The Group Ethics Committee, membership of which comprises the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer and Chief HR Officer, has oversight of all ethical issues and meets quarterly to review progress and discuss any concerns.

The Code communicates the minimum standards which we expect from all colleagues. We take breaches of our Code of Ethics very seriously and they could result in disciplinary action. If our colleagues have any concerns about the provisions of the Code not being followed, we encourage them to report this at the earliest opportunity. Whistleblowing processes are available if for any reason reporting to line management is not appropriate or preferred.

In early 2024, the Board approved our updated Code of Ethics which was then translated into local languages and cascaded throughout the business globally. To ensure high awareness and understanding of the updated Code, a communication campaign targeting all employees and customer representatives in all our markets was launched. During the course of the year colleagues received a range of communications including emails, posters, screen savers, videos and presentations on the three pillars of the Code: Doing the Right Thing as a responsible business, as a responsible employer and as individuals. In September 2024, we held our tenth annual global Ethics Week which is a series of events, training and communications for all full and part-time employees and customer representatives on topics relating to ethics. The week focused on our revised Code, how it sets our standards and how it should be used to guide behaviour. 97% of all employees and customer representatives globally completed our online annual ethics training in 2024.

Human rights

The Group is a member of the UN Global Compact. Our commitment to this initiative, together with the standards of the United Nations Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, is set out in our Corporate Sustainability Policy, and our specific approach to human rights is set out in our Human Rights Policy. Both policies can be accessed on the policies section of our website and are approved by our Board. Our Human Rights Policy sets out our commitment to respecting internationally recognised human rights standards and our responsibility to take appropriate steps to identify, prevent and mitigate human rights risks across the Group, and to take action to remedy any adverse impacts we identify. This Policy sets out our risk assessment procedures and controls to detect and mitigate human rights risks in our business and supply chain together with our approach to raise awareness of these absolute and fundamental rights.

In 2024 we undertook additional targeted due diligence on suppliers we assessed to be as high risk for potential modern slavery and human rights violations. In 2025, we will perform a risk assessment and stakeholder engagement exercise to identify issues and review effectiveness of our Human Rights policy and report on this to the Board.

Combatting financial crime

We are committed to protecting our customers and the business by combating fraud, bribery, extortion, collusion, money laundering, tax evasion, terrorist financing and all forms of financial crime and corruption, and have a zero-tolerance approach to these matters.

The Group Fraud and Anti-Money Laundering (AML) frameworks define minimum standards and controls for all markets on fraud, AML, counter-terrorism financing (CTF) and financial crime. The Group Fraud Risk and AML Manager has overall responsibility for the definition and development of the controls and standards defined within the frameworks. Each market has a Loss Prevention function which is responsible for ensuring the implementation of the required standards and assuring the operation of controls. Management information is monitored to track trends and patterns of behaviour relating to fraud, AML and CTF risks. Suspected frauds and instances of money laundering and terrorism financing are investigated by the Loss Prevention function and, where identified, remediating actions are taken.

To ensure that the Group is not used to launder the proceeds of criminal activity and/or facilitate the financing of terrorist organisations, a variety of methods utilising external data sources are used to ensure compliance with legislative requirements. We apply a risk-based approach to our customers and transactions, with systematic assessments made at the point of a credit application and regularly during the lifetime of the customer relationship. Additionally, checks are conducted to identify Politically Exposed Persons (PEPs) and, where identified, processes compliant with local legislation, are in place to conduct enhanced customer due diligence and obtain sign off by managers with appropriate levels of authority before commencing any business relationship. Independent assessments and audits by national regulators and/or external auditors assure our compliance with AML regulations.

Compliance with the fraud, AML and CTF frameworks is overseen on a market basis by local Loss Prevention Committees, comprising senior management in each market, which review management information to track trends and patterns of fraud and monitor the local risk landscape. The output of this activity is then monitored at Group level by the Group Credit Committee. The Group Fraud Risk and AML Manager carries out independent reviews of each market's systems and controls to ensure compliance with the minimum standards detailed in the Group Fraud and AML Frameworks as well as reporting quarterly to the Group Risk Advisory Group as risk owner of the fraud and AML risk category. The Group's Audit and Risk Committee has oversight of these systems and controls and receives bi-annual updates on this topic.

Technological developments have been leveraged to better identify potential instances of fraud and improve AML/CTF controls including improvements in the speed of delivering fraud alerts, expanded use of biometric identity checking and geolocation ringfencing.

In 2024, incidents of fraud remained low and within risk appetite. There were no confirmed cases of money laundering, terrorism financing or insider trading. A small number of suspicious activity reports were submitted to AML regulators across the markets.

Bribery and corruption

Our commitment to countering bribery and corruption is detailed in our Anti-Bribery and Corruption Policy, which is approved by our Board and available on the policies section of our website. This Policy seeks to ensure the Group complies with anti-bribery and corruption laws in all markets where we do business as well as complying with the requirements of the UK Bribery Act. To ensure compliance with the policy, we conduct market-level anti-bribery risk assessments annually. Corruption risks are managed by an established framework including first-line functional controls, second-line oversight and specialised risk management with control assurance and investigations conducted by subject matter experts and third-line independent assurance provided by the Group's internal audit function.

Our Anti-Bribery and Corruption Policy sets out the Group's zero-tolerance approach to corruption together with details of our mechanisms and controls to combat bribery and corruption including anti-bribery risk assessments and annual compliance checks, along with our processes for recording and assessing conflicts of interest and gifts and hospitality. Training on this topic was provided to all employees and customer representatives in 2024 as part of our annual ethics e-learning and relevant functions received additional targeted training. There were no substantiated material incidents of bribery or corruption in 2024 across the Group. In 2025, we intend to review risk assessment options and mechanisms and complete a holistic risk assessment procedure proportionate and appropriate to the Group's corruption risk.

Whistleblowing

The Group has mechanisms to enable individuals to raise concerns about wrongdoing or breaches of the law in the Group's operations or business relationships. These internal and external mechanisms for seeking advice and reporting concerns about unethical or unlawful behaviour and organisational integrity are formalised in the Group Whistleblowing Policy which is approved annually by the Board and available on the policies section of our website. This Policy, which is implemented in local language in all the markets in which we operate, states that there should be no retaliation against whistleblowers, sets out how to raise a concern and details processes for ensuring reports are handled properly.

Anyone, including all employees, customer representatives, customers and suppliers, can raise concerns through the whistleblowing processes which the Group has in place. Reports can be made to independent services which are available at any time and enable concerns to be raised in a variety of languages, and anonymously if preferred. All whistleblowing matters, however reported, come under the governance processes set out in the Group's Whistleblowing Policy.

The Whistleblowing Policy and related processes are owned by the Chief Legal Officer and maintained by the Group legal function. These whistleblowing systems and investigation processes are overseen by the Group Ethics Committee, which comprises the Chief Executive Officer, Chief Financial Officer, Chief HR Officer and Chief Legal Officer. The Committee meets quarterly and receives updates on the operation of the whistleblowing systems together with statistical data reports and detail on outstanding whistleblowing cases. All significant cases are escalated immediately to the Committee which oversees their investigation and meets as required to review and agree actions and outcomes in relation to these cases. The Group's Audit and Risk Committee receives bi-annual reports from the Chief Legal Officer covering statistical data on whistleblowing reports, a summary of notable cases and key follow-up activity from the previous reporting period.

Our whistleblowing processes comply with all requirements of the EU Whistleblowing Directive and local implementing legislation. The Group legal function performs compliance checks to ensure that whistleblowing policies and processes are embedded in all our markets and that governance is in place for escalation, investigation and reporting of cases. Our Legal Directors champion the importance of speaking up and the value that this transparency brings to local businesses and ensure that local boards are engaged in the importance of whistleblowing.

In 2024, we documented our investigation processes in a Group-wide Investigations and Reporting Protocol which ensures that cases are properly responded to and escalated, thoroughly investigated and that outcomes are appropriately decided on and actioned. The Protocol includes steps to ensure that confidentiality, discretion and independence are maintained at all stages of an investigation. All investigators received interactive training on the Protocol and how to apply it in practice.

In 2024, 471 whistleblowing reports were received. All of these concerns were, or are being, investigated and resolved. 112 of the reports made (24%) were found to be unsubstantiated. We continue to embed processes and raise awareness through regular internal communications to our employees and customer representatives and our annual ethics week which highlights the importance of this issue. Our whistleblowing services are publicly communicated and available to suppliers, customers and other third parties and all reports and insights into our business are of great value to us.

Managing conflicts of interest

Our Conflicts of Interest Policy provides colleagues in every market with the guidance necessary to know how to identify and declare potential conflicts as well as setting out requirements to manage any such conflicts ethically and in line with best practice. Our Responsible Procurement Policy and Group Procurement Standards include processes to ensure conflicts in our supplier relationships are managed appropriately.

In 2024 we focused on ensuring the Group's policies and processes for managing conflicts of interest were effective and reflected best practice. We implemented processes for recording and managing potential conflicts across the Group, reporting material conflicts and gifts and hospitality registers to the Group Ethics Committee and escalating any material perceived or potential issues to the Chief Legal Officer for appropriate consideration and management. Our Legal Directors emphasised the importance of effective management of conflicts of interest with local boards. In 2025, we will provide training on managing conflicts of interest to those areas of our business where this is a particularly relevant issue.

Modern slavery

We take appropriate steps to ensure that no forms of modern slavery including forced labour, child labour, human trafficking or any practices detrimental to employment rights, are taking place in our business or supply chain.

The Group's position on modern slavery is set out in our Modern Slavery Policy, which is approved by our Board and available on the policies section of our website. It includes specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and states that the Group expects the same high standards from all of its contractors, suppliers and business partners. The Group publishes an annual Modern Slavery Statement which is registered with the UK Government's modern slavery registry and available on our website. Oversight of compliance with the policy is managed by the legal function, which works closely with the human resources function and procurement function. The Board approves the Policy and the Group's Modern Slavery Statement annually, and receives an update on performance of processes to combat this risk.

To address the risk of modern slavery in our own workforce, the Group's Human Resources Control Framework and relevant human resources policies are designed to ensure a safe, fair and inclusive workplace for all our employees and customer representatives. All employees are provided with a written contract of employment and steps taken to ensure that anyone employed has a right to work. The Group does not employ children and has processes in place to ensure that there are no incidents of withholding wages, confiscating documents or similar.

Our Group Procurement Standards include requirements for an annual risk assessment process across all our suppliers to identify those in a location and/or industry with a high prevalence of modern slavery risk and do further due diligence on any potential coercive or exploitative practices.

Our annual ethics training includes modern slavery to ensure our colleagues are aware of the issues involved, understand how to identify signs of modern slavery and what to do in response. There were no suspected cases of modern slavery reported in 2024. The Group is committed to continuous improvement in our approach to combatting modern slavery.

Anti-competition

We are committed to the principles and spirit of competition law and similar laws in all markets in which we operate.

Our Competition Law Policy sets out our processes to ensure employees understand these principles and do not engage in anti-competitive behaviour. A copy of our policy is available to view on the policies section of the website.

The Group was not subject to any regulatory findings or legal action relating to anti-competitive behaviour or breach of anti-trust or monopoly legislation in 2024.

Compliance with law and regulation

We comply with all relevant laws and regulations in all markets in which we operate. We support regulation which protects consumers and ensures that only responsible businesses are permitted to provide financial products. The Group's Consumer Protection Regulatory Compliance Management Framework sets out the policies, procedures, structures and responsibilities required to be implemented in all markets to identify and manage compliance obligations across the Group. The focus of the framework is to provide assurance that the Group's consumer credit products and services are transparent and ethical as well as compliant with applicable regulatory standards and legislation. The Group oversees the effectiveness of management of the risk of non-compliance and provides guidance on necessary mitigation measures including adjustment to monitoring and controls appropriate for increased regulation. The assurance activities performed in 2024 did not identify any significant instances of non-compliance.

We maintain good relationships with regulators, legislators and governments who play a key role in shaping the consumer finance sector. We respond constructively to all regulatory audits and investigations to address any findings, and continuously improve our business practices in line with changing regulation. There have been no material adverse regulatory findings, sanctions or fines against the Group in 2024.

Data privacy

The security and privacy of our customers, colleagues and partners are top priorities for us. We process large amounts of personal information every day and uphold rigorous data protection standards to safeguard privacy and protection of data. We are committed to protecting the privacy of our stakeholders.

Our data protection approach is anchored in the following principles:

- We only collect data that is relevant, use it solely for its intended purpose, and apply further data minimisation practices.
- We maintain transparency regarding our use of personal data.
- We process data lawfully, including by obtaining consent from individuals and in alignment with applicable local laws.
- We ensure accuracy of personal data upon request and uphold individual rights under data protection and privacy laws.
- We keep personal data confidential and secure.

Compliance with data protection and privacy legislation is achieved through our Group Data Protection and Privacy Policy which is reviewed annually to address emerging risks, enforce control standards, ensure all personal information is protected, and individuals' data protection rights are observed. Breaches of this policy can result in disciplinary action, including contract termination. This policy aligns not only to our purpose, but also with applicable data protection legislation, reflecting its significance within our Code of Ethics and reinforcing employee responsibility in this area.

Our Group Data Protection Standards supplement the policy with further operational guidance. Oversight is led by the Group Data Protection Officer (GDPO) and the Chief Legal Officer, who maintain accountability to the Board. The GDPO is supported by a team of Data Protection Officers in each market, responsible for advising and ensuring compliance across the business. They also liaise with data protection authorities and respond to individuals' requests for information on data processing activities.

A compliance monitoring programme ensures that our controls are effective, with corrective actions taken when necessary. Each year, under the GDPO's leadership, we develop a Group-wide data privacy plan. Data Protection Officers provide regular updates to both the GDPO and local market boards on progress, while the Group Audit and Risk Committee oversees the plan's global implementation.

All employees and customer representatives complete annual data protection training, with tailored sessions provided for specific roles where necessary. We also require our suppliers to follow data protection principles, implemented through our due diligence and contracting processes.

Management of data breaches is governed through a Data Breach Policy which outlines the plan to action together with roles and responsibilities. Data breaches can occur in the form of a malicious attack or accidental error and can be widespread or impact one individual. We operate a robust process to ensure data breaches are identified, reported and resolved appropriately.

Errors occur from time to time, caused mostly by human error or process flaws for which we undertake appropriate follow-up actions to resolve. In 2024, we did not experience any significant personal data breach cases requiring notification to the competent data protection authority and the impacted data subjects.

In 2025, we will work to further enhance our privacy compliance monitoring. We will also focus on training and awareness relating to data protection and privacy, particularly in areas involving the interplay with advanced technologies. Our work will expand to cover emerging domains such as AI and cloud computing, ensuring that we are well prepared to manage evolving regulatory expectations and protect stakeholder data in this dynamic landscape.

Cybersecurity

Our Cybersecurity Governance Framework is designed to ensure accountability, oversight and protection of the Group against cyber risks. This framework is embedded in our Group Information Security Framework and Cybersecurity Standards and outlines the mandatory requirements across all our markets. The Group Chief Information Officer (CIO) is responsible for oversight of the framework. Recognising the growing complexity of the cybersecurity landscape, we appointed a Group Chief Information Security Officer (CISO) in 2024 to strengthen our security position in response to evolving technologies and innovations. The CISO reports to the CIO and is responsible for overseeing the Group's cybersecurity programme and providing regular updates to the Board on cybersecurity initiatives, risks, and progress.

The Group Audit and Risk Committee further oversees the cybersecurity strategy's global implementation, ensuring alignment with strategic security objectives.

This governance structure reinforces accountability and supports continuous improvement in our cybersecurity position across the organisation. Our commitment to cybersecurity is reinforced by this expanded leadership structure, as we adapt to the demands of emerging technologies and the need for continual innovation in safeguarding our information assets.

Each market has a dedicated cybersecurity team responsible for implementing and enforcing our Group Standards, conducting regular risk assessments, and ensuring compliance with both Group policies and local regulatory requirements. Our security monitoring systems are further supported by a 24/7 Security Operations Centre (SOC), which plays a crucial role in early breach detection and incident management.

Employee awareness remains essential to our cybersecurity strategy. Mandatory training programmes and regular awareness campaigns are conducted to ensure that employees are familiar with cybersecurity principles. Each employee receives mandatory training before accessing the Group's information and later undergoes refresher training on an annual basis. Targeted phishing campaigns are also conducted to assess and enhance awareness levels across the organisation.

Our commitment to cybersecurity includes policies and standards designed to ensure all employees understand and adhere to best practices in information security. We have established Group Information Security End User Standards, which are accessible to all employees and outline fundamental cybersecurity responsibilities. For our IT function, we maintain specialised Group IT Security Standards that provide detailed requirements specific to technical roles. Both sets of standards are cascaded and implemented across our business, ensuring alignment and consistent adherence to security protocols at both the Group and market levels. This structured approach enhances our ability to safeguard information across the organisation and reinforces our cybersecurity resilience.

To mitigate risks, we perform vulnerability assessments and penetration testing, and strive to implement security controls aligned with best practices in managing information security, for example, ISO 27001 specifications and the National Institute of Standards and Technology (NIST) framework.

Particular areas of focus in 2024 included improving security monitoring capabilities and strengthening security controls in relation to cloud processing. We also aligned our ICT risk management and resilience practices with the Digital Operational Resilience Act (DORA). In 2025, we will continue to enhance our breach detection and protection controls, as well as our incident management protocols.

Enhancing lone worker safety

To ensure the safety of Customer Representatives working independently in customers' homes, we launched a field risk assessment survey across our home credit businesses. The survey evaluated understanding of risks, including physical assault, road safety and psychosocial challenges, while ensuring compliance with safety protocols. With an 89% response rate, the survey highlighted strong adherence to safety protocols and the effectiveness of our training. It also identified opportunities to enhance support for managing psychological risks, aligning with ISO 45003 standards for psychological safety and colleague feedback offered valuable insights into hazards and controls, helping us refine safety practices. This initiative reinforced ISO 45001 compliance and strengthened our Global Care Programme, furthering our commitment to team wellbeing.

89%

response rate to our field risk assessment survey in 2024

Health and safety

We are fully committed to the health, safety, and wellbeing of our colleagues. The Board maintains overall responsibility for health and safety, reviewing and approving the Health and Safety Policy at least annually, while receiving an annual report on safety performance. The Group Credit and Risk Director is the executive responsible for health and safety with the Group Safety Manager providing oversight and leading a global team of health and safety professionals across each of our markets. This team is responsible for implementing our Global Health and Safety Framework, ensuring consistent adherence to our standards. Oversight, governance and assurance are upheld through Quarterly Safety Management Review Committees at market board level in each home credit business. Additionally, the Group Safety Manager performs annual safety reviews of each market to ensure the Safety Management System operates effectively in line with the Group's standard framework. Annual self-assessments of compliance with safety management system protocols are also conducted by the second-line control function, the members of which are trained specifically to undertake these reviews. Further assurance is provided through periodic reviews conducted by the Group's internal audit function.

Our approach to safety includes a comprehensive training programme, supplemented with regular communication and safety campaigns to keep colleagues informed and reminded of essential safety practices. In 2024, all our home credit businesses successfully retained ISO 45001 accreditation following an independent surveillance audit. This ongoing accreditation underscores our commitment to best practice in occupational health and safety management, promoting continual improvement across our global operations. While our IPF Digital operations are not required to pursue ISO 45001 accreditation due to their 'low-risk' office environment, they continue to follow the standard principles of ISO 45001 for best practice safety management.

The importance of reporting all health and safety-related events is crucial and colleagues are reminded continually of this requirement within their training and safety communications. All events are recorded and investigated systematically by trained personnel to determine root causes, lessons to be learned, and corrective and preventative actions to minimise the risk of reoccurrence. The table below captures the total number of workers who experienced a work-related safety event during 2024 and the harm caused by this event.

Work-related safety events and harm caused 2024

		% of colleagues
Total work-related safety events	774	3.5%
Worker Injury Type		
No injury	482	2.2%
Minor injury	158	0.7%
Moderate injury	99	0.4%
Serious injury (requiring hospital treatment)	35	0.2%
Life-threatening injury	0	0.0%
Fatalities	0	0.0%

The majority of work-related safety events (62%) resulted in "No Injury," including 20% car accidents, 30% verbal threats and 40% theft from street crime. This performance highlights robust reporting processes and the effectiveness of safety training in preventing escalation and physical harm.

In 2024, we made significant strides in advancing the Group's Global Framework for the Management of Psychological Health, Safety, and Wellbeing, developed in alignment with ISO 45003—the world's first global standard for workplace mental health. We have fully defined all necessary processes and procedures, created comprehensive training materials to build awareness and drive application across the organisation, and engaged external experts to guide the psychological risk assessment phase. This phase will deliver valuable insights and enable us to prioritise key psychological risk management issues effectively.

Implementation of the framework is progressing on schedule, with each business unit achieving milestones as planned. We are firmly on track to secure ISO 45003 accreditation across all markets by 2025, reinforcing our unwavering commitment to best practices in psychological health and creating a supportive, mentally healthy environment for all employees and customer representatives.

Engagement with government, trade bodies and regulators

We actively contribute to policy developments relevant to the provision of lending products for underserved communities, in particular to drive policy change that enables our purpose of building a better world through financial inclusion. We advocate for change on the issues that matter most to our customers with governments, non-governmental organisations and regulatory bodies. We are a member of the following trade associations:

- **Poland:** Foundation for Financial Development; Confederation Lewiatan, Employers of Poland; Association of Employers and Entrepreneurs; Federation of Polish Employers; British-Polish Chamber of Commerce in Poland.
- **Hungary:** Association of Non-Banking Financial Institutions; Hungarian Business Leaders Forum; Association of Hungarian Manufacturers; Association of Hungarian Executives.
- **Romania:** Association of Financial Enterprises; American Chamber of Commerce in Romania; British-Romanian Chamber of Commerce; Foreign Investors Council; Association of Credit and Leasing Employers; Aspen Institute Romania; National Association of Treasurers.
- **Czech Republic:** Association of Non-Banking Financial Institutions.
- **Mexico:** Employers Confederation of the Mexican Republic; Prodesarrollo; Fintech Mexico.
- **Estonia:** Estonian Credit Providers' Association; Finance Estonia; Estonian Chamber of Commerce.
- **Lithuania:** FINCO.
- **Australia:** Fintech Australia.

All of our public policy engagements and lobbying are aligned with the Paris Agreement for direct activities, and none of the trade associations of which we are a member, as far as we are aware, has taken a position not aligned to the Paris Agreement on climate. In 2024, we did not undertake any public policy advocacy activity concerning climate change.

Provident Polska at the Economic Forum in Karpacz

In September 2024, Provident Polska participated in the Economic Forum, Central and Eastern Europe's largest business gathering, strengthening relationships with key stakeholders and showcasing our leadership on financial sector issues. A key highlight was Botond Szirmak, head of our European home credit division, joining the opening debate on Europe's economic future and the private sector's response to geopolitical challenges, highlighting our proactive role in shaping business agendas. Polish management board members also contributed to panels on financial market development and regulatory frameworks, reinforcing our commitment to responsible business practices and driving positive industry change.

The Group is a politically neutral organisation. This approach is formalised in our Political Lobbying Policy, which is overseen by the Group Nominations and Governance Committee. We comply with legal requirements on disclosing political donations and we do not provide financial support to political parties. In 2024 and consistent with this policy, the Group made no political contributions directly or indirectly, including in-kind contributions. No governmental body has any ownership stake in the Group.

In 2024, our key areas of focus with governmental and regulatory bodies comprised responsible lending, financial inclusion, our Invisibles programme and the regulation of consumer loans to consumers. A particular focus for our advocacy efforts is our annual Financial Wellbeing Report which surveys around 4,500 consumers in nine markets. This exercise provides extensive insights on the views of consumers on a range of important financial and economic issues including savings and borrowing habits, and knowledge about personal finances. We use this research to advocate for the needs of consumers to key groups of decision makers. Beyond this, we operate our Group-wide Invisibles programme, the objective of which is to work with professional organisations to map groups in society which do not have access to the regulated financial market. See page 58 for more information.

In 2025, our focus will be on continuing to collaborate with key stakeholders to ensure legislation and regulation takes account of the need for responsible lending for all groups of customers, with a special focus on regulation emerging from the European Union. We will also engage with NGOs and our communities to deliver our Invisibles and financial education programmes.

Tax management

We are a responsible taxpayer, committed to ensuring compliance with tax law and practice in all of the territories in which we operate, including the UK, and to operating in a straightforward and transparent manner in our dealings with tax authorities while recognising our responsibility to protect shareholder value.

The Group has a publicly available tax strategy which is available in the policies section of our website. This strategy is approved by the Board annually and the Chief Financial Officer has Board responsibility for this area. Our tax strategy focuses on ensuring that we pay the right amount of tax, in the right place, at the right time. Transactions between Group companies are effected for tax purposes in accordance with the arm's length principle as enshrined in the OECD's Transfer Pricing Guidelines. The Group does not seek to reduce its effective tax rate through cross-border profit shifting or similar artificial arrangements and we do not seek to transfer value to, or otherwise undertake transactions with, tax havens. In the absence of a globally recognised definition of tax havens, the Group has adopted the EU's list of non-cooperative tax jurisdictions for this purpose.

Our tax affairs are managed by a global team of experienced, qualified tax professionals supplemented, where necessary, by advice from external specialist tax advisers. Where there are uncertainties regarding the treatment of the Group's activities, transactions or products, we seek to engage in an open, transparent and constructive dialogue with the relevant tax authority where this is available and seek to obtain rulings in advance where appropriate.

In order to give effect to the principles contained in the tax strategy there is a Group-wide tax policy and control framework which is implemented in all operating entities. Tax risk is one of the principal risks in the enterprise risk management methodology and is therefore reported and reviewed regularly by the Risk Advisory Group and the Audit and Risk Committee.

Our overall approach to tax is included in our Code of Ethics and reinforced in the global ethics training which is undertaken annually by all colleagues. Specific anti-facilitation of tax evasion training is provided to colleagues identified as working in roles where there is a relevant consideration.

£168m

Total tax contribution in 2024*, supporting the wider economy.

* The total tax contribution in 2024 comprised £73m taxes paid representing a cost to the Group (including profit taxes, employer payroll taxes and irrecoverable VAT/sales taxes) and £95m taxes collected from employees and customers on behalf of governments (including taxes collected on employee salaries and net VAT collected).

Environment

Addressing the environmental challenges of our time is urgent and complex, but also an opportunity, as we fundamentally transform our global economy to meet the need for a sustainable future. At IPF, we are determined to play our part, consistent with our purpose and relevant business and risk considerations.

Our approach to addressing the climate change challenge

In 2023, the Board agreed an ambition to be net zero by 2050, across all our operations and supply chain.

Currently, the lending we undertake, consisting of originating unsecured consumer loans, is not covered by any global methodology dealing with the measurement of financed emissions. This reflects the fact that, as a lender, we cannot know what our customers use the funds we lend to them for. We will continue to monitor guidance on this topic from credible international bodies to determine if our approach to financed emissions should change, and will provide further updates on this point in future Annual Reports.

In respect of contributing to the financing of the transition to a low-carbon economy, our assessment is that the Group's current products are unlikely to be suitable for helping finance transition efforts for our customers in a way which would be aligned to our purpose or customer needs. This is due to the requirements of the customers we serve, and the amount lent on average to each customer. We will continue to review this periodically to understand if this position changes across our markets.

In 2024, we have focused work on reducing our environmental footprint by addressing Scope 1 and 2 emissions.

Managing our operations

Our Environment Policy drives our environmental strategy, and is overseen by the Chief Executive Officer and the Board. Following this policy, we will continue to reduce our environmental impacts through:

- replacing diesel and petrol cars with lower emission fuel vehicles;
- moving our offices to renewable electricity and energy-efficient technology, such as LED bulbs and sensor lighting where possible;
- ensuring core data infrastructure activities include deployment of cloud-based services, using less energy than conventional data storage;
- recycling materials, collecting used paper, mixed recycling including plastic bottles and cans, and food waste; and
- reducing paper use and using printed materials more sparingly.

Greenhouse gas emissions (GHG)

IPF reports Scope 1 and Scope 2 emissions in line with current regulations detailed below, comprising electricity, district heating, gas and fuel for cars. Of this, transport by car is our most material GHG emission.

We report annually on our material carbon emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 – Scope 1 and 2 GHG emissions and energy consumption data. We have applied the GHG Protocol Corporate Accounting and Reporting Standard to calculate our emissions data and have used emission factors from the UK Government's latest GHG conversion factors and the current edition of the IEA emission factors for non-UK electricity.

The emission data covers all our offices across the globe. These sources fall within our Consolidated Financial Statements. Where data was incomplete, we have extrapolated data in line with this methodology.

In 2024, the Group's GHG emissions for Scope 1 and 2 reduced by 8% year on year. We are also pleased to report that overall emissions have reduced by 35% since 2019. This positive trend is due primarily to the gradual replacement of diesel and petrol cars with lower emission LPG vehicles in the Company's fleet, plus a reduction in reliance on carbon intensive district heating.

In 2024, in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:

i. the Group's Scope 1 and 2 emissions in the UK represent 0.3% of the Group's total (2023: 0.2%);
ii. the Group used 3.0 MWh of electricity (2023: 3.9 MWh) with the UK representing approximately 5.4% of the Group's total (2023: 3.1%); and
iii. no actions were taken during the year with the express purpose of increasing the Company's energy efficiency.

For Scopes 1 and 2, transport by car will remain our priority in 2025, and we plan to continue replacing our petrol and diesel car fleet with LPG and hybrid cars, where possible. Scope 3 (indirect emissions) have not been included in our 2024 reporting. However, we intend to assess how best to measure indirect emissions (Scope 3) in 2025. In line with best practice, we have restated our Scope 1 and 2 emissions for 2023 in the table below, where some of the data was based on estimates.

Our GHG emissions report has been reviewed and verified by Be Sustainable Limited and the statement of verification can be found in the sustainability section of our website at www.ipfin.co.uk.

		Tonnes CO_2e							
GHG emission sources	Travel and utilities	2019	2020	2021	2022	2023*	2024	Difference vs 2023	2024 difference vs 2019
Scope 1	Gas	927	1,008	476	468	721	**617**	**(14%)**	(34%)
	Business travel by car	24,274	16,304	18,277	19,012	17,826	**16,816**	**(6%)**	(31%)
Scope 2	Purchased electricity and district heating	3,236	2,664	2,494	1,944	1,713	**1,193**	**(30%)**	(63%)
Scope 1 and 2		28,437	19,976	21,247	21,424	20,260	**18,626**	**(8%)**	(35%)
	CO_2e emissions per customer	0.013	0.011	0.013	0.013	0.013	**0.011**		

* 2023 data restated where based on estimates

We do not believe that as a Group we pose particularly significant risks to the environment through our business activities. As detailed above, our greatest source of emissions relates to the transport by car undertaken by our customer representatives. Given the nature of our supply chain and the types of goods and services we purchase, we have not identified any specific material risks arising from our supply chain other than the need to work with suppliers to reduce emissions in order for us to achieve our net zero target by 2050.

Looking ahead

Our focus in 2025 will be to understand how we establish Scope 3 base year data for our supply chain, and develop a credible strategy for how we will meet our targets. We will continue to track progress against our targets, monitor relevant scientific trends, and regularly review and adjust our strategy and targets as needed. We intend to report our progress against our environmental plans in future Annual Reports.

We are still at an early stage in our journey. We recognise there is a huge amount of progress still to be made. Over the coming years, we aim to increase our momentum as well as continuing to be transparent about our progress and developing appropriate metrics to track our progress to net zero by 2050.

TCFD Report

Introduction

This Task Force on Climate-related Financial Disclosures (TCFD) report serves as the Group's 2024 disclosure of the climate-related risks and opportunities to our business. It describes how climate change scenarios may impact the Group, and outlines our strategy to mitigate these potential impacts to ensure our resilience as a business.

The report is structured in accordance with the TCFD recommendations. As such, it covers our governance structures, strategy, risk management, and targets and metrics. We recognise that the global financial system is connected to the health of the planet and that a changing climate has implications for business and society. Therefore, our approach concerns not only mitigating the transition and physical risks of climate change to our business, but also our actions to tackle climate change at source, to help the successful transition to a low-carbon economy. While we recognise that climate change poses risks to our business model, we believe there may also be opportunities arising from this trend which also require regular evaluation.

Governance

Sustainability considerations are embedded in the way we run our business, with the objective of ensuring we align our business priorities with society's expectations. Our commitment is outlined in the Group's Corporate Sustainability Policy which is available in the policies section of our website. This sets out our commitment, in particular, what is expected from the Group and those it does business with in terms of responsible business conduct and sustainable development. This commitment supports our business decision making at all levels, and provides a frame of reference for how we want to deal with business opportunities and risks in the context of direct and indirect sustainability impacts.

Our Board and management-level governance structures and oversight bodies incorporate climate considerations as part of their responsibilities. We seek to ensure that oversight of sustainability and climate-related risks and opportunities are embedded across the Group.

During 2023, we embedded oversight of sustainability and climate-related risks and opportunities into management governance structures at multiple levels of the Group. In 2024, we continued to evolve our governance structures to establish effective and resilient governance for climate- and sustainability-related issues. In 2025, we will continue to embed climate considerations into the Group's strategy and decision-making processes.

Board oversight of climate risks

The Group Board oversees our sustainability-related activity including oversight of the risks and opportunities associated with climate change, while the Chief Executive Officer (CEO) has overall accountability for management of this area. This activity has been delegated by the CEO to the Chief Legal Officer (CLO), who has specific responsibility for the management and implementation of measures detailed in our Responsible Business Framework, including assessing risks and opportunities from climate change, and also ensuring these are identified and managed appropriately. We will continue to monitor the effectiveness of these arrangements in 2025.

How our Board oversees climate

Board of Directors

Responsible for: The Group's strategy, organisation and oversight of performance including climate-related matters. It sets the strategic direction for sustainability at the Group and has ultimate responsibility for sustainability-related governance.

2024 activity: The Board reviewed and approved the Corporate Sustainability Policy and the broader Responsible Business Framework, which includes climate-related matters. The Board monitors progress towards the objectives detailed in this Framework through review of management information on a quarterly basis and periodic detailed updates on this topic.

Audit and Risk Committee

Responsible for: Reviewing financial and non-financial disclosures and risks related to climate change.

2024 activity: The Committee reviewed trends in sustainability reporting, in particular at EU level, as well as reviewing assessments of the risks and opportunities of climate change relevant to the Group and the results of scenario analysis undertaken to assess exposure to physical climate risk.

Remuneration Committee

Responsible for: Approving performance measures, including those relating to climate for senior management, ensuring they reflect stakeholder views.

2024 activity: The Committee reviewed proposed ESG metrics (including climate) for inclusion in senior management compensation-related decisions.

Management oversight

The CLO oversees the work of analysing the potential future impact of climate change on the Group and submits the results of scenario assessments to the Audit and Risk Committee. The CLO is also responsible for the Responsible Business Strategy on a day-to-day basis including providing updates that include any climate-related issues of relevance to the Executive Oversight Group. Regular meetings of senior management in 2024 included detailed consideration of climate issues. The CLO reports directly on all these matters to the CEO.

A further means of management oversight is the incorporation of a specific climate-related section in the annual budget process as well as the creation of a dedicated climate resilience fund, which is held centrally and available to each market to help reduce climate impacts and enhance resilience.

The diagram above provides an overview of the Group's management governance bodies with climate-related oversight responsibilities.

Governance body		Escalation path
Responsible Business Framework Executive Oversight Group	Comprises all members of the UK Executive and is chaired by the Chief Legal Officer (CLO). Responsible for the overall execution of the Group's Responsible Business Framework, which covers climate-related issues, in alignment with the strategic direction set by the Board. It oversees input to the Group's strategic processes to ensure climate is given appropriate consideration in long-term strategy and planning. It receives regular updates from the Responsible Business Framework Steering Group to assist it with these objectives.	**Board of Directors**
Risk Advisory Group **Meeting frequency: Quarterly**	The Group-wide risk oversight body, comprising a mix of senior leaders from Group and markets, is responsible for monitoring key risks, including climate risk. The Risk Advisory Group receives updates at every meeting concerning the status of climate risk across all markets.	**Audit and Risk Committee**
Global Executive (GE) **Meeting frequency: Three times per year**	The Group-wide steering body, comprising the most senior leaders at Group and market level, provides insight and challenge on key climate-related risks and opportunities.	**Responsible Business Framework Executive Oversight Group**
Responsible Business Framework Steering Group **Meeting frequency: Monthly**	Helps drive key climate initiatives, as part of the broader Responsible Business Framework. It provides governance, strategic leadership and execution guidance, making recommendations to the Executive Oversight Group.	**Responsible Business Framework Executive Oversight Group**
Responsible Business Framework Champions Group **Meeting frequency: Monthly**	Responsible for integrating and implementing the Responsible Business Framework and, where applicable, sustainability best practices and climate strategy into the activities of each of our markets.	**Responsible Business Framework Executive Oversight Group**

Sustainability function

The Group's sustainability function is led by the CLO, who is a member of the executive team and attends the Group Board meetings. The function works in collaboration with other functions and markets to implement the Group's Responsible Business Framework on a day-to-day basis including climate-related activity. A new Group-level appointment is now in place to develop and take forward this strategy.

Strategy

It is recommended that organisations disclose the nature and impact of their material climate-related risks and opportunities, as well as the resilience of their strategy under each chosen climate scenario. We recognise that both climate-related risks and opportunities have the potential to impact our business. We have therefore identified and assessed the potential materiality of these risks and the opportunities, so we can maximise the positive impacts and minimise the negative impacts on our business. We consider climate change alongside other factors when developing our overall strategy.

We recognise that assessing and quantifying the level of impact from climate change is an emerging practice. A greater level of estimation and assumption is required to address the long-term and forward-looking nature of climate-related risks and opportunities, which causes limitations in assessing how such trends impact our strategy. In 2025, we will engage wider internal stakeholder groups to understand and assess climate risks and opportunities through consultation and workshops, and will enable individual countries to consider climate risks/opportunities specific to them in their business planning processes.

IPF strategy time horizons

The time horizons to be used for assessing risks and opportunities arising from climate change are set out below:

Time period	Years	Rationale
Short term	0-3 years	Reflects the average term of our loans and the flexibility in both our credit strategies and field operations that allow us to adapt to rapidly changing scenarios.
Medium term	3-10 years	Reflects the strategic planning horizon used by the Group.
Long term	10+ years	Based on the useful economic life of the majority of Group assets.

A number of factors informed the selection of these periods, including changes in climate-related legislation, the volatility of energy prices and the need to align with the periods considered in the Group's scenario analysis of climate-related risk. These typically consider scenarios that span thirty years or longer and are discussed in more detail below. The short-term time horizon aligns to our risk management framework, and the medium-term horizon is aligned to timeframes used internally for planning purposes. The long-term time horizon was chosen to capture the impact expected from countries in which the Group operates taking steps to meet their commitments as detailed in the 2015 Paris Agreement.

Defining risks and opportunities

Details of how we define climate risks and opportunities are set out in the table opposite.

Following stakeholder feedback, it was noted that the attractiveness to employees of the Group's approach to this area should be regarded as a risk as well as an opportunity. The opportunities arising from enhancing our ability to manage transition risk well and move to more remote working (with consequently lower costs and environmental impacts) was also highlighted. This process resulted in the following definitions being adopted by the GE and approved by the Board in terms of risks and opportunities which could be relevant to the Group.

Principal risks

Risk type	Potential effects
Physical risk Physical risks are those related to the physical impacts of climate change.	Acute Increased frequency and severity of extreme weather events affecting customers, customer representatives and employees could impact the success of our business model.
	Chronic Permanent changes to sea, river or lake levels could impact our ability to conduct our business in some areas.
Transition risk Transition risks are those related to the impact arising from changes in climate policies, or changes in the underlying economy due to decarbonisation. These risks emerge from policy, legal, technology, and market changes as the economy shifts towards using less carbon.	Policy and legal (i) Exposure to litigation due to our inability to comply with new carbon-related requirements; and (ii) Increased operating costs due to the increased cost of transport or carbon pricing initiatives.
	Market Uncertainty around the costs incurred in moving to a net zero economy.
	Reputation (i) Increased stakeholder concern or negative stakeholder feedback relating to our ability to transition effectively to a lower-carbon economy; (ii) Increased shareholder concern or negative shareholder feedback relating to our strategy to address climate-related risks; and (iii) Employee concern or negative feedback relating to our strategy to address climate-related risks.

Opportunity type	Potential effects
Resource efficiency	(i) Reduced operating costs through reduced air and other travel; (ii) Reduced operating costs through reduced paper consumption; and (iii) Potential for reducing costs and environmental impacts through remote working.
Energy source	(i) Use of lower-emission sources of energy; (ii) Use of supportive policy incentives; and (iii) Use of new technologies, which have the potential to reduce costs.
Products and services	Development of new products and services through innovation to address climate challenges.
Markets	Increased attractiveness of the Group to customers and employees by effective execution and communication of the Group's climate strategy.
Resilience	Enhanced access to funding at attractive pricing for organisations which are making good progress on eliminating and reducing greenhouse gas emissions.

It is envisaged that this process of risk identification will be repeated in 2025.

Assessing materiality

For the purposes of assessing climate-related risks and opportunities, the definition approved by the Board and GE was that for a climate-related risk or opportunity to be deemed material for strategic planning purposes, it would have a significant impact on the profitability of the Group (e.g. through delayed customer repayments), expenditures (e.g. increased costs), assets (e.g. closing branches), or financing (e.g. loss of investors due to legal breaches). "Significant" for these purposes means a material impact on the Group's ability to meet the targets detailed in our 2025 budget.

Determining climate risks and opportunities over different time periods

Risks and opportunities have been assessed by members of the GE and Audit and Risk Committee as to how likely it is that they would impact the Group materially over different time periods. Impacts were assessed as follows: (i) High impact indicated significant risk or opportunity on the Group; (ii) Medium impact indicated moderate influence on the Group; and (iii) Low impact indicated minimal effect on the Group. The process indicated material impacts from climate risks and opportunities are not assessed as likely over the short term.

Risk type	Risk	Short term			Medium term			Long term		
Impacts		Low impact	Medium impact	High impact	Low impact	Medium impact	High impact	Low impact	Medium impact	High impact
Physical	Acute-chronic									
	Policy and legal									
	Market									
Transition	Reputation									

Opportunity type	Short term			Medium term			Long term		
Impacts	Low impact	Medium impact	High impact	Low impact	Medium impact	High impact	Low impact	Medium impact	High impact
Resource efficiency									
Energy sources									
Products and services									
Markets									
Resilience									

Over the longer term, there was a consensus that risks and opportunities were likely to be of much higher relevance. This reflected the assessment we made of physical climate risk through scenario planning, and our assessment of the broader market and regulatory trends evident in each market.

Integration with our strategic planning process

The work undertaken confirmed that the actual or potential impacts of climate-related risks and opportunities on the Group over the short term are unlikely to significantly influence the Group's approach in its markets or to its customers due to climate change. The results of the scenario analysis undertaken and discussed in more detail on page 72 provide further confirmation that climate change is not expected to have a material impact on the Group's current strategy or financial viability in the short term under the most likely climate scenarios.

Completed assessments of risks and opportunities are incorporated into the strategic planning process, and conclusions provided to the Board as part of this process.

Next steps:

- identify the strategic impacts of creating a credible transition plan;
- review in more detail the potential impact of transition risks on the Group's Next Gen strategy; and
- using updated scenario models, analyse the resilience of the Group's business strategy to increasing climate risks and opportunities.

Risk management

We have fully integrated climate-related risks into broader risk management practices and gained deeper insights into this risk category by using climate scenarios. We remain focused on identifying and measuring climate-related risks relevant to our business strategy, using our revised risk appetite statement and key risk indicators.

Risk framework

The Group uses an enterprise risk management (ERM) methodology to identify, report and manage risks. This is defined centrally, and implemented in each of our markets. This approach allows risk management and reporting to balance the importance of having consistency of approach, measurement and risk categorisation across the Group, together with the value of having local expertise and risk action plans.

Risks are identified collectively across the Group and are classified against a taxonomy of 21 key risks including climate-related issues. Each category is assigned to a member of the Group's senior leadership team or one of their reports, who is accountable for managing the identified risk as first-line risk owner. For each risk, the ERM requires the first-line risk owner to ensure ongoing measurement/monitoring as well as improvement plans and training to enhance risk mitigation. Each first-line risk owner updates the Risk Advisory Group (RAG) on their respective risks for discussion and oversight. Each risk is assessed to determine probability and severity, and assigned a score accordingly. These risk scores allow the Group to determine the relative significance of each risk in relation to other risks. The RAG meets quarterly to consider these topics.

Processes for identifying and assessing climate-related risks

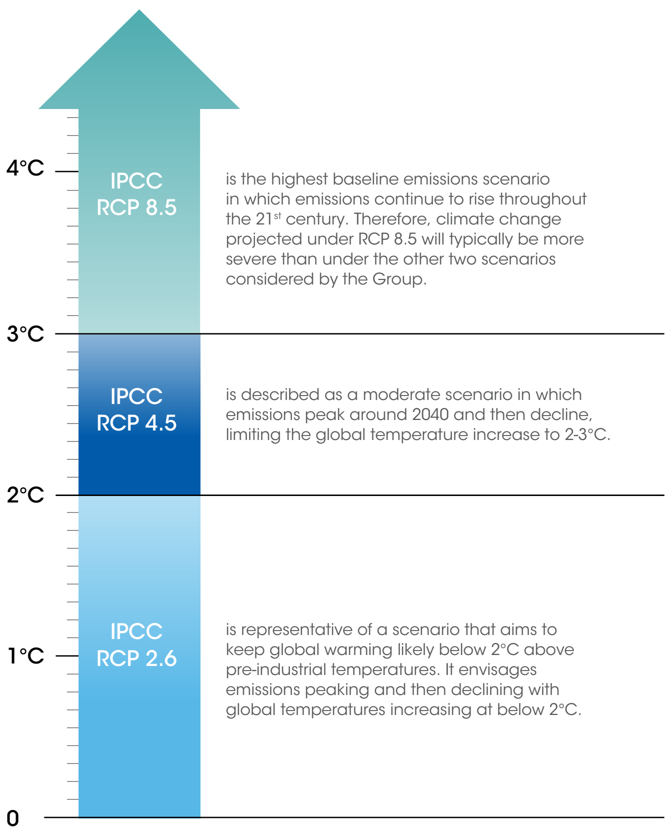
Our climate-related risk management approach aims to assess and manage the risks posed by climate change to our business, and seeks to integrate climate considerations into risk management practices.

The CLO is the first-line risk owner for climate risk, engaging with internal stakeholders to understand the level of importance and potential climate-related impacts on the Group which are reported as a series of KPIs to the RAG to provide insight on this topic. These KPIs include assessment of whether there have been changes to policy and legal issues, market trends and reputational matters, as well as physical risks.

Scenario analysis

We have conducted scenario analysis, using the three climate scenarios described opposite to explore and assess the resilience of our Next Gen strategy to the physical risks arising from climate change. This helped us understand which physical risks could potentially have the largest impact on the Group across different time horizons, and informed our efforts to better manage and monitor these risks. We used external datasets on climate trends and internal datasets on the locations of our premises worldwide to model the potential impact of such risks.

The following scenarios have been used:



We used the outputs of the high-level impact analysis for all material climate-related risks identified under three different Representative Concentration Pathways (RCP) over different time horizons to better understand the potential impact of climate-related risks and opportunities on our business. These three scenarios were chosen as they represented a diverse range of pathways to be able to understand the impact of physical climate risk.

The outcomes of these assessments were considered by the Audit and Risk Committee. The output of this modelling showed that in the short term, there were no immediate material risks and exposures that would impact strategy, performance or liquidity.

The scenario analysis allowed us to be more targeted in understanding the current resilience we have against climate-related risks, and will enable focus on developing further mitigation strategies across the Group where necessary.

The Group's overall assessment was that our business model and strategy are resilient to climate risks and opportunities in the short term. The Group does not envisage material impacts on financial performance or financial position in the short term and will continue to review through the regular strategy process the potential for this position to change.

Mitigation and resilience measures

The Group has sought to implement credible mitigation and resilience measures, including establishing targets for energy efficiency measures, scenario analysis and reporting transparency.

Next steps

- include broader ESG risks into risk management, which will impact the Group's indirect greenhouse gas emissions;
- engagement with senior management to ensure input on climate related considerations; and
- explore extending analysis of exposure to physical climate risks to areas where our customers live and work.

Metrics and targets

Greenhouse gas emissions (GHG)

We are committed to reducing GHG emissions in line with the Paris Agreement. We make disclosures on the Group's direct Scope 1 and 2 emissions in line with the GHG Protocol methodology on page 67.

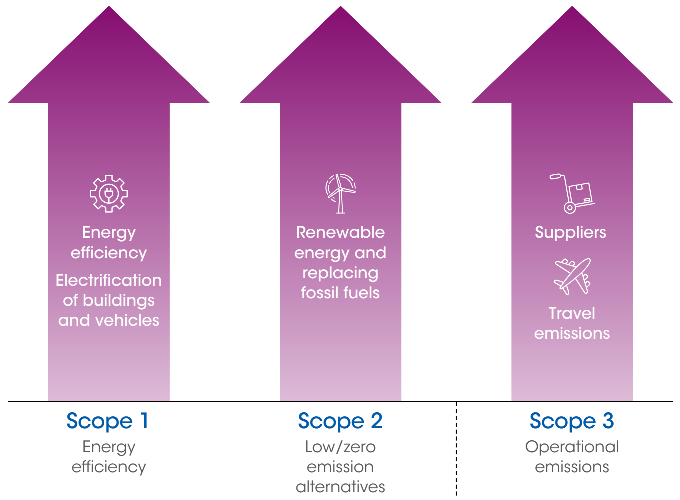
Emissions targets and metrics

Our overall target is to be net zero across our operations and supply chain by 2050. This commitment means a public undertaking by the Group to achieve progress in three areas:

1. the carbon emissions of our own operations – our offices, branches and data centres;
2. the emissions resulting from the energy we purchase to operate our business; and
3. the emissions of our value chain, such as our suppliers' emissions and our business travel emissions.

We are working to eliminate and reduce emissions in line with the net zero standard set by the Science Based Targets initiative.

Achieving our net zero target will require the following actions:



Reduce our Scope 1 and 2 emissions through energy efficiency, electrification of our buildings and vehicles, renewable energy sourcing and replacing fossil fuels with low emission alternatives.

Reduce Scope 3 operational emissions by engaging with our key stakeholders, including suppliers, to track, manage and reduce their GHG emissions. Plus include Scope 3 travel emissions for example from air travel.

Other environmental metrics and targets

The Group is committed to wider environmental improvements as well as reducing its emissions.

The Board has agreed targets for the Group using 2025 as a baseline to:

- divert 90% of waste from landfill by 2034;
- source 100% of paper from sustainable sources; and
- reduce paper use by 50%.

Focus on our supply chain

Our target to be net zero in our operations by 2050 will be a catalyst, influencing our supply chain to deliver better services and products. Our initial assessment is that our supply chain emissions are concentrated in a small number of large suppliers. We will focus on engaging these key suppliers to adopt credible reduction targets and develop decarbonisation pathways to achieve this goal. In the medium term, our goal is to integrate carbon pricing into sourcing and procurement decisions, alongside net zero clauses into our tender processes.

Next steps

- measure and report Scope 3 business travel GHG emissions;
- assess how to measure and report supply chain GHG emissions;
- measure and report waste to landfill and paper use;
- commit to set science-based targets, and commit to seek verification of these by the Science Based Targets initiative;
- work to eliminate and reduce emissions in line with the net zero standard set by the Science Based Targets initiative; and
- move to external verification of GHG data to the ISO14064 standard.

Interim targets

Our Board has approved the following interim targets to be delivered by 2034

100%
renewable energy in our head office locations globally

50%
of our vendors by addressable spend to set their own 1.5°C aligned climate targets

Transition

90%
of our global fleet to EV or ULEV models where EVs are not viable

Identify and pursue opportunities
to reduce the distances travelled by our customer representatives, thereby reducing this source of emissions

TCFD compliance statement

The Group has complied with the requirements of LR 9.8.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures.

The climate-related financial disclosures made by the Group also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Details of how the Group complies with these requirements are set out in the table on page 76.

Governance

		Summary	Alignment	Action in 2025	Reference
a.	Describe the board's oversight of climate-related risks and opportunities.	The Board has responsibility for oversight of risks and opportunities from climate change. Responsibility for risk oversight delegated to the Audit and Risk Committee.	Aligned	Embed climate considerations into the Group's strategy and decision-making processes.	Page 68
b.	Describe management's role in assessing and managing climate-related risks and opportunities.	Our Responsible Business Framework Steering Group oversees management of climate risks and opportunities. These efforts are overseen by our Chief Legal Officer, who is a member of the UK Executive.	Aligned	Up-skill senior management regarding climate risks, impacts and mitigating actions – enabling strategy and decision-making to include climate considerations. Engagement with senior management to ensure input on climate related considerations.	Page 68

Strategy

		Summary	Alignment	Action in 2025	Reference
a.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Through our work with the Global Executive and other stakeholders, we identified the risks and opportunities relevant to the Group and the relevant timescales.	Aligned	Engage wider internal stakeholder group in understanding/assessing climate risks/opportunities. Enable individual countries to consider climate risks/opportunities specific to them in their business planning processes.	Page 70
b.	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	For the time horizon to 2030, we consider the financial and operational impact of our climate-related risks not to be material.	Aligned	Identify the strategic impacts of creating a credible transition plan. Review in more detail the potential impact of transition risks on the Group's Next Gen strategy.	Page 71
c.	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	The results of our scenario analysis and internal assessments show that climate change is not expected to have a material impact on the Group's current strategy or financial viability for the time horizon for the short term.	Aligned	Using updated scenario models, complete analysis of the resilience of the Group's business strategy to increasing climate risks and opportunities.	Page 72

Risk management

		Summary	Alignment	Action in 2025	Reference
a.	Describe the organisation's processes for identifying and assessing climate-related risks.	The Enterprise Risk Management methodology defines climate risk as a key risk.	Aligned	Include broader ESG risks into risk management, which impact the group's indirect GHG emissions. Continue to refine our scenario analysis.	Page 72
b.	Describe the organisation's processes for managing climate-related risks.	The Group has an Enterprise Risk Management methodology of which climate risk is a part.	Aligned	Explore extending analysis of exposure to physical climate risks to areas where our customers live and work.	Page 72
c.	Describe how processes for identifying, assessing and managing climate-related risk are integrated into the organisation's overall risk management.	The Enterprise Risk Management methodology provides structure to ensure consistency of approach, alignment to the risk appetite and monitoring of our risk exposure across the Group.	Aligned		Page 72

Metrics and targets

		Summary	Alignment	Action in 2025	Reference
a.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics used to assess our climate-related risks and opportunities include Scope 1, 2 emissions. We are committed to measuring and reducing GHG emissions in line with the Paris Agreement.	Aligned	Measure and report waste to landfill and paper use. Move to external verification of GHG data. Work to eliminate and reduce emissions in line with the net zero standard set by the Science Based Targets initiative. Consider committing to verification to the ISO14064 standard for Greenhouse Gasses.	Page 73
b.	Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions and the related risk.	Details of our GHG emissions in 2024 (Scope 1, Scope 2) have been provided.	Aligned	Extend GHG data collection to include Scope 3 travel emissions Assess how to measure IPF supply chain GHG emissions.	Page 67
c.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Target set to be net zero across operations and supply chain by 2050. Targets for climate related risks agreed – divert 90% of waste from landfill by 2034, source 100% of paper from sustainable sources; and reduce paper use by 50%.	Aligned	Commit to set science-based targets, and commit to seek verification of these by the Science Based Targets initiative.	Page 73

Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022

Disclosures to meet mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 are set out below.

	Requirement	Summary	Page
a.	A description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities.	Governance arrangements for management of climate-related risks and opportunities are detailed in the Governance section of the TCFD Report.	Page 68
b.	A description of how the company identifies, assesses, and manages climate related risks and opportunities.	The process for identifying, assessing and managing climate-related risks is detailed in the Strategy section of the TCFD Report.	Page 70
c.	A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company.	A description of how climate-related risks are integrated into the overall risk management process is set out in the Risk Management section of the TCFD Report.	Page 72
d.	A description of: i. the principal climate-related risks and opportunities arising in connection with the operations of the company; and ii. the time periods by reference to which those risks and opportunities are assessed.	A description of the principal risks and opportunities and time periods is set out in the Strategy section of the TCFD Report.	Page 71
e.	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company.	A description of these impacts is detailed in the Strategy section of the TCFD Report.	Page 70
f.	An analysis of the resilience of the business model and strategy of the company or LLP, taking into consideration different climate-related scenarios.	A description of these impacts is detailed in the Strategy section of the TCFD Report.	Page 72
g.	A description of the targets used by the company or LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	A summary of the approach to targets is set out in the Metrics and Targets section of the TCFD Report.	Page 73
h.	The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, and a description of the calculations on which those key performance indicators are based.	There are currently no KPIs used to assess progress against targets.	N/A

Non-financial and Sustainability Information Statement

In line with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006, the table below contains references to non-financial and sustainability information intended to help our stakeholders understand the impact of our policies and activities.

Reporting requirement	Relevant policies	Relevant section of our report
Description of the business model	Corporate Sustainability Policy Enterprise Risk Management Policy	Our business model – pages 18 to 19 Our Customers and financial inclusion – pages 14 to 15 Key performance indicators – pages 24 to 25 Responsible business – pages 44 to 76
Employees	Code of Ethics Group Health and Safety Policy Wellbeing Policy Diversity Policy	Our colleagues – pages 53 to 56 Principal risks and uncertainties: People risk – page 42 CSRD Statement – pages 123 to 150
Human rights	Code of Ethics Human Rights and Modern Slavery Policy	Responsible business – pages 60 to 61 CSRD Sustainability Statement – pages 123 to 150
Social matters	Code of Ethics Tax strategy	Our business model – pages 18 to 19 Our customers – pages 50 to 52 Our communities – pages 58 to 59 Principal risks: Reputation risk – page 41 Responsible business – pages 44 to 76
Anti-corruption and bribery	Anti-bribery and Corruption Policy Gifts and Hospitality Policy Anti-facilitation of Tax Evasion Policy Know Your Customer and Anti-money Laundering Policy	Responsible business – pages 44 to 76
Environmental matters	Corporate Sustainability Policy Environment Policy	TCFD – pages 68 to 76 Climate-related Financial Disclosure – page 76 Environment – pages 66 to 67
Principal risks		Principal risks and uncertainties – pages 38 to 43
Non-financial KPIs		Non-financial key performance indicators – page 25

Approval of the Strategic Report

The Strategic Report has been approved by the Board of Directors and signed on its behalf by:

Gerard Ryan
Chief Executive Officer

26 February 2025

Introduction to governance

"Good governance is fundamental to our success, sharing our values, culture and decision making to drive sustainable, positive outcomes for our stakeholders."

Stuart Sinclair
Chair

I am pleased to present this Corporate Governance Report to our shareholders, which sets out the key areas considered by the Board and its Committees during the year ended 31 December 2024.

As highlighted in my statement on page 10, 2024 saw the Group deliver a strong operational and financial performance. We made good progress advancing our Next Gen strategy, introducing more new products to better serve our customers and fulfil our purpose to build a better world through financial inclusion. Our track record of adapting to regulatory change, a hallmark of our resilience, served us well in a year of notable regulatory developments, particularly in Poland.

During the year, we focused on positioning the business to deliver sustainable growth while reinforcing our investment case. At the core of these efforts is our unwavering belief that strong governance is the foundation for achieving our strategic ambitions and delivering long-term value for stakeholders. Below, I set out some of the key governance matters and decisions undertaken by the Board and its Committees during the year.

Board composition and changes

The composition of the Board is reviewed regularly through various activities undertaken by the Nominations and Governance Committee. Our Board has a strong balanced portfolio of relevant skills and experience to lead the Company effectively and promote sustainable success. You can read more about the Board's skills and experience on pages 80 to 82.

During the year, the Board's composition met the requirements of the UK Corporate Governance Code 2018 (the "Code"), with more than half of our directors (excluding myself) deemed to be independent non-executive directors, and met the target set out in Listing Rule 9.8.6(9)R for 40% female representation on the Board. At the end of 2024, the Board comprised four men and three women.

We welcome all facets of diversity on our Board, recognising the value it brings to our discussions and decision making, and how it contributes to strategic success. Read more about diversity of the Board and executive management on pages 90 to 92.

The Board approved a number of changes to the membership of its Committees in 2024. In line with best practice, Katrina Cliffe, our senior independent director, stepped down from the Audit and Risk Committee and joined the Remuneration, and Nominations and Governance Committees effective from 3 May 2024. Aileen Wallace joined the Audit and Risk Committee, also effective from 3 May 2024. Under the Code's principles, the Board keeps under review the need to refresh how it and its Committees are composed. To that end, I announce that Deborah Davis, having served for six and a half years as a non-executive director and Chair of the Remuneration Committee, will step down from both roles at the conclusion of the Annual General Meeting (the AGM) on 1 May 2025. I would like to thank Deborah for her wealth of experience and rich contributions to the Board during her tenure.

Purpose, culture and values

At the 2024 AGM, we recommended to shareholders the inclusion of our purpose in the Company's Articles of Association (the "Articles"), which was approved. From the Board's perspective, this change further represents the dedication to our purpose and its position at the core of the Group's governance, management and values. We live our values of being 'responsible, respectful and straightforward'. Everything we do, from how we treat customers and colleagues, to our broader audience of stakeholders, demonstrates our culture in action. As a Board, we oversee culture, ensuring it is fit for our purpose, and values, and supports our strategic objectives. Read more about our role in shaping purpose and culture on page 87.

Engaging with stakeholders

As a global, responsible lender, we understand that our business impacts, and is influenced by, a diverse range of people and organisations. The Group recognises six key stakeholder groups; customers, colleagues, investors and ratings agencies, regulators/politicians/NGOs, suppliers and the communities we serve. Understanding their views and interests is essential to facilitate informed debate and considered decision making at Board level. To capture these insights, we have various touchpoints with our stakeholders, including detailed management information, market visits, surveys and feedback from Katrina Cliffe, our designated Workforce Engagement Director. Collectively, these inputs ensure stakeholders' perspectives are brought into the boardroom, enabling the Board to consider and balance differing views where possible. You can read more about our stakeholders and the Board's decision making in our Section 172 statement on page 48.

We operate in an active regulatory environment and have been preparing in earnest for the Corporate Sustainability Reporting Directive ("CSRD"). In 2024, as part of the CSRD regime, we conducted a double materiality assessment, evaluating the Group's impact on the environment and society and how those factors could affect our financial performance. This analysis strengthens our commitment to sustainable operations and informed decision making. Read more about the double materiality assessment in our CSRD Statement starting on page 123.

Board and committee performance

A key mechanism of sound governance is the annual review process. The Board, its committees and each director were appraised in 2024 to assess whether they continued to function and perform effectively. The review was conducted internally, via an anonymous questionnaire. The output was analysed and fed back, with the overall conclusion that the Board, its Committees and each director continued to be effective in their roles. Further details on the performance review findings are presented on page 93.

Stuart Sinclair
Chair

2024 highlights

- Successfully secured a full payment institution licence in Poland, enabling the Group to expand the credit card offering and accelerate customer lending in Poland and to new markets.
- Delivered returns to investors through the successful completion of a £15m share buyback programme.
- Successfully refinanced our €341m Eurobond and improved the Group's credit rating with an upgrade from Fitch Ratings.
- Delivered an excellent customer repayment performance and credit quality, driving lower Group impairment rates.

Compliance with the UK Corporate Governance Code 2018 (the Code)

The Company complied with the relevant provisions set out in the 2018 version of the Code, which applied throughout the financial year ended 31 December 2024.

The Code is available on the FRC's website: www.frc.org.uk. The table below sets out how the Code principles have been applied in practice.

Code principle	Page reference
Board leadership and company purpose	87
Division of responsibilities	85
Composition, succession, and evaluation	78, 83, 90 and 93
Audit, risk and internal control	94
Remuneration	100

Our Board and Committees

Stuart Sinclair

N R

Chair

Appointed: March 2020

Responsibilities: Leading an effective Board focused on strategic planning, implementation, and good corporate governance. Chair of Nominations and Governance Committee.

Key skills: Highly experienced Chair, non-executive director and CEO with a background in insurance, banking and consumer financial services.

Contributions: A strong and effective Board leader with extensive experience in retail banking, insurance and consumer finance ensures a balanced strategic and operational oversight. An insightful and inclusive style fosters a culture of openness and debate within the Board, providing appropriate management challenges.

Current directorships: Chair of Willis Ltd and Chair of Vida Bank*, member of the advisory board at the Bradford Literature Festival.

Former roles: Non-executive director and chair of the remuneration committee for Lloyds Banking Group plc and council member of the Royal Institute of International Affairs. Chair of Platinum Bank Ukraine and Money Dashboard, a Fintech startup. Non-executive director roles at QBE Insurance (Europe) Ltd, Provident Financial Group plc, Swinton Group Ltd, PruHealth/Vitality Ltd, LV Insurance and TSB. President and COO at Aspen, President and CEO at GE Capital, UK and China, Chief Executive of Tesco Personal Finance and director of UK Retail Banking at Royal Bank of Scotland Group plc.

Qualifications: Master's degree in Economics and Master in Business Administration from University of California (UCLA).

International expertise: EMEAs, Americas, Africa, Asia Pacific.

* subject to regulatory approval at the time of publication.

Gerard Ryan

D

Executive director and Chief Executive Officer

Appointed: January 2012

Responsibilities: Group strategy, operational management, leadership of the executive and senior leadership team. Ensuring good relations with employees, customer representatives, customers, regulators and investors.

Key skills: Inspirational leadership and effective, objective implementation of strategy; over 30 years' multi-country experience in consumer financial services.

Contributions: Acute market insight which provides a real advantage in driving the implementation of the strategy, and identifying and pursuing growth opportunities.

Former roles: CEO for Citigroup's consumer finance businesses in Western Europe, Middle East and Africa region, a director of Citi International plc, Egg plc and Morgan Stanley Smith Barney UK, CFO of Garanti Bank, Turkey and CEO of GE Money Bank, Prague.

Qualifications: Fellow of the Institute of Chartered Accountants in Ireland.

International expertise: EMEAs, Americas.

Gary Thompson

D

Executive director and Chief Financial Officer

Appointed: April 2022

Responsibilities: Financial performance and reporting; group funding and debt investor relations, equity investor relations; Board accountability for internal audit and taxation; the executive relationship with the external auditor; leadership of the Group finance team and other corporate functions; and Chair of the Disclosure Committee.

Key skills: Strong financial leadership with over 20 years' financial experience spent in both the accounting and corporate sectors.

Contributions: Establishment and owner of the Group's financial model; effectively supporting the Board, the CEO and executive management in driving optimum financial performance; diversifying the funding base; and developing a more proactive investor relations programme to increase confidence and shareholder value.

Former roles: Finance Director of Vanquis Bank Limited, the major subsidiary of Vanquis Banking Group, following a number of finance roles, including Director of Group Finance and Investor Relations, at Vanquis Banking Group. Qualified as a Chartered Accountant at PricewaterhouseCoopers and spent 10 years working in professional practice.

Qualifications: Fellow of the Institute of Chartered Accountants in England and Wales.

International expertise: EMEAs.

Katrina Cliffe

R N

Senior independent non-executive director

Appointed: August 2022

Responsibilities: Senior independent director and Workforce Engagement Director.

Key skills: Extensive experience of financial services with a breadth of executive experience in retail financial services, credit cards, customer service and marketing.

Contributions: Expertise in retail financial services, credit cards, customer service and marketing.

Current directorships: Non Executive Director and Chair of the Remuneration Committees of DCC plc and Vue International.

Former roles: Senior independent non-executive director of Homeserve plc until January 2023. Previously a non-executive director of London and County Mortgages Limited, Shop Direct Finance Company Limited, Cembra Money Bank AG and Naked Wines plc. Senior roles at American Express, Lloyds TSB Group plc, Goldfish Bank Ltd and MBNA International Bank.

Qualifications: BA in Archaeology and Anthropology from the University of Cambridge and MA (Cantab).

International expertise: EMEAs.

Deborah Davis

A N R

Independent non-executive director

Appointed: October 2018

Responsibilities: Chair of the Remuneration Committee.

Key skills: Experience in fintech, consumer and technology businesses undergoing digital transformation, growth and geographic expansion. Digital technology expertise, senior leadership experience in high-growth companies in international markets.

Contributions: Valuable strategic and operational insights on growth and expansion of digital capabilities as well as customer experience, innovation and governance throughout the Company.

Current directorships: Non-executive director of Lloyds Banking Group/ Scottish Widows Insurance Board, non-executive director of YouGov plc, non-executive director of Sirius Real Estate plc and a trustee of Southern African Conservation Trust in South Africa.

Former roles: Vice President of Global Partnerships and Global Risk Operations at PayPal, and Vice President of European Operations for eBay Marketplaces and non-executive director of Diaceutics plc, IDEX Biometrics ASA, The Institute of Directors UK, Which? and ieDigital.

Qualifications: Chartered Director (CDir), Diploma in Company Direction, MSc in Management, BAppSc in Electronics, and a fellow of the Institute of Directors UK.

International expertise: EMEA, Americas, Asia Pacific.

Richard Holmes

A N R

Independent non-executive director

Appointed: March 2020

Responsibilities: Chair of the Audit and Risk Committee.

Key skills: A former senior executive with over 40 years of broad international financial services experience, including 20 years as CEO and board member in private banking, wholesale banking, capital markets, trading operations, strategy and finance.

Contributions: Risk management and how this interacts with strategy and operations with technical expertise valued in Board discussions.

Current directorships: Chair of Revolut NewCo UK Ltd, non-executive director of Itau BBA International plc and a trustee of the Barry and Peggy High Charitable Foundation.

Former roles: Non-executive director and member of the audit, risk and sustainability committees for Ulster Bank Ireland DAC Ltd; non-executive director for Business Growth Fund and British Bankers Association; Chair of Financial Services Council at CBI; CEO, Europe at Standard Chartered plc, Chair and CEO of American Express Bank at American Express Company and executive vice president of private bank at Bank of America Corporation.

Qualifications: Degree and Master's degree in Economics and a fellow of the Institute of Chartered Accountants.

International expertise: EMEAs, Americas.

Aileen Wallace

A N

Independent non-executive director

Appointed: December 2022

Key skills: Experienced non-executive with a wealth of transformational experience including business build-out and digitally enabled growth.

Contributions: Enhancing Board discussions focused on technology, innovation and change.

Current directorships: Chair of the Remuneration Committee, Workforce NED and Chair of Innovation at Hodge Group and Hodge Bank. Senior Independent Director and Chair of the Board Risk Committee of Tandem Bank, and Chair of the Board Risk Committee at Target Tech Mahindra.

Former roles: Executive director of Co-operative Bank and Chair of ESG Committee; executive director of Yorkshire Bank Home Loans Board; executive director of National Australia Bank; and head of and director roles at CYBG plc.

Qualifications: Chartered Banker (MCBI), and various qualifications from the Institute of Risk Management, the Institute of Directors and the British Computer Society.

International expertise: EMEAs, Asia Pacific.

A Audit and Risk Committee

D Disclosure Committee

N Nominations and Governance Committee

R Remuneration Committee

Committee Chair

Governance at a glance

Our Board comprises individuals with diverse expertise in finance, operations, risk management and sustainability, ensuring effective oversight and strategic alignment with our Next Gen strategy and corporate objectives.

Key strategic priorities

To build products, channels and territories to ensure our offers are attractive to the next generation of customers.

To become a smarter and more efficient organisation that makes a positive impact on society.

To invest in the capabilities required to become a data driven and technology-enabled partner for our customers.

Our Next Gen strategy

Three strategic pillars

1. Next Gen financial inclusion
2. Next Gen organisation
3. Next Gen technology and data

For more information see page 22.

Board skills matrix

Our Board skills matrix outlines the topics which we believe every director must be familiar with to be effective in their role and the specific areas of expertise each director contributes to the Board.

	Gerard Ryan	Gary Thompson	Stuart Sinclair	Richard Holmes	Deborah Davis	Katrina Cliffe	Aileen Wallace
Strategy FI O TD	●	●	●	●	●	●	●
Financial services FI	●	●	●	●	●	●	●
Corporate finance and treasury FI	●	●		●			
Audit and financial reporting FI	●	●		●			
Risk management FI O TD	●	●	●	●	●	●	●
Technology, data and cyber security TD			●		●		●
Customer operations and engagement FI O TD	●		●	●	●	●	●
Regulatory FI O TD	●	●	●			●	●
Sustainability O		●			●		
International O TD	●		●	●	●	●	●
Remuneration O TD			●	●	●	●	●

Strategic pillars key FI Next Gen financial inclusion O Next Gen organisation TD Next Gen technology and data

● extensive experience

Board attendance in 2024

There were seven scheduled, and two adhoc Board meetings during the year, with details of attendance set out in the table below. There were two board strategy sessions.

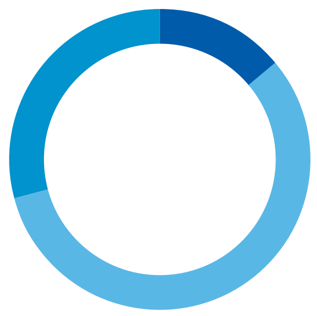
Director	Meetings[1]	No. of meetings attended	% of meetings attended
Stuart Sinclair	9	9	100%
Gerard Ryan	9	9	100%
Katrina Cliffe*	9	8	89%
Deborah Davis*	9	8	89%
Richard Holmes	9	9	100%
Gary Thompson	9	9	100%
Aileen Wallace	9	9	100%

1. The meetings that each individual was entitled to and had the opportunity to attend.

* Both Katrina Cliffe and Deborah Davis were unable to attend one of the adhoc Board meetings during the year, due to pre-existing commitments.

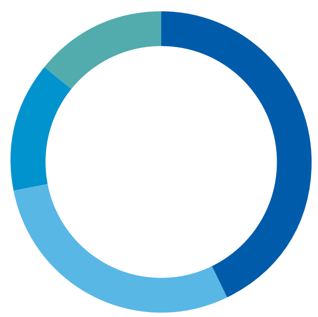
Board

Composition



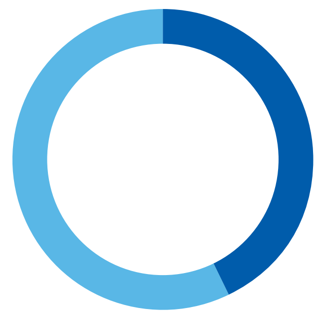
Chair	14%
Non-executive directors	57%
Executive directors	29%

Tenure



Under 3 years	43%
3-6 years	29%
6-9 years	14%
Over 9 years	14%

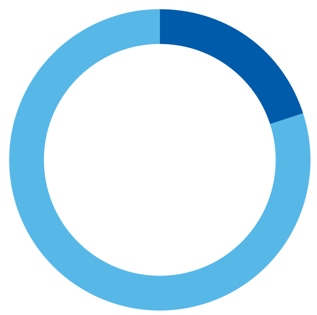
Gender diversity



Female	43%
Male	57%

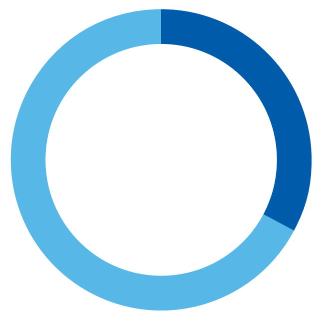
Committee compositions

Nominations and Governance Committee



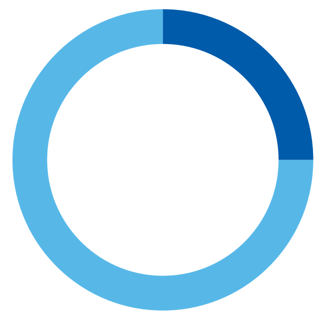
Chair	20%
Non-executive directors	80%
Executive directors	0%

Audit and Risk Committee



Chair	33%
Non-executive directors	67%
Executive directors	0%

Remuneration Committee



Chair	25%
Non-executive directors	75%
Executive directors	0%

Role of the Board and its Committees

The Board

The role of the Board is to represent shareholders and promote and protect the interests of the Group in the short and long term. The Board considers the interests of the Group's shareholders as a whole and the interests of other relevant stakeholders. It is responsible for approving Group strategy consistent with the purpose of the business and for overseeing its implementation. The Chief Executive Officer ("CEO") is responsible for preparing and recommending the strategy and for the day-to-day management of the Group. The Group's senior management team implements the Group's strategy and provides the CEO and the Board as a whole with the information needed to make decisions that will determine the long-term success of the Group.

In carrying out their duties as a Board, the directors are fully aware of, and comply with, their responsibilities and duties under Section 172(1) of the Companies Act 2006 (see page 48 for our Section172(1) statement).

The Board controls the business but delegates day-to-day responsibility to the CEO. There are, however, a number of matters which are required to be, or, in the best interests of the Group should be, decided by the Board of Directors. These are known as the matters reserved for decision by the Board. The formal schedule can be found on our website at www.ipfin.co.uk and includes: approval of strategy and determining the nature and extent of significant risks the Group is willing to take; Board and Committee composition and Committee Terms of Reference; annual budgets, significant project expenditure and funding strategy; and approval of the Annual Report and Financial Statements and regulatory announcements.

Any matters which are not set out in this schedule, nor in the Terms of Reference of a relevant Committee of the Board, are deemed to have been delegated to the CEO. The CEO may delegate powers relating to these matters to such persons or Committees, by such means and on such terms and conditions as he or she thinks fit.

The Board has established certain principal Committees to assist it in fulfilling its oversight responsibilities, providing dedicated focus on particular areas, as set out below. Each Committee chair reports to the Board on the Committee's activities after each meeting.

More information on the work of the Committees throughout the year can be found on pages 89 to 116.

Board Committees and their reserved matters

The Board delegates authority to the Board Committees which are responsible for maintaining effective governance. The specific responsibilities of the Board's Committees are set out in their terms of reference available on our website at www.ipfin.co.uk.

Audit and Risk Committee

Oversee and provide assurance to the Board on the integrity of the Company's financial reporting and statements.

Oversee and provide assurance to the Board on the effectiveness of the Group's internal controls and risk management systems.

Oversee and provide assurance to the Board on the internal and external audit processes.

Provide oversight of risk management across the Group including overseeing and advising the Board in relation to current and future risk exposures.

Read more on page 94.

Remuneration Committee

Establish formal and transparent remuneration policy and practices on executive remuneration.

Design and determine remuneration and benefits for the Chair, Executive Directors and other senior management as required in line with regulations and best practice.

Review workforce remuneration and related policies to ensure alignment of incentives and rewards with culture, and oversee the design and terms of executive and all-employee share-based incentive plans.

Review the performance evaluations undertaken of the Executive.

Read more on page 100.

Nominations and Governance Committee

Review the composition of the Board and lead the process on proposed appointments to the Board and senior management.

Ensure that the Board, its Committees and the senior leadership team consist of individuals with the appropriate balance of skills, experience, diversity, independence and knowledge to enable them to discharge their duties and responsibilities effectively.

Keep the Board's governance arrangements under review and make appropriate recommendations to the Board to ensure that its arrangements are consistent with relevant corporate governance standards and best practice.

Read more on page 89.

Disclosure Committee

Assist in the design and evaluation of disclosure controls and procedures.

Monitor compliance with disclosure controls and procedures.

Review requirements for, and content of, regulatory announcements.

Division of responsibilities

The roles of the Chair and Chief Executive Officer are defined clearly and the division of responsibilities is established and set out in writing in the Board role profiles which can be found at www.ipfin.co.uk. The principal responsibilities of each role can be found below.

As well as these responsibilities, it is the responsibility of every director to lead the business in accordance with the Company's purpose of building a better world through financial inclusion.

Chief Executive Officer Gerard Ryan	Chief Financial Officer Gary Thompson
– Create and update, with approval of the Board, the Group purpose, values and strategy ensuring that responsibilities to shareholders, employees, and other stakeholders are met. – Lead and develop the senior management team to develop and implement the overall Group strategy and plans that deliver strong performance and sustainable growth in shareholder value. – Implement and uphold the Group's purpose and values, whilst ensuring appropriate plans are in place to identify, anticipate, manage and mitigate risks to the business.	– Partner with the Chief Executive Officer in setting the future direction of the Company, enhancing business performance and delivering increased shareholder value. – Ensure that the Group's ambition for strong sustainable growth and excellence in customer service is achieved through partnering with senior management and providing constructive challenge to our operational management teams. – Ensure that business decisions are grounded in financial criteria and market insight. – Understand and manage risk through a commercial, as well as a financial lens; enabling the business to execute on its strategy and manage business complexity whilst minimising risk. – Maintain a strong internal control environment and robust financial reporting processes, and provide assurance to the Board through management of the internal audit function.

Chair Stuart Sinclair	Senior independent director Katrina Cliffe	Non-executive directors Deborah Davis, Richard Holmes, Aileen Wallace
– Manage and provide leadership to the Board. – Cultivate a culture of transparency and open discussion. – Safeguard and promote the long-term success and sustainability of the Company to the benefit of its shareholders and the Company's other stakeholders.	– Serve as a sounding board for the Chair, to act as an intermediary for the other directors. – Lead the process to evaluate the Chair and for the Chair's succession as required. – Safeguard and promote the long-term success and sustainability of the Company for the benefit of its shareholders and the Company's other stakeholders.	– Safeguard and promote the long-term success and sustainability of the Company for the benefit of its shareholders and the Company's other stakeholders. – Provide constructive challenge, hold management to account, offer strategic guidance and provide specialist advice.

Board activities during 2024

The Board has ultimate responsibility for the overall leadership of the Group, overseeing the development and delivery of a clear Group strategy and ensuring the long-term sustainable success of the Company for all stakeholders. It monitors operational and financial performance against agreed goals and objectives, and challenges the executive directors on proposals relating to the management of the business. The Board ensures that appropriate controls and systems exist to manage risk and that there are the financial resources and people with the required skills to achieve the strategic goals the Board has set. The information in this section summarises the Board's activities during 2024 and the discussions that took place in the discharge of its duties to the Company. Our Section 172(1) statement is on page 48.

The Chair sets the annual Board programme and agenda, with support from the Chief Executive Officer and the Company Secretary. The Chair also determines the number of meetings to be held during the year, with this kept under review, and ensures that enough time is devoted, during meetings and throughout the year, to discuss all material matters including strategic, financial, operational, business, risk, ESG and human resources. The Board agendas are structured to ensure there is an appropriate balance of time allocated to strategic matters, management reporting and governance-related items.

At each scheduled Board meeting, the Chief Executive Officer and Chief Financial Officer present separate reports, detailing business performance and progress against strategy. These are supplemented by performance updates from each of the divisional heads of the Group.

Other presentations and reports are given by the relevant business or functional head on matters which are scheduled to be presented in accordance with the annual board planner, which is aligned to the Matters Reserved to the Board. This provides the opportunity for a range of senior and manager-level colleagues to engage with and present to the Board.

In addition to the routine Board meetings, the Board participated in an annual and mid-year strategy review. During these sessions, the Board considered re-articulation of the strategy, changes to the external environment, strategic progress, and a vision statement which aligned with the Group's strategy. Additionally, the Board discussed key topics affecting the Group including technology, expanding our customer offering and growing our customer base, climate risks, regulatory developments and commercial opportunities.

The majority of Board meetings were held in the Group's head office in Leeds, with a market-based meeting held in Warsaw in October 2024. During this visit, the Board attended in-depth presentations with our IPF Digital and Provident Polska teams. The Board learnt about the changing demographic of the customer base and how the Group is responding to ensure it continues to meet customers' needs. The Board also had the opportunity to tour the customer contact centre and observe call-handling and our new CRM platform, Xenia, in action. Our designated Workforce Engagement Director, Katrina Cliffe, hosted a separate employee forum attended by a diverse range of employees, to understand their concerns and perspectives. Their feedback was subsequently provided to the rest of the Board. In addition to the structured activities, the Board also enjoyed informal lunches and dinners with several members of the IPF Digital and Provident Polska teams, to provide varied modes of engagement, and encourage open conversation and exchange between the Board and teams.

An overview of the range of matters that the Board considered, discussed or approved where appropriate and the stakeholders considered at its meetings during the year are outlined on page 85.

Matters considered	Outcome	Our stakeholders	Links to strategic pillars
Strategy and management	– Reviewed and approved the Group's Next Gen strategy, including the double materiality assessment at the annual and mid-year review meetings and received updates at intervals during the year. – Reviewed the Group's operational and financial performance with regular presentations from the CEO and Chief Financial Officer enabling oversight of business performance against targets, budget and strategy. – Supported the continuation of the strategic retail partnership initiative with the long-term aim of strengthening our market position. – Reviewed and approved updates to the Responsible Business Framework (ESG Strategy). – Reviewed and approved the Group's environmental and climate targets. – Approved a revised version of the Group's Code of Ethics. – Received an update from the Chief Human Resources Officer on the human resources strategy. – Received an update from the Chief Information Officer on the technology strategy. – Considered the culture of the Group and how the Board sets, embeds and maintains the culture. – Considered the key themes of the 2024 Annual Report and Financial Statements. – Approved the Group's purpose, values and vision statement.		FI O TD
Board composition and effectiveness	– Reviewed Board composition regularly to ensure the right mix of skills, knowledge, experience and diversity for the Board to continue to be effective. – Reviewed and considered conflicts of interest, independence and time commitments of the directors. – Participated in a Board performance review process and agreed key priorities following a review of findings. – Received training including an annual session on the product roadmap and mobile wallet.		O
Financial reporting	– Approved the 2023 Annual Report and Financial Statements including the long-term viability and going concern statements. – Reviewed and approved the half- and full-year results announcements, quarterly trading updates and presentations to investors and analysts. – Approved the progressive dividend policy for 2023 and future years. – Monitored the Group's funding position and compliance with the Group's financial covenants. – Reviewed and approved Group treasury policies. – Approved a £15m share buyback programme. – Approved in principle, the refinancing of the 2025 Eurobond. – Approved the 2025 Group budget and business plan for 2025 to 2029, reviewing key assumptions, inputs and risks, and monitored performance and variances against the 2024 budget and business plan.		FI
Risk management and internal controls	– Reviewed and approved risk appetite proposals and the updated Enterprise Risk Management Policy. – Reviewed and approved the assessment of principal risks, including climate risk and emerging risks. – Received reports from the Audit and Risk Committee of the Group's systems of risk management and internal controls, and confirmed their effectiveness. – Received regular updates through the Audit and Risk Committee in respect of internal and external audit reviews, and agreed the internal audit programme for the year. – Received and considered updates on the tender process for the Group's auditor. – Proposed to shareholders to rotate the Group's audit firm from Deloitte LLP to PKF Littlejohn LLP on the recommendation of the Audit and Risk Committee. – Considered and endorsed the strategic risk factors identified by executive management.		FI O TD
Governance	– Approved the resolutions to be put to shareholders at the 2024 AGM. – Approved updated Matters Reserved to the Board and the Board Committees' Terms of Reference. – Reviewed and approved on a bi-annual basis, the Group's Signing Policy and Delegation of Authorities schedule. – Received and considered updates on the Digital Operational Resilience Act (DORA). – Received and considered updates on the Corporate Sustainability Reporting Directive. – Reviewed and approved the Group's tax strategy. – Reviewed and approved the Modern Slavery Statement and Policy. – Reviewed and approved the Group Capital Management Policy. – Reviewed and approved the Human Rights Policy. – Reviewed and approved the Corporate Sustainability Policy.		FI O TD
Stakeholder engagement	– Received bi-annual updates on engagement activities with all stakeholders undertaken throughout the year. – Received updates on the general wellbeing and health and safety of colleagues, as part of routine reports from the executive directors and management. – Received an annual health and safety update from the Health and Safety Manager. – Received updates on equity and debt investor sentiment in response to financial results and from bondholders and potential bondholders as part of the Chief Executive Officer and Chief Financial Officer reports.		

Our stakeholders key

Customers
Regulators and legislators
Communities
Employees and customer representatives
Suppliers
Investors and ratings agencies

Strategic pillars key

FI Next Gen financial inclusion
O Next Gen organisation
TD Next Gen technology and data

Board overview of purpose

Company purpose

The Board has overall responsibility for the Company's purpose, values and strategy to deliver long-term sustainable success and generate value for its shareholders and other stakeholders. It places great importance on ensuring that these continue to be appropriate for the business and the markets in which we operate, while continuing to be aligned with our culture.

Having a clear purpose guides the Board and the executive directors in managing the business and provides a common goal. The Board reviews and approves the purpose, values and vision statement annually to ensure that these remain appropriate for the Group. By delivering on our purpose, we serve and create value for our stakeholders. This supports a strong culture which drives performance across the business both in terms of financial and non-financial value. The Board sets the strategy for the Group and throughout the year it receives regular updates to ensure it is delivered in line with our purpose.

Our purpose of building a better world through financial inclusion explains why we exist and reminds us of who we serve and why. We help consumers, who have lower to medium incomes and often a limited credit history, access the financial system. We are a responsible lender, well positioned to provide an entry point to mainstream consumer finance, serving customers with regulated credit products.

We continue to deliver on our purpose by removing barriers that exclude the underserved from the financial sector by:

- responsibly serving more customers;
- providing appropriate products and services;
- offering solutions to underserved people;
- expanding our geographic reach; and
- supporting our customers in financial difficulties.

During 2024, the Board continued to ensure that purpose was embedded in strategic planning and that it remained a core focus for the Group. At the 2024 AGM, the Board proposed to incorporate the Group's purpose within its Articles of Association, a motion which was approved by shareholders. Additionally, as part of the workforce engagement programme, the Board conducted specific purpose 'check-ins' with the European and Mexico home credit businesses to reinforce alignment and engagement throughout the Group.

How does the Board oversee culture?

- Board reporting
- Workforce Engagement Director
- Branch/market visits
- Skip-level meetings
- Board dinners with colleagues from various levels of management
- Business plan approval
- Review and approval of purpose
- Review and approval of values
- Risk appetite
- Internal audit reports
- Whistleblowing updates
- Key recruitment
- Executive director objectives and rewards

Culture and values

The Board understands that the cultural tone of our business comes from the top. The benefits of a strong culture are seen in the success of delivering the strategy and in the engagement, retention and productivity of our employees and customer representatives. The Board monitors and assesses the Group's culture along with its purpose and values through receiving regular updates from members of the senior leadership team. The Board also assesses cultural indicators such as management's attitude to risk, behaviours and compliance with the Group's policies and procedures as well as reviewing the results of employee surveys. The Board specifically discusses its oversight of culture annually as a checkpoint to ensure that sufficient measures are in place for the Board to oversee culture effectively.

In addition to the annual culture review, the Board also reviewed the results of the 2024 Group-wide pulse surveys, which provided real insight into the culture of the Group. The Chief HR Officer presented the findings to the Board and identified actions to ensure that any areas of improvement were followed up. Further information on the Group-wide pulse surveys can be found on page 55.

The Board also recognises that it is accountable to stakeholders for ensuring that the Group is managed appropriately and achieves its objectives in a way that is supported by the right culture and behaviours. Our values, responsible, respectful and straightforward, are reviewed regularly, and approved by the Board. They support our culture and help colleagues understand the importance of how we work together as a team and how we place customers at the centre of what we do.

Workforce engagement programme 2024

Employee engagement

The Board routinely interacts directly with colleagues through a programme of Board visits and dinners, and indirectly through the work of the Workforce Engagement Director, Katrina Cliffe. These activities are designed to enable the Board to develop a strong understanding of the Group and the different matters which are important to colleagues globally. As part of this activity, the Board is able to gain assurance that the Group's policies, practices and behaviour throughout the business are aligned with the Company's purpose, vision and desired culture. The Workforce Engagement Director champions the workforce voice within the Boardroom to strengthen the link between the Board and colleagues. Throughout 2024, Katrina undertook a number of engagement activities as part of the workforce engagement programme, as illustrated above. Following this engagement with employees and customer representatives, Katrina provided regular feedback to the Board on stakeholder engagement, including insights gained from her interactions.

The Board also undertakes engagement activities as a whole, including branch and market visits, presentations, dinners and other ad hoc interactions. This allows the Board to meet a broad spectrum of individuals from different areas of the Group including sales, marketing, IT, legal, compliance, data protection, corporate affairs, human resources, finance, health and safety, internal audit and risk.

More information on how the Group engaged with colleagues can be found on page 46 and pages 53 to 56.

Nominations and Governance Committee Report

"Throughout 2024, the Committee focused on strengthening governance practices to support the Group's long-term success and sustainability."

Stuart Sinclair
Chair

Committee members

Stuart Sinclair, Chair, and Chair of the Board

Deborah Davis, Independent non-executive director

Richard Holmes, Independent non-executive director

Aileen Wallace, Independent non-executive director

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
Stuart Sinclair	4	4	100%
Deborah Davis	4	4	100%
Richard Holmes	4	4	100%
Aileen Wallace	4	4	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 joined as member of the Committee with effect from 3 May 2024 (previously was an attendee only).

Dear shareholder,

I am pleased to present this report for the year ended 31 December 2024, highlighting the Committee's role in supporting an effective Board and ensuring robust governance across the Group.

Key responsibilities of the Committee

Details on the Committee's key responsibilities can be found below and in our Terms of Reference at www.ipfin.co.uk.

The Committee:

- reviews the composition of the Board and leads the process on proposed appointments to the Board;
- ensures that the Board consists of directors with the appropriate balance of skills, experience, diversity, independence and knowledge to enable it to discharge its duties and responsibilities effectively, and reviews arrangements for succession and development of senior leaders in the Group;
- oversees the Group's governance arrangements to ensure they are consistent with relevant corporate governance standards and best practice; and
- oversees, on behalf of the Board, a range of topics relating to good governance.

Committee composition and changes

I chair the Committee and was regarded as independent on appointment. I will not chair the Committee when it is dealing with matters of succession to the Chair of the Board. The Committee comprises four other independent non-executive directors, Deborah Davis, Richard Holmes, Aileen Wallace and Katrina Cliffe (who joined the Committee with effect from 3 May 2024).

Key areas of focus during the year

During 2024, the Committee continued to broaden its areas of focus to ensure that the Group remained well governed.

First, the Committee focused on ensuring that succession arrangements will enable the Board to continue to lead the Group effectively, especially in light of the Group's Next Gen strategy. Overseen by the Chair, the Committee reviewed the assessment of the Board's skills, knowledge and tenure in terms of the Company's strategy, originally undertaken in 2023. The skills matrix on page 82 sets out the attributes we consider to be key for the long-term success of the business, as well as how these attributes link to our strategy. The Committee also reviewed in detail the skills and potential of the wider senior leadership team as part of the broader talent management process led by the human resources function.

The second area of focus was on ensuring that the Board continues to operate with a high degree of effectiveness. This is a broad area of responsibility and, in 2024, meant the Committee reviewed detailed topics including the 2024 Board training programme and membership of the Board Committees. The Committee has also had the opportunity to review external developments in corporate governance to assess whether such developments required changes in the Group's Board governance arrangements. Furthermore, the Committee reviewed the structure, size and ways of working of the Board and oversaw the Group's compliance with the Corporate Governance Code 2018 (the code), with a particular focus on making the changes required to implement the new version of the Corporate Governance Code 2024 published by the Financial Reporting Council on 22 January 2024. Additionally, the Committee oversaw the implementation of the recommendations from the internal Board evaluation review that took place in 2023 and I am pleased to confirm that all recommendations were implemented in 2024.

The Committee also continued Its oversight of key policies dealing with matters relevant to our Responsible Business Framework such as board diversity, political donations, access to independent advice and conflicts of interest.

Finally, the Committee continued to review the external appointments of the current directors. This work considered the time commitments arising from current roles to ensure directors are not "overboarded" and that they meet required standards concerning independence, as well as determining whether new appointments would affect a director's ability to discharge their duties as a director of the Company effectively.

Committee effectiveness review

An internal effectiveness review of the Board and its Committees was undertaken in 2024. This consisted of a questionnaire completed by the Committee and its regular attendees, and an analysis of compliance with the Committee's Terms of Reference. Overall, the Committee concluded that it had operated effectively and complied with the Committee's Terms of Reference throughout the year.

Feedback from this process was discussed by the Committee and it was agreed that the Committee would continue to focus on succession planning across the senior leadership cohort. This will be accomplished through building on the current practice of twice annual performance reviews and potential discussions which the Committee holds with the Chief HR Officer and the Chief Executive Officer.

Annual re-election of directors

As in previous years, Board members will stand for re-election by shareholders at the 2025 AGM on 1 May 2025. All non-executive directors are considered independent in accordance with the requirements detailed in the Code, and they continue to make effective contributions, constructively challenge management and devote sufficient time to their role. Accordingly, all directors are proposed for re-election, with the exception of Deborah Davis who will be retiring with effect from the conclusion of the AGM. Further details are contained in the Notice of Meeting circulated to shareholders.

Recruitment and succession planning

The Committee recognises the importance of the Board anticipating and preparing for the future, and ensuring that the skills, experience, knowledge and perspectives of the directors and members of the senior leadership team reflect the changing demands of the business. When considering succession plans, the Committee and the Board are cognisant of the need to ensure inclusion of a diverse range of individuals, and the Board's diversity objectives, as set out in the Board Diversity Policy on page 91, reflect how the Board ensures that diversity is considered when recruiting new directors to the Board and in the context of succession planning. The Committee's approach to succession includes anticipating departures and allowing sufficient time for orderly succession, ensuring appointments are made on merit against objective criteria and taking into account the Company's strategic priorities, and the main trends and factors affecting the long-term success and future viability of the Company. Succession plans are in place for the Chief Executive Officer, Chief Financial Officer, Chair and non-executive directors for contingency, medium-term and long-term horizons.

On behalf of the Board, the Committee also leads on oversight of executive talent and succession planning. As part of the broader talent management process, the Committee receives an annual and mid-year update from the Chief HR Officer on talent and succession planning, considering the skills and potential of those in the central management team.

During 2024, the Board also approved the Board skills matrix, which sets out the skills of each member and allows the Committee to identify skill gaps which will be reviewed as part of the succession planning process. The Board skills matrix can be found on page 82.

Board diversity and policy

Diversity is built into the Group's policies as appropriate, and, as a business operating in different countries, collaboration between our international operations is a central dynamic of our culture. Diversity and inclusion is about treating people fairly, equitably and without bias, creating conditions that encourage and promote respect, dignity and belonging. This is embedded in our culture and values.

The Board Diversity Policy formalises its approach to this topic and can be accessed in the policies section of our website. The purpose of the policy is to set out the Group's approach to diversity of the Board and its Committees. The policy aims to drive balance and alignment with our purpose, strategy and values, through measurable objectives which reflect the actions the Board will take when considering membership of the Board and its Committees. The Committee reviews the policy, including objectives and progress, at least annually.

In setting the principles and objectives of the policy, the Committee and Board acknowledge the external expectations of stakeholders and the opportunities to drive change through succession planning. The Parker Review, Hampton-Alexander Review and the requirements of Listing Rule 9.8.6(9)R are supported fully by the Board.

The percentage of female representation for the senior leadership team was 14.3%.

Annual statement on Board diversity targets

On behalf of the Board, the Committee is pleased to confirm that as at 31 December 2024, all three of the targets set out in Listing Rule 9.8.6(9)R, and also included in the Board Diversity Policy objectives, have been met. Further detail on how these targets have been achieved can be found below.

As required by Listing Rule 9.8.6(10)R, detailed numerical information on the gender and ethnicity representation on the Board and our executive management as at 31 December 2024 is set out on page 92. There have been no changes between 31 December 2024 and the date of this report.

Data concerning gender and ethnicity representation was collected in 2023 directly from all the individual Board and senior leadership team members through a Diversity and Inclusion Monitoring Form (the "Form"). The Form asked the individuals to disclose their gender and ethnicity using the options included on the Form, which aligned with the detail in the left-hand column of the tables on page 92 and therefore included the option to not specify an answer. The data was collected on an anonymous basis by the Company Secretariat and the information was reviewed and updated in 2024, and will be annually going forward.

Progress in 2024

- Reviewed Board composition and succession planning.
- Reviewed the governance framework.
- Reviewed key policies relating to the Responsible Business Framework.
- Reviewed and updated the Committee's Terms of Reference.
- Oversaw the implementation of the recommendations from the internal Board effectiveness review.

Key priorities for 2025

- Focus on succession planning.
- Keep under review the governance framework and make recommendations for improvement where appropriate.

Board Diversity Policy objectives	Implementation	Progress against objectives
Consider candidates for appointment as non-executive directors from a wider pool including those with little or no listed company board experience. Ensure non-executive director 'long lists' include 50% female candidates.	The Board and the Committee recognise the importance and benefits of greater diversity, including gender, age, nationality, ethnic origin, socio-economic background, educational and professional background, sexual orientation and disability. On instruction of an executive search firm, the specification will ensure that candidates with no listed company board experience are fully considered.	The Board actively seeks diverse candidates. Over the past three years, the Board has appointed two female Board members, Katrina Cliffe and Aileen Wallace. The Board will continue to consider candidates from a wide pool when completing future recruitment.
Engage only with executive search firms which have signed up to the Standard Voluntary Code of Conduct on both gender and ethnic diversity and best practice.	The Board will continue to engage executive search firms that have signed up to the Standard Voluntary Code of Conduct.	When recruiting Katrina Cliffe, the Board engaged with Ridgeway Partners. At the time of engagement, Ridgeway Partners was a signatory of the Standard Voluntary Code of Conduct.
Maintain a continuous level of at least 40% female directors on the Board.	The Board will continue to ensure that recruitment and succession planning for the Board takes consideration of these objectives, while also ensuring that any succession plans and appointments are made based on merit and objective criteria.	As set out in the annual statement on board diversity targets above, 43% of individuals on the Board are women.
A female director is appointed to at least one of the senior Board positions (Chair, Chief Executive Officer, senior independent director, Chief Financial Officer).		In December 2023, Katrina Cliffe was appointed senior independent director for the Board.
At least one director from an ethnic minority background is appointed to the Board.		As set out in the annual statement on board diversity targets above, one member of the Board is from an ethnic minority background.

Gender representation as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[1]	Percentage of executive management[1]
Men	4	57.1%	3	12	85.7%
Women	3	42.9%	1	2	14.3%
Not specified/prefer not to say	0	0%	0	0	0%

Ethnic representation as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[1]	Percentage of executive management[1]
White British or other White (including minority-white groups)	6	85.7%	4	14	100%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	14.3%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

1. Per the definition within the Listing Rules, executive management at IPF is the senior leadership team, which includes the Company Secretary. The Chief Executive Officer and Chief Financial Officer have not been included in the executive management data as they are included in the data for the Board.

Independence and external commitments

The Committee reviews requests for external appointments carefully, taking into account the directors' other commitments and their role on the Board. An executive director will be permitted to hold one non-executive directorship (and to retain the fees from that appointment) provided that the Board considers this will not affect their executive responsibilities adversely. The executive directors currently do not hold any external directorships. A non-executive director should not hold more than four other material non-executive directorships. If they hold an executive role in a FTSE 350 company, they should not hold more than two other material non-executive directorships.

In line with the Code, non-executive directors are required to seek Board approval prior to taking on any additional appointments. In 2024, the Committee recommended to the Board the approval of Deborah Davis's appointment as a non-executive director of YouGov plc and Sirius Real Estate plc, and noted Aileen Wallace's appointment as Senior independent Director of Tandem Bank Limited. The Committee also approved Aileen's appointment as Chair of the Risk Committee of Tandem Bank and Stuart Sinclair's appointment as non-executive director and Chair of Vida Bank Limited (subject to regulatory approval), and Deborah's subsequent appointment as Chair of YouGov plc. In making these decisions, the Committee was assured that Deborah, Aileen and Stuart would continue to be able to devote the appropriate time to their roles as non-executive directors and Chairs (as applicable) of the Company and the new roles would not give rise to any conflicts of interests. The external commitments of the other non-executive directors were also reviewed and the Board is satisfied that these do not conflict with their required commitment to the Company.

The independent non-executive directors are appointed for a period of three years initially, subject to annual re-election by shareholders at the AGM. This period may be extended, following recommendation by the Nominations and Governance Committee, for two further three-year periods. The Board will not normally extend the aggregate period of service of any independent non-executive director beyond nine years. Their letters of appointment may be inspected at our registered office and copies are available from the Company Secretary.

Each of the non-executive directors has been formally determined by the Board to be independent for the purposes of the Code and the Chair was considered to be independent on appointment. Katrina Cliffe was appointed as the senior independent director on 1 December 2023. She is available to shareholders should they have concerns which contact through the normal channels of Chair and Chief Executive Officer has failed to address or for which such contact is inappropriate. The senior independent director reviews the performance of the Chair on an annual basis and consults with other Board members as part of the review. They also consider the relationship between the Chair and the Chief Executive Officer.

Board effectiveness review

The Board undertakes a formal and rigorous evaluation of the performance of the Board, its Committees, the Chair and individual directors on an annual basis. This process follows a three-year cycle, with the 2022 Board effectiveness review facilitated externally and the next externally facilitated effectiveness review due to be undertaken in 2025.

Year 1 – External (2022)
Externally facilitated Board effectiveness review

Year 2 – Internal (2023)
Internal effectiveness review facilitated by the Chair and Company Secretariat

Year 3 – Internal (2024)
Internal effectiveness review facilitated by the Chair and Company Secretariat

Stage 1 September 2024	Proposals for the 2024 Board and Committee effectiveness review processes were reviewed and approved by the Committee, following consultation with the Chairs of the Board and its Committees.
Stage 2 October 2024	Each director completed a questionnaire for the Board and the Committees of which they were a member. Regular attendees of each Board Committee were also invited to complete the questionnaire.
Stage 3 October 2024	The Chair and the non-executive directors met without the executive directors being present and provided feedback on their performance throughout the year for the Chair to feed into their performance reviews.
Stage 4 December 2024	The Committees reviewed the results from the committee effectiveness questionnaire and the Terms of Reference analysis. All Committees confirmed that they continue to operate effectively.
Stage 5 December 2024 /January 2025	The Chair completed performance reviews for all the non-executive directors. It was confirmed that all non-executive directors continue to be effective in their roles. Following discussion and feedback from the other non-executive directors, the senior independent director, Katrina Cliffe, completed the Chair's performance review. It was confirmed that the Chair continues to be effective in his role.
Stage 6 February 2025	The Board reviewed the results from the Board effectiveness review, along with the Matters Reserved analysis, and the confirmation from the Committees that they continue to operate effectively. They also received confirmation from the Chair and the senior independent director that all directors continue to be effective in their roles. The conclusion of the Board effectiveness review was positive, and confirmed that the Board as a whole continues to operate effectively. The composition of the Board was considered to be effective and it continued to provide successful leadership to the Group, comprising the appropriate balance of experience, skills, knowledge and diversity of background to implement the Group's strategy. The Board places significant reliance on its Committees by delegating a broad range of responsibilities and issues to them, and receives verbal updates from the Chairs of each of the Committees of the Board. Following discussions, it was agreed that the performance of the Board, its Committees, the Chair and each of the directors continues to be effective.

Stuart Sinclair
Chair of the Committee

26 February 2025

Audit and Risk Committee Report

"On behalf of the Committee I am pleased to present the Audit and Risk Committee's Report for the year ended 31 December 2024. The Report outlines the Committee's composition and responsibilities, highlighting how we have maintained effective oversight of the Group's financial reporting, internal control and risk management systems throughout the year."

Richard Holmes
Chair of the Audit and Risk Committee

Committee members

Richard Holmes, Chair and independent non-executive director

Deborah Davis, Independent non-executive director

Aileen Wallace, Independent non-executive director

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

Committee member[4]	Scheduled meetings[1]	No. of meetings attended	% of meetings attended
Richard Holmes	6	6	100 %
Deborah Davis	6	6	100 %
Aileen Wallace[3]	4	4	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 resigned as a member of the Committee in May 2024.
3. Aileen Wallace was appointed as a member of the Committee in May 2024.
4. The Committee members' expertise, qualifications and relevant experience are set out in each of their biographies on pages 80 to 81.

Dear shareholder,

On behalf of the Committee, I am pleased to present the Audit and Risk Committee's Report for the year ended 31 December 2024. This report explains the Committee's work and how we met our audit, risk management and internal control responsibilities.

The year in review

This section sets out how the Committee has addressed both routine and emerging issues during the year. The Committee monitored the consequent impacts on the Group's Financial Statements closely and, despite continuing uncertainty, was pleased to see the delivery of a strong operational and financial performance.

The Committee also addressed a range of routine matters, receiving regular updates from the internal audit function on internal control matters, including readiness for the Digital Operational Resilience Act (DORA), information security, change management, and product management controls. Where internal audit or the Committee identifies areas requiring improvement, effective processes exist to ensure that the necessary action is taken and that progress is monitored.

The Committee also dedicated time to challenging and approving the 2024 internal audit plan. A final focus for the Committee in the year was our oversight of the process to appoint PKF Littlejohn LLP as the Group's external auditor.

The year ahead

Despite the increased costs of living being experienced by our customers, we continue to see substantial demand for our broadening portfolio of credit and insurance services, and we will respond to the challenges and opportunities that the execution of our Next Gen strategy brings. The Committee will continue to oversee the development of the Group's systems of risk management and internal control, and notes in particular, the new requirements of the 2024 UK Corporate Governance Code. We are well placed to discharge our duties in the year ahead.

Committee effectiveness

An effectiveness review of the Board and its Committees was undertaken internally at the end of 2024, which comprised a questionnaire completed by the Committee and its regular attendees, together with an analysis of compliance with the Committee's Terms of Reference. Overall, the Committee concluded that it had operated effectively and that the Committee's Terms of Reference had been complied with throughout the year.

Feedback from this process indicated that the Committee's main areas of focus for 2025 should be on:

- ensuring appropriate focus on ICT risk and managing regulatory change; and
- ensuring appropriate coverage of strategic risk as part of risk management oversight.

Composition, role and responsibilities

The Committee consists of independent non-executive directors and met six times during the year. Members and their attendance at meetings can be found on page 94.

The external auditor, PKF Littlejohn LLP, the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Group Financial Controller, and the Head of Internal Audit are invited to attend all meetings. Periodically, senior management from across the Group are invited to present on specific aspects of the business. The members of the Committee meet on a regular basis outside scheduled Committee meetings, and the Committee also meets from time to time with the external auditor, without an executive director or another member of the senior leadership team being present.

Functionally, the Head of Internal Audit reports directly to the Chair of the Committee. For routine administrative matters, the Head of Internal Audit's principal contact is the Chief Financial Officer. The Head of Internal Audit operates within a clearly defined remit and has direct access to the Chief Executive Officer and to the rest of the organisation.

The Committee ensures shareholders' interests are protected and long-term value is created. The Committee supports the Board in fulfilling its responsibilities in relation to financial reporting, monitoring the integrity of the Financial Statements and reviewing and challenging any significant financial reporting issues and judgements in relation to the Financial Statements. The Committee's responsibilities are explained fully in its Terms of Reference which are available on our website at www.ipfin.co.uk. The Committee works to a structured programme of activities and meetings to coincide with key events around our financial calendar. Its main responsibilities are to:

- monitor the Group's systems of internal control, including financial, operational and compliance controls, and risk management systems, and to perform an annual review of their effectiveness;
- monitor the integrity of the Financial Statements of the Company and the formal announcements relating to the Company's financial performance, reviewing the significant financial reporting judgements contained in them;
- provide advice to the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- make recommendations to the Board, for the Board to put to shareholders at the Annual General Meeting, relating to the appointment, reappointment and removal of the external auditor, and to approve its terms of appointment;
- review and monitor the objectivity and independence of the external auditor and the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- review and approve the internal audit programme for the year and monitor the effectiveness of the internal audit function in the delivery of its plan;
- keep under review the work of the Risk Advisory Group, in particular the Group schedule of key and emerging risks, and consider the principal and emerging risks stated on pages 38 to 43 facing the Group and their mitigation;
- advise the Board on the Group's risk appetite together with the mechanisms that will be used for monitoring adherence to them; and
- provide oversight of sustainability-related impacts risks and opportunities, and reporting.

Progress in 2024

- Continued to focus on the impact of changes resulting from the Audit Reform debate on assessments by the Committee of the effectiveness of risk management and internal control systems.
- Received and challenged reports on the continuing development of the three lines of defence model.
- Reviewed progress on the development of a control framework for managing technology, change management and inherent information security risks for the Group.
- Oversaw the appointment of a new external auditor.
- Ensured sustainability risks are managed and reported effectively.

Key priorities for 2025

- Review and challenge as necessary updates on the Group's response to the UK Corporate Governance Code 2024.
- Continue to provide oversight on the progress on the development of a control framework for managing technology, change management and information security risks for the Group.
- Ensure appropriate focus on evolving ways of working and culture with an emphasis on understanding and embedding risk management practices that keep pace with the evolving regulatory landscape.
- Inform and guide the Board on sustainability issues and non-financial reporting.

Activities in 2024

Financial reporting

The Committee reviewed and considered the following areas in respect of the preparation of the half-year and full-year Financial Statements:

- the appropriateness of accounting policies used;
- compliance with external and internal financial reporting standards and policies;
- significant judgements made by management regarding areas of uncertainty;
- disclosures and presentations; and
- whether the Annual Report and Financial Statements are fair, balanced and understandable.

In carrying out this review, the Committee considered the work and recommendations of management, and received reports from the external auditor setting out its view on the accounting treatments and judgements underpinning the Financial Statements.

The significant accounting judgements considered by the Committee were:

- Impairment of receivables: the application of IFRS 9 to the issues arising from the impact of the rising costs of living has the potential for a significant impact on the impairment charge and the calculation of provisions. The key areas of judgement in respect of impairment provisions made against amounts receivable from customers are the parameters used in the expected loss models, the expected timing of future cash flows and post-model overlays. The expected loss models are driven by historical data in respect of probability of default and exposure at default, together with loss given default for each portfolio. At both the half-year and full-year results, the Committee considered a paper prepared by management summarising the work performed to update parameters used in the expected loss and the cash flow timing models, and the judgements applied in this process. This paper also addressed the use of post-model overlays in instances where the most recent trends in the data were felt to be more relevant than some of the more historical information. This was still relevant in 2024 due to the use of costs-of-living post-model overlays arising from a full assessment of expected repayment cash flows in order to calculate the expected impact of these issues on the Group's impairment provisions. Further detail on the post-model overlays considered is given in the key sources of estimation uncertainty section of this Annual Report on page 171. The external auditor performed audit procedures on impairment provisioning, challenging management on its approach to the Group's cost-of-living provision and on its planned accounting treatment for the Group's new credit card product. The external auditor reported its findings to the Committee. The Committee concluded that the receivables impairment provisioning in the Financial Statements was appropriate.
- Revenue recognition: the judgement in respect of revenue recognition is the methodology used to calculate the effective interest rate. The calculation takes into account all the contractual terms together with the extent and timing of customer early settlement behaviour. The external auditor performed procedures to assess management's calculations and assumptions used to calculate the effective interest rate and reported its findings to the Committee. The Committee concluded that revenue recognition in the Financial Statements was appropriate.
- Accounting for credit card receivables: the Company does not yet have sufficient historical credit card data in order to calculate an expected loss provision for the credit card receivables portfolio. At both the half-year and the full-year results, the Committee considered a paper produced by management summarising the approach taken to determine the most appropriate expected loss parameters for this portfolio, and the judgements applied in this process. Further detail on the credit card valuation methodology is given in the key sources of estimation uncertainty section of this Annual Report and Financial Statements on page 172. The external auditor performed audit procedures on the credit card receivables valuation and reported its findings to the Committee, who concluded that the credit card receivables valuation in the Financial Statements was appropriate.
- The Group operates in multiple jurisdictions where the taxation treatment of transactions is not always certain. Management is therefore required to make judgements, based on internal expertise and external advice, on the methodology to be adopted for accounting for uncertain tax positions. Key areas of focus in 2024 included justification of the Group's uncertain tax risk provision and the recognition of the tax asset relating to the repayment of State Aid (see the Financial review on page 34 for further information). The external auditor performed procedures to assess management's judgement and reported its findings to the Committee. The Committee concluded that the provision for uncertain tax risks and the tax asset relating to State Aid included in the Financial Statements were appropriate.

Internal control and risk management

While the Board is responsible for overseeing the Group's systems of internal control, including risk management, the review of its effectiveness is delegated to the Committee. The Group recognises the importance of strong systems of internal control in the achievement of its strategy and objectives. It also recognises that any system can provide only reasonable and not absolute assurance against material misstatement or loss.

The Committee reviews and approves the Group schedule of key risks, which describes the principal risks and uncertainties facing the business. The Board considers the schedule formally on a six-monthly basis and approves risk appetite at least annually. The Committee is supported in its work by the Risk Advisory Group, which in 2024 comprised the Chief Executive Officer, Chief Financial Officer, Group Credit Director and Chief Legal Officer, together with other members of the senior leadership team. The Risk Advisory Group meets four times a year. It reports to the Audit and Risk Committee and considers the risk assessments and risk registers produced in each country and updates the Group schedule of key risks. It also considers emerging risks, areas of specific risk, and particular issues. For further details, see pages 38 to 43.

The Committee challenged robustly the identification, assessment and planned mitigation of the principal risks facing the business, notably in the light of the evolving regulatory landscape.

The Committee also continued to pay close attention to heightened cyber risk. Although now considered a business-as-usual threat, the rapid and continuous developments of this risk are notable for all financial services businesses with threat actors becoming more professional and employing increasingly sophisticated methods. Consequently, the potential impact of ransomware attacks is now higher, posing significant operational and reputational risks. For further details of our mitigating actions, please refer to the Information security and cyber risk disclosure on page 43. The implications of DORA, which came into full force in January 2025, also remain a key area of focus for the Committee.

Regulatory developments in 2024 were evident in two broad areas. First, were the market-specific regulatory changes driven by prevailing political pressures. These include the introduction of a cap on the total cost of credit in Romania, applicable to loans issued by non-banking financial institutions (NBFIs), through specific consumer legislation that took effect in November 2024. Second, was a continuing programme of new regulation from the European Union, including the transposition of the Second Consumer Credit Directive, and a series of changes in the areas of marketing of financial products, AI, gender pay, business continuity and information security, sustainability reporting and open banking.

Additionally, the Committee received regular updates on key tax issues and ongoing tax audits within the Group, together with the Organisation for Economic Co-operation and Development and European Union international tax initiatives that could potentially impact the Group in the future. Details of the current status of tax audits are included in our principal risks and uncertainties on page 41.

The Committee will continue to assess the impact of these matters on the business and will monitor management's response throughout 2025.

The internal control environments in place to manage the impact of each risk are monitored by the Committee on a regular basis, as are the principal actions being taken to mitigate them. The Committee requests additional presentations on key business areas, as necessary, to supplement its understanding of control environments in place. The areas covered by these in 2024 are referred to in the 'Training' section on page 99.

Through the Committee, the internal audit function provides independent assurance to the Board on the effectiveness of the systems of internal control. The Committee provides oversight and direction to the internal audit plan, which is developed using an inherent risk-based approach. The audit plan provides independent assurance over the integrity of internal controls and the operational risk management framework. In addition, the external auditor communicates to the Committee any deficiencies in the internal control environment it observes as part of its audit procedures.

Internal audit

The internal audit function's purpose, authority and responsibilities are defined in its Charter, which is reviewed and approved annually by the Committee. Internal audit is an independent assurance function within the Group providing services to the Committee and all levels of management. It has no responsibility for operational business management and its remit is to provide objective assurance over the design and operating effectiveness of the systems of internal control, through a risk-based approach. It also provides insight, delivers value, and helps the organisation to achieve its priorities. The internal audit function does this by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Head of Internal Audit reports to the Chair of the Committee with administrative oversight from the Chief Financial Officer.

The internal audit function comprises teams across our markets and at the Group head office in the UK. The internal audit function has a high level of qualified personnel with a wide range of professional skills and experience. Co-sourcing agreements with the largest professional services firms ensure access to additional specialist skills and an advanced knowledge base.

The Committee has a permanent agenda item to cover internal audit-related topics. Prior to the start of each financial year, and at the half year, having considered the principal areas of risk within the business, the Committee reviews and approves an inherent risk-based internal audit plan, assesses the adequacy of the available internal audit resources and considers the team's operational initiatives for its continuous improvement.

The Committee reviews progress against the approved internal audit plan and the results of audit activities, with a focus on unsatisfactory audit results which require timely attention. During the year, the internal audit function focused on the Group's efforts to control its principal risks which included regulation, reputation, information security and cyber threat, and the execution of projects and initiatives of strategic importance. The Committee monitors progress on the implementation of any action plans arising from significant audit findings to ensure they are completed satisfactorily.

Internal audit activities are based on a robust methodology and are subject to an ongoing programme of internal quality assurance reviews. The function has invested in several initiatives to continuously improve its effectiveness, including a third-party quality assessment which last reported in early 2019 and concluded positively on the effectiveness of the function. Following the appointment of a new Head of Internal Audit in September 2024, the aim is to undertake a similar exercise in 2025. The team measures its operational effectiveness and efficiency via a set of key performance indicators which are reported at each meeting of the Committee, and via individual post-audit quality assessments by auditees, the results of which are also reported to the Committee.

The Committee is satisfied that the quality, experience and expertise of the function are appropriate for the business.

Appointment of external auditor

The Committee is responsible for conducting the process to select the Group's external auditor and recommend its appointment, reappointment or removal to the Board for approval by shareholders at each AGM.

After completing a robust tender process overseen by the Committee, the Board recommended that PKF Littlejohn LLP be appointed as external auditor at the Group's 2024 AGM. The recommendation was subsequently approved by shareholders. The Committee is pleased to note that there has been a smooth transition in the change of external auditor from Deloitte LLP and we have quickly developed a collaborative relationship and constructive engagement with the new external audit team.

External auditor effectiveness and independence

The Committee considered the external auditor's assessment of the significant risks in the Group's Financial Statements set out in its audit plan, and approved the scope of the external audit that addressed these risks. The Committee considered these risks and the associated work undertaken by the external auditor when forming its judgement on the Financial Statements.

In line with its established practice, the Committee monitored the effectiveness and conduct of the external auditor by reviewing:

- the experience and capabilities of the auditor and the calibre of the audit firm;
- provision of non-audit services;
- robustness and perceptiveness of the external auditor in its handling of key accounting and audit judgements;
- the interaction between management and the external auditor;
- the delivery of its audit work in accordance with the agreed plan; and
- the quality of its report and communications to the Committee.

The effectiveness of the external audit process is normally evaluated in June of each year via a questionnaire which is completed by the Committee members and attendees, and by business unit finance directors across the Group. However, as the Group's new external auditor was appointed at the 2024 AGM in May, the first effectiveness review of PKF Littlejohn LLP will be conducted in June 2025.

In order to confirm its independence and objectivity, the external auditor reports on its independence to the Committee. In addition, the Committee ensured compliance with the Group's policy on the use of the external auditor for non-audit services. The key requirements of this policy are:

- the external auditor is prohibited from providing certain services which include the following: tax services; payroll services; designing and implementing internal controls or risk management procedures; legal services; internal audit services; human resource services; valuation services; or general management consultancy; and
- the Committee Chair must approve any individual non-audit service over a specific fee level.

The policy of the Committee in respect of non-audit services is that the external auditor is only appointed to perform a non-audit service when doing so would be consistent with both the requirements and overarching principles of the Financial Reporting Council's Revised Ethical Standard (2019), and when its skills and experience make it the most suitable supplier.

The Committee believes that the Group receives a particular benefit from certain non-audit services where a detailed knowledge of its operations is important or where the auditor has very specific skills and experience. Other large accountancy practices are also used to provide services where appropriate. Consequently, the Committee is satisfied that PKF Littlejohn LLP was independent throughout 2024.

Non-audit services carried out by PKF Littlejohn LLP in 2024	Fee £000
Other assurance services	212

Training

The Committee, with the Board, undertook a significant amount of training during 2024. This included presentations on the following key business areas:

- an update on strategic risk assessment;
- an update on regulatory risks;
- an internal control update regarding the Group's whistleblowing arrangements;
- explanation of oversight arrangements in place in respect of bribery, compliance and privacy;
- a recap by the external auditor on Audit and Risk Committee responsibilities, focus areas and best practice;
- calculation and oversight of revenue and impairment under IFRS 9 in the evolving economic environment;
- an overview of DORA;
- a cyber security briefing; and
- a refresh on the UK Market Abuse Regulation overview of purchase finance, lending process automation and digital marketing in IPF Digital.

This training was complemented by discussions directly with management teams in connection with specific focus areas in the Group.

Review of the effectiveness of the internal control and risk management systems

On behalf of the Board, with the assistance of the internal audit function, the Committee monitored the Group's internal control and risk management systems, and its processes for managing principal and emerging risks throughout 2024, and on the basis of the work performed by the management team throughout the year and reported to the Committee at each meeting, has assessed that these are effective. In addition, the Committee, where appropriate, ensures that necessary actions have been or are being taken to remedy identified failings or weaknesses in the internal control framework. These processes were in place throughout 2024 and up to 26 February 2025.

Annual Report and Financial Statements

The Committee has reviewed and considered the Annual Report and Financial Statements, in line with other information the Committee has considered throughout the course of the year. It concluded, and recommended to the Board, that the Annual Report and Financial Statements 2024, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Richard Holmes
Chair of the Committee

26 February 2025

Remuneration at a glance

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. Executive director and senior leadership remuneration are structured, so that individuals are rewarded only for the successful delivery of the strategy over both the short and long term.

Our Next Gen strategy

For more information see page 22.

1. Financial inclusion
2. Organisation
3. Technology and data

Outcomes

- Long-term profitable growth
- RoRE 15% to 20%
- Strong capital generation

Total business return for all our shareholders

Pay for performance

Pre-exceptional profit before tax

£85.2m

+1.5%

Pre-exceptional earnings per share

24.9p

+7.3%

Group net receivables

£870.0m

+6.8%

Remuneration outcomes

- Annual bonus aligned to in-year objectives, with 80% weighting on financial metrics
- Three-year deferral of up to 50% of bonus
- RSP with underpin aligned to progressive dividend policy; three-year vesting plus two-year holding period

Our remuneration outcomes for 2024

	Chief Executive Officer	Chief Financial Officer
Base pay award	**2.5%**	**2.5%**
Bonus as % maximum	**100.0%**	**100.0%**
Restricted Share Plan awards	**80.0%**	**80.0%**
Legacy 2022 Performance Share Plan vested at	**29.1%**	**29.1%**

Our 2023 Remuneration Policy at a glance

Our Remuneration Policy	2024 – 2029	Links to strategy	Key features
Salary, pension and benefits		To attract and retain talent capable of delivering the Group's strategy.	Normally reviewed annually. Increases take into account salary reviews across the Group and increases paid to UK employees.
Annual bonus	Deferral of 50% to 25% Malus on deferral Clawback on cash	To motivate and reward sustainable Group profit before tax and the achievement of specific personal objectives linked to the Company's strategy.	On-target performance delivers 50% of maximum. Maximum opportunity 130% of base. 50% cash and 50% deferred for three years until shareholding requirement met; thereafter 75% cash and 25% deferred. Typically, 80% based on financial measures and 20% on personal objectives, linked to strategy.
Long-term incentive plan	Vest period Two-year post-vest holding Clawback period	To motivate and reward longer-term performance and support shareholder alignment through incentivising absolute shareholder value creation.	Award normally equivalent to 80% of base salary at time of grant (maximum 125%). Three-year performance period with the extent of any vesting subject to satisfaction of an underpin as determined by the Committee. Two-year post-vesting holding period. Two-year post-cessation shareholding requirement.

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: – 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: – 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.	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. There are provisions for clawback adjustments on the occurrence of certain events. 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.	On-target bonus: 50% of maximum. Maximum opportunity: 130% of base salary.	Performance is measured over the financial year and is assessed using the following criteria: – 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. 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.
Deferred Share Plan (DSP) To strengthen the link between short- and longer-term incentives and the creation of sustainable long-term value.	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. 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. The DSP has provision for malus and clawback adjustments on the occurrence of certain events. Awards may also be adjusted in the event of a variation of capital, in accordance with the plan rules.	50% of the total bonus amount received (or 25% once the shareholding requirement has been achieved) during the year.	None

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.	Annual grant of awards, made generally as conditional awards or options. Awards vest at the end of the three-year period subject to: – 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. 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. The RSP has provisions for malus and clawback adjustments on the occurrence of certain events. 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.	In normal circumstances, award levels for executive directors are equivalent to 80% of base salary at the time of grant. Rules permit annual grants up to individual limit of 125%. 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.	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: – 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.	Executive directors expected to acquire a beneficial shareholding over time. 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). 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.	The shareholding requirement for executive directors is 200% of base salary.	None
Post-cessation shareholding Aligns executive and shareholder interests.	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. The policy applies only to shares acquired after the date on which the 2020 Remuneration Policy was introduced (30 April 2020).	Not applicable.	Two-year post-cessation holding period.

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	– 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%	– 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	– 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%	– 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	– Explore opportunity to roll out credit cards to a new market.	25%	– 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	– 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%	– 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	– 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%	– 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	– 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%	– 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	– 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%	– 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	– Invest in our people, build a talented successor pipeline, and further strengthen finance function capability.	25%	– 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.

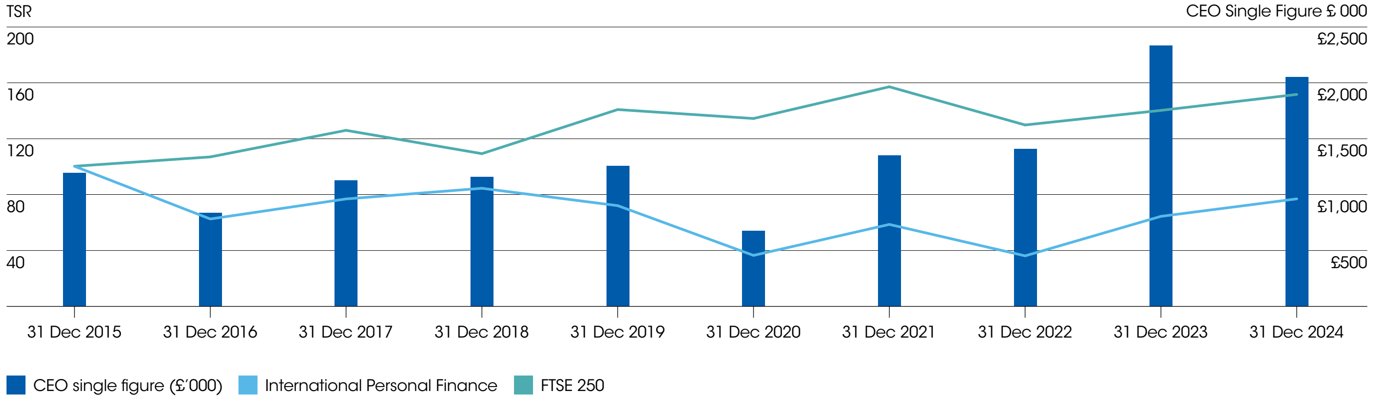
	2021 vs. 2020			2022 vs. 2021			2023 vs. 2022			2024 vs. 2023		
Percentage change in the relevant period	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]
Executive directors												
Gerard Ryan[3]	0%	0%	100%	5%	-1%	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							
	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]	Requirement met
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

1. 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.
2. 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.
3. 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

Statutory information

The Directors' Report for the year ended 31 December 2024 comprises pages 78 to 122 of this report, together with the sections of the Annual Report incorporated by reference.

In addition to the Code, we are required to comply with the Companies Act 2006 (the Act), the Disclosure Guidance and Transparency Rules (DTR) and the Listing Rules (LR). Where not covered elsewhere, these requirements are included in this section.

In accordance with DTR 4.1.5R, the Strategic Report and the Directors' Report together are the management report for the purposes of DTR 4.1.8R.

The Board has taken advantage of section 414C(11) of the Companies Act 2006 to include disclosures in the Strategic Report including:

- An indication of likely future development in the business of the Company (see page 37).
- The financial position of the Group (see pages 33 to 37).
- Greenhouse gas emissions (see page 67).
- Employee engagement and involvement (see pages 46 and 88).
- Engagement with suppliers, customers and others in a business relationship with the Company (see pages 46 to 47).
- A summary of the principal risks facing the Company (see pages 38 to 43).
- The S172(1) statement (see page 48).
- Information on political donations (see page 65).

Disclosures required under Listing Rule 9.8.4R can be found on the following pages:

Listing Rule	Topic	Page
Sub-para (1)	Interest capitalised	Not applicable
Sub-para (2)	Publication of unaudited financial information	Not applicable
Sub-para (4)	Details of long-term incentive schemes	Not applicable
Sub-para (5) and (6)	Waiver of emoluments and future emoluments by a director	Not applicable.
Sub-para (7) and (8)	Non pre-emptive issues of equity for cash	Not applicable.
Sub-para (9)	Parent participation in a placing by a listed subsidiary	Not applicable.
Sub-para (10)	Contracts of significance	Not applicable.
Sub-para (11)	Provision of services by a controlling shareholder	Not applicable.
Sub-para (12)	Shareholder waiver of dividends and future dividends	Statutory information, page 120
Sub-para (14)	Agreements with controlling shareholders	Not applicable.

Articles of Association (Articles)

The Articles may only be amended by a special resolution at a general meeting of the shareholders. The Articles are available on our website at www.ipfin.co.uk or direct from Companies House, UK.

Appointment and replacement of directors

The Articles provide that the Company may, by ordinary resolution at a general meeting, appoint any person to act as a director, provided that written notice is given of the intention to propose such person and that the Company receives written confirmation of that person's willingness to act as director if he or she has not been recommended by the Board. The Articles also empower the Board to appoint as a director any person who is willing to act as such. The maximum number of directors under the Articles is fifteen.

The Articles provide that, at every annual general meeting, the following directors must retire: (i) any director appointed by the Board since the Company's previous annual general meeting; (ii) any director who has held office at the time of the Company's two preceding annual general meetings and who did not retire at either of them; and (iii) any director who has held office with the Company (other than employment or executive office) for a continuous period of nine years or more at the date of the meeting.

The Articles further provide that the Company may, in addition to any powers of removal conferred by law, by special resolution remove any director before the expiration of his or her period of office. The Articles also set out the circumstances in which a director shall vacate office.

Commitment

The Chair and the non-executive directors should have sufficient time to fulfil their duties, and directors' other commitments are kept under review to ensure that they have sufficient time to dedicate to the business.

As part of our annual review of responsibilities, the Nominations and Governance Committee considered the time non-executive directors are required to give to their roles. The Committee was satisfied that each director continues to contribute the time required to fulfil their duties to the Company and its shareholders. Based upon the evaluation of the Board, its Committees and the continued effective performance of individual directors, the Nominations and Governance Committee reported to the Board that, in the Committee's view, each of the individuals putting themselves forward for re-election met the required standard for their appointment to be recommended at the 2025 AGM.

In line with the Code, non-executive directors are required to seek Board approval prior to taking on any additional appointments following recommendation from the Nominations and Governance Committee. Further details on additional appointments can be found on page 92. In reviewing such appointments, the Committee considers the total time commitment which an additional appointment would create and whether the proposed appointment would create a conflict of interest.

Development

The Board recognises the importance of ongoing training for the directors. As well as a dedicated annual Board training session, all directors are given the opportunity to update their skills and knowledge on a regular basis and new directors are provided with a tailored induction programme. The non-executive directors also undertake to keep themselves briefed and informed about current issues and to deepen their understanding of the business. Any individual development needs are discussed with the directors on an ad-hoc basis and at their annual performance evaluation. Board training received during the year included:

- an overview of DORA;
- a cyber security briefing; and
- a refresh on the UK Market Abuse Regulation.

As part of the annual Board calendar, at least one Board meeting is held in one of the Group's operating markets. The October Board meeting was held at the Provident Polska offices in Warsaw. During this market visit, the Board received in-depth presentations on new Group products, new customer technology platforms and the evolving customer demographic.

All directors are able to consult with the Company Secretary, who also updates the Board on corporate governance developments. The appointment and removal of the Company Secretary is a matter for the Board. The Company Secretary acts as Secretary to the Board and its Committees. Any director may take independent professional advice at the Company's expense relating to the performance of their duties in line with the access to independent advice policy overseen by the Nominations and Governance Committee.

If directors have concerns about the running of the Company, which cannot be resolved, their concerns are recorded in the Board minutes. No such concerns were raised during the period under review.

Effectiveness review

Towards the end of 2024, an effectiveness assessment of the performance of the Board, its Committees and the directors was carried out. The Board directors and Committee attendees completed a questionnaire, the results of which were anonymised, collated, reviewed and presented for discussion at the February 2025 Board meeting. An analysis of compliance with the Matters Reserved to the Board and Terms of Reference was also completed as part of the effectiveness review. Further details on the Board effectiveness review process and the principal outcomes of the review can be found in the Nominations and Governance Committee report on page 93.

Election or re-election of directors

All directors are subject to election or re-election at the AGM, in accordance with the Code. All directors, with the exception of Deborah Davis, will seek re-election at our AGM on 1 May 2025. Details of the directors can be found on pages 80 to 81.

Shares in issue

As at 31 December 2024, the issued share capital was 224,610,034 ordinary shares of 10 pence each of which 7,171,274 were held as treasury shares for the purpose of satisfying options under the Group's share option plans. Details of share capital are shown in note 29 to the Financial Statements.

Share class rights

The share class rights, which are set out in the Company's Articles, are summarised as follows. The ordinary shares are listed on the London Stock Exchange.

Restrictions on shareholders' rights

Any share may have rights attached to it as the Company may decide by ordinary resolution or the Board may decide, if no such resolution has been passed. Such rights and restrictions shall apply to the relevant shares as if the same were set out in the Articles.

Restrictions on transfer of shares and limitations on holdings

There are no restrictions on the transfer or limitations on the holding of ordinary shares other than under the Articles or under restrictions imposed by law or regulation. The Articles set out the directors' rights of refusal to effect a transfer of any share.

Authority to purchase own shares

At the 2024 AGM, we received shareholder authority to buy back up to 22,414,959 of the Company's shares until the earlier of the conclusion of the 2025 AGM or 30 June 2025. Shares purchased can be cancelled or held in treasury. During the year, the Company bought back a total of 9,634,403 under this authority. A further authority to purchase our own shares will be sought at the 2025 AGM.

Authority to issue shares

At the 2024 AGM, an ordinary resolution was passed authorising the directors to issue new shares up to an aggregate nominal amount of £7,471,653, representing approximately one third of the issued share capital of the Company (excluding treasury shares) and allot further new shares in the case of a rights issue only up to an aggregate nominal amount of £7,417,653 representing approximately a further one third of the issued share capital. Further special resolutions were passed to effect a disapplication of pre-emption rights in certain circumstances.

Resolutions to renew these authorities will be proposed at the 2025 AGM. Further details can be found in the separate notice of meeting.

Interest in voting rights

As at 31 December 2024, we had been notified, pursuant to DTR 5.1.2, of the following interests in voting rights in our issued share capital. The information provided below was correct at the date of notification; however, the date of receipt may not have been within the current financial year. It should be noted that these holdings are likely to have changed since the Company was notified. A notification of any change is not required until the next notifiable threshold is crossed.

Name	Date notified	% of issued share capital[1]
Aberforth Partners LLP	21/12/2023	13.61
Aberforth Partners LLP	04/09/2024	12.94
Aberforth Partners LLP	14/10/2024	11.91
Aberforth Partners LLP	23/10/2024	10.71
abrdn plc	17/11/2023	10.00
abrdn plc	30/12/2024	5.20
Marathon Asset Management Limited	23/08/2021	8.41
Marathon Asset Management Limited	25/09/2024	4.88
Schroder Investment Mgt/Schroders plc	08/09/2022	7.36
Pendal Group Limited	27/02/2022	6.20
FMR LLC	10/01/2018	5.28
Janus Henderson Group plc	24/03/2023	5.20
Artemis Investment Management LLP	12/10/2021	5.04
BNP Paribas Investment Partners	08/07/2015	3.02
Mr Hendrik Marius van Heyst	09/11/2020	3.02
Perpetual Limited	20/08/2024	4.97
Perpetual Limited	20/09/2024	5.04
Old Mutual Asset Managers (UK) LTD	12/04/2010	4.88
Blackrock Inc.	16/07/2009	4.54

1. The percentage of issued share capital in the table above is based on the Company's issued share capital at the point of notification.

We received one notification since the year end.

Janus Henderson Group plc	20/02/2025	4.95%

Voting rights

There are no restrictions on voting rights except as set out in the Articles. Electronic and paper proxy appointments, and voting instructions must be received by the Company's registrar not less than 48 hours before a general meeting (or such shorter time as the Board may determine) and the Board may exclude non-working days in its calculation. The Company is not permitted to exercise any right in respect of treasury shares, including any right to attend or vote at meetings.

Variation of rights

This covers the rights attached to any class of shares that from time to time may be varied either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

Directors

Details of all persons who were directors of the Company at any time during the financial year can be found on pages 80 to 81.

Indemnities

Our Articles permit us to indemnify our directors (or those of any associated company) in accordance with the Act. However, no qualifying indemnity provisions were in force in 2024 or at any time up to the date of this report. We have appropriate directors' and officers' liability insurance and this was in force when the Directors' Report was approved.

Directors' conflicts of interest

To take account of the Act, the directors adopted a policy on conflicts of interest and established a register of conflicts. The directors consider that these procedures have operated effectively in 2024 and up to the date of this report.

Powers and proceedings of directors

The directors are responsible for the management of the Company and may exercise all the powers of the Company, subject to the provisions of the relevant statutes and the Articles. The Articles contain specific provisions and restrictions regarding the following: the Company's powers to borrow money; provisions relating to the appointment of directors (subject to subsequent shareholder approval); and delegation of powers to a director or Committees. They also provide that, subject to certain exceptions, a director shall not vote on or be counted in a quorum in relation to any resolution of the Board in respect of any contract in which they have an interest which they know is material.

Agreements on change of control

We do not have any agreements with any director or employee that would provide compensation for loss of office or employment resulting from a takeover.

We are not party to any significant agreements that would take effect, alter or terminate upon a change of control following a takeover bid, apart from:

- our bank facility agreements, which provide for a negotiation period following a change of control and the ability of a lender to cancel its commitment and for outstanding amounts to become due and payable;
- our Euro Medium Term Note[1] programme, which entitles any holder of a note to require us to redeem such holder's notes if there is a change of control[2] and, following such change of control, the notes are downgraded or a specific rating cannot be obtained (as applicable); and
- provisions in our equity share incentive plans may cause awards granted to directors and employees to vest on a takeover.

Related party transactions

Related party transactions are set out in note 33 to the Financial Statements.

Financial instruments

Details of the Group's financial instruments are set out in note 22 to the Financial Statements. The information in note 22 is incorporated by reference into, and forms part of, this Directors' Report.

Dividends

A final dividend of 8.0 pence per share has been proposed bringing the full-year dividend to 11.4 pence per share. Subject to approval by shareholders at the 2025 AGM, the final dividend will be payable on 12 May 2025 to shareholders on the register of members on 11 April 2025. The shares will be marked ex-dividend on 10 April 2025 and the deadline to elect for the Dividend Reinvestment Plan (DRIP) is 17 April 2025.

Branches

The Company has a UK branch (registered number: BR021979) of its Irish subsidiary, IPF Management Unlimited Company (registered number: FC036891). Further information on the Company's subsidiaries can be found in note 13.

Employee benefit trust

We operate a Jersey-resident employee benefit trust with an independent trustee, Apex Financial Services (Trust Company) Limited, to hold shares on behalf of employees pending entitlement to them under our equity share incentive plans. All withdrawals from the trust to UK resident employees are subject to employee income tax and social security on vesting. As at 31 December 2024, the trustees held 559,701 shares in International Personal Finance plc. The trust waives its dividend entitlement and abstains from voting at general meetings. Any shares to be acquired through our share plans do not have special rights and rank pari passu with the shares already in issue.

Employee equity incentive plans

UK eligible employees are able to participate in our equity share incentive plans, details of which are shown below.

Awards granted to the executive directors in 2024 are set out in the Directors' Remuneration Report on pages 115 to 116.

Plan	Abbreviated name	Eligible participants
The IPF Deferred Share Plan	DSP	Executive directors and senior managers
The International Personal Finance plc Approved Company Share Option Plan	CSOP	Executive directors and senior managers
The IPF Performance Share Plan	PSP	Executive directors and senior managers
The IPF Save As You Earn Plan	SAYE	Executive directors and UK employees
The International Personal Finance plc Discretionary Award Plan	DAP	Employees other than executive directors
The International Personal Finance plc Restricted Share Plan	RSP	Executive directors and senior managers

Details of outstanding awards are included in note 28 to the Financial Statements.

External oversight

The Group's activities in Mexico are subject to general trade licences and under the supervision of the Consumer Protection Agency.

Our other operations in Europe and Australia are subject to certain licensing provisions or supervision by a financial authority as detailed below.

European home credit

Czech Republic – operates under the supervision of the Czech National Bank and subject to an operating licence issued by the Czech National Bank.

Hungary – operates under the supervision of the National Bank of Hungary and subject to an operating licence issued by the Hungarian National Bank.

Poland – (i) as a loan institution: registered in the special registry of the Komisja Nadzoru Finansowego (KNF), the Polish Financial Supervision Authority, and operating under the supervision of this body; and (ii) as a payment institution: licensed and registered in the Full Payment Institutions Register of the KNF.

Romania – (i) as a non-banking financial institution: holding a lending licence and registered in the Special Registry of Credit Providers maintained and subject to supervision by the National Bank of Romania; and (ii) as an insurance intermediary: overseen by the Romanian Financial Supervisory Authority.

IPF Digital

Australia – holds a credit licence issued by the Australia Securities and Investment Commission.

Estonia – holds an e-money licence and creditor licence issued by the Estonian Financial Supervision Authority.

Finland – in a register of credit providers maintained by the Finnish Financial Supervision Authority.

Latvia – operates under a licence from the Consumer Rights Protection Centre.

Lithuania – in a register of credit providers maintained by the Bank of Lithuania.

Poland – registered in the special register of Loan Institutions maintained by the KNF, and supervised in relation to loans by the KNF; registered in the Payment Institutions register kept and supervised by the KNF.

Budgetary process and financial reporting

The Board approves annually a detailed budget for the year ahead. Actual performance against budget is monitored regularly and reported monthly for review by the Board. The Board requires the Group's subsidiaries to operate in accordance with corporate policies.

The Financial Statements for the Group are prepared by aggregating submissions from each statutory entity. Prior to submission to the Group finance reporting team, each country submission is reviewed and approved by the finance director of the relevant business. When the submissions have been aggregated and consolidation adjustments made to remove inter-company transactions, the consolidated result is reviewed by the Group Financial Controller and the Chief Financial Officer. The results are compared with the budget and prior year figures, and any significant variances are explained. Checklists are completed by each statutory entity and by the Group finance reporting team to confirm that all required controls, such as key reconciliations, have been performed and reviewed.

The Financial Statements, which are agreed directly to the consolidation of the Group results, are prepared by the Group finance reporting team and reviewed by the Group Financial Controller and the Chief Financial Officer. The supporting notes to the Financial Statements are prepared by aggregating submission templates from each market and combining them with central information where applicable. The Financial Statements and all supporting notes are reviewed, approved and signed by the Chief Financial Officer. For further details on our risk and internal control processes, see page 97.

Research and development activities

In accordance with The Accounts Regulations (Sch 7, para 7(1)(c)) and DTR 4.1.11 the Company undertakes certain research and development activities, including the development of strategic planning, exploring opportunities for expansion into new geographic markets and M&A activity, as well as the consideration of product and IT development and reviewing competitor analysis.

1. The Euro Medium Term Note programme was established in 2010. The following notes (listed on the London or Euronext Dublin stock exchanges) have been issued under the programme and are outstanding as at the date of this report: €66.652m with a 2025 maturity and a 9.75% coupon; £80m with a 2027 maturity and a 12.00% coupon; PLN72m with a 2026 maturity and a coupon of six-month WIBOR plus a margin of 8.50%; €11.6m with a 2026 maturity and a 11.50% coupon; and €341m with a 2029 maturity and a 10.75% coupon.
2. This provision is not applicable to the €11.6m notes with a 2026 maturity and a 11.50% coupon.

Directors' responsibilities

Annual Report and Financial Statements

International Personal Finance plc presents its Annual Report and Financial Statements and its consolidated Annual Report and Financial Statements as a single Annual Report.

Directors' responsibilities in relation to the Financial Statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the Group Financial Statements in accordance with United Kingdom adopted International Accounting Standards (UKIAS) and Article 4 of the International Accounting Standard (IAS) Regulation and have also chosen to prepare the Parent Company Financial Statements under UKIASs. Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing these Financial Statements, IAS 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UKIASs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post-balance sheet events and future developments

There are no post-balance sheet events. Information on indications of future developments is provided in the Strategic Report.

Responsibility statement under the Disclosure and Transparency Rules

Each of the persons who is a director at the date of approval of this report (and whose name and function is set out on pages 80 and 81) confirms to the best of his/her knowledge that:

- the Financial Statements, prepared in accordance with UKIASs, give a true and fair view of the assets, liabilities, financial position and profit/loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report and Directors' Report contained in this report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Report review process for the Annual Report

The Board came to this view following a rigorous review process throughout the production schedule. The statements are drafted by appropriate members of the reporting and leadership teams and co-ordinated by the Investor Relations Manager to ensure consistency. A series of planned reviews is undertaken by the reporting team, leadership team and executive directors. In advance of final consideration by the Board, they are reviewed by the Audit and Risk Committee.

Disclosure of information to the auditor

In the case of each person who is a director at the date of this report, it is confirmed that, so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern and viability statement

The Board statement on its adoption of the going concern basis in preparing these Financial Statements and the viability statement concerning the assessment of the Company's long-term prospects are given on pages 37 and 43.

The Board's review of the system of internal control

The Board is responsible for the Group's overall approach to risk management and internal control and, on the advice of the Audit and Risk Committee, has reviewed the Group's risk management and internal controls systems for the period 1 January 2024 to the date of this Annual Report and Financial Statements, and is satisfied that they are effective.

By order of the Board

Tom Crane
Company Secretary

26 February 2025

CSRD Statement for International Personal Finance plc for the year ended 31 December 2024

Introduction

The Corporate Sustainability Reporting Directive (CSRD) is an EU regulatory framework designed to improve the consistency and transparency of sustainability reporting, which came into effect for IPF plc from the 2024 financial year. Under the CSRD, we disclose sustainability information in alignment with defined standards that cover a broad spectrum of sustainability-related topics. These standards ensure consistency and comparability across industries and companies. A fundamental aspect of the CSRD is the Double Materiality Assessment (DMA), which requires us to evaluate sustainability matters that are significant both to our business and across our value chain.

Our CSRD Statement aligns with the CSRD and the requirements set out in the European Sustainability Reporting Standards (ESRS).

Looking ahead, the scope of CSRD disclosure requirements are expected to change given the EU's announcements in Q4 2024 that it is reviewing the scope of key sustainability laws including the CSRD, the EU Taxonomy and the Corporate Sustainability Due Diligence Directive (CSDDD). We will continue to work to review and comply with these evolving reporting requirements.

i. General disclosures

This CSRD Statement for IPF plc has been prepared on a consolidated basis with the same scope as the financial statements. They cover the parent company, IPF plc and subsidiaries controlled directly or indirectly by IPF plc. The CSRD Statement covers the main value chain of IPF plc, including the impacts, risks and opportunities (IROs) in our upstream, downstream and own operations.

The Group confirms that, during the reporting period, no information has been omitted from the CSRD Statement due to concerns regarding intellectual property, know-how, or the results of innovation. The Group confirms it has not utilised the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in Article 29a(3) of Directive 2013/34/EU.

We report on disclosures in relation to specific circumstances alongside the relevant disclosures. None of the metrics and monetary amounts disclosed in this CSRD Statement are subject to a high level of estimation uncertainty.

The disclosures in this CSRD Statement have been expanded significantly to comply with the requirements of the CSRD.

ii. Governance disclosures

The Group Board – The Board of Directors comprises seven directors, made up of two executive directors and five non-executive directors, who are elected annually at the Annual General Meeting by the Group's shareholders, in line with the Company's Articles of Association. Four of the five non-executive directors (57% of the Board in total) are considered independent, according to the provisions of the UK Corporate Governance Code. The Chair was assessed as independent on appointment. The Group Board holds the highest level of responsibility for overseeing the Group's sustainability strategy and our management of material IROs. The Board provides strategic direction on sustainability matters, including reviewing and approving the annual plan for this area, approving various sustainability-related policies and reviewing public disclosures made by the Group concerning sustainability. The Group confirms that, during the current reporting period, there are no employees or other workers serving as representatives on the Board of Directors. As at 31 December 2024, the Board's gender diversity calculated as an average ratio of female to male Board members equated to 0.75.

Committees of the Board support the Board of Directors by overseeing specific areas in line with corporate governance requirements. The responsibilities of each Committee are formalised in separate Committee Terms of Reference documents, which are reviewed and, if deemed necessary, updated and approved by the Board of Directors annually. The Terms of Reference for each Committee are available on our website at www.ipfin.co.uk. Members of the Board Committees, including the Chair, are appointed by the Board of Directors from its own members. Specific Board Committees which operated in 2024 were:

- **Audit and Risk Committee:** Responsible for the oversight of financial, sustainability, and statutory audit matters, internal control and risk management, including business conduct and probity, whistleblowing procedures, and related matters. Tasks include supervision of the external auditor's independence and the procedure for the election of an external auditor and overseeing sustainability related disclosures. The Committee ensures that sustainability risks, including those related to climate change and regulatory compliance, are managed and effectively reported.
- **Remuneration Committee:** Responsible for determining executive remuneration, reviewing the Remuneration Policy and ensuring compliance with it, overseeing incentive programmes including alignment with sustainability commitments when relevant; overseeing pension retirement schemes for the Executive Management and preparation of the Directors' Remuneration Report.
- **Nominations and Governance Committee:** Responsible for effective Board governance arrangements, the composition of the Board of Directors and Executive Management.

Details of the membership of each of these Committees are set out on pages 80 to 81 of the Annual Report.

The members of the Board possess substantial experience in financial services, governance, and risk management. For more detailed information on the expertise of Group Board members, please refer to pages 80 and 81 of the Corporate Governance Report. Specific sustainability-related knowledge includes:

Stuart Sinclair, Chair – Previously a member of Lloyd's Banking Group's Responsible Business Committee which oversaw sustainability and responsible business practices at this UK bank. As chair of Willis Ltd Stuart participated in its cross-functional Climate Resilience Hub, which helped clients assess then mitigate the risks they face from climate change.

Katrina Cliffe, Senior Independent Director – As a non-executive director of DCC PLC, Katrina oversees a range of sustainability related matters relating to this company's clean energy activities.

Aileen Wallace, Non-Executive Director – Experience of chairing Board Committees where a wide range of external environmental, colleague and wellbeing matters are covered. Extensive experience in executive and non-executive roles on enabling green financing options.

Gerard Ryan, Chief Executive Officer – Overseen the launch of programmes aimed at improving employee health, safety and career development and driving a purpose-led business.

Gary Thompson, Chief Financial Officer – Overseen supplier sustainability programmes and enhanced the quality and frequency of ESG-related financial disclosures, aligning reporting with recognised frameworks and standards.

Deborah Davis, Non-Executive Director – As a non-executive director of Lloyds Banking Group/Scottish Widows and member of the Investment Committee her role includes oversight of the Responsible Investment Strategy of the insurance activities of the Group.

Richard Holmes, Non-Executive Director – Richard's role as chair of the Audit & Risk Committee of the Group means he oversees the development and reporting of sustainability and climate related matters on behalf of the Board.

The Nominations and Governance Committee assists the Board of Directors in determining if appropriate strategic, sector-specific, sustainability and other necessary skills and expertise are available within the Board of Directors and the Executive Management. The Committee must ensure that all candidates for membership of the Board of Directors fulfil stakeholder expectations and have the right skills, including relevant sustainability and business conduct expertise. The Board of Directors evaluates the competencies, diversity, knowledge, and experience of the individual members of the Board of Directors and the Executive Management annually, which is a key input to recruitment decisions. The Board also undertakes periodic training, which includes sustainability-related matters. In 2024 the Board and its Committees reviewed a number of items relevant to its material IROs including the HR strategy and a customer update from the Chief Marketing Officer.

While our Board members bring diverse professional experience, including areas such as finance and risk management, specific sustainability expertise has not been an explicit consideration in recruitment. Our current focus areas align with our identified material IROs – access to financial services and our workforce, and the required support on sustainability-related matters is provided to the Board as required. We will continue to assess our needs and make adjustments as appropriate.

The Executive Management is made up of 15 individuals reporting to the Chief Executive Officer. 86.7% of these individuals are male and 13.3% are female. Their purpose is to undertake day-to-day management in a way which aligns with the overall strategic direction set by the Board of Directors. Their tasks include ensuring compliance with various Board-approved policies and applicable regulatory requirements, decision-making on resource allocation, and ensuring sustainability and business conduct align with our long-term plans. The division of responsibility between the Executive Management and the Board of Directors is set out in the Matters Reserved to the Board document, which is approved by the Board annually.

Responsibility for the oversight of IROs is embedded within the roles of the Board and the Board Committees, particularly the Audit and Risk Committee. Business conduct policies, including our Code of Ethics, are reviewed and approved annually by the Board of Directors. The following depicts management's role in the control and management of IROs by outlining their reporting lines to the administrative, management, and supervisory bodies, and their integration with other internal functions.

Group Sustainability – The primary function within management responsible for the identification, management, and communication of our IROs. They ensure compliance through the establishment of appropriate procedures for sustainability data collection. They ensure legal compliance with all sustainability matters from a reporting perspective, relevant sustainability standards and regulatory requirements. Disclosures on environmental matters, upstream and downstream value chain social matters, and overarching sustainability topics are anchored within this area.

Group Legal – Provides counsel for the legal compliance of disclosures on sustainability matters from both a reporting perspective and in terms of relevant sustainability standards and legal requirements for specific matters. Disclosures of governance matters are the responsibility of Group Legal, which provides information on governance structures, policies, and procedures to Group Sustainability.

Group HR – Disclosures on social matters concerning our own workforce are anchored within Group HR, which reports data about our employees and social activities to Group Sustainability for DMA and reporting purposes.

Executive Management

The Chief Legal Officer is the individual within the Executive Management responsible for the disclosure and reporting of non-financial matters. Executive Management participates in discussions and use their knowledge and expertise to guide the Board of Directors and enable them to make informed decisions on sustainability matters. Final decisions on IROs are made by the Board of Directors.

The Board of Directors uses the results of the DMA to guide the setting of targets in relation to our material IROs whenever relevant. When targets are set, these are to be tracked using appropriate qualitative and quantitative indicators. Currently, we have not set Group-level targets other than emissions-related targets. The setting of emissions-related targets has been driven by UK regulation (i.e. TCFD), and targets relevant to material sustainability matters will be developed in time. We are considering how and where we will set strategic targets to accelerate both business strategy and sustainability performance further.

iii. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors and Board Committees are informed of sustainability matters by the Chief Legal Officer as required. In 2024, this meant the Board of Directors approved the Company's Sustainability Plan for 2024/2025 and received an interim update on progress. In relation to IROs, the DMA process was briefed to the Board of Directors in Q2 2024 and the results reviewed by Executive Management and the Board of Directors as part of strategic planning activities in Q4 2024. The Board of Directors considered matters relevant to material IROs during 2024, namely those in relation to Access to Financial Services and Working Conditions and Workers Rights.

iv. Integration of sustainability-related performance in incentive schemes

The incentive schemes provided to the Group's Executive Directors included sustainability-related matters in 2024. No other member of any administrative or management bodies at the Group are remunerated on the basis of incentive schemes linked to sustainability matters.

Full details of the Group Executive Directors' incentive schemes are detailed in the 2023 Remuneration Policy. Part of their remuneration includes an annual bonus scheme. For the Chief Executive Officer, the objectives in the annual bonus scheme are agreed by the Chair of the Board of Directors with input from the Remuneration Committee. The Chief Financial Officer's objectives are determined by the Chief Executive Officer. Performance is measured over the financial year and is assessed using the following criteria:

- typically 80% of total bonus opportunity is subject to achievement of financial measures; and
- typically 20% of the bonus opportunity is subject to achievement of personal objectives linked to achievement of Group strategy.

The personal objectives agreed for Group Executive Directors included a sustainability-related objective in 2024. This objective was not assessed against specific sustainability-related targets and/or impacts and sustainability-related performance metrics were not considered as performance benchmarks or included in the Group's Remuneration Policy. All decisions on performance outcomes for the Group Executive Directors are made by the Group Remuneration Committee.

v. Statement on Sustainability Due Diligence

The table below provides a mapping of the paragraphs that contain disclosures about our current sustainability due diligence performance.

Due diligence step	Description	Relevant section in CSRD Statement
Identification of sustainability risks and impacts	We assess actual and potential adverse sustainability impacts across our operations and value chain.	Materiality Assessment and Risk Management (ESRS 2 GOV-5, SBM-3) pages 133 to 134
Integration into policies and procedures	Sustainability risks and due diligence are embedded in company policies, including human rights, sustainability, and Code of Conduct policies.	Sustainability Governance and Policies (ESRS 2 GOV-1, GOV-2, GOV-3) pages 123 to 124 and 141 to 143
Stakeholder engagement	We engage with stakeholders, including employees, suppliers, communities, and investors, to identify and address sustainability concerns.	Stakeholder Engagement (ESRS 2 SBM-2, SBM-3) pages 129 to 131
Grievance and remediation mechanisms	We provide reporting channels for sustainability-related concerns and have mechanisms to address grievances.	Whistleblowing and Remediation (ESRS S1-3) pages 144 to 145
Reporting and transparency	We disclose sustainability-related risks, impacts, and mitigation strategies in alignment with regulatory requirements.	Sustainability Reporting and Assurance (ESRS 2 BP-2, BP-3) pages 131 to 133

vi. Risk management and internal controls over sustainability reporting

The Group's risk management and internal control system in relation to the sustainability reporting process can be summarised as follows:

Board and Committee oversight

- The Group Audit and Risk Committee's responsibilities include oversight of the Group's sustainability reporting.
- The Chief Legal Officer, who attends Board meetings and Group Audit and Risk Committee, is accountable for sustainability reporting.
- The oversight of this process is managed by the Responsible Business Framework Steering Group, which is composed of key functions including Investor Relations, Sustainability, Risk, Legal, Procurement and HR.

Defined responsibilities

- The Sustainability Function oversees the collation of information from different business units.
- Each business unit which is required to provide sustainability-related information must nominate a Sustainability Reporting Officer to ensure consistent data collection.

Integration into reporting and decision making

- Sustainability performance is reported quarterly to the Board of Directors through the provision of a dedicated ESG management information pack.

Stakeholder engagement

- Formal stakeholder consultation (customers, colleagues, suppliers, investors, NGOs) to identify sustainability risks and opportunities.
- Sustainability risks and opportunities are an input to the strategic planning process undertaken by Executive Management and the Board of Directors.

There is no specific risk prioritisation methodology used by the Group. The following risks have been identified as relevant to the Group's sustainability reporting following internal discussions:

- Data quality and accuracy: Ensuring that sustainability metrics and disclosures are accurate, reliable, and based on verifiable data.
- Regulatory compliance: Monitoring compliance with evolving sustainability regulations and standards, such as ESRS requirements, to avoid legal and financial penalties.

The potential for creating specific mitigation plans for these risks will be assessed in 2025 but currently there are no such plans in place to address these matters. The Group does not integrate the findings of its risk assessment and internal controls for the sustainability reporting process into its internal functions and processes, and there are no plans to implement such integration. Our sustainability reporting and risk management processes remain distinct.

vii. Strategy, business model and value chain

a. Products and services offered

Our products and services are tailored to meet our customers' needs and different credit profiles and preferences. In 2024 we offered the following products:

Product	Estonia	Latvia	Lithuania	Mexico	Australia	Poland	Romania	Hungary	Czech Republic
Home credit instalment loans: Small-sum loans with weekly personal service and an increasingly digital touch, provided in customers' homes by our customer representatives.				●		●	●	●	●
Hybrid loans: A unique blend of customer representative and digital channels for those who do not have a strong enough credit profile to get a fully digital offer.						●	●		
Credit card: A convenient way for customers to make in-store purchases, shop online, or access cash through their customer representative or ATMs.						●			
Retail credit: Partnering with retailers to provide instalment loans to customers, both in-store and online.				●			●		
Value-added services: A range of value-added products beyond credit including health and life insurance.	●	●	●	●		●	●	●	●
Digital instalment loans: Affordable, end-to-end digital service with terms from one month to three years and monthly repayments.			●			●	●		
Revolving credit line: Flexible access to money up to a preset limit and when customers pay down, more credit becomes available.	●	●	●	●	●				●
Mobile wallet: Account management and value-added services in the pocket of our customers.	●	●	●	●	●				

Our products are designed for millions of underserved consumers in a responsible way.

There were no significant changes to the Group's product, service offerings or customer groups served during the reporting period.

b. Employee headcount

Employees as at 31 December 2024 by geographic area:

Market	Number of Employees
Mexico	2,569
Poland	1,040
Hungary	2,150
Czech Republic	302
Romania	1,960
United Kingdom	126
Estonia	120
Lithuania	30
Latvia	34
Australia	20

c. Sustainability-related goals

The Group confirms that, at present, there are no specific sustainability-related goals in place for the following areas: significant groups of products and services, customer categories, geographical areas, or relationships with stakeholders. Our current strategy prioritises core business themes like profitable growth and customer satisfaction, with sustainability considerations such as our workforce and responsible lending integrated into our operations. While sustainability is not a primary driver, we monitor emerging trends and regulations, exploring training and data analysis to inform future strategic development. We regularly review our approach and will adapt as needed.

d. Disclosure of business model and value chain

Our business model is aimed at assisting underserved consumers access financial services and creating long-term value for the communities we serve. We have built a suite of products described above which are tailored to our customers' financial circumstances, needs and preferences, and we deliver them in a responsible way. In doing so we are increasing financial inclusion for millions of people. Our approach is built on sustainable funding, multi-channel distribution, and strong regulatory compliance.

We raise funds through diversified wholesale financing instruments, including Eurobonds, bilateral financing arrangements, and other capital market sources. These funds enable us to provide the range of tailored financial products we offer to consumers.

Our products are delivered through multiple channels to ensure accessibility and convenience. We are committed to responsible lending, ensuring that all credit is extended based on a customer's ability to repay. Our affordability assessments, transparent pricing, and ethical collection practices are designed to support long-term financial wellbeing. We operate within the legal and regulatory frameworks of each market, ensuring adherence to consumer protection laws, fair lending standards, and financial regulations.

We have identified the following inputs required by our business model and describe below how these are gathered, developed and secured:

1. Financial Capital:
   - **Description:** Funds used to make loans and operate our business.
   - **Sources:** Wholesale debt funding, equity investments.
   - **Approach to gathering:** Maintain relationships with banks and investors, develop compelling investment narratives, diversify funding sources.
   - **Approach to developing:** N/A (capital is not developed, but its availability is managed).
   - **Approach to securing:** Maintain strong financial performance, manage risk effectively, comply with regulations, build investor confidence.

2. Technology and data Infrastructure:
   - **Description:** Software, hardware, and data platforms used for loan origination, servicing, risk management, reporting and customer interactions.
   - **Sources:** Third-party vendors, in-house development.
   - **Approach to gathering:** Careful supplier selection, competitive bidding, staying up to date with technology trends.
   - **Approach to developing:** Invest in research and development, partner with technology companies, build internal expertise, prioritise cybersecurity.
   - **Approach to securing:** Implement robust cybersecurity measures, data encryption, access controls, regular security audits, compliance with data privacy regulations.

3. Human capital:
   - **Description:** Employees with expertise in lending, finance, technology, customer service, and risk management.
   - **Sources:** Recruitment, internal training.
   - **Approach to gathering:** Targeted recruitment strategies, competitive compensation and benefits, employer branding.
   - **Approach to developing:** Training programmes, leadership development, performance management systems.
   - **Approach to securing:** Positive work environment, competitive salaries, opportunities for growth, strong company culture, employee retention programs.

4. Customer data:
   - **Description:** Information about borrowers used for credit scoring, loan underwriting, and customer relationship management.
   - **Sources:** Loan applications, credit bureaus, third-party data providers (if applicable).
   - **Approach to gathering:** Transparent data collection practices, informed consent from borrowers, compliance with data privacy regulations.
   - **Approach to developing:** Data analytics and modelling to improve credit scoring and risk assessment.
   - **Approach to securing:** Strict data security measures, access controls, encryption, compliance with privacy regulations (e.g., GDPR).

5. Credit information:
- **Description:** Credit reports and scores from credit bureaus.
- **Sources:** Various credit bureaux.
- **Approach to gathering:** Establish relationships with credit bureaus, subscribe to their services.
- **Approach to developing:** N/A (credit information is not developed by lenders).
- **Approach to securing:** Secure data transmission and storage, compliance with credit reporting regulations.

6. Regulatory and legal expertise:
- **Description:** Knowledge and expertise in lending regulations, consumer protection laws, and other legal requirements.
- **Sources:** Internal legal team, external legal counsel, industry associations.
- **Approach to gathering:** Stay up to date with regulatory changes, engage with legal experts, participate in industry events.
- **Approach to developing:** Build internal compliance expertise, develop robust compliance programs.
- **Approach to securing:** Maintain strong compliance culture, regular audits, legal reviews of policies and procedures.

7. Brand and reputation:
- **Description:** The Group's image and reputation in the market.
- **Sources:** Customer reviews, media coverage, industry recognition.
- **Approach to gathering:** Monitor customer feedback, engage with media, participate in industry events.
- **Approach to developing:** Provide excellent customer service, build trust and transparency, engage in responsible lending practices.
- **Approach to securing:** Maintain ethical business practices, handle customer complaints effectively, communicate transparently.

We have identified the following outputs from our business, which we define as the direct products and services that we provided in 2024:

- **Loans disbursed:** The total value and volume of loans issued.
- **Number of customers served:** The number of borrowers the Group has provided loans to.
- **Loan portfolio size:** The total outstanding balance of all loans.

1. Customers:
Current benefits:

- **Access to credit:** Provide access to finance for various needs, principally to a customer segment which is not well served by other traditional lenders.
- **Convenient application and disbursement process:** Our customer representative model and online processes are designed to meet customer needs for convenience.
- **Flexible loan terms:** We offer a range of loan amounts, repayment schedules, and interest rate options to meet diverse needs.
- **Transparent pricing:** We clearly disclose all fees and interest rates upfront, ensuring no hidden costs.

Expected benefits:

- **Building credit history:** Responsible loan repayments can help customers build or improve their credit scores.
- **Achieving financial goals:** Our products enable customers to achieve their aspirations.

2. Investors:
Current benefits:

- **Financial returns:** The Group's financial performance, including dividends.
- **Portfolio diversification:** We provide investors with exposure to a range of diverse geographic markets.
- **Social impact:** Our focus on financial inclusion provides a positive social impact of any investment in the Group.

Expected Benefits:

- **Sustainable growth:** Project future growth and profitability, demonstrating the long-term value of their investment.
- **Strong risk management:** Highlight our risk assessment and mitigation strategies to assure investors of the safety of their investments.

3. Other Stakeholders
Employees:

- **Current benefits:** Job creation, competitive salaries and benefits, opportunities for professional development.
- **Expected benefits:** Career growth, a positive and inclusive work environment.

Communities:

- **Current benefits:** Increased economic activity, community development.
- **Expected benefits:** Increased access to financial services in underserved communities.

Regulators:

- **Current benefits:** Adherence to all applicable laws and regulations, transparent reporting.
- **Expected benefits:** Contribution to a stable and well-functioning financial system.

Our value chain

1. Upstream value chain
Our upstream value chain encompasses the resources and services we rely on to create and deliver our lending products. Key actors include:

- **Capital markets:** We secure funding through a range of wholesale funding arrangements. These relationships are crucial for ensuring the availability of capital for lending.
- **Technology providers:** We rely on third-party IT service providers, cloud infrastructure partners, and cybersecurity companies to maintain secure and scalable digital lending platforms.
- **Credit bureaus:** We subscribe to credit reporting services. Access to accurate credit information is fundamental to our underwriting process and responsible lending practices.
- **Third-party service providers:** We engage a range of suppliers for various services including collection of customer repayments, legal support, and marketing. These relationships allow us to scale our operations and access specialised expertise.
- **Insurance providers:** We contract with third-party insurers to provide value-added services, with the insurer underwriting the policy, managing claims and assuming risk.
- **Physical locations:** Our business operations are supported by a network of owned and leased physical locations, including corporate offices, branches and call centres, which are integral to delivering our financial products and services, with leasing arrangements managed through agreements with landlords and property management firms.

2. Our Operations
Our core operations involve:

- **Loan origination and underwriting:** We evaluate loan applications based on creditworthiness, income, and other factors, adhering to regulatory requirements and our internal risk appetite. This process includes automated scoring models and manual review.
- **Servicing:** We manage repayments, provide customer support, and handle enquiries. We strive to offer convenient payment options and clear communication throughout the loan lifecycle.
- **Risk management and compliance:** We continuously monitor loan performance, assess credit risk, and ensure compliance with all applicable laws and regulations.
- **Technology and data analytics:** We invest in technology to streamline processes, improve decision making, and enhance the customer experience. Data analytics plays a vital role in credit scoring, fraud detection, and portfolio management.

3. Downstream value chain
Our downstream value chain focuses on the delivery of our lending products to customers and the subsequent management of those loans. Key actors include:

- **Customers:** We provide financial products to a broad consumer base, supporting financial inclusion through responsible credit access.
- **Debt collection agencies (if applicable):** We partner with dedicated debt collection agencies to recover outstanding balances on delinquent accounts. We adhere to ethical and compliant collection practices.
- **Credit reporting agencies:** We report borrowers' payment history to credit bureaus, contributing to the credit ecosystem.
- **Customer representatives:** Our customer representatives originate and service personal loans directly with customers. They also provide an in-person service at the customer's home, ensuring accessibility and convenience.
- **Retail partners:** Our products include point-of-sale financing in both physical locations and online, provided in conjunction with retail partners, integrating financial solutions into everyday consumer transactions.

e. Interests and views of stakeholders

Detailed below is information on stakeholder engagement in 2024. More information can be found in the stakeholder engagement section of this Annual Report and Financial Statements on pages 46 to 47.

Stakeholder Group	Colleagues
Who are they?	Our colleagues working in full-time roles or as self-employed customer representatives.
How does engagement occur and how is it organised?	The HR Function has multiple touchpoints with colleagues throughout the entire employment life cycle, from recruitment and onboarding, to development, reward and recognition, performance management and exit. We also conduct specific engagement exercises regularly including our Global People Survey and pulse surveys, as well as more qualitative focus groups. We also conducted a DMA to understand their perspective on key sustainability topics.
What is the purpose of engagement?	To foster a motivated and productive workforce, gain insights into operational challenges, enhance workplace culture and ensure alignment between colleague needs and business objectives, ultimately driving long-term success.
How are the outcomes taken into account?	– Outputs from feedback mechanisms are reviewed by the HR Function at Group and market level. The results of surveys are reviewed by the Group Board of Directors and individual markets. – Feedback helps inform the People Strategy as well as decisions on remuneration and organisational design.
What are their views on the Group's strategy?	The DMA process involved engagement with employees and customer representatives in every market. The results of this exercise indicated the following five topics were of most interest (in descending order): Working conditions and workers' rights, health and safety, customer privacy, corporate culture and access to financial services.

Stakeholder Group	Customers
Who are they?	The individuals we provide finance, insurance and other value-added services to in each of our markets.
How does engagement occur and how is it organised?	Review of customer engagement and experience metrics, complaints and feedback from customer representatives. We also conduct a materiality assessment involving customers to understand their perspective on key sustainability topics.
What is the purpose of engagement?	To understand their needs, preferences, and challenges, ensuring that our products and services remain relevant, competitive, and aligned with market demands. This engagement also helps to build trust, enhance customer satisfaction, and drive long-term loyalty, ultimately contributing to business growth and brand reputation.
How are the outcomes taken into account?	Customer feedback is analysed to identify trends, improve products and services, and refine customer experience strategies, ensuring alignment with market expectations. These insights are then integrated into business decisions, product development, and service enhancements, driving customer satisfaction, retention, and long-term growth.
What are their views on the Group's strategy?	The DMA process involved engagement with customers in every market. The results of this exercise indicated the following five topics were of most interest (in descending order): Customer privacy, working conditions and workers' rights; health and safety; corruption, bribery and whistleblowers; and ethical marketing.

Stakeholder Group	Investors
Who are they?	The entities that fund IPF (equity and debt).
How does engagement occur and how is it organised?	The Head of Investor Relations and Group Treasurer coordinate an extensive programme of engagement with investors. The Chief Executive Officer and Chief Financial Officer have regular discussions, including formal presentations for the full and half-year results, where feedback from this group is provided. The Group's joint brokers and their sales teams together with our equity and debt advisors also engage with investors on behalf of IPF and provide insights into investor sentiment.
What is the purpose of engagement?	To build investor confidence and align business strategy with shareholder and other investor expectations. Regular engagement helps to secure long-term investment support and communicate financial performance, as well as address any concerns. We also conducted a materiality assessment process to understand their perspective on key sustainability topics.
How are the outcomes taken into account?	Feedback influences corporate governance, ESG initiatives, and long-term growth strategies, helping to balance shareholder expectations with sustainable business performance.
What are their views on the Group's strategy?	The DMA process involved engagement with a range of debt and equity investors. The results of this exercise indicated the following five topics were of most interest (in descending order): Access to financial services; working conditions and workers rights; corporate culture; customer privacy and health and safety.

Stakeholder Group	Suppliers
Who are they?	The organisations we do business with to help us deliver our products to our customers and support our colleagues.
How does engagement occur and how is it organised?	IPF runs regular supplier meetings and surveys, reviews specific supplier complaints when they arise, and works with key suppliers using supplier relationship management processes. These activities are led by the Procurement Function. In the event of a major disagreement, legal actions being threatened/commenced would be apparent. We also conducted a DMA in 2024 inviting suppliers representing all markets we operate in to contribute so as to understand their perspective on key sustainability topics.
What is the purpose of engagement?	We engage with our suppliers to ensure the reliability, quality, and sustainability of our supply chain. This engagement also helps to assess and mitigate risks, improve operational efficiency, assure data protection and increase ICT resilience and align procurement practices with ethical, regulatory, and sustainability standards.
How are the outcomes taken into account?	We use supplier engagement outcomes to adjust procurement strategies and ensuring compliance with quality, ethical, and sustainability standards. Insights from suppliers may lead to process improvements, contract adjustments, or collaborative initiatives that drive efficiency, innovation, and long-term partnership success.
What are their views on the Group's strategy?	The DMA process involved engagement with over 50 suppliers across all our markets. The results of this exercise indicated the following five topics were of most interest (in descending order). Working conditions and workers' rights; health and safety; customer privacy; managing suppliers effectively; and access to financial services.

Stakeholder Group	Community groups
Who are they?	The communities we impact through our operations, including the specific activities we undertake to enhance those communities we are part of.
How does engagement occur and how is it organised?	The Director of Corporate Affairs coordinates with market Corporate Affairs Directors to understand the perspective of community groups. Initiatives like the annual reputation tracker survey and financial wellbeing research provide a broader insight into this group. Local networks of NGOs and other social partners are a valuable source of information on issues impacting our customers and we also conduct a materiality assessment process to understand their perspective on key sustainability topics.
What is the purpose of engagement?	To understand local needs, foster positive social impact, and ensure our work with such groups is meaningful and effective.
How are the outcomes taken into account?	We use the outcomes of community engagement to assess the impact of community investment initiatives and adjusting programmes to better align with community needs. This may lead to refinements in funding allocation, new partnerships, or the expansion of successful initiatives.
What are their views on the Group's strategy?	The DMA process involved engagement with over 20 NGOs across all our markets. The results of this exercise indicated the following five topics were of most interest (in descending order): Access to financial services; working conditions and workers' rights; customer privacy; health and safety; and corporate culture.

Stakeholder Group	Regulators
Who are they?	The regulatory bodies or agencies that oversee and enforce rules and standards within the sector we operate to protect consumers, maintain market integrity, and ensure fair competition.
How does engagement occur and how is it organised?	The Director of Corporate Affairs coordinates with market Corporate Affairs Directors to understand the perspective of regulatory bodies.
What is the purpose of engagement?	To ensure compliance, build trust, contribute to informed policymaking, and foster a stable and predictable operating environment.
How are the outcomes taken into account?	The outcomes of ethical engagement with regulators is integrated into the Group's decision-making processes, including strategy, operations, and compliance programmes, to ensure alignment with regulatory expectations and promote responsible business practices.
What are their views on the Group's strategy?	This stakeholder group provides its views via a range of mechanisms to the Group. Overall, such feedback indicates that the Group is regarded as a reliable and important participant in is sector, recognising its adherence to established rules designed to protect consumers and maintain a healthy financial system.

The Board of Directors is updated on stakeholder feedback through (i) dedicated updates concerning key stakeholder groups delivered by members of Executive Management; (ii) receiving a dedicated stakeholder update twice annually which covers the impact of stakeholders on the Group and the decisions the Board of Directors has made impacting specific stakeholder groups; and (iii) each paper considered by the Board of Directors and Board Committees includes a section highlighting stakeholder impacts.

f. Material impacts, risks and opportunities and their interaction with strategy and business model

Material IROs relating to working conditions and workers' rights and access to financial services were identified as a result of the materiality assessment process. These material IROs relate to the core activities of our business model and primarily concentrated on our own operations. Due to the proximity of our material IROs to our business model, these IROs are being managed as part of our regular activities. One identified material IROs is covered by ESRS disclosure requirements, (Working Conditions and Workers Rights) and one (Access to Financial Services) is covered as an additional entity-specific disclosure.

Current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making

Working conditions and workers' rights

- **Material impacts:** The protection of workers' rights and the maintenance of favourable working conditions contribute to broader social well-being by promoting fair employment practices and economic stability. Ensuring ethical labour standards supports community development, reduces inequality, and strengthens industry-wide commitments to responsible business conduct.
- **Material risks:** Poor working conditions or violations of workers' rights could result in legal consequences, labour disputes and reputational damage. This may also lead to reduced workforce efficiency and increased colleague turnover.
- **Material opportunities:** By offering fair wages, and fostering a safe and inclusive workplace, the Group can enhance employee engagement and operational performance. Upholding high labour standards strengthens the Group's reputation as an employer of choice, thereby attracting and retaining talent.

- **Concentration assessment:** These material impacts are most concentrated within the Group's internal operations.
- **Current effects:** The prioritisation of workers' rights and working conditions has confirmed the Group's existing understanding of the importance of its approach to human resources.
- **Anticipated effects:** The Group anticipates that evolving its HR strategy will continue to drive talent attraction and retention, thereby improving productivity.
- **Impact on business model and value chain:** This topic impacts the internal operations of the Group directly and managing this effectively is crucial for the long-term success of the business.
- **Impact on strategy and decision making:** The Group has a Group-wide HR strategy in place which covers topics such as employee development and operational policies, and this will continue.
- **Response and planned actions:** No specific additional actions are planned as a result of this assessment.
- **Changes to strategy and business model:** No specific changes are envisaged.
- **Time horizon:** This topic impacts the Group in the short, medium and long term.
- **Potential negative impacts on people:** These could include poor working conditions, such as unsafe environments, unfair wages, or excessive working hours which can lead to physical and mental harm for colleagues. Our colleagues also include customer representatives who visit customers' homes to disburse loans and collect repayments. This activity raises specific health and safety risks for these colleagues, such as exposure to potentially unsafe environments or travel-related hazards. These risks are managed through appropriate safety protocols, training, and support mechanisms to ensure the wellbeing of those involved.
- **Potential positive impacts on people:** Ensuring favourable working conditions and upholding workers' rights supports colleague wellbeing, promotes a positive work environment, and enhances productivity.
- **Potential positive impacts on the environment:** There are no material positive impacts identified from this topic.
- **Potential negative impacts on the environment:** There are no material impacts identified from this topic.
- **Basis for involvement:** The Group is involved in this topic through its direct activities.

Access to financial services

- **Material impacts:** Ensuring access to financial services is crucial for promoting financial inclusion, particularly in underserved markets. As a provider of financial services, the Group plays an important role in bridging gaps in financial accessibility.
- **Material risks:** Limited access to financial services for certain populations can widen economic disparities and affect the Group's social license to operate negatively.
- **Material opportunities:** Expanding access to financial services offers significant growth opportunities by opening up new customer segments. This can also position the Group as a leader in promoting financial inclusion, improving both social outcomes and business sustainability.
- **Concentration assessment:** The impacts of financial inclusion efforts are concentrated predominantly in downstream operations, where the Group engages with customers.
- **Current effects:** The Group's purpose and strategy is aimed at improving access to financial services, particularly in underserved markets.
- **Anticipated effects:** The Group anticipates continuing to develop its approach to offering new products and channels mean greater demand for these services.
- **Impact on business model and value chain:** Expanding access to financial services impacts the Group's downstream operations, requiring adjustments to distribution channels. Additionally, upstream impacts will likely occur, given the Group will likely require greater engagement with various suppliers, particularly in the technology area.
- **Impact on strategy and decision making:** The Group's purpose has made financial inclusion a strategic priority, influencing decisions around product development, partnerships, and market expansion.
- **Response and planned actions:** No specific additional actions are planned as a result of this assessment.
- **Changes to strategy and business model:** No specific changes are envisaged.
- **Time horizon:** This topic impacts the Group in the short, medium and long term.
- **Potential negative impacts on people:** A lack of access to financial services affects low-income and underserved consumers disproportionately, limiting their ability to save, invest, or manage financial risks. This can perpetuate economic inequality and exclude certain populations from economic participation.
- **Potential positive impacts on people:** Expanding access to financial services empowers individuals, particularly in underserved communities, by providing them with the tools to manage their finances, and build financial resilience.
- **Potential positive impact on the environment:** Financial exclusion has a limited direct impact on the environment.
- **Potential negative impact on the environment:** Consumer loans may have indirect environmental impacts by enabling purchases that contribute to carbon emissions, resource depletion, and waste generation. However, as the Group does not track how customers use their loans, it cannot assess or measure the specific environmental effects of its lending activities. The process of originating, processing, and managing loans relies on digital infrastructure, data centres, and office energy use and customer representatives use motor vehicles to meet with customers in the Group's home credit businesses, which are all activities that contribute to emissions in the financial sector.
- **Basis of involvement:** The Group is involved in this topic through its direct activities.

The current financial effects of the identified material IROs are limited. The Group does not consider that the current financial effects of the material IROs identified above would impact its financial position, performance, or cash flows materially. Additionally, there are no significant risks that would require a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period.

The anticipated financial effects of the Group's material risks and opportunities will continue to be an important consideration in relation to its financial position, financial performance, or cash flows in the short, medium, or long term. These matters will remain a key focus for management and the Group Board of Directors, and will be assessed regularly through the strategic planning process to ensure appropriate risk mitigation and opportunity management. The Group does not anticipate any significant changes to its investment, disposal plans, or funding sources as a result of these impacts and will continue to evaluate their development as part of its ongoing business planning and governance framework.

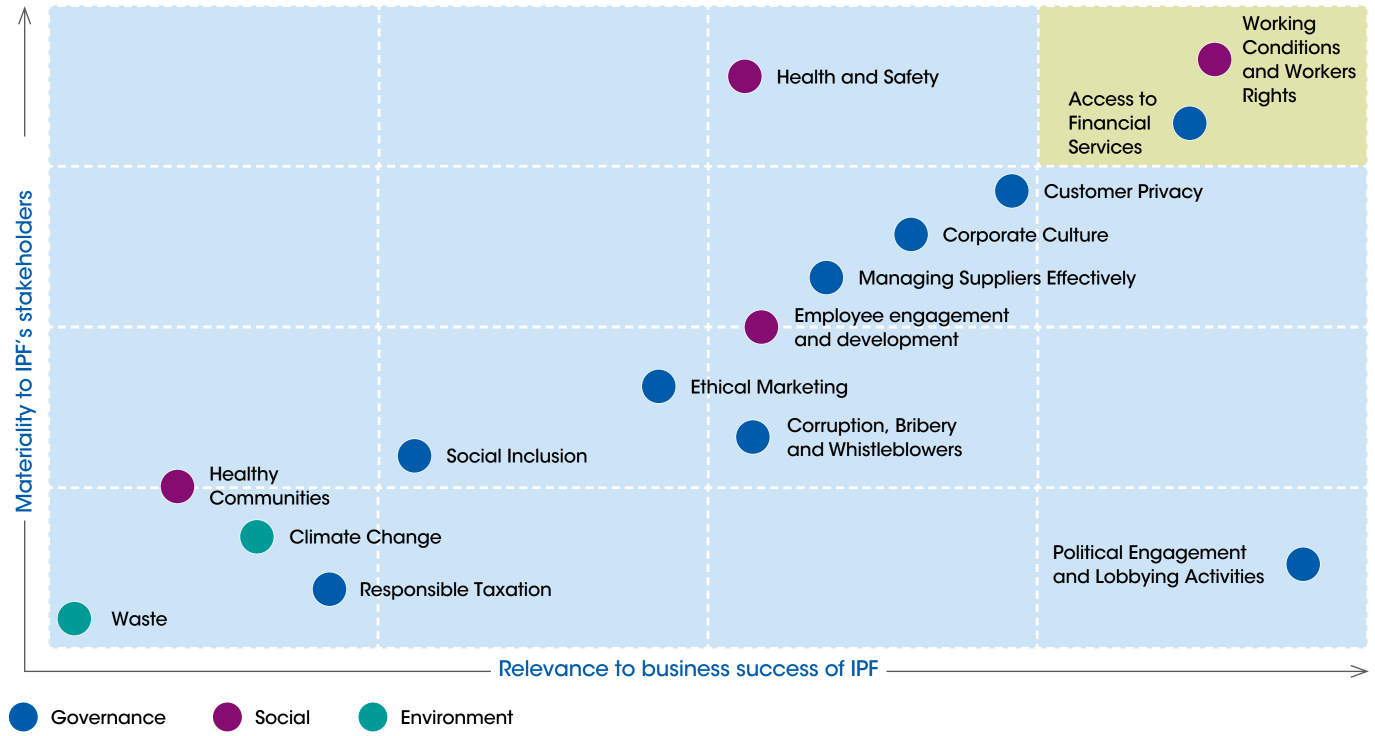
As our material IROs are related to our core business activities, our initiatives to improve opportunities and mitigate impacts and risks are embedded in already established governance structures. As a result, our resilience is deemed high within the time horizons applied in the CSRD. The resilience analysis is based on qualitative input by internal subject-matter experts, including an overall assessment of the mitigating factors in place across all IROs.

The Group has assessed the resilience of its strategy and business model regarding its capacity to address material IROs. Based on the current analysis, no material sustainability-related risks or opportunities have been identified that require strategic adjustments. The Group continues to monitor potential sustainability-related developments as part of its risk management and business planning processes, applying the different time horizons in accordance with ESRS 1.

For the current reporting period, as this is the first time the Group is disclosing in line with ESRS, there are no prior reporting cycles for comparison. The Group remains committed to ongoing assessment and will update its disclosures in future reporting periods should material IROs change.

g. Disclosures on the materiality assessment process

Processes to identify and assess material impacts, risks and opportunities



In 2023, we undertook a materiality assessment process for the first time and reported on this in our 2023 Annual Report and Financial Statements. In 2024, we undertook a DMA to map and gain a deeper understanding of our most material impacts in alignment with the requirements of ESRS 1 and 2. A DMA is a strategic and comprehensive approach to evaluate the IROs related to sustainability. The DMA determined one topic stemming from the ESRS (Working Conditions and Workers' Rights) and one self-identified topic (Access to Financial Services) to be material.

We sought to use methodologies and assumptions to ensure a comprehensive understanding of how sustainability issues affect both the Group and our broader stakeholders. When preparing our first disclosures under ESRS requirements, we looked to comprehensively assess all requirements on a datapoint-by-datapoint basis, considering the identified IROs, and mapping and preparing all material disclosure requirements. We also assessed data points that are not material, considering carefully the intent and contents of the requirement, the relevance to our business, and potential usefulness for users of our annual reporting.

The Group utilised a DMA process as the key methodology to identify material IROs. This method sought to evaluate both impact materiality (the effects of our business activities on the environment, society, and stakeholders) and financial materiality (the potential financial implications of sustainability factors on our business performance and value creation). We used a scoring system for the DMA process. For the impact assessment, we used a scoring system to evaluate the scale, scope, irremediability and likelihood of all sustainability matters. For financial materiality, the scoring system assessed the likelihood and potential magnitude of financial effects caused by a sustainability matter. In our DMA we considered the topics prescribed in ESRS 1 (Article 16) and other relevant topics when assessing IROs.

Thresholds were applied for both the financial and impact assessments. The financial thresholds were applied in the DMA process to assess financial risks and opportunities to ensure alignment with how risks are evaluated generally in relation to financial performance. For the impact assessment, internally-developed thresholds were applied, based on internal discussions. These thresholds helped evaluate and identify impacts to satisfy the needs of our stakeholders, including the readers of our CSRD Statement.

The development of the DMA methodology and the management of the DMA process was centralised to ensure consistency in the application of scores and thresholds, and also involved the use of external subject-matter experts. The process was overseen by the Responsible Business Framework Steering Group with the results reported to the Board of Directors.

The process described enabled appropriate focus on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts on the environment or people given the choice of topics. Through consulting with customers, suppliers, NGOs and investors the process sought to include consideration of the impacts which the Group is involved with through business relationships. Through consultation with colleagues the process sought to identify impacts arising from its own operations. The process included consultation with impacted stakeholders but not with external experts. The process sought to prioritise negative impacts based on severity and likelihood through questions asked of stakeholders.

Following our sustainability governance process, the Group Sustainability Function managed the DMA process in collaboration with internal subject-matter experts. The results of the DMA were discussed with the Responsible Business Framework Steering Group and the Responsible Business Framework Executive Steering Group before being reviewed by the Board of Directors.

The Group considers sustainability-related risks within its Enterprise Risk Management (ERM) framework, alongside other business risks. These risks are assessed using the Group's existing risk assessment tools and processes, alongside financial, operational, and regulatory risks, to support overall risk management. For more information on how the Group manages and assesses risks, including climate risk and other sustainability-related risks, see the Principal Risks and Uncertainties section of the Group's 2024 Annual Report and Financial Statements on pages 38 to 43.

The Group identifies, assesses, prioritises, and monitors risks and opportunities that may have financial effects through separate processes.

Risk identification and assessment:

Sustainability-related risks are considered as part of the Group's broader ERM framework, alongside financial, operational, and regulatory risks. The likelihood, magnitude, and nature of these risks are assessed using a qualitative approach, considering potential financial effects and business implications. The Group does not prioritise sustainability-related risks over other risk types; instead, it applies a common risk review process across all categories to ensure consistency in risk management.

Opportunity identification and assessment:

Opportunities are assessed through the strategic planning and budgeting process, which identifies areas for prioritisation based on business objectives and market conditions. This process does not include an explicit assessment of the connections between the Group's impacts and dependencies and the opportunities that may arise from them. The assessment of financial effects related to opportunities follows a qualitative approach, with decisions guided by broader strategic considerations.

The Group continues to monitor sustainability-related risks and opportunities as part of its existing governance and planning frameworks.

For our DMA, we used inputs provided by our stakeholders and covered all markets in which we operate. The assessment relied on both qualitative and quantitative data, including stakeholder feedback and internal discussions. No significant deviations or extraordinary assumptions were made beyond what is supported by the available data.

As noted above, the Group undertook its first materiality assessment process in 2023 and in 2024 it was further refined to reflect the requirements detailed in the ESRS for materiality assessments.

Processes to identify and assess material impacts, risks and opportunities – environmental topics

The Group has assessed its potential environmental IROs in accordance with ESRS E1–E5. These were assessed for materiality in the DMA process in the same way as for other topics as described above. This meant that a wide variety of potential topics relating to climate and the environment were on the initial "long list" of topics. Following discussions, the "Climate Change" and "Waste" topics were included on the shortlist of topics which were the subject of stakeholder consultation. In undertaking this assessment, the consideration was not only for the Group's own operations but also those of the Group's upstream and downstream value chain for these topics.

Based on this assessment, none of these topics have been identified as material to the Group's operations. Below are specific disclosures against each standard:

ESRS E1: Climate Change

The Group reviewed its potential contributions to and risks from climate change. This process included consideration of climate hazards and physical risks, consideration of transition risks and use of climate- related scenario analysis. The Group does not have direct operations with significant carbon emissions, energy consumption, or climate-related risks. As a service-based financial institution, its environmental impact is limited, and climate-related risks are not considered material at this time. The Group will continue to monitor regulatory developments and industry trends.

ESRS E2: Pollution

The Group does not engage in manufacturing, industrial processes, or other activities that generate air, water, or soil pollution. As a financial services provider, pollution-related risks and opportunities have not been identified as material. The Group's primary environmental footprint relates to office operations and digital infrastructure, which are not considered significant sources of pollution.

ESRS E3: Water and Marine Resources

The Group's business activities do not involve high water consumption, discharge of pollutants into water bodies, or dependency on marine resources. As such, the Group does not consider water and marine resource management to be a material issue.

ESRS E4: Biodiversity and Ecosystems

The Group has a limited geographic footprint and is focussed in urban areas. It does not operate in industries that directly impact biodiversity, land use, deforestation, or ecosystem degradation. Given that its primary activities involve financial services, biodiversity-related risks and opportunities are not considered material.

ESRS E5: Resource Use and Circular Economy

The Group operations do not involve significant material resource consumption, waste generation, or circular economy initiatives. As a financial institution, resource use is primarily related to digital services, office equipment, and IT infrastructure, which are not considered material in the context of circular economy principles.

h. Disclosure requirements in ESRS covered by the undertaking's CSRD Statement

The Group's DMA process included assessment of climate change related IROs. The feedback from all stakeholder groups involved in the process, both internal and external regarding climate change, indicated that this area was not considered to be a material IRO for our business. This assessment considered both our direct impacts and those arising potentially from our value chain.

Internal assessment of these results concurred with this conclusion based on the following factors:

- **Limited direct emissions:** Our operational footprint, primarily related to vehicle emissions, office premises and data centres, generates limited greenhouse gas emissions. We do not engage in manufacturing, transportation, or other activities typically associated with significant direct emissions.
- **Limited exposure to financed emissions:** Our core business involves providing consumer loans and credit cards. While we acknowledge the broader societal impact of consumer spending, our financing activities do not involve large-scale projects directly or industries with high carbon footprints (e.g., fossil fuel extraction, heavy industry). Furthermore, currently accepted methodologies do not allow for a reliable and meaningful allocation of Scope 3 financed emissions to the type of lending we undertake. We are monitoring the development of such methodologies and will reassess this aspect of our DMA as they evolve.
- **Physical risk assessment:** We commissioned an independent, specialist modelling company to conduct a comprehensive assessment of physical climate change risks to our global premises over different time horizons. This assessment considered various climate change scenarios and potential impacts, including extreme weather events. The results of this assessment indicated that, based on current projections, we do not face significant physical climate-related risks to our operations in the short and medium term.

Forward-looking analysis:

While climate change is not currently considered material, we recognise that the situation may evolve. We will continue to monitor the following factors, which could lead us to reassess the materiality of climate change in the future:

- **Development of Scope 3 methodologies:** As methodologies for measuring financed emissions related to consumer lending improve, we will re-evaluate the feasibility and relevance of including such emissions in our assessment.
- **Changes in regulatory landscape:** Evolving regulations related to climate change reporting and financial disclosures could necessitate a reassessment of materiality.
- **Shifts in consumer behaviour:** Significant changes in consumer preferences towards more sustainable products and services could impact our business and require us to adapt our lending practices.
- **Advances in climate science:** Updated climate projections and risk assessments could reveal greater physical risks to our operations or the broader economy, thereby impacting our business environment.

We are committed to reviewing our materiality assessment for climate change regularly. These reviews will ensure that our assessments remain aligned with the latest scientific understanding, regulatory requirements, and best practices in climate-related risk management. We will disclose any changes to our materiality assessment and related disclosures accordingly. We remain committed to reducing our emissions and more details on our approach to this topic are set out in our TCFD Disclosures on pages 68 to 75.

Materiality of information disclosed

In determining the material information to be disclosed in this CSRD Statement, the Group has applied the guidance set out in ESRS 1 section 3.2, which defines material information as that which is necessary for stakeholders to understand material IROs and how they are managed. The Group has sought to take a prudent approach, ensuring that all relevant information related to its material IROs are disclosed. This approach aims to provide transparency and alignment with ESRS requirements, ensuring stakeholders have a clear and complete view of the Group's sustainability-related disclosures.

EU legislation data points

The table below outlines the data points derived from other EU legislation as listed in ESRS 2 Appendix B.

It indicates where these data points can be found in our 2024 Annual Report and Financial Statements and identifies which data points are assessed as 'Not material' (the information is not material to our reporting) or "Not relevant" (the information is not relevant to our operations).

Key

- Sustainable Finance Disclosure Regulation: SFDR
- EBA Pillar 3 disclosure requirements: P3
- Climate Benchmark Standards Regulation: BRR
- EU Climate Law: EUCL

Disclosure Requirement	Data Point		Legislation	Page/relevance
ESRS 2 GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	Page 123
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	BRR	Page 123
ESRS 2 GOV-4	30	Statement on due diligence	SFDR	Page 125
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	Not relevant
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	SFDR/BRR	Not relevant
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	SFDR/BRR	Not relevant
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	BRR	Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	Not material
ESRS E1-1	16 (g)	Undertakings excluded from Paris aligned benchmarks	P3/BRR	Not relevant
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	Not material
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources	SFDR	Not relevant
ESRS E1-5	37	Energy consumption and mix	SFDR	Not material
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	Not material
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR/P3/BRR	Not material
ESRS E1-6	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	Not material
ESRS E1-7	56	GHG removals and carbon credits	EUCL	Not relevant
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	Not material
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	P3	Not material
ESRS E1-9	66 (c)	Location of significant assets at material physical risk	P3	Not material
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	Not relevant
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	BBR	Not relevant
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	SFDR	Not relevant
ESRS E3-1	9	Water and marine resources	SFDR	Not relevant
ESRS E3-1	13	Dedicated policy	SFDR	Not relevant
ESRS E3-1	14	Sustainable oceans and seas	SFDR	Not relevant
ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	Not relevant
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	SFDR	Not relevant
ESRS 2 SBM-3 – E4	16 (a) i	Biodiversity sensitive areas	SFDR	Not relevant
ESRS 2 SBM-3 – E4	16 (b)	Sustainable land / agriculture practices or policies	SFDR	Not relevant
ESRS 2 SBM-3 – E4	16 (c)	Threatened species	SFDR	Not relevant
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	SFDR	Not relevant
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	SFDR	Not relevant
ESRS E4-2	24 (d)	Policies to address deforestation	SFDR	Not relevant
ESRS E5-5	37 (d)	Non-recycled waste	SFDR	Not relevant
ESRS E5-5	39	Hazardous waste and radioactive waste	SFDR	Not relevant
ESRS 2 SBM-3 – S1	14 (f)	Risk of incidents of forced labour	SFDR	Page 140
ESRS 2 SBM-3 – S1	14 (g)	Risk of incidents of child labour	SFDR	Page 140
ESRS S1-1	20	Human rights policy commitments	SFDR	Page 142
ESRS S1-1	21	Sustainability due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8	BRR	Not material
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	SFDR	Not relevant
ESRS S1-1	23	Workplace accident prevention policy or management system	SFDR	Page 144
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	SFDR	Page 144 to 145
ESRS S1-14	88 (b), (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	Page 149
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	Page 149
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR /BRR	Page 149
ESRS S1-16	97 (b)	Excessive CEO pay ratio	SFDR	Page 149
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	Page 149
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SFDR/BRR	Not material
ESRS 2 SBM-3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	Not material
ESRS S2-1	17	Human rights policy commitments	SFDR	Not material
ESRS S2-1	18	Policies related to value chain workers	SFDR	Not relevant
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BRR	Not material
ESRS S2-1	19	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 19	BRR	Not material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	Not Material
ESRS S3-1	16	Human rights policy commitments	SFDR	Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	SFDR/BRR	Not material

Disclosure Requirement	Data Point		Legislation	Page/relevance
ESRS S3-4	36	Human rights issues and incidents	SFDR	Not material
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	Not material
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	Not material
ESRS S4-4	35	Human rights issues and incidents	SFDR	Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	Not material
ESRS G1-1	10 (d)	Protection of whistleblowers	SFDR	Not material
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	Not material
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	Not material

Table: ESRS Disclosure Requirements Compliance Overview in accordance with ESRS 2 Paragraph 56

ESRS Disclosure Requirement	Included in CSRD Statement	Reference / Explanation
ESRS 2 SBM-1 Business Model and Strategy	Yes	Strategy, Business Model and value chain, pages 126 to 128
ESRS 2 SBM-2 Interests and Views of Stakeholders	Yes	Interests and Views of Stakeholders, pages 129 to 131
ESRS 2 SBM-3 Material Impacts, Risks and Opportunities	Yes	Material Impacts, Risks and Opportunities, pages 131 to 133
ESRS 2 GOV-1 Governance of Sustainability Matters	Yes	Governance disclosures, pages 123 to 125
ESRS 2 GOV-2 Information Provided by Administrative, Management, and Supervisory Bodies	Yes	Governance disclosures, pages 123 to 124
ESRS 2 GOV-3 Integration of Sustainability-related Performance in Incentive Schemes	Yes	Integration of Sustainability-related Performance in Incentive Schemes, page 125
ESRS 2 GOV-4 Statement on due diligence	Yes	Statement on Sustainability due diligence, page 125
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	Yes	Risk management and internal controls over Sustainability Reporting, page 125
ESRS 2 IRO-1 Description of Processes to Identify and Assess Material IROs	Yes	Disclosures on the materiality assessment process, pages 133 to 135
ESRS IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Yes	Disclosure requirements in ESRS covered by the undertaking's CSRD Statement, page 135
ESRS S1 Own Workforce	Yes	Own Workforce, pages 140 to 150
S1-1 Policies related to own workforce	Yes	Policies, pages 140 to 144
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	Yes	Processes for engaging with own workforce and workers' representatives about impacts, page 144
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	Yes	Processes to remediate negative impacts and channels for own workforce to raise concerns, pages 144 to 145
S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Yes	Targets related to managing material impacts, advancing positive impacts and managing material risks and opportunities, page 146
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Yes	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities, page 146
S1-6 Characteristics of the undertaking's employees	Yes	Characteristics of the undertaking's employees, page 147
S1-7 Characteristics of non-employees in the undertaking's own workforce	Yes	Characteristics of non-employees in the undertaking's own workforce, page 148
S1-8 Collective bargaining coverage and social dialogue	Yes	Collective bargaining coverage and social dialogue, page 148
S1-9 Diversity metrics	Yes	Diversity metrics, page 148
S1-10 Adequate Wages	Yes	Adequate Wages, page 148
S1-11 Social Protection	Yes	Social Protection, page 148
S1-12 Persons with disabilities	Yes	Persons with disabilities, page 148
S1-13 Training and skills development metrics	Yes	Training and skills development metrics, page 149
S1-14 Health and safety metrics	Yes	Health and safety metrics, page 149
S1-15 Work-life balance metrics	Yes	Work-life balance metrics, page 149
S1-16 Remuneration metrics (pay gap and total remuneration)	Yes	Remuneration metrics (pay gap and total remuneration), page 149
S1-17 Incidents, complaints and severe human rights impacts	Yes	Incidents, complaints and severe human rights impacts, pages 149 to 150

CSRD Statement for International Personal Finance plc
for the year ended 31 December 2024 *continued*

Social information

ESRS S1 Own Workforce

Our people are the core of our business. We are committed to their personal and professional growth and strive to create an inclusive culture where every individual feels valued and supported. We look to provide career opportunities for all colleagues, regardless of their gender, age, or location. This section of the CSRD Statement provides more details on our workforce in line with ESRS S1 "Own Workforce".

a. Employees and our strategy

The Group recognises that actual and potential impacts on its own workforce, as well as risks and opportunities related to its own workforce, are linked to its strategy and business model, particularly in areas such as wellbeing, health and safety and skills development. While these factors are considered as part of ongoing workforce management, no material risks or impacts have been identified that necessitate significant adjustments to the Group's strategy or business model. However, the Group continues to monitor workforce-related developments to ensure alignment with long-term business objectives and operational needs.

All our permanent employees, customer representatives and contractors may be exposed to material impacts due to our operations and all are covered within this disclosure. The Group, therefore, includes all individuals in its own workforce within the scope of this disclosure. This covers:

- **Full-time and part-time employees:** These colleagues across all operational sites are impacted directly by the Group's policies on working conditions, health and safety, compensation, and career development.
- **Customer representatives:** Customer representatives, who visit customers' homes to disburse loans and collect repayments, are included due to their exposure to specific health and safety risks. The Group seeks to ensure that safety measures are in place to mitigate these risks.
- **Temporary and contract workers:** These workers are also within the scope of this disclosure as they are subject to the Group's fair labour practices and safety standards during their engagement.

Our workforce includes customer-facing roles and back-office functions. All are subject to our operational impacts. Our customer-facing roles, specifically those who work as customer representatives and whose role requires them to interact directly with borrowers, are exposed to specific risks related to customer interactions, which we mitigate through extensive training and safety protocols. We have not identified any material negative impacts that are either widespread/systemic or related to individual incidents concerning our workforce.

The Group has identified positive impacts on its own workforce through initiatives aimed at colleague development, well-being, and engagement. These include training programs to support career growth, flexible work arrangements to enhance work-life balance, and support initiatives that contribute to job satisfaction and retention. These benefits are accessible across the workforce. Ongoing evaluation ensures that these initiatives continue to align with business objectives and workforce needs.

We recognise that our workforce is essential to our success and that our operations can create both risks and opportunities related to our workforce. While we manage a range of workforce-related factors, we have not currently identified any specific risks or opportunities arising from our impacts on our workforce that we deem to be individually material in the context of this specific disclosure requirement. The Group has identified dependencies on its workforce as material, given its reliance on employees to deliver core business activities and maintain service quality. The availability, engagement, and skill levels of the workforce are critical to operational success. However, these risks and opportunities are well managed through existing processes, including workforce planning, employee engagement initiatives, training and development programs, and risk management frameworks. The Group continues to monitor workforce-related dependencies to ensure business continuity and adaptability to changing workforce dynamics. We will reassess this determination annually.

The Group has not identified any material impacts on its own workforce related to efforts to reduce environmental impacts or achieve its sustainability goals. As a financial services provider with limited direct environmental impact, there are no significant workforce changes, such as restructuring, job losses, or reskilling, associated with such initiatives.

The Group has assessed its operations and determined that there are no significant risks of forced or compulsory labour or child labour, either based on the nature of its business activities or the geographic areas in which it operates. As a provider of consumer financial services, the Group does not engage in high-risk sectors typically associated with such risks.

The Group has identified customer representatives as being a particular group within its workforce who may be at greater risk of negative impacts due to health and safety considerations. A suite of policies and processes, described in more detail below, are in place to address this risk. Beyond this area workforce-related risks are managed through general policies and procedures applicable to all employees.

b. Polices

The Group has a comprehensive set of policies governing how issues related to our entire workforce are handled in a structured manner. Our policies related to our workforce regulate those actions where our key impacts and potential risks are present and support us in reaching our social sustainability targets and ambitions. If publicly available, policies can be found on our website at www.ipfin.co.uk.

Code of Ethics

Description of the key contents of the policy, including its general objectives	The Code of Ethics sets out the principles and standards for ethical business conduct, ensuring integrity, transparency, and compliance with legal and regulatory requirements. It covers key areas such as anti-corruption, fair treatment of employees, data protection, conflicts of interest, and responsible business practices, reinforcing the Group's commitment to ethical decision-making and accountability.
Description of the material IROs the policy relates to	The Code of Ethics relates to material IROs associated with workforce-related impacts, including fair treatment, diversity, and non-discrimination. The Code also supports opportunities to enhance stakeholder trust, strengthen governance, and uphold responsible business practices across the Group's operations.
Description of the process for monitoring	The Group monitors compliance with the Code through regular training, senior oversight and reporting mechanisms, including a whistleblowing channel for confidential concerns. Oversight is provided ultimately by the Board of Directors, which approves the Code. Executive oversight is provided by the Group Ethics Committee, which comprises the Chief Executive Officer, Chief Financial Officer, Chief HR Officer and Chief Legal Officer. Day to day oversight and management of the Code is undertaken by the Group Legal Function, which reviews adherence to the Code and ensures any breaches are addressed in line with established procedures.
Description of the scope of the policy	The Code of Ethics applies across the Group's operations, covering all employees, Executive Management, and Board members, as well as contractors, suppliers, and business partners where relevant. It governs ethical conduct in all geographies where the Group operates and applies to activities across the value chain, including customer interactions and third-party relationships. There are no specific exclusions.
Body with accountability for the implementation of the Policy	The Board of Directors.
Reference to relevant third-party standards	The Code is based on the 10 principles of the UN Global Compact, the UN initiative to promote ethical business practices. Further, the principles set out in the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises are reflected in the Code.
Stakeholder considerations	While no formal stakeholder consultation was conducted, the policy reflects established expectations for ethical conduct, compliance, and responsible business practices across the Group's operations.
How the Policy is made available	The Code of Ethics is made available to all potentially affected stakeholders through being published on the Group's website and its intranet sites. It is translated into every language relevant to the Group's markets to ensure accessibility across all operating regions. The Group holds an annual Ethics Week, where the principles of the Code are explained through various engagement activities. Additionally, all colleagues are required to complete annual ethics training, reinforcing awareness and understanding of the Code. Other events and communications are held throughout the year to publicise its contents and support its effective implementation.

Human Rights Policy

Description of the key contents of the policy, including its general objectives	The Policy outlines its commitment to respecting and upholding fundamental human rights across its operations and value chain. Its key objectives are to ensure fair and ethical treatment of employees, prevent discrimination and harassment, promote safe working conditions, and uphold labour rights in line with international standards. The Policy also reinforces the Group's stance against modern slavery, child labour, and forced labour.
Description of the material IROs the policy relates to	The Policy relates to material IROs associated with workforce-related considerations, including fair treatment, non-discrimination, and safe working conditions. It addresses risks such as labour rights violations, workplace harassment, and inadequate health and safety measures, ensuring alignment with relevant legal and ethical standards. The Policy also supports opportunities to enhance employee well-being, improve workplace culture, and strengthen engagement by fostering an inclusive and responsible working environment across the Group's operations.
Description of the process for monitoring	The Group monitors compliance with the Policy through a combination of internal reviews, employee feedback mechanisms, and risk assessments. Regular training is provided to employees to ensure awareness and understanding of human rights principles. Concerns can be raised through established reporting channels, including a confidential whistleblowing mechanism. The Policy is reviewed periodically to assess its effectiveness, and any identified issues are addressed through corrective actions as part of the Group's broader governance and compliance framework.
Description of the scope of the policy	The Policy applies to all aspects of the Group's operations, covering its employees, workplaces, and business activities. It sets expectations for how the Group upholds human rights in its employment practices, working conditions, and interactions with stakeholders. The Policy guides the Group's approach to fair treatment, non-discrimination, and workplace safety, ensuring alignment with applicable laws and international human rights standards.
Body with accountability for the implementation of the Policy	The Board of Directors.
Reference to relevant third-party standards	The Policy aligns to align with UN Guiding Principles on Business and Human Rights and other relevant frameworks.
Stakeholder considerations	While no formal stakeholder consultation was conducted, the Policy reflects established expectations for human rights across the Group's operations.
How the Policy is made available	The Code of Ethics incorporates the key elements of the Policy, which is publicly available on the Group website, ensuring accessibility to employees, stakeholders, and other interested parties.

Diversity Policy

Description of the key contents of the policy, including its general objectives	The Policy outlines the Group's commitment to fostering an inclusive and equitable workplace where all employees are valued and treated with respect. It promotes equal opportunities in recruitment, career development, and workplace culture while preventing discrimination based on gender, ethnicity, age, disability, sexual orientation, or other protected characteristics. The Policy supports a diverse workforce by ensuring fair treatment and encouraging a culture of inclusion and belonging.
Description of the material IROs the policy relates to	The Policy addresses workforce-related impacts, including representation, workplace inclusion, and career progression. It mitigates risks such as discrimination, bias in decision-making, and barriers to equal opportunities. The Policy also creates opportunities to enhance employee engagement, attract diverse talent, and strengthen innovation and collaboration across the Group's operations.
Description of the process for monitoring	The Group monitors the implementation of the Policy through regular workforce assessments, employee feedback, and inclusion surveys. Diversity metrics are reviewed periodically to track progress in representation and career development. Employees receive training on diversity and inclusion principles, and any concerns can be raised through established reporting channels, including a confidential whistleblowing mechanism.
Description of the scope of the policy	The Policy applies to all aspects of the Group's employment practices, including recruitment, promotions, workplace conduct, and leadership development. It sets out expectations for maintaining an inclusive workplace and applies to all employees and business units across the Group. The Policy focuses on the Group's internal workforce and does not extend to external stakeholders or the broader value chain.
Body with accountability for the implementation of the Policy	Group Ethics Committee.
Reference to relevant third-party standards	The Policy does not align to any specific third-party standards.
Stakeholder considerations	The Policy was developed without a formal stakeholder consultation process but reflects established best practices and legal requirements. It aligns with recognised diversity and inclusion frameworks and incorporates insights from ongoing employee engagement and workforce assessments to ensure its relevance and effectiveness.
How the Policy is made available	The Policy is publicly accessible on the Group website and is communicated internally through announcements and training programs. Employees receive regular updates on diversity initiatives, and the policy is embedded in recruitment, performance management, and leadership development processes to ensure ongoing awareness and implementation. The Code of Ethics incorporates the key elements of the Policy.

Health and Safety Policy

Description of the key contents of the policy, including its general objectives	The Policy outlines its commitment to maintaining a safe and healthy working environment for all employees. It sets out guidelines for risk prevention, workplace safety procedures, and employee well-being. The policy aims to reduce workplace hazards, promote compliance with safety regulations and foster a culture where health and safety are prioritised in daily operations.
Description of the material IROs the policy relates to	The Policy addresses workforce-related risks such as workplace accidents, occupational illnesses, and non-compliance with safety regulations. It mitigates potential legal and reputational risks while creating opportunities to improve employee well-being, reduce absenteeism, and enhance productivity through a safe and supportive work environment.
Description of the process for monitoring	The Group monitors compliance with the Policy through regular workplace inspections, risk assessments, and reporting mechanisms. Training is provided to employees to ensure awareness of health and safety procedures, and incidents are recorded and reviewed to identify areas for improvement. A confidential reporting system allows employees to raise safety concerns, which are investigated and addressed as part of the Group's risk management framework.
Description of the scope of the policy	The Policy applies across all the Group's operations and workplaces, covering employees, contractors, and other personnel working on-site. It outlines responsibilities for maintaining workplace safety at all levels of the organisation. While the Policy primarily focuses on internal operations, it also applies to third-party service providers where relevant.
Body with accountability for the implementation of the Policy	The Board of Directors.
Reference to relevant third party standards	The Policy aligns to ISO 45001 Occupational Health & Safety, the international standard that specifies requirements for an occupational health and safety management system.
Stakeholder considerations	The Policy was developed without a formal stakeholder consultation process but aligns with legal requirements, industry best practices, and internal risk management frameworks. It incorporates insights from employee feedback and workplace safety assessments to ensure continued relevance and effectiveness.
How the Policy is made available	The Policy is communicated internally through training programs, safety briefings, and group-wide announcements. Employees receive regular updates on safety procedures, and the policy is integrated into onboarding processes and operational guidelines to ensure consistent application across the Group.

c. Processes for engaging with own workforce and workers' representatives about impacts.

The Group considers workforce perspectives through general people engagement initiatives, such as surveys and feedback mechanisms, to inform decisions related to workplace policies and wellbeing. However, no formal process is in place to integrate these perspectives specifically into the management of actual and potential workforce impacts. The Group continues to monitor workforce-related considerations through its broader HR and operational frameworks.

The Group engages with its workforce both directly and through formal employee and customer representative forums. In 2024, both our established employee forums across all markets and customer representative forums in all home credit markets helped to ensure an open dialogue on significant workforce matters. Additionally, we conducted "Pulse Surveys" across all divisions, which returned very positive responses. The outputs of these surveys were reviewed by the HR Function, Executive Management and the Board of Directors, providing valuable insights that inform our strategy and decision making. These engagement mechanisms allow us to assess and respond to workforce perspectives regularly in a structured and inclusive manner.

The Group has not adopted a specific process to gain insight into the perspectives of workforce members who may be particularly vulnerable to impacts or marginalised. There are currently no plans to implement such a process. However, the Group remains committed to applying its broader policies on diversity, equity, and inclusion to ensure fair treatment and equal opportunities for all employees.

d. Processes to remediate negative impacts and channels for own workforce to raise concerns

The Group is committed to identifying, addressing, and remediating any material negative impacts on its workforce related to working conditions, including employment security, wages, working time, social dialogue, freedom of association, collective bargaining, work-life balance, and health and safety. Our approach includes established HR mechanisms, grievance procedures, and an independent whistleblowing system that allows employees to report concerns confidentially and without fear of retaliation.

Where the Group identifies that it has caused or contributed to a material negative impact, we assess the appropriate remedy through internal investigations, direct engagement with affected colleagues, and corrective actions such as policy adjustments, process improvements, or targeted interventions. The effectiveness of remedies is evaluated through follow-up engagement, feedback from colleague forums, and monitoring of key workforce indicators, ensuring that concerns are appropriately addressed and resolved.

The Group is committed to maintaining a transparent and supportive environment where all colleagues feel empowered to raise concerns, report issues, or communicate their needs. We recognise the importance of providing clear, accessible channels for our workforce to engage directly with the Group on matters affecting their wellbeing, working conditions, and rights. We have established robust mechanisms to ensure that all concerns raised by colleagues are addressed promptly and fairly. Channels for raising concerns:

- **Independent whistleblowing service:** The Group provides an independent, confidential whistleblowing service available to all colleagues. This service allows colleagues to report any concerns related to misconduct, unethical behaviour, or any issues that may affect their wellbeing, including potential violations of Group policies or legal requirements.
- **Accessibility and confidentiality:** The whistleblowing service is operated by third-party providers to ensure confidentiality and impartiality. Colleagues can raise concerns anonymously, without fear of retaliation, and are assured that all reports will be thoroughly investigated and addressed.
- **Regular communication:** We regularly communicate the availability of this service to all employees, ensuring that they are aware of how to access it and understand the types of concerns they can raise through this channel. Information on how to use the whistleblowing service is included in onboarding materials, Group-wide emails, and posted on the employee intranet.
- **Internal reporting mechanisms:** In addition to the independent whistleblowing service, the Group has established internal mechanisms for colleagues to raise concerns directly with management or the HR Function. These include:
  - **Human resources:** Employees can contact the HR Function via email, phone or face to face to raise concerns about working conditions, benefits, career development, or any other work-related issues.
  - **Manager engagement:** We encourage open communication between colleagues and their direct supervisors or managers. Colleagues are invited to raise concerns during regular check-ins, performance reviews, or on an ad-hoc basis, ensuring that issues are addressed promptly. These internal channels are overseen by the relevant departments, with clear procedures in place to ensure that concerns are addressed in a timely and effective manner.
  - **Employee feedback surveys and forums:** The Group conducts engagement surveys regularly to gather feedback on various aspects of the work environment, including wellbeing, job satisfaction, and areas for improvement. Colleagues can raise concerns or suggest improvements through these surveys, which are analysed and acted upon by Executive Management. We also hold periodic employee forums or town hall meetings, where colleagues are encouraged to ask questions and share their concerns directly with Group leadership.

These mechanisms ensure that all colleagues have access to appropriate channels to raise concerns or complaints related to their work environment, wellbeing, or any other employment-related issues. Colleagues can utilise our internal reporting systems or the independent whistleblowing service, both of which are designed to handle complaints confidentially and fairly, without fear of retaliation.

The Group has established a comprehensive system for tracking and monitoring issues raised through our grievance and whistleblowing channels. The process is overseen by the Group Legal Function, ensuring confidentiality and compliance with our internal policies. To maintain transparency and accountability, the Group Ethics Committee reviews all whistleblowing matters, and updates are provided regularly to the Group Audit and Risk Committee.

- **Group Ethics Committee:** The Group Ethics Committee plays a central role in reviewing whistleblowing reports and other issues raised by colleagues. This Committee is responsible for assessing the nature of the issues, ensuring appropriate investigations are conducted, and recommending actions or remedies where necessary.
- **Oversight by Group Legal Function:** To ensure the confidentiality and integrity of the process, the Group Legal Function oversees the tracking and management of all reported concerns. This function ensures that each case is handled in line with legal and regulatory requirements while protecting the identity of whistleblowers and other parties involved.
- **Regular reporting:** Regular updates on the issues raised and their resolution are provided to the Group Audit and Risk Committee, ensuring that Executive Management and the Board of Directors are fully informed of key concerns and risks. This also ensures that the process is aligned with the Group's risk management framework.

The Group is committed to maintaining a safe, transparent, and ethical work environment where all employees and customer representatives can raise concerns without fear of retaliation. Our Whistleblowing Policy provides clear guidelines on how colleagues, contractors, and workers' representatives can raise concerns related to misconduct, unethical behaviour, legal violations, or other workplace issues. The policy explicitly prohibits any form of retaliation against individuals who use this channel to report concerns in good faith.

The Whistleblowing Policy applies to all individuals in our workforce, including full-time and part-time employees, contractors and self-employed customer representatives. The Whistleblowing Policy reflects a framework in place to support the management of workforce-related risks by providing employees with a confidential and secure channel to report concerns about misconduct, unethical behaviour, or policy violations It guarantees that anyone raising a concern through the designated channels, including the independent whistleblowing service, will be protected from any adverse action or retaliation. The Group provides independent third-party whistleblowing services that allows colleagues to report concerns confidentially and, if desired, anonymously. This external service ensures that individuals feel secure when raising issues. To further protect those who report concerns, the whistleblowing service ensures strict confidentiality. No identifying details are shared without the consent of the individual raising the concern, except as required by law. The Group takes any allegation of retaliation seriously. Any report of retaliatory action is investigated immediately, and appropriate disciplinary measures are taken against individuals found to be engaging in retaliatory behaviour.

e. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group manages material workforce-related impacts through established HR policies, colleague engagement initiatives, and governance frameworks. To prevent or mitigate material negative impacts, we conduct regular colleague surveys, maintain formal employee and customer representative forums, and provide whistleblowing and grievance mechanisms to identify and address workplace concerns proactively. Where an actual material negative impact arises, the Group takes appropriate action through internal investigations, direct engagement with affected colleagues, and corrective measures, ensuring fair resolution and alignment with Group policies. These steps may include policy updates, training programmes, or adjustments to workplace conditions where necessary. Additionally, the Group implements initiatives aimed at delivering positive impacts, such as career development programmes, wellbeing support, and flexible work arrangements, to enhance engagement and retention. The effectiveness of these actions and initiatives is tracked through colleague feedback, survey results, retention rates, and workforce wellbeing indicators, allowing for continuous assessment and improvement in workforce management practices.

The Group looks to identify necessary actions in response to actual or potential negative impacts on its workforce through the mechanisms described above – namely regular colleague surveys, engagement forums, grievance mechanisms, and whistleblowing channels. Reported concerns are assessed by the HR Function and management, with appropriate actions determined based on internal policies, regulatory requirements and colleague feedback. The effectiveness of these actions is monitored through ongoing workforce engagement and review by the HR Function.

The Group manages its material IROs related to its own workforce as part of business-as-usual operations including governance frameworks, colleague engagement and HR policies, and workforce-related matters, including wellbeing, fair treatment, and workplace safety, are integrated into standard management practices and addressed through existing HR processes, training programmes, and internal reporting mechanisms. No separate action plans or additional resources have been allocated beyond these ongoing business operations.

The Group ensures that its practices do not cause or contribute to material negative impacts on its workforce through regular colleague surveys, engagement forums, and other touchpoints that provide insights into workforce wellbeing and workplace conditions. Workforce-related concerns are managed through established HR policies, grievance mechanisms, and whistleblowing channels to address potential issues proactively.

The management of material workforce-related impacts is handled as part of the HR Function's regular responsibilities and budgeting process, with no separate allocation of resources beyond standard HR operations. Workforce matters, including wellbeing, workplace policies, and compliance, are integrated into ongoing HR activities and managed within existing frameworks and budgets.

f. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group has not set any specific time-bound or outcome-oriented targets related to reducing negative impacts, advancing positive impacts, or managing material risks and opportunities for its workforce other than targets for workforce turnover which are disclosed on page 25 above, and there are no current plans to do so. The Group monitors the effectiveness of its policies and actions through regular governance and oversight processes. This includes periodic workforce reviews, employee feedback mechanisms and HR reporting to assess trends in engagement, well-being, and compliance with employment policies. While no specific level of ambition has been formally defined, qualitative assessments and internal reporting support continuous improvement in workforce-related matters.

Responsibility for setting workforce-related targets, if required, sits with the Chief HR Officer, who would determine them in agreement with the Chief Executive Officer and the Board of Directors. In such cases, the process would include consideration of workforce data, colleague engagement insights, and alignment with business priorities. While no specific targets have been set beyond those mentioned above, any future targets would be developed in consultation with relevant stakeholders and monitored through existing HR governance frameworks.

Methodology Statement for Disclosures S1-6 to S1-17

This methodology statement outlines the approach taken in compiling and reporting workforce-related data for Disclosures S1-6 to S1-17. It ensures consistency, accuracy, and compliance with applicable reporting standards across all entities within the Group. The methodologies applied provide a clear framework for classifying employees, contract types, working time, and gender to support comprehensive workforce analysis.

Scope and coverage:

- The data presented in Disclosures S1-6 to S1-17 covers all entities within the Group.
- Employee data is compiled as of the end of the reporting period, with additional reference to average workforce numbers over the period for comparative analysis.
- Data is reported as headcount rather than full-time equivalent (FTE).
- Workforce data is sourced from internal HR systems, payroll databases and employment records.

Methodologies applied:

1. Employee headcount classification

- Permanent employees are counted based on their contract status at the reporting date.
- Temporary employees include fixed-term contracts and agency workers.

2. Contract type classification

- Permanent contracts refer to indefinite employment agreements.
- Temporary contracts include fixed-duration agreements or agency employment.

3. Working time classification

- Employees are categorised as full-time or part-time based on:
  - Contract terms.
  - Actual hours worked.

4. Gender classification

- Based on Group HR records, which may be informed by:
  - Self-reported data, where available.
  - Local employment classifications, where applicable.

By adhering to these methodologies, the Group seeks to ensure that workforce data is accurately recorded and consistently applied across all reporting entities. This structured approach enhances transparency, comparability, and reliability, providing meaningful insights into the Group's workforce composition and employment practices.

g. Disclosure Requirement S1-6 – Characteristics of the undertaking's employees

Table 1 – information on employee head count by gender

Gender	Number of employees (headcount)
Male	2,946
Female	5,405
Other	0
Not reported	0
Total Employees	8,351

The data in this table covers all entities within the Group and includes employees on permanent and fixed-term contracts, as well as those working full-time and part-time. This dataset also includes customer representatives in Hungary and Romania, who are employed under the Group's workforce structure. There has been no significant changes in total employee numbers during the reporting period. A notable feature of the Group's workforce composition is that around 3,000 employees are customer representatives in Hungary and Romania. A very high proportion of these roles are held by female employees, contributing to the overall higher percentage of female employees within the Group. This trend reflects the local labour market demographics and the nature of these customer-facing roles in those markets. These figures are different to those included in note 9 of the financial statements to this report because the employee data above is as at 31 December 2024 compared with the average employee FTE data contained in the financial statements.

Table 2 – employee head count in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees

Country	Number of employees (headcount)
Czech Republic	302
Estonia	120
Hungary	2,150
Mexico	2,569
Poland	1,040
Romania	1,960
United Kingdom	126

The data in this table covers all entities within the Group in countries where the undertaking has at least 50 employees, representing at least 10% of its total number of employees. It includes employees on permanent and fixed-term contracts, as well as those working full-time and part-time. This dataset also includes customer representatives in Hungary and Romania, who are employed under the Group's workforce structure. The presence of a large number of customer representatives in these countries contributes to their relatively higher employee headcount, providing important context for workforce distribution across the Group. Mexico has the largest employee headcount within the Group, reflecting the scale of operations in this market.

Table 3 – information on employees by contract type, broken down by gender*

	2024				
	Female	Male	Other(*)	Not disclosed	Total
Number of employees (head count)	5,405	2,946			8,351
Number of permanent employees (head count)	5,287	2,918			8,205
Number of temporary employees (head count)	106	23			129
Number of non-guaranteed hours employees (head count)	12	5			17

* Gender as specified by the employees themselves.

Most of our employees across the Group are employed on a permanent basis. Temporary employment represents a small proportion of our total workforce, as we primarily rely on long-term employment contracts to ensure stability and continuity in our operations. For the purposes of reporting in this CSRD Statement, we have defined "temporary employees" as individuals who meet at least one of the following criteria:
1) They do not have a permanent contract with the Group;
2) They have a contract with a fixed duration (e.g. fixed-term employment contracts with a specified end date).
This definition ensures that our reporting aligns with ESRS S1-6 requirements, while also reflecting the employment structures used across the jurisdictions in which we operate.

The total number of employees who left the Group in 2024 was 2,562 and the rate of employee turnover in the reporting period was 29.2%.

h. Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce

Total number of non-employees in own workforce

Metric	Unit	Total
Total number of non-employees in own workforce	Head count	12,139

Classification of non-employees

- **Czech Republic:** Customer representatives are classified as self-employed individuals.
- **Poland:** Customer representatives operate as civil contractors.
- **Mexico:** Customer representatives are engaged as commission agents.

This classification aligns with local legal and contractual frameworks, ensuring compliance with regional employment regulations while reflecting the diverse nature of workforce engagement across different markets.

i. Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue

0% of employees are covered by collective bargaining agreements globally.

In the European Economic Area (EEA), the Group has no collective bargaining agreements in place. Outside the EEA, 0% of employees are covered by collective bargaining agreements.

Country	% of employees covered by workers' representatives for each EEA country
Czech Republic	0%
Estonia	0%
Hungary	0%
Mexico	0%
Poland	0%
Romania	0%

The Group has no agreements in place for representation by a European Works Council, a Societas Europaea Works Council or a Societas Cooperativa Europaea Works Council.

j. Disclosure Requirement S1-9 – Diversity metrics

Gender diversity at top management Level

In preparing the disclosure on gender at top management, we have used the definition of top management as one and two levels below the administrative and supervisory level. The gender distribution within this group is as follows:

Metric	Unit	Total
Number and percentage at top management level by gender	Head count (%)	88 (100%)
Female	Head count (%)	29 (33%)
Male	Head count (%)	59 (67%)
Other gender	Head count (%)	0 (0%)
Not reported	Head count (%)	0 (0%)

Age distribution of employees

Our workforce is composed of employees across different age groups. The distribution is as follows:

Metric	Unit	Total
Distribution of colleagues by age groups	Head count (%)	8,351 (100%)
< 30 years	Head count (%)	1,038 (12.4%)
30-50 years	Head count (%)	5,443 (65.2%)
> 50 years	Head count (%)	1,870 (22.4%)

k. Disclosure Requirement S1-10 – Adequate wages

We confirm that no employee within the Group is paid below an adequate wage. This aligns with our commitment to fair and responsible employment practices, ensuring financial security and wellbeing for our workforce.

l. Disclosure Requirement S1-11 – Social protection

In the markets where we operate, Group employees are entitled to social protection measures mandated by national laws. These include:

- **Sickness benefits:** All employees in our markets (Mexico, UK, Czech Republic, Poland, Hungary, Romania, Australia, Latvia, Lithuania, and Estonia) are entitled to income support during periods of illness, provided through national health insurance schemes or equivalent programmes.
- **Unemployment benefits:** Employees are covered by statutory unemployment insurance programmes in all markets, ensuring income support during periods of job loss.
- **Parental leave:** All markets offer statutory parental leave programmes, providing income support during maternity, paternity, or parental leave periods.
- **Employment injury and acquired disability benefits:** Employees are protected through mandatory workers' compensation schemes or equivalent programmes that cover workplace injuries or disabilities.
- **Retirement benefits:** Employees are enrolled in government-provided pension schemes in all markets.

m. Disclosure Requirement S1-12 – Persons with disabilities

Metric	Unit	Total
Percentage of persons with disabilities amongst employees	Head count (%)	124 (1.5%)

We are committed to fostering an inclusive workplace that supports diversity and equal opportunities for all employees, including persons with disabilities.

- As part of our reporting under Disclosure Requirement S1-12, we disclose the percentage of employees with disabilities, subject to legal restrictions on data collection in different jurisdictions.
- We ensure compliance with national laws and definitions of disability across the markets in which we operate, recognising that legal definitions may vary.
- Where possible, we monitor and track disability representation in our workforce to inform policies and initiatives aimed at enhancing accessibility, inclusion, and workplace support.

n. Disclosure Requirement S1-13 – Training and skills development metrics

The Group does not collate data on the average number of training hours per employee and by gender.

Metric	Unit	Total
Employees that participated in regular performance and career development reviews by gender	%	52%
Female	%	45.5%
Male	%	63.9%
Other gender	%	0%
Not reported	%	0%

o. Disclosure Requirement S1-14 – Health and safety metrics

Metric	Unit	Total
Percentage of employees in own workforce covered by a health and safety management system based on legal requirements and/or recognised standards or guidelines	%	100%

All IPF home credit businesses (Poland, the Czech Republic, Hungary, Romania, and Mexico) are accredited with the ISO 45001 Occupational Health and Safety Management Standard. All IPF Digital businesses adhere to local health and safety legal requirements. All markets undergo safety management system assessments to monitor compliance with the Group's health and safety protocols.

Metric	Unit	Total
Number of fatalities as a result of work-related injuries and work-related ill health	Fatalities	0

Metric	Unit	Total
Rate of recordable work-related accidents	Number of injuries/hours worked	1.1
Number of recordable work-related injuries	Number	302

This was calculated using industry standard:

Total recordable incident rate = Number of incidents x 200,000 / total number of employee/customer representative hours worked in a year.

Metric	Unit	Total
Number of cases of recordable work-related ill health among employees in own workforce	Number	0

Based on the nature of our operations, which involve office-based work and home visits to provide financial services without exposure to hazardous substances or conditions, we have not recorded any cases of reportable work-related ill health in the reporting period.

Metric	Unit	Total
Number of days lost to work-related injuries and fatalities among colleagues in own workforce	Days	1,529

Metric

Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on undertaking's sites is zero.

p. Disclosure Requirement S1-15 – Work-life balance

Below are our family-related leave metrics for 2024:

Metric	Unit	Total
Number of employees entitled to take family-related leave	%	98%

Metric	Unit	Total
Percentage of entitled employees that took family-related leave by gender	%	21%
Female	%	26%
Male	%	14%
Other gender	%	0%
Not reported	%	0%

These figures demonstrate our commitment to supporting employees with family-related responsibilities through accessible and inclusive leave policies.

q. Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total compensation)

Metric	Unit	Total
Annual total remuneration for the undertaking's highest paid individual	GBP	2,349,609
Median annual total remuneration	GBP	11,198
Annual total remuneration ratio	Ratio	209.82
Gender pay gap percentage	%	37.98%

r. Disclosure Requirement S1-17 – Human rights impacts

Discrimination and complaints

Metric	Total
Total number of incidents of discrimination and harassment reported in 2024	3

In 2024, the Group received and addressed three reported incidents of discrimination. We are committed to fostering a culture of inclusion, respect and fairness, and ensure that all reported incidents are thoroughly investigated and addressed appropriately.

Details of reported incidents

1. Gender discrimination complaint:
   - A customer representative stated that she felt discriminated against by a customer who complained about her breastfeeding during a home visit. The customer representative viewed this as gender discrimination.
   - Outcome: Discussions were facilitated between the customer representative and the customer to acknowledge their respective concerns and mediate the situation. Management received guidance on handling feedback related to such situations and were advised to consult HR before taking any action in similar cases.
2. Inappropriate remarks by a manager:
   - A manager referred to women in a negative manner. Following an investigation, the manager received a written disciplinary warning in accordance with Group policy.
3. Sexual harassment allegation:
   - A claim of sexual harassment was investigated. However, due to insufficient evidence, the claim could not proceed, and no sanctions were imposed.

We take all allegations of discrimination seriously and are committed to addressing such issues through appropriate measures, including investigations, disciplinary actions, and employee support.

Metric	Total
Number of complaints filed through channels for own workforce to raise concerns	165

Metric	Unit	Total
Total amount of fines, penalties, and compensation for damages as result of reported incidents and complaints	GBP	0

Severe human rights incidents

Metric	Total
Number of severe human rights incidents connected to the undertaking's workforce	0

Metric	Unit	Total
Total amount of fines, penalties and compensation for damages severe human rights incidents connected to the undertaking's workforce	GBP	0

Entity-specific disclosure: Access to financial services

Through the DMA process, the Group has identified access to financial services as a material sustainability topic. This pertains to our role in providing financial products to underserved communities that are often overlooked by traditional banking institutions. Our commitment to offering personalised services and maintaining high ethical standards aligns with our strategy to promote financial inclusion.

In accordance with ESRS, particularly ESRS 2 on General Disclosures, we recognise the importance of reporting on material sustainability matters, including those self-identified through our DMA. Our approach to addressing access to financial services includes:

- Strategy and business model: Integrating financial inclusion into our core business strategy to reach underserved populations.
- Products and channels: Establishing products and policies that guide our efforts in extending financial services to marginalised communities.
- Performance measurement: Monitoring and assessing the effectiveness of our initiatives regularly through key performance indicators related to customer outreach and satisfaction among underserved groups.

By focusing on access to financial services, we aim to create positive social impacts while identifying opportunities for business growth, thereby fulfilling our sustainability commitments.

We have taken advantage of the transitional provision in ESRS 1 relating to entity-specific disclosures. Accordingly, we have prepared disclosures that are consistent with those reported in the prior year. These can be found in the customer section of this report on pages 50 to 52. Over the coming years, we will evolve our disclosures relating to access to financial services.

Independent Limited Assurance Report to the Directors of International Personal Finance Plc

We were engaged by International Personal Finance Plc (the 'Company') to perform a limited assurance engagement in respect of the Corporate Sustainability Reporting Directive ('CSRD') Statement for the year ending 31 December 2024 as presented on pages 123 to 150 of the Annual Report and Financial Statements, hereafter referred to as the "CSRD Information".

Directors' responsibilities

The Directors of Company are responsible for:

- developing, implementing and reporting the double materiality assessment process to identify the information reported in the CSRD Statement in accordance with the European Sustainability Reporting Standards (the 'ESRS') and for disclosing this process in the CSRD Statement;
- preparing, measuring, fairly presenting and reporting the CSRD information included in the CSRD Statement in accordance with the applicable criteria of the EU Directive 2022/2464 which includes complying with the ESRS;
- designing, implementing, and maintaining systems, processes and internal controls necessary for the preparation and presentation of the CSRD Information that is free from material misstatement, whether due to fraud or error;
- maintaining adequate records for preparing and to support the CSRD Information;
- the contents and disclosures contained within the CSRD Information.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply the International Standard on Quality Management (UK) 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements.* This requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the CSRD Information is free from material misstatement, whether due to fraud or error;
- evaluating whether the overall presentation, structure and content of the CSRD Statement achieves fair presentation in accordance with ESRS and the double materiality assessment carried out by the Company to identify the information reported is in accordance with the description set out in the CSRD Statement; and
- forming and reporting an independent conclusion, based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000') issued by the International Auditing and Assurance Standards Board ('IAASB').

Summary of work performed

The procedures we performed, and our determination of the nature, timing and extent of these procedures, was based on our professional judgement, including the assessment of the risks of material misstatement of the CSRD Information, whether due from fraud or error. Our procedures did not extend to any elements outside of the CSRD Information. The procedures included, but were not limited to:

- performing risk assessment procedures to understand the Company and its environment, the relevant internal controls, the underlying CSRD Information and other engagement circumstances, including the Company's reporting boundary and its value chain;
- obtaining an understanding of the Company's double materiality assessment process by performing inquiries to understand the source of information used by management; inspecting the Company's internal documentation of this process; and evaluating whether the evidence obtained from our procedures about the Company's process is consistent with the description of the process set out in the CSRD Statement;
- inquiring of management and others within the Company to understand the CSRD Information and the criteria used for measurement and evaluation;
- performing limited substantive testing of the CSRD Information including agreeing arithmetical accuracy of calculations and agreeing data points and disclosures to underlying records to check that the CSRD Information had been appropriately evaluated or measured, recorded, collated and reporting; and
- evaluating the overall presentation, structure and content of the CSRD Statement.

The procedures we perform in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the CSRD Information has been prepared, in all material respects, in accordance with the applicable criteria.

Our engagement was planned and performed to obtain limited assurance, but not absolute assurance, regarding whether the CSRD Statement is free from material misstatement, whether due from fraud or error. Therefore, there is an unavoidable risk that some material misstatements may not be detected by this engagement even though it is properly planned and performed. Furthermore, such a limited assurance engagement is not designed to detect matters that are immaterial to the CSRD Information.

For the avoidance of doubt, our work did not involve an audit of the CSRD Information. Consequently, our conclusion is not expressed as an audit opinion.

Subject matter information

The subject matter information within the scope of this engagement comprises the CSRD Information. The CSRD Information does not include comparative information in respect of prior periods.

Applicable criteria

The criteria applied in the preparation of the CSRD Information is the ESRS which are publicly available on the EFRAG website. The CSRD Information should be read together with the criteria.

Inherent limitations

Non-financial information is subject to more inherent limitations than financial information given the absence of a significant body of established practice on which to draw, the characteristics of the underlying subject matter and the methods and precision used for measuring or evaluating it.

Other information

We have not performed any assurance work nor express any conclusion on any other information accompanying the CSRD Information, or elsewhere disclosed directly or indirectly by the Company. We have read other information that accompanies or contains the CSRD Information to identify material inconsistencies, if any, with the CSRD Information or our limited assurance report. For the avoidance of doubt, the other information that accompanies the CSRD Information prepared by the Company may include comparative information which is not the subject of this engagement and/or additional sustainability disclosures not made in accordance with reporting obligations under the CSRD. We do not express a conclusion or other form of assurance on other information presented with the CSRD Information that is not subject to our limited assurance engagement.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's CSRD Information for the year ending 31 December 2024 has not been prepared, in all material respects, in accordance with the applicable criteria, including:

- the double materiality assessment process to identify the information reported is in accordance with the description set out in the "disclosures on the materiality assessment process" section on pages 133 to 135 of the CSRD Statement; and
- the CSRD Information included in the CSRD Statement is fairly presented in compliance with the disclosure requirements of the ESRS.

Use of our report

This report is made solely to International Personal Finance Plc, as a body, in accordance with the terms of our engagement letter dated 19 December 2024. Our limited assurance engagement has been undertaken so that we might state to International Personal Finance Plc those matters we are required to state to them in an independent limited assurance report and for no other purpose. The assurance report has been issued on the basis that it must not be recited or referred to or disclosed, in whole or in part, in any other document or to any other party without our express written permission.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than International Personal Finance Plc for our work, for the limited assurance report, or for the conclusion we have formed.

PKF Littlejohn LLP
Chartered Accountants

London

26 February 2025

Independent Auditor's Report to the Members of International Personal Finance plc

Opinion

We have audited the Financial Statements of International Personal Finance Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the consolidated income statement, the consolidated and parent company statements of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, and the consolidated and parent company cash flow statements and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of management's process and relevant controls for their going concern assessment, including the forecasting process;
- challenging the assumptions made in the assessment;
- testing the mathematical accuracy of the forecasts provided;
- comparing prior period budgets with actual performance;
- reviewing management's stress tests and sensitivity analysis in making this assessment and assessing the likelihood that the reverse stress scenario prepared by management will crystallise during the going concern period;
- assessing the Group's dependency on its borrowing facilities, ability to repay its debt when it falls due and compliance with banking covenants and evaluating whether management's forecasts could result in a breach in the future;
- making inquiries with Group management and those charged with governance;
- assessing the impact that changes/new legislation and regulations have on the Group's ability to continue as a going concern;
- assessing the impact of subsequent events, if any; and
- evaluating managements disclosure relating to going concern to ensure their consistency with our understanding of the Group's forecasted performance and position.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the Financial Statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Overall materiality

The scope of our audit was determined by our application of materiality. We established quantitative thresholds for materiality and these, together with qualitative considerations, helped us determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statements line items and disclosures in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

	Group Financial Statements	Parent Company Financial Statements
Overall Materiality	£7.20m	£5.99m
Basis for determining overall materiality	1.5% of net assets	1.5% of net assets
Rationale for the benchmark applied	We believe net assets is appropriate as the primary stakeholders will focus on the balance sheet strength of the group and its ability to declare dividends in the future.	The company is the parent and holding company of IPF Group and is a listed entity whose main purpose is to obtain external finance, therefore the main balances within the Financial Statements are the investments in subsidiaries and the external loans. We believe the equity available would be key to the shareholders and stakeholders of IPF plc, therefore net assets is deemed appropriate.

Performance materiality

We set performance materiality at a level lower than overall materiality to reduce to an appropriately low level the probability that the aggregate amount of uncorrected and undetected misstatements exceeds overall materiality. This threshold determines the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures and also the determination of our sample sizes.

	Group Financial Statements	Parent Company Financial Statements
Performance materiality	£3.60m	£2.99m
Basis for determining performance materiality	50% of overall materiality	50% of overall materiality
Rationale for the benchmark applied	In determining performance materiality, we considered, the scale of the Group's operations, the complexity of the accounting policies and the impact of the Group's external regulatory environment in its overseas markets. In addition, given this is a first-year engagement for the audit team in conjunction with the factors mentioned above, we believe that a haircut of 50% is appropriate.	In determining performance materiality, we considered a number of factors, including risk assessment and aggregation risk as well as the external risks that the Company is exposed to, which could impact its subsidiaries. Consistent with the haircut applied for the Group, we believe that a haircut of 50% is appropriate.

Triviality

We agreed with the Audit and Risk Committee that we would report all audit differences in excess of £360,000 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Additionally, we also report on disclosure issues identified when assessing the overall presentation of the Financial Statements.

Our approach to the audit

Identification and scoping of components

In designing our audit, we determined materiality and assessed the risk of material misstatements in the Financial Statements. We performed this assessment by obtaining an understanding of the Group and its environment. We then tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the Financial Statements as a whole. In particular, we looked at the financial significance of components as well as areas of significant judgement and estimates such as revenue recognition in respect of EIR accounting and impairment of customer receivables as detailed in our key audit matters section below. As in all of our audits, we also looked at the risk of management override of controls. Through this assessment, we identified six components which were subject a full scope audit and five components which involved the testing of specific balances. The components subject to a full scope audit were those within the "Home credit" division, which included the Home credit businesses in Poland, the Czech Republic, Romania, Hungary and Mexico, and one further entity managed within the IPF Digital business. Three components in the IPF Digital business and two components in the UK were subject to specified audit procedures.

We involved component auditors in performing the audit of the full scope components and the audit of the specific balances was performed by the Group auditor.

These components represent the principal business of the Group and account for 99% of the Group revenue and 100% of the Group amounts receivable from customers.

	Revenue	Amounts receivable from customers
Full scope audit	89%	88%
Specified audit procedures	10%	12%
Review at Group level	1%	–

Our consideration of the control environment

We worked with our internal IT specialist to perform work over the IT systems and controls which were relevant to the financial reporting process including revenue recognition, customer lending and modelled impairment processes. The work over IT for the Home Collect Credit division was performed by the group audit team and the work over IT for the Digital division was performed by component auditors under the group audit teams direction and supervision.

We also obtained an understanding of and tested controls at the Group-level in relation to our key audit matters described in the section below. Our testing of controls covered all of the components which were in scope for a full audit as well as those where specified audit procedures were required.

During the course of our controls testing, we identified a number of significant IT general control deficiencies in relation to the IT environment of one full scope component which resulted in the audit team not being able to place reliance on these controls and our audit of that component was therefore more substantive in nature with no reliance placed on IT automated controls.

Management's own evaluation of the Group control environment is included in the audit and risk committee's report on page 99.

Working with component auditors

As Group auditors, we determined the level of involvement required with our component auditors to be able to conclude that sufficient and appropriate audit evidence has been obtained as a basis for our audit opinion on the consolidated Financial Statements. We performed work directly over the significant risk areas of revenue recognition in respect of EIR accounting and impairment of customer receivables in relation to the Home credit division. In addition, we exercised oversight over the work performed by the components by performing procedures which included issuing Group instructions outlining areas requiring audit focus, including the key audit matters described below, maintaining constant communication with the component auditors throughout the audit, attending meeting and calls with local management where possible and reviewing the work performed by the component auditors either in person or remotely.

In our role as the Group auditors, we also performed the audit procedures required over the consolidation process and carried out analytical procedures over the components not in scope in order to obtain sufficient comfort that there are no significant risk of material misstatements aggregated at the Group level.

Consideration of climate related risks

We have performed enquiries of management, both within and outside of the Group's finance function in order to understand the impact of climate related risks on the Group's Financial Statements. As part of this, we reviewed the Group's climate reporting framework, and performed risk assessment procedures in respect of the commitments made by the Group in order to understand how these impact the Financial Statements and the audit procedures we undertake. For the year ended 31 December 2024, we have concluded that the main audit risks are consistent with those included in the Annual Report and Financial Statements. Refer to the Group's assessment of the potential impacts on pages 68 to 78 of the 'Environment' and 'TCFD report' sections of the Annual Report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our scope addressed this matter
Risk of fraud in revenue recognition – EIR accounting (Group)	
Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. The Group recognises revenue on loans using the effective interest rate ("EIR") method applicable under IFRS 9. EIR accounting requires significant judgement including the treatments on certain fees and costs and whether they are integral to the loan contract, the consideration of the length of the product including early settlement behaviour and rebates and the appropriate application of net interest on stage 3. The calculation of the EIR is heavily reliant on the quality of the underlying data used in the models and the judgements taken by management. Revenue recognition is further described in the Audit and Risk Committee's Report on page 96 and within the key sources of estimation uncertainty note on page 171. Also refer to note 1 to the Financial Statements.	**Our audit procedures to address this matter included:** – Testing the design, implementation and operating effectiveness of key controls relevant to the revenue cycle; – Reviewing the EIR approach and calculation to ensure it is reasonable under IFRS 9 Financial Instruments; – Challenging the period over which the EIR is modelled considering the contractual terms of the loan and whether all directly attributable costs and fees were identified and appropriately included in the EIR calculation; – Recalculating the interest income by applying the effective interest rate for a sample of loans; – Challenging management's assumptions in respect of cash flow estimates by comparing underlying data sources and benchmarks; – Testing whether interest income was calculated against the net balance of loans after impairment for accounts in stage 3 and test this through recalculation; and – Reviewing the early redemption assumptions in the EIR calculation to ascertain if they are supported by the behavioural life of the underlying products. **Key Observations** Based on our audit procedures performed and evidence obtained, we consider the methodology used in the EIR accounting to be appropriate.

Key audit matter	How our scope addressed this matter
Impairment of amounts receivable from customers (Group)	
Amounts receivable from customers are measured at amortised cost under IFRS 9. The impairment model under IFRS 9 reflects the expected credit losses and it is not necessary for a credit event to have occurred before credit losses are recognised, with an impairment recognised for expected credit losses and changes in those expected credit losses (ECLs). The determination of impairment provisions of receivables from customers is highly judgemental, requiring estimates to be made regarding the future losses that are expected on loan portfolios. Key judgements include the determination of an individual loan's probability of default, loss given default and exposure at default. Estimates are based on both observable historical payment performance and post model adjustments ("PMAs") to incorporate emerging risks that are not yet fully observable in the data available to management. We have determined our significant audit risk in the current year to be the valuation of management's material post-model adjustments ensuring that they are appropriate can be supported based on recent customer repayment performance and there is not any "double – counting" for credit risks separately provided for. Impairment of amount receivable from customers is further described in the Audit and Risk Committee's Report on page 96 and within the key sources of estimation uncertainty note on page 171. Also refer to note 1 to the Financial Statements.	**Our audit procedures to address this matter included:** – Testing the design, implementation and operating effectiveness of key controls relevant to the impairment cycle; – Use of IT specialists to re-perform the loan system's core impairment calculations on a sample basis; – Re-calculating, from source data, a sample of the cashflow, and key ECL parameters used to value the Group's receivables from customers at the year-end, for both the Home credit and Digital businesses; – Performing an analytical review of the movements in the loan book and loan loss provisions on a customer type, payment performance band, product type and IFRS 9 staging basis; – Review and challenge of the appropriateness or omission of post-model adjustments, with reference to supporting calculations, industry updates and our understanding of the Group's internal and external environments; – Holding discussions with component audit teams in order to identify any factors (e.g. economic or legislative) that might be expected to impact customer collections in future periods, and assess whether these have been appropriately considered in the post-model adjustments applied by management; – Evaluating the consistency of management's impairment methodology with the requirements of IFRS 9; and – Evaluating and testing the disclosure made in the Financial Statements in relation to impairment of receivables from customers. **Key Observations** Based on our audit procedures performed and evidence obtained, we consider the valuation of management's material post-model adjustments to be appropriate.
Impairment of investments in subsidiaries (Company)	
In the Company's financial statements, investments in subsidiaries are stated at cost less impairment. There is a risk that the carrying amount of the investments in subsidiaries exceed the recoverable amount which would require the recognition of an impairment loss. Impairment of investments in subsidiaries is further described within the accounting policies on page 168 and key sources of estimation uncertainty note on page 172. Also refer to note 13 to the Financial Statements.	**Our work audit procedures to address this matter:** – Obtaining management's assessment of impairment indicators in investments in subsidiaries and testing relevant inputs; – Reviewing and challenging key assumptions made by management in assessing the indicators and calculation of value in use; – Evaluating whether there is an impact on the carrying amount of the investments based on our understanding of the business and accounting treatment; and – Evaluating and testing the disclosure made in the financial statements in relation to investments in subsidiaries. **Key Observations** Based on our audit procedures performed and evidence obtained, we consider the amount of investments in subsidiaries included in the Financial Statements to be appropriate.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the Group and parent company Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company Financial Statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's and parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 37;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 43;
- Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 43;
- Directors' statement that they consider the Annual Report and the Financial Statements, taken as a whole, to be fair, balanced and understandable set out on page 99;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 38;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 99; and
- The section describing the work of the audit committee set out on page 96.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Group and parent company Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and parent company Financial Statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the Financial Statements. We obtained our understanding in this regard through discussions with management, industry research, and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and parent company in this regard to be those arising from the Companies Act 2006, the UK Listing Rules, the Disclosure and Transparency Rules and local regulations arising in each overseas market that the Group operates in.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and parent company with those laws and regulations. These procedures included, but were not limited to: enquiries of management and those charged with governance, enquiries with the Group's legal function, review of minutes of the Board and Audit and Risk Committee, review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the Financial Statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias in relation to revenue recognition in respect of EIR accounting, the impairment of customer receivables and the valuation of investments in subsidiaries. Refer to the key audit matters in respect of how we addressed these.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- For the components in scope, we engaged with our local component audit teams to understand the regulatory environment specific to each location in order to identify applicable laws and regulations; and to implement necessary procedures aimed at identifying any potential non-compliance issues. As Group auditors, we also interacted with local management to inquire about their legal functions where applicable. Additionally, we reviewed the work performed by our local component auditors in this area.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Audit and Risk Committee on 2 May 2024 to audit the Financial Statements for the period ended 31 December 2024 and subsequent financial periods. Our total uninterrupted period of engagement is one year, covering the periods ending 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting our audit.

Other than the non-audit services disclosed on page 99, we have not provided any non-audit services to the parent company and its subsidiaries.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Wilkinson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
3rd Floor, One Park Row
Leeds
United Kingdom
26 February 2025

Consolidated income statement

for the year ended 31 December

Group	Notes	2024 £m	2023 £m
Revenue	1	726.3	767.8
Impairment	1	(127.5)	(169.4)
Revenue less impairment		598.8	598.4
Interest expense	2	(70.4)	(76.9)
Other operating costs		(135.1)	(128.7)
Administrative expenses		(308.1)	(308.9)
Total costs		(513.6)	(514.5)
Profit before taxation and exceptional items	1	85.2	83.9
Exceptional items	10	(11.9)	–
Profit before taxation		73.3	83.9
Tax income – UK		0.2	0.7
Tax expense – overseas		(30.0)	(32.6)
Total tax expense before exceptional items	5	(29.8)	(31.9)
Exceptional tax income/(expense)	5, 10	17.4	(4.0)
Total tax expense		(12.4)	(35.9)
Profit after taxation attributable to equity shareholders		60.9	48.0

Group	Notes	2024 pence	2023 pence
Earnings per share – statutory			
Basic	6	27.3	21.5
Diluted	6	25.9	20.2

Group	Notes	2024 pence	2023 pence
Earnings per share – before exceptional items			
Basic	6	24.9	23.2
Diluted	6	23.5	21.9

Statements of comprehensive income

for the year ended 31 December

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Profit/(loss) after taxation attributable to equity shareholders		60.9	48.0	(4.4)	(24.6)
Other comprehensive (expense)/income					
Items that may subsequently be reclassified to income statement					
Exchange (losses)/gains on foreign currency translations		(57.3)	22.8	–	–
Net fair value (losses)/gains – cash flow hedges		(0.4)	0.1	–	0.1
Tax credit on items that may be reclassified	5	0.1	–	–	–
Items that will not subsequently be reclassified to income statement					
Actuarial (losses)/gains on retirement benefit obligation	27	(2.0)	3.9	(2.0)	3.9
Tax credit/(charge) on items that will not be reclassified	5	0.5	(1.0)	0.5	(1.0)
Other comprehensive (expense)/income net of taxation		(59.1)	25.8	(1.5)	3.0
Total comprehensive income/(expense) for the year attributable to equity shareholders		1.8	73.8	(5.9)	(21.6)

The accounting policies and notes 1 to 33 are an integral part of these Financial Statements.

Balance sheets

as at 31 December

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Assets					
Non-current assets					
Goodwill	11	22.6	23.6	–	–
Intangible assets	12	37.1	32.3	–	–
Investment in subsidiaries	13	–	–	734.0	733.4
Property, plant and equipment	14	14.0	16.0	1.0	1.1
Right-of-use assets	15	17.7	21.7	2.0	2.3
Amounts receivable from customers	17	245.6	203.3	–	–
Deferred tax assets	16	106.7	131.7	–	–
Retirement benefit asset	27	4.4	6.1	4.4	6.1
		448.1	434.7	741.4	742.9
Current assets					
Amounts receivable from customers	17	624.4	689.6	–	–
Derivative financial instruments	23	2.6	2.9	–	–
Cash and cash equivalents	18	27.6	42.5	1.5	5.0
Other receivables	19	22.9	16.0	553.6	523.4
Current tax assets		16.1	3.3	–	–
		693.6	754.3	555.1	528.4
Total assets		1,141.7	1,189.0	1,296.5	1,271.3
Liabilities					
Current liabilities					
Borrowings	21	(92.8)	(52.2)	(54.9)	(35.1)
Derivative financial instruments	23	(1.6)	(4.4)	–	–
Trade and other payables	20	(125.1)	(132.9)	(460.3)	(397.2)
Provision for liabilities and charges	26	(2.8)	–	–	–
Lease liabilities	15	(8.1)	(8.3)	(0.3)	(0.2)
Current tax liabilities		(6.0)	(7.3)	–	–
		(236.4)	(205.1)	(515.5)	(432.5)
Non-current liabilities					
Deferred tax liabilities	16	(4.1)	(7.1)	–	–
Borrowings	21	(423.1)	(459.6)	(378.5)	(393.1)
Lease liabilities	15	(11.8)	(15.3)	(2.1)	(2.4)
		(439.0)	(482.0)	(380.6)	(395.5)
Total liabilities		(675.4)	(687.1)	(896.1)	(828.0)
Net assets		466.3	501.9	400.4	443.3
Equity attributable to owners of the Company					
Called-up share capital	29	22.5	23.4	22.5	23.4
Other reserve		(22.5)	(22.5)	226.3	226.3
Foreign exchange reserve		(25.3)	32.0	–	–
Hedging reserve		(0.1)	0.2	–	–
Own shares		(24.9)	(36.7)	(24.9)	(36.7)
Capital redemption reserve		3.2	2.3	3.2	2.3
Retained earnings		513.4	503.2	173.3	228.0
Total equity		466.3	501.9	400.4	443.3

The accounting policies and notes 1 to 33 are an integral part of these Financial Statements.

The loss after taxation of the Parent Company for the period was £4.4m (2023: loss of £24.6m).

The Financial Statements of International Personal Finance plc, registration number 6018973 comprising the consolidated income statement, statements of comprehensive income, balance sheets, statements of changes in equity, cash flow statements, accounting policies and notes 1 to 33 were approved by the Board on 26 February and were signed on its behalf by:

Gerard Ryan
Chief Executive Officer

Gary Thompson
Chief Financial Officer

Statements of changes in equity

Group – Attributable to owners of the Company	Notes	Called-up share capital £m	Other reserve £m	Foreign exchange reserve £m	Hedging reserve £m	Own shares £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
At 1 January 2023		23.4	(22.5)	9.2	0.1	(43.3)	2.3	476.0	445.2
Comprehensive income									
Profit after taxation for the year		–	–	–	–	–	–	48.0	48.0
Other comprehensive income/(expense)									
Exchange gains on foreign currency translation		–	–	22.8	–	–	–	–	22.8
Net fair value gains – cash flow hedges		–	–	–	0.1	–	–	–	0.1
Actuarial gain on retirement benefit obligation	27	–	–	–	–	–	–	3.9	3.9
Tax charge on other comprehensive income	5	–	–	–	–	–	–	(1.0)	(1.0)
Total other comprehensive income		–	–	22.8	0.1	–	–	2.9	25.8
Total comprehensive income for the year		–	–	22.8	0.1	–	–	50.9	73.8
Transactions with owners									
Share-based payment adjustment to reserves		–	–	–	–	–	–	4.3	4.3
Deferred tax on share-based payment transactions		–	–	–	–	–	–	0.5	0.5
Shares acquired by employee and treasury trusts		–	–	–	–	(0.4)	–	–	(0.4)
Shares granted from employee and treasury trusts		–	–	–	–	7.0	–	(7.0)	–
Dividends paid to Company shareholders	7	–	–	–	–	–	–	(21.5)	(21.5)
At 31 December 2023		23.4	(22.5)	32.0	0.2	(36.7)	2.3	503.2	501.9
At 1 January 2024		**23.4**	**(22.5)**	**32.0**	**0.2**	**(36.7)**	**2.3**	**503.2**	**501.9**
Comprehensive income									
Profit after taxation for the year		–	–	–	–	–	–	60.9	60.9
Other comprehensive (expense)/income									
Exchange losses on foreign currency translation		–	–	(57.3)	–	–	–	–	(57.3)
Net fair value losses – cash flow hedges		–	–	–	(0.4)	–	–	–	(0.4)
Actuarial loss on retirement benefit obligation	27	–	–	–	–	–	–	(2.0)	(2.0)
Tax credit on other comprehensive expense	5	–	–	–	0.1	–	–	0.5	0.6
Total other comprehensive expense		–	–	(57.3)	(0.3)	–	–	(1.5)	(59.1)
Total comprehensive (expense)/income for the year		–	–	(57.3)	(0.3)	–	–	59.4	1.8
Transactions with owners									
Share-based payment adjustment to reserves		–	–	–	–	–	–	2.9	2.9
Acquisition of own shares		(0.9)	–	–	–	–	0.9	(15.1)	(15.1)
Shares acquired by employee and treasury trusts		–	–	–	–	(1.3)	–	–	(1.3)
Shares granted from employee and treasury trusts		–	–	–	–	13.1	–	(13.1)	–
Dividends paid to Company shareholders	7	–	–	–	–	–	–	(23.9)	(23.9)
At 31 December 2024		**22.5**	**(22.5)**	**(25.3)**	**(0.1)**	**(24.9)**	**3.2**	**513.4**	**466.3**

Company – Attributable to owners of the Company	Notes	Called-up share capital £m	Other reserve £m	Hedging reserve £m	Own shares £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
At 1 January 2023		23.4	226.3	(0.1)	(43.3)	2.3	273.5	482.1
Comprehensive expense								
Loss after taxation for the year		–	–	–	–	–	(24.6)	(24.6)
Other comprehensive income/(expense)								
Net fair value gains – cash flow hedges		–	–	0.1	–	–	–	0.1
Actuarial gain on retirement benefit obligation	27	–	–	–	–	–	3.9	3.9
Tax charge on other comprehensive income	5	–	–	–	–	–	(1.0)	(1.0)
Total other comprehensive income		–	–	0.1	–	–	2.9	3.0
Total comprehensive income/(expense) for the year		–	–	0.1	–	–	(21.7)	(21.6)
Transactions with owners								
Share-based payment adjustment to reserves		–	–	–	–	–	4.3	4.3
Deferred tax on share-based payment transactions		–	–	–	–	–	0.4	0.4
Shares acquired by employee and treasury trusts		–	–	–	(0.4)	–	–	(0.4)
Shares granted from employee and treasury trusts		–	–	–	7.0	–	(7.0)	–
Dividends paid to Company shareholders	7	–	–	–	–	–	(21.5)	(21.5)
At 31 December 2023		23.4	226.3	–	(36.7)	2.3	228.0	443.3
At 1 January 2024		**23.4**	**226.3**	**–**	**(36.7)**	**2.3**	**228.0**	**443.3**
Comprehensive expense								
Loss after taxation for the year		–	–	–	–	–	(4.4)	(4.4)
Other comprehensive (expense)/income								
Actuarial gain on retirement benefit obligation	27	–	–	–	–	–	(2.0)	(2.0)
Tax credit on other comprehensive expense	5	–	–	–	–	–	0.5	0.5
Total other comprehensive expense		–	–	–	–	–	(1.5)	(1.5)
Total comprehensive expense for the year		–	–	–	–	–	(5.9)	(5.9)
Transactions with owners								
Share-based payment adjustment to reserves		–	–	–	–	–	2.9	2.9
Deferred tax on share-based payment transactions		–	–	–	–	–	0.4	0.4
Acquisition of own shares		(0.9)	–	–	–	0.9	(15.1)	(15.1)
Shares acquired by employee and treasury trusts		–	–	–	(1.3)	–	–	(1.3)
Shares granted from employee and treasury trusts		–	–	–	13.1	–	(13.1)	–
Dividends paid to Company shareholders	7	–	–	–	–	–	(23.9)	(23.9)
At 31 December 2024		**22.5**	**226.3**	**–**	**(24.9)**	**3.2**	**173.3**	**400.4**

The other reserve represents the difference between the nominal value of the shares issued when the Company became listed on 16 July 2007 and the fair value of the subsidiary companies acquired in exchange for this share capital.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company income statement.

The accounting policies and notes 1 to 33 are an integral part of these Financial Statements.

Cash flow statements

for the year ended 31 December

	Notes	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Cash flows from operating activities					
Cash generated from operating activities	30	**114.1**	193.4	**60.6**	37.0
Finance costs paid		**(72.3)**	(74.5)	**(93.5)**	(79.4)
Finance income received		**1.3**	–	**64.2**	52.3
Income tax paid		**(18.3)**	(33.1)	**(2.5)**	(2.0)
Net cash generated from operating activities		**24.8**	85.8	**28.8**	7.9
Cash flows from investing activities					
Purchases of property, plant and equipment	14	**(6.4)**	(4.7)	**–**	–
Proceeds from sale of property, plant and equipment		**0.1**	–	**–**	–
Purchases of intangible assets	12	**(17.8)**	(17.9)	**–**	–
Net cash used in investing activities		**(24.1)**	(22.6)	**–**	–
Net cash generated from operating and investing activities		**0.7**	63.2	**28.8**	7.9
Cash flows from financing activities					
Proceeds from borrowings		**313.2**	48.1	**291.3**	44.7
Repayment of borrowings		**(273.5)**	(87.3)	**(283.2)**	(30.9)
Principal elements of lease payments		**(12.2)**	(12.0)	**(0.3)**	(0.2)
Dividends paid to Company shareholders	7	**(23.9)**	(21.5)	**(23.9)**	(21.5)
Acquisition of own shares		**(15.1)**	–	**(15.1)**	–
Shares acquired by employee and treasury trusts		**(1.3)**	(0.4)	**(1.3)**	(0.4)
Cash received on options exercised		**0.2**	0.4	**0.2**	0.4
Net cash used in financing activities		**(12.6)**	(72.7)	**(32.3)**	(7.9)
Net decrease in cash and cash equivalents		**(11.9)**	(9.5)	**(3.5)**	–
Cash and cash equivalents at beginning of year		**42.5**	50.7	**5.0**	5.0
Exchange (losses)/gains on cash and cash equivalents		**(3.0)**	1.3	**–**	–
Cash and cash equivalents at end of year	18	**27.6**	42.5	**1.5**	5.0
Cash and cash equivalents at end of year comprise:					
Cash at bank and in hand	18	**27.6**	42.5	**1.5**	5.0

The accounting policies and notes 1 to 33 are an integral part of these Financial Statements.

Notes to the Financial Statements

General information

International Personal Finance plc (the Company) is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is shown on the back cover of this Annual Report and Financial Statements.

The principal activities of the Company and its subsidiaries (IPF or the Group) and the nature of the Group's operations are set out in the Strategic Report.

These Financial Statements are presented in sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are set out in accordance with the policies set out on page 169.

The Consolidated Group and Parent Company Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2024 but do not have any material impact on the Group:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: 'Disclosures: Supplier Finance Arrangements';
- Amendments to IFRS 16 Leases: ' Lease Liability in a Sale and Leaseback';
- Amendments to IAS 1 Presentation of Financial Statements: 'Non-current Liabilities with Covenants'.

The following standards, interpretations and amendments to existing standards are not yet effective and have not been early adopted by the Group:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability';
- IFRS 18 'Presentation and Disclosure in Financial Statements';
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'; and
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: 'Disclosures: Classification and Measurement of Financial Instruments'.

Alternative Performance Measures

In reporting financial information, the Group presents alternative performance measures, 'APMs' which are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. The APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.

All of the APMs, used by the Group are set out on pages 203 to 204 including explanations of how they are calculated and how they can be reconciled to a statutory measure where relevant.

The Group reports percentage change figures for all performance measures, other than profit or loss before taxation and earnings per share, after restating prior year figures at a constant exchange rate. The constant exchange rate, which is an APM, retranslates the previous year measures at the average actual periodic exchange rates used in the current financial year. These measures are presented as a means of eliminating the effects of exchange rate fluctuations on the year-on-year reported results.

The Group makes certain adjustments to the statutory measures in order to derive APMs where relevant. The Group's policy is to exclude items that are considered to be significant in both nature and/or quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group.

Basis of preparation

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value. The material accounting policies, which have been applied consistently, are set out in the following paragraphs.

Going concern

The directors have, at the time of approving the Financial Statements, a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future (12 months from the date of this report). Thus they continue to adopt the going concern basis of accounting in the Financial Statements. Further detail is contained in the Financial review on page 37.

Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and the entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

– has the power over the investee;
– is exposed, or has rights, to variable return from its involvement with the investee; and
– has the ability to use its power to affects its returns.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated on consolidation.

The accounting policies of the subsidiaries are consistent with the accounting policies of the Group.

Finance costs

Finance costs comprise the interest on external borrowings which are recognised on an effective interest rate (EIR) basis, and gains or losses on derivative contracts taken to the income statement. Finance costs also include interest expenses on lease liabilities as required under IFRS 16.

Segment reporting

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Board. This information is by business line – European home credit, Mexico home credit and IPF Digital. A business line is a component of the Group that operates within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

As part of a change in management responsibility from the end of 2023 and as reported with the interim results, the nascent digital lending business in the Czech Republic, which was previously reported as part of European home credit, is now included in the results of IPF Digital. All comparatives have been amended accordingly and are presented on a like-for-like basis. The Czech Republic digital business contributed a loss of £2.6m for 2023.

Revenue

Revenue, which excludes value added tax and intra-Group transactions, comprises revenue earned on amounts receivable from customers. Revenue on customer receivables is calculated using an EIR. All fees, being interest and non-interest fees, are included within the EIR calculation. The EIR is calculated reflecting all contractual terms using estimated cash flows, being contractual payments adjusted for the impact of customers paying early.

Directly attributable lending costs are also taken into account in calculating the EIR. Interest income is accrued on all receivables using the original EIR applied to the loan's carrying value. Revenue is calculated using the EIR on the gross receivable balance for loans in stages 1 and 2. For loans in stage 3, the calculation is applied to the net receivable from the start of the next reporting period after the loan entered stage 3. Revenue is capped at the amount of interest fees charged.

Commissions in respect of insurance products intermediated by the Group are recognised when the underlying insurance is sold (alongside a loan agreement) if no further service obligations are identified. These commission amounts do not make up a significant part of the revenue of the Group. The insurance premium payable by the customer is capitalised alongside the customer loan receivable and both are accounted for on an amortised cost basis.

The accounting for amounts receivable from customers is considered further below.

Exceptional items

Exceptional items are items that are unusual because of their size, nature or incidence and which the directors consider should be disclosed separately to enable a full understanding of the Group's underlying results.

Other operating costs

Other operating costs include customer representative repayment commission, marketing costs and foreign exchange gains and losses. All other costs are included in administrative expenses.

Share-based payments

The cost of providing share-based payments to employees is charged to the income statement over the vesting period of the award. The corresponding credit is made to retained earnings. The cost is based on the fair value of awards granted at the grant date, which is determined using both a Monte Carlo simulation and Black-Scholes option pricing model.

At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

In the Parent Company Financial Statements, the fair value of providing share-based payments to employees of subsidiary companies is treated as an increase in the investment in subsidiaries.

Financial instruments

Classification and measurement

Under IFRS 9 the classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset. There are three principal classification categories for financial assets that are debt instruments: (i) amortised cost; (ii) fair value through other comprehensive income (FVTOCI); and (iii) fair value through profit or loss (FVTPL). Equity instruments in the scope of IFRS 9 are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income.

There is no impact on the classification and measurement of the following financial assets held by the Group: derivative financial instruments; cash and cash equivalents; other receivables and current tax assets.

There is no change in the accounting for any financial liabilities.

Hedge accounting

On initial application of IFRS 9, an entity may choose, as its accounting policy, to continue to apply the hedge accounting requirements of IAS 39 instead of the hedge accounting requirements of IFRS 9. The Group has elected to apply the IAS 39 hedge accounting requirements.

Amounts receivable from customers

Amounts receivable from customers are measured at amortised cost under IFRS 9.

Impairment

The impairment model under IFRS 9 reflects expected credit losses. Under the impairment approach in IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date.

Forward-looking information

Under IFRS 9 macroeconomic overlays are required to include forward-looking information when calculating expected credit losses.

The short-term nature of our lending means that the portfolio turns over quickly, and as a result, changes in the macroeconomic environment have not historically had a significant impact on amounts receivable from customers.

Where extreme macroeconomic scenarios are experienced, management judgement is used to identify, quantify and apply any required approach.

Probability of default (PD); loss given default (LGD) and cash flow projections are based on the most recent repayments performance, including management overlays where historic performance is not deemed to be representative of future repayments performance. Where appropriate, consideration is also given to the proportion of undrawn credit limits that the Group is committed to at the balance sheet date and which are expect to be utilised in the future.

See page 171 for key sources of estimation uncertainty on amounts receivable from customers in relation to post model overlays.

Other receivables

Other receivables, including amounts due from Group undertakings, are assessed annually for any evidence of impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. Cash also includes those balances held by agents for operational purposes. Bank overdrafts are presented in current liabilities to the extent that there is no right of offset with cash balances.

Derivative financial instruments

The Group uses derivative financial instruments, principally interest rate swaps, currency swaps and forward currency contracts, to manage the interest rate and currency risks arising from the Group's underlying business operations. No transactions of a speculative nature are undertaken and we do not expect there to be any sources of hedge ineffectiveness.

All derivative financial instruments are assessed against the hedge accounting criteria set out in IAS 39. The majority of the Group's derivatives are cash flow hedges of highly probable forecast transactions and meet the hedge accounting requirements of IAS 39. Derivatives are recognised initially at the fair value through profit or loss (FVTPL) on the date a derivative contract is entered into and are remeasured subsequently at each reporting date at their fair value. Where derivatives do not qualify for hedge accounting, movements in their fair value are recognised immediately within the income statement.

For derivatives that are designated as cash flow hedges and where the hedge accounting criteria are met, the effective portion of changes in the fair value is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement as part of finance costs. Amounts accumulated in equity are recognised in the income statement when the income or expense on the hedged item is recognised in the income statement.

The Group discontinues hedge accounting when:

– it is evident from testing that a derivative is not, or has ceased to be, highly effective as a hedge;
– the derivative expires, or is sold, terminated or exercised; or
– the underlying hedged item matures or is sold or repaid.

Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds net of any transaction costs incurred. Borrowings are stated subsequently at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the expected life of the borrowings using the EIR. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill is recognised initially as an asset at cost and is measured subsequently at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each end of reporting period date.

Goodwill is not amortised but is tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Impairment is tested by comparing the carrying value of goodwill to the net present value of latest forecast cash flows from the legacy MCB Finance business cash generating unit. Any impairment is recognised immediately in the income statement. Subsequent reversals of impairment losses for goodwill are not recognised.

Intangible assets

Intangible assets comprise computer software. Computer software is capitalised as an intangible asset on the basis of the costs incurred to acquire or develop the specific software and bring it into use.

Intangible assets are amortised (within administrative expenses) on a straight-line basis over their estimated useful economic lives which is typically five years. The residual values and economic lives are reviewed by management at each balance sheet date, and any shortfall recognised through the profit and loss account.

Investments in subsidiaries

Investments in subsidiaries are stated at cost, where cost is equal to the fair value of the consideration used to acquire the asset. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the investment carrying value exceeds the higher of the asset's value in use or its fair value less costs to sell.

Property, plant and equipment

Property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost represents invoiced cost plus any other costs that are attributable directly to the acquisition of the items. Repair and maintenance costs are expensed as incurred.

Depreciation is calculated to write down assets to their estimated realisable value over their useful economic lives. The following are the principal bases used:

Category	Depreciation rate	Method
Fixtures and fittings	10%	Straight-line
Equipment	20% to 33.3%	Straight-line
Motor vehicles	25%	Reducing balance

The residual value and useful economic life of all assets are reviewed, and adjusted if appropriate, at each balance sheet date. All items of property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised through the income statement for the amount by which the asset's carrying value exceeds the higher of the asset's value in use or its fair value less costs to sell.

Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are recognised on the balance sheet to the extent that they meet the IFRS 16 definition criteria. Where applicable, the Group exercises its right to expense those leases classed as short term and/or low value.

Share capital

The company has only ordinary share capital. These shares, with a nominal value of 10 pence per share, are classified as equity.

Shares held in treasury and by employee trust ("own shares")

The net amount paid to acquire shares is held in a separate reserve and shown as a reduction in equity.

Foreign currency translation

Items included in the Financial Statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The Group's financial information is presented in sterling.

Transactions that are not denominated in an entity's functional currency are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at the rates of exchange ruling at the balance sheet date. Differences arising on translation are charged or credited to the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

The income statements of the Group's subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from sterling are translated into sterling at the average exchange rate and the balance sheets are translated at the exchange rates ruling at each balance sheet date.

Upon consolidation, exchange differences arising from the translation of the net investment in foreign subsidiaries, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The Group has adopted IFRIC 23. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to determine whether uncertain tax positions are assessed separately or as a group; and to assess whether it is probable that a tax authority will accept an uncertain tax treatment used/proposed by the entity in its income tax filings. If this is deemed to be the case, the Group determines its accounting tax position with the treatment used/proposed in its income tax filings. If this is not deemed to be the case, the Group reflects the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Taxation continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the foreseeable future to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Employee benefits

Defined benefit pension scheme

The charge or credit in the income statement in respect of the defined benefit pension scheme comprises the actuarially assessed current service cost of working employees together with the interest charge on pension liabilities offset by the expected return on pension scheme assets. As there are no working employees that are members of the defined benefit pension scheme, there are no current service costs. All charges or credits are allocated to administrative expenses.

The asset or obligation recognised in the balance sheet in respect of the defined benefit pension scheme is the fair value of the scheme's assets less the present value of the defined benefit obligation at the balance sheet date. An asset is recognised to the extent that the Group believes it has a right of refund of surplus economic benefits.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income.

The Parent Company share of the defined benefit retirement obligation is based on the proportion of total Group contributions made by the Parent Company.

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement on an accruals basis.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Consolidated Financial Statements requires the Group to make estimates and judgements that affect the application of policies and reported accounts.

Critical judgements represent key decisions made by management in the application of the Group accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty, this will represent a critical accounting estimate. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make estimations that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Revenue recognition

The estimate used in respect of revenue recognition is the methodology used to calculate the EIR. In order to determine the EIR applicable to loans an estimate must be made of the expected life of each loan and hence the cash flows relating thereto. These estimates are based on historical data and are reviewed regularly. Based on a 3% variation in the EIR (2023: 3%), it is estimated that the amounts receivable from customers would be higher/lower by £9.6m (2023: £9.7m). This sensitivity is based on historic fluctuations in EIRs.

Amounts receivable from customers

The Group reviews its portfolio of customer loans and receivables for impairment on a weekly or monthly basis. The Group reviews the most recent repayments performance to determine whether there is objective evidence which indicates that there has been an adverse effect on expected future cash flows. For the purposes of assessing the impairment of customer loans and receivables, customers are categorised into stages based on days past due as this is considered to be the most reliable predictor of future payment performance. The level of impairment is calculated using historical payment performance to generate both the estimated expected loss and also the timing of future cash flows for each agreement. The expected loss is calculated using probability of default (PD) and loss given default (LGD) parameters.

Recurring post-model overlays on amounts receivable from customers

Impairment models are monitored regularly to test their continued capability to predict the timing and quantum of customer repayments in the context of the recent customer payment performance. The models used typically have a strong predictive capability reflecting the relatively stable nature of the business and therefore the actual performance does not usually vary significantly from the estimated performance. The models are ordinarily updated at least twice per year. Where the models are expected to show an increase in the expected loss or a slowing of the future cashflows in the following 12 months, an adjustment is applied to the models. At 31 December 2024, this adjustment was a reduction in receivables of £7.9m (2023: reduction of £9.0m).

Post-model overlays (PMOs) on amounts receivable from customers

2024	**Cost-of-living PMO £m**	**Hungary moratorium PMO £m**	**Poland non-interest PMO £m**	**Total PMOs £m**
Home credit	**6.7**	**1.1**	**–**	**7.8**
IPF Digital	**1.8**	**–**	**–**	**1.8**
Group	**8.5**	**1.1**	**–**	**9.6**

2023	Cost-of-living PMO £m	Hungary moratorium PMO £m	Poland non-interest PMO £m	Total PMOs £m
Home credit	11.9	2.1	6.0	20.0
IPF Digital	3.2	–	–	3.2
Group	15.1	2.1	6.0	23.2

Key sources of estimation uncertainty continued

The second half of 2024 and early 2025 has been characterised by global market volatilities including various elections, notably the US election and resultant policy of high tariffs, as well as the ongoing wars in Ukraine and the Middle East. It is likely that these factors will impact customer repayment behaviour. A full assessment of the impact of the global economic volatility has been performed and concluded that it is likely to result in increased risks across both the home credit and IPF Digital businesses. PMOs have been established and based on management's current expectations the impact of these PMOs was to increase impairment provisions at 31 December 2024 by a further £8.5m (2023: £15.1m). The reduction in the year reflects strong credit quality and operational execution as well as an improvement in inflation rates in the Group's markets. In order to calculate this PMO, country-specific expert knowledge, informed by economic forecast data to estimate the increase in losses, has been used. This represents management's current assessment of the impact that the global economic volatility may have on the Group's customer receivables, however given the levels of uncertainty in this area, the impacts (if any) may be greater or lower than the amount determined.

The Hungarian debt moratorium, which initially began in March 2020, ended in December 2022. There remains a small proportion of the portfolio that has at some point been in the moratorium. Given the age of these loans, PMOs have been applied to the impairment models in order to calculate the continued risks that are not fully reflected in the standard impairment models. Based on management's current expectations, the impact of these PMOs was to increase impairment provisions at 31 December 2024 by £1.1m (2023: £2.1m). In order to calculate the PMO, the portfolio was segmented by analysis of the most recent payment performance and, using this information, assumptions were made around expected credit losses. This represents management's current assessment of a reasonable outcome from the actual repayment performance on the debt moratorium impacted portfolio.

In late February 2024, we received a letter from the KNF issued to all regulated lenders operating in the Polish credit card market setting out its current expectations on how charging practices for credit cards should be subject to limits on non-interest costs, the need to differentiate between different costs charged by credit card issuers which are subject to caps and those fees which are not subject to a cap and lastly how issuers should approach more broadly the question of calculating and assessing fees which are not subject to specific legal limits. Based on the expectations set out in the letter, management performed an assessment of the expected future cashflows from the Polish credit card receivables book at the 31 December 2023 and determined that a PMO of £6.0m was necessary. This represented management's best estimate of a reasonable outcome after discounting the expected cashflows at the original effective interest rate. For the 2024 amounts receivable from customers, this change in pricing has been built into the underlying calculation, and hence no PMO is required.

Accounting for credit card receivables

As at December 2024, the Group does not yet have sufficient historical credit card data in order to fully calculate an expected loss provision for the credit card receivables portfolio. The credit card receivables portfolio is behaving similarly to the instalment loan portfolio in Poland, and consequently some parameters from the instalment loan portfolio have been used to calculate an expected loss provision and value the credit card receivables portfolio. Based on a 10% variation in expected loss parameters, it is estimated that the amounts receivable from customers would be higher/lower by £1.4m.

Investment in subsidiaries

During the year, as a result of the Group net asset position and the market capitalisation of the Company being lower than the carrying value of the investment in subsidiaries, a review of the recoverable amount of the carrying value of the investment has been performed. This review entails comparing the investments value to the net present value of latest forecast cash flows from the operating businesses. This review confirmed that no impairment of the investment is required. A shortfall in profitability compared to current expectations may result in future adjustments to investments in subsidiary balances. See note 13 for more details.

Tax

Estimations must be exercised in the calculation of the Group's tax provision, in particular with regard to the existence and extent of tax risks.

Deferred tax assets arise from timing differences between the accounting and tax treatment of revenue and impairment transactions and tax losses. Estimations must be made regarding the extent to which timing differences reverse and an assessment must be made of the extent to which future profits will be generated to absorb tax losses. A shortfall in profitability compared to current expectations may result in future adjustments to deferred tax asset balances.

Climate change

When preparing the financial statements, consideration has been given to the impact of climate change on the Group's financial statements. There has been no material impact identified on the financial reporting judgments and estimates, with climate change specifically considered in the context of the Group's ability to continue trading as a going concern, the valuation of its expected credit losses and assessment of impairment for non-financial assets including goodwill.

Whilst climate change was not considered to impact the financial statements, the Group acknowledges the short, medium and long-term risks and opportunities associated with climate change, as highlighted in the TCFD sections of the strategic report on pages 70-75.

1. Segment analysis

	Revenue		Impairment		Pre-exceptional profit before taxation	
Group	**2024 £m**	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
European home credit	**328.2**	375.9	**8.1**	35.6	**57.4**	67.7
Mexico home credit	**263.8**	261.6	**92.4**	96.7	**26.0**	23.1
IPF Digital	**134.3**	130.3	**27.0**	37.1	**17.0**	8.1
UK costs*	**–**	–	**–**	–	**(15.2)**	(15.0)
Total	**726.3**	767.8	**127.5**	169.4	**85.2**	83.9

* Although UK costs are not classified as a separate segment in accordance with IFRS 8 'Operating segments', they are shown separately above in order to provide a reconciliation to profit before taxation.

	Segment assets		Segment liabilities	
Group	**2024 £m**	2023 £m	**2024 £m**	2023 £m
European home credit	**530.3**	558.7	**(285.5)**	(289.6)
Mexico home credit	**243.3**	291.2	**(127.3)**	(134.3)
IPF Digital	**281.3**	260.3	**(195.1)**	(132.2)
UK	**86.8**	78.8	**(67.5)**	(131.0)
Total	**1,141.7**	1,189.0	**(675.4)**	(687.1)

	Expenditure on intangible assets		Amortisation	
Group	**2024 £m**	2023 £m	**2024 £m**	2023 £m
European home credit	**–**	–	**–**	–
Mexico home credit	**–**	–	**–**	–
IPF Digital	**5.2**	5.4	**4.3**	4.5
UK	**12.6**	12.5	**8.1**	8.6
Total	**17.8**	17.9	**12.4**	13.1

	Capital expenditure		Depreciation	
Group	**2024 £m**	2023 £m	**2024 £m**	2023 £m
European home credit	**1.9**	1.3	**3.7**	3.8
Mexico home credit	**4.0**	3.1	**2.7**	2.0
IPF Digital	**0.3**	0.3	**0.2**	0.3
UK	**0.2**	–	**0.2**	0.4
Total	**6.4**	4.7	**6.8**	6.5

All revenue comprises amounts earned on amounts receivable from customers.

The Group is domiciled in the UK and no revenue is generated in the UK.

The total of non-current assets other than financial instruments and deferred tax assets located in the UK is £33.0m (2023: £30.5m), and the total of non-current assets located in other countries is £308.4m (2023: £272.5m).

There is no single external customer from which significant revenue is generated.

The segments shown above are the segments for which management information is presented to the Board, which is deemed to be the Group's chief operating decision maker.

2. Finance costs

Group	2024 £m	2023 £m
Interest payable on borrowings	69.3	74.8
Interest payable on lease liabilities	2.4	2.1
Interest income	(1.3)	–
Total finance costs	70.4	76.9

3. Profit before taxation

Profit before taxation is stated after charging:

Group	2024 £m	2023 £m
Depreciation of property, plant and equipment (note 14)	6.8	6.5
Depreciation of right-of-use assets (note 15)	10.1	9.7
Loss on disposal of property, plant and equipment	–	0.1
Amortisation of intangible assets (note 12)	12.4	13.1
Employee costs (note 9)	200.3	198.4

4. Auditor's remuneration

During the year, the Group incurred the following costs in respect of services provided by the Group auditor:

Group	2024 £m	2023 £m
Fees payable to the Company auditor for the audit of the Parent Company and Consolidated Financial Statements	0.6	0.1
Fees payable to the Company auditor and its associates for other services:		
– audit of Company's subsidiaries pursuant to legislation	0.4	1.6
– other assurance services	0.2	0.1
Fees payable to auditors	1.2	1.8
Fees payable to auditors not associated to the company auditor	0.2	–
Total audit fees	1.4	1.8

Further details on auditor remuneration can be found in the Audit and Risk Committee Report on page 99.

5. Tax expense

Group	2024 £m	2023 £m
Current tax expense:		
– current year	22.6	14.7
– prior year	(1.0)	0.6
Total current tax expense	21.6	15.3
Deferred tax expense/(income) (note 16):		
– current year	6.7	11.2
– prior year	1.5	(3.9)
– write-down of previously recognised deferred tax assets	–	9.3
Total deferred tax expense	8.2	16.6
Tax expense before exceptional items	29.8	31.9
Exceptional tax (income)/expense (note 10)	(17.4)	4.0
Total tax expense	12.4	35.9

The pre-exceptional taxation expense on the profit for 2024 is £29.8m representing an effective tax rate for the year of approximately 35% (2023: an effective tax rate of approximately 38%).

Further information regarding the deferred tax expense is shown in note 16, and primarily relates to timing differences in respect of revenue and impairment and tax losses.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities relating to Pillar Two income taxes.

5. Tax expense continued

On 20 June 2023, the United Kingdom government's legislation applying the Pillar Two income tax rules became substantively enacted, effective from 1 January 2024. Under the legislation the parent company will be required to pay in the United Kingdom top-up tax on profits of subsidiaries in territories that are taxed at an effective tax rate of less than 15% (as calculated under the rules). A system of simplified safe harbours applies for a transitional period of up to three years. Pillar Two legislation has also been implemented in many of the overseas territories in which the Group operates including the introduction of domestic minimum top-up taxes.

The Group has performed a provisional assessment of compliance against the transitional safe harbours using 2024 data for each territory in which it operates and concludes that all territories meet one or more of the transitional safe harbours. Furthermore, no domestic minimum top-up taxes are expected to arise in any of the Group's overseas territories for 2024. Accordingly, the Group does not expect to incur any Pillar Two top-up taxes in respect of 2024. The Group will continue to monitor the expected future impact of the Pillar Two income taxes legislation on its financial performance.

Group	2024 £m	2023 £m
Deferred tax income on net fair value losses – cash flow hedges	0.1	–
Deferred tax income on net fair value gains – share based payments	–	0.5
Deferred tax income/(expense) on actuarial (losses)/gains on retirement benefit asset	0.5	(1.0)
Deferred tax income on revenue and impairment	–	1.0
Current tax expense on revenue and impairment	–	(1.0)
Total tax income/(expense) on other comprehensive (expense)/income and recognised directly in equity	0.6	(0.5)

The rate of tax expense on the profit before taxation for the year ended 31 December 2024 is higher than (2023: higher than) the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). The differences are explained as follows:

Group	2024 £m	2023 £m
Profit before taxation	85.2	83.9
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	21.3	19.7
Effects of:		
– adjustment in respect of prior years	0.6	(3.3)
– adjustment in respect of foreign tax rates	(0.2)	(1.3)
– non-deductible bad debt income	1.0	7.9
– other expenses not deductible for tax purposes	(3.0)	(1.2)
– write-down of previously recognised deferred tax assets	–	9.3
– other change in unrecognised deferred tax assets	10.1	1.6
– impact of rate change on deferred tax asset / liability	–	(0.8)
Tax expense before exceptional items	29.8	31.9
Exceptional tax income/(expense) (note 10)	(17.4)	4.0
Total tax expense	12.4	35.9

As at the end of 2024, the Group had an ongoing tax audit in Mexico (digital entity for 2019).

6. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to shareholders of £60.9m (2023: £48.0m) by the weighted average number of shares in issue during the period of 222.8m (2023: 223.7m) which has been adjusted to exclude the weighted average number of shares held in treasury and by the employee trust.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary share options relating to employees of the Group.

The weighted average number of shares used in the basic and diluted EPS calculations can be reconciled as follows:

Group	2024 £m	2023 £m
Used in basic EPS calculation	222.8	223.7
Dilutive effect of awards	12.5	13.8
Used in diluted EPS calculation	235.3	237.5

6. Earnings per share continued

Basic and diluted EPS are presented below:

Group	2024 pence	2023 pence
Basic EPS	27.3	21.5
Dilutive effect of awards	(1.4)	(1.3)
Diluted EPS	**25.9**	20.2

Basic and diluted pre-exceptional EPS are presented below:

Group	2024 pence	2023 pence
Basic EPS	27.3	21.5
Exceptional item	(2.4)	1.7
Basic pre-exceptional EPS	**24.9**	23.2
Dilutive effect of awards	(1.4)	(1.3)
Diluted pre-exceptional EPS	**23.5**	21.9

7. Dividends

Group and Company	2024 £m	2023 £m
Interim dividend of 3.4 pence per share (2023: interim dividend of 3.1 pence per share)	7.7	6.9
Final 2023 dividend of 7.2 pence per share (2023: final 2022 dividend of 6.5 pence per share)	16.2	14.6
	23.9	21.5

Reflecting the continued strong performance of the Group and our strategy to realise the long-term growth potential of the business, the Board is pleased to declare an 11.1% increase in the final dividend to 8.0 pence per share (2023: 7.2 pence per share). This is in line with our progressive dividend policy and brings the full-year dividend to 11.4 pence per share (2023: 10.3 pence per share), an increase of 10.7% compared with 2023 and represents a pre-exceptional payout rate of 46% (2023: 44%). Subject to shareholder approval, the 2024 final dividend will be paid on 12 May 2025 to shareholders on the register at the close of business on 11 April 2025. The shares will be marked ex-dividend on 10 April 2025.

8. Remuneration of key management personnel

The key management personnel (as defined by IAS 24 'Related party disclosures') of the Group are deemed to be the executive and non-executive directors of IPF and the members of the Senior Leadership Team.

	2024 £m	2023 £m
Short-term employee benefits	4.8	4.5
Post-employment benefits	0.1	0.1
Share-based payments	1.3	0.5
Total	**6.2**	5.1

Short-term employee benefits comprise salary/fees and benefits earned in the year.

Post-employment benefits represent the sum of contributions into the Group's stakeholder pension scheme and personal pension arrangements.

Disclosures in respect of the Group's directors are included in the Directors' Remuneration Report.

9. Employee information

The average full-time equivalent of people employed by the Group (including executive directors) was as follows:

Group	2024 Number	2023 Number
Full-time*	6,671	6,555
Part-time**	1,133	1,217
	7,804	7,772

* Includes 1,527 customer representatives in Hungary and Romania (2023: includes 1,423 customer representatives in Hungary and Romania).

** Includes 978 customer representatives in Hungary and Romania (2023: includes 1,056 customer representatives in Hungary and Romania).

Agents are self-employed other than in Hungary and Romania where they are required by legislation to be employed.

9. Employee information continued

The average number of employees by category was as follows:

Group	2024 Number	2023 Number
Operations	4,704	4,802
Administration	390	377
Head office and loss prevention	2,710	2,593
	7,804	7,772

Group employment costs for all employees (including executive directors) were as follows:

Group	2024 £m	2023 £m
Gross wages and salaries	172.3	170.3
Social security costs	25.5	24.5
Pension charge – defined contribution schemes (note 27)	1.1	1.0
Pension credit – defined benefit schemes (note 27)	(0.3)	(0.1)
Share-based payment charge (note 28)	1.7	2.7
Total	**200.3**	198.4

The average monthly number of people directly employed by the Company in 2024 was 54 (2023: 57), all of whom fulfilled administration and operational responsibilities on behalf of the Group. In 2024, the Company paid wages and salaries totalling £7.9m (2023: £8.3m), social security costs totalling £1.8m (2023: £1.9m) and pension-related costs of £0.6m (2023: £0.6m).

10. Exceptional items

The 2024 income statement includes an exceptional credit of £5.5m (2023: an exceptional tax charge of £4.0m) which comprises the following items:

Group	2024 £m	2023 £m
Eurobond refinance costs	(5.8)	–
Poland restructuring costs	(6.1)	–
Exceptional items pre-tax	(11.9)	–
Tax credit on Eurobond refinance costs	1.1	–
Tax credit on Poland restructuring costs	1.1	–
Decision of the European Court of Justice on State Aid	15.2	–
Temporary Hungarian extra profit special tax	–	(4.0)
Exceptional tax items	**17.4**	(4.0)
Exceptional items post-tax	**5.5**	(4.0)

Further information relating to the exceptional items is shown in the Financial review.

11. Goodwill

Group	2024 £m	2023 £m
Net book value		
At 1 January	23.6	24.2
Exchange adjustments	(1.0)	(0.6)
At 31 December	**22.6**	23.6

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount is determined from a value in use calculation, based on the expected cash flows resulting from the legacy MCB business' outstanding customer receivables. The key assumptions applied in the value in use calculation relate to the discount rates and the cash flow forecasts used. The rate used to discount the forecast cash flows is 12% (2023: 13%) and would need to increase to 15% for the goodwill balance to be impaired; the cash flow forecasts arise over a 4 year period (being the expected life of the legacy MCB business' outstanding customer receivables) and would need to be 17% lower than currently estimated for the goodwill balance to be impaired.

12. Intangible assets

Group	2024 £m	2023 £m
Net book value		
At 1 January	**32.3**	27.9
Additions	**17.8**	17.9
Impairment	**–**	(0.2)
Amortisation	**(12.4)**	(13.1)
Exchange adjustments	**(0.6)**	(0.2)
At 31 December	**37.1**	32.3
Analysed as:		
– cost	**167.7**	151.8
– amortisation	**(130.6)**	(119.5)
At 31 December	**37.1**	32.3

Intangible assets comprise computer software and are a combination of self-developed and purchased assets. All purchased assets have had further capitalised development on them, meaning it is not possible to disaggregate fully between the relevant intangible categories.

The Company has no intangible assets.

13. Investment in subsidiaries

Company	2024 £m	2023 £m
Investment in subsidiaries	**712.5**	712.5
Share-based payment adjustment	**21.5**	20.9
Total investment in subsidiaries	**734.0**	733.4

The company acquired the international businesses of the Provident Financial plc Group on 16 July 2007 by issuing one company share to the shareholders of Provident Financial plc for each Provident Financial plc share held by them. The fair value of the consideration issued in exchange for the investment in these international businesses was £663.6m and this amount was therefore capitalised as a cost of investment. On 6 February 2015, the Group acquired 100% of the issued share capital of MCB Finance Group plc (MCB) for a cash consideration of £23.2m. Subsequent to this, further investments of £25.7m have been made in these acquired businesses.

£21.5m (2023: £20.9m) has been added to the cost of investment representing the fair value of the share-based payment awards over the Company's shares made to employees of subsidiary companies of the company. Corresponding credits are taken to reserves.

During the year, as a result of the Group net asset position and the market capitalisation of the Company being lower than the carrying value of the investment in subsidiaries, a review has been carried out of the recoverable amount of the carrying value of the investment. This review entailed comparing the investments value to the net present value of latest forecast cash flows from the operating businesses. The cash flow forecasts are based on the most recent financial budgets approved by the Board. The rate used to discount the forecast cash flows was 12% (2023: 13%). This review confirmed that no impairment of the investment is required. The discount rate would need to increase to 17% for the investment balance to be impaired.

13. Investment in subsidiaries continued

The subsidiary companies of IPF plc, whose ordinary share capital is 100% owned by the Group and included in these Consolidated Financial Statements, are detailed below:

Subsidiary company	Country of incorporation and operation	Principal activity
Compañía Estelar Poniente, S.A. de C.V.	Mexico	Provision of agent services
Digital Insurance OÜ	Estonia	Provision of services
División Estratégica Central, S.A. de C.V.	Mexico	Holding company
Estrategias Divisionales Céntricas, S.A. de C.V.	Mexico	Provision of agent services
Estrategias Sureñas de Avanzada, S.A. de C.V.	Mexico	Provision of agent services
International Credit Insurance Limited	Guernsey	Provision of insurance services
International Personal Finance Investments Limited	United Kingdom	Holding company
IPF Ceská republica s.r.o.	Czech Republic	Dormant
IPF Development (2003) Limited	United Kingdom	Provision of loan finance
IPF Digital AS	Estonia	Digital credit/provision of services
IPF Digital Australia Pty Limited	Australia	Digital credit
IPF Digital Finland Oy	Finland	In liquidation
IPF Digital Group Limited *	United Kingdom	Holding company
IPF Digital Latvia, SIA	Latvia	Digital credit
IPF Digital Lietuva, UAB	Lithuania	Digital credit
IPF Digital Mexico S.A de C.V.	Mexico	Digital credit
IPF Digital sp. z o.o.	Poland	Provision of services
IPF Financial Services Limited	United Kingdom	Provision of services
IPF Financing Limited	United Kingdom	Provision of loan finance
IPF Guernsey (2) Limited	Guernsey	Dormant
IPF Holdings Limited *	United Kingdom	Holding company
IPF International Limited	United Kingdom	Provision of services
IPF Loan Financing Limited	United Kingdom	Provision of loan finance
IPF Management Unlimited Company	Ireland	Dormant
IPF Nordic Limited	United Kingdom	Provision of loan finance
IPF Polska sp. z o.o.	Poland	Digital credit
La Regional Operaciones Centrales, S.A. de C.V.	Mexico	Holding Company
La Tapatía Operaciones de Avanzada, S.A. de C.V.	Mexico	Provision of agent services
Metropolitana Estrella de Operaciones, S.A. de C.V.	Mexico	Provision of agent services
Operadora Regiomontana de Estrategias Integrales, S.A. de C.V.	Mexico	Provision of agent services
Provident Financial s.r.o.	Czech Republic	Home credit
Provident PenzüGvi Zrt	Hungary	Home credit
Provident Services SRL	Romania	Provision of services
Provident Mexico S.A. de C.V.	Mexico	Home credit
Provident Polska S.A.	Poland	Home credit
Provident Servicios de Agencia S.A. de C.V.	Mexico	Dormant
Provident Servicios S.A. de C.V.	Mexico	Dormant

* Shares directly held by the Company, otherwise shares indirectly held by the Company.

The IPF Nordic Limited (registration number 11356987) and IPF Financial Services Limited (registration number 04607141) are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act.

All UK subsidiaries are registered at the same registered office as the Company, and this address is shown on the back cover of this Annual Report and Financial Statements. All subsidiaries are tax resident in their country of incorporation except for International Credit Insurance Limited and IPF Management Unlimited Company which are tax resident in the UK.

14. Property, plant and equipment

Group	Computer equipment £m	Fixtures and fittings £m	Motor vehicles £m	Total £m
Cost				
At 1 January 2023	83.1	25.6	0.1	108.8
Exchange adjustments	1.3	1.1	–	2.4
Additions	4.1	0.6	–	4.7
Disposals	(6.1)	(2.2)	–	(8.3)
At 31 December 2023	82.4	25.1	0.1	107.6
Depreciation				
At 1 January 2023	(72.6)	(18.8)	(0.1)	(91.5)
Exchange adjustments	(1.0)	(0.8)	–	(1.8)
Charge to the income statement	(4.3)	(2.2)	–	(6.5)
Disposals	6.1	2.1	–	8.2
At 31 December 2023	(71.8)	(19.7)	(0.1)	(91.6)
Net book value at 31 December 2023	10.6	5.4	–	16.0

Group	**Computer equipment £m**	**Fixtures and fittings £m**	**Motor vehicles £m**	**Total £m**
Cost				
At 1 January 2024	**82.4**	**25.1**	**0.1**	**107.6**
Exchange adjustments	**(4.5)**	**(2.3)**	**–**	**(6.8)**
Additions	**5.1**	**1.2**	**0.1**	**6.4**
Disposals	**(2.8)**	**(1.4)**	**–**	**(4.2)**
At 31 December 2024	**80.2**	**22.6**	**0.2**	**103.0**
Depreciation	**(71.8)**	**(19.7)**	**(0.1)**	**(91.6)**
At 1 January 2024				
Exchange adjustments	**3.4**	**1.9**	**–**	**5.3**
Charge to the income statement	**(4.7)**	**(2.1)**	**–**	**(6.8)**
Disposals	**2.7**	**1.4**	**–**	**4.1**
At 31 December 2024	**(70.4)**	**(18.5)**	**(0.1)**	**(89.0)**
Net book value at 31 December 2024	**9.8**	**4.1**	**0.1**	**14.0**

The Company has property, plant and equipment with a cost of £2.4m (2023: £2.4m); depreciation of £1.4m (2023: £1.3m); and a net book value of £1.0m (2023: £1.1m). All of these assets are computer equipment and Head Office fixtures and fittings.

15. Right-of-use assets and lease liabilities

The movement in the right-of-use assets is as follows:

	Motor vehicles £m	Properties £m	Group £m
Net book value at 1 January 2023	5.7	13.6	19.3
Exchange adjustments	0.4	0.5	0.9
Additions	9.1	0.7	9.8
Modifications	0.1	1.3	1.4
Depreciation	(4.6)	(5.1)	(9.7)
Net book value at 31 December 2023	10.7	11.0	21.7

	Motor vehicles £m	**Properties £m**	**Group £m**
Net book value at 1 January 2024	**10.7**	**11.0**	**21.7**
Exchange adjustments	**(1.4)**	**(0.8)**	**(2.2)**
Additions	**4.9**	**3.4**	**8.3**
Modifications	**(0.1)**	**0.1**	**–**
Depreciation	**(5.3)**	**(4.8)**	**(10.1)**
Net book value at 31 December 2024	**8.8**	**8.9**	**17.7**

The amounts recognised in profit and loss are as follows:

Group	**2024 £m**	2023 £m
Depreciation on right-of-use assets	**10.1**	9.7
Interest expense on lease liabilities	**2.4**	2.1
Expense relating to short term leases	**1.4**	1.7
	13.9	13.5

The movement in the lease liability in the period is as follows:

	2024 £m	2023 £m
Lease liability at 1 January	**23.6**	21.4
Exchange adjustments	**(2.2)**	0.9
Additions	**8.3**	11.2
Interest	**2.4**	2.1
Lease payments	**(12.2)**	(12.0)
Lease liability at 31 December	**19.9**	23.6
Current liabilities	**8.1**	8.3
Non-current liabilities:		
– between one and five years	**11.4**	13.7
– greater than five years	**0.4**	1.6
	11.8	15.3
Lease liability at 31 December	**19.9**	23.6

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the rate implicit in the lease or, if that rate cannot be readily determined, at the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities at 31 December 2024 was 9.9% (2023: 10.1%).

The total cash outflow in the year in respect of lease contracts was £12.2m (2023: £12.0m).

The Company has one lease as at 31 December 2024 (2023: one lease) in respect of the UK head office premises, with a lease liability of £2.4m (2023: £2.6m).

16. Deferred tax

Deferred tax is calculated in full on temporary differences under the balance sheet liability method using the appropriate tax rate for the jurisdiction in which the temporary difference arises. The movement in the deferred tax balance during the year can be analysed as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
At 1 January	**124.6**	132.6	**–**	–
Exchange adjustments	**(15.6)**	8.1	**–**	–
Tax (charge)/credit to the income statement	**(6.7)**	(16.6)	**(0.8)**	0.6
Tax credit/(charge) on other comprehensive (expense)/income	**0.6**	(1.0)	**0.5**	(1.0)
Tax (charge)/credit direct to equity	**(0.3)**	1.5	**0.3**	0.4
At 31 December	**102.6**	124.6	**–**	–

The Finance Act 2021, which was substantively enacted on 2 May 2021, included an amending provision to increase the UK corporation tax rate to 25% with effect from 1 April 2023. Accordingly, UK deferred tax assets and liabilities at 31 December 2024 have been measured with reference to this rate.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Deferred tax assets	**106.7**	131.7	**1.1**	1.5
Deferred tax liabilities	**(4.1)**	(7.1)	**(1.1)**	(1.5)
At 31 December	**102.6**	124.6	**–**	–

	Group				Company		
	Losses £m	Revenue and impairment differences £m	Other temporary differences £m	Total £m	Retirement benefit obligations £m	Other temporary differences £m	Total £m
At 1 January 2023	32.1	98.9	1.6	132.6	(0.5)	0.5	–
Exchange adjustments	2.2	5.6	0.3	8.1	–	–	–
Tax (charge)/credit to the income statement	(6.5)	(10.1)	–	(16.6)	–	0.6	0.6
Tax charge on other comprehensive income	–	–	(1.0)	(1.0)	(1.0)	–	(1.0)
Tax credit on items taken directly to equity	–	1.0	0.5	1.5	–	0.4	0.4
At 31 December 2023	27.8	95.4	1.4	124.6	(1.5)	1.5	–
At 1 January 2024	**27.8**	**95.4**	**1.4**	**124.6**	**(1.5)**	**1.5**	**–**
Exchange adjustments	**(3.4)**	**(11.8)**	**(0.4)**	**(15.6)**	**–**	**–**	**–**
Tax (charge)/credit to the income statement	**(11.4)**	**1.1**	**3.6**	**(6.7)**	**(0.1)**	**(0.7)**	**(0.8)**
Tax credit on other comprehensive income	**–**	**–**	**0.6**	**0.6**	**0.5**	**–**	**0.5**
Tax (charge)/credit on items taken directly to equity	**–**	**–**	**(0.3)**	**(0.3)**	**–**	**0.3**	**0.3**
At 31 December 2024	**13.0**	**84.7**	**4.9**	**102.6**	**(1.1)**	**1.1**	**–**

Deferred tax assets have been recognised in respect of tax losses and other temporary timing differences (principally relating to recognition of revenue and impairment) to the extent that it is probable that these assets will be utilised against future taxable profits. The recoverability of deferred tax assets is supported by the expected level of future profits in the countries concerned.

At 31 December 2024, the Group has unused tax losses of £158.1m (2023: £248.5m) available for offset against future profits. A deferred tax asset has been recognised in respect of £52.5m (2023: £104.3m) of these losses where profit projections indicate the existence of sufficient taxable profits to support the recognition of the asset. The recognition for 2024 was based on the forecast profits contained in the Group's five-year business plan approved by the Board in December 2024. See information on Going Concern on page 37 for more details regarding the business plan. No deferred tax has been recognised in respect of the remaining £105.6m (2023: £144.2m) as it is not considered probable that there will be future taxable profits available against which these losses can be offset. Included in tax losses on which no deferred tax is recognised is tax losses of £18.7m which are subject to expiry. The date of expiry depends on when the losses were incurred. Of the £18.7m, £7.4m expire in 2025, £5.6m expire in 2026, £0.5m expire in 2027 and £5.2m expire in 2028. Other tax losses may be carried forward indefinitely.

The Group has unrecognised deferred tax in respect of other deductible temporary differences of £12.7m.

16. Deferred tax continued

Dividends received from overseas subsidiaries are largely exempt from UK tax but may be subject to dividend withholding taxes levied by certain overseas tax jurisdictions in which the Group's subsidiaries operate (currently the Czech Republic and Romania). The gross temporary differences of those subsidiaries affected by such potential withholding taxes is approximately £69.9m (2023: £48.0m).

A deferred tax liability of approximately £nil (2023: £2.0m) has been recognised on the unremitted earnings of those subsidiaries affected by such potential withholding taxes only to the extent that the Group is anticipating dividends to be distributed by those subsidiaries in the foreseeable future. No deferred tax liability is recognised on remaining temporary differences of approximately £69.9m (2023: £24.0m) as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

17. Amounts receivable from customers

Group	**2024 £m**	2023 £m
Amounts receivable from customers comprise:		
– amounts due within one year	**624.4**	689.6
– amounts due in more than one year	**245.6**	203.3
Total amounts recoverable from customers	**870.0**	892.9

All lending is in the local currency of the country in which the loan is issued. The currency profile of amounts receivable from customers is as follows:

Group	**2024 £m**	2023 £m
Polish zloty	**191.6**	219.7
Czech crown	**54.1**	53.3
Euro	**105.6**	98.1
Hungarian forint	**149.2**	141.2
Mexican peso	**205.6**	229.0
Romanian leu	**111.8**	107.0
Australian dollar	**52.1**	44.6
Total	**870.0**	892.9

Amounts receivable from customers are stated at amortised cost and calculated in accordance with the Group's accounting policies. Depending on the risks associated with each loan, they are categorised into three stages where stage 3 is the highest risk.

Determining an increase in credit risk since initial recognition

IFRS 9 has the following recognition criteria:

- Stage 1: Requires the recognition of 12 month expected credit losses (the expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition.
- Stage 2: Lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition.
- Stage 3: Credit impaired.

When determining whether the risk of default has increased significantly since initial recognition the Group considers both quantitative and qualitative information based on the Group's historical experience.

The approach to identifying significant increases in credit risk is consistent across the Group's products. In addition, as a backstop, the Group considers that a significant increase in credit risk occurs when an asset is more than 30 days past due.

Financial instruments are moved back to stage 1 once they no longer meet the criteria for a significant increase in credit risk.

Definition of default and credit impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria: the customer is more than 90 days past due on their contractual payments in home credit and 60 days past due on their contractual payments in IPF Digital.
- Qualitative criteria: indication that there is a measurable movement in the estimated future cash flows from a group of financial assets. For example, if prospective legislative changes are considered to impact the repayments performance of customers.

The default definition has been applied consistently to model the PD, and LGD throughout the Group's expected credit loss calculations.

An instrument is considered to no longer be in default (i.e. to have recovered) when it no longer meets any of the default criteria.

17. Amounts receivable from customers continued

Write-offs

A financial instrument is written off (in full or in part) when the Group judges there to be no reasonable expectation that the instrument can be recovered (in full or in part). This is typically the case when the Group determines that the customer is not able to generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is performed at the individual instrument level. The related impairment loss allowance is also written off once all the necessary procedures have been completed and the loss amount has crystallised. Financial instruments that are written off could still be subject to recovery activities and subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the income statement.

The table below shows the amount of the net receivables in each stage at 31 December:

	2024				2023			
	Stage 1 £m	**Stage 2 £m**	**Stage 3 £m**	**Total net Receivables £m**	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total net Receivables £m
Home credit	**443.2**	**56.7**	**119.1**	**619.0**	436.8	74.4	151.3	662.5
IPF Digital	**234.7**	**10.9**	**5.4**	**251.0**	213.6	10.3	6.5	230.4
Group	**677.9**	**67.6**	**124.5**	**870.0**	650.4	84.7	157.8	892.9

Gross carrying amount and loss allowance

The amounts receivable from customers includes a provision for the loss allowance, which relates to the expected credit losses on each agreement. The gross carrying amount is the present value of the portfolio before the loss allowance provision is deducted. The gross carrying amount less the loss allowance is equal to the net receivables.

	2024				2023			
	Stage 1 £m	**Stage 2 £m**	**Stage 3 £m**	**Total net Receivables £m**	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total net Receivables £m
Gross carrying amount	**802.0**	**128.9**	**366.6**	**1,297.5**	799.7	159.5	441.9	1,401.1
Loss allowance	**(124.1)**	**(61.3)**	**(242.1)**	**(427.5)**	(149.3)	(74.8)	(284.1)	(508.2)
Net receivables	**677.9**	**67.6**	**124.5**	**870.0**	650.4	84.7	157.8	892.9

Gross carrying amount

The changes in gross carrying amount recognised for the period are impacted by a variety of factors:

- Increases due to origination;
- Transfers between the three stages due to changes in the credit risk associated with each loan;
- Decreases due to repayments;
- Amounts written off;
- Increases due to recognition of interest and charges; and
- Foreign exchange retranslations and other movements to gross carrying amount.

Loss allowance

The changes to the loss allowance recognised for the period are impacted by a variety of factors:

- Loss allowance on origination;
- Transfers between the three stages due to changes in the credit risk associated with each loan;
- Changes due to movements within and between stages;
- Changes in credit risk parameters (PDs, and LGDs) in the period arising from the regular refresh of the inputs into the expected loss model;
- Decreases due to repayments and write offs; and
- Foreign exchange retranslations and other movements to the loss allowance.

17. Amounts receivable from customers continued

The following tables explain the changes for home credit in the gross carrying amount, the loss allowance and net receivables between the beginning of the year and the end of the year:

	2024				2023			
Gross carrying amount – Home credit	**Stage 1 £m**	**Stage 2 £m**	**Stage 3 £m**	**Total £m**	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Opening gross carrying amount at 1 January	**552.2**	**141.8**	**398.6**	**1,092.6**	548.4	145.5	388.6	1,082.5
Increases due to origination	**951.3**	**–**	**–**	**951.3**	904.5	–	–	904.5
Transfers due to change in credit risk:	**(356.5)**	**64.0**	**292.5**	**–**	(466.2)	83.5	382.7	–
– From stage 1	**(377.1)**	**139.9**	**237.2**	**–**	(486.3)	183.7	302.6	–
– From stage 2	**10.3**	**(77.0)**	**66.7**	**–**	10.3	(101.6)	91.3	–
– From stage 3	**10.3**	**1.1**	**(11.4)**	**–**	9.8	1.4	(11.2)	–
Decreases due to repayments	**(865.4)**	**(153.9)**	**(383.1)**	**(1,402.4)**	(877.1)	(192.0)	(504.1)	(1,573.2)
Amounts written off	**–**	**–**	**(104.2)**	**(104.2)**	–	–	(121.9)	(121.9)
Increases due to recognition of interest and charges	**365.6**	**72.7**	**161.7**	**600.0**	415.2	98.4	237.8	751.4
FX	**(106.1)**	**(14.0)**	**(37.7)**	**(157.8)**	29.1	6.0	14.3	49.4
Other	**(0.1)**	**0.2**	**(1.9)**	**(1.8)**	(1.7)	0.4	1.2	(0.1)
Closing gross carrying amount at 31 December	**541.0**	**110.8**	**325.9**	**977.7**	552.2	141.8	398.6	1,092.6

	2024				2023			
Loss allowance – Home credit	**Stage 1 £m**	**Stage 2 £m**	**Stage 3 £m**	**Total £m**	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Opening loss allowance at 1 January	**(115.4)**	**(67.4)**	**(247.3)**	**(430.1)**	(112.9)	(66.9)	(247.8)	(427.6)
Increases due to origination	**(187.1)**	**–**	**–**	**(187.1)**	(200.6)	–	–	(200.6)
Transfers due to change in credit risk:	**77.4**	**10.0**	**(87.4)**	**–**	96.7	12.0	(108.7)	–
– From stage 1	**87.7**	**(27.7)**	**(60.0)**	**–**	106.2	(35.2)	(71.0)	–
– From stage 2	**(4.2)**	**38.2**	**(34.0)**	**–**	(4.0)	47.8	(43.8)	–
– From stage 3	**(6.1)**	**(0.5)**	**6.6**	**–**	(5.5)	(0.6)	6.1	–
Changes due to movements within and between stages	**19.0**	**(32.0)**	**(113.4)**	**(126.4)**	15.6	(42.3)	(146.1)	(172.8)
Change in credit risk parameters	**6.2**	**0.1**	**(3.8)**	**2.5**	(3.2)	(0.7)	(3.4)	(7.3)
Decreases due to repayments and write offs	**88.7**	**27.4**	**217.5**	**333.6**	89.9	32.6	255.6	378.1
FX	**12.6**	**6.9**	**23.4**	**42.9**	(4.4)	(2.6)	(8.3)	(15.3)
Other	**0.8**	**0.9**	**4.2**	**5.9**	3.5	0.5	11.4	15.4
Closing loss allowance at 31 December	**(97.8)**	**(54.1)**	**(206.8)**	**(358.7)**	(115.4)	(67.4)	(247.3)	(430.1)

	2024				2023			
Net receivables – Home credit	**Stage 1 £m**	**Stage 2 £m**	**Stage 3 £m**	**Total £m**	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Opening net receivables at 1 January	**436.8**	**74.4**	**151.3**	**662.5**	435.5	78.6	140.8	654.9
Increases due to origination	**764.2**	**–**	**–**	**764.2**	703.9	–	–	703.9
Transfers due to change in credit risk:	**(279.1)**	**74.0**	**205.1**	**–**	(369.5)	95.5	274.0	–
– From stage 1	**(289.4)**	**112.2**	**177.2**	**–**	(380.1)	148.5	231.6	–
– From stage 2	**6.1**	**(38.8)**	**32.7**	**–**	6.3	(53.8)	47.5	–
– From stage 3	**4.2**	**0.6**	**(4.8)**	**–**	4.3	0.8	(5.1)	–
Changes due to movements within and between stages	**19.0**	**(32.0)**	**(113.4)**	**(126.4)**	15.6	(42.3)	(146.1)	(172.8)
Change in credit risk parameters	**6.2**	**0.1**	**(3.8)**	**2.5**	(3.2)	(0.7)	(3.4)	(7.3)
Increases due to recognition of interest and charges	**365.6**	**72.7**	**161.7**	**600.0**	415.2	98.4	237.8	751.4
Decreases due to repayments and write offs	**(776.7)**	**(126.5)**	**(269.8)**	**(1,173.0)**	(787.2)	(159.4)	(370.4)	(1,317.0)
FX	**(93.5)**	**(7.1)**	**(14.3)**	**(114.9)**	24.7	3.4	6.0	34.1
Other	**0.7**	**1.1**	**2.3**	**4.1**	1.8	0.9	12.6	15.3
Closing net receivables at 31 December	**443.2**	**56.7**	**119.1**	**619.0**	436.8	74.4	151.3	662.5

17. Amounts receivable from customers continued

The following tables explain the changes for IPF Digital in the gross carrying amount, the loss allowance and net receivables between the beginning of the year and the end of the year:

	2024				2023			
Gross carrying amount – IPF Digital	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Opening gross carrying amount at 1 January	247.5	17.6	43.4	308.5	233.6	16.3	34.2	284.1
Increases due to origination	263.2	–	–	263.2	246.1	–	–	246.1
Transfers due to change in credit risk:	(59.1)	7.0	52.1	–	(68.4)	8.5	59.9	–
– From stage 1	(64.5)	22.5	42.0	–	(76.8)	31.6	45.2	–
– From stage 2	5.0	(15.8)	10.8	–	7.9	(23.5)	15.6	–
– From stage 3	0.4	0.3	(0.7)	–	0.5	0.4	(0.9)	–
Decreases due to repayments	(279.6)	(14.7)	(36.6)	(330.9)	(269.5)	(14.6)	(43.8)	(327.9)
Amounts written off	–	–	(28.6)	(28.6)	–	–	(26.3)	(26.3)
Increases due to recognition of interest and charges	108.6	9.4	17.3	135.3	101.6	7.5	18.3	127.4
FX	(19.7)	(1.2)	(6.0)	(26.9)	4.0	(0.1)	1.5	5.4
Other	0.1	–	(0.9)	(0.8)	0.1	–	(0.4)	(0.3)
Closing gross carrying amount at 31 December	261.0	18.1	40.7	319.8	247.5	17.6	43.4	308.5

	2024				2023			
Loss allowance – IPF Digital	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Opening loss allowance at 1 January	(33.9)	(7.3)	(36.9)	(78.1)	(35.7)	(6.6)	(27.9)	(70.2)
Increases due to origination	(20.8)	–	–	(20.8)	(22.2)	–	–	(22.2)
Transfers due to change in credit risk:	5.2	4.5	(9.7)	–	5.8	7.4	(13.2)	–
– From stage 1	7.4	(2.5)	(4.9)	–	10.1	(4.8)	(5.3)	–
– From stage 2	(1.9)	7.2	(5.3)	–	(3.9)	12.5	(8.6)	–
– From stage 3	(0.3)	(0.2)	0.5	–	(0.4)	(0.3)	0.7	–
Changes due to movements within and between stages	(7.3)	(10.3)	(46.1)	(63.7)	(11.0)	(13.4)	(11.1)	(35.5)
Change in credit risk parameters	3.4	0.4	0.1	3.9	2.7	0.7	0.1	3.5
Decreases due to repayments and write offs	23.4	4.9	51.8	80.1	23.3	4.6	16.6	44.5
FX	2.2	0.6	5.5	8.3	(0.6)	–	(1.2)	(1.8)
Other	1.5	–	–	1.5	3.8	–	(0.2)	3.6
Closing loss allowance at 31 December	(26.3)	(7.2)	(35.3)	(68.8)	(33.9)	(7.3)	(36.9)	(78.1)

	2024				2023			
Net receivables – IPF Digital	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Opening net receivables at 1 January	213.6	10.3	6.5	230.4	197.9	9.7	6.3	213.9
Increases due to origination	242.4	–	–	242.4	223.9	–	–	223.9
Transfers due to change in credit risk:	(53.9)	11.5	42.4	–	(62.6)	15.9	46.7	–
– From stage 1	(57.1)	20.0	37.1	–	(66.7)	26.8	39.9	–
– From stage 2	3.1	(8.6)	5.5	–	4.0	(11.0)	7.0	–
– From stage 3	0.1	0.1	(0.2)	–	0.1	0.1	(0.2)	–
Changes due to movements within and between stages	(7.3)	(10.3)	(46.1)	(63.7)	(11.0)	(13.4)	(11.1)	(35.5)
Change in credit risk parameters	3.4	0.4	0.1	3.9	2.7	0.7	0.1	3.5
Increases due to recognition of interest and charges	108.6	9.4	17.3	135.3	101.6	7.5	18.3	127.4
Decreases due to repayments and write offs	(256.2)	(9.8)	(13.4)	(279.4)	(246.2)	(10.0)	(53.5)	(309.7)
FX	(17.5)	(0.6)	(0.5)	(18.6)	3.4	(0.1)	0.3	3.6
Other	1.6	–	(0.9)	0.7	3.9	–	(0.6)	3.3
Closing net receivables at 31 December	234.7	10.9	5.4	251.0	213.6	10.3	6.5	230.4

17. Amounts receivable from customers continued

Impairment as a percentage of gross carrying amount for each geographical segment is shown below:

Group	2024 %	2023 %
European home credit	1.1	4.5
Mexico home credit	30.1	32.3
IPF Digital	8.6	12.4

The carrying value of amounts receivable from customers that would have been impaired had their terms not been renegotiated is £nil (2023: £nil).

Amounts receivable from customers are held at amortised cost and are equal to the expected future cash flows receivable discounted at the average annual EIR of 99% (2023: 101%). All amounts receivable from customers are at fixed interest rates. The average period to maturity of the amounts receivable from customers is 13.5 months (2023: 13.2 months).

No collateral is held in respect of any customer receivables.

Management monitors credit quality using two key metrics: impairment as a percentage of gross carrying amount and gross cash loss (GCL) development. Commentary on impairment as a percentage of gross carrying amount is set out in the operational review at both Group and segment level. GCL represents the expected total value of contractual cash flows that will not be repaid and will ultimately be written off for any loan or group of loans. Until repayments on any group of receivables are complete, the GCL forecast is a composite of actual and expected cash flows. This represents a leading-edge measure of credit quality with forecasts based on the actual performance of previous lending.

As at 31 December 2024, in the Polish business, there are £57.1m (2023: £31.9m) of undrawn granted credit card limits.

The Company has no amounts receivable from customers (2023: £nil).

18. Cash and cash equivalents

	Group		Company	
	2024 £m	2023 £m	2024 £m	2022 £m
Cash at bank and in hand	27.6	42.5	1.5	5.0

The currency profile of cash and cash equivalents is as follows:

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
GBP sterling	1.0	3.0	1.0	3.0
Polish zloty	2.7	11.6	–	0.2
Czech crown	0.7	0.9	–	–
Euro	5.0	10.4	0.5	1.8
Hungarian forint	1.5	1.6	–	–
Mexican peso	9.6	10.2	–	–
Romanian leu	6.6	4.3	–	–
Australian dollar	0.5	0.5	–	–
Total	27.6	42.5	1.5	5.0

19. Other receivables

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Other receivables	13.6	6.3	–	–
Prepayments	9.3	9.7	0.8	0.6
Amounts due from Group undertakings	–	–	552.8	522.8
Total	22.9	16.0	553.6	523.4

No balance within other receivables is impaired.

Amounts due from Group undertakings are unsecured, accrue interest and are due for repayment in less than one year.

20. Trade and other payables

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Trade payables	**14.4**	16.8	**0.2**	0.2
Other payables including taxation and social security	**60.6**	58.9	**–**	–
Accruals	**50.1**	57.2	**14.6**	13.0
Amounts due to Group undertakings	**–**	–	**445.5**	384.0
Total	**125.1**	132.9	**460.3**	397.2

Amounts due to Group undertakings are unsecured, accrue interest and are due for repayment in less than one year.

21. Borrowing facilities and borrowings

The Group and Company's borrowings are as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Borrowings				
Bank borrowings	**82.5**	83.6	**–**	–
Bonds	**433.4**	428.2	**433.4**	428.2
Total	**515.9**	511.8	**433.4**	428.2

The Group's external bonds comprise the following:

Bond	Coupon %	Maturity date	2024 £m
Euro bond – €66.7m	9.75	2025	**55.2**
Hungarian bond – €11.6m	11.50	2026	**9.6**
Polish bond – zloty 72.0m	Six-month WIBOR plus 850 basis points	2026	**14.0**
Retail bond – £80.0m	12.00	2027	**80.0**
Euro bond – €341.0m	10.75	2029	**282.2**
			441.0
Less: unamortised arrangement fees and issue discount			**(7.6)**
Total			**433.4**

The Polish zloty 72.0m (£14.0m) is a floating rate bond. The external bank borrowings of the Group are at a combination of floating and fixed rates.

The maturity of the Group and Company's external bond and external bank borrowings is as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Borrowings				
Repayable:				
– in less than one year	**92.8**	52.2	**54.9**	35.1
– between one and two years	**47.6**	330.5	**23.6**	292.9
– between two and five years	**375.5**	129.1	**354.9**	100.2
Total	**515.9**	511.8	**433.4**	428.2

The average period to maturity of the Group's external bonds and committed external borrowing facilities is 3.0 years (2023: 2.0 years).

21. Borrowing facilities and borrowings continued

The currency exposure on external borrowings is as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Sterling	**78.7**	75.7	**78.7**	75.7
Polish zloty	**20.5**	16.7	**14.0**	14.4
Czech crown	**2.3**	9.3	**–**	–
Euro	**340.7**	303.0	**340.7**	303.0
Hungarian forint	**61.4**	64.6	**–**	–
Romanian leu	**3.3**	6.1	**–**	–
Mexican peso	**9.0**	1.3	**–**	–
Swedish krona	**–**	35.1	**–**	35.1
Total	**515.9**	511.8	**433.4**	428.2

Further information on changes in external borrowings is included in the funding section of the Financial review on page 36.

The maturity of the Group and Company's external bond and external bank facilities is as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Bond and bank facilities available				
Repayable:				
– on demand	**35.2**	32.6	**8.0**	9.7
– in less than one year	**135.1**	65.4	**71.3**	35.1
– between one and two years	**78.9**	364.6	**23.6**	306.4
– between two and five years	**407.7**	166.1	**387.1**	101.9
Total	**656.9**	628.7	**490.0**	453.1

The undrawn external bank facilities at 31 December were as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Expiring within one year	**77.2**	45.8	**24.1**	9.7
Expiring between one and two years	**31.3**	31.1	**24.9**	10.5
Expiring in more than two years	**24.9**	35.3	**–**	–
Total	**133.4**	112.2	**49.0**	20.2

Undrawn external facilities above do not include unamortised arrangement fees and issue discount.

22. Risks arising from financial instruments

Risk management

Treasury related risks

The Board approves treasury policies and the treasury function manages the day-to-day operations. The Board delegates certain responsibilities to the Treasury Committee. The Treasury Committee is empowered to take decisions within that delegated authority. Treasury activities and compliance with treasury policies are reported to the Board on a regular basis and are subject to periodic independent reviews and audits, both internal and external. Treasury policies are designed to manage the main financial risks faced by the Group in relation to funding and liquidity risk; interest rate risk; currency risk; and counterparty risk. This is to ensure that the Group is properly funded; that interest rate and currency risk are managed within set limits; and that financial counterparties are of appropriate credit quality. Policies also set out the specific instruments that can be used for risk management.

The treasury function enters into derivative transactions, principally interest rate swaps, currency swaps and forward currency contracts. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's underlying business operations. No transactions of a speculative nature are undertaken and written options may only be used when matched by purchased options.

22. Risks arising from financial instruments continued

Liquidity risk

The Group is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plans for growth. The short-term nature of the Group's business means that the majority of amounts receivable from customers are receivable within twelve months with an average period to maturity of around thirteen months. The risk of not having sufficient liquid resources is therefore low.

The treasury policy adopted by the Group serves to reduce this risk further by setting a specific policy parameter that there are sufficient committed debt facilities to cover forecast borrowings plus an appropriate level of operational headroom on a rolling basis. Further, the aim is to ensure that there is a balanced refinancing profile; that there is diversification of debt funding sources; that there is no over-reliance on a single or small group of lenders; and that debt facilities and hedging capacity are sufficient for the currency requirements of each country. At 31 December 2024, the Group's bonds and committed borrowing facilities had an average period to maturity of 3.0 years (2023: 2.0 years).

As shown in note 21, total undrawn facilities as at 31 December 2024 were £133.4m (2023: £112.2m).

A maturity analysis of gross borrowings included in the balance sheet is presented in note 21. A maturity analysis of bonds, bank borrowings and overdrafts outstanding at the balance sheet date by non-discounted contractual cash flow, including expected interest payments, is shown below:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Not later than six months	**44.5**	26.8	**172.7**	176.5
Later than six months and not later than one year	**101.7**	78.7	**78.6**	56.0
Later than one year and not later than two years	**93.3**	365.1	**362.2**	560.2
Later than two years and not later than five years	**480.5**	151.5	**458.5**	121.9
Total	**720.0**	622.1	**1,072.0**	914.6

The analysis above includes the contractual cash flow for borrowings and the total amount of interest payable over the life of the loan. Where borrowings are subject to a floating interest rate, an estimate of interest payable is taken. The rate is derived from interest rate yield curves at the balance sheet date.

In line with paragraph 39(a) of IFRS 7, the maturity table for the Company also includes amounts payable to Group companies of £445.5m (2023: £384.0m).

The following analysis shows the gross non-discounted contractual cash flows in respect of foreign currency contract derivative assets and liabilities which are all designated as cash flow hedges:

	2024		2023	
Group	**Outflow £m**	**Inflow £m**	Outflow £m	Inflow £m
Not later than one month	**292.4**	**292.6**	295.2	293.2
Later than one month and not later than six months	**121.5**	**121.4**	102.6	101.3
Later than six months and not later than one year	**–**	**–**	0.6	0.6
Total	**413.9**	**414.0**	398.4	395.1

	2024		2023	
Company	**Outflow £m**	**Inflow £m**	Outflow £m	Inflow £m
Not later than one month	**–**	**–**	0.1	0.1
Later than one month and not later than six months	**–**	**–**	0.7	0.7
Later than six months and not later than one year	**–**	**–**	0.4	0.3
Total	**–**	**–**	1.2	1.1

When the amount payable or receivable is not fixed, the amount disclosed has been determined with reference to the projected interest rates as illustrated by the interest rate yield curves existing at the balance sheet date.

22. Risks arising from financial instruments continued

A maturity analysis of the Group's receivables and borrowing facilities as at 31 December is presented below:

Group	Receivables £m	Percentage of total %	Borrowing facilities £m	Percentage of total %
2023				
Less than one year	689.6	77.2	98.0	15.6
Later than one year	203.3	22.8	530.7	84.4
Total	892.9	100.0	628.7	100.0
2024				
Less than one year	**624.4**	**71.8**	**170.3**	**25.9**
Later than one year	**245.6**	**28.2**	**486.6**	**74.1**
Total	**870.0**	**100.0**	**656.9**	**100.0**

This demonstrates the short-term nature of the amounts receivable from customers which contrasts with the longer-term nature of the Group's committed funding facilities.

Amounts receivable from customers

Risk management policies in respect of amounts receivable from customers are discussed in the credit risk section within this note, and in note 17.

Interest rate risk

The Group has an exposure to interest rate risk arising on changes in interest rates in each of its countries of operation and, therefore, seeks to limit this net exposure. This is achieved by the use of techniques to fix interest costs, including fixed rate funding (predominantly longer-term bond funding); forward currency contracts used for non-functional currency funding; bank borrowing loan draw-down periods; and interest rate hedging instruments. These techniques are used to hedge the interest costs on a proportion of borrowings over a certain period of time, up to five years.

Interest costs are a relatively low proportion of the Group's revenue (9.7% in 2024; 10.0% in 2023) and therefore the risk of a material impact on profitability arising from a change in interest rates is low. If interest rates across all markets increased by 200 basis points this would have the following impact, net of existing hedging arrangements.

Group	**2024 £m**	2023 £m
Reduction in profit before taxation	**1.0**	1.7

This sensitivity analysis is based on the following assumptions:

- the change in the market interest rate occurs in all countries where the Group has borrowings and/or derivative financial instruments;
- where financial liabilities are subject to fixed interest rates or have their interest rate fixed by hedging instruments it is assumed that there is no impact from a change in interest rates; and
- changes in market interest rate affect the fair value of derivative financial instruments.

Currency risk

The Group is subject to three types of currency risk: net asset exposure; cash flow exposure; and income statement exposure.

Net asset exposure

The majority of the Group's net assets are denominated in currencies other than sterling. The balance sheet is reported in sterling and this means that there is a risk that a fluctuation in foreign exchange rates will have a material impact on the net assets of the Group. The impact in 2024 is a reduction in net assets of £57.3m (2023: increase of £22.8m). The Group aims to minimise the value of net assets denominated in each foreign currency by funding overseas receivables with borrowings in local currency, where possible.

Cash flow exposure

The Group is subject to currency risk in respect of future cash flows which are denominated in foreign currency. The policy of the Group is to hedge a large proportion of this currency risk in respect of cash flows which are expected to arise in the following 12 months. Where forward foreign exchange contracts have been entered into, they are designated as cash flow hedges on specific future transactions.

Income statement exposure

As with net assets, the majority of the Group's profit is denominated in currencies other than sterling but translated into sterling for reporting purposes. The result for the period is translated into sterling at the average exchange rate. A risk therefore arises that a fluctuation in the exchange rates in the countries in which the Group operates will have a material impact on the consolidated result for the period.

22. Risks arising from financial instruments continued

The following sensitivity analysis demonstrates the impact on equity of a 5% strengthening or weakening of sterling against all exchange rates for the countries in which the Group operates:

Group	2024 £m	2023 £m
Change in reserves	3.7	3.7
Change in profit before taxation	5.6	5.9

This sensitivity analysis is based on the following assumptions:

- there is a 5% strengthening/weakening of sterling against all currencies in which the Group operates (Polish zloty, Czech crown, euro, Hungarian forint, Mexican peso, Romanian leu, and Australian dollar); and
- there is no impact on retained earnings or equity arising from those items which are naturally hedged (where the currency asset is exactly equal to the currency liability).

Counterparty risk

The Group is subject to counterparty risk in respect of the cash and cash equivalents held on deposit with banks; and foreign currency and derivative financial instruments.

The Group only deposits cash, and only undertakes currency and derivative transactions, generally with highly rated banks and sets strict limits in respect of the amount of exposure to any one institution. Institutions with lower credit ratings can only be used as approved, or delegated for approval, by the Board.

No collateral or credit enhancements are held in respect of any financial assets. The maximum exposure to counterparty risk is as follows:

Group	2024 £m	2023 £m
Cash and cash equivalents	27.6	42.5
Derivative financial assets	2.6	2.9
Total	30.2	45.4

The table above represents a worst case scenario of the counterparty risk that the Group is exposed to at the year end. An analysis of the cash and cash equivalents by geographical segment is presented in note 18.

Cash and cash equivalents and derivative financial instruments are neither past due nor impaired. Credit quality of these assets is good and the cash and cash equivalents are with bank counterparties in accordance with the limits set out in our treasury policies, to ensure the risk of loss is minimised.

Credit risk

The Group is subject to credit risk in respect of amounts receivable from customers.

Amounts receivable from customers

The Group lends small amounts over short-term periods to a large and diverse group of customers across the countries in which it operates. Nevertheless, the Group is subject to a risk of material unexpected credit losses in respect of amounts receivable from customers. This risk is minimised by the use of credit scoring techniques which are designed to ensure the Group lends only to those customers who are considered to be able to afford the repayments. The amount loaned to each customer and the repayment period agreed are dependent upon the risk category the customer is assigned to as part of the credit scoring process. The level of expected future losses is generated on a weekly or monthly basis by business line and geographical segment. These outputs are reviewed by management to ensure that appropriate action can be taken if results differ from management expectations.

Group	2024 £m	2023 £m
Amounts receivable from customers	870.0	892.9

The table above represents the maximum exposure to credit risk of the Group at the year end. Further analysis of the amounts receivable from customers is presented in note 17.

Capital risk

The Group is subject to the risk that its capital structure will not be sufficient to support the growth of the business. The Group is not required to hold regulatory capital.

The Group aims to maintain appropriate capital to ensure that it has a strong balance sheet but at the same time is providing a good return on equity to its shareholders. The Group's long-term aim is to ensure that the capital structure results in an optimal ratio of debt and equity finance. The Financial review on page 33 includes information on the Group's Financial model which covers the Group's capital structure strategy.

22. Risks arising from financial instruments continued

Capital is monitored by considering the ratio of equity to receivables and the gearing ratio. The equity of the Group and these ratios are shown below:

Group	2024 £m	2023 £m
Receivables	870.0	892.9
Borrowings	(515.9)	(511.8)
Other net assets	112.2	120.8
Equity	466.3	501.9
Equity as % of receivables	53.6%	56.2%
Gearing	1.1	1.0

The Group has a target equity to receivables rate of 40%. At 31 December 2024, the equity to receivables rate was 53.6% (2023: 56.2%).

We continue to operate with significant headroom on the Group's debt funding covenants. Further details are included on page 37.

23. Derivative financial instruments

The Group's derivative assets and liabilities that were measured at fair value at 31 December are as follows:

Group	2024 £m	2023 £m
Assets		
Foreign currency contracts	2.6	2.9
Total	2.6	2.9

Group	2024 £m	2023 £m
Liabilities		
Foreign currency contracts	1.6	4.4
Total	1.6	4.4

The company had no derivative assets or liabilities at 31 December 2024 (2023: no derivative assets or liabilities).

The fair value of derivative financial instruments has been calculated by discounting expected future cash flows using interest rate yield curves and forward foreign exchange rates prevailing at 31 December.

Cash flow hedges

The Group uses foreign currency contracts (cash flow hedges) to hedge those foreign currency cash flows that are highly probable to occur within 12 months of the balance sheet date and interest rate swaps (cash flow hedges) to hedge those interest cash flows that are expected to occur within two years of the balance sheet date. The effect on the income statement will also be within these periods. An amount of £0.4m has been charged to equity for the Group in the period in respect of cash flow hedges (2023: £0.1m credited to equity), Company: £nil to equity (2023: £0.1m credited to equity).

23. Derivative financial instruments continued

The following table shows the notional maturity profile of outstanding cash flow hedges:

Group	Repayable up to one year £m	In more than one year but less than two years £m	Total £m
As at 31 December 2023			
Foreign currency contracts	398.4	–	398.4
Cash flow hedges	398.4	–	398.4
As at 31 December 2024			
Foreign currency contracts	**413.9**	**–**	**413.9**
Cash flow hedges	**413.9**	**–**	**413.9**

Company	Repayable up to one year £m	In more than one year but less than two years £m	Total £m
As at 31 December 2023			
Foreign currency contracts	1.2	–	1.2
Cash flow hedges	1.2	–	1.2

The company had no cashflow hedges as at 31 December 2024.

The Group and the company had no interest rate swaps at 31 December 2024 (2023: nil).

24. Analysis of financial assets and financial liabilities

Financial assets

An analysis of Group financial assets is presented below:

	2024			2023		
Group	**Financial assets at amortised cost £m**	**Derivatives used for hedging £m**	**Total £m**	Financial assets at amortised cost £m	Derivatives used for hedging £m	Total £m
Amounts receivable from customers	**870.0**	**–**	**870.0**	892.9	–	892.9
Derivative financial instruments	**–**	**2.6**	**2.6**	–	2.9	2.9
Cash and cash equivalents	**27.6**	**–**	**27.6**	42.5	–	42.5
Other receivables	**22.9**	**–**	**22.9**	16.0	–	16.0
Total	**920.5**	**2.6**	**923.1**	951.4	2.9	954.3

Financial liabilities

An analysis of Group financial liabilities is presented below:

	2024			2023		
Group	**Financial liabilities at amortised cost £m**	**Derivatives used for hedging £m**	**Total £m**	Financial liabilities at amortised cost £m	Derivatives used for hedging £m	Total £m
Bonds	**433.4**	**–**	**433.4**	428.2	–	428.2
Bank borrowings	**82.5**	**–**	**82.5**	83.6	–	83.6
Derivative financial instruments	**–**	**1.6**	**1.6**	–	4.4	4.4
Trade and other payables	**125.1**	**–**	**125.1**	132.9	–	132.9
Provision for liabilities and charges	**2.8**	**–**	**2.8**	–	–	–
Total	**643.8**	**1.6**	**645.4**	644.7	4.4	649.1

25. Fair values of financial assets and liabilities

IFRS 13 requires disclosure of fair value measurements of derivative financial instruments by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

With the exception of derivatives, which are held at fair value, amounts receivable from customers, and bonds, the carrying value of all other financial assets and liabilities (which are short-term in nature) is considered to be a reasonable approximation of their fair value. Details of the significant assumptions made in determining the fair value of amounts receivable from customers and bonds are included below, along with the fair value of other Group assets and liabilities.

The fair value and carrying value of the financial assets and liabilities of the Group are set out below:

		Fair values			
At 31 December 2023	Carrying value £m	Level 1 £m	Level 2 £m	Level 3 £m	Total fair value £m
Financial assets					
Amounts receivable from customers	892.9	–	–	1,139.3	1,139.3
Derivative financial instruments	2.9	–	2.9	–	2.9
Cash and cash equivalents	42.5	42.5	–	–	42.5
Other receivables	16.0	–	–	16.0	16.0
	954.3	42.5	2.9	1,155.3	1,200.7
Financial liabilities					
Bonds	428.2	420.8	–	–	420.8
Bank borrowings	83.6	83.6	–	–	83.6
Derivative financial instruments	4.4	–	4.4	–	4.4
Trade and other payables	132.9	–	–	132.9	132.9
	649.1	504.4	4.4	132.9	641.7

		Fair values			
At 31 December 2024	**Carrying value £m**	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total fair value £m**
Financial assets					
Amounts receivable from customers	**870.0**	**–**	**–**	**1,124.5**	**1,124.5**
Derivative financial instruments	**2.6**	**–**	**2.6**	**–**	**2.6**
Cash and cash equivalents	**27.6**	**27.6**	**–**	**–**	**27.6**
Other receivables	**22.9**	**–**	**–**	**22.9**	**22.9**
	923.1	**27.6**	**2.6**	**1,147.4**	**1,177.6**
Financial liabilities					
Bonds	**433.4**	**468.2**	**–**	**–**	**468.2**
Bank borrowings	**82.5**	**82.5**	**–**	**–**	**82.5**
Derivative financial instruments	**1.6**	**–**	**1.6**	**–**	**1.6**
Trade and other payables	**125.1**	**–**	**–**	**125.1**	**125.1**
Provision for liabilities and charges	**2.8**	**–**	**–**	**2.8**	**2.8**
	645.4	**550.7**	**1.6**	**127.9**	**680.2**

25. Fair values of financial assets and liabilities continued

The fair value and carrying value of the financial assets and liabilities of the Company are set out below:

At 31 December 2023	Carrying value £m	Fair values Level 1 £m	Level 2 £m	Level 3 £m	Total fair value £m
Financial assets					
Cash and cash equivalents	5.0	5.0	–	–	5.0
Other receivables	523.4	–	–	523.4	523.4
	528.4	5.0	–	523.4	528.4
Financial liabilities					
Bonds	428.2	420.8	–	–	420.8
Trade and other payables	397.2	–	–	397.2	397.2
	825.4	420.8	–	397.2	818.0

At 31 December 2024	**Carrying value £m**	**Fair values Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total fair value £m**
Financial assets					
Cash and cash equivalents	**1.5**	**1.5**	**–**	**–**	**1.5**
Other receivables	**553.6**	**–**	**–**	**553.6**	**553.6**
	555.1	**1.5**	**–**	**553.6**	**555.1**
Financial liabilities					
Bonds	**433.4**	**468.2**	**–**	**–**	**468.2**
Trade and other payables	**460.3**	**–**	**–**	**460.3**	**460.3**
	893.7	**468.2**	**–**	**460.3**	**928.5**

The fair value of amounts receivable from customers has been derived by discounting expected future cash flows (as used to calculate the carrying value of amounts due from customers), net of repayment costs, at the Group's weighted average cost of capital which is estimated to be 12% (2023: 13%) which is assumed to be a proxy for the discount rate that a market participant would use to price the asset.

Under IFRS 13 'Fair value measurement', receivables are classed as level 3 as their fair value is calculated using future cash flows that are unobservable inputs.

The fair value of the bonds has been calculated by reference to their market value where market prices are available.

The carrying value of bank borrowings is deemed to be a good approximation of their fair value. Bank borrowings can be repaid within six months if the Group decides not to roll over for further periods up to the contractual repayment date. The impact of discounting would therefore be negligible.

Derivative financial instruments are held at fair value which is equal to the expected future cash flows arising as a result of the derivative transaction.

For other financial assets and liabilities, which are all short-term in nature, the carrying value is a reasonable approximation of their fair value.

26. Provisions

The Group has £2.8m payable to employees outstanding at 31 December 2024 relating to the exceptional item (see note 10) following the restructure exercise undertaken earlier in the year.

27. Retirement benefit asset/obligation

Pension schemes – defined benefit

With effect from 1 March 2010, the Group's defined benefit pension scheme was closed to further accrual of defined benefit obligations. The scheme includes benefits due under final salary and cash balance arrangements and scheme governance is maintained by an independent board of trustees. Scheme assets are invested in line with the strategy set out in the scheme's financial statements. The primary objectives are to ensure the scheme's obligations to its beneficiaries can be met, and that the scheme achieves an asset return higher than the return from bonds over the longer term, whilst recognising the need to balance risk and control return generation.

Scheme assets are stated at fair value as at 31 December 2024. The major assumptions used by the actuary were:

Group and Company	**2024 %**	2023 %
Price inflation ('CPI')	**2.7**	2.5
Rate of increase to pensions in payment	**3.1**	3.0
Discount rate	**5.6**	4.8

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The mortality assumptions are based on standard tables which allow for future mortality improvements. Different assumptions are used for different groups of members. Most members have not yet retired. On average, we expect a male retiring in the future at age 65 to live for a further 23 years. On average, we expect a female retiring in the future at age 65 to live for a further 25 years. If life expectancies had been assumed to be one year greater for all members, the defined benefit asset would reduce by approximately £0.7m.

If the discount rate was 50 basis points higher/(lower), the defined benefit asset would increase by £1.4m/(decrease by £1.5m).

If the price inflation rate was 25 basis points higher/(lower), the defined benefit asset would decrease by £0.4m/(increase by £0.3m).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit asset, as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The amounts recognised in the balance sheet are as follows:

Group and Company	**2024 £m**	2023 £m
Diversified growth funds	**3.1**	1.6
Corporate bonds	**8.4**	7.6
Equities	**3.5**	0.9
Liability driven investments	**10.7**	19.7
Other	**0.6**	0.6
Total fair value of scheme assets	**26.3**	30.4
Present value of funded defined benefit obligations	**(21.9)**	(24.3)
Net asset recognised in the balance sheet	**4.4**	6.1

The movement in the asset recognised in the balance sheet is principally due to changes in the benefit obligations based on a projection of the results of the triennial statutory funding valuation, including updates to census, mortality and other data information.

The amounts recognised in the income statement are as follows:

Group and Company	**2024 £m**	2023 £m
Interest cost	**1.1**	1.4
Expected return on scheme assets	**(1.4)**	(1.5)
Net credit recognised in the income statement	**(0.3)**	(0.1)

The net credit is included within administrative expenses.

27. Retirement benefit asset/obligation continued

Movements in the fair value of scheme assets were as follows:

Group and Company	2024 £m	2023 £m
Fair value of scheme assets at 1 January	30.4	30.9
Expected return on scheme assets	1.4	1.5
Actuarial loss on scheme assets	(4.3)	(0.5)
Net benefits paid out	(1.2)	(1.5)
Fair value of scheme assets at 31 December	26.3	30.4

Movements in the present value of the defined benefit obligation were as follows:

Group and Company	2024 £m	2023 £m
Defined benefit obligation at 1 January	(24.3)	(28.8)
Interest cost	(1.1)	(1.4)
Actuarial gain on scheme liabilities	2.3	4.4
Net benefits paid out	1.2	1.5
Defined benefit obligation at 31 December	(21.9)	(24.3)

The weighted average duration of the defined benefit asset is 14 years (2023: 15 years).

The actual return on scheme assets compared to the expected return is as follows:

Group and Company	2024 £m	2023 £m
Expected return on scheme assets	1.4	1.5
Actuarial loss on scheme assets	(4.3)	(0.5)
Actual (loss)/gain on scheme assets	(2.9)	1.0

Actuarial gains and losses have been recognised through the statement of comprehensive income ('SOCI') in the period in which they occur.

An analysis of the amounts recognised in the SOCI is as follows:

Group and Company	2024 £m	2023 £m
Actuarial loss on scheme assets	(4.3)	(0.5)
Actuarial gain on scheme liabilities	2.3	4.4
Total (loss)/gain recognised in the SOCI in the year	(2.0)	3.9
Cumulative amount of losses recognised in the SOCI	(18.6)	(16.6)

The history of experience adjustments are as follows:

Group and Company	2024	2023	2022*	2021*	2020*
Actuarial (losses)/gains on scheme assets:					
– amount (£m)	(4.3)	(0.5)	(21.3)	(1.6)	6.7
– percentage of scheme assets (%)	(16.3)	(1.6)	(68.9)	(3.1)	12.8
Experience gains/(losses) on scheme liabilities:					
– amount (£m)	–	3.4	(2.4)	1.7	–
– percentage of scheme liabilities (%)	–	14.2	(8.3)	3.7	–

* As required under IAS 19.

The Group expects to make a contribution of £nil (2023: £nil) to the deferred benefit pension scheme in the year ending 31 December 2025. The Group has now completed all payments pursuant to a recovery plan agreed with the scheme Trustee.

Pension schemes – defined contribution

The defined benefit pension scheme is no longer open to further accrual. All eligible UK employees are invited to join stakeholder pension schemes into which the Group contributes between 8% and 12% of members' pensionable earnings, provided the employee contributes a minimum of 5%. The assets of the scheme are held separately from those of the Group. The pension charge in the income statement represents contributions payable by the Group in respect of the scheme and amounted to £1.1m for the year ended 31 December 2024 (2023: £1.0m), Company £0.6m (2023: £0.6m). £nil contributions were payable to the scheme at the year end (2023: £0.1m).

28. Share-based payments

The Group currently operates six categories of share schemes: The International Personal Finance plc Performance Share Plan (the Performance Share Plan); The International Personal Finance plc Approved Company Share Option Plan (the CSOP); The International Personal Finance plc Employee Savings-Related Share Option Scheme (the SAYE scheme); The International Personal Finance plc Deferred Share Plan (the Deferred Share Plan); The International Personal Finance plc Discretionary Award Plan (the Discretionary Award Plan); and The International Personal Finance plc Restricted Share Plan (the Restricted Share Plan). A number of awards have been granted under these schemes during the period under review. No awards have been granted under the Performance Share Plan, CSOP or the Discretionary Award Plan in 2024.

Options granted under the Performance Share Plans and CSOPs may be subject to a total shareholder return (TSR) performance target and/or EPS growth; net revenue growth; customer numbers growth; customer representative turnover; and earnings before interest and tax (EBIT) performance targets. The income statement charge in respect of the Performance Share Plan and the CSOP has been calculated using both a Monte Carlo simulation (for TSR) and Black-Scholes model (for the other non-market related conditions) as these schemes include performance targets. There are no performance conditions associated with the Discretionary Award Plan and, therefore, the income statement charge in respect of this scheme is calculated using the share price at the date of grant. The income statement charge in respect of the Restricted Share Plan has been calculated using the Black-Scholes model as this scheme's performance criteria is primarily adherence to the internally set progressive dividend policy.

The income statement charge in respect of the SAYE scheme is calculated using a Monte Carlo simulation model, although, no TSR targets are assigned. The Deferred Share Plan comprises deferred awards with matching awards. From the 2018 scheme onwards, the Deferred Share Plan does not have matching awards. There are no additional performance criteria attached to the deferred awards, therefore, the income statement charge is calculated using the actual share price at the date the award is granted. The matching awards are subject to the same criteria as the Performance Share Plan.

The total income statement charge in respect of these share-based payments in 2024 was £1.7m (2023: charge of £2.7m).

The fair value per award granted and the assumptions used in the calculation of the share-based payment charge are as follows:

Group and Company	SAYE Scheme	Deferred Share Plan	Restricted Share Plan*
Grant date	12/09/2024	20/03/2024	20/03/2024
Share price at award date	1.54	1.13	1.13
Base price for TSR	n/a	n/a	n/a
Exercise price	1.26	n/a	n/a
Vesting period (years)	3 and 5	3	3
Expected volatility	62%	n/a	43%
Award life (years)	Up to 5	n/a	3
Expected life (years)	Up to 5	n/a	3
Risk-free rate	3.78%	n/a	4.02%
Expected dividends expressed as a dividend yield	6.69%	n/a	8.50%
Deferred portion	n/a	n/a	n/a
TSR threshold	n/a	n/a	n/a
TSR maximum target	n/a	n/a	n/a
EPS threshold	n/a	n/a	n/a
EPS maximum target	n/a	n/a	n/a
Net revenue threshold	n/a	n/a	n/a
Net revenue maximum target	n/a	n/a	n/a
Fair value per award (£)	0.77 – 0.81	n/a	0.88

* The vesting of awards will be determined by the committee and adherence to its progressive dividend policy.

No exercise price is payable in respect of any awards made under the Performance Share Plan, Discretionary Award Plan, Deferred Share Plan or the Restricted Share Plan. The risk-free rate of return is the yield on zero coupon UK government bonds with a remaining term equal to the expected life of the award.

Further detail in respect of the Performance Share Plans, CSOPs, Deferred Share Plans, SAYE schemes, Discretionary Award Plans and Restricted Share Plan is provided in the Corporate Governance Report.

28. Share-based payments continued

The movements in awards during the year for the Group are outlined in the table below:

Group	SAYE schemes Number	SAYE schemes Weighted average exercise price £	CSOPs Number	CSOPs Weighted average exercise price £	Deferred Share Plans Number	Deferred Share Plans Weighted average exercise price £	Performance Share Plans Number	Performance Share Plans Weighted average exercise price £	Restricted Share Plans Number	Restricted Share Plans Weighted average exercise price £	Discretionary Award Plans Number	Discretionary Award Plans Weighted average exercise price £
Outstanding at 1 January 2023	1,748,396	0.82	8,657	4.05	2,394,715	–	6,550,918	–	–	–	1,137,460	–
Granted	132,099	0.99	–	–	1,191,844	–	496,873	–	2,040,396	–	–	–
Expired/lapsed	(245,569)	0.89	(2,999)	3.64	(20,604)	–	(81,738)	–	–	–	–	–
Exercised	(481,389)	0.86	–	–	(835,616)	–	(120,041)	–	–	–	–	–
Outstanding at 31 December 2023	1,153,537	0.81	5,658	4.27	2,730,339	–	6,846,012	–	2,040,396	–	1,137,460	–
Outstanding at 1 January 2024	**1,153,537**	**0.81**	**5,658**	**4.27**	**2,730,339**	**–**	**6,846,012**	**–**	**2,040,396**	**–**	**1,137,460**	**–**
Granted	**147,791**	**1.26**	**–**	**–**	**839,872**	**–**	**–**	**–**	**2,374,904**	**–**	**–**	
Expired/lapsed	**(103,750)**	**0.86**	**(3,250)**	**5.26**	**(3,009)**	**–**	**(205,555)**	**–**	**(356,107)**	**–**	**(1,137,460)**	**–**
Exercised	**(159,678)**	**0.90**	**–**	**–**	**(160,867)**	**–**	**(2,618,830)**	**–**	**–**	**–**	**–**	
Outstanding at 31 December 2024	**1,037,900**	**0.85**	**2,408**	**2.93**	**3,406,335**	**–**	**4,021,627**	**–**	**4,059,193**	**–**	**–**	**–**

Share awards outstanding at 31 December 2024 had exercise prices of £0.75– £2.93 (2023: £0.75 – £5.26) and a weighted average remaining contractual life of 8.0 years (2023: 8.2 years).

The movements in awards during the year for the Company are outlined in the table below:

Company	SAYE schemes Number	SAYE schemes Weighted average exercise price £	CSOPs Number	CSOPs Weighted average exercise price £	Deferred Share Plans Number	Deferred Share Plans Weighted average exercise price £	Performance Share Plans Number	Performance Share Plans Weighted average exercise price £	Restricted Share Plans Number	Restricted Share Plans Weighted average exercise price £	Discretionary Award Plans Number	Discretionary Award Plans Weighted average exercise price £
Outstanding at 1 January 2023	1,181,125	0.81	3,896	4.87	1,057,229	–	3,516,924	–	–	–	589,405	–
Granted	66,338	0.99	–	–	781,132	–	40,504	–	1,273,695	–	–	–
Expired/lapsed	(175,728)	0.84	–	–	–	–	–	–	–	–	–	–
Exercised	(365,228)	0.86	–	–	(293,762)	–	(111,520)	–	–	–	–	–
Outstanding at 31 December 2023	706,507	0.80	3,896	4.87	1,544,599	–	3,445,908	–	1,273,695	–	589,405	–
Outstanding at 1 January 2024	**706,507**	**0.80**	**3,896**	**4.87**	**1,544,599**	**–**	**3,445,908**	**–**	**1,273,695**	**–**	**589,405**	**–**
Granted	**79,497**	**1.26**	**–**	**–**	**608,628**	**–**	**–**	**–**	**1,222,410**	**–**	**–**	**–**
Expired/lapsed	**(55,402)**	**0.88**	**(3,250)**	**5.26**	**–**	**–**	**(35,854)**	**–**	**(164,880)**	**–**	**(589,405)**	**–**
Exercised	**(96,201)**	**0.91**	**–**	**–**	**(138,281)**	**–**	**(1,314,743)**	**–**	**–**	**–**	**–**	**–**
Outstanding at 31 December 2024	**634,401**	**0.84**	**646**	**2.93**	**2,014,946**	**–**	**2,095,311**	**–**	**2,331,225**	**–**	**–**	**–**

Share awards outstanding at 31 December 2023 had exercise prices of £0.75 – £2.93 (2023: £0.75 – £5.26) and a weighted average remaining contractual life of 8.1 years (2023: 8.3 years).

29. Share capital

Company	**2024 £m**	2023 £m
At 1 January	**23.4**	23.4
Own shares acquired	**(0.9)**	–
At 31 December	**22.5**	23.4

Share capital consists of 224,610,034 authorised, issued and fully-paid up shares (2023: 234,244,437 authorised, issued and fully-paid up shares) at a nominal value of 10 pence. Following the successful completion of the £15m share buyback programme in the second half of the year, 9,634,403 shares were acquired by the Company and subsequently cancelled.

The Company has one class of ordinary shares which carry no right to fixed income.

The own share reserve represents the cost of shares in the Company purchased from the market, which can be used to satisfy options under the Group's share options schemes (see note 28). The number of ordinary shares held in treasury and by the employee trust at 31 December 2024 was 7,730,975 (2023: 10,209,832). During 2024, the employee trust acquired 1,245,160 shares at an average price of £1.09 (2023: 349,306 acquired at an average price of £1.07) and the treasury trust acquired nil shares (2023: nil shares).

30. Reconciliation of profit/(loss) after taxation to cash generated from operating activities

	Group **2024 £m**	Group 2023 £m	Company **2024 £m**	Company 2023 £m
Profit/(loss) after taxation from operations	**60.9**	48.0	**(4.4)**	(24.6)
Adjusted for:				
– tax charge	**12.4**	35.9	**3.4**	1.4
– finance costs	**71.7**	76.9	**91.1**	80.0
– finance income	**(1.3)**	–	**(63.9)**	(51.8)
– share-based payment charge (note 28)	**1.7**	2.7	**1.0**	1.5
– depreciation of property, plant and equipment (note 14)	**6.8**	6.5	**0.1**	0.2
– loss on disposal of property, plant and equipment (note 14)	**–**	0.1	**–**	–
– amortisation of intangible assets (note 12)	**12.4**	13.1	**–**	–
– depreciation of right-of-use assets (note 15)	**10.1**	9.7	**0.3**	0.3
– impairment of intangible assets (note 12)	**–**	0.2	**–**	–
– short-term and low value lease costs (note 15)	**1.4**	1.7	**–**	–
Changes in operating assets and liabilities:				
– increase in amounts receivable from customers	**(58.8)**	(3.8)	**–**	–
– (increase)/decrease in other receivables	**(10.4)**	0.9	**(33.4)**	4.4
– Increase in trade and other payables	**7.6**	4.8	**66.7**	25.7
– change in provisions	**2.8**	(4.7)	**–**	–
– change in retirement benefit asset	**(0.3)**	(0.1)	**(0.3)**	(0.1)
– (decrease)/increase in derivative financial instrument liabilities	**(2.9)**	1.5	**–**	–
Cash generated from operating activities	**114.1**	193.4	**60.6**	37.0

31. Capital commitments

Group	**2024 £m**	2023 £m
Capital expenditure commitments contracted with third parties but not provided for at 31 December	**5.5**	6.7

The Company has no commitments as at 31 December 2024 (2023: £nil).

32. Contingent liabilities

Treatment of the Group's finance company

In December 2020, HMRC initiated a review of the Group's finance company's compliance with certain conditions under the UK domestic tax rules to confirm whether the company is eligible for the benefits of the Group Financing Exemption which it has claimed in its historic tax returns. IPF believes that all conditions have been complied with and have sought legal advice with regard to the interpretation of the relevant legislative condition. The legal advice confirmed IPF's view and assessed that, in the event that HMRC were to take the matter to Tribunal, it is more likely than not that the company would succeed in defending its position. In the unexpected event that HMRC were to conclude that the company is not in compliance with the conditions and to pursue the matter in Tribunal, and won, the amount at stake for all open years is £8.8 million. It is of note that although HMRC issued a protective Discovery Assessment with respect to 2016, so far no actual challenge has been made to the company's filing position and HMRC have simply requested information.

Other legal actions and regulatory matters

In addition, in the course of its business the Group is subject to other complaints and threatened or actual legal proceedings (including class or group action claims) brought by or on behalf of current or former employees, customer representatives, customers, investors or other third parties. This extends to legal and regulatory challenges and investigations (including relevant consumer bodies) combined with tax authorities taking a view that is different to the view the Group has taken on the tax treatment in its tax returns. Where material, such matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established based on management's best estimate of the amount required at the relevant balance sheet date. In some cases, it may not be possible to form a view, for example because the facts are unclear or because further time is needed to assess properly the merits of the case, and no provisions are held in relation to such matters. In these circumstances, specific disclosure in relation to a contingent liability will be made where material. However, the Group does not currently expect the final outcome of any such case to have a material adverse effect on its financial position, operations or cash flows.

33. Related party transactions

The company has various transactions with other companies in the Group. Details of these transactions along with any balances outstanding are shown below:

	2024			2023		
Company	Recharge of costs £m	Interest charge £m	Outstanding balance £m	Recharge of costs £m	Interest charge £m	Outstanding balance £m
Europe	0.1	–	46.8	0.1	–	43.4
Mexico	2.4	14.4	114.5	–	12.8	101.9
Other UK companies	12.3	5.6	(54.0)	6.9	3.7	(6.5)
	14.8	20.0	107.3	7.0	16.5	138.8

The outstanding balance represents the net intercompany balance receivable by the Company. Amounts due to and from the Company by Group subsidiaries are unsecured, accrue interest and are due for repayment in less than one year.

Alternative performance measures

This Annual Report and Financial Statements provides alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards. We believe these APMs provide readers with important additional information on our business. To support this we have included a reconciliation of the APMs we use, where relevant, and a glossary indicating the APMs that we use, an explanation of how they are calculated and why we use them.

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Income statement measures			
Customer lending growth at constant exchange rates (%)	None	Not applicable	Customer lending is the principal value of loans advanced to customers and is an important measure of the level of lending in the business. Customer lending growth is the period-on-period change in this metric which is calculated by retranslating the previous year's customer lending at the average actual exchange rates used in the current financial year. This ensures that the measure is presented having eliminated the effects of exchange rate fluctuations on the period-on-period reported results (constant exchange rates).
Closing net receivables growth at constant exchange rates (%)	None	Not applicable	Closing net receivables growth is the period-on-period change in closing net receivables which is calculated by retranslating the previous year's closing net receivables at the closing actual exchange rate used in the current financial year. This ensures that the measure is presented having eliminated the effects of exchange rate fluctuations on the period-on-period reported results (constant exchange rates).
Revenue growth at constant exchange rates (%)	None	Not applicable	The period-on-period change in revenue which is calculated by retranslating the previous year's revenue at the average actual exchange rates used in the current financial year. This measure is presented as a means of eliminating the effects of exchange rate fluctuations on the period-on-period reported results (constant exchange rates).
Revenue yield (%)	None	Not applicable	Revenue yield is reported revenue divided by average gross receivables (before impairment provision) and is an indicator of the return being generated from average gross receivables. This measure is reported on a rolling annual basis (annualised).
Impairment rate (%)	None	Not applicable	Impairment rate is reported impairment divided by average gross receivables (before impairment provision) and represents a measure of credit quality that is used across the business. This measure is reported on a rolling annual basis (annualised).
Cost-income ratio (%)	None	Not applicable	The cost-income ratio is costs, including customer representatives commission, excluding interest expense divided by reported revenue. This measure is reported on a rolling annual basis (annualised). This is useful for comparing cost efficiency across markets.
Pre-exceptional profit before tax (£m)	Profit before tax	Exceptional items	Profit before tax and exceptional items. This is considered to be an important measure where exceptional items distort the operating performance of the business.
Pre-exceptional earnings per share (pence)	Earnings per share	Exceptional items	Earnings per share before the impact of exceptional items. This is considered to be an important measure where exceptional items distort the operating performance of the business.

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Balance sheet and returns measures			
Gross receivables (£m)	Net customer receivables	Not applicable	Gross receivables is the same definition as gross carrying amount as per note 17.
Impairment coverage ratio (%)	None	Not applicable	Expected loss allowance divided by gross carrying amount (before impairment provision).
Pre-exceptional return on equity (RoE) (%)	None	Not applicable	Calculated as pre-exceptional profit after tax divided by average opening and closing equity. It is used as a measure of overall shareholder returns.
Pre-exceptional required return on equity (RoRE) (%)	None	Not applicable	Calculated as pre-exceptional profit after tax divided by required equity of 40% of average net receivables. It is used as a measure of overall shareholder returns.
Equity to receivables ratio (%)	None	Not applicable	Total equity divided by amounts receivable from customers. This is a measure of balance sheet strength.
Headroom (£m)	Undrawn external bank facilities	Not applicable	Calculated as the sum of undrawn external bank facilities and non-operational cash.
Net debt (£m)	None	Not applicable	Borrowings less cash.
Other measures			
Customers	None	Not applicable	Customers that are being served by our agents or through our money transfer product in the home credit business and customers that are not in default in our digital business.
Customer retention (%)	None	Not applicable	The proportion of customers that are retained for their third or subsequent loan. Our ability to retain customers is central to achieving our strategy and is an indicator of the quality of our customer service. We do not retain customers who have a poor payment history as it can create a continuing impairment risk and runs counter to our responsible lending commitments.
Employees and Customer representatives	Employee information	Not applicable	Customer representatives are self-employed individuals who represent the Group's subsidiaries and are engaged under civil contracts with the exception of Hungary and Romania where they are employees engaged under employment contracts due to local regulatory reasons.
Customer representatives and employee retention (%)	None	Not applicable	This measure represents the proportion of our employees and customer representatives that have been working for or representing the Group for more than 12 months. Experienced people help us to achieve and sustain strong customer relationships and a high quality service, both of which are central to achieving good customer retention. Good customer representative and employee retention also helps reduce costs of recruitment and training, enabling more investment in people development.

Constant exchange rate reconciliations

The year-on-year change in profit and loss accounts is calculated by retranslating the 2023 profit and loss account at the average actual exchange rates used in the current year.

2024 £m	**European home credit**	**Mexico home credit**	**IPF Digital**	**Central costs**	**Group**
Customers (000)	**725**	**680**	**247**	**–**	**1,652**
Average gross receivables	**706.0**	**306.9**	**314.6**	**–**	**1,327.5**
Closing receivables	**459.6**	**159.4**	**251.0**	**–**	**870.0**
Customer lending	**662.1**	**289.2**	**263.2**	**–**	**1,214.5**
Revenue	**328.2**	**263.8**	**134.3**	**–**	**726.3**
Impairment	**(8.1)**	**(92.4)**	**(27.0)**	**–**	**(127.5)**
Net revenue	**320.1**	**171.4**	**107.3**	**–**	**598.8**
Interest expense	**(37.6)**	**(14.4)**	**(18.3)**	**(0.1)**	**(70.4)**
Costs	**(225.1)**	**(131.0)**	**(72.0)**	**(15.1)**	**(443.2)**
Profit/(loss) before tax	**57.4**	**26.0**	**17.0**	**(15.2)**	**85.2**

2023 performance at 2023 average foreign exchange rates

£m	European home credit	Mexico home credit	IPF Digital	Central costs	Group
Customers (000)	754	716	230	–	1,700
Average gross receivables	791.1	299.4	298.4	–	1,388.9
Closing receivables	475.4	187.1	230.4	–	892.9
Customer lending	601.7	302.8	246.1	–	1,150.6
Revenue	375.9	261.6	130.3	–	767.8
Impairment	(35.6)	(96.7)	(37.1)	–	(169.4)
Net revenue	340.3	164.9	93.2	–	598.4
Interest expense	(47.4)	(12.1)	(17.3)	(0.1)	(76.9)
Costs	(225.2)	(129.7)	(67.8)	(14.9)	(437.6)
Profit/(loss) before tax	67.7	23.1	8.1	(15.0)	83.9

Foreign exchange movements

£m	European home credit	Mexico home credit	IPF Digital	Central costs	Group
Average gross receivables	(16.1)	(16.6)	(7.3)	–	(40.0)
Closing receivables	(29.3)	(32.3)	(16.9)	–	(78.5)
Customer lending	(13.6)	(17.7)	(6.7)	–	(38.0)
Revenue	(7.2)	(15.2)	(3.7)	–	(26.1)
Impairment	0.2	6.1	1.5	–	7.8
Net revenue	(7.0)	(9.1)	(2.2)	–	(18.3)
Interest expense	0.9	0.7	0.4	–	2.0
Costs	3.7	6.5	1.2	–	11.4
	(2.4)	(1.9)	(0.6)	–	(4.9)

2023 performance at 2024 average exchange rates

£m	European home credit	Mexico home credit	IPF Digital	Central costs	Group
Average gross receivables	775.0	282.8	291.1	–	1,348.9
Closing receivables	446.1	154.8	213.5	–	814.4
Customer lending	588.1	285.1	239.4	–	1,112.6
Revenue	368.7	246.4	126.6	–	741.7
Impairment	(35.4)	(90.6)	(35.6)	–	(161.6)
Net revenue	333.3	155.8	91.0	–	580.1
Interest expense	(46.5)	(11.4)	(16.9)	(0.1)	(74.9)
Costs	(221.5)	(123.2)	(66.6)	(14.9)	(426.2)

Year-on-year movement at constant exchange rates

	European home credit	Mexico home credit	IPF Digital	Central costs	Group
Average gross receivables	(8.9%)	8.5%	8.1%	–	(1.6%)
Closing receivables	3.0%	3.0%	17.6%	–	6.8%
Customer lending	12.6%	1.4%	9.9%	–	9.2%
Revenue	(11.0%)	7.1%	6.1%	–	(2.1%)
Impairment	77.1%	(2.0%)	24.2%	–	21.1%
Net revenue	(4.0%)	10.0%	17.9%	–	3.2%
Interest expense	19.1%	(26.3%)	(8.3%)	–	6.0%
Other costs	(1.6%)	(6.3%)	(8.1%)	(1.3%)	(4.0%)

Pre-exceptional return on equity (RoE)

Pre-exceptional RoE is calculated as pre-exceptional profit after tax divided by average pre-exceptional equity:

	2024 £m	2023 £m	2022 £m
Equity (net assets)	**466.3**	501.9	445.2
Exceptional items	**(5.5)**	4.0	(10.5)
Pre-exceptional equity	**460.8**	505.9	434.7
Average pre-exceptional equity	**483.4**	470.3	
Profit after tax	**60.9**	48.0	
Exceptional items	**(5.5)**	4.0	
Pre-exceptional profit after tax	**55.4**	52.0	
Pre-exceptional RoE	**11.5%**	11.1%	

Pre-exceptional return on required equity (RoRE)

Pre-exceptional RoRE is calculated as pre-exceptional profit after tax divided by required equity of 40% of average net receivables:

2024	**European home credit £m**	**Mexico home credit £m**	**IPF Digital £m**	**Group £m**
Closing net receivables 2024	**459.6**	**159.4**	**251.0**	**870.0**
Closing net receivables 2023	**475.4**	**187.1**	**230.4**	**892.9**
Average net receivables	**467.5**	**173.3**	**240.7**	**881.5**
Equity (net assets) at 40%	**187.0**	**69.3**	**96.3**	**352.6**
Pre-exceptional profit before tax	**57.4**	**26.0**	**17.0**	**85.2**
Tax at 35%	**(20.1)**	**(9.1)**	**(6.0)**	**(29.8)**
Pre-exceptional profit after tax	**37.3**	**16.9**	**11.0**	**55.4**
Pre-exceptional RoRE	**19.9%**	**24.4%**	**11.4%**	**15.7%**

2023	European home credit £m	Mexico home credit £m	IPF Digital £m	Group £m
Closing net receivables 2023	475.4	187.1	230.4	892.9
Closing net receivables 2022	496.3	158.5	214.0	868.8
Average net receivables	485.8	172.8	222.2	880.8
Equity (net assets) at 40%	194.3	69.1	88.9	352.3
Pre-exceptional profit before tax	67.7	23.1	8.1	83.9
Tax at 38%	(25.7)	(8.8)	(3.1)	(31.9)
Pre-exceptional profit after tax	42.0	14.3	5.0	52.0
Pre-exceptional RoRE	21.6%	20.7%	5.6%	14.8%

Average gross receivables

	2024 £m	2023 £m
European home credit	**706.0**	791.1
Mexico home credit	**306.9**	299.4
IPF Digital	**314.6**	298.4
Group	**1,327.5**	1,388.9

Impairment coverage ratio

Impairment coverage ratio is calculated as loss allowance divided by closing gross receivables:

	2024 £m	2023 £m
Closing gross receivables	**1,297.5**	1,401.1
Loss allowance	**(427.5)**	(508.2)
Closing net receivables	**870.0**	892.9
Impairment coverage ratio	**32.9%**	36.3%

Shareholder Information

Financial calendar for 2025

26 February 2025	Announcement of 2024 full-year results
10 April 2025	Ex-dividend date for final dividend
11 April 2025	Record date for final dividend
17 April 2025	DRIP cut-off date
1 May 2025	AGM
12 May 2025	Payment of 2024 final dividend
30 July 2025	Announcement of 2025 half-year results
28 August 2025	Ex-dividend date of interim dividend
29 August 2025	Record date for interim dividend
5 September 2025	DRIP cut-off date
26 September 2025	Payment of 2025 interim dividend

Dividend history

Details of previous dividend payments can be found on our website at www.ipfin.co.uk

Year	Pence	Ex-dividend date	Pay date	Type
2024	3.4	29/08/2024	27/09/2024	Interim
2023	7.2	11/04/2024	10/05/2024	Final
2023	3.1	31/08/2023	29/09/2023	Interim
2022	6.5	06/04/2023	05/05/2023	Final
2022	2.7	01/09/2022	30/09/2022	Interim

Dividends

Dividends can be paid directly into a shareholder's bank or building society account. This ensures secure delivery and means that cleared funds are received on the payment date. For shareholders who are resident outside the UK, dividend payments are made by Link's International Payment Service and are paid in local currency. The Company offers a dividend reinvestment plan (DRIP). A DRIP is a convenient and easy way to build a shareholding by using cash dividends to buy additional shares rather than receiving a cheque or having your bank account credited with cash. To receive more information, change your preferred dividend payment method, or if you would like to participate in the DRIP, please contact the Company's registrar, MUFG Corporate Markets (see below).

Registrar

Queries relating to your shareholdings including transfers, dividend payments/reinvestments, lost share certificates, duplicate accounts and amending personal details should be addressed to the Company's registrar:

MUFG Corporate Markets, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Telephone:

0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider). If you are calling from outside the UK, please call +44 (0)371 644 0300 (calls outside the UK will be charged at the applicable international rate). Lines are open between 09:00 and 17:30, Monday to Friday, excluding public holidays in England and Wales.

Email

shareholderenquiries@cm.mpms.mufg.com

Website:

www.mpms.mufg.com

Go paperless

Shareholders can register for electronic communications by visiting www.myipfshares.com.

Why receive information this way?

- Online access to personal shareholding information.
- Ability to manage shareholding and personal details proactively.
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- Helps save paper.
- Savings on printing and delivery costs.

To register, shareholders will need their investor code, which is printed on correspondence received from the Company's Registrar. This service will require a user ID and password to be provided on registration.

ShareGift

If you have a small shareholding in International Personal Finance plc and it would be uneconomical to sell the shares, you may wish to donate them to ShareGift (registered charity no. 1052686), which is an independent charity. ShareGift can amalgamate small shareholdings in order to sell the shares and pass the proceeds on to other charities. More information is available at www.sharegift.org or telephone 020 7930 3737.

Cautionary statement

The purpose of this report is to provide information to the members of the Company. It has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its directors and employees, customer representatives or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The Annual Report and Financial Statements contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group.
By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.
The forward-looking statements reflect knowledge and information available at the date of preparation of the Annual Report and Financial Statements and the Company undertakes no obligation to update these forward-looking statements (other than to the extent required by legislation and the Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority). Nothing in this year's Annual Report and Financial Statements should be construed as a profit forecast.

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