CREDIT OPINION
2 February 2026

Update

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RATINGS

International Personal Finance plc

Domicile	Leeds, United Kingdom
Long Term Rating	Ba3
Type	LT Corporate Family Ratings - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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International Personal Finance plc

Update to credit analysis

Summary

International Personal Finance plc's (IPF) Ba3 corporate family rating (CFR) reflects the company's solid financial performance, with an established track record of lending to consumers with non-prime credit profiles. Although IPF's loan book carries high credit risk, the company has successfully managed it, as evidenced by its historically sound risk-adjusted profitability and strong capitalisation. In addition, the company's focus on high-cost lending to consumers with limited access to credit exposes IPF to elevated regulatory risk. Over the years, IPF has successfully adapted its business model to Europe' evolving regulatory landscape, demonstrating the resilience of its geographically diversified franchise. At the same time, the company's franchise benefits from its diversified business model and international footprint, which we reflect in a one-notch qualitative adjustment for business diversification in IPF's scorecard.

The CFR also captures IPF's reliance on confidence-sensitive wholesale funding, which could present funding challenges during a market downturn or periods of weakened investor sentiment. The existence of the negative pledge provision in credit agreements restricts IPF's access to secured funding, thereby further constraining its financial flexibility. Nevertheless, the company's diversified borrowing sources for credit facilities, provided by a number of banks, partly mitigate the refinancing risk. Additionally, IPF's solid cash flow generation, with a relatively short duration of receivables, provides additional flexibility for managing its funding needs.

The Ba3 backed senior unsecured ratings and the (P)Ba3 backed senior unsecured MTN ratings reflect IPF's CFR and the notes' priorities of claim and asset coverage in the company's current liability structure.

Credit strengths

» Solid risk-adjusted profitability, reflective of the high-yielding loan book

» Strong capital position, which provides ample loss-absorbing capacity against high asset and regulatory risks

» Diversified borrowing sources under credit facilities provided by a number of banks partly mitigate refinancing risk

» Long track record of lending in multiple regions, with the franchise supported by geographical diversification

Credit challenges

» High-risk loan portfolio, with loans extended primarily to customers with no or weak credit history

» High regulatory risk inherent in high-cost lending and fair treatment of customers

» High reliance on confidence-sensitive wholesale funding and large debt concentration in 2029

» Negative pledge provision in credit agreements restricts access to secured funding, thereby constraining financial flexibility

Outlook

The outlook on IPF is stable, reflecting our expectation that the company will maintain solid risk-adjusted profitability, strong capitalisation and ample liquidity over the next 12 months.

Factors that could lead to an upgrade

IPF's ratings could be upgraded if it diversifies its product mix into less risky offerings, and if it reduces its debt maturity concentrations and increases the availability under its credit facilities that could be used for general corporate purposes.

Factors that could lead to a downgrade

IPF's ratings could be downgraded if its liquidity deteriorates relative to its funding needs, raising its refinancing risk, and if its profitability weakens or its capital position meaningfully declines. The positioning of the CFR could be reassessed if IPF becomes subject to significantly adverse regulatory changes that would affect its business viability in some of its markets.

Key indicators

Exhibit 1

International Personal Finance plc (Consolidated Financials) [1]

	06-25[2]	12-24[2]	12-23[2]	12-22[2]	12-21[2]	CAGR/Avg.[3]
Total managed assets (GBP Million)	1,225.8	1,141.7	1,189.0	1,171.1	999.3	6.0[4]
Total managed assets (USD Million)	1,679.8	1,429.9	1,515.7	1,408.7	1,348.7	6.5[4]
Net Income / Average Managed Assets (%)	5.1	4.9	4.1	3.7	4.0	4.4[5]
Tangible Common Equity (Finance) / Tangible Managed Assets (%)	37.5	37.6	39.3	35.1	33.4	36.6[5]
Problem Loans / Gross Loans (Finance) (%)	27.1	28.3	31.5	30.9	32.9	30.1[5]
Debt Maturities Coverage (%)	86.5	83.1	208.6	87.7	2700.0	633.2[5]
Secured Debt / Gross Tangible Assets (%)	1.3	1.3	1.4	1.3	1.3	1.4[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] IFRS [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime.
Source: Moody's Ratings and company filings

Profile

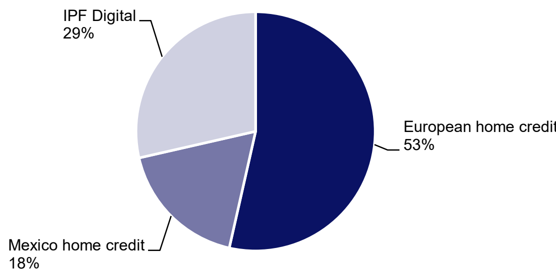
International Personal Finance plc (IPF) is a UK-based non-prime instalment lender with operations in seven countries in Central and Eastern Europe, as well as in Mexico and Australia. IPF was founded in 2007 following the de-merger of Provident Financial plc's international business, although its history dates back to the period before it was part of Provident Financial plc. IPF's customers typically have no or poor credit history and are underserved or financially excluded by traditional lenders.

IPF's main product offerings mainly comprise small-sum lines of credit and instalment loans, as well as credit cards in Poland. IPF offers its loan products in three business lines: European Home Credit (HC), Mexico Home Credit and IPF Digital.

Exhibit 2

IPF's European HC business line is the largest, though Mexico HC and IPF Digital exhibit faster growth

Distribution of net receivables as of 30 June 2025



Home Credit Europe includes Poland, the Czech Republic, Hungary and Romania; Digital includes Estonia, Lithuania, Latvia, Spain, Australia, Poland and Mexico.
Source: Company's financials

Recent developments

» On 30 July 2025, IPF announced that its board had entered into advanced discussions with BasePoint Capital LLC (BasePoint), a provider of asset-backed financing in the United States to specialty finance companies, regarding a possible cash offer to acquire IPF.

» On 24 December 2025, IPF publicly communicated that it had reached agreement on the terms of the offer. The completion of the transaction will be subject to shareholder approval and regulatory clearances. Until completion, IPF will continue to operate on a business-as-usual basis.

Detailed credit considerations

Solid risk-adjusted profitability, reflective of the high-yielding loan book

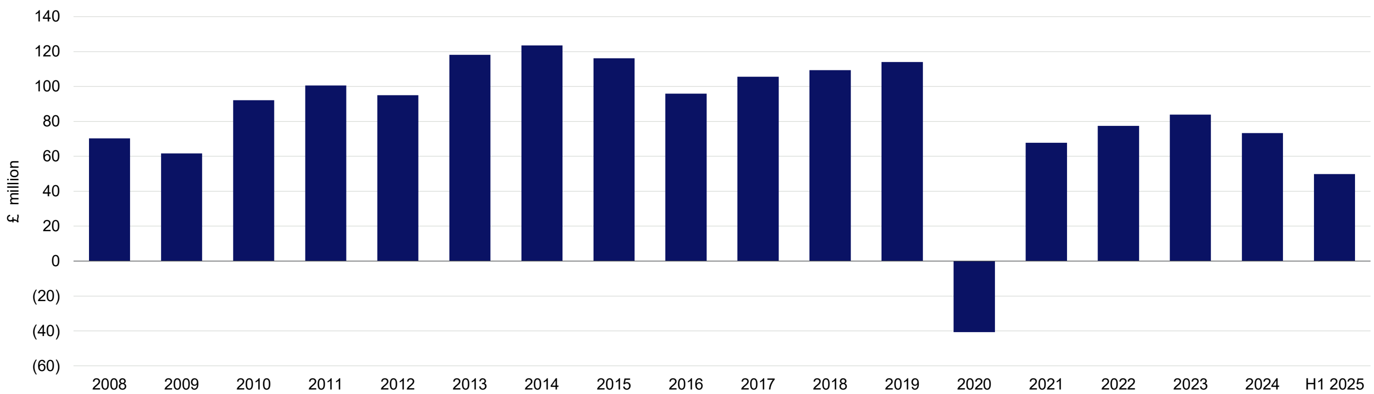
We assign a Baa1 Profitability score to IPF, two notches below the initial score of A2, reflecting IPF's strong through-the-cycle profitability, supported by its high-yield loan portfolio. The assigned score also incorporates the risk of heightened earnings volatility due to potentially higher than expected credit losses, as well as from unforeseen costs, including those related to regulatory developments that could also restrict its revenue generation in certain countries.

IPF's pre-tax earnings increased by 5.5% year-over-year (YoY) to £49.9 million. Excluding £10.8 million of exceptional costs taken in H1 2024, profit before tax increased by 37% YoY. Revenue declined due to the continued impact of the regulatory rate cap on credit cards in Poland and muted lending growth in Mexico Home Credit, where necessary IT upgrades impacted new lending. However, lower revenue was offset by decreased credit costs due to stronger customer repayments, while underlying operating expenses remained broadly flat.

IPF's average gross receivables declined by 4% YoY (increased 2% at a constant exchange rate), as the adoption of the new rate cap and enhanced affordability regulation in Poland continued to impact growth in the first quarter of 2025, partly offset by growth in other European countries and in the IPF Digital division in Mexico and Australia.

IPF expects growth in its Mexico and European Home Credit portfolios to accelerate to about 15% in 2025, supported by stronger originations in Mexico following IT upgrades and in Poland due to the recently obtained full payment institution license. The company also estimates the growth rate of IPF Digital to be around 20% for the full year of 2025. With the growth, IPF expects its returns to moderate in 2025, but improve in 2026.

Exhibit 3
IPF has demonstrated solid profitability through the cycle
Reported profit before tax



2024 PBT is before the exceptional costs attributed to restructuring of European Home Credit, and the large bond refinancing during the year.
Source: Company's financials, Moody's Ratings

Strong capital position, which provides ample loss-absorption capacity against high asset and regulatory risks

We assign a score of A2 to IPF's Capital Adequacy, three notches below the initial score. The assigned score reflects IPF's strong capitalisation, which provides a meaningful loss-absorption capacity, but also considers the risk of capital erosion from unforeseen losses given the high credit risk of its loan portfolio and high exposure to regulatory risk. The assigned score also reflects our expectation of a decline in capitalisation as IPF continues to grow its loan book, while making sizeable equity distributions in the form of dividends and share buybacks.

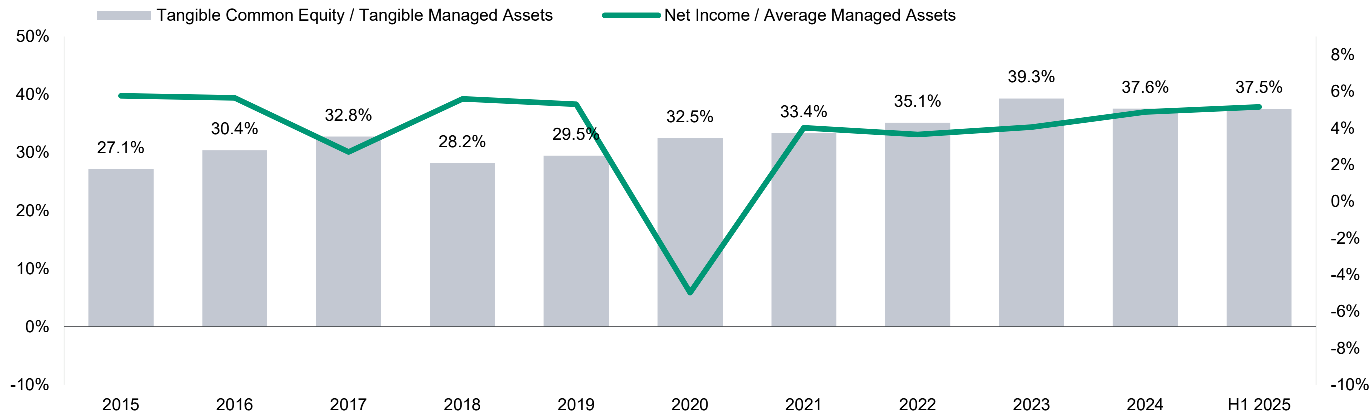
IPF remains highly exposed to regulatory risk, as the European regulatory landscape continues to evolve, particularly in areas such as interest rate and fee caps, affordability assessment and product governance. In February 2025, the Czech Republic, IPF's smallest home credit operation, launched a public consultation on the potential introduction of a rate cap. While we do not expect this potential development to have a material impact on the company, Europe's consumer credit regulation continues to develop, and other regulatory changes may materially influence IPF's profitability and erode its capital levels.

IPF's strong levels of capitalisation are supported by its policy of funding each loan with 40% of equity. As of the half-year 2025, IPF's equity-to-receivables ratio was 53%, and its tangible common equity represented 38% of its tangible assets. Given its excess levels of capitalisation relative to targets, IPF made sizeable equity distributions in 2024, including a £15 million share buyback. Following the strong performance in H1 2025 and the outlook for the full year, IPF paid an interim dividend of 3.8 pence per share, consistent with the company's progressive dividend policy.

Exhibit 4

Strong capital levels and profitability track record mitigate asset risk

IPF's leverage and return on assets



Tangible common equity declined in 2018 as a result of the introduction of IFRS 9.
Source: Company's financials, Moody's Ratings

High asset risk, with loans extended primarily to customers with no or weak credit history

We assign a Ca weighted average Asset Risk score to IPF, reflecting high credit risk of its loan portfolio focused on customers with no or weak credit history.

IPF has a long track record of lending in multiple regions across a range of products, including instalment loans, credit lines and credit cards, mobile wallet and medical and life insurance. The company's loan book carries large amounts of impaired loans, with the problem loan ratio of 27% as of the half-year 2025. IPF does not disclose the amount of write-offs, but we assume that the company charges off a high proportion of loans per annum. In the fist six months of 2025, IPF's loan loss impairment charge continued to decline to 8.3% of average gross receivables, from 10.5% a year ago, and was below the company's target rate of 14%-16%, reflecting strong customer repayment performance but also a reduction in receivables from lower growth in Poland and Mexico. IPF expects its impairment rate to normalise at target levels as it ramps up its growth in both of these regions.

High reliance on confidence-sensitive funding; large debt maturity concentration in 2029

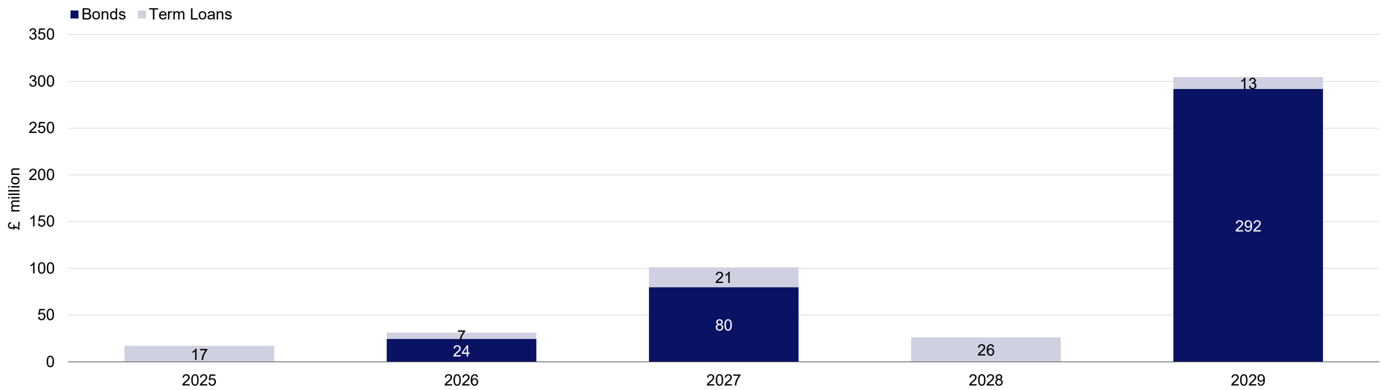
IPF's assigned weighted average Cash Flow and Liquidity score is B1. The assigned score reflects IPF's reliance on confidence-sensitive wholesale funding, which could present challenges during a market downturn or weakened investor sentiment. IPF's diversified borrowing sources for credit facilities, provided by a number of banks, partly mitigate the refinancing risk.

IPF has reduced its near-term funding risk following the refinancing and repayment of its €341.2 million Eurobond due in November 2025. In addition, IPF issued a SEK 1 billion bond in November 2025, which further diversified its funding profile. However, the company has large debt concentrations in future years, with another €341 million bond maturing in December 2029. The existence of negative pledge provisions in IPF's credit agreements restricts the company's access to secured funding, thereby limiting diversification of its funding sources and constraining its financial flexibility. At the same time, IPF's solid cash flow generation, with a relatively short duration of receivables, supports the company's external liquidity and provides it with additional flexibility for managing its funding needs.

Exhibit 5

IPF has reduced its near-term funding risk, though there is a large debt concentration in 2029

Bond and term loan maturities as of 30 June 2025



On 1 April 2025, IPF redeemed the outstanding €66.7 million (approx. £55 million) senior unsecured notes due 2025.
Source: Company financials, Moody's Ratings

Operating environment

We assign a B2 score to IPF's Operating Environment, reflecting the industry risk score of B for non-prime instalment lenders. The Macro-Level Indicator does not have any weighting in the scorecard because this score is higher than the Industry Risk score for all segments in which IPF operates.

The B2 Operating Environment score is below IPF's Ba2 Financial Profile score. Therefore, we constrain the adjusted financial profile by weighting the Operating Environment score at 70% and the financial profile at 30%, resulting in an Adjusted Financial Profile score of B1.

Macro-level indicator

We use the average net receivables of IPF to determine the geographical split when assigning the Macro-Level Indicators.

Industry risk

We assign a B Industry Risk score to non-prime installment lenders, which are subject to a high degree of regulatory risk that could quickly make operations in certain markets less economically viable.

Barriers to entry in the home credit market are relatively high, while barriers to entry in the digital space are low. Particularly in the home credit market, alternative lenders such as IPF command a large market share, given the fact that customers often have limited access to banking services.

Non-prime installment lenders are subject to high asset risk because of the borrowers' weaker credit profiles. The home credit market has existed for decades, offering credit to those that may have limited access to conventional bank borrowing. Over time, the stability of the home credit market may decline, if alternatives become more prevalent and easily accessible for unbanked customers; however, we do not see this as an immediate risk.

Business profile and financial policy

We adjust IPF's B1 Adjusted Financial Profile score upward by one notch for its business diversification and franchise positioning. The company's footprint in seven countries in Central and Eastern Europe, as well as in Mexico and Australia provides diversification and a buffer against economic trends and regulatory changes in individual countries.

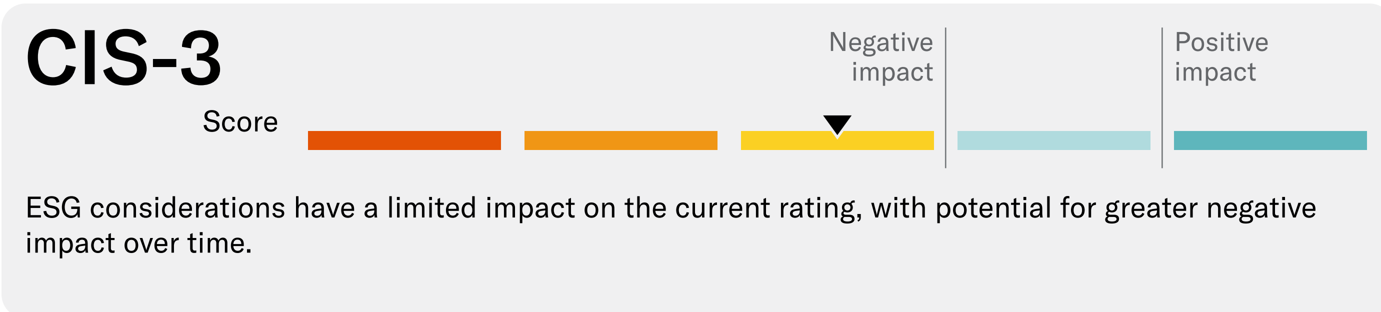
Notching considerations

The Ba3 backed senior unsecured ratings and the (P)Ba3 backed senior unsecured MTN ratings reflect IPF's CFR and the notes' priorities of claim and asset coverage in the company's current liability structure.

ESG considerations

International Personal Finance plc's ESG credit impact score is CIS-3

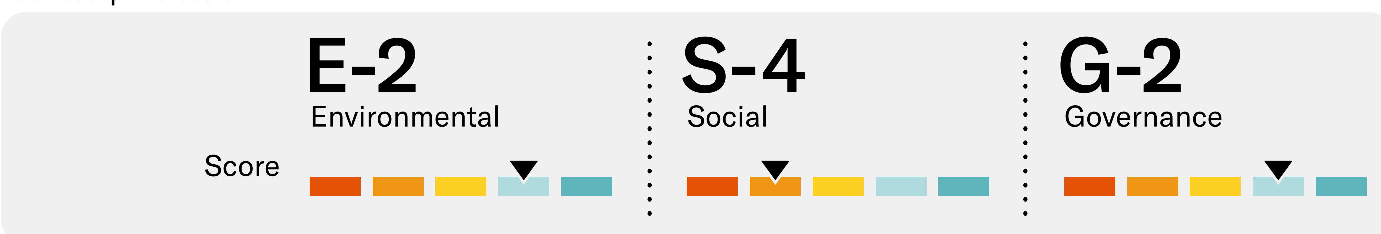
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

IPF's ESG Credit Impact Score (CIS) of 3 indicates that ESG considerations have limited impact on its current rating, with potential for greater negative impact over time. As a lender focused on high-cost lending mainly provided to consumers with limited access to credit, IPF faces high degree of regulatory risk, which we recognise under social risk.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental
IPF faces low environmental risks given its focus on unsecured consumer lending.

Social
IPF faces high social risks from customer relations, requiring high compliance standards to manage financial and reputational implications associated with regulatory risk such as consumer protection and conduct regulation, litigation exposure, as well as data security and customer privacy.

Governance
IPF's faces low governance risks, recognising its established track record of lending to consumers with non-prime credit profiles. IPF's loan book exposes it to high credit risk, which it has successfully managed, as demonstrated by its historically sound risk-adjusted profitability. In addition, due to its focus on high-cost lending, mainly provided to consumers with limited access to credit, IPF is subject to high regulatory risk. Over the years, IPF has successfully adapted its business model to an evolving regulatory landscape in different countries in Europe, demonstrating the resilience of its geographically diversified franchise.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The principal methodology used in these ratings was the Finance Company Methodology, published in July 2024. Alternatively, please see the Rating Methodologies page for a copy of this methodology.

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Exhibit 8

Rating Factors

International Personal Finance plc						
Financial Profile	**Factor Weights**	**Historic Ratio**	**Initial Score**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Profitability						
Net Income / Average Managed Assets (%)	10%	4.20%	A2	Baa1	Earnings volatility	Expected trend
Capital Adequacy and Leverage						
Tangible Common Equity / Tangible Managed Assets (%)	25%	37.53%	Aa2	A2	Expected trend	
Asset Quality						
Problem Loans / Gross Loans (%)	10%	30.24%	Ca	Ca	Expected trend	
Net Charge-Offs / Average Gross Loans (%)	10%	0.00%	Aaa	Ca	Expected trend	
Weighted Average Asset Risk Score			**Ba1**	**Ca**		
Cash Flow and Liquidity						
Debt Maturities Coverage (%)	10%	83.05%	Ba2	B1	Near-to-medium term maturities	
FFO / Total Debt (%)	15%	16.20%	Ba2	Ba3	Other adjustments	
Secured Debt / Gross Tangible Assets (%)	20%	1.32%	Aa1	B1	Other adjustments	
Weighted Average Cash Flow and Liquidity Score			**Baa1**	**B1**		
Financial Profile Score	**30%**		**A3**	**Ba2**		
Operating Environment						
Home Country	**Factor Weights**	**Sub-factor Score**	**Score**			
Macro Level Indicator	0%		A1			
Economic Strength	25%	a1				
Institutions and Governance Strength	50%	a1				
Susceptibility to Event Risk	25%	baa				
Industry Risk	100%		B			
Home Country Operating Environment Score			B2			
	Factor Weights			**Score**	**Comment**	
Operating Environment Score	**70%**			**B2**		
ADJUSTED FINANCIAL PROFILE				**Score**		
Adjusted Financial Profile Score				**B1**		
Financial Profile Weight	30%					
Operating Environment Weight	70%					
Business Profile and Financial Policy				**Adjustment**	**Comment**	
Business Diversification, Concentration and Franchise Positioning				1		
Opacity and Complexity				0		
Corporate Behavior / Risk Management				0		
Liquidity Management				0		
Total Business Profile and Financial Policy Adjustments				**Ba3**		
					Comment	
Sovereign or parent constraint				**Aa3**		

Standalone Assessment Scorecard-indicated Range	ba2 - b1
Assigned Standalone Assessment	ba3

Source: Moody's Ratings

Instrument class

Exhibit 9
Rating Factors JDA

Instrument Class	Assigned Standalone Assessment	Affiliate Support Notching	Government Support Notching	Individual Debt Class Notching	Assigned Rating
LT Corporate Family Ratings	ba3	0	0		Ba3
Senior Unsecured (Holding Company)	ba3	0	0		Ba3

Source: Moody's Ratings

Ratings

Exhibit 10

Category	Moody's Rating
INTERNATIONAL PERSONAL FINANCE PLC	
Outlook	Stable
Corporate Family Rating - Dom Curr	Ba3
Bkd Senior Unsecured - Fgn Curr	Ba3
Bkd Senior Unsecured - Dom Curr	Ba3
Bkd Senior Unsecured MTN - Fgn Curr	(P)Ba3
Bkd Senior Unsecured MTN - Dom Curr	(P)Ba3

Source: Moody's Ratings

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