International Personal Finance

Accelerating growth

Annual Report and Financial Statements 2025

Accelerating growth and the pace of change

IPF is a leading international consumer credit provider supporting customers who are underserved by traditional lenders. Guided by our purpose to build a better world through financial inclusion, we offer fair, flexible credit and value-added services to millions of people across our markets through a growing multi-product, multi-channel proposition.

2025 was a year of growth and transformation. Through our Next Gen strategy, we are moving faster, reaching more customers and reshaping how we create value. We are accelerating growth while reinvesting in our products, people and technology to make IPF an even better business. From launching new digital credit products and expanding retail partnerships to enhancing customer journeys through AI, we are delivering on our plans and building momentum for the future.

1.7m

customers served with affordable, responsible credit solutions

See page 4 for Our strategy

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2025 highlights

Accelerating
growth across the Group

Good customer demand and disciplined execution drove strong lending and receivables growth in every division.

Innovating
to enhance our offering

New digital credit cards, retail partnerships and shorter-term loans are helping us reach more customers with tailored credit solutions.

Investing
in technology and data

Upgraded digital platforms and technology-enabled insights are improving customer journeys and making our operations more efficient.

Transforming
our business for the long term

We are investing in our people, systems and markets to support further sustainable growth and improved productivity.

Maintaining
robust credit quality

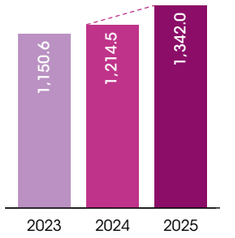
Customer repayment performance remains strong, reflecting our disciplined approach to lending and repayments.

Building
financial strength

Strong capital and funding flexibility enable us to reinvest for growth and accelerate our Next Gen strategy.

Customer lending (£m)

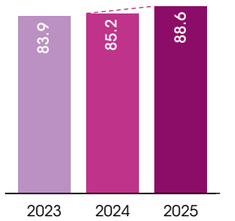
+12%*



* at constant exchange rates

Pre-exceptional profit before tax (£m)

+4%



Closing net receivables growth

+13.9%*

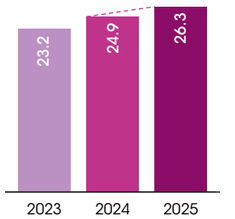
* at constant exchange rates

Pre-exceptional return on required equity

14.9%

Pre-exceptional earnings per share (p)

+5.6%

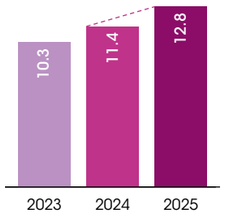


Awards

We were recognised for multiple awards in 2025

Dividend per share (p)

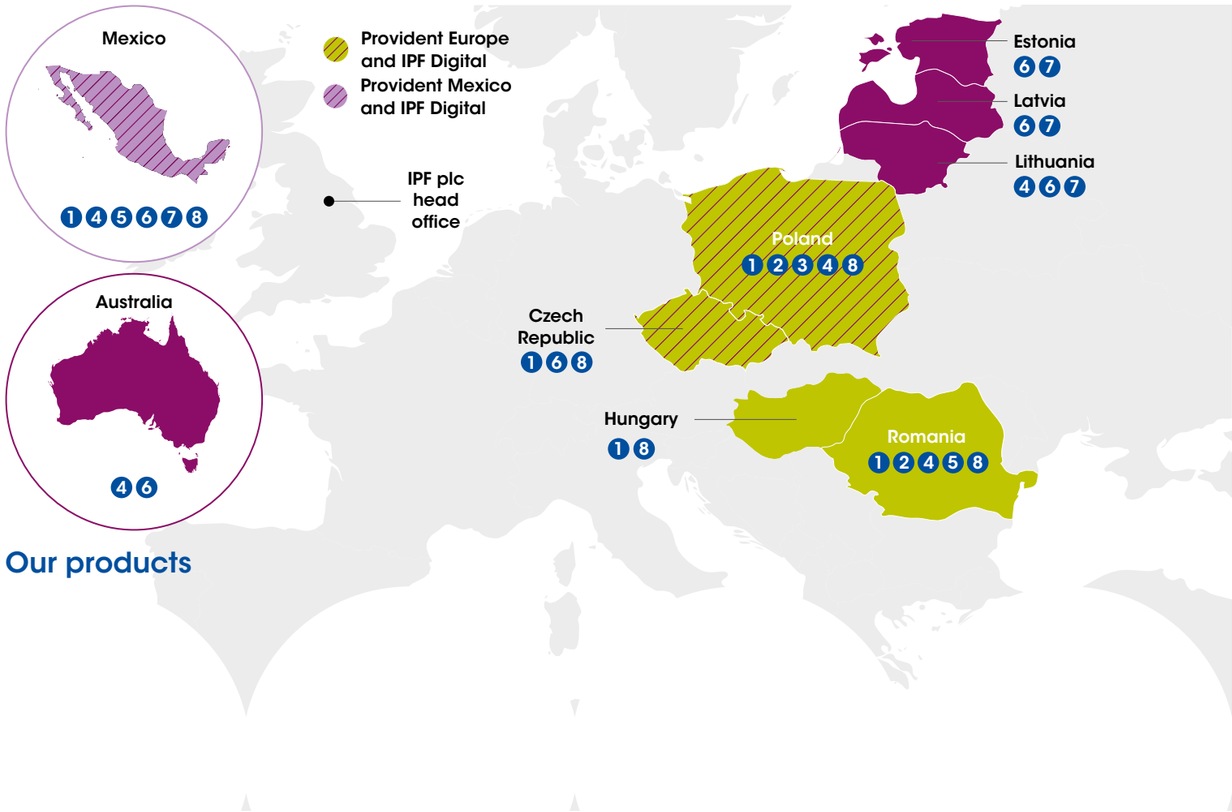
+12.3%



At a glance

IPF is a global financial services business operating across nine international markets. We support financial inclusion by providing affordable, small-sum unsecured credit and value-added services responsibly. Our Next Gen strategy is delivering sustainable growth and long-term value for our stakeholders.

Accelerating growth across our three divisions



Our products

1 2 3 4

Our divisions

Provident Europe	Provident Mexico	IPF Digital
738,000	705,000	286,000
customers	customers	customers
+2%	+4%	+16%
£575m	£191m	£295m
closing net receivables	closing net receivables	closing net receivables
+16%*	+11%*	+12%*

* at constant exchange rates

Provident creditea Credit24

60%
of customers are female

45%
of customers are 30-50 years old

How our customers use their loans

- School and education costs
- Medical expenses
- Budgeting and emergencies
- Home or household needs
- Family occasions and holidays

Our customers

Our customers budget carefully and prefer to borrow small amounts with clear, affordable repayments. Many are new to credit or excluded by traditional lenders and value our responsible, understanding approach as a trusted way to buy the things they want and need.

Many face barriers to financial services due to:

- Modest incomes and limited savings
- Irregular earnings
- Little or no credit history
- Rural location or poor bank access
- Previous credit issues
- High bank fees

For more information on our customers see page 46.

5 6 7 8

Meeting our customers' needs

Provident Europe	Provident Mexico	IPF Digital
Typical loan	Typical loan	Average credit line
£950	£350	£1,250
Average term	Average term	Average instalment loan
83weeks	47weeks	£250

Our strategy to accelerate growth and the pace of change

Strategic framework

Our Next Gen strategy is delivering results. It is driving faster growth, stronger customer outcomes and improving efficiency. Momentum is building across all pillars of the strategy as we expand the products, channels and services we offer, build a high-performing and inclusive workplace, and enhance our digital capability.

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.

Our strategic pillars

These pillars define how our strategy delivers sustainable growth and long-term value for all our stakeholders.

Next Gen financial inclusion

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

See page 6

Next Gen organisation

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

See page 8

Next Gen technology and data

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

See page 10

Guided by our financial model

Balancing sustainable returns and value for all stakeholders.

Supported by our values

Responsible **Respectful** **Straightforward**

For more information see Strategic progress on page 20

Next Gen financial inclusion

Making a difference

We are helping more people access fair, affordable credit and supporting financial inclusion across our markets. Through our Next Gen strategy, we are broadening our reach, developing new products and channels, and ensuring more customers can benefit from the financial services they need.

We are building on the success of our established products by introducing new products, channels and customer experiences from one market to another. This approach gives customers a wider choice of products that meet their needs, enhances efficiency and strengthens our presence in our existing markets.

How we are accelerating growth to deliver on our strategy

Credit cards gaining momentum

We delivered strong growth in credit cards in Poland and we also launched a fully digital card, a product that we expect to be a key driver of future growth. In 2025, the credit card's strong appeal has supported our extension of the product into Romania, where testing commenced in late 2025 ahead of an expected full launch to consumers in this market in the third quarter of 2026.

c.200,000

active credit cards

Growing reach through retail credit

We continued to scale our retail partnerships model, providing tailored credit solutions at the point of sale. In Romania, purchase finance is now available across more than 1,700 offline and online retail locations. In Mexico, the partnerships proposition expanded significantly, with retail finance available at over 100 online merchants and more than 900 physical stores.

2,700

stores and online merchants offering our retail finance

Expanding in Mexico

We opened two new branches in Provident Mexico in 2025 – the first in Monterrey and a second in Ensenada, south of Tijuana. With momentum building across the business, expanding into new areas will support Provident Mexico's delivery of sustainable, long-term growth.

2

new branches in Mexico

Innovating to create more choice

Responding to strong demand for small, fast-repay borrowing, we introduced short-term digital loans in Mexico and Poland. Offering credit in the £100–£200 range for repayment within 30–60 days, these loans complement our longer-term products. They are also proving to be an effective way to attract new customers and introduce them to our broader offering, including longer duration loans, credit lines and credit cards. Customers needing more time to repay can also switch to a longer-term plan.

30-60

day repayment terms added to our portfolio

Focus for 2026

"Our priority is to drive financial inclusion through innovation – expanding our product range, strengthening digital access and serving more customers, in more ways."

For more information see Strategic progress on page 20

Next Gen organisation

Shaping the future of how we work

We are shaping a business that's inspiring to work for, active in the communities we serve, and increasingly smarter and more efficient in how we operate.
We are investing in leadership, culture, capability and data-led ways of working to help colleagues reach their potential, deliver the products and services our customers value most, and support our purpose of building financial inclusion.

Through our Next Gen organisation pillar, we are building a workplace where people feel empowered, connected and proud of what they do. By nurturing talent, strengthening leadership and embracing smarter, more efficient ways of working, we are creating a culture that inspires collaboration and drives lasting success for our business and stakeholders.

How we are building a culture that drives performance and impact

Highly engaged colleagues

Our Global People Survey gave every colleague a voice across our 20,000+ strong workforce. The results show a deep sense of pride and belonging at IPF, reflecting the positive impact of our culture, leadership and care for people as we continue to strengthen our organisation.
Read more on page 50.

91%
response rate to our Global People Survey

Simplifying how we work

We are introducing new systems and more consistent, repeatable processes to reduce complexity, improve accuracy and make day-to-day work simpler for colleagues so they can focus more time on customers and value-adding activity. An example is ONE IPF, our programme transforming how our finance, HR and procurement teams operate with a new enterprise resource planning system, which will standardise processes, improve data quality and drive greater efficiency.

1
new finance, HR and procurement platform will replace multiple systems

Partnering for women's empowerment

In Mexico, we joined forces with UN Women through a three-year partnership that champions gender equality and financial inclusion. Guided by the Women's Empowerment Principles, we are helping to create opportunities, drive organisational change and inspire progress, an important step forward in supporting women across our business and in the communities we serve.

c.75%
of colleagues are female

Making a difference together

Every year, our Volunteering and Financial Inclusion Month brings colleagues together to make a positive impact on people and communities across our markets. In 2025, 4,000 colleagues took part in activities that brought teams together, built connections and made a real difference. Through our Invisibles programme, we also continue to shine a light on overlooked groups, improving access to finance and opportunity. Read more on page 58.

4,000
colleagues volunteered in our communities

Focus for 2026

"Our focus will be to keep strengthening our culture and helping colleagues grow, collaborate and thrive, while embedding smarter, more efficient ways of working that support long-term success."

For more information see Strategic progress on page 20

Next Gen technology and data

Transforming our business

We are using technology and data to strengthen how we serve our customers and run our business. We are investing in the systems, tools and skills that make us a more data-driven, technology-enabled and resilient organisation – one that can innovate faster, adapt more effectively and deliver smarter solutions.

We are enhancing customer experience through better use of data, digital tools and automation – making our services faster, more personalised and easier to use for both customers and colleagues. These changes are also improving accuracy and efficiency, helping to build a more connected, responsive and resilient business that delivers lasting value for customers, colleagues and investors.

How data and technology drive smarter decisions

Expanding digital service capabilities

We focused on continuing to develop our mobile apps for customers in Provident Europe, with a new app going live in Hungary at the end of 2025, and the Czech Republic and Romania set to launch in the first half of 2026. These complement our existing apps in Mexico and Poland. In IPF Digital, we also expanded the reach of our mobile wallet, giving more than 185,000 customers faster, simpler and more secure access to credit.

185,000

mobile wallet customers

Improving our customer journey

In Provident Europe, more customers are using our omnichannel platform, which brings together call centres, websites and mobile apps into one seamless journey. This gives us a complete view of each customer, enabling more personalised, efficient and consistent service. We also launched web chat in all four of our Provident Europe markets, giving customers more choice in how they interact with us.

100,000

customers used web chat in Provident Europe in 2025

Offering more payment choices

In Provident Mexico, we piloted new digital and in-store payment options that give customers more flexibility and convenience when repaying their loans. From secure online payment links to partnerships with major retailers, these improvements make repayments easier, strengthen financial inclusion for the communities we serve and reduce costs.

3

new repayment options available to Provident Mexico customers

Smarter learning and support

We are using AI to support how we build and deploy technology, helping make software development faster and more efficient. This approach is speeding up delivery, improving accuracy and helping us bring new digital capabilities to customers more quickly. We also launched pilot projects using AI and digital avatars to create more engaging learning experiences for our customer service teams.

Focus for 2026

"We will use technology and data to make our services better for customers – helping us anticipate needs, make their experience easier and build lasting relationships through smart tools and understanding."

For more information see Strategic progress on page 20

Financial inclusion at the heart of growth and change

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

Stuart Sinclair
Chair

Welcome to our 2025 Annual Report

I am pleased to report that 2025 was a year of continued progress for IPF, as we advanced the delivery of our strategy and achieved further growth across the Group. This growth, however, has not been solely about scale, but about extending our reach and relevance across our markets. By broadening our product range, expanding our channels and entering new regions, we are creating more opportunities for customers to access credit when they need it.

This blend of innovation, responsibility and human connection continues to define what sets IPF apart. We are supporting more customers and extending financial access to people who often struggle to borrow elsewhere. Every loan we provide shows our purpose in action – building a better world through financial inclusion.

Performance and delivery

This year's results underline the strength of our business model and the momentum created by our Next Gen strategy. Lending volumes and customer numbers increased year on year, supported by robust credit quality as we balanced our approach to risk and reward. This progress reflects the trust we have built with our customers by providing simple, transparent and affordable credit when it is needed most.

We continued to invest in digital innovation and efficiency which is helping us to create a more resilient and scalable business, while maintaining the high standards of conduct and care that define how we serve our customers. The Group's profitability, strong capital position and healthy cash generation provide a solid platform for future growth and investment.

The Board has worked closely with management to ensure we strike the right balance between short-term performance and long-term value creation, and through disciplined execution and a clear sense of purpose, IPF is demonstrating that responsible financial inclusion can deliver both meaningful social impact and strong, sustainable performance.

Dividend and returns

Reflecting the Group's strong performance and the Board's confidence in the business's long-term growth prospects, a final dividend of 9.0 pence per share is being recommended, bringing the total dividend for the year to 12.8 pence per share. This is subject to shareholder approval at the AGM in April. Overall, the dividend declared represents an increase of 12.3% on 2024 and remains fully aligned with our progressive dividend policy.

The Group's profitability, strong funding position and robust balance sheet provide the flexibility to reward shareholders while continuing to invest in growth through our Next Gen strategy.

Leadership and Board changes

The Board brings deep experience in financial services, strategy, risk management and digital innovation, providing strong oversight as the Group continues its journey of growth and transformation. During the year, Deborah Davis retired from the Board, and Aileen Wallace succeeded her as Chair of the Remuneration Committee following the AGM in May. At the same time, Katrina Cliffe, Senior Independent Director and Designated Workforce Engagement Non-Executive Director, joined the Audit and Risk Committee.

Responsible business and engagement

Operating responsibly and sustainably is central to how we create long-term value for all stakeholders. As a business founded on financial inclusion and operating in diverse markets, our relationships with customers, colleagues, regulators, suppliers, communities and investors are fundamental to sustaining that success. During the year, the Board received regular insights into stakeholder priorities and how these shape the choices we make – from product design and digital investment, to operational improvements and colleague development. We also carefully considered stakeholder interests in major decisions, including those relating to our Next Gen strategy and proposed Remuneration Policy, ensuring their perspectives were properly reflected in our strategic direction and governance. By maintaining open dialogue and responding to what we hear, we strengthen trust in IPF's role as a responsible provider of credit and support sustainable value creation for all stakeholders. You can read more on page 14 and in our Responsible business section starting on page 42.

The recommended cash offer for IPF

At the end of 2025, a recommended cash offer for IPF was announced which the Board believes represents a compelling opportunity for shareholders.

Q: What has been agreed?

On 24 December 2025, the IPF Board and IPF Parent Holdings Limited (BasePoint), a newly formed company in the same group as BasePoint Capital LLC, announced a recommended cash acquisition of the entire issued and to-be-issued share capital of IPF by IPF Parent Holdings Limited (the Acquisition). The transaction remains subject to shareholder approval, regulatory clearances and customary conditions.

Q: Why did the Board recommend the offer?

The Board believes the offer provides an attractive opportunity for shareholders to realise the full value of their investment set against the inherent uncertainty of realising the value that could be generated by IPF's business in the future. It reflects IPF's strong operational performance, but also recognises the risks associated with IPF executing on its strategy and delivering shareholder value as an independent listed company.

Q: What does this mean for IPF?

Until completion, IPF continues to operate as an independent, listed company. Our purpose, strategy and customer commitments remain unchanged, and we continue to focus on delivering growth and investing in innovation through our Next Gen strategy.

Q: What happens next?

The potential transaction is subject to shareholder approval, regulatory clearances and court approval. Full details of the offer and future processes are set out in the Rule 2.7 announcement dated 24 December 2025 which can be accessed at www.ipfin.co.uk. Further updates will be announced via the London Stock Exchange and available at www.ipfin.co.uk.

Outlook

Entering 2026, we do so with momentum and a clear ambition to grow and continue modernising our business. The pace of change in financial services is rapid, and we are committed to innovating, strengthening our operational foundations and evolving our product range so we can meet the changing needs of our customers. Our focus is firmly on sustainable, responsible growth and ensuring we remain a dependable partner for the people and communities we serve.

My thanks go to our colleagues, customers and to you, our shareholders, for your confidence in IPF. This support is the foundation of our success and the reason we are able to a create meaningful, positive impact for millions of people across our markets.

Stuart Sinclair
Chair

25 February 2026

Responsible business model

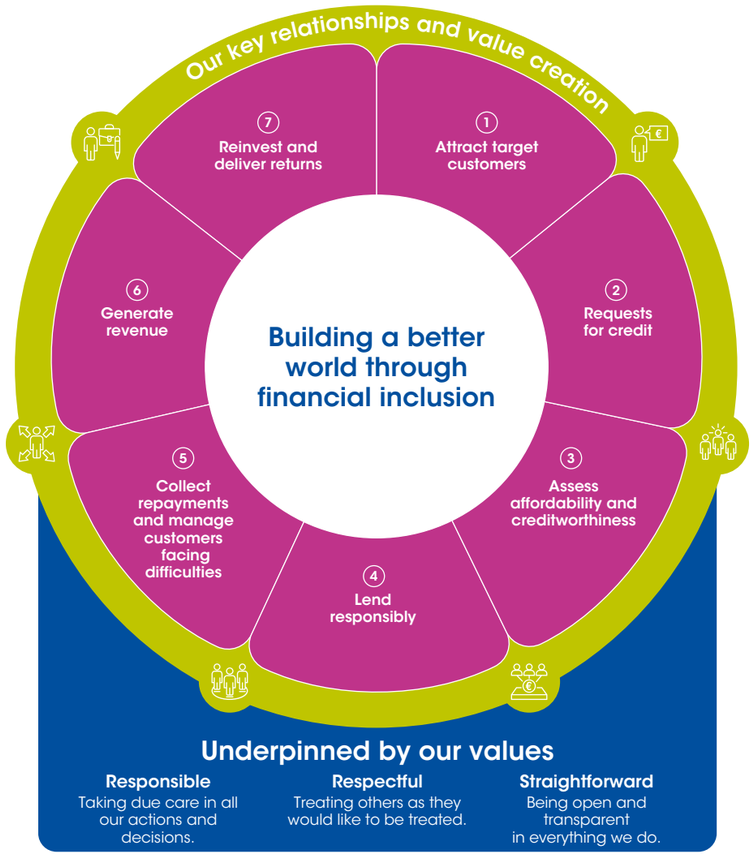
Our unique proposition helps underserved consumers access financial services and creates long-term value for the communities we serve.

What we do

We play an important role in supporting financial inclusion across our nine markets, providing customers who are often overlooked by mainstream lenders with simple, transparent and affordable financial products.

Over time, we have developed a broader product suite to meet changing consumer needs – from home credit and digital instalment loans to credit cards, retail finance, digital credit lines and a mobile wallet. This is complemented by a range of value-added services delivered in partnership with well-established, trusted third-party providers.

Each of our products is designed around our customers' financial circumstances and delivered with a clear focus on responsible lending. By doing so, we are enabling millions of people to build financial confidence, improve resilience and participate more fully in the economies and communities we serve.



Strategic pillars key

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

What makes us different

Specialist lender

We bring nearly 30 years of experience serving underbanked and underserved customers. This specialist knowledge of our markets, customer behaviours and regulatory environments enables us to provide responsible credit solutions for people whose needs are not fully met by mainstream lenders.

Unique product offering

We are the only financial services provider to offer both home credit and digital lending at scale, complemented by a range of value-added services. This breadth allows us to meet customers' different credit profiles and provide a flexible pathway when their financial circumstances, needs or market dynamics change.

Close customer relationships

Strong relationships underpin our model. For Provident customers, regular face-to-face visits help us understand their circumstances, assess affordability and support repayments. We also engage through apps, messaging and care teams and this combination of personal contact and digital interaction enables responsible lending and stronger financial resilience.

Competitive advantage

Our home credit infrastructure – with thousands of customer representatives and tightly managed operations – is difficult to replicate and takes years to build. Coupled with our growing digital capabilities, this gives us a differentiated position in the markets we serve.

Profitable and highly scalable business

We are a profitable, cash-generative business with a proven business model. Our Provident Europe and Mexico divisions deliver target returns, while our digital businesses are scaling rapidly as demand for affordable online credit grows. Together, they provide strong foundations for long-term value creation and disciplined capital allocation.

Data insight

AI and machine learning enable us to integrate high-quality data into our analytics, enhancing risk models and enabling smarter lending decisions. These capabilities also improve marketing effectiveness, refine customer journeys and deepen our understanding of the customers and communities we serve.

"When my washing machine broke unexpectedly or when we needed a bike for my grandson, you were there to help when things didn't go as planned. The team is always kind, helpful, and treats me with such humanity. I feel truly supported every time I reach out to them."

Katalin, Hungary

Our key relationships and value creation

Customers (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, responsible and regulated credit helps customers buy the things they want and build a credit history.

1.7m

customers included in the financial mainstream

Colleagues (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.

20,000+

colleagues

Investors and ratings agencies (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.

>£250m

dividends paid to shareholders since listing in 2007

Communities (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.

£500,000

invested in our communities in 2025

Suppliers (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 (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

Key trends informing our Next Gen strategy

Our business is well positioned to capture substantial long-term growth opportunities in the 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 in the majority of our markets. Closely monitoring key consumer and market trends informs our Next Gen strategy so we can capitalise on growth opportunities, address challenges and manage risk effectively.

Market trends

Economic outlook

1 3 5

- Stable macro conditions in most markets.
- Further interest base rate cuts are easing pressure for consumers but compressing revenue yields.
- Government fiscal tightening and tax reforms continuing across several markets.
- US tariff policies increasing geopolitical uncertainty.

Changing customer expectations

4 6 7 8 10

- Demand for personal, fast and seamless digital journeys continuing to rise.
- Consumers seeking credit at the point of purchase.
- Loyalty, rewards and trusted brands growing in importance.
- Strong appetite for multi-channel engagement, blending digital and personal support.

Technology

7 8 10

- Multi-channel interactions and mobile-first service now standard.
- AI and data analytics driving stronger credit decisions and operational efficiency.
- Rising digital transactions are increasing cybersecurity and fraud-prevention demands.
- High expectations for speed, simplicity and intuitive digital journeys.

Competition

7

- Competition remains high across all markets.
- While not direct competition, "Buy now, pay later" sector consolidating and influencing customer expectations at checkout.
- Some traditional competitors retrenching due to regulation and capital constraints.

Regulation

2 4 7 8

- Focus on affordability, transparency and responsible conduct.
- The EU Consumer Credit Directive II (CCD II) is reshaping pricing, fees, advertising and affordability rules.
- Political change creating some uncertainty.
- Wage, subsidy and tax policy shifts affecting affordability and operating costs.

Our response

Our response

- Leveraging our diversified footprint to balance performance across nine markets.
- Maintaining disciplined credit settings, with flexibility to tighten if economic conditions weaken.
- Protecting margins through ongoing cost efficiency and operational optimisation.

Our response

- Expanding product and channel choice.
- Advancing our customer experience agenda and embedding our Think Customer programme.
- Building our brand proposition to strengthen trust and improve engagement in all markets.
- Enhancing our omnichannel capabilities to deliver quicker, more personalised customer support.

Our response

- Deepening our use of analytics and AI to enhance credit decisions, marketing efficiency and customer journeys.
- Strengthening cybersecurity and fraud-prevention capabilities as digital transactions increase.
- Streamlining digital processes and infrastructure to deliver faster, simpler and more reliable customer interactions.

Our response

- Broadening our product set and channels to attract more customers.
- Our home credit model continues to offer competitive barriers to entry.
- Enhancing our digital, credit card and retail credit propositions to compete effectively.
- Our strong financial performance, robust balance sheet and market-leading brands mean we are well-placed to capitalise on market share opportunities.

Our response

- Engaging with regulators and policymakers to demonstrate our role in promoting financial inclusion.
- Operating effectively within pricing and affordability regulations.
- Preparing for CCD II transposition, ensuring compliance from the end of November 2026.

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 Data integrity and systems resilience

See pages 34-40 for more information

Accelerating growth, investing in change

"In 2025, 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

2025 was a pivotal year for IPF. We delivered a very strong operational performance, made good progress against our strategy and strengthened our ability to serve more customers across our markets. At the same time, it has been a year of reflection on how best to ensure that this progress translates into long-term value for all stakeholders.

For several years, both our shareholders and I have been frustrated that the great progress we have made has not been reflected in the share price. A core part of my role is to create shareholder value, and despite excellent operational execution and delivery, we were not achieving this as effectively as we should. With the Board's support, we started to look at non-operational avenues to create this value, the principal one being a change in ownership structure. After appointing independent advisers, we undertook a strategic review of the business and it became clear that we could achieve our purpose of building financial inclusion more quickly while at the same time generate greater shareholder value if we were no longer a publicly quoted entity. And more than 18 months later, having announced a recommended cash acquisition from IPF Parent Holdings Limited (BasePoint) in December last year, we find ourselves at a point where shareholders have the opportunity to be rewarded for their faith in us and we, as a business, get the chance to make longer-term investments to accelerate financial inclusion without the constraints of quarterly public reporting. It is, in my view, a great potential outcome for all concerned.

What drove the step-up in growth in 2025?

Success is rarely achieved through one single ingredient, but rather it is a combination of factors interacting at the right moment that can achieve outstanding performance. In our case, all three divisions executed on their agreed strategy to deliver strong top-line growth, very good portfolio quality and disciplined cost control. Strong demand from our customer segment was evident throughout the year, and our teams worked hard to meet this demand by expanding our product range and our distribution channels whilst at the same time investing in technology to improve our customer experience.

How has the Next Gen strategy contributed to delivery this year?

Our three pillar Next Gen strategy has become our common language across the Group. It provides the guide rails within which we allocate multi-year investments to our strategically important initiatives. Examples include launching short-term lending in Poland and Mexico or retail partnerships in Romania and Mexico under our financial inclusion pillar, creating a new business transformation office as part of our Next Gen organisation pillar, or investing to become a cloud-based business to deliver on our Next Gen technology and data pillar. These examples have enabled and accelerated our growth, made us a more efficient organisation and improved our customer experience.

How have you maintained such strong repayments while accelerating growth?

Each time we updated shareholders during the year, I commented on the strength and consistency of our customer repayment behaviour and I think there are three core factors driving this. First and foremost is our application of our affordability principles through which we seek to ensure that the repayments a customer is signing up to are truly affordable for them, and this in turn drives our portfolio quality. The second contributing factor is that notwithstanding higher levels of inflation, the employment markets where we trade have remained robust and our customers have access to regular income. And finally, and perhaps the most critical, is the very strong operating rhythm we have across our organisation where we develop very strong and mutually beneficial habits with our customers.

Where is the biggest opportunity to expand financial inclusion?

It is in the nature of the business we are in that we will always see strong demand from our customer segment. By definition, our customers have fewer choices when it comes to accessing financial services and our role, therefore, is to be there to provide financial inclusion in a transparent and affordable way. We are currently investing strongly in Mexico and Australia because of the growth opportunities we see there. In Mexico, it is driven by the sheer scale of the underserved population that needs to be addressed, whereas in Australia, we are investing to build our brand recognition. If we look at the opportunity to expand financial inclusion through a product or distribution lens rather than a geographic one, we see great scope for growth in our new short-term lending and credit card products, while our retail partnership models in Romania and Mexico are also set to be large growth contributors in the years ahead.

What's driving the success of your new products and channels?

As I mentioned earlier, success usually has many ingredients. In the case of our new products and channels, we are always focused on what the customer wants to prioritise most. For those customers who only want a very limited advance to see them through a short period of time, our new short-term loan was designed to meet this requirement. For those customers who are looking to experience the benefits of wider usability, our credit card product with its easy instalment repayment plan is proving to be a very good match. As for distribution channels, to support customers who need finance for a slightly larger purchase, our new partnership model is delivering the right solution. In short, delivering what the customer values most has proven to be a reliable pathway to success.

How important is employee engagement in delivering customer and performance outcomes?

I am always humbled and positively surprised by the dedication and commitment shown by our colleagues across the Group. Within the business, we are very proud that we can consistently mobilise more than 20,000 colleagues to unify around a singular purpose of building financial inclusion. As a leadership group, we invest a lot of time and effort to build a global team where colleagues are motivated and energised by their work. Our internal colleague surveys, all of which are anonymous, deliver consistently positive feedback and we are always looking to make improvements to the roles and opportunities we have on offer. There is no doubt in my mind that this positivity is a key ingredient in our continued success.

How is investment in technology and data transforming IPF?

Other than our people costs, investing in technology has become our single largest operating expense. Broadly speaking, we are investing across three strategic areas: simplifying the business, protecting the business and building the business. Our Group has evolved significantly from its early days of being a simple, single-product home credit business to become a multi-product, multi-channel, digitally enabled provider of financial services. To ensure we get the most out of the opportunity this new phase presents, we are mandating common systems wherever possible, moving systems to the cloud and dramatically reducing the number of technology platforms in use. This investment in simplification provides us with a great opportunity to make our technology more robust and secure, something that has certainly become one of my top priorities for the Group. The most obvious evidence of the impact of our technology investment is in our new products, channels and ways of working, all of which are enabled by a combination of our own in-house team and trusted external partners.

How are your digital services making lending more accessible?

Consumer expectations are increasing all the time, and our customers are no exception. In particular, our customers have come to expect seamless switching between communication channels when using our services, perhaps starting out with a call to one of our customer contact centres, then moving to an email and subsequently to messaging services such as WhatsApp. The standardisation of the technology and services we use, together with our transition to cloud servicing, have enabled us to meet the increasing demands of our customers. Every one of our customer representatives is equipped with handheld technology and all our new services are being designed to be mobile first. This is undoubtedly a significant investment, but it will lead to greater efficiencies across the business and more customer-focused journeys, which can only be a good thing for our organisation.

What impact is AI having on your business?

I am a firm believer that AI will have a significant and positive impact on our business, but rather than occurring through a single transformative event, it will derive from the cumulative effect of multiple applications across diverse processes in our organisation. We are already seeing benefits in onboarding new customers more efficiently, software being developed more rapidly and cost effectively, and training and development being rolled out more easily to our colleagues. Other areas where AI will surely play a big role include product development, and market and consumer research. I continue to be very optimistic about the role of AI in our future development.

How has competition changed?

Wherever people see a sales opportunity there will be competition and our sector is no different. Each of our markets is already highly competitive but it takes a lot of experience to serve our customer segment fairly and profitably, so while we have seen multiple new entrants specifically in the Mexican market, most are firmly focused on socio-demographic groups above where we provide our services. In our European markets, we see the cumulative impact of new regulation reducing the risk appetite of several of our competitors. If there is an upside to intense competition, it is that it has forced us to continually evolve our products and services at pace and ultimately our customers will be the beneficiaries of that change.

What is the outlook for 2026 and beyond?

Setting aside the possible acquisition of our business by BasePoint, I see great opportunities for our business to continue to grow and deliver on its purpose of building financial inclusion. Our customers' expectations may be changing but their needs are not, and we are perfectly positioned to meet those needs. We entered 2026 with good momentum, robust credit quality and a strong balance sheet. Our Next Gen strategy keeps us focused on what is important and where to invest to deliver growth and efficiency. We have very clear opportunities for growth in Mexico and Australia as well as our digital products and new channels. We therefore plan to increase our investment in these new initiatives by approximately £5m per annum over the next two to three years. Although this may impact returns in 2026 and 2027, we believe it will sustain our improved growth rates and allow us to more effectively fulfil our purpose of building financial inclusion.

With a very committed team of colleagues focused on delivering for our customer segment, I remain confident in our ability to fulfil our purpose while providing shareholders with an appropriate return.

Gerard Ryan
Chief Executive Officer

Strategic progress

We accelerated delivery against our strategic objectives in 2025, making strong progress across all pillars of our Next Gen strategy and building real momentum in growth, innovation and change.

Next Gen financial inclusion

Next Gen organisation

Next Gen technology and data

Accelerating growth and the pace of change in 2025

- Expanded credit card offering in Poland to nearly 200,000 active cards and launched a fully digital version.
- Advanced plans to launch credit cards to consumers in Romania in Q3 2026.
- Retail finance now in 1,500 physical stores and 200 online merchants in Romania, and in 100 online merchants and 900 stores in Mexico.
- Opened two new branches in Mexico.
- Rolled out short-term digital loan products in Mexico and Poland.
- Began investment in Australia to increase market share.
- Strengthened hybrid model in Romania, improving credit quality and customer reach.

- Achieved 91% participation in our Global People Survey.
- 4,000 colleagues volunteered to support our local communities.
- Partnered with UN Women in Mexico to promote gender equality and financial inclusion.
- Invested £500,000 in our 'Invisibles' community programme.
- Multiple award wins including Top Employer for our Provident Europe businesses.
- Retained FTSE4Good status.
- Achieved ISO 45003 certification at Provident Europe and Mexico, and IPF Digital in Poland.

- Launched new customer mobile app in Hungary.
- Rolled out a single customer platform in Provident Europe connecting call centres, websites and apps.
- Introduced webchat in Provident Europe, improving real-time customer support.
- Began migrating Group systems to the public cloud, strengthening security and resilience.
- Advanced paperless process and systems upgrades to increase efficiency across Provident Europe.
- Continued investments in data management and analytics to drive insight-led customer service and efficiency.

Priorities in 2026

- Continue to grow credit card in Poland.
- Launch credit card to consumers in Romania.
- Open two new branches in Mexico.
- Accelerate growth in IPF Digital Mexico and Australia.
- Increase scale of retail partnerships model.
- Grow our digital channel in Romania.

- 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.

- Roll out customer mobile app in Romania and Czech Republic.
- Continue call centre modernisation to unlock customer experience and enhance productivity.
- Implement a Group-wide ERP system making everyday work simpler and more efficient.
- Complete paperless transformation programme.
- Generate further value from data and AI.

See pages 22 and 23 for our key performance indicators.

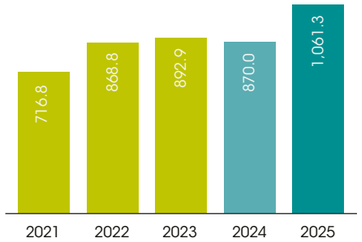
Key performance indicators

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

£1,061.3m



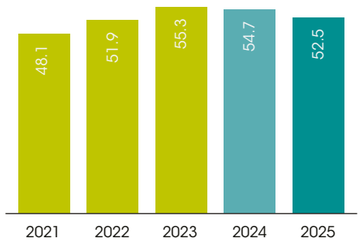
What we measure: The closing amounts receivable from customers translated at constant exchange rates.

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 net receivables increased by 14% to exceed £1bn reflecting strong growth in customer lending. All three divisions delivered double-digit growth. With strong customer demand and our continued focus on disciplined growth, we expect receivables to continue to show similarly strong growth in 2026.

Revenue yield

52.5%



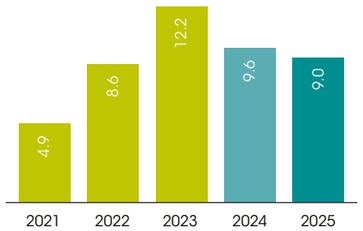
What we measure: Revenue divided by average gross receivables before impairment provision.

Why it's important: It reflects revenue earned from receivables and customer charges, supporting fair pricing and delivery of target returns within our 56% to 58% range, which reflects our product structure and the regulatory landscape, including rate caps in most markets.

How we performed: Revenue yield decreased by 2.2ppts to 52.5%, reflecting lower central bank base rates. Excluding Poland, which has been adversely impacted by the reduction in rate caps implemented over recent years, the Group's revenue yield of 56.0%, was in line with our target range of 56% to 58%. The change in product mix towards higher-yielding products is expected to grow Group revenue yield towards our target range.

Impairment rate

9.0%



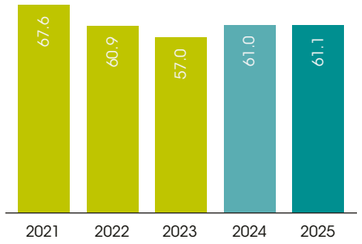
What we measure: Impairment as a percentage of average gross receivables before impairment provision.

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: Strong customer repayment performance and robust credit quality, together with a strong debt sale market and £7m reduction in the cost of living provision, drove a 0.6ppt improvement in the impairment rate to 9.0%, despite accelerating growth and higher up-front IFRS 9 charges. Excluding Poland, the rate was 13.3%. As lending increases, we expect the rate to move gradually towards our 14%–16% target range over the next two years as we rescale Poland.

Cost-income ratio

61.1%



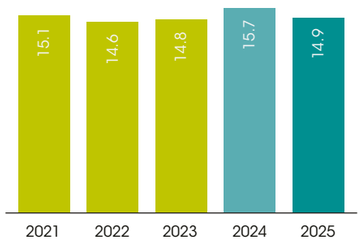
What we measure: The direct expenses of the business including customer representatives' commission as a percentage of revenue.

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 cost-income ratio remained broadly flat at 61.1%, reflecting lower revenue yield and the current lack of scale in Poland following regulatory change over the past three years. Excluding Poland, the Group's cost-income ratio was 56.2%, compared with 55.7% in 2024. We are committed to our target as we deliver growth, build scale and execute our cost-efficiency programme.

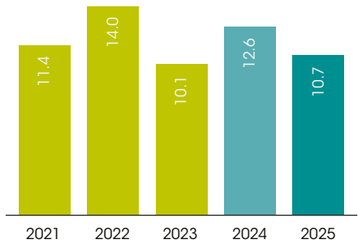
Pre-exceptional return on required equity (RoRE)

14.9%



Reported return on equity (RoE)

10.7%



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

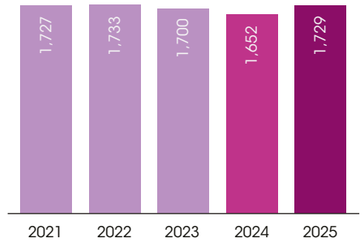
How we performed: RoE is lower than RoRE due to the additional capital held above our target level of 40%. Consistent with our guidance, pre-exceptional RoRE moderated to 14.9% reflecting the investment and acceleration in growth. The Group's RoE, based on actual equity, reduced to 10.7%. We expect returns to moderate in 2026 as we invest to build scale before reaching target returns again in 2028.

See our Financial review starting on page 30 for more information.

Non-financial

Customers

1.7m



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

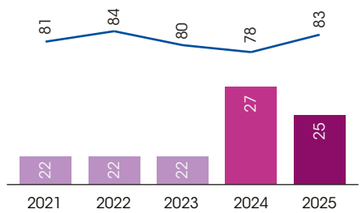
Why it's important: Customer numbers demonstrate the level of financial inclusion and scale in our markets. Our longer-term ambition is to serve 2.5 million customers.

How we performed: Group customer numbers returned to growth during the year, increasing by 4.7% to 1.7 million, with momentum improving as the year progressed, demonstrating the appeal of both our core and new products. We expect customer numbers to increase in 2026 as we broaden access to credit, introduce new products and expand distribution channels.

See page 46 for more information on our customers.

Employee and customer representative turnover and stability

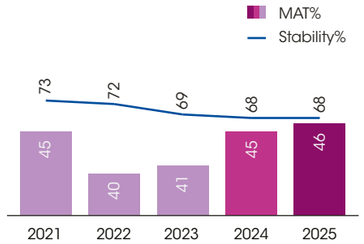
Employees



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.

Customer representatives



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 turnover and stability remained broadly consistent year-on-year, reflecting continued resilience across our frontline workforce. Encouragingly, employee turnover improved during the year, with a corresponding increase in stability, demonstrating strengthened retention and positive momentum across the wider organisation. Both outcomes continue to reflect strong colleague engagement, supported by the results of our 2025 Global People Survey.

See page 50 for more information on our colleagues.

Community investment

£500,000

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 2025, we continued to invest in our communities through our flagship Invisibles programme and a range of financial education initiatives. Around 4,000 colleagues dedicated time to volunteering for local projects, helping to make a meaningful difference in the communities where we live and work. In the year ahead, we will focus on extending our reach to support more 'invisible' groups within our programmes.

See page 58 for more information on our communities.

Customer recommendations (Net Promoter Score)

+71

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: At December 2025, our Group Net Promoter Score was +71, and remains comfortably above our target of +55. During 2026, we will continue to strengthen customer relationships and further embed our Think Customer approach across the Group.

See page 46 for more information on our customers.

Operational review

Group

The Group delivered another good financial performance in 2025, reflecting our disciplined execution of our Next Gen strategy, continued growth in customer lending and robust credit quality across the Group. Pre-exceptional profit before tax increased to £88.6m (2024: £85.2m), up 4.0% year on year (or 7.7% on a constant currency basis), despite the adverse IFRS 9 impact of stronger growth on impairment and our investment in new growth initiatives across the Group, including further investment in partnerships, hybrid digital lending, short-term lending and launching credit cards in Romania.

The full-year result includes exceptional one-off costs of £3.3m relating to the potential acquisition of the Group by BasePoint (2024: exceptional costs of £11.9m, comprising £6.1m of restructuring costs in Provident Europe and £5.8m of costs associated with the refinancing of the Group's Eurobond in June 2024). Statutory profit before tax was therefore £85.3m (2024: £73.3m).

An analysis of the full-year divisional results is shown below:

	FY-25 £m	FY-24 £m	Change £m	Change %
Provident Europe	**63.2**	57.4	5.8	10.1
Provident Mexico	**26.6**	26.0	0.6	2.3
IPF Digital	**14.1**	17.0	(2.9)	(17.1)
Central costs	**(15.3)**	(15.2)	(0.1)	(0.7)
Pre-exceptional profit before taxation	**88.6**	85.2	3.4	4.0
Exceptional items	**(3.3)**	(11.9)	8.6	72.3
Profit before taxation	**85.3**	73.3	12.0	16.4

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

	FY-25 £m	FY-24 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**1,729**	1,652	77	4.7	
Customer lending	**1,342.0**	1,214.5	127.5	10.5	11.8
Average gross receivables	**1,405.9**	1,327.5	78.4	5.9	7.5
Closing net receivables	**1,061.3**	870.0	191.3	22.0	13.9
Revenue	**737.5**	726.3	11.2	1.5	4.2
Impairment	**(126.8)**	(127.5)	0.7	0.5	(5.8)
Revenue less impairment	**610.7**	598.8	11.9	2.0	3.8
Costs	**(450.8)**	(443.2)	(7.6)	(1.7)	(3.3)
Interest expense	**(71.3)**	(70.4)	(0.9)	(1.3)	(2.4)
Pre-exceptional profit before taxation	**88.6**	85.2	3.4	4.0	
Exceptional items	**(3.3)**	(11.9)	8.6	72.3	
Profit before taxation	**85.3**	73.3	12.0	16.4	
Revenue yield	**52.5%**	54.7%	(2.2) ppts		
Impairment rate	**9.0%**	9.6%	0.6 ppts		
Cost-income ratio	**61.1%**	61.0%	(0.1) ppts		
Pre-exceptional EPS[1,2]	**26.3p**	24.9p	5.6%		
Pre-exceptional RoRE[1,2,3]	**14.9%**	15.7%	(0.8) ppts		
Reported RoE	**10.7%**	12.6%	(1.9) ppts		

1. Prior to a pre-tax exceptional charge of £3.3m (2024: £11.9m) (see note 10 for details).
2. Prior to an exceptional tax credit of £17.4m in 2024 (see note 10 for details).
3. Based on required equity to receivables of 40%.

Consistent consumer demand and continued product innovation drove an increase in customer lending growth throughout the course of the year. Group customer lending increased by 11.8% year on year, reflecting positive momentum across all divisions.

Demand for our newer products is encouraging, including credit cards, retail partnerships, digital hybrid loans and shorter-term lending, which have supported both improved customer acquisition and increased engagement.

Group customer numbers returned to growth during the year, increasing by 4.7% to 1.7m, with momentum improving as the year progressed, demonstrating the appeal of both our core and new products. Customer numbers increased by 46,000 in Mexico during the second half, with Mexico digital growing by 24,000 customers and Provident Mexico growing by 22,000. In Provident Europe, Romania and Poland both added 10,000 customers in the second half.

Group net receivables broke through the £1bn mark in 2025, closing at £1,061.3m, representing year-on-year growth of 14% (at CER). All three divisions delivered double-digit growth. With good customer demand and our continued focus on disciplined growth, we expect receivables to continue to show similar growth in 2026.

Our financial model is designed to deliver sustainable returns by optimising three core value drivers – revenue yield, credit performance and operational efficiency – and we remain firmly focused on managing these levers to support delivery of our growth ambitions and drive long-term shareholder value.

The Group's revenue yield decreased by 2.2 ppts to 52.5% driven primarily by the impact of lower interest base rates set by central banks in our markets during the year. Excluding Poland, which has been adversely impacted by the reduction in rate caps implemented over recent years, the Group's revenue yield of 56.0%, was in line with our target range of 56% to 58%. Looking ahead, the transition to higher-yielding products, including further growth in Polish credit cards and new customer acquisition in Mexico, is expected to grow the overall Group revenue yield towards our target range.

Consistent customer repayment performance continued to support very good credit quality across the Group. Together with a strong debt sale market and a further £8m reduction in the Group's cost of living provision (2024: £7m reduction), this resulted in a 0.6 ppt improvement in the impairment rate to 9.0% (2024: 9.6%) despite the impact of higher up-front IFRS 9 impairment charges. Excluding Poland, the Group's impairment rate was 13.3%, just below the Group's target range of 14% to 16%. As Poland continues to regrow, we expect the overall Group impairment rate to trend back towards the target level over the next two years. The strong repayment performance has resulted in a reduction in the impairment coverage provision from 32.9% at December 2024 to 31.1% at December 2025.

Cost growth of 3.3% in the year was lower than the average inflation rate in our markets, as the Group maintained cost discipline whilst continuing to invest in sales activities and enhancing our strategic capabilities. The Group's cost-income ratio remained broadly flat at 61.1% (2024: 61.0%), mainly reflecting the reduction in the Group's revenue yield and the current lack of scale in Poland following the changes in regulation and transition of the business over the last three years. Excluding Poland, the Group's cost-income ratio was 56.2%, compared with 55.7% in 2024. Whilst the ratio remains above the Group's medium-term target range, the underlying trajectory is positive, and we continue to expect further progress towards our 49% to 51% target as scale benefits are realised and revenue growth continues to outpace cost growth.

Pre-exceptional earnings per share increased by 5.6% year on year to 26.3p (2024: 24.9p), higher than the 4.0% growth in pre-exceptional profit before tax, reflecting the reduction in shares in issue following the share buyback in the second half of 2024. Reported earnings per share reduced by 9.2% to 24.8p (2024: 27.3p), as 2024 included an exceptional tax credit of £17.4m.

The Group continued to deliver attractive returns during the year. Consistent with our guidance, pre-exceptional RoRE moderated to 14.9% in 2025 (2024: 15.7%), reflecting the investment in new products and channels and acceleration in growth. The Group's reported RoE, based on statutory earnings and on actual average equity, reduced from 12.6% to 10.7% in 2025, again reflecting the impact of the exceptional tax credit in 2024.

Purpose and strategy

We are committed to building a better world through financial inclusion by providing affordable, responsible credit to people who are often underserved by mainstream lenders. Today, we support more than 1.7 million customers across nine markets, and we are focused on growing our reach to 2.5 million people in the medium term, while continuing to meet customers' everyday financial needs in a responsible way.

Our Next Gen strategy is delivering results. It is helping us grow faster, serve customers better and operate more efficiently across the Group. Progress has been made across all three strategic pillars, with clear momentum in product expansion, digital capability and operational efficiency. This focused approach is strengthening our customer proposition, improving scale and supporting sustainable value creation as the business continues to grow. See pages 4 to 11, and page 20 for more on our strategy and progress made in 2025.

Building on the success of our established products, we are introducing proven offerings, channels and customer experiences from one market to another. This approach gives customers a wider choice of products that meet their needs, enhances efficiency and strengthens our presence in our existing markets. As part of this evolution, we have renamed "European home credit" to "Provident Europe" and "Mexico home credit" to "Provident Mexico" to better reflect the broader product set and distribution channels provided by both divisions as well leveraging the strong brand name both have in their respective geographies.

In 2025, we invested a record £35.2m (2024: £24.2m) in capital expenditure to accelerate the transition to becoming a data driven, technology-enabled partner for our customers. To support the three pillars of our strategy and the ongoing transformation of the Group, we expect to accelerate capital expenditure in 2026 and 2027 to between £45m to £50m per annum before reducing expenditure thereafter to a more normalised run rate of between £25m to £30m per annum.

Regulatory update

The second Consumer Credit Directive (CCD II) came into force in December 2023, with EU Member States required to comply within 24 months. With the exception of Hungary, where the process has been completed, implementation plans within our European markets are continuing to evolve. As part of the transposition of CCD II, a number of regulatory changes enabled or driven by the Directive are being considered and debated in each jurisdiction as the deadline for implementation approaches. Discussions include, but are not limited to: (i) the introduction of caps on lending-related fees; (ii) the introduction of a rate cap in the Czech Republic; (iii) enhancements to affordability assessments; (iv) changes to rebates on early settlement of credit agreements; (v) additional training for colleagues and customer representatives; (vi) increasing restrictions on the advertising of credit agreements; (vii) tightening the rules governing the selling of value-added services; and (viii) the introduction of free credit sanctions. We continue to monitor the potential impact on the Group and work with industry bodies in our markets to ensure that any changes in regulation are appropriate and assist the provision of responsibly provided credit to those in need. Whilst the scope of the potential change is broad, we have demonstrated a good track record in adapting to regulatory interventions across the Group, including the implementation of CCD I, new rate caps and enhanced creditworthiness requirements.

Outlook

We have entered 2026 with good momentum, underpinned by robust credit quality and a strong balance sheet. There continues to be good demand for credit, and while consumer expectations continue to evolve, we are well positioned to meet these needs through our diversified product set, strong local market positions and clear strategic focus. Our Next Gen strategy provides a disciplined framework for investment, prioritising growth, efficiency and scalable digital capability. We see clear opportunities to further invest for growth in key markets, particularly Mexico and Australia, alongside continued development of our new products and customer acquisition channels. We therefore plan to increase our investment in these new initiatives by approximately £5m per annum over the next two to three years. Although this may impact returns in 2026 and 2027, we believe it will sustain our growth rates and allow us to more effectively fulfil our purpose of building financial inclusion.

We remain confident in our ability to deliver against the operational and financial plans we have set, supported by prudent risk management and our strong capital position. Looking ahead, the Board believes the Group is well placed to continue making progress towards its long-term purpose of increasing financial inclusion, while delivering attractive and sustainable returns.

Provident Europe

	FY-25 £m	FY-24 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**738**	725	13	1.8	
Customer lending	**764.2**	662.1	102.1	15.4	13.2
Average gross receivables	**757.6**	706.0	51.6	7.3	5.8
Closing net receivables	**575.4**	459.6	115.8	25.2	15.8
Revenue	**339.7**	328.2	11.5	3.5	2.0
Impairment	**(5.5)**	(8.1)	2.6	32.1	32.9
Revenue less impairment	**334.2**	320.1	14.1	4.4	2.9
Costs	**(231.8)**	(225.1)	(6.7)	(3.0)	(1.3)
Interest expense	**(39.2)**	(37.6)	(1.6)	(4.3)	(2.9)
Pre-exceptional profit before taxation[1]	**63.2**	57.4	5.8	10.1	
Revenue yield	**44.8%**	46.5%	(1.7) ppts		
Impairment rate	**0.7%**	1.1%	0.4 ppts		
Cost-income ratio	**68.2%**	68.6%	0.4 ppts		
Pre-exceptional RoRE[1,2]	**19.8%**	19.9%	(0.1) ppts		

1. In 2024, prior to a pre-tax exceptional charge of £6.1m and, in respect of RoRE, an exceptional tax credit of £1.1m.
2. Based on required equity to receivables of 40%.

Provident Europe delivered a very good financial performance, with pre-exceptional profit before tax increasing by £5.8m (10.1%) to £63.2m (2024: £57.4m), reflecting disciplined execution of the Group's strategy and continued robust credit quality.

Customer lending increased by 13.2% year on year (at CER), with particularly good performances from Poland and Romania. In Poland, access to the full payment licence and continued momentum from our evolving and improving credit card proposition, resulted in year-on-year growth in customer lending of 20% (at CER). Romania, supported by the continued expansion of its retail partnerships and hybrid digital channels, delivered 18% (at CER) year-on-year growth. Hungary and the Czech Republic combined delivered growth of 4% (at CER).

Closing net receivables increased by 15.8% (at CER) to £575.4m (2024: £459.6m), reflecting 22% growth in Romania, 19% in Poland, 16% in the Czech Republic and 9% in Hungary.

Customer numbers in Provident Europe increased by 1.8%, ending the year at 738,000. Growth was driven primarily by Romania (7%) with the other three countries combined broadly flat. Poland added 10,000 customers in the second half, offsetting the shrinkage experienced in the first six months of the year.

The revenue yield reduced by 1.7 ppts to 44.8% (2024: 46.5%), reflecting the impact of reductions in base rate linked rate caps in Poland and Hungary, together with the introduction of the Total Cost of Credit cap in Romania late in 2024. We expect the yield to grow in 2026 as credit card lending, which carries a higher yield than loans, increases in Poland.

Customer repayment behaviour remained robust across Provident Europe and, together with a strong debt sale market, resulted in a 0.4 ppt improvement in the impairment rate to 0.7% (2024: 1.1%). Looking ahead, as customer lending increases, particularly in Poland, we expect the impairment rate to normalise in the medium term to within the target range for Provident Europe of 8% to 10%.

The cost-income ratio improved by 0.4 ppts year on year to 68.2% (2024: 68.6%). This reflects increasing scale together with continued cost discipline which was reflected in a modest 1.3% increase in costs (at CER). As revenue momentum builds and operating leverage increases, particularly in Poland, this positive trajectory is expected to continue, with the cost-income ratio moving towards the medium-term target range of 49% to 51%, while maintaining investment to support growth.

Provident Europe continues to generate good returns, delivering a RoRE of 19.8% in 2025 (2024: 19.9%), a slight year-on-year moderation due to the investment in receivables growth in the year. We expect returns to improve over the medium term as we invest in rebuilding the receivables book in Poland.

Provident Mexico

	FY-25 £m	FY-24 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**705**	680	25	3.7	
Customer lending	**285.9**	289.2	(3.3)	(1.1)	7.5
Average gross receivables	**295.9**	306.9	(11.0)	(3.6)	4.7
Closing net receivables	**191.2**	159.4	31.8	19.9	11.5
Revenue	**247.1**	263.8	(16.7)	(6.3)	1.4
Impairment	**(80.3)**	(92.4)	12.1	13.1	6.8
Revenue less impairment	**166.8**	171.4	(4.6)	(2.7)	6.0
Costs	**(126.6)**	(131.0)	4.4	3.4	(4.7)
Interest expense	**(13.6)**	(14.4)	0.8	5.6	(0.7)
Reported profit before taxation	**26.6**	26.0	0.6	2.3	
Revenue yield	**83.5%**	85.9%	(2.4) ppts		
Impairment rate	**27.1%**	30.1%	3.0 ppts		
Cost-income ratio	**51.2%**	49.6%	(1.6) ppts		
RoRE[1]	**24.7%**	24.4%	0.3 ppts		

1. Based on required equity to receivables of 40%.

Provident Mexico delivered improved growth and profitability in 2025, following the disruption to trading activities in the last quarter of 2024 from upgrading the front-end lending technology used by our customer representatives. On a constant exchange basis, profit before tax increased by £3.6m (15.7%) year on year to £26.6m, and by £0.6m on a reported basis, reflecting the impact of the much stronger Peso in the first half of 2024, prior to its significant weakening in the second half of the year.

Customer lending increased by 7.5% (at CER) year on year with growth in the second half of 13% supported by the new front-end technology and a softer second-half comparator. Customer numbers ended the year 3.7% higher than last year at 705,000, with an increase of 22,000 in the second half as the business showed good momentum.

Closing net receivables increased by 11.5% year on year (at CER) to £191.2m, reflecting the improvement in lending growth. The revenue yield moderated slightly during the year to 83.5% (2024: 85.9%), due to the higher proportion of lending to existing good-quality customers compared with new customers. Existing customers tend to be served with higher value, longer duration loans which have a lower yield but a better impairment rate.

The impairment rate improved year on year to 27.1% (2024: 30.1%) supported by a greater focus on good-quality existing customers together with targeted actions to ensure improved lending quality and repayment behaviour. As lending growth increases, including a greater proportion of new customers, we expect the impairment rate to move towards the 30% level, in line with our longer-term expectations.

Our ongoing investment in geographic expansion combined with the one-off cost of the front-end technology upgrade contributed to an increase in the cost-income ratio year on year to 51.2% (2024: 49.6%). This is expected to return to the target range of between 49% to 51% in 2026.

Provident Mexico continues to deliver strong returns and the RoRE of 24.7%, remained above the Group's target minimum rates of 20% (2024: 24.4%).

IPF Digital

	FY-25 £m	FY-24 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**286**	247	39	15.8	
Customer lending	**291.9**	263.2	28.7	10.9	12.6
Average gross receivables	**352.4**	314.6	37.8	12.0	13.9
Closing net receivables	**294.7**	251.0	43.7	17.4	11.7
Revenue	**150.7**	134.3	16.4	12.2	14.7
Impairment	**(41.0)**	(27.0)	(14.0)	(51.9)	(60.8)
Revenue less impairment	**109.7**	107.3	2.4	2.2	3.6
Costs	**(77.2)**	(72.0)	(5.2)	(7.2)	(8.1)
Interest expense	**(18.4)**	(18.3)	(0.1)	(0.5)	(2.8)
Reported profit before taxation	**14.1**	17.0	(2.9)	(17.1)	
Revenue yield	**42.8%**	42.7%	0.1 ppts		
Impairment rate	**11.6%**	8.6%	(3.0) ppts		
Cost-income ratio	**51.2%**	53.6%	2.4 ppts		
RoRE[1]	**8.4%**	11.4%	(3.0) ppts		

1. Based on required equity to receivables of 40%.

IPF Digital delivered strong growth in customer numbers and lending during the year, and delivered a profit before tax of £14.1m (2024: £17.0m), reflecting the ongoing investment to build scale.

Demand for fully remote credit solutions remained positive, driving year-on-year growth in both customer numbers and lending of 16% and 13% respectively (at CER). This performance was led by Mexico and Australia, which delivered lending growth of 32% and 19% respectively (both at CER). Mexico customer numbers have now surpassed 130,000, showing year-on-year growth of 40%, whilst Australia delivered 17% growth. The Group continues to invest in brand and product propositions to support growth and capture an increasing share of the significant opportunities available in these markets.

Year-end receivables of £295m, showed year-on-year growth of 12% (at CER), reflecting consistent execution of the Group's Next Gen strategy across all markets. Receivables growth was led by Mexico and Australia, with increases of 16% and 23% respectively (both at CER), while the Baltic markets, Poland and the Czech Republic delivered combined growth of 7%.

The revenue yield increased by 0.1ppts year on year to 42.8% (2024: 42.7%), reflecting the net impact of the growth of the receivables book in Mexico, which carries a higher yield, partly offset by the impact of reductions in interest-linked caps in the Baltic and Polish markets.

Customer repayment performance and collections discipline remained robust across all IPF Digital markets, underpinning very good portfolio quality. As expected, the impairment rate increased to 11.6% (2024: 8.6%), reflecting the growth of the portfolio, particularly in Mexico which carries a higher impairment rate.

To support growth and customer acquisition in our competitive digital markets, we continued to invest in strengthening our brand positioning and enhancing technology to improve the customer journey, particularly in Mexico and Australia. These investments, which are expected to deliver scale and long-term value, contributed to an increase in operating costs of 8.1% (at CER) in 2025. Notwithstanding this investment, the cost-income ratio improved by 2.4 ppts to 51.2% (2024: 53.6%) as scale benefits were realised. As the portfolio continues to grow, the cost-income ratio is expected to move progressively towards the medium-term target for IPF Digital of approximately 45%.

IPF Digital's RoRE moderated year on year by 3.0 ppts to 8.4% (2024: 11.4%) reflecting continued investment to support its growth. We expect returns to strengthen towards the Group's 15% to 20% target range as the division scales and matures. The business has generated good momentum and remains well positioned to continue delivering improving returns as it scales its digital proposition across multiple markets.

Financial review

"We delivered another strong financial performance in 2025, building on the momentum achieved in recent years and delivering increased returns to shareholders."

Gary Thompson
Chief Financial Officer

I am pleased to report that the Group delivered another strong financial performance in 2025, building on the momentum achieved in recent years. We continued to drive progress through the disciplined execution of our Next Gen strategy, continued improvement in our products, services and technology, and consistently high credit quality. We also strengthened our funding position, while maintaining a conservatively capitalised balance sheet that will support our future growth ambitions. Pre-exceptional profit before tax increased to £88.6m (2024: £85.2m), up £3.4m (4.0%) year on year. The full-year result includes exceptional one-off costs of £3.3m relating to the potential acquisition of the Group by Basepoint Capital LLC (2024: exceptional costs of £11.9m, comprising £6.1m of restructuring costs in Provident Europe and £5.8m of costs associated with the refinancing of the Group's Eurobond in June 2024). Statutory profit before tax was therefore £85.3m (2024: £73.3m).

Our financial model

We operate our business with clear financial and ethical disciplines, supported by a robust financial model that underpins delivery of our Next Gen strategy. This model ensures we balance the needs of all our stakeholders – customers, colleagues, regulators, shareholders and investors – while staying true to our purpose of building a better world through financial inclusion.

At its core, our model is designed to deliver attractive and sustainable returns, maintain a strong balance sheet, fund future growth and support a progressive dividend policy. It provides the foundation for disciplined, responsible decision-making, ensuring that our loans are affordable for customers while delivering appropriate returns for investors.

The key principle is to achieve a return on required equity (RoRE) of between 15% and 20%. We believe this range strikes the right balance between generating sustainable shareholder value and meeting the needs of our wider stakeholders. Returns materially above this level would indicate we are not sharing value appropriately across those we serve.

Looking ahead, our financial model is designed to support continued growth and investment in innovation, while maintaining robust capital strength. We are committed to a minimum dividend payout of 40% of post-tax earnings and to sustaining an equity-to-receivables ratio of around 40%, ensuring we fund expansion responsibly and deliver long-term value for all stakeholders.

1. Return on required equity (RoRE)

Our objective is to deliver a target RoRE of between 15% and 20%, balancing profitability with the needs of all stakeholders. In practice, 15% is a short-term target with sustainable returns of nearer 20% being the medium to longer-term target. 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 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 continued to deliver attractive returns in 2025. Consistent with our guidance, the pre-exceptional RoRE moderated to 14.9% (2024 pre-exceptional RoRE: 15.7%), reflecting the investment and acceleration in growth. The Group's reported RoE, based on actual equity, reduced to 10.7% (2024: 12.6%).

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

	2025	2024
Provident Europe	**19.8%**	19.9%
Provident Mexico	**24.7%**	24.4%
IPF Digital	**8.4%**	11.4%

Provident Europe and Provident Mexico continue to generate strong returns. Provident Europe delivered a RoRE of 19.8% in 2025, which was a slight year-on-year moderation due to the investment in receivables growth. We expect returns to improve as we continue to invest in rebuilding the receivables book in Poland. Provident Mexico's RoRE of 24.7%, remained above the Group's target minimum rates of 20%. IPF Digital's RoRE moderated year on year by 3.0ppts to 8.4% reflecting continued investment to support the division's very strong growth. We expect returns to moderate in 2026 as we invest to build scale before returning to the Group's target returns of between 15% to 20% in 2027.

Delivery of RoRE is supported by our ongoing focus on revenue yield, impairment rate and the cost–income ratio (see Key performance indicators on page 22).

2. Distribution of earnings

Delivery of a RoRE of around 15% supports a dividend payout of at least 40% of post-tax earnings, consistent with our progressive dividend policy. In 2025, the Board has recommended a dividend payout of 49% of post-tax earnings, providing a balanced return to shareholders while maintaining flexibility to reinvest for growth as we continue to expand the business.

3. Receivables growth

Our financial model enables us to fund receivables growth in the following year of up to 10% while maintaining our capital ratio. If we grow in excess of 10% we will utilise any additional capital resources over our target capital base. In 2025, receivables increased by a strong 13.9% (2024: 6.8%), reflecting continued customer lending growth across all divisions.

4. Equity-to-receivables ratio

We continue to target a 40% equity-to-receivables ratio, which we believe represents an appropriate balance between efficient use of capital to innovate and grow, while offering security for more challenging periods. At the 2025 year end, the Group's equity-to-receivables ratio was 51% (2024: 54%). Our strong capital position supports the Group's 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 which we expect to be in 2028.

Taxation

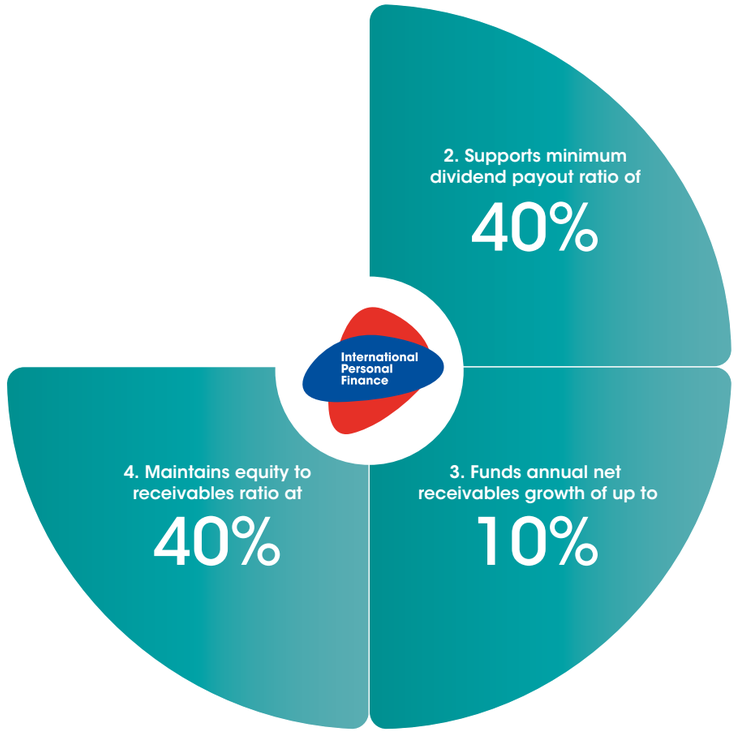
The pre-exceptional tax charge on the profit for 2025 is £31.1m, which represents an effective tax rate of approximately 35% (2024: 35%).

There was no tax credit in respect of the exceptional costs of £3.3m in 2025. The 2024 results reflected an exceptional tax credit of £17.4m comprising: (i) a £15.2m tax credit following reinstatement of amounts previously paid to HMRC in respect of the Group's financing company arrangements following a favourable judgement by the European Court of Justice – the monies in respect of this matter were repaid to the Group by HMRC during 2025; and (ii) a tax credit of £2.2m in respect of the costs incurred on the refinancing of the Group's Eurobond and restructuring of the Provident Poland business in 2024.

Earnings per share (EPS)

Pre-exceptional earnings per share increased by 5.6% year on year to 26.3p (2024: 24.9p), higher than the 4.0% growth in profit before tax, reflecting the reduction in shares in issue following the share buyback in the second half of 2024. Reported earnings per share reduced by 9.2% to 24.8p (2024: 27.3p), as 2024 included an exceptional tax credit of £17.4m.

Our financial model



Dividend

Based on the Group's capital strength and the Board's confidence in our outlook, we are pleased to declare a 12.5% increase in the proposed final dividend to 9.0 pence per share (2024: 8.0p), in line with the Group's progressive dividend policy. Together with the 2025 interim dividend of 3.8 pence per share (2024: 3.4p), the total dividend for 2025 has increased by 12.3%. The final dividend will be paid on 8 May 2026 to shareholders on the register at the close of business on 27 March 2026. The shares will be marked ex-dividend on 26 March 2026.

Balance sheet, treasury risk management and funding

We maintained a conservatively capitalised balance sheet and a strong funding position throughout 2025.

At the end of December, the Group's equity-to-receivables ratio was 51% (2024: 54%), compared with our target of 40%. The reduction in the ratio reflects the growth in receivables during 2025 partly offset by a foreign exchange gain of £47m taken to reserves as the majority of our currencies strengthened against sterling.

The Group's gearing ratio was 1.2 times (2024: 1.2 times) at the end of December 2025 and is comfortably within our covenant limit of 3.75 times. Our interest cover covenant was 2.6 times (2024: 2.6 times) and, again, is well within our covenant limit of 2.0 times.

Group net receivables increased by 14% at CER to £1,061.3m, with growth delivered by all three divisions. The average period of receivables outstanding at the end of 2025 was 13.1 months (2024: 13.5 months) with 73% of year-end receivables due within one year (2024: 72%). The gross contractual cashflows supporting the receivables valuation amounted to £1.9bn at the end of 2025 (2024: £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 Provident Europe in 2015 and Finland in IPF Digital in 2020), we have demonstrated that the collect-out takes around two to three 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 2025. With receivables growth of 14% in 2025, the Group generated cash from operating activities of £70m (2024: £114m).

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 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, Polish zloty and Swedish krona, with varying maturities, together with facilities from a group of 17 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 at 31 December 2025, the Group held total debt facilities of £750m, comprising £483m in bonds and £267m in bank funding, including £55m of new bank facilities arranged during the year. Net borrowings at the end of 2025 totalled £621m and headroom, consisting of undrawn facilities and non-operational cash balances, amounted to £129m.

In March 2025, we repaid at par and subsequently delisted the remaining €66.7m of our 2020 Eurobond. The strong secondary market performance of our €341m 2029 Eurobond and 2027 retail sterling bond reflected continued investor confidence in our business and, as such, we took the opportunity in the second half of the year to successfully secure SEK 1bn (c.£80m) senior unsecured floating rate notes due 2028 at an issue price of 100 per cent. The notes carry a floating interest rate of three-month STIBOR plus 5.75% and have been admitted to trading on the Frankfurt Open Market (Freiverkehr).

Maturity profile of debt facilities

	Maturity	£m
Polish bond	November 2026	15.0
Hungarian bond	December 2026	10.1
Sterling bond	December 2027	80.0
SEK bond	November 2028	80.7
Eurobond	December 2029	297.3
Total bonds		**483.1**
Bank facilities	2026 to 2029	266.7
Total debt facilities		**749.8**
Total borrowings		624.6
Headroom against debt facilities		125.2
Non-operational cash balances		3.5
Headroom and non-operational cash balances		128.7

Our blended cost of funding reduced steadily and was 12.2% at the end of December 2025 (2024: 13.3%) due to the reduction in interest rates across our markets as well as lower costs of hedging as interest differentials narrowed.

	2025 £m	2024 £m
Bond costs	**46.4**	47.5
Bank funding cost	**12.6**	6.3
Hedging costs	**7.2**	11.0
Other	**5.1**	5.6
Total interest	**71.3**	70.4
Average gross borrowings	**586.0**	529.3
Cost of funding %	**12.2%**	13.3%

Both Fitch Ratings and Moody's Ratings reviewed the Group's long-term credit ratings in the first half of the year and reaffirmed their previous assessments. Fitch maintained its rating at BB with a Stable outlook, while Moody's confirmed its Ba3 rating, also with a Stable outlook.

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	**2025**	2024
Gearing[1]	Max 3.75 x	**1.2x**	1.2x
Interest cover	Min 2x	**2.6x**	2.6x

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, 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 £47m (2024: £57m) foreign exchange movement, which has been credited (2024: debited) 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 financial forecasts and its principal risks (with particular reference to funding, liquidity and regulatory risks). The forecasts have been prepared for the two years to 31 December 2027 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 performance, and in particular the evolution of customer lending and repayments cash flows as well as management's best assumption regarding the renewal/extension of maturing financing facilities.

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 funding, liquidity 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 recession 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 2025, the Group had £129m 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 2.6 years. Total debt facilities as at 31 December 2025 amounted to £750m of which £97m (excluding £47m of uncommitted loans, which do not require extension) 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), 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 risk set out on page 37 of the 2025 Annual Report and Financial Statements, 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 2025 Annual Report and Financial Statements.

Gary Thompson
Chief Financial Officer

25 February 2026

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. As we accelerate growth and the pace of change across the Group, our approach allows us to pursue sustainable expansion, underpinned by our robust risk management framework that supports long-term success and value creation for all our stakeholders.

Enterprise risk management approach

We manage risk strategically through our enterprise risk management (ERM) framework, which enables us to identify, assess and respond to a wide range of risks and opportunities across the Group in an integrated and efficient manner.

The ERM programme supports the achievement of our strategic objectives and stakeholder expectations by addressing risks that could impact our business model, performance, solvency, liquidity, or reputation. Our principal risks – those with the greatest potential impact – are summarised on pages 37 to 40, including how they evolved in 2025, the actions we took in response, and their alignment with the Group's Next Gen strategy.

The ERM framework provides an overarching structure for managing all key risks across the Group, with clear ownership and tailored management processes, as illustrated on page 35. Risk appetite plays a central role to this approach, guiding our understanding of the level of risk we are willing to accept over time, embedding risk considerations into decision-making and enabling the Board to fulfil its oversight responsibilities. Our approach is aligned with the UK Corporate Governance Code (2024).

IPF internal control and risk management systems

Enterprise risk management framework

Traditional risk management

Distinct risk management process at each category level:
- Context
- Risk assessment
- Risk treatment
- Recording and reporting
- Communication and consultation
- Monitoring and review

Business continuity	ESG	Change management	Competition	Credit	Customer service	Brand and product proposition
Funding liquidity, market and counterparty	Financial reporting	Data protection and privacy	Loss or Misuse of Data	Disruption of systems	Customer protection and licensing legal compliance	Future legal and regulatory development
Legal and regulatory challenges	People	Fraud and AML	Reputation	Safety	Technology	Taxation

Category control environment

Control environment	Control environment	Control environment	Control environment	Control environment	Control Environment	Control Environment

Key ERM components

- Risk appetite framework
- Risk Advisory Group
- Three lines of defence
- Roles and responsibilities across the Group
- Category-level risk management policies
- ERM events process

Internal Control System

Risk appetite

We aim to mitigate risks within our control to the fullest reasonable extent, making the internal control framework a key pillar of our risk management approach. The relationship between our ERM framework, individual risk management processes, and internal controls is illustrated on page 34.

When setting risk appetite, the Board considers four main risk types:

- **Strategic risks** – These affect the Group's long-term goals and sustainability. While they often carry potential rewards, they are analysed carefully and addressed through strategic decision-making.
- **Operational risks** – Arising from day-to-day activities and requiring prompt, effective action to minimise impact.
- **Internally driven risks** – Triggered by internal factors such as systems, processes or people, and managed through our internal control framework.
- **Externally driven risks** – Triggered by factors beyond our control, these are monitored closely to enable timely responses and contingency planning that support business resilience.

Risk appetite is reviewed and approved by the Board annually. It underpins the structure and execution of our ERM programme. Each risk is assessed regularly based on its likelihood and impact at both market and Group level. We monitor current exposures against our appetite to determine whether further action is needed or if opportunities exist within acceptable boundaries.

Risk assessments

We conduct quarterly risk assessments across the Group to update our risk profile, identify control weaknesses and take action where risks exceed appetite. The Chair of the Risk Advisory Group reviews and challenges these assessments using assurance data from first-line control testing, key risk indicators and independent internal audit findings. Risks are also evaluated as part of any new project, initiative or strategic plan to ensure they are addressed from the outset.

In 2025, a dedicated strategic risk assessment was launched, with regular updates provided to the Board ahead of strategic planning.

Risk culture

We have a comprehensive strategy to embed a strong risk culture across the organisation. This includes clearly defined roles and responsibilities at both market and Group level, supported by a bottom-up and top-down risk assessment process that encourages open debate and transparency.

The three lines of defence model is implemented across the Group, with clear risk ownership and tailored training programmes for senior management. Non-executive directors also receive regular risk education to support their oversight role.

We report regularly to the Audit and Risk Committee (ARC), engaging in detailed discussions on the Group's risk profile and broader risk management principles.

Focused training is delivered throughout the organisation, including quarterly roundtables covering topics such as emerging risks, recent risk events, the three lines of defence model, ERM roles and responsibilities, risk updates, and risk appetite.

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 was developed 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.

Transition from climate risk to ESG risk

In 2025, we introduced a new ESG risk category to expand our focus beyond climate-related risks and incorporate broader social and governance dimensions. These include:

- **Social risks** such as labour practices, community impact, and discrimination.
- **Governance risks** including transparency and ethical business conduct.

As part of this change, the standalone climate change risk category was retired and is now integrated within the ESG framework.

To assess physical climate risks, we use a scenario-based model, detailed on page 117. Our climate strategy remains aligned with a maximum global warming pathway of 1.5°C and supports the transition to a net zero economy by 2050.

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 took proactive steps throughout 2024 to prepare for its provisions, which come into force in 2026. Our focus was on defining material controls, establishing effectiveness thresholds, and developing clear definitions for financial, operational, reporting, and compliance controls.

Building on this foundation, we advanced the development of the IPF internal control framework in 2025 under the leadership of the Chair of the Audit and Risk Committee. As part of this work, we engaged the Group's non-executive directors to explore the rationale behind the Code's new disclosure requirements, refine the definition of material controls, and align interpretations of the four control categories. The Board supports a high-level, balanced disclosure on overall control effectiveness, with the ERM framework expected to identify any gaps and inform future reporting.

See page 145 for more information on the work of our Audit and Risk Committee.

Emerging risks

We define emerging risks as new or evolving circumstances that could affect the Group significantly, where the likelihood, timing or potential impact is difficult to assess with certainty. These risks are monitored to determine whether they should be escalated to key risks and whether mitigation is required. We classify emerging risks into two categories based on the urgency of response:

- High-velocity risks are treated as crisis events, triggering our crisis management protocols.
- Moderate and low-velocity risks are tracked and reported until their impact is better understood, at which point tailored response actions and contingency plans are developed.

Emerging risks in 2025

In our 2024 Annual Report, we disclosed that economic conditions, tax developments, and the use of AI were reclassified from emerging risks to standard key risks, reflecting their maturity and integration into our ERM programme. Although cyber risk remains a Group key risk, we continue to monitor it through an emerging risk lens due to the pace of change and evolving threat landscape. Cyber-attacks are now considered a business-as-usual threat, yet the rapid advancement of attack methods – particularly ransomware – continues to pose significant operational and reputational challenges. For further details on our mitigation efforts, please refer to the data integrity and systems resilience risk disclosure on page 40.

In 2025, we identified several new emerging risks. The evolving political stance of the United States in its global relations presents a high-velocity risk, with potential implications across IT costs, data protection and regulatory exposure. This is being monitored closely to determine the appropriate response.

Changes in European taxation are under analysis, with potential long-term implications for our operations. We are also monitoring the reopening of topics under the Consumer Credit Directive II (CCD II), which may influence regulatory developments.

Ongoing legislative developments affecting transatlantic data transfers could lead to stricter rules governing data flows between the EU, UK and US. While no immediate changes have been introduced, increased scrutiny and potential shifts in US legislation or court rulings may create legal uncertainty. This could result in higher compliance costs, administrative burdens, and operational adjustments, requiring continued monitoring.

These emerging risks are reviewed regularly to determine whether they should be elevated to key risks and whether specific mitigation or contingency planning is required.

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.	Consumer demand for borrowing remained strong, supporting a robust credit performance across the Group and keeping the level of risk comfortably within appetite. Credit losses for the year remained in line with plan. An excellent customer repayment performance supported an improvement in the Group's impairment rate to 9.0%, despite the impact of accelerating growth and higher up-front IFRS 9 charges. This remains well within our risk appetite and below the target range of 14% to 16%.
	How it is managed • Detailed, regular monitoring of customer repayments to identify specific issues. • Detailed analysis, testing 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.	We continue to manage a range of regulatory risks across the Group's markets, with a particular focus on price legislation, employment models and licensing frameworks. CCD II remains the primary regulatory focus across Europe, with national transposition completed by November 2025 and full application required by the end of November 2026. In Romania, a Consumer Protection Authority proposal linked to CCD II is under review, while in the Czech Republic, a price cap proposal remains active. There were no material changes to risks related to employment models or licensing frameworks. We continue to monitor developments and maintain readiness to adapt where needed. For further information on regulation see page 26.
	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.	Despite an uncertain macroeconomic and geopolitical backdrop globally, we continued to strengthen the Group's funding position. At the year end, the Group held total debt facilities of £750m, comprising £483m in bonds and £267m in bank funding, including £55m of new bank facilities arranged in 2025. We also successfully secured SEK 1,000,000,000 senior unsecured floating rate notes due 2028. Monetary policy easing across our markets supported funding costs, with central banks in Mexico, Australia, and the Eurozone reducing base interest rates. These reductions are also expected to have a positive impact on the Group's financing costs going forward. Foreign exchange movements have also benefited the Group's net asset position. For further information on funding see page 32.
	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.

Risk environment and link to strategic pillars key

- IPF risk environment improving
- IPF risk environment remains stable
- IPF risk environment worsening
- FI Next Gen financial inclusion
- O Next Gen organisation
- TD Next Gen technology and data

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 Group continues to manage a range of reputational risks linked to stakeholder perceptions, regulatory expectations and broader sector dynamics. The financial sector remains under scrutiny, particularly given political developments in some markets.

We maintain strong relationships with key stakeholders to enhance understanding of our business model, purpose and societal role. We remain alert to the reputational risks within the non-bank financial institution (NBFI) sector, particularly where poor practices by other providers could influence public and regulatory sentiment. We also monitor risks arising from non-compliance investigations, mystery shopping exercises and customer complaints, which could lead to adverse media coverage.

To mitigate these risks, we have strengthened compliance oversight, enhanced controls around customer interactions and marketing, and maintained active engagement with regulators and policymakers.

Our participation in industry associations continues to support best practice in lending and the fair treatment of customers.

Our working practices are subject to rigorous oversight to ensure compliance with legislation and alignment with customer expectations, helping safeguard the Group from reputational harm. In 2025, we were again recognised for responsible business practices, customer service excellence, and as a leading employer.

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.
- Regular monitoring of internal and external reputation indicators, with agreed actions taken in response to findings.
- Ongoing media tracking, including bi-monthly Group-level reviews, to assess reputational performance and emerging risks.

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. The Group's first year within the scope of the OECD's Pillar 2 rules was 2024, and for this year the safe harbour provisions applied across all territories. An assessment has been carried out and it is expected that the Group will again fall within the safe harbour provisions with respect to all of the territories in which it operates for 2025 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 were repaid in full, along with circa £1.6m repayment interest during 2025. Further risks associated with the Group's Irish finance company are set out in note 32.

In Hungary, the extra profit special tax will also apply in 2026 and the rate has increased. The liability for 2026 is estimated at c.£2.3m.

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 remains critical to minimising financial impacts, maintaining employee engagement and ensuring successful delivery of strategic priorities. We continue to manage a large and complex change agenda across the Group 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 change, aligned to strategic objectives and performance improvement.

In 2025, we worked on a Group Change Framework to strengthen consistency and control across divisional change functions. The establishment of a Business Transformation Office in Q4 2025 will enhance strategic prioritisation and improve oversight of market-level impacts.

We also increased scrutiny of business case development and benefits realisation. Group-wide change initiatives are also now tracked through a single Project Portfolio Management tool, improving visibility and control.

How it is managed

- Business Transformation Office.
- 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 established in 2024 focused on synergy and consistency across the Group, and agreed a Group-wide approach for oversight of change and transformation.

Brand and proposition risk

The risk of brand perception deteriorating and failing to respond to market trends can limit profitable growth.

FI

Competitive activity remained elevated across our markets in 2025, with heightened pressure on brand visibility and product relevance. While there were no major new entrants serving our core consumer base, competition intensified particularly in Mexico where fintech offerings continued to evolve and attract prime segment customers. We increased marketing investment across key markets and plan to maintain this momentum to reinforce brand visibility and strengthen customer engagement.

Targeted actions were taken in Mexico to improve product competitiveness, and broader initiatives are underway to enhance prioritisation in product development and innovation across the Group.

To meet evolving consumer expectations, we continued to invest in customer experience tools and digital capabilities, including mobile apps and online communication channels. For more information see pages 46 to 49.

We also continued to expand our retail credit offering in Romania and Mexico, refreshed the Provident brand, and sustained investment in our Creditea digital brand.

How it is managed

- Product development committees and processes are in place to review the roadmap, manage product-related risks and oversee new propositions.
- 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

We take a proactive approach to technology risk management to maintain the Group's capabilities and resilience in an increasingly digital environment. In 2025, our focus remained on addressing risks associated with technological obsolescence, ensuring strategic alignment and building the foundations to support future investment and growth.

Development of our core technology platforms progressed well including the establishment of ONE IPF, a programme to implement a new ERP system in 2026 to provide more integrated, real-time data and strengthen control, decision-making and efficiency. We also enhanced our omnichannel customer service platform to further improve customer experience.

Alongside these platform developments, we continued to strengthen our infrastructure and skills base. Cloud training programmes are underway in Provident Europe, with AWS certification rolled out to IT teams to improve capability and support the shift to more modern, scalable technologies.

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.
- Engaging experienced third parties to handle security penetration testing and security network operations.

Risk environment and link to strategic pillars key

- IPF risk environment improving
- IPF risk environment remains stable
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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.	The actions taken to align with our Next Gen strategy continued to shape our organisational structures and operating processes in 2025. Our employee value proposition and reward strategy continue to support the attraction and retention of talent, with vacancy rates remaining within acceptable thresholds in most markets. We remain committed to developing and engaging colleagues through expanded learning programmes, structured career pathways, and recognition initiatives. We also continued to enhance oversight of incentive scheme performance. Our culture remains strong, supported by high Global People Survey scores and ongoing ethics and engagement initiatives. For more information on our colleagues see page 50. **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.

Data integrity and systems resilience risk

The risk that the Group suffers a significant loss due to either: • business disruption caused by the unavailability of ICT systems arising through poorly managed ICT systems; the actions of a malicious third party; or the failure to adequately manage our third-party providers of ICT services which support the business. Or • the malicious or accidental exposure, loss or corruption of data arising from a failure to adequately manage and protect all classes of Group data.	We continue to evolve our ICT risk management strategy to build a more resilient, modern, and secure technology environment. In 2025, we made significant strides in identifying and measuring performance of key controls, enhancing baseline security, improving detection and response capabilities, and advancing recovery planning to improve our resilience to modern cyber and other ICT-related threats. Recognising the dynamic nature of cyber risk driven by human behaviour, rapid technological change and legacy system challenges, we are addressing vulnerabilities and investing in long-term resilience. The global rise of AI-driven cyber threats and increasingly sophisticated malicious actors underscores the importance of our strategic focus. For more information on IT Operational Risk and Resilience, including Cybersecurity, please see page 70. **How it is managed** • Group-wide cyber and data risk strategy with executive oversight and alignment to regulatory and resilience priorities. • Robust identity and access management including privileged access controls and user authentication. • Advanced threat detection and response through enhanced Security Operations Centre (SOC) capabilities and incident management. • Comprehensive asset and system mapping to support recovery, continuity, and vulnerability management. • Ongoing staff training and awareness programme to reduce human error and strengthen security culture.

Risk environment and link to strategic pillars key

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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 historic resilience of the Group's business model over many years, including times of adverse macro-economic 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 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.

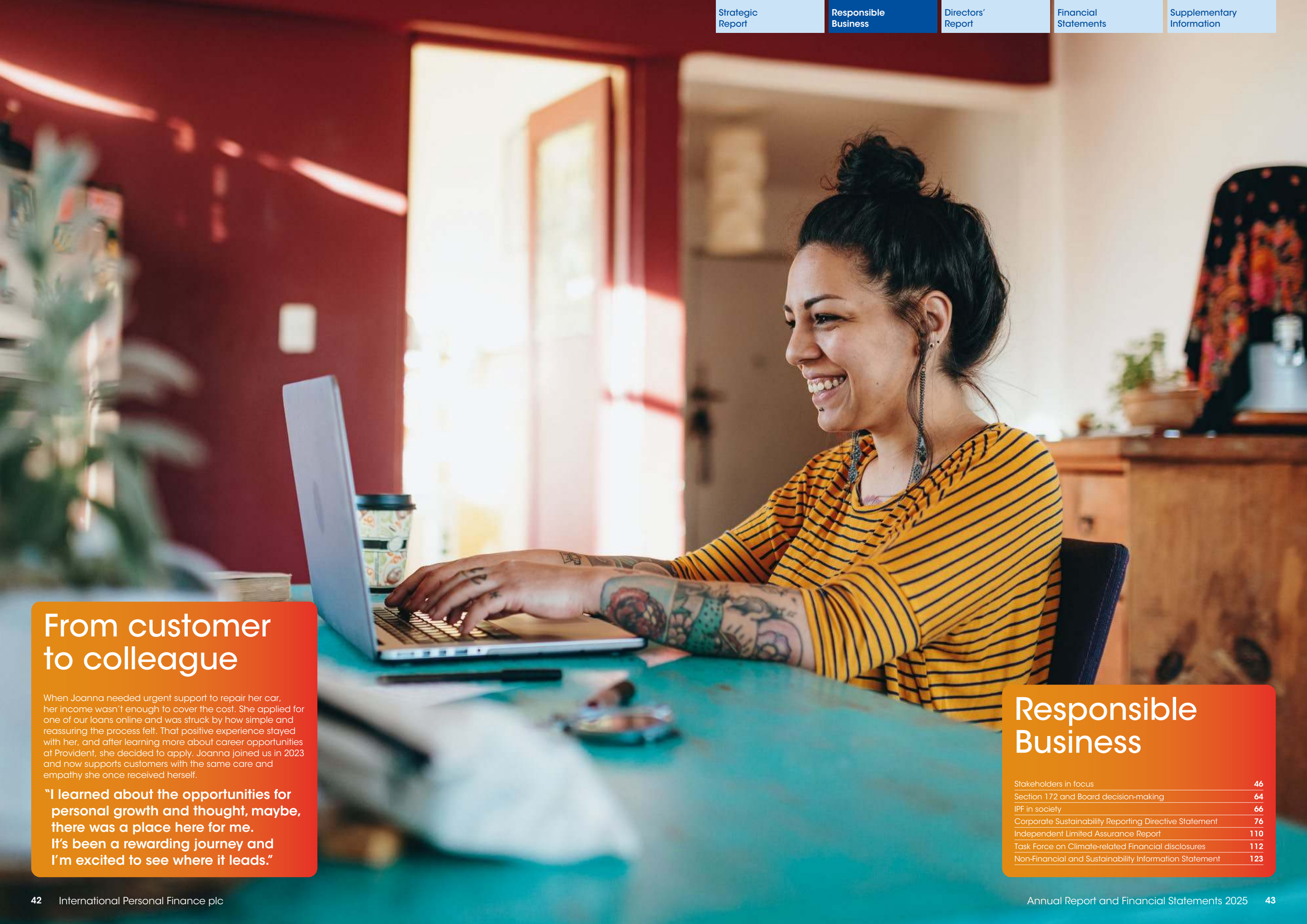
Business planning and stress testing

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 macroeconomic and regulatory risks) as outlined on pages 37-40. 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 2026 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 32 and 33.



From customer to colleague

When Joanna needed urgent support to repair her car, her income wasn't enough to cover the cost. She applied for one of our loans online and was struck by how simple and reassuring the process felt. That positive experience stayed with her, and after learning more about career opportunities at Provident, she decided to apply. Joanna joined us in 2023 and now supports customers with the same care and empathy she once received herself.

"I learned about the opportunities for personal growth and thought, maybe, there was a place here for me. It's been a rewarding journey and I'm excited to see where it leads."

Responsible Business

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Responsible Business

Our approach

At IPF, our responsible business vision is built on the belief that long-term success is achieved only when we create positive outcomes for our customers, colleagues, communities and wider society. As a business that serves financially underserved customers, we recognise the responsibility we have to ensure our products are fair, our conduct is responsible and our operations support long-term resilience and inclusion. Acting responsibly is therefore embedded in how we run our business, manage risk and deliver sustainable growth across our markets.

Our Responsible Business Framework

To deliver our vision consistently and transparently, we use our Responsible Business Framework. This brings together the principles, policies and practices that guide how we operate, and ensures that responsible business considerations are embedded in everyday decision-making.

Agreed with the Board, the framework reflects our commitment to conducting our business in a socially responsible and ethical manner – prioritising fair outcomes for customers, supporting the wellbeing and development of our colleagues, protecting the environment, and contributing positively to the communities where we operate.

Our approach is grounded in clear guiding principles that help ensure we continue to act responsibly as the business evolves. These include prioritising the actions that matter most, building on strong foundations already in place across our markets, and anticipating and responding to changing regulatory expectations.

Understanding our stakeholders

Delivering on our responsible business commitments requires a clear understanding of the people and groups who are influenced by, or have an influence on, our business. Our stakeholders play a critical role in shaping our priorities by sharing insights on our products, services, conduct and broader impact on society.

Through structured engagement and ongoing dialogue we ensure that stakeholder expectations are reflected in our strategic planning, operational decision-making and sustainability disclosures. Their perspectives help us anticipate emerging risks and opportunities, strengthen trust, and continually improve how we deliver value.

The following pages outline who our key stakeholders are, why they matter to IPF and how we engage with them throughout the year as part of our commitment to being a responsible, sustainable business.

Regulators, politicians and NGOs

We maintain open, constructive dialogue with regulators, politicians and NGOs to ensure compliance, anticipate emerging expectations and contribute to responsible, consumer-focused financial services.

Customers

We support customers by providing responsible, accessible credit and services that help improve financial wellbeing, ensuring fair treatment and positive outcomes across all our markets.

Suppliers

We work with suppliers who share our values and support our operations responsibly. Strong partnerships help us maintain high standards of service, conduct and regulatory compliance.

Colleagues

Our colleagues deliver our purpose every day. We focus on creating a safe, inclusive and engaging workplace that supports development, wellbeing and long-term career opportunities.

Communities

We aim to create a positive social impact in the communities where we operate by promoting financial inclusion, supporting local initiatives and contributing to wider economic and social wellbeing.

Investors and ratings agencies

We engage with investors and rating agencies to provide insight into our performance, strategy and risk management, supporting informed decision-making and sustainable long-term value creation.

2025 highlights

£500,000
Total community investment

89%
Customer satisfaction

4,000
colleagues volunteered to support their communities

c.75%
Female global workforce

Customers

FI O TD

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 seek to finance their needs in a transparent and reliable manner (ESRS 2 SBM-2; ESRS S4-2).

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
- Responsible and ethical marketing and sales practices
- Simple, personal and seamless experience
- Trusted brands

(Identified through the Double Materiality Assessment – ESRS 2 SBM-3; ESRS S4-2)

Ways we engage

- Customer surveys and focus groups
- Product proposition and usability testing
- Colleague immersion activities, including customer home visits and call-listening sessions
- Digital analytics
- Complaints analysis
- Double materiality assessment
- External reputation survey

(Consumer engagement processes – ESRS S4-2)

Board considerations of stakeholder interest

- Biannual stakeholder update
- Customer metrics and updates included in the CEO's report at every Board meeting
- Customer visits and meetings with customer representatives in our markets
- Twice-yearly deep-dive sessions with Chief Marketing Officer
- Review of double materiality assessment results
- Strategic planning gives significant consideration to customer matters

(Board oversight of material IROs – ESRS 2 GOV-2; SBM-3)

Outcomes from feedback to the Board

- Feedback from the Customer Journey Heartbeat programme informed the Board-approved Customer Strategy, in particular helping to shape training, communication and service standards to ensure they were aligned with customer needs.

(Actions in response to material impacts – ESRS S4-4)

Financial inclusion

At IPF, our customers sit at the heart of our purpose. We serve people who may have been excluded or underserved by traditional lenders – including people living in rural or low-access banking areas, older consumers who prefer personal support, microbusiness owners, and individuals with past credit difficulties. By providing simple, accessible and affordable credit, we help people navigate daily financial challenges and build greater financial confidence.

As customer expectations evolve, we continue to expand financial inclusion by adopting new technologies and diversifying our proposition for those who prefer digital journeys – from mobile apps to faster onboarding and real-time communication. Yet we are still a business driven by people, not just technology: our customer service advisers and customer representatives bring the empathy, clarity and personalised support that many customers value most.

Our Customer Promises define the experience we strive to deliver: flexible products that adapt to individual circumstances, transparent information with no surprises, a sense of being valued, support when situations change, personal guidance from our advisers, and timely access to funds. These commitments guide every interaction and reflect our responsibility to treat customers with fairness, respect and care while helping them access credit in the way that works best for them.

Delivering for our customers in 2025

We continued to evolve our Think Customer programme as a key component of our Next Gen strategy and how we operate. What began as a home credit-focused initiative has now been scaled across all our divisions and embedded into every market, driving our vision to deepen customer relationships, deliver high-quality experiences and keep customers at the heart of everything we do. By uniting our teams, data and customer insight, we are building integrated connections between delivering great service and driving sustainable growth. We are also ensuring that customer experience drives loyalty and long-term performance.

Customer service quality training

As part of strengthening our customer experience capabilities, we enhanced service training across all Provident markets in 2025. We delivered face-to-face sessions in Romania, engaging over 150 colleagues, with further in-person workshops rolled out in Hungary. We also refreshed online training in the Czech Republic. These sessions focused on embedding consistent service behaviours, improving the quality and clarity of customer interactions, and ensuring our field teams feel confident supporting customers' needs. Ongoing refresher modules will continue to drive consistency, elevate service standards and help us build deeper, more trusted customer relationships.

Extending mobile customer apps across markets

We accelerated mobile innovation during the year by extending our customer app roadmap across Europe. The rollout is being phased to ensure stability and strong user experience. In Hungary, 'family and friends' testing began during 2025, with rollouts in the Czech Republic and Romania scheduled to reflect lessons learned during the pilot. These enhancements strengthen digital accessibility and offer customers more convenient ways to manage their credit.

Refreshing our Heartbeat insights

In 2025, we completed a major refresh of our Customer Journey Heartbeat programme across Romania, the Czech Republic, Poland and Hungary, gathering feedback from more than 4,000 customers to understand what truly drives trust, transparency and feeling valued. The findings mark a clear shift from functional trust to emotional trust, with customers placing greater emphasis on fairness, empathy and how they are treated. We saw strong gains in transparency and fairness, alongside a 66% improvement in delivery across key touchpoints compared with our 2023 baseline, helping shape updated training, communication flows and service standards more closely aligned with customer needs. Insight presentations and planning workshops are now underway to embed these learnings and strengthen emotional connections in every customer interaction.

Building customer value

At the heart of our approach is a simple belief: real value is created when our colleagues connect with each other and with our customers. In 2025, our Think Customer programme included a series of practical initiatives to help colleagues stay closer to the people we serve.

- **Close to Customer days** to strengthen understanding of customer needs.
- **Customer home visits with customer representatives** to build a clearer picture of their day-to-day needs.
- **Call-listening sessions and real-time feedback dashboards** to support fast learning and improvement.
- **Mystery shopping with coaching** to enhance service quality and consistency.
- **Customer Heroes recognition programme** celebrating colleagues who go the extra mile.
- **Internal engagement campaigns** to share insights widely and turn learning into action.

These actions are delivering measurable impacts and are helping customer experience to become a shared, daily habit across our business.

Building impact through connection

Through the Think Customer programme, we are also strengthening collaboration between head office teams and sales teams to better serve our customers. By embedding empathy and feedback into everyday work, colleagues across all our functions gain a clearer understanding of our customers' realities and needs. Initiatives such as call centre listening sessions provide valuable feedback, and customer home visits with customer representatives allow colleagues to experience day-to-day interactions firsthand, helping them identify practical ways to simplify processes, resolve issues faster and improve service quality. Internal engagement campaigns also help share these insights across teams, ensuring that learning turns into action.

Every story matters

Keeping our focus firmly on customers, we launched our Customer Book featuring 365 real-life stories of those served by our Provident Europe division, one for each day of the year. Each story captures the human connection behind every loan we serve, the trust we build, the moments that matter, and the difference our support makes to our customers' lives. More than a collection of testimonials – it's a daily reminder that every interaction matters.

Excellence in customer service

Provident Hungary was recognised for the eleventh consecutive year in the national Excellence in Customer Service competition, winning the large-enterprise award for personal customer service alongside major international brands.

89%
Customer satisfaction

+71
Net Promoter Score

Advancing financial inclusion through digital transformation

As customer expectations evolve, we continue to broaden access to our services by strengthening the digital channels our customers use most. A growing share of interactions now take place online or through mobile devices, and we are enhancing these touchpoints to make it easier for customers to contact us, manage their accounts and stay informed throughout their journey.

In Mexico, we introduced WhatsApp as an additional communication channel, giving customers an easy way to reach us and receive information. We also expanded web chat support in Hungary, and in Romania and the Czech Republic we now provide web chat with automated self-service options for completing common tasks, so customers don't need to wait to speak to a customer adviser. These enhancements support a more accessible and flexible customer experience, offering digital options for those who prefer them while complementing the personal support that remains central to our model.

In Provident Mexico, we piloted the digitisation of repayments to give customers more convenient, flexible ways to stay on track with their loans. By expanding our cash-in network through new partners and introducing secure digital payment links for debit card payments, we are widening access to simple self-service options. We also ran a pilot enabling field teams to take payments using mobile point of sale devices, making it easier for customers to pay in their preferred way. Early results indicate improvements in customer experience, collections and lower operational costs.

In Romania, we continued to strengthen our fully digital lending proposition, supported by increased marketing investment. Within IPF Digital, we began enhancing mobile wallet functionalities, informed by extensive customer analysis, to provide greater control, clearer visibility and more self-service options. These developments reflect our ongoing commitment to making our products easier to use while supporting customers in the way that best suits their needs.

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 in our markets. 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 market information 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 Provident 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.

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 2025 was low. In 2025, complaints totalled approximately 76,000 (2024: 60,200), representing 4% of active customers and the average resolution time was 9 days (2024: 8 days). In 2026, we will continue monitoring complaints trends and addressing root causes to enhance the customer experience.

Looking ahead

In 2026, we will continue to evolve the Think Customer programme to strengthen trust and deepen our culture of care. We will focus on improving our digital experience for customers, expanding our mobile app functionality and using AI to share feedback instantly across our customer service centres so we can act faster, especially when things don't go as smoothly as expected. Insights from our refreshed Customer Journey Heartbeat will help each market create tailored action plans and shape how we respond to customer needs.

We plan to bring our Customer Book stories to life in colleague training, helping to keep customers visible in everyday decisions. We will also explore how customer experience drives business performance, linking service quality more closely to delivering growth.

Finally, we will continue to celebrate customer connection and teamwork through customer experience days and by recognising our Customer Heroes – keeping us close to the customers we serve and making IPF an even more customer-centred business.

Romania customer experience in action outcomes

100
colleagues spent a day in the field or Contact Centre through our Close to Customer activities.

65
sales and service colleagues were recognised for outstanding contributions to customer experience.

1,500
loyal customers received appreciation gifts, delivered with support from 140+ colleagues.

Our 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.

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

- Biannual stakeholder update
- Workforce Engagement Director meetings with colleagues
- Remuneration discussions with Board members
- Skip-level Board dinners
- Colleague metrics and updates included in the CEO's report discussed at every Board meeting
- Twice-annual HR strategy sessions at Board meetings including review of Global People Survey results
- Review of double materiality assessment results
- Talent and succession reviews by Nominations and Governance Committee
- Reviews by the Remuneration Committee of workforce policies and practices
- Non-executive director participation in our Annual Learning Festival
- Workforce policy reviews by Remuneration Committee

Outcomes from feedback to the Board

- Feedback from workforce engagement sessions on remuneration helped inform discussions on wider workforce remuneration policies
- Global People Survey feedback considered as part of the Board approved HR Strategy

Our 20,000+ colleagues are the driving force behind our continued success. Every day, they bring energy, skill and purpose to delivering affordable, accessible and responsible financial services that make a real difference to our customers' lives. Their dedication enables us to support communities that are often underserved by traditional lenders. In return, we create an inclusive and supportive environment where colleagues can thrive, contribute and reach their full potential. Our people strategy focuses on attracting, developing and rewarding diverse, high-performing teams who are inspired by our purpose and committed to our long-term success.

Our people's voice

In 2025, we strengthened the connection between our people and our purpose, building on the strong foundations established through our Next Gen organisation pillar. The latest Global People Survey (GPS), completed by more than 17,600 colleagues, reflected this progress with an exceptional 91% participation rate. Overall positive sentiment among employees reached 79.5% (2023: 77%), while customer representative sentiment was maintained at an excellent 81%, highlighting the depth of engagement and pride across our global teams.

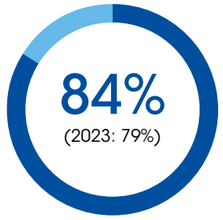
The GPS explores four dimensions – pride, care, challenged and inspired – providing valuable insight into how our people experience purpose, leadership and inclusion at IPF. Results reaffirmed our colleagues' strong connection to our purpose and values, with sentiment improving across every dimension for employees compared with our previous survey undertaken in 2023. This demonstrates a culture in which colleagues feel valued, supported and inspired to make a difference.

Across all our divisions, colleagues continued to share feedback directly with leaders through open forums, townhalls and business updates. This two-way dialogue reinforces our culture of openness and respect, reflecting our values of being straightforward, responsible and respectful. We also uphold the right to freedom of association and collective bargaining in every market where we operate.

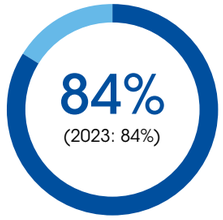
Strong engagement continues to drive customer satisfaction and strengthen the link between how colleagues feel and how our business performs.

2025 Global People Survey highlights

Pride



Employees

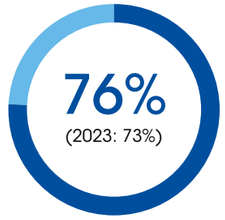


Customer representatives

Our view

Pride in working for IPF remains one of our strongest cultural indicators. Colleagues continue to express confidence in our purpose of building a better world through financial inclusion, and responsible lending. This year's results show a significant increase in employees' pride in, and connection with, our purpose. We will continue to build on this through visible leadership, local recognition programmes and clear communication of how every role contributes to customer success and Group performance.

Care



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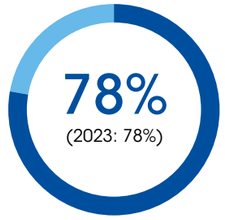
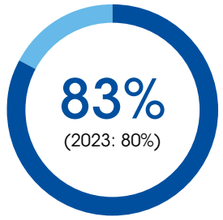


Customer representatives

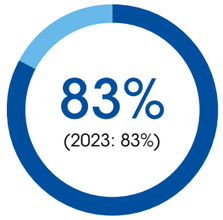
Our view

Colleagues appreciate the continued focus that we place on wellbeing and psychological safety. The improvement in this score reflects the positive impact of our Global Care Programme and local mental health initiatives. We will continue to strengthen support for leaders to have meaningful wellbeing conversations and ensure that our care programmes evolve to meet the changing needs of our colleagues across all markets.

Challenged



Employees

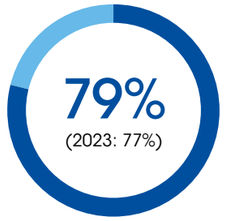


Customer representatives

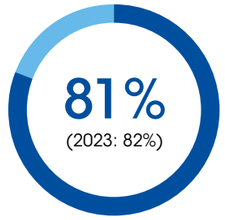
Our view

Colleagues feel increasingly motivated by their work, reflecting greater empowerment and trust in local teams. The increase in this score shows that our focus on leadership capability, digital transformation and clear performance goals is helping colleagues feel challenged in a positive way. We will continue to invest in developing leadership and management skills to maintain this momentum and ensure that all colleagues have the tools and confidence to succeed.

Inspired



Employees



Customer representatives

Our view

This score reflects continued alignment with our values of being responsible, respectful and straightforward, alongside strengthened confidence in our purpose-led culture. Colleagues are inspired by our Next Gen strategy and by the opportunities created through technology and collaboration. We will continue to share success stories, promote learning opportunities and celebrate the impact our people have in delivering financial inclusion for millions of customers worldwide.

Overall summary

This year's Global People Survey results show continued strong engagement across the Group. Employee sentiment strengthened in areas linked to pride, growth and feeling cared for, and customer representatives again delivered high scores, reflecting the positive impact of our investment in belonging, wellbeing and capability.

Across Provident Europe, colleagues valued clearer communication, meaningful recognition and stronger leadership support. Actions for 2026 will focus on further increasing leadership visibility, broadening opportunities for feedback and simplifying processes to help colleagues perform at their best.

Within IPF Digital, flexibility, digital learning and wellbeing support were particular strengths. The 2026 plan builds on this by expanding digital learning pathways, deepening development opportunities and strengthening connection across markets.

In Provident Mexico, colleagues and customer representatives reported high levels of pride, purpose and commitment.

Building on this momentum, the leadership team has agreed a country-wide plan centred on care, inspire and challenge, including enhanced field visibility, quarterly town halls and a stronger focus on recognition and development.

These actions form a strong foundation for our 2026 engagement priorities as we continue to build connection, inclusion and performance across the Group.

Participation

91%

Positive sentiment

79.5% Employees

81% Customer representatives

Caring for our colleagues' wellbeing

In 2025, we continued to strengthen colleague wellbeing and psychological safety as part of our Next Gen organisation ambition to be a great place to work, where care is reflected in how we support, listen to and value our colleagues. We embedded our wellbeing framework across all markets, and this approach was recognised externally through certification confirming alignment with ISO 45003 guidance.

We expanded access to emotional and psychological support, and continued to build early-intervention pathways so colleagues can get the right help at the right time. We also introduced foundational learning on psychological safety to help everyone understand what it is and why it matters. In 2026, we will extend this work by supporting leaders to bring these behaviours to life in everyday work. Throughout 2025, colleagues across all our markets took part in wellbeing activities that helped people feel connected, encouraged, and supported – reinforcing a culture of care at the heart of how we work together.

Launch of Línea Cuidándote care line

To mark World Mental Health Day, Provident Mexico launched Línea Cuidándote, a confidential emotional support line for employees and customer representatives. The service provides professional psychological support for personal and workplace challenges, reducing stigma around seeking help and supports a culture of openness, empathy and psychological safety. More than 40 colleagues called the helpline during this first 20 days of operations, demonstrating strong awareness and trust in the service, and its importance in supporting mental health across the organisation.

Mental Health Day, Mexico

ProviFest

Provident Romania hosted ProviFest, a national wellbeing and culture event attended by 350 colleagues, featuring workshops on empathy, inclusion, personal expression, resilience and cultural heritage. With more than 900 workshop participations and strong positive feedback, the event created meaningful connections and strengthened belonging and psychological safety at work.

Colleagues in Romania taking part in ProviFest

Supporting connection and shared understanding

Supporting colleague wellbeing goes beyond individual initiatives and relies on creating connection, shared purpose and consistency across the Group. In a geographically diverse organisation, this helps ensure colleagues feel supported, informed and part of a wider community. Our Global Care Team plays a central role, maintaining a consistent focus on wellbeing across all our markets. Regular Global Care newsletters keep colleagues informed, celebrate good practice and reinforce a sense of belonging.

Transformation and resilience support

In 2025, we introduced a transformation initiative to help colleagues navigate change with confidence. Communication campaigns and resilience workshops focused on practical ways to help colleagues adapt, manage uncertainty and sustain wellbeing during periods of transition.

Togetherness Day

Our annual Togetherness Day brought colleagues together around three themes – Care for Me, Care for My Team and Care for Others. Through personal storytelling, conversations about psychological safety, and volunteering activities, the event strengthened belonging and shared purpose.

Psychological safety awareness

We introduced foundational learning on psychological safety to build understanding of what it is and why it matters. In 2026, we will build on this by strengthening leaders' capability to create environments where colleagues feel safe to speak openly, learn and grow.

Building an inclusive and diverse culture

We are committed to fostering a culture where every colleague feels they belong and can thrive.

With operations across Europe, Mexico and Australia, local recruitment remains a cornerstone of our people strategy. With more than 7,850 new colleagues joining IPF in 2025, we continue to invest in local talent to improve customer experience and drive business growth.

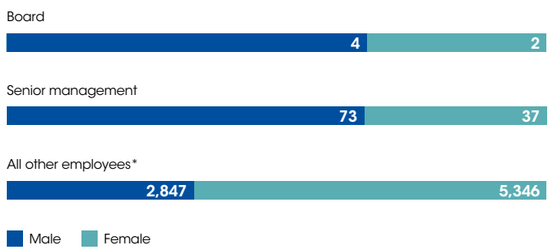
Our Global Code of Ethics provides the foundation for our inclusive and respectful culture. It defines the standards of behaviour expected of everyone who works for or with IPF, and underpins our Responsible Business Framework. The Code sets clear expectations on equality, non-discrimination and respect, and applies consistently to all colleagues, customer representatives and contractors across our markets.

A highlight of the year was our 11th annual Ethics Week, which brought together colleagues from every division to reflect on our values that guide how we work – acting responsibly, treating others with respect and being straightforward in everything we do. Through discussion forums, case studies and mandatory e-learning modules, Ethics Week helps colleagues apply ethical decision-making to real situations, strengthening integrity and inclusion across our business.

Building on this foundation, our Diversity and Inclusion Policy reinforces these principles with a zero-tolerance approach to discrimination, bullying and harassment. It is supported by clear reporting channels and confidential whistleblowing processes that protect colleagues from any detrimental treatment or retaliation and ensure all concerns are investigated fairly. These actions strengthen our commitment to diversity and equal opportunity, supporting our broader sustainability and workforce reporting.

Gender split of employees

at 31 December 2025



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

Our diverse culture

In 2025, Provident Mexico expanded its Power of Women programme to support career progression and leadership development. More than 90 participants completed tailored learning modules on building confidence, resilience and personal growth. As a result of this programme, women now represent over half of all Development Managers in Mexico. The programme also created new opportunities for shared learning through sessions like the Circle of Allies, where three of our female directors discussed their personal experiences and leadership journeys. Together, these initiatives helped women across the business develop new skills and progress their careers.

Our business in Romania became one of the first companies in the country to be accredited as a Best Inclusive Workplace. The team also co-hosted Romania's largest diversity and inclusion event helping to advance inclusive practice nationally.

Women now represent over 50% of our 1,050 Development Managers in Provident Mexico

Developing skills and growing potential

In 2025, we advanced the digital transformation of learning, strengthened leadership capability across all markets and accelerated upskilling to prepare our people for the future. Our focus remained on creating inclusive, impactful and future-ready learning experiences that drive performance, agility and leadership strength. Investing in our people builds the skills and mindset needed to deliver outstanding results and supports our commitment to responsible business.

Colleagues across all markets took part in a wide range of learning experiences designed to connect people, ideas and leadership excellence. Highlights included our fifth Global Learning Festival, which generated over 4,500 session attendances across a wide range of topics, as colleagues and customer representatives explored areas such as AI, cultural awareness and collaboration. We also enhanced our Senior Leadership Development Programme, delivered with LinkedIn Learning, to build strategic, commercial and future-ready skills consistently across the Group.

In Provident Mexico, refreshed content within our Leadership, Commercial and Estrellas Academies supported performance and engagement, while gamified and hybrid learning made development more accessible and engaging. In Provident Europe, our MyBusiness Programme equipped over 650 colleagues with the skills and confidence to lead effectively, supported by stronger regional alignment and harmonised learning frameworks.

We continued to strengthen how we measure the impact of learning by linking development outcomes to business KPIs, demonstrating the value of our investment in capability building. We also launched pilot projects using AI and digital avatars to create more adaptive and engaging learning experiences. Development activity is integrated with succession planning to ensure a sustainable talent pipeline and strong leadership capability across all markets.

By continuing to invest in learning, leadership and career development, we are building a capable, connected and confident organisation – one that reflects our values, advances opportunity and supports IPF's long-term success.

Estrellas Pathway to Excellence

In 2025, Provident Mexico launched Estrellas Pathway to Excellence, a flagship development initiative focused on strengthening capability, engagement and customer experience across our customer representative workforce. Known in Mexico as Estrellas, these colleagues form the backbone of our service and play a critical role in how we support customers in the market.

Developed through research, interviews and workshops with Estrellas in six cities, the programme addresses key pain points across the full colleague journey from attraction and onboarding through to performance, incentives, development and recognition.

Delivered through our established Estrellas Academy, the programme offers tailored learning pathways focused on sales excellence, customer care, digital tools and ethical conduct. It also strengthens peer-to-peer support and community among Estrellas. Early results are strong: 85% of participants improved productivity and reported increased confidence in their role. Supporting more than 9,000 Estrellas nationwide in Mexico, the framework is now a model for capability development and professional growth across the Group.

85% of Estrellas taking part in our Pathway to Excellence programme improved productivity

Rewarding performance and purpose

Our approach to reward supports both individual performance and strengthens our commitment to financial inclusion. We want colleagues to feel valued for the vital role they play in enhancing customer experience, driving our growth ambitions and helping to shape the future of IPF through the delivery of our Next Gen strategy.

In 2025, we continued to strengthen the link between pay, performance and purpose. Our total reward framework is designed to be fair, transparent and competitive. It supports colleague wellbeing while driving sustainable business performance. We apply consistent reward principles across all divisions, centred on fairness, transparency and alignment between performance and reward, ensuring equity with market practice and our values of being responsible, respectful and straightforward.

We review and refine our incentive structures regularly to promote sustainable growth and inclusive leadership across the Group. In support of our purpose and sustainability commitments, the objectives of our executive and senior leadership include both financial and non-financial measures. The non-financial measures reflect our people and culture priorities – including colleague engagement, leadership behaviour and capability development – and are linked explicitly to operating in a responsible, respectful and straightforward way.

As a UK Living Wage-accredited employer, we remain committed to fair pay and good working conditions across all our markets. We review reward structures regularly to ensure they are transparent, competitive and aligned with the needs of our colleagues. For employees, our fair pay principles include ensuring pay meets or exceeds statutory minimum wage requirements in every market, benchmarking salaries against industry standards, supporting healthy working patterns and providing paid annual leave. This approach helps us create a consistent, fair and inclusive experience across the Group.

Regular performance discussions ensure that colleagues receive constructive feedback and recognition while identifying future growth opportunities. This approach keeps performance management and development closely connected to our values, purpose and commitment to fairness.

Our total reward approach also reflects our commitment to core labour rights, including freedom of association and the right to collective bargaining, which underpin our fair employment practices globally.

Looking ahead

In 2026, we will continue to strengthen leadership capability, modernise how we work and ensure IPF has the talent, systems and culture to deliver sustainable growth. Our priorities will include:

- continuing to build a great place to work by maintaining the high engagement and wellbeing levels reflected in our 2025 Global People Survey, deepening leadership capability, and embedding consistent, values-based people practices across all markets;
- improving organisational effectiveness by modernising processes, and harnessing data and technology to enhance decision-making, collaboration and accountability. The introduction of ONE IPF, our new ERP system, will integrate HR, Finance and procurement operations, standardise analytics across divisions and create a more agile, efficient and connected organisation;
- strengthening our approach to psychological wellbeing by embedding our framework into everyday leadership and teamwork practices, and enhancing early-support pathways and building manager capability through training to ensure colleagues feel supported in the moments that matter; and
- ensuring future-ready talent by expanding access to digital learning, leadership pathways and succession programmes that build capability, foster internal mobility and equip colleagues to deliver sustainable growth.

These priorities underpin our commitment to responsible business and the European Sustainability Reporting Standards (ESRS), while building a connected, capable and inclusive organisation – one that delivers on our purpose and helps build a better world through financial inclusion. For more information on our workplace disclosures see the CSRD section from page 76.

Our suppliers

FI O TD

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.

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

- Biannual stakeholder update
- Approval of key supplier contracts
- CFO report to the Board highlights material supplier performance issues
- Review of modern slavery strategy and supply chain risks
- Review of double materiality assessment results

Outcomes from feedback to the Board

- Feedback from the supplier evaluation process and due diligence assisted in the development of a third-party risk matrix.

Our ability to operate effectively and deliver for our customers depends on strong, trusted relationships with our suppliers. In 2025, we worked with almost 3,000 suppliers worldwide and spent around £200 million across key categories such as media, digital marketing, IT hardware and software, facilities and car leasing.

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. The Group's Responsible Procurement Policy and Group Procurement Standards document the minimum standards for procurement function 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:

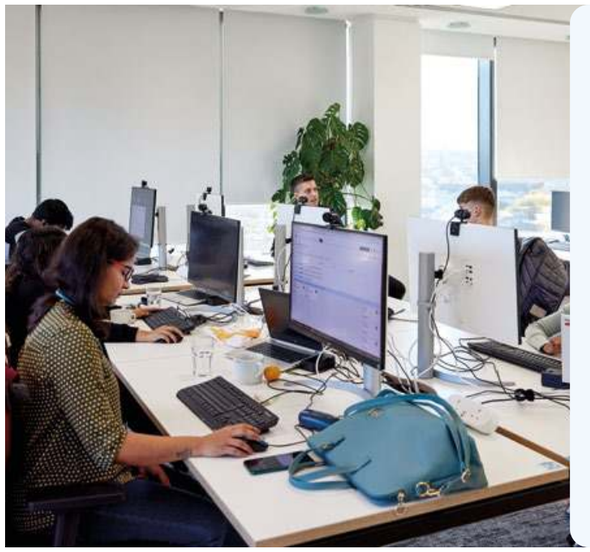
- Social responsibility: mitigating the risk that suppliers do not comply with international labour standards, including fair wages, safe working conditions, non-discrimination, and prohibition of child or forced labour, and promoting respect for human rights aligned with the United Nations Guiding Principles on Business and Human Rights throughout the Group's supply chain;
- Ethical governance: ensuring that procurement and outsourcing decisions are made with transparency, accountability, and ethical considerations. Critical and strategic suppliers must demonstrate appropriate anti-corruption and anti-bribery measures, ensure data protection and information security across outsourced operations and demonstrate good business ethics and accountability; and
- Environmental responsibility: looking to engage with suppliers who demonstrate environmental responsibility by reducing environmental impact, for example, through reductions in greenhouse gas emissions, supporting nature and reducing the use of resources. The Group Responsible Procurement Policy is approved by the Chief Financial Officer.

Creating a sustainable supply chain

In 2025, we introduced a new Group Responsible Procurement Policy to ensure that our supplier relationships create sustainable value while delivering competitive advantage through strategic sourcing, risk management, and the delivery of high-quality goods and services at the lowest total cost. As a leading provider of financial services for underserved communities, we recognise the importance and impact of our supply chain. We are committed to sourcing goods and services responsibly and in full compliance with regulatory requirements, while ensuring data protection, cybersecurity and digital operational resilience, promoting sustainability, respecting human rights and upholding the highest ethical standards. The new Group Responsible Procurement Policy integrates ethical, environmental, social and governance principles into all our procurement processes alongside high standards of data protection, privacy, cybersecurity and digital operational resilience. Together with the Group Procurement Standards and ICT Third-Party Risk Policies, it ensures that all procurement and outsourcing activities across the Group contribute to environmental sustainability, social responsibility and robust governance while complying with operational and regulatory requirements.

Following the introduction of the new Group Responsible Procurement Policy, our Group Procurement Standards were updated to fully integrate its commitments into our sourcing processes and supplier management procedures. Key changes included:

- Supplier Segmentation Standard: Updated to broaden the definition of critical suppliers in line with European Bank Association guidelines for outsourcing services and the Digital Operational Resilience Act (DORA) definition of critical functions and processes;
- Sourcing Standard: Enhanced by introducing obligatory due diligence procedures as part of the supplier selection process for all our critical suppliers. All sourcing activities are now aligned with an updated list of internal policies including the Anti-bribery and Corruption, Conflict of Interest, Data Protection, Gifts and Hospitality, Human Rights, ICT Third-Party Risk Management, Information Security, Modern Slavery, and Whistleblowing policies; and
- Supplier Risk Management Standard: Strengthened by adding an annual Supplier Risk Assessment as an obligatory step in our supplier evaluation process. The assessment now monitors a wider range of potential risks including conflict of interests, concentration risk, strength of exit strategy, ICT resilience risk, business continuity, sustainability and reputational and financial risks. Additionally, a Supplier Sustainability Assessment has become mandatory for all critical suppliers.



New Supplier Code of Conduct

We can only achieve our purpose of extending financial inclusion by working in partnership with our suppliers. To reinforce this partnership, in 2025 we created and introduced a new Supplier Code of Conduct, which sets out the principles and standards we expect all our suppliers, contractors and business partners to follow.

Aligned with internationally recognised good practice, including the UN Global Compact principles, the Code is part of our shared journey of continuous improvement and covers key areas such as:

- Labour and Human Rights including child and forced labour, wages and benefits, working hours, disciplinary practices, non-discrimination, freedom of association;
- Health and safety;
- Environment;
- Ethics and Integrity including anticorruption, business integrity, conflict of interest, confidentiality and data protection;
- Responsible sourcing; and
- Reporting concerns.

Engaging with suppliers

Our procurement teams engage with suppliers through clearly defined processes and channels, with particular focus on those classified as strategic and critical under our Supplier Segmentation Standard. The segmentation process is reviewed annually and, in 2025, identified 136 critical suppliers. Procurement engagement with suppliers is precisely defined in Supplier Operational Management, Supplier Relationship Management and Supplier Risk Management Group Procurement Standards. As of 2025, all critical suppliers are subject to a documented Supplier Evaluation Process, including annual risk and sustainability assessments, with new due diligence procedure introduced for suppliers defined as outsourcers under European Banking Association guidelines.

Modern slavery and human rights remain the most significant sustainability risks within our supply chain. Building on our comprehensive 2024 assessment, we refined our supplier segmentation criteria to better identify and manage these risks. In 2025, 31 suppliers were classified as critical from a human rights and modern slavery perspective and were assessed through our enhanced supplier risk process.

In 2025, we also engaged 63 suppliers across all markets as part of our double materiality assessment process. Their strong participation via a survey supported the prioritisation of the most important sustainability-related topics, and reflected high engagement and shared commitment to responsible and sustainability business practices.

The introduction of our new Group Responsible Procurement Policy and updated Group Procurement Standards at the start of 2025 launched a significant programme of new obligations and activities. During the year, we completed 26 due diligence reviews for key suppliers supporting critical or important functions, including those classified as outsourcers under the European Banking Authority definition. A further 95 critical suppliers underwent our enhanced Supplier Evaluation process – covering risk assessment and sustainability checks. Together with insights gathered through due diligence, this work enabled us to build a global Third-Party Risk Matrix, giving us much clearer visibility of potential risks and helping us shape effective mitigation plans to strengthen operational resilience.

Looking ahead

Building on this progress, we plan to extend due diligence to all critical suppliers over the next two to three years, introduce a formal supplier audit procedure, and conduct our first audits. We will also continue to embed our new Supplier Code of Conduct through regular engagement and meetings with suppliers.

Our 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.

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

- Biannual stakeholder update
- Visits to community investment projects
- Updates included in CEO report to the Board
- Review of double materiality assessment results
- Updates from the Corporate Affairs Director on the Invisibles Programme
- Biannual Board stakeholder updates

Outcomes from feedback to the Board

- Feedback from the communities helps inform our Invisibles programme throughout the year.

We play an active role in supporting the social and economic wellbeing of the communities where we operate. Our focus remains on helping people who face barriers to financial inclusion – listening to their stories, supporting education and creating opportunities that promote lasting financial resilience. In 2025, we strengthened our community impact through increased investment, volunteering and partnerships, with all markets uniting behind our flagship Invisibles programme. This global initiative continues to highlight and support people whose contributions to society often go unseen, combining financial support, practical assistance and employee volunteering to make a measurable difference in local communities.

Our community strategy is centred on three pillars:

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

In 2025, our community investment exceeded £500,000, with more than 4,000 colleagues contributing over 12,000 hours of volunteering to support local initiatives across our markets.

Our Invisibles programme

We understand that financial vulnerability – often driven by economic inequality – remains a major barrier for many people, and we have a responsibility to help address it. Our Invisibles programme was established to shine a light on groups who are underserved by financial services and to provide them with meaningful support.

The programme comprises four key steps:

1. **Identify:** Independent third-party research in each market helps us pinpoint underbanked groups and understand the specific challenges they face.
2. **Highlight:** We share these findings publicly to raise awareness of the issues and what they mean locally.
3. **Engage:** We work with stakeholders to explore practical actions that could improve outcomes for the groups identified.
4. **Help:** We partner with relevant NGOs to deliver targeted assistance and support to selected vulnerable groups.

Our Invisibles programme remained the flagship of our community activities in 2025. We continued some of the most successful projects in established markets while launching new initiatives elsewhere. As the programme matures, we are increasingly able to share learnings and apply best practices across the Group, strengthening its impact year by year.

Community investment in 2025

£500,000
invested in our community investment

4,000
colleagues contributions

12,000
hours of volunteering to support local initiatives across our markets

Relaunching Invisibles to reach more people

In the Czech Republic, where our Invisibles programme was first introduced five years ago, we relaunched the initiative in 2025 drawing on updated research that identified four major groups at risk of financial exclusion: senior citizens, informal carers, social workers and experienced people aged 50+ who are unemployed. The renewed focus is on providing practical help and raising awareness of the challenges these groups face. Working with NGO partners, we delivered on-the-spot financial education, offered assistance through our Invisibles website and supported clients in vulnerable situations. The relaunch aims to give a stronger voice to these communities and inspire greater understanding among the public and policymakers.

Helping Invisibles build resilience and opportunity

Our partnership with the NGO Hungarian Interchurch Aid continued to provide practical support to people in need and promote responsible financial habits. Alongside financial education programmes for the NGO's clients, we helped launch a small-scale farming initiative that enabled 130 rural families to grow their own food and build self-sufficiency. We also supported disadvantaged children through the Dream Championship football project, which offered summer training and mentoring. The programme concluded with a final match at the Ferencváros training centre, giving children the chance to meet professional players – a memorable moment that reinforced themes of opportunity, teamwork and inclusion.

Making Invisibles visible through art in Romania

In Romania, the focus was on raising national awareness of Invisibles in this market and their everyday struggles. The Romanian team partnered with a group of artists to create an interactive street installation symbolising the Invisibles – giving them a public presence and a voice in the heart of communities. The installation toured around the country, attracting thousands of visitors and encouraging dialogue on financial and social inclusion. A QR code displayed alongside the installations directed viewers to the Invisibles website, inviting them to learn more and share their stories. The campaign aims to reach one million visitors online, amplifying the visibility of those too often overlooked.

Empowering women through research and partnership

In Mexico, our Provident and digital teams collaborated on a study to understand the barriers faced by women excluded from the formal financial system. The findings were presented at a national press conference, helping draw attention to the challenges experienced by thousands of women across the country. To support lasting change, our Mexico home credit business also entered into partnership with UN Women, creating a platform for joint action and advocacy. As part of this collaboration, we are supporting the financial education of 1,500 women in Mexico and developing a new training model for 150 of our customer representatives covering financial skills, digital tools, leadership and community development. The partnership also includes work on preventing violence against women and, from 2026, the introduction of the UN Women's Gender Gap Analytic Tool to identify further opportunities to improve employee wellbeing.

Supporting communities through volunteering

Volunteering is an important part of how our colleagues contribute to the communities we serve. Thousands of employees give their time each year – both during working hours and in their own time – supporting projects ranging from financial education and youth programmes to environmental initiatives. Our efforts come together during our annual Volunteer and Financial Inclusion Month each May, when nearly 2,500 colleagues took part in 85 projects that benefited around 250,000 people and raised more than £100,000 in 2025. These activities not only deliver meaningful local impact but also strengthen teamwork, engagement and pride across the Group.

Building empowerment through financial education

Alongside our Invisibles programme, we continue to invest in financial education initiatives that help people take control of their financial lives. Financial literacy is a foundation of financial inclusion, enabling individuals to manage money confidently, make informed decisions and strengthen long-term wellbeing. Research across our markets shows that access to formal financial education remains limited and that many people are eager to improve their knowledge of budgeting, responsible borrowing and saving. In response, we expanded our activities in 2025 with practical initiatives such as a Financial Academy for seniors delivered in three Hungarian towns, participation in Global Money Week, and targeted financial education programmes rolled out across our IPF Digital markets. These initiatives also create valuable opportunities for colleagues to volunteer and share their expertise with people who are financially vulnerable.

Financial education made easy

Provident Romania strengthened its role in supporting customers' financial wellbeing by sharing simple and accessible financial education content, providing practical guidance on budgeting, managing household expenses, understanding loan costs and repayment obligations, and making informed financial decisions. This content is designed to be easy to understand and relevant to everyday situations, helping customers gain confidence in managing their money and using credit responsibly.

ProviRun and activity challenges

ProviRun events once again brought colleagues together across all Provident markets and at our Leeds head office. More than 2,000 participants – including employees, friends and families – took part in runs, walks and activity challenges, raising nearly £40,000 for charities supporting children and families in vulnerable situations. Additional initiatives, such as IPF Digital's Kilometre Challenge and the UK Step Challenge, unlocked further donations for local NGOs and Invisibles projects, demonstrating the collective impact of our colleagues' commitment to community support.

Local action, global impact

Alongside Group-wide events, teams across our markets led their own volunteering activities tailored to local needs – from helping schools in the Czech Republic improve playgrounds and sensory pathways, to supporting foodbank operations in Mexico. These efforts reflect the commitment of our colleagues to make a meaningful difference in their communities, reinforcing our wider purpose of building a better world through financial inclusion.

Investors and ratings agencies

FI O

Why they matter

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

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, webinars and podcasts
- 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
- Recommended acquisition by IPF Parent Holdings Limited (BasePoint)

Outcomes from feedback to the Board

- Approved a share buyback following investor feedback on capital returns options; however, due to market volatility, subsequent share price recovery and possible offer activity, the programme has not yet commenced.
- Considered investor sentiment on returns, growth expectations and funding costs when approving strategy and budgets.
- Refined external messaging following themes from investor roadshows and other shareholder meetings.
- Incorporated debt investor insights into funding strategy and risk management discussions.

Our investors and the credit rating agencies that cover IPF play a vital role in supporting the Group's long-term growth and financial resilience.

We have a proactive investor relations programme to keep them fully informed about our business. Our CEO, CFO and Investor Relations team hold regular discussions with existing and potential investors, and the Chair and Committee Chairs meet major shareholders periodically to understand their views on governance, remuneration and strategic progress. Engagement also takes place through one-to-one and group meetings, results presentations, webcasts, our Annual Report and the AGM. We also provide opportunities several times a year for investors to ask questions or share feedback on areas such as performance, governance and risk management, helping to inform management decisions and enhance the quality of our reporting.

Engaging through podcasts

In 2025, we broadcast the second episode in our podcast series, giving investors deeper insight into our business fundamentals and priorities. This year's podcast featured CFO Gary Thompson discussing the drivers of IPF's accelerating growth, including the strength of our dual operating model, the role of customer representatives in managing credit risk, our financial model and enhancing colleague engagement.

Annual Report and recognition

Our Annual Report is a key channel for providing investors with a clear, balanced view of the Group's performance. Available in print and online, it is fully accessible to shareholders. The 2024 report received a commendation in the Investor Relations Society's Best Annual Report (Small Cap) award in 2025, following our win last year, reflecting our commitment to transparent reporting. We also engaged with our top 10 shareholders as part of the consultation on our new 2026 Remuneration Policy. For more information see the Directors Remuneration Report from page 152.

Looking ahead

We will continue to prioritise clear, consistent and proactive engagement with our shareholders and investors, in line with our obligations as a public company, ensuring they remain informed, heard and confident in our strategy to deliver sustainable growth and long-term value creation.

Regulators, politicians and non-governmental organisations (NGOs)

FI

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.

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

- Active membership of trade associations and cross-sector associations
- Contributing to public consultations
- Engagement on draft regulations with decision-makers
- Partnerships with NGOs
- Double materiality assessment

Board considerations of stakeholder interest

- Biannual stakeholder update
- Regulatory updates included in the CEO's report discussed at every Board meeting
- Regulatory and legal updates provided to the Audit and Risk Committee
- Review of double materiality assessment results
- Regulatory updates from the Corporate Affairs Director

Outcomes from feedback to the Board

- Feedback from regulators, politicians and NGOs is considered as part of the strategy review process and throughout all strategic decisions that are made by the Board.

We engage actively with governments, regulators and trade bodies on policy matters that affect our customers and the wider consumer credit sector. Our focus is on supporting fair, proportionate regulation that enables greater financial inclusion and responsible lending. Through our participation in industry associations and consultations, we share insights from our markets to help shape policy outcomes that benefit underserved communities and promote sustainable access to credit. 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; Hungarian Chamber of Commerce and Trade, 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.
- **Europe:** European Digital Finance Association.

All of our public policy engagements and lobbying are aligned with the Paris Agreement for direct lobbying 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 2025, we did not undertake any public policy advocacy activity concerning climate 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 2025 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 2025, our key areas of focus with governmental and regulatory bodies has been focused on:

- the European Union's Consumer Credit Directive – following the Directive entering into force in November 2023, in 2025 we focused on working with our associations and stakeholders on the local transposition plans;
- responsible lending – key areas of discussions included advertising rules, creditworthiness assessment general rules/guidelines in the area of responsible lending;
- financial inclusion – we organised and participated in a series of events with regulators and governmental stakeholders to promote the importance of financial inclusion. Additionally, public and media events around our Invisibles programme provided opportunities to raise the awareness of the subject; and
- the Invisibles programme – 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.

A particular focus for our advocacy efforts remains 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.

In 2025, we issued the IPF/Provident Compass, a booklet summarising key information about our business, our customers and questions frequently asked about our operations. The Compass has become instrumental in both our internal and external communication, providing our key stakeholders with a consistent and clear view about our operations and financial inclusion.

Looking ahead

In 2026, we will continue to support our Next Gen strategy by working closely with policymakers and industry stakeholders to help shape regulation that enables fair, responsible lending for all customers, particularly as new EU rules emerge. We will also deepen our partnerships with NGOs and community organisations to expand our Invisibles initiatives and financial education programmes – ensuring we keep championing inclusion and strengthening the communities we serve.

Engaging in the future of digital finance

In 2025, IPF Digital participated in a roundtable hosted by the European Digital Finance Association (EDFA) at the European Parliament in Brussels. The session brought together policymakers, regulators, industry leaders and innovators to discuss the future of Europe's digital finance landscape, with a particular focus on financial inclusion, regulatory frameworks and competitiveness. IPF Digital shared its perspective on the importance of proportionate, risk-based regulation and constructive collaboration between regulators and industry. The discussion highlighted a shared ambition to ensure that innovation in digital finance continues to broaden access, while delivering fair, transparent and responsible outcomes for consumers across Europe.

Engaging with policymakers and industry leaders on the future of Europe's digital finance landscape

Contributing to regulatory dialogue in the Czech Republic

In March 2025, Provident in the Czech Republic participated in the Den s Registry (Day with Credit Registers), hosted at the Czech National Bank, which focused on innovation, regulation and scrutiny within the credit finance sector. The event brought together banks, non-bank lenders, credit registries and regulators to discuss market trends, the use of artificial intelligence and increasing regulatory focus on consumer credit. We represented the non-bank lending sector in a panel discussion focused on the Consumer Credit Directive II transposition, including advertising standards, creditworthiness assessments and price caps. The discussion demonstrated our active engagement in shaping balanced, consumer-focused regulation.

Provident in the Czech Republic contributing to discussions on consumer credit regulation

Section 172 and Board decision-making

The Board of International Personal Finance plc (the Board) considers that it has, both individually and collectively, acted in good faith to promote the long-term success of the Company (and its Group) for the benefit of the members as a whole, while having due regard to (amongst other matters) factors (a) to (f) as set out in Section 172(1) of the Companies Act 2006 for the decisions taken during the year ended 31 December 2025.

Understanding and engaging with our stakeholders

As we continue to accelerate growth and the pace of change through our Next Gen strategy (see pages 4 and 11), stakeholder engagement remains central to our approach. The Board values stakeholders' perspectives and recognises their integral role in supporting our long-term, sustainable success. The Board has identified our key stakeholders to be our customers, colleagues, investors and rating agencies, suppliers, communities, and regulators and legislators. We maintain ongoing dialogue with these groups through a variety of channels, both directly and via regular reporting from business areas and Group functions to gain an understanding of what each stakeholder group values most. Insights from these engagements are integrated into decision-making processes to ensure that stakeholder interests are considered and balanced appropriately.

Our cultural values of being responsible, respectful and straightforward lie at the heart of how we operate and engage with our stakeholders. The Board is committed to ensuring these values guide decision-making, shape our workplace culture and influence how we interact with external stakeholders. By leading the way in fostering a positive culture, the Board aims to deliver long-term, sustainable benefits for the Group and our stakeholders. For more information on our culture and values see page 136.

Board oversight and governance

The importance of stakeholder considerations is embedded in our governance framework. Our Matters Reserved for the Board and Committee Terms of Reference reinforce the importance of the Board considering stakeholder views in its decision-making.

At each Board meeting, the Chief Executive Officer reports on how we have delivered value for our key stakeholders. Additionally, the Board receives detailed updates on stakeholder engagement twice a year, enabling a comprehensive understanding of their priorities and concerns. Our Board and Committee papers also include a dedicated section assessing the relevant impacts on stakeholders. These various stakeholder touchpoints informed Board discussions and shaped Board decisions to balance stakeholders' interests, where possible.

More information on how we engage with our stakeholders can be found on the following pages:

	Page
Customers	46
Colleagues	50
Suppliers	56
Communities	58
Investors and rating agencies	61
Regulators, Politicians and NGOs	62

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.

You can read more on how the Board had regard to each Section 172(1) factor, during the year, as follows:

s.172 (1) factor	Relevant disclosure	Page
A. The likely consequences of any decision in the long term	Our Strategy Our Business Model Operational Review Financial Review Our Financial Model	4 14 24 30 30
B. The interests of the Company's employees	Our Strategy Responsible Business CSRD Statement Employee Engagement Company Culture Diversity and Inclusion	4 42 92 50 136 53
C. The need to foster business relationships with suppliers, customers and others	Our Strategy Responsible Business CSRD Statement IPF in Society	4 42 103 66
D. The impact of the Company's operations on the community and the environment	Our Strategy Responsible Business Framework CSRD Statement	4 44 87
E. The desirability of the Company maintaining a reputation for high standards of business conduct	Our Strategy Regulators, Politicians and NGOs Whistleblowing Internal Controls and Risk Management Responsible Business	4 62 68 34 42
F. The need to act fairly as between members of the Company	Our Strategy Stakeholder Engagement	4 46

How the Board considers stakeholders in its decision-making

We have highlighted opposite, some of the key decisions made by the Board in 2025 and how stakeholders were considered during the process, including how the Board had regard to Section 172(1) considerations when discussing them. More information on other matters discussed by the Board during the year and the Board's approach to decision-making can be found on pages 134 to 135.

Enterprise resource planning system (ERP)

Decision

The Board approved the implementation of ONE IPF, a new ERP system to integrate and automate Finance, Procurement and HR processes, concluding that the long-term benefits in efficiency, data integrity, transparency and employee experience outweigh the time and financial investment required.

Outcome

Following Board approval, the Group entered into key third-party agreements to deliver ONE IPF, the ERP programme. Core Finance, Procurement and HR processes are being automated, and expected to improve data quality and visibility and strengthen efficiency, internal controls and decision-making.

Relevant S172(1) decision criteria

A, C, E

Relevant stakeholders

- Investors
- Colleagues
- Suppliers
- Regulators, politicians and NGOs

Balancing stakeholder impacts

Investors: The investment in ONE IPF is expected to deliver long-term value through enhanced operational efficiency, improved data quality, and better decision-making capabilities.

Colleagues: The system will reduce manual processes and support more streamlined workflows. The Board ensured that appropriate training and change management support would be in place to facilitate a smooth transition.

Suppliers: ONE IPF will introduce new procurement and data processes, requiring some suppliers to adapt to updated systems and interfaces. Potential disruption was considered and the importance of relationship management during the transition period with key suppliers was noted.

Regulators: The system enhances data integrity and auditability, supporting compliance and governance standards.

Link to strategy TD O

Double materiality assessment

Decision

As part of its commitment to responsible governance and long-term value creation, the Board reviewed and approved the Group's second double materiality assessment, identifying sustainability-related impacts, risks and opportunities (IROs) and supporting compliance with the CSRD to improve sustainability reporting.

Outcome

Having reviewed and approved the double materiality assessment, the results informed strategic decision making including a review of our 2026 strategic plan, and helped prioritise themes in our external reporting and broader stakeholder communication.

Relevant S172(1) decision criteria

A, B, C, D, E, F

Relevant stakeholders

- Customers
- Investors
- Colleagues
- Suppliers
- Regulators, politicians and NGOs
- Communities

Balancing stakeholder impacts

Customers: The Responsible Business Framework reflects a commitment to responsible and ethical practices, aligned with growing customer expectations on sustainability.

Investors: The assessment supports long-term value creation by identifying sustainability risks and opportunities with potential material financial impact..

Colleagues: Strategic initiatives include workforce development, diversity and wellbeing, ensuring employees are supported in adapting to evolving sustainability priorities.

Suppliers: The Group will collaborate with suppliers to promote responsible sourcing and ESG compliance across the value chain.

Regulators: The Board ensured alignment with CSRD and other regulatory frameworks, enhancing transparency and accountability in sustainability reporting.

Communities: The broader social and environmental impacts on local communities were considered.

Link to strategy O FI

Recommended cash offer

Decision

The Board considered and recommended to shareholders a cash offer for IPF by IPF Parent Holdings Limited (Basepoint). The Board's recommendation was made with a view to balancing financial value, strategic alignment, and long-term sustainability of the Company.

Outcome

Following Board consideration and approval of the cash offer, the proposed transaction is now subject to shareholder approval. If approved, it will then require financial regulatory, antitrust and foreign investment clearances before the Scheme is sanctioned by the Court.

Relevant S172(1) decision criteria

A, B, C, D, E, F

Relevant stakeholders

- Investors
- Colleagues
- Suppliers
- Regulators, politicians and NGOs

Balancing stakeholder impacts

Investors: The Board assessed the financial value of the cash offer against the long-term sustainability of the business, balancing certainty of value realisation with the inherent uncertainty of future returns.

Colleagues: The Board recognised potential impacts on employees, including organisational change and future employment conditions, and will continue to monitor these impacts and support a smooth transition.

Suppliers: The Board considered the importance of maintaining stable supplier relationships and contractual obligations.

Regulators: The Board ensured compliance with relevant legal and regulatory requirements, supported by independent advice, and recognised that regulatory engagement and approvals will be required in certain jurisdictions.

Link to strategy O FI

A The likely consequences of any decision in the long term	**D** The impact of the Company's operations on the community and the environment
B The interests of the Company's employees	**E** The desirability of the Company maintaining a reputation for high standards of business conduct
C The need to foster business relationships with suppliers, customers and others	**F** The need to act fairly as between members of the Company

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. 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 Group's Audit and Risk Committee receives bi-annual reports from the Chief Legal Officer on ethical issues.

The Board has oversight of the Code of Ethics and seeks to review this annually. The last review was carried out in February 2026. This year we have continued to implement and embed various aspects of the Code and supporting policies and procedures. In early 2026, we will undertake an effectiveness review of the Code and report on this to the Board together with proposed updates.

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. There were no material breaches of our Code of Ethics in 2025.

We revised our Code of Ethics in 2024 and the updated Code was approved by the Board, translated into local languages and cascaded throughout the business globally. We continued communications and training throughout 2025 to ensure high awareness and understanding of our Code which is divided into three pillars: Doing the Right Thing as a responsible business, as a responsible employer and as individuals. In September 2025, we held our eleventh 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 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 2025 which was designed to ensure that everybody across our business understands the key components of our Code of Ethics. In addition, 100% of our leadership team completed a supplementary module on ethics issues targeted at senior leadership. This training delved more deeply into issues which senior employees are well placed to identify, and the policies and processes in place to ensure colleagues know to respond.

97%
of all employees and customer representatives globally completed our online annual ethics training in 2025

100%
of our leadership team completed a supplementary module on ethics issues targeted at senior leadership

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. No violations of human rights were reported in 2025.

We undertake additional targeted due diligence on suppliers we assess to be high risk for potential modern slavery and human rights violations. In addition, in 2025 we introduced a Supplier Code of Conduct which can be found on our website alongside our Responsible Procurement Policy. The Code sets out the principles and standards which we encourage our business partners to adhere to. It underpins a shared journey of continuous improvement in critical areas such as labour standards and human rights. The Code will be communicated to suppliers as part our established responsible procurement processes.

In 2026, 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. The assessment will include risk identification in our own operations, value chain and business relations. It will identify groups at risk of having their human rights impacted by our business and plans to mitigate any concerns which are identified.

Combatting financial crime, bribery and corruption

We are committed to protecting our customers and the business by combatting 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 is further committed to complying with all relevant legislation is this area, including the requirements of the Sixth Anti-Money Laundering Directive, the UK Bribery Act 2010 and the UK Economic Crime and Corporate Transparency Act 2023.

Our commitment to countering bribery and corruption is detailed in our Anti-Bribery and Corruption Policy, which is approved by the Group Audit and Risk Committee 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. Risk assessments for all markets were performed in 2025. Corruption risks are managed by an established framework including first-line functional controls, second-line oversight and specialised risk management. Control assurance and investigations are conducted by subject matter experts and third-line independent assurance is provided by the Group's internal audit function. Our processes for disclosure of interests and management of potential conflicts are set out in our Conflicts of Interest Policy and our processes for disclosure, review and approval of gifts and entertainment are set out in our Gifts and Hospitality Policy.

The Group has Fraud and Anti-Money Laundering (AML) frameworks in place which 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. Implementation and operational assurance of these required standards in is the responsibility of the Loss Prevention function in each market. Compliance with the fraud, AML and CTF frameworks and monitoring of the local risk landscape is overseen on a market basis by local Loss Prevention Committees, comprising senior management in each market. 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. The output of this activity is then monitored at Group level by the Group Credit Committee. The Group Fraud Risk and AML Manager also reports on a quarterly basis to the 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.

In 2025, we strengthened our systems and controls to detect and prevent fraud and corruption in response to the introduction of the UK Economic Crime and Corporate Transparency Act, and reported to Audit and Risk Committee on how our processes operate to ensure compliance with the requirements of the Act. Training on this topic was provided to all employees and customer representatives in 2025 as part of our annual ethics e-learning, and relevant functions received additional targeted training.

The Loss Prevention teams are also responsible for investigating suspected frauds and instances of money laundering and terrorism financing and, where confirmed, remediating actions are taken. Management information is produced and monitored to track trends and patterns of behaviour relating to fraud, AML and CTF risks.

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 processes and controls are in operation. Included in these processes are requirements relating to the identification and verification of a customer's identify for both face-to-face or online applications, including the utilisation of external data sources to confirm validity of submitted data and documents and to further ensure compliance with legislative requirements. Jurisdiction-specific lists, issued by competent authorities, are searched to identify sanctioned individuals, suspected terrorists and politically exposed persons (PEPs). Processes compliant with local legislation are in place to reject credit applications or, where relevant, to conduct enhanced customer due diligence and obtain sign-off by managers with appropriate levels of authority before commencing any business relationship with any identified individuals. We apply a risk-based approach to our customers and transactions, with systematic risk assessments made at the point of a credit application and regularly during the lifetime of the customer relationship. As a result of these assessments each customer is allocated a risk category and

the scope and/or frequency of the assessments change dependant on the designated risk category. Independent assessments and audits by national regulators and/or external auditors assure our compliance with AML regulations.

In 2025, incidents of fraud remained low and well within the defined risk appetite. There were no substantiated material incidents of bribery or corruption in 2025 across the Group. 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.

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 Group Audit and Risk Committee 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.

Our investigation processes are documented 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 2025, 352 whistleblowing reports were received. All of these concerns were, or are being, investigated and resolved. 135 of the reports made (38%) 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. These processes sit alongside our requirements for disclosing and obtaining approvals for all gifts or entertainment, which are set out in our Gifts and Hospitality Policy. Our Responsible Procurement Policy and Group Procurement Standards include processes to ensure conflicts in our supplier relationships are managed appropriately.

In 2025, we enhanced our policies and processes for managing conflicts of interest to ensure that our approach reflects best practice. Processes for recording and managing potential conflicts are fully implemented across the Group. Potential issues are escalated to the Chief Legal Officer and/or Group Ethics Committee for appropriate consideration and management. Registers of material conflicts and gifts and hospitality are reported to the Group Ethics Committee on a quarterly basis. Our Legal Directors are responsible for emphasising the importance of effective management of conflicts of interest with local boards, and training is provided to colleagues engaged with managing conflicts of interest.

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. We updated our processes and the content of our Modern Slavery Statement in 2025 in response to the Home Office's call for transparency and the requirements of its new Guidance on Transparency in Supply Chains.

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 are 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. In 2025, 31 suppliers were assessed as being high risk for modern slavery or human rights and a Sustainability Assessment was completed by the Procurement function on these suppliers through the review of publicly available resources, completion of questionnaires by suppliers, and dialogue with suppliers. No further action was required in relation to these suppliers following completion of the detailed review.

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 2025. 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 2025.

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 2025 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 2025.

Data privacy

In a landscape where responsible data handling is an increasing priority for organisations, we continue to strengthen our focus on safeguarding the security and privacy of our customers, colleagues and partners. We process large volumes of personal information every day and uphold rigorous standards to safeguard privacy and data protection. Our commitment to protecting the privacy of our stakeholders is embedded in our business culture.

Our data protection approach is anchored in the following principles:

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

Compliance with data protection and privacy legislation is achieved through our Group Data Protection and Privacy Policy (the Policy), reviewed annually to address emerging risks, maintain control standards, ensure all personal information is protected, and individuals' rights are observed. Breaches of this Policy may result in disciplinary action, including contract termination. This policy aligns with both our purpose, and applicable legislation, reinforcing its importance within our Code of Ethics and underlining every 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 are accountable to the Board. The GDPO is supported by a team of Data Protection Officers across all markets, responsible for advising and ensuring compliance locally. They also liaise with data protection authorities and manage individual requests concerning 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, while the Group Audit and Risk Committee oversees the plan's global implementation.

Training and awareness remained a key focus in 2025. All employees and customer representatives completed annual data protection training, with tailored modules for specific functions. We also ask our suppliers to follow our data protection principles through due diligence and contracting processes. Looking ahead, we will continue to enhance our monitoring practices and build our expertise to manage data protection risks associated with new and emerging technologies, including artificial intelligence.

Management of data breaches is governed through a Data Breach Policy which sets out the response process, roles and responsibilities. Data breaches may arise from malicious attacks or accidental errors and can range from isolated incidents to wider system impacts. We operate a robust process to ensure data breaches are identified, reported and resolved appropriately.

While minor errors occur occasionally, often due to human error or process issues, these are addressed promptly and resolved. In 2025, we did not experience any significant personal data breaches requiring notification to data protection authorities or affected individuals.

In 2025, we strengthened our data protection framework through targeted enhancements, such as improving supplier assessment integration, increasing cross-market coordination, and working more closely with our data governance function to ensure greater consistency in privacy-related policies. We maintained our privacy compliance monitoring programme and increased our focus on the responsible use of advanced technologies, such as cloud computing and artificial intelligence, expanding our review and oversight of related initiatives from a data protection perspective.

Legislative and regulatory developments in key markets – such as data protection reforms in the UK, Australia and Mexico – are being monitored closely and integrated into our framework. These reforms are not expected to have a material impact on the Group's operations but further reinforce our commitment to continuous compliance and adaptation to changing legal environments. In 2026, our focus will be on embedding these legislative changes, maintaining alignment with evolving General Data Protection Regulation-related requirements, and strengthening our oversight of technological developments to ensure continued compliance and protection of stakeholder data.

IT operational risk and resilience (including cybersecurity)

As organisations continue to navigate increasing operational and cybersecurity risks, we also remain focused on strengthening our IT operational resilience across the Group.

Our Group ICT Risk Management Strategy, which supersedes the previous Cybersecurity Governance Framework, is built around four pillars: Governance, IT Security, IT Operational Risk, and User Policies. This is designed to ensure clear accountability, oversight and protection of the Group against IT operational and resilience risks, including cybersecurity, and outlines the mandatory requirements across all our markets. The Group Credit and Risk Director is responsible for the oversight of the strategy and framework, while the Group Chief Information Officer (CIO) is responsible for implementation of the framework. The Chief Information Security Officer (CISO) reports to the CIO and has first-line responsibility for IT operational risk, overseeing the Group's cybersecurity programme. The Group Head of ICT and Business Continuity Risk holds a second-line responsibility for IT operational and business continuity risk, and provides regular updates to the Board on IT operational risk and resilience initiatives, risks, and progress.

The Group Audit and Risk Committee further oversees the Group ICT Risk Management Strategy's global implementation, ensuring alignment with strategic resilience objectives.

This governance structure reinforces accountability and supports continuous improvement in our operational resilience position across the organisation. Our revised leadership structure reflects our commitment to adapting to emerging cyber threats, and driving innovation in safeguarding our information assets.

Each market has a dedicated cybersecurity team under the supervision of the CISO, 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 operational risk and resilience is supported by technical and end user policies and standards designed to ensure all employees understand and adhere to best practices in information security. These 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 reviews, monitoring, 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 2025 included setting up an Operational Risk and Resilience Programme to strengthen asset inventory, security monitoring, identity and access management, code security and business continuity. In 2026, we will complete the rollout of this programme and continue to enhance resilience across our systems and processes.

Health and safety

We remain deeply committed to protecting the health, safety and wellbeing of our colleagues across all markets. The Board continues to hold overall responsibility for health and safety, reviewing and approving our Health and Safety Policy annually and receiving regular updates on performance.

Operational responsibility sits with the Group Credit and Risk Director, supported by the Group Safety Manager, who leads a global team of health and safety professionals. This team ensures consistent implementation of our Global Health and Safety Framework, promotes high standards and fosters a culture of safety throughout the business.

Governance and assurance are maintained through Quarterly Safety Management Review Committees at market board level in each home credit business. These forums provide oversight, review performance and drive continuous improvement. In addition, the Group Safety Manager conducts annual safety reviews in each market to assess the effectiveness of local Safety Management Systems and ensure alignment with Group standards.

Our second-line control function also plays a key role in assurance, performing annual self-assessments of compliance with safety protocols. These assessments, conducted by trained reviewers, help identify opportunities to strengthen our approach.

Strengthening our safety culture

Reporting and investigating all health and safety-related events remains a core part of our culture and our Safety Management System. Reporting is fundamental – if we do not know, we cannot act – and this principle is reinforced throughout the colleague lifecycle. All new joiners receive safety induction training emphasising the importance of reporting, and all colleagues complete annual refresher training and targeted e-learning modules. We also promote strong reporting behaviours through quarterly safety meetings in the field, team briefings and regular communications via the MyNews application. These channels ensure visibility, encourage early reporting of incidents and near misses, and promote a culture of openness. Every incident is reviewed to identify learning and implement preventative actions that strengthen our approach.

Safety performance in 2025

Work-related safety performance in 2025 remained stable compared with 2024. A total of 785 safety events were recorded, involving 807 colleagues and representing 4.0% of the workforce. This compares with 811 colleagues (3.6%) affected in 2024, indicating a broadly consistent level of safety performance year on year. Most incidents resulted in no physical harm and were linked primarily to car accidents, verbal threats, or theft associated with street crime. This outcome reflects the continued effectiveness of our safety training and preventative measures, supported by a mature reporting culture that ensures visibility and enables timely intervention.

Work-related safety events and harm caused 2025

		% of colleagues
Total work-related safety events	785	3.9%
Worker injury type		
No injury	533	2.6%
Minor injury	130	0.6%
Moderate injury	101	0.4%
Serious injury (requiring hospital treatment)	42	0.2%
Life-threatening injury	0	0.0%
Fatalities	1	0.005%

However, during the year we experienced a tragic loss that deeply affected our organisation. One of our colleagues – a Development Manager in Mexico – was fatally injured when a lorry crossed the central reservation and collided with her vehicle while she was travelling for work. We extend our heartfelt condolences to her family, friends and colleagues. In response, we provided support to her family, conducted a full investigation, delivered safe-driving workshops across our Mexico operations and offered psychological support to all colleagues impacted by this devastating event. This incident serves as a powerful reminder of the importance of continuous vigilance and reinforces our commitment to learning from every event and strengthening our safety practices to protect our people.

Advancing psychological health and safety

ISO 45003 certification

In 2025, we reached a key milestone in strengthening psychological health and safety across the Group by achieving ISO 45003 certification across all home credit businesses and IPF Digital in Poland. This reflected a two-year, voluntary strategic decision to adopt the highest international standard for managing psychosocial risks.

Although not required by law, ISO 45003 strengthens our compliance position across diverse regulatory environments, provides a consistent global framework and reinforces our commitment to creating a safe, supportive and high-performing workplace.

This achievement builds on the strong culture of care at the heart of our Global Care Programme and supports our Next Gen organisation ambition to make IPF a great place to work. It also complements our long-standing ISO 45001 accreditation, which was successfully retained across our home credit businesses following independent surveillance audits during the year. Together, these internationally-recognised standards demonstrate our commitment to protecting both physical and psychological wellbeing and to continuously improving safety performance across the Group.

Embedding psychological safety – our journey

Achieving ISO 45003 certification was the outcome of a structured programme to embed psychological health and safety into everyday practice across the Group, supported by our Strive to Thrive initiative under the Next Gen organisation pillar.

Our focus was on creating an environment where colleagues feel safe, supported and able to thrive. Key actions included:

- conducting gap analyses across all markets based on ISO 45003 requirements;
- integrating psychological safety principles into our Global Care Programme;
- delivering targeted training and awareness campaigns;
- developing tools and resources to support leadership capability; and
- strengthening colleague voice through surveys, feedback loops and engagement.

Alongside certification, we also:

- launched a Care Survey to all colleagues to assess psychosocial risks and workplace wellbeing;
- aligned the Care Survey insights with our Global People Survey, enabling more targeted and meaningful action planning;
- delivered psychological safety training to all colleagues, providing essential knowledge on psychosocial hazards, how they arise, and how they can be managed effectively; and
- developed and published a new Leadership Guidebook online, providing guidance on work organisation, team dynamics, feedback skills, early intervention and recovery, and serving as a core resource for embedding ISO 45003 principles into everyday leadership practice.

Care Survey findings

The Care Survey offered a clear view of colleague experiences across the Group, identifying what is working well and where further focus is needed.

Key strengths identified across markets included:

- High psychological safety
- Strong support from managers and peers
- Clear role expectations

Opportunities for improvement highlighted by colleagues included:

- Managing organisational change more effectively
- Strengthening leadership capability, particularly in providing feedback
- Addressing workload pressures and supporting work–life balance

Through this work, we have strengthened the foundations for psychological safety across the Group. Colleagues report feeling more supported and confident in raising concerns, while leaders are better equipped to build trust, inclusion and resilience. The insights gained enable each market to take targeted action and continuous improvement in wellbeing.

Looking ahead

We will continue embedding ISO 45003 principles into leadership development, performance management and organisational culture. Our priorities for 2026 include:

- expanding psychological safety and psychosocial risk training for managers;
- strengthening measurement and reporting of psychosocial risks;
- deepening integration with DE&I and wellbeing strategies;
- sharing best practice across markets; and
- supporting broad adoption of our Leadership Guidebook.

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 addition to managing domestic tax issues, the Group's global tax team also ensures compliance with new obligations following the implementation of the 'Pillar Two' global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting ('BEPS') across various of the Group's markets, including the United Kingdom.

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.

£175m

Total tax contribution in 2025*, supporting the wider economy.

* The total tax contribution in 2025 comprised £78m taxes paid representing a cost to the Group (including profit taxes, employer payroll taxes and irrecoverable VAT/sales taxes) and £97m taxes collected from employees and customers on behalf of governments (including taxes collected on employee salaries and net VAT collected).

Neither the 2025 £15.2m repayment of State Aid, nor the original payment in 2021 of £15.2m, were included as part of the total tax contribution in either year.

Environment

The environmental challenges facing the global economy are urgent and complex, requiring sustained action and long-term commitment as economies transition towards a more sustainable future. For IPF, responding to these challenges is both a responsibility and an opportunity to act in a way that is aligned with our purpose, proportionate to our environmental footprint, and integrated with our business strategy and risk management framework. We remain focused on reducing the environmental impact of our operations while continuing to build our understanding of how climate-related considerations may evolve for our business over time.

Our approach to managing environmental and climate-related topics

In 2023, the Board agreed an ambition for the Group to be net zero by 2050, across all our operations and supply chain. This ambition provides a clear long-term direction for our environmental strategy and informs our ongoing work to reduce emissions and improve the efficiency of our operations.

The lending activities we undertake consists of originating unsecured consumer loans. This activity is not covered by any globally accepted methodology for measuring financed emissions. As a lender, we do not have visibility over how customers use the funds we provide, which limits our ability to assess associated emissions in a meaningful or reliable way. We continue to monitor guidance from credible international bodies and will review our approach should relevant methodologies emerge. Updates will be provided in future Annual Reports as appropriate.

In relation to financing the transition to a low-carbon economy, we do not currently believe that the Group's products are well suited to supporting customer transition activities in a way that would be aligned with our purpose or customer needs. This reflects both the profile of the customers we serve and the relatively small average loan sizes. We will continue to review this assessment periodically across our markets to identify whether this position changes over time.

During 2025, our environmental focus remained on reducing our operational footprint, particularly through actions to address Scope 1 and Scope 2 emissions.

Managing our operations

Our Environment Policy sets out the framework for our environmental strategy and is overseen by the Chief Executive Officer and the Board. In line with this policy, we continue to take practical steps to reduce the environmental impact of our operations, reflecting local market conditions while maintaining a consistent overall approach. Key actions include:

- Improved waste management and recycling practices, including the introduction or enhancement of waste segregation in offices and the recycling of materials such as paper, plastics, batteries and electronic waste, in line with local infrastructure and regulations.
- Reduction in paper usage, supported by increased digitisation of processes, wider use of electronic documentation, and more selective use of printed materials across customer and internal communications.
- Increased use of renewable electricity, with several markets operating offices powered wholly or partly by renewable energy, and others actively assessing options to transition as availability and commercial conditions allow.
- Energy efficiency improvements within offices, including the installation of LED lighting, sensor-controlled lighting, and more energy-efficient office equipment, alongside initiatives to raise employee awareness of energy consumption.
- Fleet and travel optimisation, with continued progress in replacing petrol and diesel vehicles with lower-emission alternatives, and measures to reduce unnecessary travel through improved route planning and greater use of remote working where appropriate.
- Enhanced management of IT and data infrastructure, including the increased use of cloud-based services which are typically less energy-intensive than traditional on-premise solutions.
- Local initiatives to reduce environmental impact, reflecting market-specific actions such as supplier engagement on waste disposal, improved monitoring of energy consumption, and participation in local recycling or take-back schemes.

Together, these actions demonstrate a continued focus on reducing the environmental footprint of our day-to-day operations, while building stronger foundations for future progress.

Climate Performance, Metrics

IPF reports Scope 1 and Scope 2 greenhouse gas emissions in accordance with applicable regulatory requirements. Reported emissions include electricity, district heating, gas and fuel used for company vehicles, with transport by car representing the most material source of emissions.

We report annually on our material carbon emission sources in line with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Emissions data has been calculated using the GHG Protocol Corporate Accounting and Reporting Standard, applying the UK Government's latest GHG conversion factors and the current International Energy Agency emission factors for non-UK electricity.

The emissions data covers all Group offices globally and aligns with the scope of our Consolidated Financial Statements. Where complete data was not available, figures have been extrapolated in line with the methodology applied.

In 2025, the Group's GHG emissions for Scope 1 and 2 reduced by 5% year on year. We are also pleased to report that overall emissions have reduced by 38% since 2019. This positive trend is due primarily to more effective fleet management practices.

In 2025, in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:

- the Group's Scope 1 and 2 emissions in the UK represent 0.3% of the Group's total (2024: 0.3%);
- the Group used 2.5 m kWh of electricity (2024: 3.0 m kWh**) with the UK representing approximately 5.9% of the Group's total (2024: 5.3%); and
- During the year, the Group did not implement any material standalone initiatives specifically targeted at improving energy efficiency. Energy efficiency continues to be considered through business-as-usual operational management and procurement decisions.

In 2026, we intend to continue transitioning our fleet towards hybrid vehicles, where practicable, to support the reduction of Scope 1 and Scope 2 emissions. Scope 3 indirect emissions have not been included in our 2025 reporting. The Group does not currently intend to report Scope 3 emissions and continues to assess the appropriate methodology and feasibility of establishing reliable baseline data for potential future reporting periods.

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*	**2025**	Difference vs 2024	2025 difference vs 2019
Scope 1	Gas	927	1,008	476	468	721	606	**526**	(13.2%)	(43.3%)
	Business travel by car	24,273	16,304	18,277	19,012	17,826	16,816	**16,173**	(3.8%)	(33.4%)
Scope 2	Purchased electricity and district heating	3,236	2,664	2,494	1,944	1,713	1,220	**1,032**	(15.4%)	(68.1%)
Scope 1 and 2		28,437	19,976	21,247	21,424	20,260	18,642	**17,731**	(4.9%)	(37.6%)
	CO_2e emissions per customer	0.013	0.011	0.013	0.013	0.013	0.011	**0.010**		

* 2024 data restated where based on estimates.

**Please note that 2024 energy consumption figures were misstated in the prior year report as MWh rather than mKWh. This has been corrected in the current report. The misstatement related solely to unit labelling and did not affect the underlying consumption data.

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 reported 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 ambition by 2050.

Looking ahead

Building on the progress made to date, our focus during 2026 will be on further strengthening our understanding of Scope 3 emissions and advancing the establishment of a robust base year for our supply chain. This work will support the development of a credible and proportionate strategy to deliver our long-term net zero ambition.

We will continue to track performance against our targets, monitor relevant regulatory and scientific developments, and regularly review and refine our environmental strategy as our understanding and data quality improve. Progress will continue to be reported transparently in future Annual Reports.

While we recognise that we remain at a relatively early stage of our net zero journey, meaningful progress has been made and important foundations are now in place. Over the coming years, we aim to maintain momentum, further enhance the quality of our data, metrics and disclosures, and continue to take practical steps towards achieving net zero by 2050.

Corporate Sustainability Reporting Directive (CSRD) Statement

Introduction

This section of the 2025 Annual Report and Financial Statements (2025 Annual Report) describes our sustainability approach and performance, in accordance with the Corporate Sustainability Reporting Directive (CSRD). The 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. These standards ensure consistency and comparability across industries and companies. Our CSRD disclosures are integrated into this 2025 Annual Report and present a connected view of our financial and sustainability performance, reflecting how environmental, social and governance (ESG) matters influence our strategy, business model, risk profile and long-term value creation.

The CSRD framework requires us to report on material impacts, risks and opportunities (IROs) across our value chain using a double materiality perspective. We conducted our first double materiality assessment (DMA) in 2024 and updated the assessment in 2025. The assessment identifies the sustainability matters that are material to our business, and ensures we disclose both how IPF's activities affect people and the environment, and how sustainability-related matters may influence our business performance and future prospects. You can find more information on our DMA process and reporting criteria on page 85.

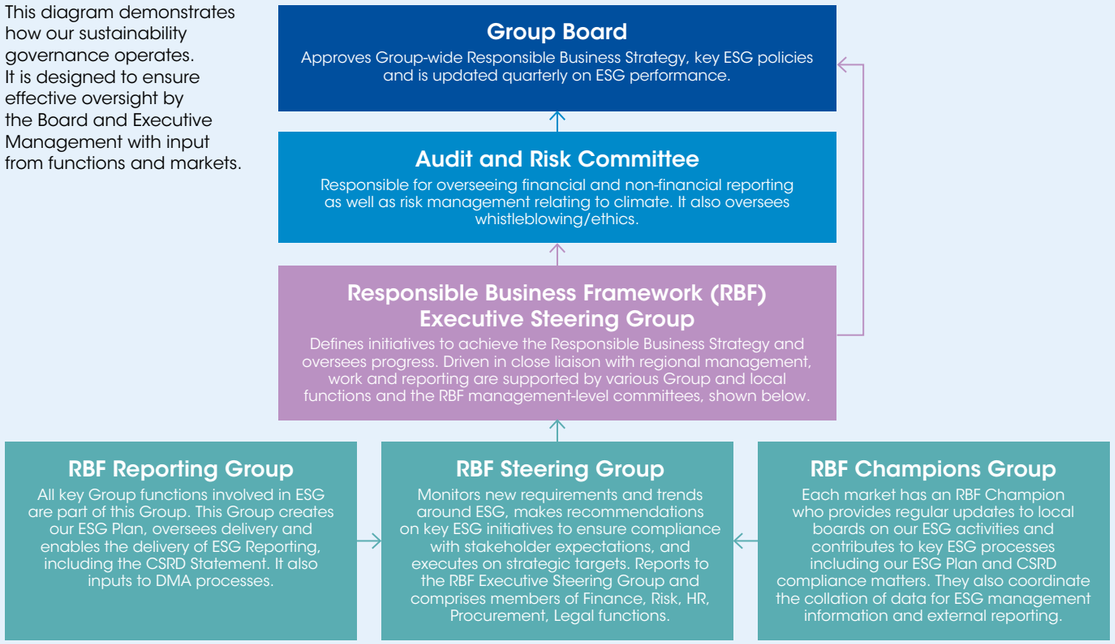
ESRS 2 General disclosures

BP-1 General basis for preparation of the sustainability statements

This CSRD Statement for IPF plc has been prepared on a consolidated basis with the same scope as the financial statements. It covers the parent company, IPF plc and subsidiaries controlled directly or indirectly by IPF plc. Subsidiaries of IPF plc are exempted from preparing individual company or sustainability reports pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU, as their sustainability information is incorporated into this consolidated report. A list of the entities covered by this report can be found in the notes of this report on page 109. The CSRD Statement covers the main value chain of IPF plc, including the IROs in our upstream, downstream and own operations.

Our sustainability governance

This diagram demonstrates how our sustainability governance operates. It is designed to ensure effective oversight by the Board and Executive Management with input from functions and markets.



BP-2 Disclosures in relation to specific circumstances

In preparing these sustainability statements, the Group has considered the specific circumstances set out in ESRS 2 BP-2 and confirms the following:

Time horizons

In assessing material IROs, the Group has applied time horizons consistent with its internal strategic planning, risk management and climate-related assessment processes.

For the purposes of the 2025 reporting period these are:

Short term (0–3 years): aligned to the average loan term and the flexibility of our credit strategies and field operations.

Medium term (3–10 years): aligned to the Group's strategic planning horizon.

Long term (10+ years): aligned to the useful economic life of the majority of Group assets and longer-term transition pathways.

These time horizons differ in part from the default definitions set out in ESRS 1. The Group has adopted horizons that reflect how sustainability-related matters are managed internally, including alignment with its strategic planning cycle and climate scenario analysis. The Group considers that this approach provides decision-useful information by ensuring consistency between sustainability reporting, risk management and financial planning processes.

Time horizons applied to individual material IROs are disclosed within the relevant tables in this report and are consistent with the approach described above.

Prior period error

During the preparation of the 2025 sustainability statements, the Group identified a prior period error in the calculation of Disclosure Requirement S1-15 (employees entitled to family-related leave) for the 2024 reporting period.

The error arose from an inconsistency in the population used to calculate the percentage in one jurisdiction. The 2024 comparative figure has been restated to ensure consistency with the methodology applied in 2025, which is based on active employees at the reporting date only. As a result, the previously reported 2024 percentage of 98% has been revised to 88.9%.

There is no impact on other sustainability disclosures, narrative reporting or the Group's financial statements. Further detail is provided in the ESRS S1 disclosures.

Use of phase-in reliefs and transitional provisions

The Group has applied the transitional provisions permitted under the ESRS where applicable. Any such use of phase-in reliefs is explained in the relevant topical ESRS disclosures. Where transitional reliefs have been applied, this reflects the availability and maturity of underlying data and processes during the reporting period.

Use of estimates, assumptions and measurement uncertainty

Where quantitative or qualitative information is based on estimates or assumptions, these reflect management's best judgement based on information available at the reporting date. Estimates and assumptions used in the preparation of the sustainability statements are consistent with those applied in the Group's financial reporting processes, where relevant.

The Group continues to enhance data collection processes to improve accuracy and completeness over time.

Value chain information

In certain areas, sustainability information relating to the value chain is based on a combination of internally available data, engagement with relevant counterparties, and reasonable assumptions where direct information is not available. The use of such approaches reflects the current availability of data within the value chain and is considered appropriate to provide a fair and balanced view of the Group's material IROs.

The Group confirms that none of the sustainability metrics disclosed in these sustainability statements include upstream or downstream value chain data estimated using indirect sources. All reported metrics are based on data derived from the Group's own operations and internal systems.

Accordingly, the disclosure requirements set out in ESRS 2 BP-2 paragraph 10 in relation to estimated value chain metrics are not applicable for the reporting period.

Data availability and comparability

The sustainability statements have been prepared for the same reporting period as the consolidated financial statements. No material changes to the basis of preparation or measurement methodologies have been made compared to the prior reporting period. Where comparative information is limited or not available, this reflects the first-time or evolving nature of certain disclosures under the ESRS framework.

The Group has assessed the quantitative metrics and monetary amounts disclosed in these sustainability statements for measurement uncertainty. No metrics have been identified as subject to a high level of measurement uncertainty. The reported metrics are based on direct operational data, documented policies, and established measurement methodologies with reliable data sources.

Omission of information due to undue cost or effort

The Group has not omitted any information required by the ESRS on the grounds of undue cost or effort.

Omission of information due to intellectual property, know-how or results of innovation

The Group confirms that, during the reporting period, no information has been omitted from the sustainability statements due to concerns regarding intellectual property, know-how, or the results of innovation.

The Group has reassessed the applicability of the specific circumstances set out in ESRS 2 BP-2 for the current reporting period and confirms that these remain appropriate and consistent with the prior reporting period.

GOV-1 Our sustainability governance

At IPF, sustainability matters are embedded within our existing governance framework. The Group Board is ultimately responsible for the oversight of sustainability matters, including the management of material IROs and for ensuring that these considerations are integrated appropriately into the Group's strategy, risk management and decision-making processes.

Details of the roles, responsibilities and composition of the Group Board, together with the operation of its Committees, are set out in the Directors' Report on pages 131 to 132. This section focuses specifically on how sustainability matters are governed within those established structures.

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 Group Board.

Committees of the Board support the Group Board 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 Group Board 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 Group Board from its own members. Specific Board Committees which operated in 2025 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 reported effectively.
- **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, and the composition of the Group Board and Executive Management.

Details of the membership of each of these Committees are set out on pages 139, 145 and 153 of the 2025 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, see pages 128 to 129 of the 2025 Annual Report.

The Nominations and Governance Committee assists the Group Board in determining if appropriate strategic, sector-specific, sustainability, and other necessary skills and expertise are available within the Group Board and the Executive Management. The Committee must ensure that all candidates for membership of the Group Board fulfil stakeholder expectations and have the right skills, including relevant sustainability and business conduct expertise.

The Group Board evaluates the competencies, diversity, knowledge, and experience of the individual members of the Group Board 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 2025 the Board and its Committees reviewed a number of items relevant to its material IROs including: (i) employee engagement and development (S1 – Own Workforce) through Chief HR Officer's People updates to the Board; and (ii) consumer-related matters (S4 – Consumers and end-users), including ethical marketing and consumer protection, social inclusion of customers, and information-related impacts for customers, through the Chief Marketing Officer customer updates to the Board and twice-yearly privacy updates from the Group Data Protection Officer and the Audit & Risk Committee.

The Executive Management is made up of 15 individuals reporting to the Chief Executive Officer. 6.7% of these individuals are female and 93.3% are male. In 2024, the number of Executive Management members remained unchanged; however, the composition was 13.3% female and 86.7% male. The purpose of the Executive Management is to undertake day-to-day management in a way that aligns with the overall strategic direction set by the Group Board. 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 Group Board is responsible for setting the Group's overall strategy and for oversight of management. Information on the composition of the Group Board, including the number of Non-Executive Directors, gender diversity of the Board, and the proportion of independent Board members, is disclosed on page 131 of the 2025 Annual Report.

The division of responsibilities between the Executive Management and the Group Board 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 Group Board. 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. It ensures compliance through the establishment of appropriate procedures for sustainability data collection. It also ensures 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 customer representatives together with 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 sustainability matters. Executive Management participate in discussions and use their knowledge and expertise to guide the Group Board and enable them to make informed decisions on sustainability matters. Final decisions on IROs are made by the Group Board

The Group Board used 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.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Group Board and Board Committees are informed of sustainability matters by the Chief Legal Officer as required. In 2025, this meant the Group Board approved the Company's Sustainability Plan for 2025/2026 and received an interim update on progress. In relation to IROs, the DMA process was briefed to Executive Management in Q3 2025, and the results were reviewed by Executive Management and the Group Board as part of strategic planning activities in Q4 2025. The Group Board considered matters relevant to the Group's material IROs during the reporting period. These comprised the material IROs identified through the Group's DMA, as set out on page 84.

GOV-3 Integration of sustainability-related performance in incentive schemes

The incentive schemes provided to the Group's executive directors included sustainability-related matters in 2025. 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 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 Group Board 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 total 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 2025. 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 Remuneration Committee.

GOV-4 Statement on sustainability due diligence

The table below indicates the paragraphs that contain disclosures about our current sustainability due diligence performance.

Core elements of due diligence	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.	(i) SBM-3 Material IROs and their interaction with strategy and business model (ii) Double Materiality Assessment and (iii) Risk identification and assessment (pages 84-88).
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 (pages 77-79) and Policies (page 92).
Stakeholder engagement	We engage with stakeholders, including employees, suppliers, communities and investors, to identify and address sustainability concerns.	Interests and views of stakeholders (page 83).
Grievance and remediation mechanisms	We provide reporting channels for sustainability-related concerns and have mechanisms to address grievances.	Processes to remediate negative impacts and channels for own workforce to raise concerns (pages 96-97).
Reporting and transparency	We disclose sustainability-related risks, impacts and mitigation strategies in alignment with regulatory requirements.	(i) SBM-3 Material IROs and their interaction with strategy and business model (ii) Double Materiality Assessment and (iii) Risk identification and assessment (pages 84-88).

GOV-5 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 the Group Audit and Risk Committee meetings, is accountable for sustainability reporting.
- The oversight of this process is managed by the RBF Steering Group, which is composed of key functions including Finance, 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 Group Board 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 Group Board.

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.

SBM-1 Strategy, business model and value chain

Products and services offered

Our products and services are tailored to meet our customers' needs and different credit profiles and preferences. The table below shows the products offered in 2024 and 2025.

Product	Estonia	Latvia	Lithuania	Mexico	Australia	Poland	Romania	Hungary	Czech Republic
Home credit instalment loans (1): Small-sum loans with weekly personal service and an increasingly digital touch, provided in customers' homes by our customer representatives.				24 25		24 25	24 25	24 25	24 25
Home credit instalment loans (2) : Medium-sum loans with monthly personal service and an increasingly digital touch, provided in customers' homes by our customer representatives.						25			
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.						24 25	24 25		
Credit card: A convenient way for customers to make in-store purchases, shop online, or access cash through their customer representative or ATMs.						24 25			
Retail credit: Partnering with retailers to provide instalment loans to customers, both in-store and online.				24 25			24 25		
Value-added services: A range of value-added products beyond credit including health and life insurance.	24	24	24	24 25		24 25	24 25	24 25	24 25
Digital instalment loans: Affordable, end-to-end digital service with terms from one month to three years and monthly repayments.			24 25			24 25	24 25		
Revolving credit line: Flexible access to money up to a preset limit and when customers pay down, more credit becomes available.	24 25	24 25	24 25	24 25	24 25				24 25
Mobile wallet: Account management and value-added services in the pocket of our customers.	24 25	24 25	24 25	24 25	24 25				

● Product offered in 24
● Product offered in 25

	Number of Employees	
Market	**2025**	2024
Mexico	2,605	2,569
Poland	1,018	1,040
Hungary	2,065	2,150
Czech Republic	319	302
Romania	1,944	1,960
United Kingdom	131	126
Estonia	130	120
Lithuania	34	30
Latvia	35	34
Australia	24	20

In the reporting period, the Group generated total revenue of £737.5m (2024: £726.3m).

The Group provides regulated consumer credit products designed to meet the needs of underserved and underbanked consumers across the markets in which it operates. Products are offered through the Group's established operating models, including home credit and digital lending, and are designed to be transparent, affordable and aligned with applicable regulatory requirements in each jurisdiction.

The Group's products are originated, distributed and serviced primarily through its own operations, including customer-facing roles and supporting back-office functions. Customer interactions, including loan origination, servicing and collections, represent a key part of the Group's downstream value chain, while product design, governance, risk management and oversight sit within the Group's own operations.

The table on page 80 summarises the Group's principal product types by market.

Changes in product offering during the year

In Poland, medium-sum loans with monthly personal service were introduced in response to rising inflation, increased competition and higher customer income levels, which have shifted demand towards larger, longer-term borrowing. Regulatory price caps on short-term lending also influenced this change. The new product better aligns with customer demand, supports competitiveness and improves portfolio economics within the regulatory framework.

In the Baltics, the value-added services (VAS) proposition was withdrawn following a strategic review. Customer uptake was low and the expected long-term financial returns did not justify the operational investment required. Resources have been reallocated to higher-priority initiatives,

The Group's consumer credit products incorporate product and service characteristics intended to avoid or mitigate potential negative impacts on consumers, including risks related to affordability, transparency and customer understanding. These characteristics include clearly defined pricing structures, contractual terms and customer communications designed to support informed decision-making, as well as credit assessment and affordability checks aligned with applicable regulatory requirements in each market.

Product design, approval and ongoing review are subject to internal governance processes, including oversight by relevant risk, compliance and product governance functions. These processes apply across the product lifecycle, including origination, servicing and collections, and are intended to promote fair customer outcomes and consistent application of regulatory standards.

The Group enables access to consumer credit for underserved and underbanked consumers by offering products through operating models designed to reach customers who may have limited access to mainstream financial services. This includes the provision of home credit and digital lending models, which allow customers to access credit through channels that reflect local market conditions, customer preferences and levels of digital inclusion.

These operating models are supported by locally tailored product features and distribution approaches, while operating within a consistent Group-wide framework for governance, risk management and customer protection.

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.

Disclosure of business model and value chain

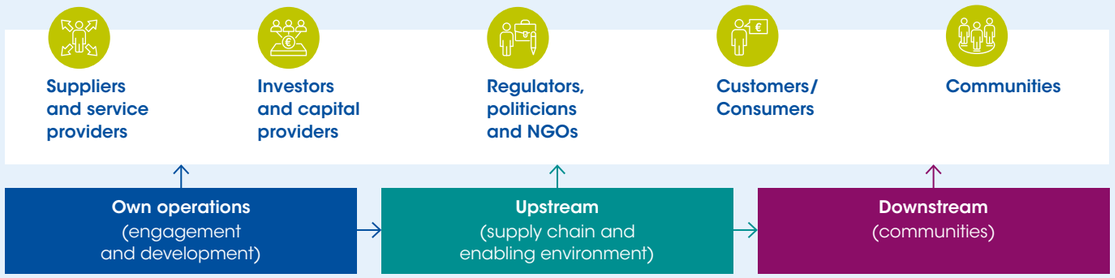
Our business model is aimed at assisting underserved consumers access financial services, and creating long-term value for the communities we serve. We have built a suite of products which are tailored to our customers' financial circumstances, needs and preferences, and we deliver them in a responsible 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.

This model illustrates where our material IROs occur across our direct and indirect business relationships throughout the full value chain; upstream, within our own operation and downstream, including in relation to key stakeholders.

Value chain assessment



Social material topics (ESRS S1,S4)

Own operations

S1 – Employee engagement and development
- Engagement, wellbeing and retention
- Skills, learning and career development
- Fair treatment, inclusion and internal mobility

Cross-cutting (applies across value chain) → Downstream (communities)

Cross-cutting
- Engagement with regulators, politicians and NGOs
- Compliance with consumer protection frameworks
- Trust, legitimacy and social licence to operate

S4 – Social inclusion of consumers
- Access to credit for underserved groups
- Fair product design and affordability
- Non-discriminatory lending practices

S4 – Information-related impacts for customers
- Customer data protection and privacy
- Responsible data collection, use and storage
- Cybersecurity and data breach prevention
- Transparency on data rights and usage

S4 – Ethical marketing and consumer protection
- Responsible advertising and sales practices
- Avoidance of misleading or aggressive tactics
- Protection of vulnerable customers

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, recognising that access to accurate credit information is fundamental to our underwriting process and responsible lending practices.
- **Third-party service providers:** We engage with 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 (where 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.
- **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.

SBM-2 Interests and views of stakeholders

Detailed below is information on stakeholder engagement in 2025. More information can be found in the stakeholder engagement section of this 2025 Annual Report on pages 46 to 63.

DMA Stakeholder engagement

Colleagues

Engagement approach
- Surveys

Focus areas
- Information management and data protection
- Corruption and bribery prevention
- Equal treatment (own workforce)
- Working conditions (own workforce)
- Employee engagement and development

Strategic pillars
O

Customers

Engagement approach
- Surveys

Focus areas
- Equal treatment (own workforce)
- Employee engagement and development
- Social inclusion of consumers
- Health and safety
- Working conditions (own workforce)

Strategic pillars
FI O TD

Investors

Engagement approach
- Surveys
- Workshop with investment brokers

Focus areas
- Social inclusion of consumers
- Community economic and social rights
- Ethical marketing and consumer protection
- Information management and data protection
- Social inclusion and diversity (own workforce)

Strategic pillars
FI O

Communities

Engagement approach
- Surveys

Focus areas
- Social inclusion of consumers
- Ethical marketing and consumer protection
- Employee engagement and development
- Community economic and social rights
- Social inclusion and diversity (own workforce)

Strategic pillars
O

Suppliers

Engagement approach
- Surveys

Focus areas
- Employee engagement and development
- Corruption and bribery prevention
- Working conditions (own workforce)
- Equal treatment (own workforce)
- Social inclusion of consumers

Strategic pillars
O

The Group Board 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 Group Board has made impacting specific stakeholder groups; and (iii) each paper considered by the Group Board and Board Committees includes a section highlighting stakeholder impacts.

Strategic pillars key

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

SBM-3 Material IROs and their interaction with strategy and business model

In identifying IROs, the Sustainability function considered how each material ESRS topic interacts specifically with the Group's business model and day-to-day activities. This involved considering, for each material topic, how the design, marketing, provision and servicing of regulated consumer credit products could give rise to actual or potential impacts on consumers or employees, and how those impacts could in turn create risks or opportunities for the Group. In identifying IROs, the Sustainability function applied qualitative judgement consistent with ESRS requirements, considering the nature, severity and likelihood of impacts on stakeholders, and the relevance of associated risks and opportunities to the Group's business model, without applying separate quantitative thresholds at IRO level.

In line with ESRS requirements, the Group distinguishes clearly between its impacts on people and society and the risks and opportunities that may arise for the Group as a result of those impacts. Impacts describe the Group's actual or potential positive or negative effects on consumers and employees resulting from its activities and business relationships. Risks and opportunities describe the potential effects of sustainability matters on the Group's financial position, financial performance or future prospects.

As part of the DMA, impacts were identified and assessed first. Where relevant, the Sustainability function then considered whether those impacts could give rise to associated risks or opportunities for the Group. These are presented separately in the IRO table below to reflect their distinct nature, even where they are closely linked.

This topic-by-topic consideration of the Group's specific activities and operating model informed the identification of the concrete IROs set out in the table below.

ESRS topic	DMA material topic	IRO Type	Description of impact / risk / opportunity	Affected stakeholders	Value chain	Time horizon
S4 Consumers	Ethical marketing and consumer protection	Impact (Negative)	Risk of consumer detriment arising from misleading, unclear or inappropriate marketing or sales practices, particularly in relation to financial decision-making	Consumers	Own operations	Short / Medium
S4 Consumers	Ethical marketing and consumer protection	Risk	Regulatory, legal or reputational risk arising from non-compliance with consumer protection or responsible marketing requirements	Consumers	Own operations	Short
S4 Consumers	Information-related impacts	Risk	Financial, regulatory and trust-related risk associated with data protection or privacy incidents	Consumers / Business	Own operations / third parties	Short
S4 Consumers	Information-related impacts	Impact (Negative)	Potential adverse impact on consumers arising from misuse, loss or unauthorised access to personal or financial data	Consumers	Own operations / third parties	Short
S4 Consumers	Social inclusion of consumers	Opportunity	Provision of access to responsible financial products and services to underbanked or underserved consumers, supporting social and economic inclusion	Consumers	Own operations	Medium / Long
S4 Consumers	Social inclusion of consumers	Impact (Positive)	Positive impact arising from fair access to credit and financial services where delivered responsibly and transparently	Consumers	Own operations	Medium
S1 Own workforce	Employee engagement and development	Impact (Negative)	Risk of reduced employee engagement, capability or wellbeing where development, feedback or support mechanisms are ineffective	Employees	Own operations	Medium
S1 Own workforce	Employee engagement and development	Opportunity	Opportunity to strengthen workforce capability, retention and engagement through effective training, development and feedback	Employees	Own operations	Medium / Long

The Group has assessed the anticipated financial effects of its material sustainability-related risks and opportunities on its financial position, financial performance and cash flows over the short, medium, and long term. Based on this assessment, no material current or anticipated financial effects have been identified that would require quantification at the reporting date.

This reflects the nature of the Group's material sustainability-related risks and opportunities, which are closely linked to the Group's core regulated business activities and are managed through established governance, risk management and control frameworks. As a result, these matters are not expected to give rise to discrete or incremental financial effects that can be separately identified from the Group's overall financial performance at this stage.

Further detail on the time horizons, is set out in the Group's climate-related financial disclosures prepared in line with the Task Force on Climate-related Financial Disclosures (TCFD) on page 113 of the 2025 Annual Report

These matters will remain a key focus for management and the Group Board, and will be assessed regularly through the strategic planning process to ensure appropriate risk mitigation and opportunity management.

In the context of ongoing strategic developments, including the cash offer for IPF plc, the Group continues to assess the interaction between its material IROs and its strategy and business model. At the reporting date, no specific changes to the Group's approach to managing material sustainability-related risks and opportunities have been reflected in its strategy, investment or funding plans. The Group will continue to monitor developments and consider their implications through its established governance and decision making frameworks.

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 as outlined on page 77 of this CSRD Statement.

During the reporting period, the Group refined its identification and presentation of material IROs compared to 2024, to align more closely with the structure and requirements of the ESRS. Matters previously described under the topic of access to financial services have been disaggregated and mapped to the relevant ESRS S4 consumer-related IROs, including ethical marketing and consumer protection, information-related impacts and social inclusion of consumers. Workforce-related IROs have also been articulated more explicitly under ESRS S1.

These changes reflect increased granularity and clearer alignment with ESRS topical standards rather than a change in the underlying materiality of these matters.

Double Materiality Assessment

IRO-1 Processes to identify and assess IROs

In 2024, we undertook our first DMA to map and gain a deeper understanding of its most material impacts in alignment with the requirements of ESRS 1 and 2. In 2025, the assessment was refreshed and repeated to ensure that we continue to report on the sustainability matters that are most material to the Group and our key stakeholders.

A sustainability matter is considered double material where it is material from both an impact perspective (the actual or potential impacts of IPF's activities on people or the environment) and a financial perspective (the potential effects of sustainability matters on the Group's financial performance, position, cash flows or access to capital).

Identification of sustainability topics

An initial long list of sustainability topics was developed using ESRS topical standards (E, S and G), CSRD regulatory requirements and ESRS guidance on IROs across the value chain. This process resulted in a long list of 38 sustainability topics, which were assessed against defined qualitative criteria, including impact severity, financial relevance, key risks and opportunities, stakeholder concern, strategic alignment and regulatory relevance. Following review and challenge by the Responsible Business Framework (RBF) Steering Committee, a shortlist of 15 topics was agreed for the detailed DMA. This shortlist was endorsed subsequently by the RBF Executive Steering Committee.

Stakeholder identification and engagement

Stakeholder groups were identified in accordance with ESRS 1 definitions and the disclosure requirements of ESRS 2 (SBM-2), with particular consideration given to the stakeholder categories referenced explicitly in ESRS social topical standards. The final stakeholder groups engaged in the 2025 DMA were customers, colleagues, investors, suppliers, NGOs/community groups and senior management.

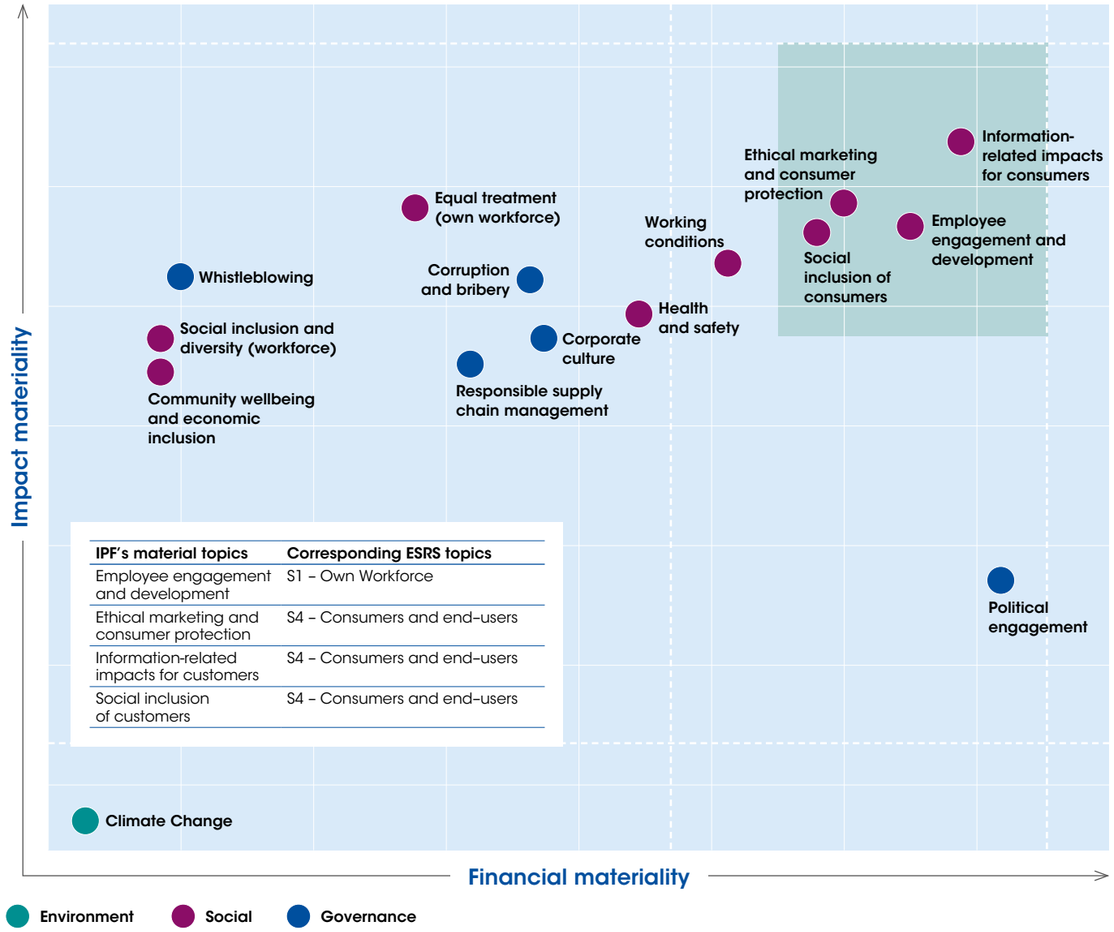
Stakeholder engagement was conducted primarily through structured surveys, selected as the most proportionate and effective method for gathering quantitative and qualitative input at scale.

The impact materiality survey was structured into 15 questions, each focused on the individual materiality topic and issued to all stakeholder groups. Each question included contextual explanations and examples relevant to IPF's operating model, enabling respondents to assess impacts in a practical and informed manner without requiring technical sustainability expertise.

For each topic, respondents were asked to provide two quantitative assessments using a consistent five-point scale:

i. Impact size assesses the significance of IPF's actual or potential impacts on people, society or the environment, irrespective of whether those impacts are positive or negative. This aligns with the concept of impact materiality under ESRS.
ii. Stakeholder relevance assesses how IPF's performance on the topic could influence stakeholders' decisions to engage with, remain with, or support IPF, depending on the stakeholder group.

2025 IPF Double Materiality Assessment results



IPF's material topics	Corresponding ESRS topics
Employee engagement and development	S1 – Own Workforce
Ethical marketing and consumer protection	S4 – Consumers and end-users
Information-related impacts for customers	S4 – Consumers and end-users
Social inclusion of customers	S4 – Consumers and end-users

Impact materiality was assessed through stakeholder engagement with customers, colleagues, suppliers, investors and community groups. Stakeholders rated each sustainability topic using a five-point scale reflecting their judgement of the significance of the Group's actual or potential impacts. This stakeholder judgement captured both the severity/scale of the impact and its likelihood in a single score, rather than requiring respondents to assess these dimensions separately. The assessment did not require stakeholders to distinguish between positive and negative impacts; respondents evaluated overall impact significance. Financial materiality was assessed by senior management using the same five-point scale, based on the potential financial effects of sustainability matters (risks and opportunities), considering expected magnitude and likelihood. Responses were aggregated to a mean score per topic and normalised to a percentage scale anchored at the average response across all topics. Topics scoring above the defined thresholds were classified as medium or high materiality. A topic was considered material for reporting where it exceeded the threshold on either impact materiality or financial materiality. These thresholds were set to identify topics where stakeholder perception or management assessment significantly exceeds the baseline average, indicating material significance.

The assessment did not separately categorise positive versus negative impacts; stakeholders and management evaluated overall impact significance. All 15 topics were assessed using consistent criteria.

The financial materiality survey sought to assess which sustainability topics could reasonably be expected to influence the Group's enterprise value. The survey was completed by the Group's senior management team with an informed understanding of IPF's strategy, risk profile and financial performance. Consistent with the impact materiality survey, tailored descriptions were developed for each material topic, aligned to IPF's business model and explicitly linked to potential financial outcomes, including costs, revenues, cash flows, access to capital, regulatory exposure and long-term strategic resilience.

For each topic, respondents were asked to assess financial materiality using a structured, multi-factor approach, comprising:

- estimated quantitative financial impact, based on defined monetary thresholds over a 12-month horizon;
- qualitative financial drivers, including reputational damage, regulatory consequences, investor and lender confidence, and business model implications; and
- likelihood and frequency, assessing the probability of the issue causing a material financial impact over a three-year timeframe if not effectively managed.

This structure reflects ESRS financial materiality concepts by combining quantitative indicators with qualitative considerations and risk likelihood, rather than relying on financial magnitude alone.

The results of the impact and financial materiality surveys were consolidated and analysed to inform the Group's DMA. Quantitative scores were aggregated by topic to identify relative impact severity and financial significance, while qualitative feedback was reviewed to identify contextual factors, emerging concerns and areas requiring further management consideration.

Stakeholder input was used as a key input into the initial scoring and prioritisation of sustainability topics. These results were then reviewed by management as part of the materiality assessment process, alongside internal analysis of the Group's business model, operating context and risk profile. Where appropriate, management judgement was applied to validate the outcomes, ensure consistency with the Group's activities and value chain, and determine the final list of material IROs.

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.

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 RBF Steering Group and the RBF Executive Steering Group before being reviewed by the Group Board.

Sustainability-related risks are identified, assessed, managed and monitored through the Group's Enterprise Risk Management (ERM) framework. This ensures that sustainability-related considerations are integrated into broader risk management practices and are subject to the same governance, oversight and controls as other principal risks. During 2025, the Group further evolved its approach to risk management by introducing a broader ESG risk category. This expanded focus reflects the interconnected nature of ESG risks and enables a more holistic assessment of sustainability-related impacts on the business. 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 2025 Annual Report on pages 34 to 40.

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 identified as part of the Group's DMA which considers actual and potential impacts, risks and dependencies in order to determine material sustainability matters and associated IROs.

The DMA is used to inform the Group's sustainability disclosures and is a contributing input to the Group's strategic planning process. Decisions on whether and how to pursue identified opportunities are considered through the Group's strategic planning and budgeting processes, taking into account business priorities, market conditions and operational considerations as well as feedback from the DMA.

This process does not include an explicit assessment of the connections between the Group's impacts, dependencies or 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 DMA in 2024 and further refined the process in 2025 to reflect the requirements detailed in the ESRS for materiality assessments.

Processes to identify and assess material IROs – environmental topics

The Group has assessed its potential environmental IROs in accordance with ESRS E1–E5. These were assessed for materiality as part of the DMA process in the same way as other topics. 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, "Climate Change" was included on the shortlist of topics and subsequently included in the 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 the 2025 DMA, this topic was not identified as material for the purposes of CSRD reporting, as it did not meet the applicable impact or financial materiality thresholds. Notwithstanding this outcome, the topic remains relevant to the Group's broader sustainability and risk management framework and is subject to ongoing management through established processes. In particular, the Group provides more detailed information on this topic within its TCFD report (see pages 112-119), reflecting regulatory expectations, stakeholder interest and the importance of the topic to the Group's climate risk management approach. Below are specific disclosures made against standards ESRS E1-E5:

ESRS E1 Climate Change

The Group reviewed its potential contributions to any 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 focused 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.

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. (See pages 112-119).

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 2025 Annual Report 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).

Disclosure Requirement	Data point		Legislation	Page/relevance
ESRS 2 GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	Page 131
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	BRR	Page 131
ESRS 2 GOV-4	30	Statement on due diligence	SFDR	Page 79
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 m^3 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 92
ESRS 2 SBM-3 – S1	14 (g)	Risk of incidents of child labour	SFDR	Page 92
ESRS S1-1	20	Human rights policy commitments	SFDR	Page 93
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 94
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	SFDR	Pages 96-97
ESRS S1-14	88 (b), (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	Page 101
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	Page 101

Disclosure Requirement	Data point		Legislation	Page/relevance
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR /BRR	Page 102
ESRS S1-16	97 (b)	Excessive CEO pay ratio	SFDR	Page 102
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	Page 102
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 Labour 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
ESRS S3-4	36	Human rights issues and incidents	SFDR	Not material
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	Pages 104-105
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	Pages 104-105
ESRS S4-4	35	Human rights issues and incidents	SFDR	Pages 107-109
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

Key

- Sustainable Finance Disclosure Regulation: SFDR
- EBA Pillar 3 disclosure requirements: P3
- Climate Benchmark Standards Regulation: BRR
- EU Climate Law: EUCL

List of ESRS Disclosure Requirements incorporated by reference (in accordance with ESRS 2 BP-2 para. 16)

ESRS Disclosure Requirement / Datapoint	Location in 2025 Annual Report
ESRS E1 – Climate governance	TCFD Report – Governance section (page 113)
ESRS E1 – Climate strategy, including resilience and scenario analysis	TCFD Report – Strategy section (pages 113-118)
ESRS E1 – Climate risk management processes	TCFD Report – Risk Management section (pages 114-116)
ESRS E1 – Climate metrics and targets (including Scope 1 and Scope 2 GHG emissions)	TCFD Report – Metrics and Targets section (pages 118-119)
ESRS 2 GOV-1 – Role of administrative, management and supervisory bodies	Corporate Governance Report (pages 131-132)
ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the Board and Committees	Audit and Risk Committee Report (pages 145-151)
ESRS 2 GOV-3 – Integration of sustainability-related performance into remuneration policies	Directors' Remuneration Report (pages 152-155)
ESRS 2 SBM-1 – Revenue	Consolidated Income Statement, Financial Statements section (page 187)
ESRS 2 SBM-2 – Interests and views of stakeholders	Stakeholders in focus (pages 45-63)
ESRS 2 IRO-1 – Description of material risks (where incorporated by reference to Principal Risks section)	Principal Risks and Uncertainties section (pages 34-40)
ESRS S1 – ESRS S5 – Targets related to managing material impacts, risks and opportunities (workforce turnover target)	Workforce / KPIs section (page 23)

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 80-83
ESRS 2 SBM-2 Interests and views of stakeholders	Yes	Interests and views of stakeholders, page 83
ESRS 2 SBM-3 Material impacts, risks and opportunities	Yes	Material impacts, risks and opportunities, pages 84-88
ESRS 2 GOV-1 Governance of sustainability matters	Yes	Governance disclosures, pages 77-79
ESRS 2 GOV-2 Information provided by administrative, management, and supervisory bodies	Yes	Governance disclosures, page 79
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Yes	Integration of sustainability-related performance in incentive schemes, page 79
ESRS 2 GOV-4 Statement on due diligence	Yes	Statement on sustainability due diligence, page 79
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	Yes	Risk management and internal controls over sustainability reporting, page 80
ESRS 2 IRO-1 Description of processes to identify and assess material IROs	Yes	Disclosures on the materiality assessment process, pages 85-87
ESRS 2 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 88
ESRS S1 Own Workforce	Yes	Own Workforce, pages 92-103
S1-1 Policies related to own workforce	Yes	Policies, pages 92-95
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 95
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 96-97
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	Taking action on managing material impacts, advancing positive impacts and managing material risks and opportunities, page 97-98
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 98
S1-6 Characteristics of the undertaking's employees	Yes	Characteristics of the undertaking's employees, page 99
S1-7 Characteristics of non-employees in the undertaking's own workforce	Yes	Characteristics of non-employees in the undertaking's own workforce, page 100
S1-8 Collective bargaining coverage and social dialogue	Yes	Collective bargaining coverage and social dialogue, page 100
S1-9 Diversity metrics	Yes	Diversity metrics, page 100
S1-10 Adequate wages	Yes	Adequate wages, page 100
S1-11 Social protection	Yes	Social protection, page 101
S1-12 Persons with disabilities	Yes	Persons with disabilities, page 101
S1-13 Training and skills development metrics	Yes	Training and skills development metrics, page 101
S1-14 Health and safety metrics	Yes	Health and safety metrics, page 101
S1-15 Work-life balance metrics	Yes	Work-life balance metrics, page 102
S1-16 Remuneration metrics (pay gap and total remuneration)	Yes	Remuneration metrics (pay gap and total remuneration), page 102
S1-17 Incidents, complaints and severe human rights impacts	Yes	Incidents, complaints and severe human rights impacts, pages 102-103
S4-1 Policies related to consumers and end-users	Yes	Policies related to consumers and end-users, pages 104-105
S4-2 Processes for engaging with consumers and end-users	Yes	Processes for engaging with consumers and end-users, pages 105-106
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Yes	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns, page 107
S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities	Yes	Actions and approaches relating to consumers and end-users, pages 107-109
S4-5 Targets related to consumers and end-users	Yes	Targets related to consumers and end-users, page 109

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", including disclosures relating to the characteristics of our workforce, working conditions, equal opportunities and other work-related rights, as required by ESRS S1, including Disclosure Requirements S1-1 to S1-17.

Our workforce and business model

The Group recognises that its workforce is central to the delivery of its strategy and business model. The availability, engagement and skills of employees underpin the Group's ability to operate effectively, deliver services to customers and achieve its long-term business objectives. Workforce-related considerations, including wellbeing, health and safety and skills development, are therefore integrated into the Group's approach to workforce management and operational decision-making.

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. The Group's own workforce includes the following categories:

- **Full-time and part-time employees:** across all operational locations, who are subject to the Group's policies and practices relating to working conditions, health and safety, compensation and career development.
- **Customer representatives:** whose roles involve direct interaction with customers as part of the Group's operating model, including visits to customers' homes to disburse loans and collect repayments.
- **Temporary and contract workers:** who support the Group's operations and are subject to the Group's applicable labour practices and safety standards during their engagement.

IROs relating to own workforce

In accordance with ESRS S1, the Group has assessed the actual and potential impacts on its own workforce, as well as the related risks, opportunities and dependencies arising from its operations. This assessment draws on the outcomes of the Group's DMA and the subsequent identification of material IROs for the reporting period.

Impacts on own workforce

The Group has identified a potential negative impact relating to employee engagement, capability and wellbeing, which could arise where development, feedback or support mechanisms are ineffective. This potential impact is associated primarily with the Group's own operations and has a medium-term time horizon.

Customer representatives, whose roles involve direct interaction with customers, including visits to customers' homes, have been identified as a workforce group that may be exposed to specific health and safety-related impacts. A suite of policies, procedures and training requirements is in place to manage these impacts, as described below.

The Group has not identified any material negative impacts on its own workforce that are widespread or systemic, or that relate to individual incidents.

The Group has identified positive impacts on its workforce through initiatives aimed at supporting colleague development, wellbeing, and engagement. These include training and development programmes, flexible working arrangements and engagement initiatives that support job satisfaction, capability and retention. These positive impacts are accessible across the workforce and are monitored on an ongoing basis to ensure they continue to align with business objectives and workforce needs.

Risks relating to own workforce

The potential negative impacts identified above give rise to risks relating to workforce engagement, capability and wellbeing, which could affect operational effectiveness if not appropriately managed. In addition, the Group recognises dependencies on its workforce as material, given its reliance on employees to deliver core business activities and maintain service quality.

These risks are managed through existing processes, including workforce planning, employee engagement initiatives, training and development programmes, health and safety arrangements and the Group's broader risk management framework.

Opportunities relating to own workforce

The Group has identified a material opportunity to strengthen workforce capability, engagement and retention through effective training, development and feedback mechanisms. This opportunity supports the Group's long-term operational resilience and service quality and is considered to have a medium- to long-term time horizon.

Other workforce-related considerations

The Group has not identified any material impacts on its own workforce arising from actions to reduce environmental impacts or to achieve its sustainability objectives. As a financial services provider with limited direct environmental footprint, the Group does not anticipate significant workforce changes, such as restructuring, job losses or large-scale reskilling in connection with such initiatives.

The Group has assessed its operations and has not identified any significant risks of forced or compulsory labour or child labour, taking into account the nature of its business activities and the geographic areas in which it operates.

The Group will reassess workforce-related IROs and dependencies annually as part of its ongoing materiality assessment.

Policies

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 the Group's material own-workforce IROs identified under ESRS S1. In particular it supports the mitigation of potential negative impacts relating to employee engagement, wellbeing and fair treatment, including risks arising from discrimination, harassment, unsafe working practices or unethical behaviour. The Code also supports the opportunity to strengthen workforce engagement, capability and retention by setting clear expectations for ethical conduct, respect, inclusion and leadership behaviour across the Group.
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 Group Board, who approve 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 Group Board.
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 or other local policy communication platforms. 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 Human Rights Policy relates to material IROs associated with actual and potential adverse human rights impacts across the Group's own operations and supply chain. This includes risks relating to modern slavery, human trafficking, forced or compulsory labour and child labour, as well as risks associated with unsafe working conditions, discrimination and exploitation. The policy supports the identification, prevention and mitigation of such impacts and underpins the Group's approach to respecting internationally recognised human rights standards.
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 Group Board.
Reference to relevant third-party standards	The Human Rights Policy is aligned with the United Nations Guiding Principles on Business and Human Rights. It is informed by the International Bill of Human Rights, including the Universal Declaration of Human Rights and the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and UNICEF's Children's Rights and Business Principles. The Group is also guided by the principles of the United Nations Global Compact in determining its approach to human rights.
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 Human Rights Policy is made available to all potentially affected stakeholders through being published on the Group's website and its intranet sites or other local policy communication platforms in local language. The Code of Ethics incorporates the key elements of the Policy, which is available publicly on the Group website, ensuring accessibility to employees, stakeholders and other interested parties.

Health and Safety Policy

Description of the key contents of the policy, including its general objectives	The Health and Safety Policy outlines the Group's commitment to providing a safe, healthy, and supportive working environment for all employees, customer representatives, contractors, and others who may be affected by its operations. It establishes clear expectations for risk prevention, safe working practices, and the promotion of physical and psychological health, safety, and wellbeing. The Policy aims to eliminate or reduce workplace hazards, ensure compliance with applicable safety legislation and international standards, and foster a culture of continuous improvement where health and safety are integral to everyday operations and decision-making.
Description of the material IROs the policy relates to	The Policy addresses workforce-related risks including workplace accidents, occupational illnesses, psychosocial risks, and non-compliance with safety requirements. It recognises the potential impact of these risks on employee wellbeing, business continuity, and reputation. Through proactive risk management, the Policy supports the prevention of harm, reduction of absenteeism, and enhancement of productivity and engagement across all markets. Specific emphasis is placed on protecting lone-working customer representatives, who may face elevated risks associated with travel and community-based activities.
Description of the process for monitoring	Compliance with the Policy is monitored through regular workplace inspections, incident reporting and investigation, risk assessments, and annual self-assessments in each market. The Group also monitors performance against defined safety objectives, including completion of induction and refresher training, and personal safety risk assessments. A confidential reporting system allows employees to raise safety concerns, which are reviewed and addressed as part of the Group's broader risk management and assurance framework. Annual reviews of health and safety performance are undertaken at Group and market level to drive continual improvement and transparency in ESG reporting.
Description of the scope of the policy	The Policy applies to all persons working for or on behalf of the Group in any capacity, including employees, directors, officers, customer representatives, contractors, consultants, agency and seconded workers, and business partners. It sets out responsibilities for maintaining workplace safety at all levels and across all operational environments, ensuring consistency in standards and expectations globally.
Body with accountability for the implementation of the Policy	The Group Board.
Reference to relevant third party standards	The Policy aligns with ISO 45001: Occupational Health and Safety Management Systems and ISO 45003: Psychological Health and Safety at Work – Guidelines for managing psychosocial risks. These frameworks underpin the Group's integrated approach to health, safety, and wellbeing and ensure compliance with international best practice and relevant legal requirements. These standards underpin the Group's approach to managing physical and psychological health and safety risks across its operations.
Stakeholder considerations	The Policy is aligned with legal and regulatory obligations, industry standards, and internal risk management frameworks. It reflects employee feedback, workplace assessments, and consultation processes that encourage participation and dialogue on health, safety, and wellbeing matters. This inclusive approach supports a culture of shared responsibility and engagement across all levels of the organisation.
How the Policy is made available	The Policy is communicated through Group-wide announcements, onboarding and induction programmes, and annual refresher training for employees, contractors, and customer representatives. It is readily accessible on internal communication platforms and is integrated into operational guidelines to ensure consistent awareness and application. Regular updates and engagement sessions reinforce understanding of safety responsibilities and encourage proactive participation in creating a safe and supportive work environment.

Diversity Policy

Description of the key contents of the policy, including its general objectives	The Diversity 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 Diversity Policy relates to the Group's material own-workforce IROs associated with employee engagement, wellbeing and fair treatment. In particular, it supports the prevention and mitigation of potential negative impacts arising from discrimination, harassment or exclusionary behaviour, which could adversely affect workforce engagement and morale. The Diversity Policy also supports the opportunity to strengthen workforce engagement, inclusion and retention by promoting equitable practices and an inclusive workplace culture across the Group's own workforce.
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 is informed by internationally recognised standards on equality and non-discrimination, including the principles of the United Nations Global Compact and relevant International Labour Organization (ILO) conventions. It is also designed to comply with applicable local employment and anti-discrimination laws across the jurisdictions in which the Group operates.
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 programmes. 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.

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 2025, established employee forums across all markets and customer representative forums in all home credit markets provided structured opportunities for dialogue on workforce-related matters.

In addition, the Group conducted its Global People Survey (GPS) across all divisions, with participation from more than 17,600 colleagues, representing a participation rate of 91%. The GPS provides workforce insight across four dimensions – pride, care, challenge and inspired – and is used as a tool to monitor employee engagement and sentiment. Reported results for 2025 included overall positive sentiment of 79.5% among employees and 81% among customer representatives, with results reported across each of the four dimensions.

The outputs of the GPS are reviewed by the HR Function, Executive Management and the Group Board as part of regular governance and oversight processes. Insights from the survey, alongside feedback obtained through employee and customer representative forums, are used to inform workforce-related considerations within existing HR and operational frameworks. These engagement mechanisms support the Group in monitoring workforce perspectives in a consistent and structured 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.

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 include:

- **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 on 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 Audit and Risk Committee, ensuring that Executive Management and the Group Board 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 assesses workforce awareness and trust in these channels through monitoring channel utilisation rates, case outcomes, and feedback mechanisms. Awareness of whistleblowing channels is promoted through onboarding, regular communications, and mandatory training.

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.

Concerns raised through the Group's whistleblowing and grievance channels are assessed and addressed in accordance with established internal procedures. Reported matters are reviewed to determine the appropriate course of action, which may include investigation, corrective measures, or escalation to relevant management or governance bodies, depending on the nature and severity of the issue.

Where a negative impact on employees is identified, the Group seeks to provide appropriate remediation, which may include addressing the underlying cause, implementing corrective actions, and, where relevant, taking disciplinary or remedial steps in line with applicable policies and local legal requirements. The approach to remediation is proportionate to the issue identified and is intended to prevent recurrence and support fair outcomes for affected employees.

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 allow 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.

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. In addition, 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.

The Group manages its material own-workforce IROs as part of business-as-usual operations through established HR policies, governance frameworks and colleague engagement mechanisms. Actions are primarily preventive and mitigative in nature and are integrated into standard workforce management practices.

Actions to prevent or mitigate negative impacts and manage risks

To prevent or mitigate potential negative impacts relating to employee engagement, wellbeing and workplace conditions, the Group undertakes the following actions on an ongoing basis:

- conducts regular colleague engagement surveys and Pulse Surveys to identify emerging workforce concerns;
- operates formal employee forums across all markets and customer representative forums in home credit markets to enable structured dialogue;
- provides training and guidance on expected behaviours, health and safety and ethical conduct through mandatory policies and training programmes; and
- maintains grievance and whistleblowing mechanisms to enable colleagues to raise concerns confidentially.

Customer representatives, identified as a workforce group potentially exposed to specific health and safety-related impacts, are subject to targeted training, safety procedures and oversight measures appropriate to their roles.

Actions to pursue positive impacts and opportunities

To pursue positive impacts and opportunities relating to workforce engagement, capability and retention, the Group implements initiatives including training and development programmes, wellbeing support and flexible working arrangements. These actions are designed to strengthen workforce capability and support long-term operational effectiveness.

Remedy and corrective action

Where an actual negative impact on a member of the workforce is identified, the Group enables remedy through established internal processes. Reported concerns are assessed by the HR Function and relevant management, and may result in internal investigations, direct engagement with affected colleagues and the implementation of corrective actions. Corrective actions may include changes to working arrangements, targeted training, disciplinary measures where appropriate, or updates to policies and procedures. Whistleblowing and grievance mechanisms are available to all employees and customer representatives to support access to remedy.

Effectiveness of actions

The effectiveness of actions taken to address workforce-related IROs is monitored through colleague feedback, survey outcomes, retention and turnover indicators, and review by the HR Function and management. Insights from these mechanisms are used to inform ongoing improvements to workforce management practices.

No separate action plans or additional resources beyond existing HR operations have been established, as the Group considers these actions to be appropriately embedded within its existing governance and management frameworks.

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 23, 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 Group Board. In such cases, the process would include consideration of workforce data, colleague engagement insight, 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 head count rather than full-time equivalent (FTE).
- Workforce data is sourced from internal HR systems, payroll databases and employment records.

Methodologies applied:

1. Employee head count classification (S1-6)

- Permanent employees are individuals directly employed by the Group on indefinite employment contracts at the reporting date.
- Temporary employees are individuals directly employed by the Group on fixed-term employment contracts at the reporting date.

Only individuals who have an employment relationship with the Group are included within employee headcount disclosures.

2. Contract type classification (employees only)

- Permanent contracts refer to indefinite employment agreements between the individual and the Group.
- Temporary contracts include fixed-duration agreements or agency employment.

3. Non-employees in the undertaking's own workforce (S1-7)

Individuals who work for the Group but are not employed by the Group, including agency workers, self-employed contractors and other non-employee arrangements, are excluded from employee headcount disclosures and are reported separately under Disclosure Requirement S1-7.

4. Working time classification

- Employees are categorised as full-time or part-time based on:
  - Contract terms; and.
  - Actual hours worked where relevant.

5. Gender classification

- Based on Group HR records, which may be informed by:
  - Self-reported data, where available; and
  - Local employment classifications, where applicable and permitted by law.

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.

S1-6 – Characteristics of the undertaking's employees

Table 1 – information on employee head count by gender

Gender	Number of employees (head count)	
	2025	2024
Male	**2,922**	2,946
Female	**5,383**	5,405
Other	**0**	0
Not reported	**0**	0
Total employees	**8,305**	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 have been no significant changes in total employee numbers during the reporting period. A notable feature of the Group's workforce composition is that 2,987 employees are customer representatives in Hungary and Romania (in 2024 this was around 3000). 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 2025 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 (head count)	
	2025	2024
Czech Republic	**319**	302
Estonia	**130**	120
Hungary	**2,065**	2,150
Mexico	**2,605**	2,569
Poland	**1,018**	1,040
Romania	**1,944**	1,960
United Kingdom	**131**	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 head count, providing important context for workforce distribution across the Group. Mexico has the largest employee head count within the Group, reflecting the scale of operations in this market.

Table 3 – information on employees by contract type, broken down by gender*

	2025					2024				
	Female	**Male**	**Other***	**Not disclosed**	**Total**	Female	Male	Other*	Not disclosed	Total
Number of employees (head count)	**5,383**	**2,922**	**–**	**–**	**8,305**	5,405	2,946	–	–	8,351
Number of permanent employees (head count)	**5,279**	**2,894**	**–**	**–**	**8,173**	5,287	2,918	–	–	8,205
Number of temporary employees (head count)	**104**	**28**	**–**	**–**	**132**	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 2025 was 2,430 (2,562 in 2024) and the rate of employee turnover in the reporting period was 28.1% (29.2% in 2024).

S1-7 – Characteristics of non-employees in the undertaking's workforce

Metric	Unit	Total 2025	Total 2024
Total number of non-employees in own workforce	Head count	**11,904**	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.

S1-8 – Collective bargaining coverage and social dialogue

23% of employees are covered by collective bargaining agreements globally. This was 0% in 2024.

In the European Economic Area (EEA), a collective bargaining agreement is in place in Romania, covering employees in that market. In all other EEA countries. Outside the EEA, 0% of employees are covered by collective bargaining agreements.

Country	% of employees covered by workers' representatives for each EEA country 2025	2024
Czech Republic	**0%**	0%
Estonia	**0%**	0%
Hungary	**0%**	0%
Poland	**0%**	0%
Romania	**100%**	0%
Latvia	**0%**	0%
Lithuania	**0%**	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.

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 2025	Total 2024
Number and percentage at top management level by gender	Head count (%)	**112 (100%)**	88 (100%)
Female	Head count (%)	**37 (33%)**	29 (33%)
Male	Head count (%)	**75 (67%)**	59 (67%)
Other gender	Head count (%)	**0 (0%)**	0 (0%)
Not reported	Head count (%)	**0 (0%)**	0 (0%)

Age distribution of employees

Our workforce is composed of employees across different age groups. The distribution is as follows:

Metric	Unit	Total 2025	Total 2024
Distribution of colleagues by age groups	Head count (%)	**8,305 (100%)**	8,351 (100%)
< 30 years	Head count (%)	**1,003 (12.1%)**	1,038 (12.4%)
30-50 years	Head count (%)	**5,381 (64.8%)**	5,443 (65.2%)
> 50 years	Head count (%)	**1,921 (23.1%)**	1,870 (22.4%)

S1-10 – Adequate wages

We confirm that no employee within the Group is paid below an adequate wage. The position was the same in 2024. This aligns with our commitment to fair and responsible employment practices, ensuring financial security and wellbeing for our workforce.

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.

S1-12 – Persons with disabilities

Metric	Unit	Total 2025	Total 2024
Percentage of persons with disabilities amongst employees	Head count (%)	**97 (1.2%)**	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.

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 2025	Total 2024
Employees that participated in regular performance and career development reviews by gender	%	**65.2%**	52%
Female	%	**54.9%**	45.5%
Male	%	**45.1%**	63.9%
Other gender	%	**0%**	0%
Not reported	%	**0%**	0%

S1-14 – Health and safety metrics

Metric	Unit	Total 2025	Total 2024
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%**	100%

All IPF home credit businesses are accredited with the ISO 45001 Occupational Health and Safety Management Standard. All markets undergo safety management system assessments to monitor compliance with the Group's health and safety protocols.

Metric	Unit	Total 2025	Total 2024
Number of fatalities as a result of work-related injuries and work-related ill health	Fatalities	**1**	0

Metric	Unit	Total 2025	Total 2024
Rate of recordable work-related accidents	Number of injuries/hours worked	**1.05**	1.1
Number of recordable work-related injuries	Number	**274**	302

This was calculated using industry standard:

Total recordable incident rate = Number of incidents x 100,000 / total number of employee/customer representative hours worked in a year.

Metric	Unit	Total 2025	Total 2024
Number of cases of recordable work-related ill health among employees in own workforce	Number	**0**	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 2025	Total 2024
Number of days lost to work-related injuries and fatalities among colleagues in own workforce	Days	**1,731**	1,529

Metric

There was one fatality in 2025 resulting from work-related injury or work-related ill health involving other workers operating on the Group's sites. In 2024, there were no fatalities.

S1-15 – Work-life balance

Below are our family-related leave metrics:

Metric	Unit	Total 2025	Total 2024 (Restated)
Percentage of employees entitled to take family-related leave	%	**88.2%**	88.9%

Metric	Unit	Total 2025	Total 2024
Percentage of entitled employees that took family-related leave by gender	%	**21%**	23%
Female	%	**26%**	29%
Male	%	**12%**	15%
Other gender	%	**0%**	0%
Not reported	%	**0%**	0%

These figures demonstrate our commitment to supporting employees with family-related responsibilities through accessible and inclusive leave policies.

During the preparation of the 2025 CSRD disclosures, the Group identified a methodological inconsistency in the calculation of Disclosure Requirement S1-15 (employees entitled to family-related leave) for the 2024 reporting period.

In 2024, the denominator used to calculate the percentage of employees entitled to family-related leave in Romania included certain inactive employees and leavers at year end. This approach was not consistent with the methodology applied across other jurisdictions and was not aligned with the refined methodology adopted in 2025, which includes active employees at the reporting date only.

For 2025, the Group has applied a consistent methodology across all jurisdictions. Both:

- total employees (S1-6), and
- employees entitled to family-related leave (S1-15),

are calculated using active employees at year end only.

As a result of this methodological refinement, the previously reported 2024 percentage (98%) has been recalculated on a consistent basis. Applying the 2025 methodology to 2024 data results in a revised 2024 percentage of 88.9%.

The reported 2025 percentage is 88.2%. On a like-for-like basis (using the 2025 methodology for both years), the movement between 2024 and 2025 is therefore minimal (88.9% to 88.2%).

This correction represents a material prior period error in quantitative terms. The Group has therefore restated the comparative 2024 figure for S1-15 to ensure consistency, transparency and comparability in accordance with ESRS 2 BP-2 paragraph 14.

There is no impact on other disclosures, narrative reporting, or the Group's financial statements.

Disclosure Requirement S1-16 – Remuneration metrics

Metric	Unit	Total 2025	Total 2024
Annual total remuneration for the undertaking's highest-paid individual	GBP	**2,102,419**	2,349,609
Median annual total remuneration	GBP	**13,853**	11,198
Annual total remuneration ratio	Ratio	**151.76**	209.82
Gender pay gap percentage	%	**37.39%**	37.98%

S1-17 – Human rights impacts

Discrimination and complaints

Metric	Unit	Total 2025	Total 2024
Total number of incidents of discrimination and harassment reported:	Number	**0**	3

In 2025, the Group did not identify any substantiated incidents of discrimination within its own workforce. A small number of allegations relating to inappropriate conduct or discrimination were raised through the Group's grievance and whistleblowing channels and were assessed through established investigation processes.

The Group takes all allegations of discrimination seriously and is committed to fostering a culture of inclusion, respect and fairness. All reported concerns are investigated proportionately and, where appropriate, addressed through corrective or disciplinary measures and employee support.

Metric	Unit	Total 2025	Total 2024
Number of complaints filed through channels for own workforce to raise concerns	Number	**191**	165

Metric	Unit	Total 2025	Total 2024
Total amount of fines, penalties, and compensation for damages as result of reported incidents and complaints	GBP	**0**	0

Severe human rights incidents

Metric	Unit	Total 2025	Total 2024
Number of severe human rights incidents connected to the undertaking's workforce	Number	**0**	0

Metric	Unit	Total 2025	Total 2024
Total amount of fines, penalties and compensation for damages as a result of severe human rights incidents connected to the undertaking's workforce	GBP	**0**	0

ESRS S4 Consumers and end-users

This section of the CSRD Statement explains how the Group manages its material IROs relating to consumers and end-users, in accordance with ESRS S4, as identified through the Group's DMA.

ESRS 2 SBM-3 What matters most to our business and stakeholders

The Group's material IROs in relation to consumers and end-users arise directly from its strategy and business model of designing, marketing and providing regulated consumer credit products across multiple markets. These impacts are primarily connected to responsible lending practices, fair treatment of customers, marketing and sales conduct, and the protection of consumer information and personal data.

The identification of material consumer-related IROs informs the Group's strategy through its emphasis on operating within applicable local regulatory frameworks, maintaining appropriate compliance and conduct standards at market level, and embedding consumer protection requirements into product design, pricing, marketing and servicing activities. The Group's strategy and business model are not adapted through changes to product offerings or target markets in response to these impacts, but through ongoing refinement of policies, controls and governance arrangements to manage consumer-related risks.

For the purposes of ESRS S4, the Group considers its consumers and end-users to be its retail borrowers who use its consumer credit products and related services. The scope of this disclosure covers customers and end-users of the Group across all channels, including digital-only customers and customers in arrears, who may be materially impacted by the Group's own operations, products and services. Guarantors and customers of third-party distribution partners are excluded from scope. Based on the materiality assessment, the main types of consumers affected are retail customers who are dependent on accurate, transparent and accessible product-related information, and whose personal data is processed in the provision of financial services. The Group does not offer products that are inherently harmful to consumers.

Material negative impacts are generally systemic in nature, reflecting the regulated environments in which the Group operates, rather than arising from isolated incidents or specific business relationships. These impacts are reflected in the Group's material IROs for consumers and end-users disclosed under ESRS 2 SBM-3, including negative impacts and associated risks relating to ethical marketing and consumer protection, and information-related impacts (such as data protection and privacy).

No material positive impacts beyond those arising from the responsible provision of regulated consumer credit and compliance with applicable consumer protection requirements have been identified, other than the positive impacts and opportunities relating to social inclusion of consumers disclosed under ESRS 2 SBM-3.

Material risks and opportunities arising from impacts and dependencies on consumers and end-users primarily relate to regulatory compliance, conduct risk, reputational risk and customer trust. These risks and opportunities apply broadly across the Group's consumer base and are managed through market-level governance arrangements, regulatory engagement and internal control frameworks.

S4-1 – Policies related to consumers and end-users

The Group has adopted Group-wide policies that set out its commitments and approach to managing IROs related to consumers and end-users arising from the design, marketing and provision of its consumer credit products and services. These policies establish minimum standards for conduct, consumer protection, data protection and human rights across the Group and are implemented at market level in accordance with applicable local legal and regulatory requirements.

Details of the Group's Data Protection and Privacy Policy, the Code of Ethics and the Human Rights Policy, which apply across the Group's operations and supply chain, are set out on pages 70 and 93. These policies reflect the Group's commitment to operate in line with the United Nations Universal Declaration of Human Rights and other internationally recognised human rights standards. The principles contained in the Human Rights Policy are brought to life for employees and customer representatives through the Code of Ethics, which establishes expectations for ethical conduct in all interactions with customers and other stakeholders. The Responsible Marketing Policy is summarised below:

Description of the key contents of the policy, including its general objectives	The Responsible Marketing Policy sets out minimum standards and requirements governing marketing and customer communications across the Group. The Policy is intended to ensure that marketing activities are accurate, transparent and fair, comply with applicable laws and regulations, and align with customer protection and financial inclusion objectives. It establishes expectations for responsible product promotion, avoidance of misleading or aggressive practices, appropriate disclosure, data protection in marketing activities, and the use of AI and automated tools in marketing.
Description of the material IROs the policy relates to	The Policy relates to the Group's material impacts and risks for consumers and end-users identified and disclosed under ESRS 2 SBM-3 in respect of ESRS S4. In particular, it addresses: • the material negative impact and associated risk relating to ethical marketing and consumer protection, including the risk of consumer detriment arising from misleading, unclear or inappropriate marketing communications, inadequate disclosure of product features, costs or risks, inappropriate targeting of customers (including vulnerable or underserved groups), or aggressive sales practices; and • the material risks and impacts relating to information-related matters, including the risk of adverse impacts on consumers and regulatory or trust-related risks arising from failures in data protection, privacy, or the use of customer data in marketing activities (including through automation or AI tools). The Policy also supports the material positive impacts and opportunities relating to the social inclusion of consumers disclosed under ESRS 2 SBM-3, by promoting fair access to products, transparent communications, financial inclusion, and customer protection outcomes when marketing regulated consumer credit responsibly.
Description of the process for monitoring	Monitoring is carried out through market-level procedures and controls, including the maintenance of marketing approval records, review of marketing materials, and consideration of customer feedback, complaints and product and service quality reporting. Oversight is provided by Marketing, Compliance and Sustainability functions, with periodic reporting to the Group Product Development Committee. Internal audits are conducted to assess adherence to the Policy and the effectiveness of related controls.
Description of the scope of the policy	The Policy applies to all colleagues across the Group, including employees, directors, contractors and other customer-facing representatives. It applies to all marketing activities and customer communications in all markets in which the Group operates and is implemented alongside local marketing policies and applicable country-specific legal requirements.
Body with accountability for the implementation of the Policy	Chief Marketing Officer and Global Product Development Committee.
Reference to relevant third-party standards	The Policy does not reference alignment with specific third-party standards.
Stakeholder considerations	The Policy is made available internally through Group and local policy communication channels and available online on the Group's website.

(a) Respect for the human rights of consumers and end-users

The Code of Ethics and Human Rights Policy commit the Group to respecting the fundamental human rights of consumers and end-users, including non-discrimination, privacy, health, life and safety, and freedom of expression. These rights are particularly relevant given the Group's provision of responsible finance and its interactions with consumers across different markets and customer segments. These commitments are aligned with internationally-recognised standards, including the OECD Guidelines for Multinational Enterprises.

The Group seeks to mitigate potential human rights impacts by embedding ethical conduct, responsible lending, customer protection and respect for privacy into the design, marketing and delivery of its products and services. Providing access to responsible and transparent financial products is also considered a key contribution to consumers' social and economic inclusion.

(b) Engagement with consumers and end-users

Engagement with consumers and end-users is guided by the principles set out in the Code of Ethics, which emphasises ethical behaviour, respect for individual rights and responsible business practices. The Code of Ethics establishes expectations for non-discriminatory conduct, respect for privacy and safeguarding of health and safety, which inform day-to-day customer interactions across all markets and underpin the Group's approach to responsible marketing and customer communications.

(c) Measures to provide and/or enable remedy for human rights impacts

The Group's Code of Ethics and Human Rights Policy provide the framework for addressing and, where possible, remedying adverse human rights impacts arising from its activities, products or services. Actual or potential human rights concerns may be raised through established channels, including customer complaints mechanisms, internal escalation processes and the Group's whistleblowing arrangements. Reported issues are assessed and investigated in line with applicable policies and procedures, and appropriate corrective or remedial actions are taken where issues are identified.

These commitments are supported by annual ethics training for employees and customer representatives, including training on counteracting modern slavery, which is intended to strengthen awareness of human rights risks and the use of established reporting and remediation mechanisms. During the reporting period, the Group is not aware of any reported cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users in its downstream value chain.

Oversight of the Responsible Marketing Policy sits with the Chief Marketing Officer, supported by local Marketing Directors. Oversight of data protection and privacy matters sits with the Group Data Protection Officer, reporting to the Chief Legal Officer. Responsibility for the Human Rights Policy and Code of Ethics sits with the Chief Legal Officer, with oversight by the Group Board. All policies referred to above are available publicly on the Group's website at www.ipfin.co.uk and apply across all markets served by the Group.

S4-2 – Engagement with consumers and end-users

(i) How we engage on impacts

The Group engages with consumers and end-users through structured and recurring processes to inform its understanding of actual and potential impacts related to its activities, products and services.

As part of the DMA, the Group conducted a customer survey across all markets during the reporting year. Customers were approached through online channels, and 2,987 responses were received. The survey was designed to gather customer perspectives on topics relevant to the Group's activities, including social and governance matters that may affect consumers and end-users.

Survey responses indicated that customers primarily associate the Group's responsibilities with social and governance-related topics, particularly fairness, ethical conduct, customer protection and the protection of personal data. These areas align with the Group's identified material impacts on consumers and end-users, including ethical marketing, social inclusion and information-related impacts.

The results of the customer survey are used as an input into the Group's sustainability governance and DMA processes, supporting the identification and prioritisation of actual and potential impacts on consumers and end-users. The survey complements ongoing engagement with consumers through day-to-day customer interactions, customer service channels and complaints handling processes, which provide additional qualitative insight into customer experiences and emerging concerns.

The Group's engagement processes are designed to be proportionate to its business model and customer base and to support an ongoing understanding of consumer expectations and impacts over time.

(ii) How consumer perspectives inform decisions

The Group considers the perspectives of consumers and end-users when making decisions and Group activities aimed at managing actual and potential impacts on consumers and end-users. Consumer perspectives are gathered directly from consumers, primarily through customer engagement processes, including customer surveys, feedback mechanisms and complaints analysis. The Group does not engage with consumers and end-users through legitimate representatives or credible proxies for these purposes. These inputs are taken into account as part of the Group's sustainability governance and DMA processes.

Insights from consumer engagement are used to inform management's understanding of customer expectations and potential areas of customer impact, particularly in relation to ethical conduct, fairness, customer protection and the handling of personal data. These insights support the prioritisation of material consumer-related topics and help guide the Group's approach to responsible marketing, product governance and customer protection practices.

(iii) Engagement stages, methods and frequency

Engagement with consumers and end-users takes place on an ongoing basis across the full customer lifecycle, and at defined stages of the Group's processes for identifying, assessing and managing actual and potential impacts on consumers and end-users. Engagement is embedded into the Group's day-to-day operations and governance arrangements and is supplemented by structured engagement conducted as part of the DMA.

Engagement occurs at the following stages:

Marketing and pre-onboarding, where engagement focuses on preventing potential negative impacts by testing marketing practices and sales interactions before customers enter into a contractual relationship;

Onboarding and early tenure, where engagement is used to assess clarity, accessibility and early customer experience and to identify potential issues at an early stage;

Active servicing and relationship management, where engagement focuses on service quality, customer outcomes, trust and emerging risks throughout the customer relationship;

Collections and arrears, including continuous direct interaction with customers, supported by structured feedback and quality monitoring, particularly in relation to customers in vulnerable circumstances;

Complaints and remediation, where formal complaints handling and root-cause analysis provide insight into actual negative impacts and the effectiveness of remediation; and

Group-level and cross-market engagement, which provides periodic insight into customer perception, experience and trust across markets and the full customer lifecycle.

The Group engages with consumers and end-users through a combination of:

Proactive engagement mechanisms, including mystery shopping, proactive quality assurance, call monitoring, post-interaction and journey-based surveys, and customer experience indicators;

Reactive engagement mechanisms, including formal complaints handling, complaints satisfaction surveys and root-cause analysis; and

Ongoing direct interaction, including day-to-day customer service interactions and, in markets operating a home credit model, regular face-to-face interactions between customer representatives and customers.

These mechanisms generate both quantitative and qualitative insight, including customer verbatims, which inform management understanding of customer expectations, experiences and potential impacts.

Engagement with consumers and end-users occurs at different frequencies depending on the mechanism:

Continuous engagement through customer service interactions, collections activities and complaints handling;

Weekly and monthly engagement through customer experience indicators, post-interaction surveys, complaints reporting and quality monitoring;

Periodic engagement through structured customer journey analysis and customer experience reviews; and

Annual or biennial engagement through Group-level brand tracking, Customer Experience Heartbeat® surveys and the customer survey conducted as part of the DMA.

Insights from these engagement mechanisms are reviewed at market level through operational management and boards, and are aggregated and escalated to Group-level forums and governance bodies where relevant, including to inform sustainability governance and materiality-related considerations.

(iv) Responsibility for consumer engagement

Operational responsibility for engagement with consumers and end-users is shared across Group and market-level functions. Day-to-day engagement with consumers primarily takes place through market-level sales, customer service and servicing functions, which are responsible for customer interactions, feedback capture and complaints handling as part of normal business operations.

At Group level, the Marketing function has responsibility for coordinating customer insight and engagement activities with a Group-wide perspective, including the design and execution of the annual sustainability survey and the consolidation of consumer insight across markets. The Chief Marketing Officer is the most senior role with overall responsibility for oversight of consumer engagement at Group level.

Insights from consumer engagement are communicated to and considered by relevant internal functions, including market management teams, compliance, legal, data protection, risk and sustainability functions, to inform management review of customer-related impacts, risks and business practices.

(v) Reviewing the effectiveness of engagement

The Group assesses the effectiveness of its engagement with consumers and end-users through a combination of quantitative and qualitative measures linked to its engagement mechanisms.

Effectiveness is primarily assessed by monitoring participation levels and response rates in the customer survey conducted as part of the DMA, which provide an indication of the reach and relevance of the engagement. The Group also considers the consistency and clarity of themes identified across markets and customer segments, which supports management's assessment of the reliability and usefulness of the insights obtained.

In addition, the Group assesses whether and how consumer feedback informs management discussions and the prioritisation of consumer-related impacts, risks and topics, including ethical conduct, customer protection and information-related impacts. In the reporting period, the customer survey received responses from 2,987 consumers across all markets, enabling the identification of clear and recurring priorities, particularly in relation to social and governance matters such as fairness, ethical behaviour, customer protection and data protection. These insights were used as an input into sustainability governance and materiality-related considerations.

(vi) Engagement with vulnerable or marginalised consumers

The Group recognises that certain consumers and end-users may be particularly vulnerable to adverse impacts or may face barriers to accessing financial services, including underbanked individuals and socially or economically marginalised groups.

The Group does not currently apply a formal, Group-wide definition of "vulnerable consumers" for the purposes of engagement or impact assessment. Instead, insights into the perspectives of potentially vulnerable consumers are primarily gained through the Group's financial inclusion activities and day-to-day customer interactions.

The Group does not currently operate dedicated engagement mechanisms exclusively for vulnerable consumer groups.

S4-3 Processes to remediate negative impacts

Raising concerns and remediation

The Group has established processes across all markets to enable consumers and end-users to raise concerns and complaints, and to provide for, or cooperate in, the remediation of negative impacts on consumers and end-users that the Group is connected with.

In each market in which the Group operates, consumers and end-users have access to a dedicated complaints-handling function operating in line with applicable local legal and regulatory requirements. Complaints and concerns may be raised through customer service and feedback channels, including in-person in those markets where the Group maintains branches, telephone and digital channels, and may relate to matters such as customer treatment, service delivery, data protection and privacy, or other issues connected with the Group's activities. Information on how to raise complaints is made available to consumers through customer communications and service touchpoints in each market.

All complaints are recorded and handled in accordance with local regulatory frameworks and internal procedures, with the objective of ensuring timely, fair and appropriate resolution. Where concerns or complaints indicate a potential negative impact on consumers or end-users, the Group investigates the matter and determines appropriate remedial actions based on the nature and severity of the issue. Remediation may include corrective actions in customer interactions, clarification of information provided, service or process adjustments, or other measures intended to address the issue and reduce the risk of recurrence.

The Group seeks to ensure that consumers and end-users are aware of and able to use these processes through clear communication of complaints procedures and regulatory rights at market level. The Group's approach is guided by the IPF Global Code of Ethics, which commits the Group to ethical conduct, protection of individual rights and the mitigation of detrimental human rights impacts, and supports the use of complaints and reporting channels without retaliation or disadvantage to individuals who raise concerns in good faith.

Information arising from complaints and concerns is reviewed to identify recurring issues or potential systemic risks. These insights inform management review and regular improvement of customer-related practices and controls, supporting the management of actual and potential impacts on consumers and end-users.

S4-4 How we address negative impacts on consumers

(i) Our actions

Based on its assessment of material impacts on consumers and end-users, the Group focuses its actions on preventing, mitigating and, where necessary, remediating impacts related to customer protection and fair treatment, responsible provision of financial services, and data protection and privacy. These material impacts correspond to those identified through the Group's DMA, namely ethical marketing and consumer protection, information-related impacts for consumers, and social inclusion of consumers.

Actions taken and underway include the application of market-level policies and procedures governing customer interactions, service delivery and complaints handling, aimed at reducing the risk of unfair treatment, misinformation or customer detriment. The Group has also implemented controls and processes to safeguard customer data and protect privacy, in order to prevent misuse of personal information and maintain consumer trust.

In support of responsible provision of financial services, the Group provides access to financial products and services to underbanked populations, with product design and customer-facing practices guided by internal standards and regulatory requirements. Employees involved in customer-facing activities receive training and guidance to support consistent and appropriate treatment of consumers.

These actions are intended to support fair and transparent customer interactions, reduce the risk of consumer harm, enhance protection of personal data and improve access to financial services. At this stage, the Group primarily monitors the implementation of actions and controls, rather than systematically measuring outcome-level changes for consumers and end-users.

Consumer feedback, complaints data and survey results are reviewed to identify areas where additional actions may be required to further prevent or mitigate material negative impacts.

In cases where actual material negative impacts on consumers and end-users are identified, the Group provides or enables remedy through its customer complaints mechanisms and internal escalation processes. These processes are used to investigate issues, determine appropriate corrective or remedial actions in line with local regulatory requirements, and implement measures to address identified customer detriment. The Group tracks the effectiveness of actions taken to address material negative impacts on consumers and end-users through a combination of ongoing monitoring of customer complaints and feedback, periodic review of marketing and customer practices, and management oversight of identified issues and corrective actions, with findings used to inform continuous improvement where appropriate.

(ii) Additional actions or initiatives contributing to improved social outcomes

The Group does not have additional actions or initiatives with the primary purpose of positively contributing to improved social outcomes for consumers and end-users beyond those actions described in relation to the prevention, mitigation and remediation of material negative impacts.

(iii) How we assess whether actions are effective

The Group tracks and assesses the effectiveness of actions and initiatives aimed at managing material impacts on consumers and end-users primarily through process-based indicators, consumer feedback mechanisms and management review, rather than through outcome-level impact measurement.

Effectiveness is monitored using insights from consumer engagement activities, including customer surveys, ongoing feedback received through customer service channels and complaints data collected at market level. This information is used to assess whether actions taken are aligned with consumer expectations and to identify recurring issues related to fairness, customer protection and service delivery.

Market-level complaints handling processes provide information on the nature, frequency and resolution of consumer concerns. Complaints trends and root-cause analysis are used to assess whether actions implemented are reducing recurring issues or highlighting areas requiring further attention.

Brand perception indicators, such as awareness, consideration and rejection, are monitored as supplementary measures of consumer sentiment and trust. These indicators provide contextual insight into changes in consumer perceptions over time but are not used as direct measures of outcome-level social impact.

Information from these sources is reviewed by management at market and Group level to determine whether existing actions and controls remain appropriate or require adjustment. At present, the Group focuses on tracking the implementation and consistency of actions, rather than systematically measuring behavioural or outcome-level changes for consumers and end-users.

(iv) Identifying appropriate actions and approaches

The Group identifies appropriate actions in response to actual or potential negative impacts on consumers and end-users through market-level processes, including consumer feedback, complaints handling, analysis of complaints trends and management review. This approach is applied to the material negative impacts identified through the Group's materiality assessment, which relate to customer protection and fair treatment, marketing and sales conduct, and the protection of consumer information and personal data.

Where potential or actual impacts are identified, the relevant market assesses their nature, severity and likelihood and determines whether the impact arises from the Group's own practices or is directly linked to its products or services. This assessment informs the identification of proportionate actions within existing policies, controls and regulatory frameworks.

Actions may include adjustments to customer communications, marketing or sales practices, internal processes or controls, or case-level corrective action through established complaints-handling procedures. Responsibility for identifying and implementing actions sits primarily at market level, with escalation to Group level where appropriate. The Group's approach focuses on actions within its own operations; no material negative impacts have been identified that require collaborative or industry-wide action beyond existing regulatory engagement.

In addressing material negative impacts, engagement with consumers and end-users takes place primarily through existing feedback, complaints and customer contact mechanisms, which enable affected consumers to raise concerns and inform corrective action at case and process level. Given the nature of the Group's material negative impacts, which are generally systemic and managed within regulated frameworks, no additional standalone or proactive engagement processes have been established specifically for the purpose of addressing impacts beyond these mechanisms.

(v) Actions to avoid negative impacts in own operations

The Group takes preventive action through its own practices to avoid causing or contributing to material negative impacts on consumers and end-users. This approach is embedded in how the Group conducts its marketing, sales, customer interactions and data use, with a focus on prevention rather than reliance on corrective or remedial measures.

Preventive controls include the application of a Group Responsible Marketing Policy, which sets requirements to ensure marketing and sales activities are fair, transparent, accurate and not misleading, and controls governing the use and protection of customer data to reduce the risk of privacy-related harm. Expectations for appropriate customer treatment are reinforced through internal standards and applied in day-to-day decision-making across markets. Guidance and training provided to customer-facing and commercial staff support early identification of potential risks and help prevent negative impacts from arising.

Where tensions arise between commercial objectives and the prevention of potential negative impacts on consumers, decisions are expected to prioritise compliance with applicable regulatory requirements, responsible marketing standards and consumer protection principles, even where this may constrain short-term commercial outcomes.

(vi) Severe human rights issues and incidents

During the reporting period, the Group did not identify any severe human rights issues or incidents connected to consumers and/or end-users arising from its own operations or value chain.

(vii) Resources to manage consumer impacts

The Group allocates a combination of human, organisational and operational resources to the management of its material impacts on consumers and end-users. These resources are embedded across Group and market-level functions and reflect the Group's decentralised operating model and local regulatory requirements.

Management of consumer-related impacts is primarily resourced through market-level customer service, complaints-handling and operational teams responsible for day-to-day consumer interactions and issue resolution. Additional resources are provided through marketing and commercial functions overseeing responsible marketing practices, and through compliance, legal and data protection functions supporting consumer protection, ethical conduct and data privacy, with senior management oversight provided through established governance structures.

Operational resources include formal market-level policies and procedures (such as complaints-handling and customer protection processes), customer engagement mechanisms, monitoring and analysis tools (including complaints data and brand perception indicators), and training and guidance relevant to responsible customer practices. Resources are not managed through a single, consolidated budget but are integrated into core business operations and support functions. This integrated resourcing approach enables the Group to identify, manage and monitor material consumer-related impacts as part of normal business activity.

(viii) How we address consumer risks and opportunities

The Group has actions in place and underway to mitigate the material risks identified in ESRS 2 SBM-3 arising from its impacts on, and dependencies on, consumers and end-users, including regulatory compliance risk, conduct risk, reputational risk and risks to customer trust associated with responsible lending, fair treatment of customers, marketing and sales conduct, and data protection and privacy. These risks are addressed through preventive and mitigating controls embedded in Group-wide and market-level policies and operational practices, including responsible marketing standards, customer protection processes, data protection controls, and complaints-handling and escalation mechanisms.

These actions are integrated into the Group's existing risk management and compliance frameworks, with monitoring through management review, complaints trends and escalation outcomes, and consumer perception indicators. In parallel, the Group pursues material opportunities identified in SBM-3 by applying fair treatment and responsible marketing practices to support consumer trust, maintain regulatory compliance and strengthen long-term customer relationships within its existing governance and operational structures.

(ix) Our actions on material matters

The Group has adopted actions and allocated resources in relation to all material sustainability matters concerning consumers and end-users identified through its materiality assessment.

These actions comprise preventive, mitigating and remedial measures embedded in Group and market-level policies, operational practices, customer engagement mechanisms, complaints-handling and remediation processes, and are described in accordance with the requirements of MDR-A under ESRS S4-4.

S4-5 – Targets related to consumers and end-users

The Group has not established formal, measurable, time-bound or outcome-oriented targets in relation to consumers and end-users. Consumer-related impacts, risks and performance are managed through established internal processes, policies and regulatory compliance rather than through formal target-setting.

This consolidated report covers the following entities:

- IPF Digital Aktsiaselts
- IPF Digital Australia Pty Limited
- IPF Digital Latvia Sabiedrība ar Ierobežotu Atbildību
- IPF Digital Lietuva Uždaroji Akcinė Bendrovė
- IPF Polska Sp. z o.o.
- Provident Financial Romania Instituție Financiară Nebancară Societate pe Acțiuni
- Provident Financial společnost s ručením omezeným
- Provident Mexico Sociedad Anónima de Capital Variable
- Provident Pénzügyi Zártkörűen Működ Részvénytársaság
- Provident Polska Spolka Akcyjna
- Provident Services SRL

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 2025 as presented on pages 76 to 109 of the 2025 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 (DMA) 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; and
- 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 DMA 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 to 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 DMA 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 to 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.

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 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 2025 has not been prepared, in all material respects, in accordance with the applicable criteria, including:

- the DMA 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 85 to 88 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 12 January 2026. 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

25 February 2026

TCFD Report

Introduction

This Task Force on Climate-related Financial Disclosures (TCFD) report sets out the Group's 2025 disclosures on climate-related risks and opportunities and how these are considered within our business. It describes how different climate-related scenarios could affect the Group over the short, medium and long term, and outlines the actions we are taking to manage these impacts and support the resilience of our business.

The report has been prepared in line with the TCFD recommendations and is structured around the four core pillars of governance, strategy, risk management, and metrics and targets. We recognise that the stability of the global financial system is closely linked to environmental outcomes, and that a changing climate has implications for businesses, customers and wider society.

Our approach focuses on identifying, assessing and managing the potential transition and physical risks associated with climate change, while also considering potential opportunities that may arise as economies move towards a lower-carbon future. As our understanding, data and methodologies continue to evolve, we remain committed to transparent reporting and to further strengthening our approach to climate-related risk management over time.

Governance

Sustainability considerations are embedded within the way the Group is governed and managed, supporting alignment between our business priorities and broader societal expectations. Our approach is set out in the Group's Sustainability Policy, which is reviewed annually by the Group Board, and available to view on our website. It defines expectations for responsible business conduct and sustainable development across the Group and our value chain, and provides a consistent framework for assessing business opportunities and risks, taking into account both direct and indirect sustainability impacts.

Oversight of climate-related risks and opportunities is integrated into existing Board and management governance structures. These arrangements are designed to ensure climate considerations are appropriately reflected in strategic decision-making, risk management and operational planning across the Group.

Board oversight of climate risks

The Group Board has overall responsibility for oversight of sustainability-related matters, including climate-related risks and opportunities. The Chief Executive Officer retains ultimate accountability for management of these matters, with responsibility delegated to the Chief Legal Officer (CLO) for day-to-day oversight and implementation within the Responsible Business Framework, including assessing risks and opportunities from climate change, and also ensuring these are identified and managed appropriately.

The Group Board and its Committees receive regular updates on climate-related matters, enabling appropriate challenge and oversight.

Group Board

Responsible for: setting the Group's strategy and overseeing performance, including climate-related considerations. The Board sets the strategic direction for sustainability at a Group level and retains ultimate responsibility for governance in this area.

2025 activity: The Board reviewed and approved the results of the 2025 Double Materiality Assessment, as well as the Corporate Sustainability Policy and the broader Responsible Business Framework, which incorporates climate-related matters. Progress against the objectives set out in the Framework is monitored by the Board through quarterly management information and periodic in-depth updates on sustainability and climate-related topics.

Audit and Risk Committee

Responsible for: reviewing financial and non-financial disclosures and overseeing climate-related risks, including consideration of scenario analysis and emerging regulatory and reporting developments.

2025 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 senior management performance measures, including relevant ESG and climate-related considerations, ensuring alignment with stakeholder expectations.

2025 activity: The Committee reviewed proposed ESG metrics (including climate) for inclusion in senior management compensation-related decisions.

Management oversight

Management oversight of climate-related risks and opportunities is led by the CLO, who oversees scenario analysis, risk assessments and reporting, and provides updates to the Audit and Risk Committee and the Global Executive. Climate considerations are also incorporated into the Group's annual budgeting process and capital planning, including the use of a centrally held climate resilience fund available to markets to support resilience-building initiatives.

A number of management-level forums support oversight and execution of climate-related activity, including the Responsible Business Framework Executive Oversight Group, Risk Advisory Group, Global Executive, and supporting steering and champions groups. These bodies provide coordination, challenge and escalation across the Group, ensuring climate considerations are embedded at both Group and market level.

IPF climate governance structure

Showing Group Board oversight, executive accountability and market-level implementation in line with the TCFD recommendations.

Group Board

Audit and Risk Committee

Responsible Business Framework Executive Oversight Group

Comprises all members of the UK Executive and is chaired by the Chief Legal Officer. 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.

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.

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 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.

Escalation path

Sustainability function

The Group's sustainability function is led by the Chief Legal Officer, who is a member of the executive team and attends Group Board meetings. The function works closely with colleagues across Group functions and local markets to support the implementation of the Responsible Business Framework, including the coordination and delivery of climate-related activity on a day-to-day basis.

Strategy

In line with the TCFD recommendations, we assess the potential impacts of climate-related risks and opportunities on the Group's business, strategy and financial planning over the short, medium and long term. Climate considerations are evaluated alongside other strategic factors when developing, reviewing and executing our business strategy, ensuring that potential climate-related impacts are considered in a structured and proportionate manner.

The Group assesses climate-related risks and opportunities using the following time horizons:

- Short term (0–3 years): aligned to the average loan term and the flexibility of our credit strategies and field operations.
- Medium term (3–10 years): aligned to the Group's strategic planning horizon.
- Long term (10+ years): aligned to the useful economic life of the majority of Group assets and longer-term transition pathways.

A number of factors informed the selection of these time horizons, including developments in climate-related regulation, ongoing volatility in energy markets, and the need to align with the timeframes used in the Group's climate-related scenario analysis. These scenarios typically extend over several decades and are discussed in more detail below.

The short-term horizon aligns with the Group's existing risk management framework, while the medium-term horizon is consistent with internal strategic planning timeframes. The long-term horizon has been selected to capture the potential impacts associated with the transition to a lower-carbon economy across the countries in which the Group operates, including the implications of national and international climate commitments, as detailed in the 2015 Paris Agreement.

Climate-related risks and opportunities

Details of how we define climate risks and opportunities are set out in the table below. Climate-related risks are categorised as physical or transition risks, while opportunities relate to resource efficiency, energy sources, products and services, markets and resilience. These definitions have been reviewed and approved by senior management and the Board, and are reassessed periodically to reflect emerging risks, stakeholder expectations and regulatory developments. Based on current assessments, material climate-related risks and opportunities are not expected to have a significant impact on the Group over the short term. Over the medium to long term, climate-related factors are expected to increase in relevance, reflecting both physical climate impacts and broader regulatory, market and societal transitions.

Differentiation of climate-related risks and opportunities by time horizon

In line with the TCFD recommendations, the Group's assessment of climate-related risks and opportunities across the short, medium and long term, reflecting differences in exposure, uncertainty and management levers available over each period is as follows:

Short term	Medium term	Long term
Given the relatively short duration of the Group's loan book, the flexibility of its operating mode, and the ability to adjust pricing, credit strategies and operational practices over this period, climate-related risks and opportunities are not currently expected to have a material impact on the Group's business, strategy or financial performance.	Over the medium term, transition-related risks are expected to become more relevant, particularly those arising from evolving regulatory requirements, changes in stakeholder expectations, and potential increases in operating costs associated with decarbonisation. Opportunities linked to operational efficiency, digitalisation and access to funding aligned to sustainability objectives are also expected to increase in relevance over this period.	Over the long term, the Group expects chronic physical climate risks and broader structural transition risks to increase in relevance, reflecting longer-term changes in climate patterns, national policy pathways and market expectations. While uncertainty increases over longer horizons, these factors are considered as part of scenario analysis and long-term strategic planning to assess the resilience of the Group's business model.

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 Gradual changes in key climate variables such as temperature, humidity and precipitation. 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.

Assessing materiality

For the purposes of assessing climate-related risks and opportunities, the Board and Global Executive have defined a climate-related risk or opportunity as material for strategic planning where it could have a significant impact on the Group's profitability (for example through delayed customer repayments), operating costs, assets (such as the closure or disruption of branches), or access to financing (including through regulatory or legal developments).

For these purposes, "significant" is defined as an impact that could materially affect the Group's ability to meet its targets as detailed in the 2026 budget.

Determining climate risks and opportunities over different time periods

Climate-related risks and opportunities are assessed by members of the Global Executive and the Audit and Risk Committee to determine the likelihood and potential magnitude of impacts over the following time periods:

(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 medium and long term.

Impacts are categorised as high, medium or low, reflecting the expected degree of influence on the Group's business, strategy and financial performance.

Based on current assessments, material impacts from climate-related risks and opportunities are not considered likely to arise over the short term. This assessment is reviewed periodically and will continue to be updated as methodologies, data quality and external expectations evolve.

Over the medium to long term, there continues to be a consensus that climate-related risks and opportunities are likely to increase in relevance. This reflects the outcomes of the Group's scenario analysis of physical climate risk, together with ongoing assessment of evolving market, regulatory and policy developments across the countries in which the Group operates.

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									
Transition	Policy and legal									
	Market									
	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									

Integration with our strategic planning process

The outputs of climate-related risk and opportunity assessments are incorporated into the Group's strategic planning process and reported to the Board. These assessments inform management's understanding of how climate-related factors could affect the Group's strategy, business model and financial planning over different time horizons.

As part of its assessment of climate-related risks and opportunities, the Group considers the potential impacts on its business model, strategy and financial planning, including operating costs, capital expenditure, liquidity, access to funding and credit risk assumptions.

In the short term, climate-related risks are not expected to have a material impact on the Group's financial planning or performance. This reflects the limited capital intensity of the Group's operations, the short duration of customer lending, and the ability to adapt operational practices and cost structures within existing planning cycles.

Over the medium to long term, climate-related factors could influence elements of financial planning, including operational expenditure (for example energy, travel and premises costs), investment decisions related to operational resilience, and expectations from funders and other stakeholders regarding climate strategy and disclosures. These potential impacts are monitored through the Group's strategic planning and risk management processes and are considered when reviewing budgets, investment priorities and funding arrangements.

At present, these impacts are not expected to materially affect the Group's strategy or financial viability; however, this assessment will continue to be reviewed as regulatory requirements, market conditions and climate-related expectations evolve.

Scenario analysis indicates that, under the most likely climate pathways, climate change is not expected to have a material impact on the Group's strategy or financial viability in the short term. As a result, the actual or potential impacts of climate-related risks and opportunities are not expected to significantly influence the Group's approach to its markets or customers over this period. The results of this analysis are discussed in more detail at page 117, provide further assurance regarding the resilience of the Group's current strategy under near-term climate scenarios.

Completed assessments are reviewed as part of the strategic planning cycle, with conclusions and key judgements presented to the Board. These assessments will continue to be refreshed as methodologies, data quality and regulatory expectations evolve.

Risk Management

In line with the TCFD recommendations, climate-related risks are identified, assessed, managed and monitored through the Group's established Enterprise Risk Management (ERM) framework. This ensures that climate-related considerations are integrated into broader risk management practices and are subject to the same governance, oversight and controls as other principal risks.

During 2025, the Group further evolved its approach to risk management by introducing a broader ESG risk category. This expanded focus reflects the interconnected nature of environmental, social and governance risks and enables a more holistic assessment of sustainability-related impacts on the business.

Risk framework

The Group's ERM methodology is defined centrally and implemented consistently across all markets, balancing a common approach to risk identification, assessment and reporting with the benefit of local expertise and market-specific risk action plans. Risks are classified against a Group-wide taxonomy, with ESG risk incorporated as a defined risk category.

Each risk category is assigned to a senior leader as first-line risk owner, who is accountable for ongoing monitoring, mitigation and reporting. Risk owners are required to assess risks based on probability and severity, supported by relevant key risk indicators and management information. Risk assessments are reviewed quarterly by the Risk Advisory Group (RAG), which provides Group-wide oversight and escalates material matters to the Audit and Risk Committee as appropriate.

Processes for identifying and assessing climate-related risks

Climate-related risks are assessed as part of the ESG risk category and include physical risks arising from acute and chronic climate impacts, as well as transition risks associated with policy, legal, market and reputational factors. The Chief Legal Officer (CLO) acts as the first-line risk owner for climate-related risks and coordinates input from across the Group to assess potential impacts on the business.

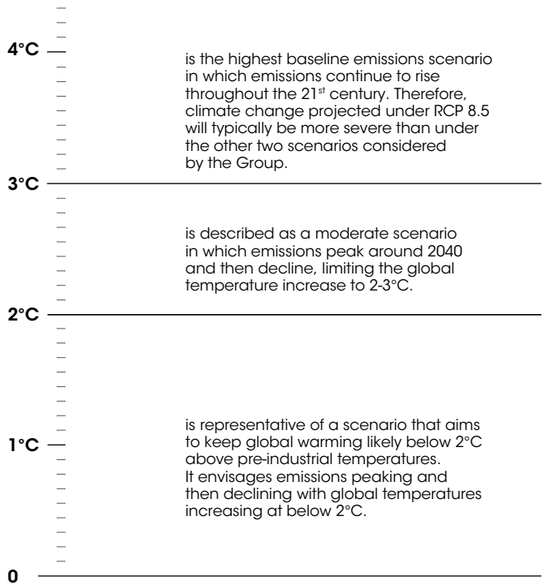
A series of climate-related indicators and qualitative assessments are reported to the RAG on a quarterly basis. These include developments in climate policy and regulation, market and reputational trends, and emerging physical climate risks. This approach supports consistent monitoring and enables early identification of potential changes in the Group's risk profile.

Scenario analysis

We have undertaken scenario analysis, using a range of climate scenarios described opposite to assess the resilience of the Group's strategy to physical risks arising from climate change across different time horizons. This analysis supports our understanding of which physical climate risks could have the greatest potential impact on the Group and informs ongoing monitoring and risk management activities.

The assessment draws on a combination of external climate datasets and internal information on the geographic location of the Group's operations to model potential exposure to physical climate risks under different climate pathways.

The following scenarios have been used:



Consideration of transition risks in scenario analysis

The Group's scenario analysis to date has focused primarily on physical climate risks, reflecting the geographic distribution of its operations and the availability of external climate hazard data. Transition-related risks, including policy, legal, market and reputational risks, are currently assessed on a qualitative basis through strategic planning, regulatory horizon scanning and risk management processes.

While transition risks are not currently expected to result in material impacts on the Group's strategy or financial position in the short term, the Group recognises that these risks may increase in relevance over the medium to long term as climate-related regulation, stakeholder expectations and market practices continue to evolve. The Group intends to further develop its approach to assessing transition risks over time, including exploring how these risks may be incorporated more explicitly into future scenario analysis as methodologies and data mature.

We have used the outputs of a high-level physical climate risk assessment, supported by external specialist modelling, to assess the potential impacts of material climate-related risks and opportunities on the Group across a range of climate scenarios and time horizons. The assessment considered multiple Representative Concentration Pathways (RCPs), including lower- and higher-emissions scenarios, to reflect a range of plausible future climate outcomes and to evaluate exposure to both acute and chronic physical climate hazards.

The analysis incorporated external climate datasets and internally held information on the geographic distribution of the Group's operations to identify areas of potential exposure over the short, medium and long term. The results of this assessment were reviewed by the Audit and Risk Committee. Consistent with prior years, the modelling indicates that, under the most likely climate scenarios, there are no immediate material risks or exposures expected to impact the Group's strategy, performance or liquidity in the short term.

The scenario analysis has enhanced the Group's understanding of the resilience of its business model and strategy to physical climate risks and has highlighted areas where exposure may increase over longer time horizons. This work supports a more targeted approach to monitoring and informs the development of mitigation and resilience measures where appropriate.

The Group's scenario analysis indicates that exposure to certain physical climate hazards may increase over the medium to long term, particularly under higher-emissions scenarios. While these potential impacts are subject to significant uncertainty, the analysis supports management's assessment that the Group's business model retains flexibility to adapt through changes to operational practices, location strategies and resilience measures.

Over longer time horizons, climate-related risks are expected to be managed through ongoing monitoring, periodic reassessment of exposure, and integration into long-term strategic planning rather than through immediate changes to the Group's strategy or financial plans.

Overall, the Group's assessment remains that its business model and strategy are resilient to climate-related risks and opportunities in the short term. The Group does not currently anticipate material impacts on financial performance or financial position over this period and will continue to review this assessment through its regular strategy, risk management and scenario analysis processes.

Mitigation and resilience measures

The Group has implemented a range of proportionate mitigation and resilience measures to support the management of climate-related risks. These include the use of scenario analysis, the setting of targets to improve energy efficiency, and a continued focus on transparent reporting. During 2025, we also expanded our risk management framework to move beyond a singular definition of climate risk to a broader ESG risk category, reflecting the interconnected nature of environmental, social and governance factors and their potential influence on the Group's indirect greenhouse gas emissions. As the Group has not identified any climate-related risks that are material to its business or financial position in the short term, mitigation actions are currently focused on monitoring, governance oversight and proportionate resilience measures rather than on specific risk remediation plans.

- In 2026, we will continue to engage 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.

Assumptions and limitations

The scenario analysis undertaken by the Group is subject to inherent limitations, including reliance on external climate models, assumptions regarding future emissions pathways, and uncertainty associated with long-term climate projections. The analysis is not intended to predict future outcomes but to support understanding of potential exposures and inform strategic decision-making.

As data quality, modelling techniques and external guidance continue to develop, the Group expects to refine and enhance its approach to climate-related scenario analysis over time.

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

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 75.

Emissions targets and metrics

Unless otherwise stated, climate-related targets use 2025 as the baseline year. 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.

Given the long-term nature of the Group's climate-related targets, quantitative measurement of progress against these targets is not yet available. Progress is currently tracked through qualitative actions and initiatives rather than through year-on-year performance metrics.

Achieving our net zero target will require the following actions:

Scope 1	Scope 2	Scope 3
Energy efficiency	Low/zero emission alternatives	Operational emissions

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%.

Progress made in 2025:

We continue to take practical steps to reduce the environmental impact of our operations. Key actions taken in 2025 included:

- enhanced waste management and recycling across offices, including segregation and recycling of key materials in line with local requirements;
- reduced paper usage through greater digitalisation and more selective use of printed materials;
- increased use of renewable electricity, with several markets already transitioned and others actively assessing options;
- improved energy efficiency in offices through LED and sensor lighting and more efficient equipment;
- optimised fleet and travel arrangements, including transition to lower-emission vehicles and reduced unnecessary travel;
- developing a more energy-efficient IT and data infrastructure, supported by increased use of cloud-based services; and
- market-specific initiatives to reduce environmental impact, including supplier engagement and local recycling schemes.

Focus on our supply chain

Our ambition to achieve net zero emissions across our operations and supply chain by 2050 is expected to play an important role in influencing our approach to procurement and supplier engagement. Based on our current assessment, a significant proportion of supply chain emissions are concentrated within a relatively small number of key suppliers.

During 2025, we continued to focus on engaging these suppliers to improve transparency, encourage the adoption of credible emissions reduction targets and support the development of appropriate decarbonisation pathways. In support of this approach, the Group introduced a new Responsible Procurement Policy, which embeds environmental, social and governance considerations into procurement and sourcing decisions across the Group. The Policy is designed to ensure that supplier relationships support sustainable value creation while meeting regulatory, data protection, cybersecurity and operational resilience requirements.

Over the medium term, we intend to further integrate climate-related considerations into sourcing and procurement processes, including the use of net zero–related requirements in tender processes and consideration of carbon impacts alongside other commercial factors, where appropriate.

Next steps

- commitment to continue tracking emissions;
- review the Group double materiality assessment in 2026;
- continue to monitor regulatory developments to enhance climate reporting;
- 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.

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 122.

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	Continued to embed climate considerations as part of Board oversight of Group strategy process.	Page 112
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	Senior management oversaw the Group's sustainability disclosures.	Page 112

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	We continued to monitor climate related risks and opportunities.	Page 115
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	We continued to monitor the status of climate-related risks and how they might impact the Group.	Page 116
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	We continued to work with a trusted third party to assess physical climate risks.	Page 117

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 116
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	We continued to monitor climate-related risks.	Page 116
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	We continued to monitor climate-related risks.	Page 116

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	No further action taken on this area in 2025.	Page 118
b.	Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions and the related risk.	Details of our GHG emissions in 2025 (Scope 1, Scope 2) have been provided.	Aligned	No further action taken on this area.	Page 75
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	No further action taken on this area.	Page 118

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	Reference
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.	Pages 112-113
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.	Pages 114-115
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 116
d. A description of: the principal climate-related risks and opportunities arising in connection with the operations of the company; and 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 114
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.	Pages 114-116
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 117
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 118
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 – page 14 Our customers – pages 46-49 Key performance indicators – pages 22-23 Responsible business – pages 42-123
Employees	Code of Ethics Group Health and Safety Policy Wellbeing Policy Diversity Policy	Our colleagues – pages 50-55 Principal risks and uncertainties: People risk – page 40 CSRD Statement – pages 76-109
Human rights	Code of Ethics Human Rights and Modern Slavery Policy	Responsible business – pages 42-123 CSRD Sustainability Statement – pages 76-109
Social matters	Code of Ethics Tax strategy	Our business model – page 14 Our customers – pages 46-49 Our communities – pages 58-60 Principal risks: Reputation risk – page 38 Responsible business – pages 42-123
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 42-123
Environmental matters	Corporate Sustainability Policy Environment Policy	TCFD – pages 112-121 Climate-related Financial Disclosure – page 122 Environment – pages 74-75
Principal risks		Principal risks and uncertainties – pages 34-40
Non-financial KPIs		Non-financial key performance indicators – page 23

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

25 February 2026

Supporting families

As the sole provider for her family, Ibolya in Romania has turned to us for support during both celebrations and challenges – from her daughter's wedding to managing through financial setbacks. The quick and flexible service she received helped her remain financially stable, even when life was unpredictable.

"I helped my daughter arrange a wedding to remember…Provident has been there for us through every challenge and celebration."

Directors' Report

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Introduction to governance

"Our governance framework is built on doing the right thing for our stakeholders. As we execute our Next Gen strategy, we continue to uphold high standards of oversight, ensuring alignment with our purpose, values and culture."

Stuart Sinclair
Chair

On behalf of the Board, I am pleased to introduce the Corporate Governance Report for the year ended 31 December 2025.

This statement, together with the following pages, provides an overview of the key work undertaken by the Board and its Committees during the year. Our governance framework is built on doing the right thing for our stakeholders. As we execute our Next Gen strategy, we continue to uphold high standards of oversight, ensuring alignment with our purpose, values and culture. Our focus remains on supporting the long-term, sustainable success of the Company, creating value for shareholders and our other key stakeholders.

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 128 to 129.

As announced in our 2024 Annual Report, Deborah Davis, former Chair of the Remuneration Committee, stepped down as a director at the conclusion of the Company's 2025 Annual General Meeting (AGM) on 1 May 2025. Her wealth of experience and rich contributions to the Company during her tenure were deeply valued. The Board approved a number of changes to the membership of its Committees in 2025. On 1 May 2025, Aileen Wallace was appointed Chair of the Remuneration Committee. On appointment, Aileen had served as Chair of the Remuneration Committee for Hodge Bank for over 12 months, aligning with Provision 32 of the 2024 UK Corporate Governance Code (Code). Also effective from 1 May 2025, Katrina Cliffe joined the Audit and Risk Committee. Under the Code's principles, the Board reviews annually the need to refresh how it and its Committees are composed.

Board diversity

During the year, the Board's composition met the requirements of the Code, with at least half of our directors (excluding myself) deemed to be independent non-executive directors. Following the departure of Deborah Davis, female representation on the Board dropped below the target set out in Listing Rule 6.6.6 R(9) for 40% female representation on the Board. However, I am confident that the Board would seek to ensure that any future appointments would be made based on merit and objective criteria, whilst also promoting diversity, inclusion and equal opportunity in line with the Board's Diversity Policy. Read more about diversity of the Board and executive management on pages 141 to 143.

Purpose, culture and values

As a Board, we are responsible for setting the purpose, values and strategy of the Group and ensuring that these are aligned to the Company's culture. 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 assess and monitor the Group's culture to ensure it reflects our purpose and supports delivery of our strategic objectives. In 2025, the Board continued to embed our purpose and values into decision-making so that they shaped strategic priorities and operational practices across the Group. This included challenging proposals to confirm alignment with our commitment to financial inclusion and responsible lending, and monitoring cultural indicators to safeguard strong leadership behaviours across the business. Read more about the Board's role in shaping purpose and culture on page 136.

Engaging with stakeholders

During the year, the Board continued to place strong emphasis on stakeholder engagement to ensure decisions reflected a broad range of perspectives. Through structured touchpoints including surveys, detailed management reporting and feedback from our Workforce Engagement Director, the Board gained valuable insights into the priorities of our key stakeholders. These inputs informed discussions on strategy, culture and risk management, enabling the Board to balance differing interests and make decisions that support long-term sustainable success. You can read more about our stakeholders on pages 46 to 63 and our S172 statement can be found on page 64.

As part of the CSRD regime, we conducted a double materiality assessment (DMA) in 2025, evaluating the Group's impact on the environment and society, and how those factors could affect our financial performance. This analysis provided valuable insight into sustainability risks and opportunities, strengthening our commitment to responsible operations and informing strategic decision-making. Further details on the DMA can be found in our Responsible Business section on page 85.

Board and Committee performance

A key mechanism of sound governance is the annual performance review process. Provision 21 of the Code recommends that the Chair should commission a regular externally facilitated board performance review. In FTSE 350 companies, this should happen at least every three years.

In 2025, the Board was scheduled to undertake an external performance review having last commissioned such a review in 2022. The Nominations and Governance Committee considered the recommendation of Provision 21 and, after careful deliberation, concluded that due to the recommended cash acquisition by IPF Parent Holdings Limited (BasePoint), a newly formed company in the same group as BasePoint Capital LLC, it would not be an appropriate time to conduct an external review. The Board, its Committees and each Director were appraised internally to assess whether they continued to function and perform effectively. The review was carried out via an anonymous questionnaire, with responses analysed and feedback provided. The overall conclusion was that the Board, its Committees and each Director remained effective in their roles. Although the Company did not undertake an externally facilitated review during the year, the Board believes that the Company has met the underlying Principle L of the Code by ensuring that an internal review considered performance, composition, diversity and how effectively members worked together during the year to achieve its objectives. In the event the recommended cash acquisition does not proceed, the Board intends to commission an externally facilitated performance review.

Further details on the performance review process and findings are presented on pages 141 and 144.

Recommended cash acquisition of the Company

On 24 December 2025, IPF and BasePoint announced a recommended cash acquisition for the Company. From the outset, the Board's priority was to ensure that the process was conducted to the highest standards of governance.

Regular updates were provided to the Board at both scheduled and ad hoc Board meetings, supported by briefings from the Chief Executive Officer and the Chief Legal Officer to monitor developments and ensure the Board remained fully aligned with their director duties and Section 172 responsibilities. In assessing the potential implications for colleagues, customers, and the communities we serve, we sought independent advice from external financial and legal advisers to guide our deliberations and ensure compliance with the UK Takeover Code. The Board undertook a rigorous assessment of risks and opportunities associated with the offer, including its strategic alignment and long-term impact on the business. This process was underpinned by open debate, challenge, and a commitment to integrity and independence.

More information on the Board's decision-making process in relation to the recommended cash acquisition can be found on page 64.

Compliance with the UK Corporate Governance Code (the Code)

Throughout 2025, the Company applied the principles and complied with the relevant provisions of the 2024 UK Corporate Governance Code (the Code) except as set out below.

Provision 29 of the Code (on the monitoring and annual review of the effectiveness of the Company's risk management and internal control framework) will first apply to the Company's financial year ending 31 December 2026. Accordingly, the Company continued to comply with Provision 29 of the 2018 version of the UK Corporate Governance Code during the year.

The Company did not comply with Provision 21 of the Code (externally facilitated board performance review at least every three years) during the year. Further information is set out under "Board and committee performance" opposite.

The Code (and the 2018 version) can be found 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	136
Division of responsibilities	133
Composition, succession, and evaluation	139
Audit, risk and internal control	145
Remuneration	152

Commitment to Corporate Governance

My role as Chair is to maintain high standards of corporate governance, supported by the Company Secretary, and ensure that the Board has the relevant resources to carry out its duties, spending sufficient time on key areas that enable the delivery of our Next Gen strategy. Our governance framework clearly defines responsibilities, and ensures the Group has robust systems and controls to support effective oversight and constructive challenge. During the year, the Board strengthened governance arrangements in line with the revised Code, including reviewing updated principles and provisions, and enhancing our internal control framework ahead of Provision 29 being introduced in 2026. We have reviewed the updated principles and provisions, including the enhanced emphasis on reporting outcomes, and are taking steps to ensure our governance arrangements remain robust and compliant. This work reflects our commitment to maintaining the highest standards of corporate governance, ensuring transparency, accountability and robust oversight to support long-term sustainable success.

Stuart Sinclair
Chair

Our Board and Committees

Stuart Sinclair
Chair
N R

Appointed: March 2020

Responsibilities: Leading an effective Board focused on strategic planning, implementation and 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.

Gerard Ryan
Executive director and Chief Executive Officer
D

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
Executive director and Chief Financial Officer
D

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.

Key

- A Audit and Risk Committee
- D Disclosure Committee
- N Nominations and Governance Committee
- R Remuneration Committee
- ● Committee Chair

Katrina Cliffe
Senior independent non-executive director
A R N

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, 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.

Richard Holmes
Independent non-executive director
A N R

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, 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
Independent non-executive director
A N R

Appointed: December 2022

Responsibilities: Chair of the Remuneration Committee

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: Non-executive Director of Columbia Threadneedle and Threadneedle Asset Management, Senior Independent Director and Chair of the Board Risk Committee of Tandem Bank, Chair of the Board Risk Committee at Target Tech Mahindra and non-executive director of Weatherbys Bank Limited.

Former roles: Chair of Innovation and Chair of Remuneration at Hodge Bank, executive director and Chair of ESG Committee of Cooperative Bank, executive director of Yorkshire Bank Home Loans Board (a subsidiary of National Australia Bank) and director roles at CYBG PLC.

Qualifications: Digital strategy from Insead, Chartered Banker MCBI, Distinction from Institute of Risk Management and qualified in Cyber Security Principles from the British Computer Society.

International expertise: EMEAs, Asia Pacific.

Governance at a glance

During the year, the Board and its committees considered and approved a range of key matters across each of the Next Gen strategic pillars, reflecting its role in setting direction and providing effective oversight. The Board also undertook annual and mid-year strategy reviews, considering the re-articulation of the Group's strategy, external market developments and progress against our strategic ambitions.

Next Gen financial inclusion

- Considered expansion of the customer proposition and commercial opportunities.
- Supported the continuation of the strategic retail partnership initiative with the long-term aim of strengthening our market position.

Next Gen organisation

- Oversaw Group culture and how it is set, embedded and maintained.
- Received bi-annual updates on stakeholder engagement.
- Received regular updates on colleague wellbeing and health and safety.

Next Gen technology and data

- Received training including sessions on ERP systems and AI.
- The Audit and Risk Committee oversaw development of controls for technology, change and information security risks.

Please see page 4 to 11 and page 20 for more information on our Strategic progress in 2025

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	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 2025

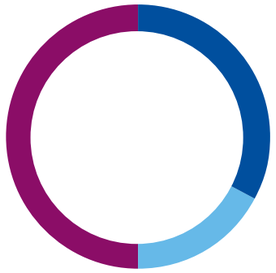
There were six scheduled, and eleven ad hoc Board meetings during the year, with details of attendance set out in the table below. There were also two Board strategy days that are not included in the table below.

Director	Meetings[1]	No. of meetings attended	% of meetings attended
Stuart Sinclair	17	17	100
Gerard Ryan	17	17	100
Gary Thompson[2]	17	14	82.4
Katrina Cliffe[3]	17	16	94.1
Deborah Davis[4]	3	2	66.7
Richard Holmes	17	17	100
Aileen Wallace	17	17	100

1. The meetings that each individual was entitled to and had the opportunity to attend.
2. Gary Thompson was on annual leave for one scheduled meeting and two ad hoc meetings that all took place in December 2025.
3. Katrina Cliffe was unable to attend one ad hoc meeting that took place in January 2025.
4. Deborah Davis stepped down from her role as director of the Company with effect from 1 May 2025. Deborah was unable to attend one ad hoc meeting that she was entitled to attend during the year.

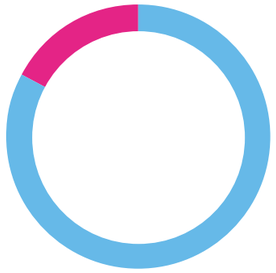
Board

Composition



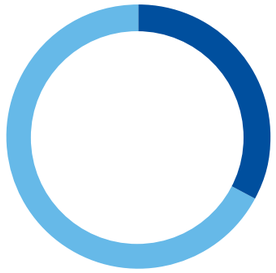
- Executive directors – 33%
- Chair – 17%
- Non-executive directors – 50%

Tenure



- Under 3 years - 0%
- 3-6 years – 83%
- 6-9 years – 0%
- Over 9 years -17%

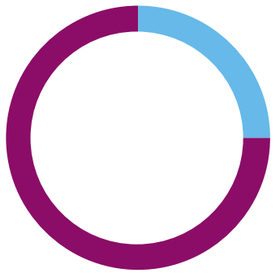
Gender diversity



- Female – 33%
- Male – 67%

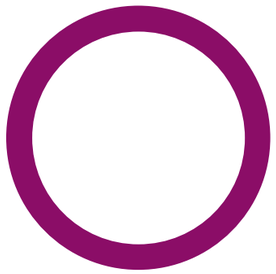
Committee compositions

Nominations and Governance Committee



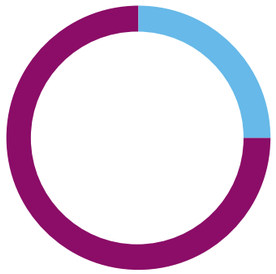
- Executive directors – 0%
- Chair of the Board – 25%
- Non-executive directors – 75%

Audit and Risk Committee



- Executive directors – 0%
- Chair of the Board – 0%
- Non-executive directors – 100%

Remuneration Committee



- Executive directors – 0%
- Chair of the Board – 25%
- Non-executive directors – 75%

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 64 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.

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. 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.

Audit and Risk Committee

Read more on page 145.

Remuneration Committee

Read more on page 152.

Nominations and Governance Committee

Read more on page 139.

Disclosure Committee

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

Monitors compliance with disclosure controls and procedures.

Reviews requirements for, and content of, regulatory announcements.

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.

How the Board operates

The Chair, supported by the CEO and Company Secretary, sets the annual Board programme and agenda to ensure sufficient time is allocated to strategic, financial, operational, risk, ESG and human capital matters. This structured planning enables the Board to maintain a clear focus on its key responsibilities throughout the year.

Flexibility within the Board agenda allowed emerging issues to be addressed promptly, ensuring the Board and its Committees responded effectively to business priorities and regulatory developments. Throughout the year, the Board convened several ad hoc meetings to consider the recommended cash acquisition by IPF Parent Holdings Limited (BasePoint), a newly formed company in the same group as BasePoint Capital LLC. These discussions culminated in the Board approving an offer for the Company, following rigorous evaluation of strategic fit, shareholder value and regulatory implications. More information on the transaction can be found on page 13.

The Chair also reviews the frequency of meetings to confirm that adequate time is devoted to all material matters, supporting robust oversight and informed decision-making.

For further details of the Board's activities during 2025 see page 135.

To ensure informed and effective decision making, the Board receives detailed summaries from the Chairs of the Audit and Risk, Nominations and Governance, and Remuneration Committees following each meeting. Those updates provide insight into key issues and decisions, such as enabling all directors to contribute meaningfully to subsequent Board discussions and challenge where appropriate, strengthening transparency and collective responsibility across the Board.

During the year, the Chair and the non-executive directors met twice without the executive directors being present to allow the independent directors to have open and honest discussions about the performance of management and individual executive directors. The Chair fed back to the CEO on these discussions and this feedback was incorporated into the CEO's appraisal and the executive performance reviews of other members of the executive. This feedback also assisted the Board in determining that all directors had been effective during the year.

Once a year, the senior independent director also meets with the other non-executive directors (excluding the Chair) to discuss the Chair's performance throughout the year, which is fed back to the Chair. Throughout the year, the senior independent director also acts as a sounding board for the Chair, providing support and discussing relevant matters outside of formal Board meetings including, in 2025, the recommended cash acquisition by BasePoint.

Board roles and responsibilities

The below summarises the roles and responsibilities of different members of the Board. 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. As well as these responsibilities set out in the Board role profiles, 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, colleagues, 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 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 by the internal audit function.

Chair **Stuart Sinclair**	Senior independent director **Katrina Cliffe**	Non-executive directors **Richard Holmes and 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 other stakeholders.	• Serve as a sounding board to 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 other stakeholders.	• Safeguard and promote the long-term success and sustainability of the Company for the benefit of its shareholders and other stakeholders. • Provide constructive challenge, hold management to account, offer strategic guidance and provide specialist advice.

Board activities in 2025

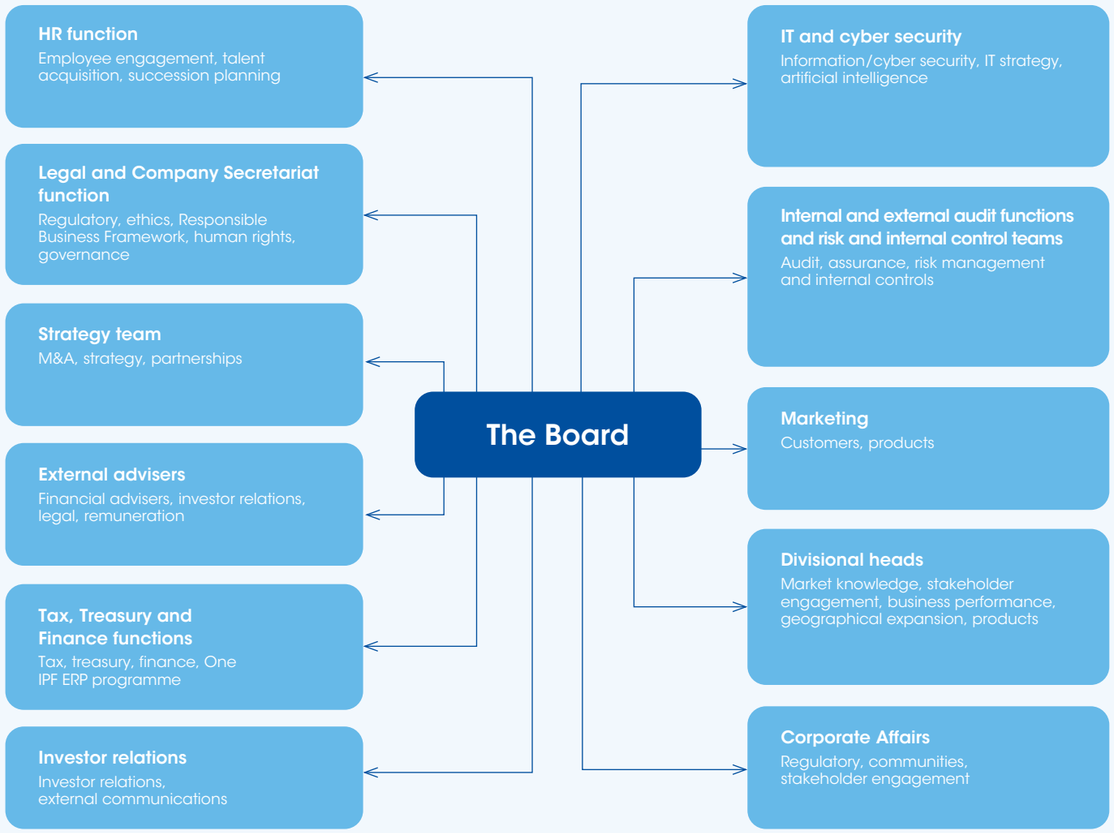
The Board has ultimate responsibility for the overall leadership and long-term sustainable success of the Group, ensuring delivery of a clear strategy for all stakeholders. During 2025, the Board monitored operational and financial performance against agreed objectives and provided constructive challenge to executive proposals on business management. It oversaw the adequacy of risk management systems and confirmed that the Group had the financial resources and skilled people required to achieve its strategic goals. The information in this section summarises the Board's activities during 2025 and the discussions that took place in the discharge of its duties to the Company. Our Section 172(1) statement is on page 64.

At each scheduled meeting, the CEO and CFO presented reports on business performance and progress against strategy, supplemented by updates from divisional heads. Additional presentations were delivered by senior leaders on matters aligned to the annual Board planner and the Matters Reserved to the Board, providing opportunities for wider management engagement and insight.

Beyond routine meetings, the Board undertook annual and mid-year strategy reviews, considering the re-articulation of the Group's strategy, external market developments and progress against the Group's stated strategic ambitions. Key topics discussed included customer proposition expansion and commercial opportunities, regulatory changes, adapting the Group's organisational structure and the Group's technology investment.

An overview of the matters considered and the stakeholders engaged during the year is set out on page 135.

To support informed decision-making and continual development, the Board invites senior management, functional leaders and external advisers to present on their areas of expertise at Board and Committee meetings. These sessions enhance the Board's understanding of key business drivers, emerging risks, and market developments, enabling more robust challenge and better strategic oversight.



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 CFO 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. • Reviewed and approved the Group's environmental and climate targets. • 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 and monitored the culture of the Group and how the Board sets, embeds and maintains the culture. • Considered the key themes of the 2025 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 ONE IPF ERP programme and Generative AI.		O
Financial reporting	• Approved the 2024 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 2025 and future years. • Monitored the Group's funding position and compliance with the Group's financial covenants. • Reviewed and approved Group treasury policies. • Approved in principle, the SEK Notes issuance. • Approved the 2026 Group budget and business plan for 2026 to 2030, reviewing key assumptions, inputs and risks, and monitored performance and variances against the 2025 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. • Proposed to shareholders to approve the re-appointment of the Group's auditor, PKF LittleJohn LLP. • 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 2025 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. • 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. • Reviewed and approved the Group Health and Safety Policy. • Reviewed and approved significant contracts, including the implementation of ONE IPF ERP programme.		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. • Received an update on interactions with communities and regulators and legislators as part of the Group Corporate Affairs Director update.		O

Our stakeholders key

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

Strategic pillars key

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

Our purpose, values and culture

Our purpose is to build a better world through financial inclusion. It defines why we exist and reminds us of who we serve: consumers with lower to medium incomes and often a limited credit history, helping them access the financial system. As a responsible lender, we provide regulated credit products that offer an entry point to mainstream consumer finance.

The Board has overall responsibility for setting the Company's purpose, values and strategy to deliver long-term sustainable success and generate value for its shareholders and other stakeholders. These are reviewed annually to ensure they remain appropriate for the business and markets in which we operate and continue to align with our culture. The Board recognises that a strong culture is essential to achieving our purpose and sets the tone from the top, ensuring cultural expectations are embedded throughout the Group and monitored so that any undesirable indicators can be addressed promptly.

Our values of being responsible, respectful and straightforward clarify what "doing the right thing" means in practice. They guide decisions, from setting responsible pricing limits and withdrawing products that do not deliver genuine customer value, to fostering fairness, openness and integrity in every interaction. These values bridge our purpose and culture, underpinning how we serve customers responsibly, manage risk effectively, and balance commercial ambition with ethical considerations.

Our values

Our values shape everyday decisions

How the Board discharges its responsibilities for culture:

- Setting the purpose and values of the Group
- Selecting directors and other senior leaders of the Group
- The Chair's annual appraisal of the CEO
- Reviewing CEO and CFO reports to identify matters of strategic and cultural importance
- Overseeing remuneration policies to ensure alignment with values and expected behaviours
- Annual Board report assessing how the Board monitors culture

Our culture is...

...embedded by:

- Codes and Policies dealing with integrity, countering corruption, respect and safety;
- annual conferences and learning sessions;
- integration of values into recruitment, performance management and incentive structures;
- leadership behaviours reinforced through succession planning and appraisal processes; and
- decision-making that prioritises value for customers and ethical considerations.

...measured by:

- Code and Policies compliance;
- whistleblowing reports and themes;
- regulatory findings and outcomes;
- audit results and control breaches;
- risk events linked to behaviour or culture;
- completion rates for mandatory compliance and ethical awareness training;
- customer metrics;
- root cause analysis of customer issues;
- customer vulnerability and treatment measures;
- Global People Survey results;
- Employee and Customer Representative metrics;
- health, safety and wellbeing metrics;
- alignment of performance appraisals with behavioural objectives; and
- internal promotion and succession.

...monitored by:

- HR strategy and Global People Survey results;
- customer updates and research;
- Codes and Policies dealing with integrity, countering corruption, respect and safety;
- ethics and whistleblowing updates;
- sustainability data and Responsible Business Framework;
- succession planning for senior executives and directors;
- risk management and internal controls effectiveness assessments;
- Internal Audit outcomes and compliance metrics;
- regular board reporting on people matters;
- "skip level" dinners;
- customer visits; and
- workforce engagement sessions and forums with colleagues.

Our values in action

Responsible: Lending decisions are made using robust affordability and credit assessments to ensure customers can afford to borrow. Read more on page 46 to 49.

Respectful: We have inclusive leadership, wellbeing initiatives and psychological safety to support colleagues to perform at their best. Read more on page 50 to 55.

Straightforward: Our customer contracts are simple, transparent and in plain language so all terms are clear and understood easily. Read more on page 46 to 49.

Outcomes of embedding our culture

Our culture is defined by our values and is reflected in our behaviours and ways of working.

Doing the right thing for customers: During the year, customer research in our Provident Europe markets showed improved transparency and fairness since 2023 demonstrating that decisions supported by the Board in relation to responsible pricing and withdrawing products that do not deliver genuine customer value reflect our Responsible and Straightforward values. More information on customers can be found on page 46.

Acting ethically and with integrity: The number of whistleblowing cases reported annually were above target tolerances indicating that our whistleblowing channels were well communicated throughout the year, trusted and used by our workforce. More information on whistleblowing can be found on page 68.

Promoting an inclusive, safe and supportive workplace: The Group's Global People Survey average positive scores improved by 0.3% for customer representatives and 2.5% for employees (since 2023) demonstrating that acting on feedback from the previous survey had been well received. More information on our employees and customer representatives can be found on page 50.

Embedding sustainability and social responsibility: More information on the Responsible Business Framework can be found on page 44.

Workforce engagement programme 2025

Connecting with colleagues in 2025

1. Colleague engagement session on enabling global collaboration
2. Colleague engagement session on IT strategy
3. Colleague engagement session on embedding the Next Gen strategy
4. Wider workforce remuneration engagement

91%

participation rate in our Global People Survey.

Employee engagement

The Board maintains a strong connection with colleagues across the Group through a structured programme of visits, presentations and informal interactions, complemented by the work of the Workforce Engagement Director, Katrina Cliffe. These activities enable the Board to gain meaningful insight into the issues that matter most to employees globally and provide assurance that behaviours across the Group align with its purpose, vision and desired culture.

Throughout 2025, Katrina championed the workforce voice in the Boardroom, undertaking a range of engagement activities and providing regular feedback on employee and customer representative perspectives. This insight helped the Board validate cultural alignment, assess how colleagues understood and related to the Next Gen strategy, and informed decisions on strategic priorities, including organisational design.

In addition, the Board engaged directly with colleagues through branch and market visits, dinners and presentations, meeting individuals from diverse functions such as sales, marketing, IT, legal, compliance, data protection, corporate affairs, HR, finance, health and safety, internal audit, and risk. These interactions strengthened the Board's understanding of workforce priorities and supported decisions that reflected both strategic objectives and stakeholder needs.

See page 50 for engagement with colleagues.

Nominations and Governance Committee Report

"Throughout 2025, the Committee maintained its emphasis on high-quality governance to safeguard the Group's long-term objectives and sustainable future."

Stuart Sinclair
Chair

Dear shareholder,

I am pleased to present this report for the year ended 31 December 2025, highlighting the Committee's role in supporting an effective Board and promoting robust governance across the Group.

The Committee plays a central role in ensuring that the Board has the skills, experience and leadership it needs to guide the Company effectively, both now and in the years ahead. Its responsibilities include maintaining a strong, balanced and diverse Board, overseeing well-structured succession planning for directors and senior leaders, and ensuring governance practices meet the highest standards expected by our stakeholders.

During the year, the Committee concentrated on Board effectiveness and succession, alongside reviewing the composition of the Board and its Committees and assessing the skills and capabilities needed to support the Company's strategic direction.

I hope this report provides a clear overview of the Committee's role and activity during the year, and the steps we are taking to ensure that the Board remains effective, diverse and equipped to lead the Company into the future.

Stuart Sinclair
Chair of the Committee

25 February 2026

Committee members

Stuart Sinclair, Chair, and Chair of the Board

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 2025.

Committee member	Scheduled meetings[1]	No. of meetings attended	% of meetings attended
Stuart Sinclair	4	4	100%
Deborah Davis[2]	2	2	100%
Richard Holmes	4	4	100%
Aileen Wallace	4	4	100%
Katrina Cliffe	4	4	100%

Notes

1. The scheduled meetings that each individual was entitled to, and had the opportunity to, attend.
2. Deborah stepped down from the Board with effect from 1 May 2025.

Progress in 2025

- Reviewed Board composition and succession planning.
- Evaluated the current 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 performance review.

Key priorities for 2026

- Ongoing focus on succession planning.
- Continued monitoring of broader corporate governance developments.
- Keep under review the governance framework and make recommendations for improvement where appropriate.

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 and senior management;
- 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;
- keeps the Group's governance arrangements under review and makes appropriate recommendations to the Board 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

Stuart Sinclair chairs the Committee and was regarded as independent on appointment. Stuart will not chair the Committee when it is dealing with matters of succession to the Chair of the Board. The Committee comprises three other independent non-executive directors, Richard Holmes, Aileen Wallace and Katrina Cliffe. Deborah Davis retired as a non-executive director of the Company at the conclusion of the 2025 AGM, and therefore stepped down from the Committee with effect from 1 May 2025.

Key areas of focus during the year

During 2025, the Committee continued to evolve its oversight to reinforce effective governance throughout the Group.

A key area of focus for the Committee was ensuring that succession planning remains aligned with the Board's ability to lead the Group effectively, particularly as we advance our Next Gen strategy. Under the Chair's leadership, the Committee reviewed the assessment of Board skills, knowledge and tenure undertaken in 2025, considering its relevance to the Company's strategic priorities. The skills matrix (on page 130), which is reviewed annually, highlights the capabilities viewed as key to the Group's long-term success and illustrates how these correspond to our strategic objectives and growth ambitions. The Committee also undertook a detailed review of the skills, potential and development of the wider senior leadership team, as part of the broader talent and leadership planning process led by the Human Resources function.

A second area of priority in 2025 was ensuring that the Board continues to operate with a high level of effectiveness. This wide-ranging responsibility involved the Committee reviewing a range of detailed topics, including the 2025 Board training programme, Board Committee membership and external developments in corporate governance, to assess whether any adjustments were needed to the Group's Board governance arrangements. The Committee also considered the Board's structure, size and ways of working, and guided the Group's implementation of, and compliance with, the Corporate Governance Code 2024. Additionally, the Committee oversaw the adoption of the recommendations arising from the internal Board evaluation conducted in 2024, with all recommendations being implemented in 2025.

The Committee maintained its oversight of key policies relevant to our Responsible Business Framework such as board diversity, political donations, access to independent advice and conflicts of interest. More information on our diversity policy can be found on page 141.

Finally, the Committee continued to review the external appointments held by current directors. This work considered the time commitments arising from their current roles to ensure no director is "overboarded" and that required standards of independence are maintained. The Committee also determined whether any new appointments would affect a director's ability to discharge their duties to the Company effectively.

Committee performance review

During 2025, the Committee took forward actions arising from its 2024 performance review. These focused on proactive Board and executive management succession planning aligned to the Group's strategy. The Committee continued to develop its plans, reviewing talent pipelines and maintaining visibility over future leadership requirements.

An internal review of the performance of the Board and its Committees was also undertaken in 2025. This process consisted of a questionnaire completed by the Committee and its regular attendees, alongside 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.

The Committee considered the feedback and agreed to retain a strong emphasis on succession planning across the senior leadership cohort. This will be progressed through twice-yearly performance reviews and the Committee's ongoing dialogue with the Chief HR Officer and the Chief Executive Officer regarding leadership potential and development.

Annual re-election of directors

As in previous years, Board members will stand for re-election by shareholders at the 2026 AGM on 30 April 2026. 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. More information on how the Committee has assessed independence and the directors' time commitments can be found on page 143. Accordingly, all directors are proposed for re-election. 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 recognise the importance of drawing from a diverse range of individuals, and the diversity objectives in the Board Diversity Policy on page 141 guide how diversity is built into director recruitment and succession planning. The Committee's approach to succession includes anticipating departures and allowing sufficient time for orderly succession. Succession plans are in place for the Chief Executive Officer, Chief Financial Officer, Chair and non-executive directors across contingency, medium-term and long-term horizons.

The Committee also oversees executive talent and succession planning on behalf of the Board. As part of the broader talent management process, the Committee receives annual and mid-year updates from the Chief HR Officer on talent development and succession planning, considering the skills and potential within the central leadership team. Having received these updates from the Chief HR Officer, the Committee reviewed the Board succession plans and confirmed that they remained appropriate for the Chief Executive and Chief Financial Officer.

Following the departure of Deborah Davis, the Committee considered the recruitment of a new non-executive director in 2025. However, due to the potential cash offer by BasePoint Capital LLC, it was agreed that recruitment for a new director at this stage would not be appropriate. The Committee has agreed to revisit this at a more appropriate time.

The Committee seeks to follow best practice in making all appointments, applying objective, merit-based criteria and considering the Company's strategic priorities, together with the broader trends and factors shaping its long-term success and future growth, including developments in technology and innovation.

During 2025, the Board also approved the Board skills matrix, which sets out the capabilities of each member and allows the Committee to identify any skill which may be required. These insights will be reviewed as part of the succession planning process. In doing so, the Committee reviewed whether Deborah Davis's departure and the updated Code requirements necessitated additional skills on the Board. After careful consideration, it concluded that the existing key skills remained appropriate for the business. The skills matrix will continue to guide the identification of skills and experience for any future Board appointments. The Board skills matrix can be found on page 130.

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 tightly woven into our culture and values. It is also a strategic imperative that contributes to the Group's overall success, innovation, and sustainability.

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, the FTSE Women Leaders Review and the requirements of UK Listing Rule 6.6.6 R(9) are supported fully by the Board.

The percentage of female representation for the executive team was 7.1%.

Annual statement on Board diversity targets

Following a change in Board composition in 2025, the Board did not meet two of the FCA's diversity targets as at the reporting date.

As required by Listing Rule 6.6.6 R(10), detailed numerical information on the gender and ethnicity representation on the Board and our executive management as at 31 December 2025 is set out on page 143.

Data concerning gender and ethnicity representation was collected directly from all the individual Board and executive management team 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 143 and therefore included the option to not specify an answer. The data was originally collected on an anonymous basis by the Company Secretariat and the information is reviewed and updated on an annual basis.

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 and remains committed to maintaining gender balance. Two female Board members have been appointed in recent years, and future recruitment will continue to prioritise diversity.
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, which was a signatory of the Standard Voluntary Code of Conduct at the time. Future recruitment will continue to comply with this element of the policy.
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.	The target level fell below 40% this year following a planned retirement. The Committee will continue to assess its succession needs, including considerations around gender representation.
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.		The Board does not currently meet this objective following recent changes. Ethnic diversity remains a priority though, and will guide any future appointment.

Gender representation as at 31 December 2025

	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	66.7%	3	13	92.9%
Women	2	33.3%	1	1	7.1%
Not specified/prefer not to say	0	0%	0	0	0%

Ethnic representation as at 31 December 2025

	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	100%	4	14	100%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	0	0%	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 directors' other commitments, their role on the Board and the time required to fulfil expected duties. Although there is no specified time commitment for non-executive directors, the Company expects a typical annual contribution of around 30 days, reflecting attendance at Board and Committee meetings, paper review, discussions with fellow directors, Strategy Days, market visits and stakeholder engagement.

An executive director may, with the approval of the Board, be permitted to hold one non-executive directorship (and to retain the fees from that appointment) provided that the Board is satisfied this will not affect their executive responsibilities adversely. The executive directors currently do not hold any external directorships. A non-executive director is expected to ensure that they have sufficient time to discharge their responsibilities effectively and, as a guideline, 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 2025, the Committee confirmed its approval of Aileen Wallace's appointment to the board of Columbia Threadneedle/Threadneedle Asset Management, noting that she was stepping down from her board role at Hodge Bank.

In giving its approval, the Committee was assured that Aileen would continue to be able to devote the appropriate time to her role as non-executive director and Chair of the Remuneration Committee and that the new role 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 is the senior independent director, and 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 where 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 performance 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 performance review due to be undertaken in 2025. However, during 2025 the Company was the subject of a potential takeover approach, and in light of this process, the Board determined that it would not be appropriate to undertake an externally facilitated Board performance review at that time. Accordingly, the Board decided to defer the next externally-facilitated review, and should the transaction not proceed, the Board will commission a review.

The Board remains committed to maintaining high standards of governance and performance. To ensure continued oversight, an internal evaluation was nevertheless undertaken in 2025, focusing on Board composition, decision-making effectiveness and governance during the year. The findings and resulting actions have been considered and will be implemented throughout 2026.

Process for Internal Board and Committee review

The Committee oversaw a structured internal evaluation of the Board, its Committees, and individual Directors during the year. The process began in September 2025, when the Committee reviewed and approved the approach for the annual performance reviews, following consultation with the Chairs of the Board and its Committees.

In October, each Director completed a detailed questionnaire assessing the performance of the Board and the Committees on which they serve. Regular attendees of the Committees were also invited to provide input. During the same period, the Chair met with the non-executive directors without the executive directors present, enabling candid feedback on performance throughout the year.

By December, the Committees had considered the results of the questionnaires alongside an analysis of their Terms of Reference. Each Committee confirmed that it continues to operate effectively and in accordance with its remit. Towards the end of the year, the Chair conducted individual performance reviews with all non-executive directors, confirming that they remain effective in their roles. The Senior Independent Director, Katrina Cliffe, also led the Chair's own review, concluding that the Chair continues to demonstrate strong leadership and independence.

Finally, in February 2026, the Board reviewed the overall findings from the performance review, taking into account feedback from the Committees and the Matters Reserved analysis.

Outcome of the 2025 performance reviews

The Board concluded that it continues to operate effectively, providing strong leadership and maintaining an appropriate balance of skills, experience, and knowledge to deliver the Group's strategy.

The Board continues to place significant reliance on its Committees, receiving regular updates from their Chairs and delegating a wide range of responsibilities and issues to them.

Overall, the evaluation confirmed that the performance of the Board, its Committees, the Chair, and each Director remains effective.

Stuart Sinclair
Chair of the Committee

25 February 2026

Audit and Risk Committee Report

"The role of the Committee is to provide independent oversight, and this year's Report provides an overview of how we monitored and evaluated the effectiveness of the Group's financial reporting, systems of internal control and risk management during the year."

Richard Holmes
Chair of the Audit and Risk Committee

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 2025. This report explains the Committee's work and how we met our audit, risk management and internal control responsibilities including ensuring compliance with the Financial Reporting Council's (FRC) Audit Committee and the External Audit Minimum Standards.

The Committee monitored the impacts of routine and emerging risks on the Group's Financial Statements and, despite continuing macroeconomic uncertainty, was pleased to see strong operational and financial performance. This reflects the disciplined execution of our strategy and provides a solid platform for continued growth alongside effective internal control and risk management systems.

As well as its focus on emerging risks, the Committee addressed a range of routine matters, receiving regular updates from the internal audit function on the effectiveness of internal controls, including progress on implementing the Digital Operational Resilience Act (DORA), enhancements to anti-money laundering controls, financial control and the quality of regulatory reporting. Where improvements were identified, whether by internal audit or the Committee, we ensured the necessary actions were taken and that effective follow-up processes were in place to monitor progress.

The Committee also dedicated time to consider and approve PKF Littlejohn LLP's approach for the 2025 external audit as well as the 2026 internal audit plan, ensuring that both provide robust, risk-based assurance of the Group's key activities.

The Committee was pleased to note the Group's response to the new audit, risk and internal control requirements of the 2024 UK Corporate Governance Code (the 2024 Code) which came into effect during 2025, as well as the Group's readiness for the elements that will come into effect in the following year. The Committee is well placed to discharge its duties in the year ahead.

Looking ahead, the Committee recognises that the demand for the Group's products remains robust in all our markets and, as we drive growth, product innovation and digital capability, the Committee will continue to provide rigorous oversight of the associated risks and opportunities.

I trust that the following report will provide a clear overview of the Committee's activities during the year and the actions we will take in 2026 to ensure the Group's financial reporting, risk management and systems of internal control remain effective.

Richard Holmes
Chair of the Audit and Risk Committee

25 February 2026

Committee members

Richard Holmes, Chair and 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 2025.

Committee member[4]	Scheduled meetings[1]	No. of meetings attended	% of meetings attended
Richard Holmes	7	7	100 %
Deborah Davis[3]	2	2	100 %
Aileen Wallace	7	7	100 %
Katrina Cliffe[2]	5	5	100 %

Notes

1. The scheduled meetings that each individual was entitled to, and had the opportunity to, attend as a member of the Committee.
2. Katrina Cliffe was appointed as a member of the Committee in May 2025.
3. Deborah Davis stepped down as a director at the 2025 AGM
4. The Committee members' expertise, qualifications and relevant experience are set out in each of their biographies on pages 128 to 129.

Committee effectiveness

An effectiveness review of the Committee is undertaken annually and following the 2024 review, two key areas of focus were identified. The table below shows the outcomes of the 2024 review and how these were addressed in 2025.

2024 internal effectiveness review	Action in 2025
Ensuring appropriate focus on ICT risk and managing regulatory change.	In 2025, the work planner was amended to include a bi-annual update on regulatory change to the Committee. It was also agreed that ICT risk would be addressed through the Chair of the Risk Advisory Group's report to the Committee.
Ensuring appropriate coverage of strategic risk as part of risk management oversight.	A dedicated strategic risk assessment agenda item was added to the work planner in June and September ahead of the bi-annual Board strategy sessions.

An effectiveness review of the Board and its Committees was undertaken internally at the end of 2025, 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 during 2025 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 2026 should be on:

- ensuring the Committee receives a consolidated view of the risk profile and that risk evaluation presents a clear view from all lines of defence; and
- increasing attendance from risk owners, where appropriate, to discuss risks out of appetite and the action plans in place to bring them within appetite.

Composition, role and responsibilities

The Committee consists of independent non-executive directors and met seven times during the year. Members and their attendance at meetings can be found on page 145.

All members of the Committee are deemed to have competence relevant to financial services, with all members having previously held executive roles in the financial services sector. The Chair of the Committee, Richard Holmes, is deemed to have recent and relevant financial experience as a fellow of the Institute of Chartered Accountants and with over 40 years of broad international financial services experience, including 20 years as a CEO and board member in private banking, wholesale banking, capital markets, trading operations, strategy and finance. More information on the skills and experience of our Committee members can be found on page 130.

The Committee, along with the Board, received updates and training during the year on emerging accounting standards, regulatory developments and audit quality matters. More information on knowledge sharing and training can be found on page 173.

Progress in 2025

- Reviewed and challenged updates on the Group's response to the 2024 Code.
- Provided oversight of progress on the development of a control framework for managing technology, change management and information security risks across the Group.
- Ensured appropriate focus on evolving ways of working and culture, with an emphasis on understanding and embedding risk management practices that keep pace with the changing regulatory landscape.
- Guided the Board on sustainability matters and non-financial reporting.

Key priorities for 2026

- Enhancing the risk management framework and ensuring appropriate oversight of material change programmes, major risk events and action plans to bring risks back within appetite.
- Review and challenge as necessary reports on the effectiveness of controls for the Group's most material risks.
- Ensuring appropriate focus on operational resilience.
- Ensuring the Committee has sufficient opportunity for discussion on accounting judgements for receivables.

The external auditor, PKF Littlejohn LLP, the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Group Financial Controller, Group Credit and Risk Director 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 Head of Internal Audit also meets with the Committee annually without management present.

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.

Meetings and activities

The Committee operates in accordance with a structured, forward-looking planner, developed in collaboration with the Company Secretary, to ensure the discharge of the Committee's responsibilities throughout the year. Agenda items are determined with due regard to applicable regulatory requirements and the Company's reporting timetable. The planner is maintained as a dynamic framework, subject to periodic review and adjustment to reflect the evolving priorities and strategic needs of the business.

The Chair of the Committee holds preparatory discussions with the Head of Internal Audit and Chair of the Risk Advisory Group prior to Committee meetings to discuss the items to be considered at the meetings.

Committee meetings are generally scheduled close to Board meetings in order to facilitate an effective and timely reporting process for any significant findings.

Throughout the year, the key activities undertaken by the Committee were:

Financial reporting	• Monitoring the Group's systems of internal control, including financial, operational and compliance controls, and risk management systems, and performing an annual review of their effectiveness; • Monitoring 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; and • Providing 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.
Audit matters	• Making recommendations to the Board, for the Board to put to shareholders at the Annual General Meeting, relating to the reappointment of the external auditor, and approving its terms of appointment; • Reviewing and monitoring the objectivity and independence of the external auditor and the effectiveness of the external audit process following completion of detailed questionnaires by both the Committee and senior management, taking into consideration relevant UK professional and regulatory requirements; • Reviewing and approving the policy for the provision of non-audit services by the external auditor; • Reviewing and approving the level and nature of non-audit work which the external auditor performed during the year, including the fees paid for such work; • Approving the remuneration and terms of engagement of the external auditor, including the audit plan; • Reviewing and approving the internal audit programme for the year and monitoring the effectiveness of the internal audit function in the delivery of its plan; • Receiving and considering reports from the Head of Internal Audit concerning the work undertaken by the internal audit function; • Reviewing the effectiveness of the internal audit function following an external quality assessment and overseeing the actions resulting from the assessment; and • Reviewing and approving the Group's internal audit charter.
Risk management and internal controls	• Keeping under review the work of the Risk Advisory Group, in particular the Group schedule of key and emerging risks, and considering the principal and emerging risks stated on pages 34 to 40 facing the Group and their mitigation; • Reviewing the effectiveness of the Company's internal control and risk management systems, including defining the concept of material controls; • Advising the Board on the Group's risk appetite together with the mechanisms that will be used for monitoring adherence to them; • Providing oversight of the Company's sustainability-related impacts, risks and opportunities, and non-financial reporting and assurance; and • Reviewing and considering the assessment of the Group's strategic risks.
Governance matters	• Considering incoming regulatory and legal changes, including the Group's approach to compliance with the 2024 Code; • Reviewing the Committee's effectiveness following an internal performance review; and • Reviewing the Committee's terms of reference.

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. An explanation of the Group's accounting policies can be found in the notes to the financial statements.

The Committee considered the output from the review carried out by the FRC of the Company's Annual Report and Financial Statements for the year ended 31 December 2024 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The Committee was pleased to note that the review raised no questions or queries requiring a response. The Committee also noted that the FRC raised a small number of matters where users of the accounts would benefit from improvements and these have been taken into consideration when preparing the Annual Report and Financial Statements for 2025.

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 increased 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 2025 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 198. 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. 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 2025 included justification of the Group's uncertain tax risk provision. 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 was 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 2025 comprised the Chief Executive Officer, Chief Financial Officer, Group Credit and Risk 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 34 to 40. The Chair of the Risk Advisory Group also meets with the Committee annually, without management present to discuss his views on how risks are managed across the Group.

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.

In 2025, the Group navigated a number of significant regulatory developments. Within the European Union, progress continued on the transposition and implementation of the Consumer Credit Directive II, alongside the introduction of key frameworks such as the European Accessibility Act and the DORA, both of which mark important steps in shaping future compliance and operational standards. At a market level, notable changes included reforms to judicial appointment processes and access to justice in Mexico, and proposed adjustments to how the Estonian judicial system handles claims related to unpaid debts. The Committee also received regular updates on key tax issues and ongoing tax audits within the Group, together with updates regarding the Organisation for Economic Co-operation and Development's and the European Union's international tax initiatives that could potentially impact the Group in the future.

The Committee will continue to assess the impact of these matters on the business and will monitor management's response throughout 2026.

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 2025 are referred to in the 'Development' section on page 173.

In 2025, the Committee requested that management begin aligning the risk management and internal control framework with the requirements of the revised 2024 Code. As part of this initiative, management has defined the concept of material control for the Group, along with definitions for financial, operational, reporting and compliance controls, and is well placed to monitor and assess the effectiveness of the risk management and internal control framework for the 2026 financial year.

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 any 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 an External Quality Assessment which was conducted during the year by KPMG and assessed the function as Generally Conforms (the highest rating under the framework) with the International Professional Practices Framework of the Institute of Internal Auditors and Generally Adopts in relation to Internal Audit Financial Services Code of Practice. The function measures its operational effectiveness and efficiency via a set of key performance indicators and via individual post-audit quality assessments by auditees, both of which are reported to the Committee.

The Committee was pleased to note the positive result of the External Quality Assessment and is satisfied that the quality, experience and expertise of the function are appropriate for the business.

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 2025. On the basis of the work performed by the management team throughout the year and reported to the Committee at each meeting, the Committee 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. This is achieved through the reporting to the Committee of progress to address findings raised by Internal Audit as well as, where necessary, management attending to provide updates on specific topics. These processes were in place throughout 2025 and up to 25 February 2026.

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.

The effectiveness of the external auditor is continually considered through the Committee's own observations and interactions with the external auditor as well as through feedback from management. In addition, a formal annual process is conducted where external auditor effectiveness is evaluated via a questionnaire which was completed by the Committee members and attendees, and by business unit finance directors across the Group. This evaluation is divided into six areas as per the table on the next page. The results of the evaluation were reviewed and considered by the Committee, which concluded that the external audit process was effective.

External auditor effectiveness

Area	Conclusion
Audit planning and approach	• The external audit plan demonstrated an understanding of the Group, its business model, sector and key risks. • The scope of the audit plan is appropriate.
Quality of audit execution and technical competence	• Technically proficient, with sufficient expertise in the Group's key accounting/regulatory requirements. • Sufficient time and resources were allocated to the audit, with timely delivery of agreed deadlines and milestones.
Communication and interaction	• Timely and transparent communication with management and executive directors. • Responsive to feedback from executive directors and the Committee.
Independence and professional scepticism	• Auditor independence was clearly evidenced. • Professional scepticism was evident, with robust challenge applied to management's accounting judgements and assumptions. • Non-audit services were appropriately managed and charged.
Reporting	• Timely delivery of draft and final audit reports. • Clear and consistent audit opinion reporting. • Clear and constructive management representation letters.
Value and overall assessment	• The audit provided assurance and insight beyond basic compliance. • Demonstrated an understanding of shareholder and market expectations.

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 (2024), 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 2025.

Non-audit services carried out by PKF Littlejohn LLP in 2025	Fee £000
Other assurance services	182

Appointment and tenure

Following a competitive tender PKF Littlejohn LLP was first appointed as the Group's external auditor at the Group's 2024 AGM for the financial year ended 31 December 2024. The Group is required to undertake a mandatory tender process at least every ten years. Therefore, the Committee will be required to conduct a tender for a new external auditor no later than ahead of the financial year ending 31 December 2034. Following the assessment of the independence, objectivity and effectiveness of PKF Littlejohn LLP as external auditor summarised above, and the conclusion that the Committee remains satisfied with PKF Littlejohn LLP, the Committee does not anticipate that a tender process will be conducted before it is required. The Committee is therefore pleased to recommend that PKF Littlejohn LLP be reappointed as the Group's auditor at the 2026 AGM.

Having entered the FTSE 250 during the year, the Committee confirms its compliance for the period since it became a FTSE 250 constituent to the financial year ended 31 December 2025 with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

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 2025, 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

25 February 2026

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 pages 4 to 11.

- Next Gen financial inclusion
- Next Gen organisation
- Next Gen 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

£88.6m

+4%

Pre-exceptional earnings per share

26.3p

+5.6%

Group net receivables

£1,061.3m

+14%

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 2025

	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%**
2023 Restricted Share Plan vested at	**100.0%**	**100.0%**

Our 2026 Remuneration Policy at a glance

Our Remuneration Policy

	2025	2026	2027	2028	2029	2030	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%						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.
	Malus on deferral							
	Clawback on cash							
Long-term incentive plan	Vest 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.
	Two-year post-vest holding							
	Clawback period							

Directors' Remuneration Report

"Our Committee believes that our remuneration framework and its alignment to our business model and operating markets provides a compelling recognition for our executives and underpins our commitment to continued shareholder value."

Aileen Wallace
Chair of the Remuneration Committee

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 2025. The report explains how the Committee carried out its duties during the year and the rationale for the decisions that were taken. It also includes our proposed 2026 Remuneration Policy (the 2026 Policy), which contains no material changes, reflecting our confidence that the existing framework remains appropriate to attract and retain the calibre of leadership needed to deliver the Company's Next Gen strategy, along with details of how the policy will be implemented in the year ahead. Having an open dialogue with shareholders is important to us and we appreciate their engagement throughout the year. In line with regulations, our Remuneration Policy will be subject to a binding vote at the 2026 AGM.

The report is divided into three sections:

1. Remuneration at a glance (on the left), illustrating how our Next Gen strategy aligns with our Remuneration Policy, and the link between pay and performance;
2. Our new Directors' Remuneration Policy (the 2026 Policy); and
3. The 2025 Annual Report on Remuneration, providing detail of amounts paid during the reporting year, including incentive outcomes and the planned implementation of Policy in 2026.

Committee members

Committee members

Aileen Wallace, 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 total number of scheduled (five) and ad hoc (three) meetings held and the directors' attendance during 2025.

Committee member	Meetings[1]	No. of meetings attended	% of meetings attended
Aileen Wallace[2]	4	4	100%
Richard Holmes	8	8	100%
Stuart Sinclair	8	8	100%
Katrina Cliffe	8	8	100%
Deborah Davis[3]	4	4	100%

Notes

1. The meetings that each individual was entitled to and had the opportunity to attend as a member of the Committee.
2. Aileen Wallace was appointed to the Committee as Chair in May 2025 following the 2025 AGM.
3. Deborah Davis stepped down as director from the Board at the 2025 AGM.

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 128 and 129.

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 158); and
- our commitment to building a better world through financial inclusion is demonstrated by our continued focus on responsible business practices. This brings together our environmental, social and governance priorities, and embeds them in a number of metrics within executive directors' remuneration, aligning clearly to our purpose and to the issues of that matter most to our key stakeholders, including shareholders.

Business context

The Committee's remuneration decisions in 2025 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 12% and 14% respectively (at constant exchange rates (CER));
- strong customer repayment performance and robust credit quality;
- disciplined execution of the Group's Next Gen strategy; and
- robust funding position and strong balance sheet.

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 9.0 pence per share is proposed, representing a year-on-year increase of 12.5%. This is in line with our progressive dividend policy and brings the full-year dividend to 12.8 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 20,000 employees and customer representatives, and to provide the best possible opportunities for learning and development. This was reflected in:

- launching an enhanced Senior Leadership Development programme with LinkedIn Learning focused on building consistent skills across the Group specifically to develop strategic, commercial and future-ready capability;
- holding our fifth annual Global Learning Festival, a week-long global event which attracted over 4,500 attendances with a wide range of topics covered such as AI, cultural awareness, and collaboration; and
- the 2025 Global People Survey was completed by over 91% of colleagues, and reported positive engagement scores of 79.5% among employees and 81% among our customer representative colleagues. Exploring four core dimensions – pride, care, challenged and inspired – the results highlight a culture in which colleagues feel valued, supported and inspired to make a difference. More information can be found on page 51.

Remuneration decisions made in 2025

As noted in the 2024 Directors' Remuneration Report, remuneration decisions included:

- a 2.5% 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 3.0%, with salaries increasing to £629,428 and £365,521 respectively;
- financial year 2024 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 102 of the 2024 Annual Report and Financial Statements);
- Approved vesting of legacy PSP 2022 awards at 29.1%;and
- 2025 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 Remuneration Policy.
- Considered the impact of the recommended cash acquisition of the Company by IPF Parent Holdings Limited (BasePoint), a newly formed company in the same group as BasePoint Capital LLC, on any in-flight share awards and made certain decisions in relation to the vesting of these awards. Further details can be found by reviewing the co-operation agreement between BasePoint and the Company at ipfin.co.uk.

Implementation of Remuneration Policy in 2026

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 £645,164 and £374,659 respectively;
- financial year 2025 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 154), and each executive director performing exceptionally well against their personal objectives (see pages 165 and 166); and
- 2023 Restricted Share Plan vested at 100% reflecting performance against the Company's dividend policy and the broader basket of underpins as detailed in the 2023 Remuneration Policy.

Progress in 2025

- In addition to the effective implementation of the 2023 Remuneration Policy, the Committee made good progress on its principal goals for 2025;
- completed a comprehensive review of the Remuneration Policy and consulted with shareholders presenting a new 2026 Policy ahead of the 2026 AGM; and
- prioritising the policies and practices as part of the Group's broader purpose agenda.

Key priorities for 2026

- effective implementation of the 2026 Policy; and
- continue to monitor broader market and governance trends, and appropriate adaptation in line with compliance requirements.

The Committee considered base salary increases in the context of the business and external environment. Base salary increases have been tailored in each market to reflect the local macroeconomic climate, which 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.

As Chair of the Remuneration Committee, I would like to personally extend my thanks to Deborah Davis for her stewardship of this important area over many years. The Remuneration Committee gives thoughtful consideration to our engagement with shareholders and looks forward to reporting on progress in 2026.

Aileen Wallace
Chair of the Committee

25 February 2026

Directors' Remuneration Policy 2026

The Committee presents the 2026 Policy, which will be put to shareholders for a binding vote at the AGM to be held on 30 April 2026. In considering the Policy for our executive directors' remuneration we have reviewed the effectiveness of the Policy and consider that no material changes are required at this time. Subject to shareholder approval, the effective date of the 2026 Policy will be 30 April 2026. The intention of the Committee is that the 2026 Policy will remain in place for three years from the date of its approval.

The 2026 Remuneration Policy table for the executive directors is set out 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%. The Company may take a deduction to the cash allowance to take account of any additional employer's NIC and other employment taxes incurred to ensure consistency with the treatment of the wider workforce.	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% of base salary, 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.	Threshold bonus: 20% of maximum. 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% of base salary, 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 equivalent to 80% of base salary at the time of grant. Rules permit annual grants up to an 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 2025 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 are 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% of base salary), 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 directors' 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.

2026 Remuneration Policy – non-executive directors

The Chair of the Board and executive directors review non-executive directors' fees periodically in the light of fees payable in comparable companies or to reflect changes in scope of role and/or responsibility, and to attract and retain high-calibre non-executive directors. Non-executive directors receive no other benefits and take no part in any discussion or decision concerning their own fees. The Committee reviews the Chair of the Board's fees. Fees were last increased on 1 October 2013 for the Chair of the Board and 1 January 2014 for non-executive directors. No increases in fees are proposed in 2026.

Element	Purpose	Operation
Fees	To attract and retain a high-calibre Chair of the Board and non-executive directors by offering market-competitive fees.	Fees are paid on a per annum basis and are not varied for the number of days worked. The level of the Chair of the Board's fee is reviewed periodically by the Committee (in the absence of the Chair) and the executive directors. As approved at the 2014 AGM, the maximum aggregate fee level for all non-executive directors allowed by the Company's Articles of Association is £650,000. The Senior Independent Director and Chairs of the Board Committees are paid an additional fee to reflect their extra responsibilities. Any non-executive director who performs services which, in the opinion of the Board, go beyond the ordinary duties of a director, may be paid such additional remuneration as the Board may authorise. Fees are paid on a quarterly basis.
Shareholding requirement	To support shareholder alignment by encouraging non-executive directors to align with shareholder interests.	Non-executive directors are expected to acquire a beneficial shareholding equivalent to 100% of their director's fee within three years of appointment.

Notes to the 2026 Remuneration Policy

Determination, review and implementation

The 2026 Remuneration Policy has been set following an extensive review and shareholder consultation, considering both the remuneration elements and overall balance necessary to support and recognise the delivery of Group strategy. Willis Towers Watson provided independent advice to the Committee in formulating the 2026 Policy and the Committee will continue to seek independent advice on key issues including, but not limited to, ongoing implementation of the 2026 Policy.

The Committee is at pains to ensure that no conflict of interest can arise in respect of its activities. Where necessary and appropriate, input is sought from executive directors, senior leadership team members and the Group Head of Reward. Attendance at meetings is by invitation and no individual is present when matters relating to their own remuneration are being determined.

The Committee considers all relevant factors when determining Policy outcomes, including but not limited to:

- in-year and long-term performance of the Group and individuals;
- trading conditions;
- Group strategy;
- alignment with the wider workforce;
- alignment with the Company's purpose; and
- remuneration trends, shareholder feedback and corporate governance frameworks.

Performance measures and targets

The Committee selects annual bonus performance conditions that are central to the achievement of the Company's key strategic priorities for the year, and reflect both financial and non-financial objectives. The Committee's consideration of long-term incentive performance and vesting takes account of the relevant underpins, which cover a range of indicators of long-term performance.

Performance targets are determined annually by the Committee and are typically set at a level that is stretching but achievable, considering our strategic priorities and the economic environment in which we operate. Targets are normally set with reference to a range of data points, including the annual business budget, historical performance and our responsible business priorities encompassing environmental, social and governance (ESG) risks.

The Board believes the performance measures and targets for the annual bonus are commercially sensitive and that it would be detrimental to the interests of the Company to disclose them during the financial year. This is particularly so because most of our competitors are unlisted. However, the Committee commits to making a comprehensive retrospective disclosure in respect of performance against the targets set where the disclosure of that information is no longer deemed commercially sensitive.

Malus and clawback

The circumstances when malus and clawback may apply include, but are not limited to, the following:

- reasonable evidence of fraud;
- reasonable evidence of gross misconduct or gross negligence by the participant;
- reasonable evidence of conduct by the participant which results in significant losses or reputational damage to the Company or the Group, or has brought, or is likely to bring, the Group or any member of the Group into disrepute in any way;
- misleading data and/or there is an error in the information, assumptions or calculations on the basis of which the award was granted or paid out or vested;
- a material misstatement of the Group's or any member of the Group's or business unit's financial statements;
- there has been a significant downward restatement of the financial results of the Company;
- there has been a significant deterioration in the financial health of the Group or any member of the Group resulting in severe financial constraints on the ability to fund awards; and/or
- any other circumstances which, in the Committee's opinion, justify the operation of malus and/or a clawback adjustment in relation to the participant's award.

The clawback period for the RSP normally runs for two years from the date of vesting and from the date of payment in the case of the cash portion of annual bonus awards. For deferred awards under the DSP, malus will apply for the duration of the deferral period.

Discretions

The Committee will operate the annual bonus plan, RSP and DSP according to their respective rules and in accordance with the Listing Rules where relevant. The Committee retains discretion, consistent with market practice, in a number of regards relating to the operation and administration of these plans. These include, but are not limited to, the following in relation to the RSP and DSP:

- the participants;
- the timing of grant of an award;
- the size of an award;
- the determination of vesting;
- discretion required when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (for example: rights issues, corporate restructuring events and dividend equivalents); and
- the annual review of performance measures and weighting, and RSP vesting assessment from year to year.

In relation to the annual bonus plan, the Committee retains discretion over:

- the participants;
- the timing of the grant of an award/payment;
- the determination of the bonus payment;
- dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen; and
- the annual review of performance measures and weighting, and targets for the annual bonus plan from year to year.

In relation to both the Company's long-term incentive and annual bonus plans, the Committee retains the ability to adjust the performance targets if events occur which cause it to determine that the targets are no longer appropriate (for example: material acquisition and/or divestment of a Group business), so long as the amendment will not make the target materially less difficult to satisfy. Any use of this discretion would be explained in the Directors' Remuneration Report and may be the subject of consultation with the Company's major shareholders.

The use of discretion in relation to the Company's SAYE will be in line with the governing UK legislation, HMRC rules and the Listing Rules.

Illustrations of total remuneration opportunity

The charts on page 161 provide an illustration of the proportion of total remuneration made up by each component of the proposed 2026 Policy, together with the value of each. Benefits are calculated as per the single figure of remuneration and four scenarios have been illustrated: 'Fixed', 'On-target', 'Maximum' and 'Maximum + 50% share price growth'. The charts are indicative, as share price movement (other than as indicated) and dividend accrual have been excluded. Assumptions made for each scenario are as follows:

- Fixed: fixed remuneration only, i.e. latest known salary (2026), benefits and pension.
- On-target: fixed remuneration plus on-target annual bonus (50% of maximum) plus 80% of salary in RSP.
- Maximum: fixed remuneration plus full payout of all incentives, that is 130% of salary in annual bonus, 80% of salary in RSP.
- Maximum plus 50% share price growth: fixed remuneration plus full payout of all incentives, that is 130% of salary in annual bonus, 80% of salary in RSP. 50% assumed share price growth over three-year RSP vesting period.

Approach to recruitment remuneration

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates. Starting salary will be set in accordance with the approved remuneration policy, based on a combination of market information, internal relativities and individual experience. Thereafter, salary progression will depend on the initial agreed base salary and the normal review process.

The maximum level and structure of ongoing variable remuneration will be in accordance with the approved remuneration policy, i.e. at an aggregate maximum of up to 130% in respect of annual bonus and, if necessary, 125% in respect of the RSP and/or cash awards at equivalent value. For the avoidance of doubt, these limits shall not apply to any replacement awards which the Committee may determine it necessary to make to secure the services of a preferred candidate.

For external appointments, it may be necessary to buy out an individual's awards from a previous employer. The Committee will seek to minimise the need for such arrangements and will aim to recruit executive directors subject to the policy maximum defined above. However, to be able to attract the required calibre of talent, we may offer additional cash and/or share-based elements when we consider these to be in the best interests of the Group.

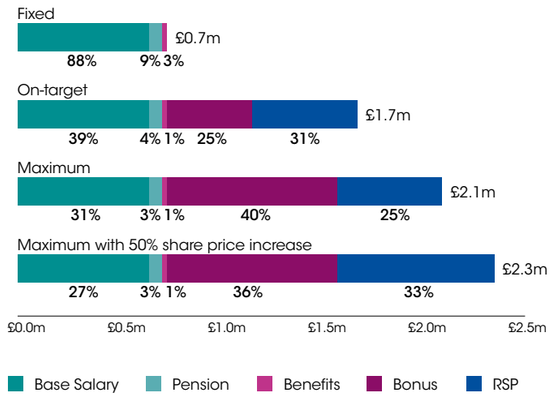
In doing so, the Committee would ensure that any such payments have a fair value no higher than that of the awards forgone including payments for any benefits in kind, pension and other similar allowances, and reflect the delivery mechanism, i.e. cash, shares and/or options, time horizons and expected value (likelihood of meeting any existing performance criteria). Replacement share awards, if used, will be granted using existing share plans. Wherever possible, any new arrangements will be tied into the achievement of Group targets in either the annual performance bonus or long-term incentives, or both. Full details will be disclosed in the Directors' Remuneration Report following the date of recruitment, which will provide explanations in relation to the amount and delivery structure of the awards made for the purposes of recruitment.

As shares under the RSP will not normally be released for up to three years with a further two-year holding period for executive directors, some cash-based interim, long-term arrangement may be provided, but the level will not be more than would otherwise have been paid. For internal appointments, any variable pay elements awarded in respect of the prior role may be allowed to pay out according to the terms of the plan, adjusted as relevant to take account of the new appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

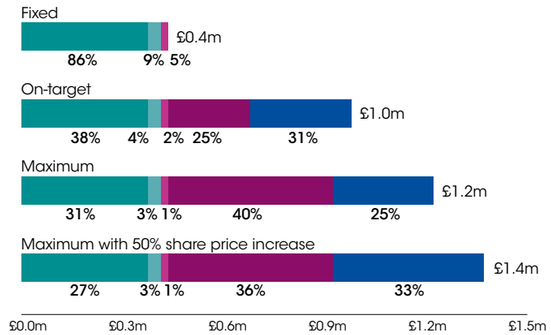
Any new executive director will be subject to a maximum annual pension contribution from the Company in line with the most common rate for UK employees (currently 12%).

Total remuneration illustration

Chief Executive Officer



Chief Financial Officer



For both internal and external appointments, the Committee may agree that the Company will meet certain relocation expenses as appropriate.

Loss of office payments

Our policy is to limit severance payments on termination to pre-established contractual arrangements. If the employment of an executive director is terminated, any compensation payable will be determined having regard to the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. Except in circumstances of gross misconduct or voluntary termination, the Company retains discretion to make ex-gratia payments where considered reasonable and fair in the Committee's opinion, and to cover costs relating solely to termination of employment by the Company. Example costs may include legal, tax and outplacement services subject to such fees being de minimis in nature and in the best interests of the Company.

Under normal circumstances, good leavers who do not serve notice are eligible to receive termination payments in lieu of notice based on base salary and contractual benefits.

Normally, we expect executive directors to mitigate their loss upon departure. In any specific case that may arise, the Committee will consider carefully any compensatory payments, having regard to performance, service, health or other circumstances that may be relevant.

In the event an executive director leaves for reasons of injury, disability, change of control of the Company, or any other reason which the Committee in its absolute discretion permits (including death in service), any unvested PSP and/or RSP awards will normally vest at the normal time following the end of the performance period and be pro-rated for time. Performance conditions would apply. However, awards will vest early on death and the Committee has the discretion to allow the award to vest early on cessation of employment. In this event, the Committee will determine whether the performance conditions are, or will be, met over such period as the Committee determines appropriate, although the award will normally be reduced on a pro-rata basis. RSP and legacy PSP awards that have vested at the time of leaving will be retained and exercisable for a limited period following leaving. The Committee may determine that the holding period will no longer apply if the director leaves for one of the reasons specified above. When determining the treatment of outstanding awards for exiting directors, the Committee will consider the executive director's level of performance and any contribution to a transition. For all other leavers, outstanding RSP and legacy PSP awards will lapse.

Approval for payments outside the Remuneration Policy

Remuneration payments and payments for loss of office to directors can only be made if they are consistent with the approved Remuneration Policy or if an amendment to that Policy authorising the Company to make the payment has been approved by shareholders.

Differences in remuneration policy for all employees

All employees are entitled to base salary and benefits appropriate to the market in which they are employed. The maximum opportunity available is based on the seniority and responsibility of the role. Long-term incentive awards are currently available at the absolute discretion of the Committee to executive directors, senior management, and other selected employees. The SAYE is available to all UK employees. The Committee considers wider workforce remuneration in determining executive director policy and outcomes.

Policy on executive directors holding external appointments

With the consent of the Board, executive directors may hold one non-executive directorship in an individual capacity and retain any fees earned.

Annual Directors' Remuneration Report 2025

Remuneration principles and alignment with strategy

As explained in the Committee Chair's opening statement on pages 153 to 155, 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 158), 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 continued focus on being a responsible business which brings together our environmental, social and governance priorities and embeds those in a number of appropriate metrics 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 held five scheduled meetings in 2025, with consideration given to a range of issues as illustrated below:

	Governance		Annual bonus		Share plan		Other		
	Policy	Directors' Remuneration Report	Design	Performance	Grant	Performance	Salary	Wider Workforce	Shareholder
January		•							
February		•		•	•	•	•		•
April									•
September	•								
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. The committee also met three times on an ad hoc basis to discuss matters in relation to the recommended cash acquisition of the Group by IPF Parent Holdings Limited (BasePoint), a newly formed company in the same group as BasePoint Capital LLC.

Adviser to the Committee

Willis Towers Watson, appointed in April 2016, provides independent remuneration advice to the Committee. During 2025, total fees in respect of advice to the Committee (based on time and materials) totalled £47,500 (excluding VAT), (2024: £34,125). 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 and letters of appointment for non-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 will retire at the 2026 AGM and submit themselves for re-election by shareholders at the AGM on 30 April 2026. 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

Non-executive director	Date of appointment
Stuart Sinclair	March 2020
Richard Holmes	March 2020
Katrina Cliffe	August 2022
Aileen Wallace	December 2022

Deborah Davis was appointed as non-executive director in October 2018 and stepped down from the Board in May 2025.

Single figure of total remuneration (audited information)

The following table sets out the single figure of total remuneration for directors for the financial years 2024 and 2025.

	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)	
	2025	2024	2025	2024	2025	2024	2025[2]	2024[3]	2025	2024	2025	2024	2025	2025	2025	2024
Executive directors																
Gerard Ryan	626	608	25	40	813	790	1,417	594	66	64	2,947	2,096	717	712	2,230	1,384
Gary Thompson	363	353	22	23	472	459	806	143	40	38	1,703	1,016	425	414	1,278	602
Non-executive directors																
Stuart Sinclair	200	200	–	–	–	–	–	–	–	–	200	200	200	200	–	–
Deborah Davis[4]	22	65	–	–	–	–	–	–	–	–	22	65	22	65	–	–
Richard Holmes[5]	70	70	–	–	–	–	–	–	–	–	70	70	70	70	–	–
Katrina Cliffe[6]	75	75	–	–	–	–	–	–	–	–	75	75	75	75	–	–
Aileen Wallace[7]	62	55	–	–	–	–	–	–	–	–	62	55	62	55	–	–

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 2025 relates to the RSP award granted in 2023, the performance period for which is the three financial years ending 31 December 2025. The awards have been valued according to an estimate based on expected vesting and the 1-month average share price to 31 January 2026. This value also includes the anticipated value of dividend equivalents that will be payable in 2026, relating to the 2023 Deferred Share Plan and 2023 Restricted 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 167.
3. The value of the awards included in the table for 2024 has been reviewed to reflect the actual value of awards at date of vesting and any dividend equivalents received in 2025 when the awards became exercisable.
4. Deborah Davis stepped down from the Board in May 2025 and both fees of £10,000 in her capacity as Chair of the Remuneration Committee and her base fee of £55,000 were pro rata.
5. 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.
6. 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.
7. Aileen Wallace was appointed Chair of the Remuneration Committee in May 2025 and the additional fee was pro rata, in addition to her base fee of £55,000.

Additional disclosures for the single figure of total remuneration

Base salary

The base salary of the Chief Executive Officer increased by 2.5% in 2025 to £629,428, in line with the typical annual salary increase of the wider UK workforce.

The base salary of the Chief Financial Officer increased by 2.5% in 2025 to £365,521, in line with the typical annual salary increase of the wider UK workforce.

Benefits

The benefits provided to the executive directors in 2025 included: private healthcare, life assurance, annual medical cover, long-term disability cover, and a cash allowance in lieu of a company car.

Determination of 2025 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 2025, 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 2025 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 2025 were as follows:

	Metric	Weighting in Scheme	Threshold	Target	Stretch	Achievement	Bonus payment % of bonusable base salary
Financial[1]	Group PBT	80%	£80.0m	£84.2m	£88.4m	£88.6m	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 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 2025, the Group delivered a strong financial performance, with pre-exceptional profit before tax up 4% year on year to £88.6m. In addition to this improvement in profit before tax, each executive director performed exceptionally well against their personal objectives as summarised on pages 165 and 166. 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 2025 and achievement against them.

Gerard Ryan – Chief Executive Officer

Category	Objective	Weighting	Results	Achievement
Deliver strong Group performance and financial discipline	• Deliver strong Group performance while executing the Next Gen strategy, operating within the Board-approved risk appetite and maintaining appropriate financial discipline.	20%	• Group performance was delivered ahead of the Board-approved plan, supporting continued progress against the Next Gen strategy while operating within the Group's agreed risk appetite.	●
Deliver enhanced customer value through the Next Gen strategy	• Execute the Next Gen strategy to expand customer choice, improve value and accessibility, and support responsible, purpose-led growth.	20%	• Delivery of the Next Gen strategy progressed across priority customer propositions during the year. In particular, we advanced development of customer-focused growth opportunities such as credit cards, digital lending and retail partnerships, supporting stronger organisational alignment around customer value priorities.	●
Strengthen organisational capability, leadership and culture	• Build a scalable and effective organisation with strong leadership capability, succession and engagement to support delivery of the Group's strategy.	15%	• A significant uplift in capability was delivered across the senior leadership population, supported by the rollout of LinkedIn Learning pathways to strengthen both current performance and future readiness. • The High Potential Senior Successor programme continued to deliver strong outcomes, with three participants progressing into their designated roles, further strengthening the internal leadership pipeline and demonstrating the effectiveness of the Group's succession approach.	●
Modernise the Group's operating platform and enable transformation	• Ensure Group technology, data and transformation capability supports delivery of the Next Gen strategy and long-term organisational resilience.	15%	• Strengthened the Group's transformation governance and delivery capability, establishing the foundations for more effective execution of complex, cross-functional change programmes. • Key decisions were progressed to modernise the Group's technology and data platforms, alongside continued work to improve data governance, embed AI within business operations and prepare the organisation for large-scale transformation.	●
Evaluate strategic options and drive long-term shareholder value	• Ensure the Group actively evaluates strategic options to maximise long-term shareholder value, supported by robust governance and Board engagement.	15%	• Undertook a structured and well-governed evaluation of strategic options for the Group, with the Board fully engaged throughout. This was progressed in a manner that safeguarded ongoing business performance while supporting informed consideration of long-term shareholder value.	●
Responsible business, ethics, and sustainable governance	• Oversee the effective delivery of the Group's Responsible Business Framework, ensuring strong governance, ethical conduct and compliant sustainability reporting in line with regulatory requirements and the Group's broader strategy.	15%	• The Board approved the 2025–26 Responsible Business Strategy, and all priority actions from the 2024–25 Responsible Business Strategy were delivered as planned. • The Group strengthened its approach to ethics through enhanced governance and reporting arrangements, targeted awareness activity for employees and agents globally, and the approval of a Group Code of Ethics by the Board. • The Group reported sustainability performance requirements in compliance with applicable CSRD.	●

Key

- ● Criteria met
- ● Criteria partially met
- ● Criteria not met

Gary Thompson – Chief Financial Officer

Category	Objective	Weighting	Results	Achievement
Deliver strong Group performance through effective financial stewardship	• Deliver strong Group performance while executing the Next Gen strategy, operating within the Board-approved risk appetite and maintaining appropriate financial discipline.	25%	• Group performance was delivered ahead of the Board-approved plan, with financial discipline maintained to support continued progress against the Next Gen strategy while operating within the Group's agreed risk appetite.	●
Ensure the business operates with robust financial management and control	• Ensure the Group operates with robust financial management and control across key financial levers, in support of sustainable shareholder value.	25%	• During the year, the Group operated with robust financial management and control, maintaining a sustained focus on revenue quality, cost control, credit performance and funding efficiency in support of sustainable shareholder value. • Financial outcomes were underpinned by effective management of key financial levers, including funding and tax, with the effective tax rate delivered ahead of plan and the Group achieving its lowest margin since pre-Covid on the most recent Nordic bond issuance, reinforcing resilience, credibility and control across the Group.	●
Build a high-performing Finance function and leadership culture	• Build a high-performing Finance function with strong leadership capability, a robust succession pipeline and the capacity to support complex, cross-functional delivery.	20%	• Further progress was made in strengthening Finance capability and leadership depth, with a sustained focus on developing high performers and building a robust pipeline of future leaders to support the Group's long-term ambitions. • The Finance Leadership Team played an active and visible role in supporting major cross-functional and cross-divisional initiatives, contributing to strong alignment and effective delivery across the Group's key strategic priorities.	●
Enable Group transformation through technology and data leadership	• Provide financial leadership and oversight of technology and change investment, ensuring that Group technology transformation capability supports delivery of the Next Gen strategy and long-term organisational resilience, with disciplined capital allocation and clear line of sight to value creation.	15%	• Progressed a record level of investment in technology and transformation. Financial leadership was provided to support major technology and change decisions, with all investment subject to rigorous business-case evaluation, strengthening oversight of capital allocation and ensuring a clear line of sight to long-term value delivery. • Strong progress was made in establishing stronger foundations for future efficiency, scalability and control through the modernisation of Finance and HR systems, and the development of supporting data capabilities.	●
Responsible business, ethics, and sustainable governance	• Support and provide appropriate challenge to the Group's sustainability reporting and disclosures, contributing financial and governance oversight to ensure alignment with regulatory requirements, robust controls and consistency with the Group's broader strategy.	15%	• Provided effective support and constructive challenge to the Group's sustainability reporting process, contributing financial expertise and governance perspective to enhance the quality and robustness of disclosures. • Financial reporting disciplines, controls and assurance approaches were applied, where appropriate, to sustainability reporting to support accuracy, consistency and regulatory compliance, including CSRD requirements. • Collaborated with the Chief Legal Officer and other senior leaders to ensure sustainability reporting was aligned with the Group's strategy, risk appetite and external reporting obligations.	●

Key

● Criteria met ● Criteria partially met ● Criteria not met

Having reviewed the executive directors' performance against their personal objectives, and in the context of the progress made by the Group in 2025, 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. The Committee were satisfied that the bonus outcome was appropriate in the context of overall Group performance in 2025 and therefore no Committee discretion was exercised.

Bonus outcomes for 2025

For the year ending 31 December 2025, 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 2028 £000	Total value of 2025 annual bonus £000	Cash and DSP shares awarded as a % of maximum available bonus
Gerard Ryan[1]	104%	26%	£610.0	£203.3	£813.3	100%
Gary Thompson	104%	26%	£236.1	£236.1	£472.2	100%

1. Gerard Ryan has met the executive director shareholding requirement in 2025, therefore 25%, rather than 50%, of bonus is deferred in line with policy.

In accordance with the 2023 and proposed 2026 Remuneration Policies, 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 base 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 UK workforce. At the discretion of the Committee, this may be paid wholly, or in part, as a cash allowance. The Company may make a deduction to the cash allowance to take account of any additional employer's NI contributions or taxes incurred to ensure consistency with the wider workforce.

The Company's contributions in respect of Gerard Ryan during 2025 amounted to £65,967, all of which was paid as a cash allowance. The Company's contributions in respect of Gary Thompson during 2025 amounted to £39,521, of which £29,521 was paid as a cash allowance.

Long-term incentives

Awards estimated to vest during 2026 (included in 2025 single figure)

The LTIP amount included in the 2025 single figure table on page 163 relates to the RSP awards granted in May 2023. As set out in the 2023 Annual Report and Accounts, the 2023 RSP awards were subject to a quantifiable financial underpin in addition to a basket of underpin factors.

IPF achieved the financial underpin, having maintained its stated dividend policy throughout the 3-year vesting period.

The Committee also reviewed performance over the vesting period against the basket of underpin factors set at grant, and was satisfied that performance had been sufficient to warrant 100% vesting of the awards.

The underpin factors that applied include:

- no windfall gains in association with share price movements
- no material sanctions or fines were issued by a regulatory body
- no material damage was inflicted on the company's reputation
- satisfactory employee and customer engagement

The Committee were satisfied that the vesting was appropriate in the context of Group performance over the period and so did not exercise any discretion in relation to the vesting outcome.

Awards granted in 2025

Executive directors were granted long-term incentive plan awards structured as RSP conditional awards in December 2025, in line with the 2023 Remuneration Policy. The awards were made at the earliest opportunity following approval by the Committee in accordance with the agreement in relation to potential cash acquisition. The resulting number of RSP conditional awards and associated underpin factors 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	367,447	£503,542	80%	31 December 2027	Adherence to the Group's dividend policy and a further basket of underpin factors for the relevant three-year vesting period (see page 158)
Gary Thompson	213,384	£292,417	80%	31 December 2027	Adherence to the Group's dividend policy and a further basket of underpin factors for the relevant three-year vesting period (see page 158)

1. The face value was calculated using the 30 day average to 31 March 2025, being 137.04 pence per share.

DSP

In 2025, 25% of 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 2024 was deferred into shares. There are no further performance conditions attached to the vesting of the deferred shares. The awards were made at the earliest opportunity following approval by the Committee in accordance with the agreement in relation to potential cash acquisition. 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	29 December 2025	£197,440
Gary Thompson	29 December 2025	£229,299

1. The face value was calculated using the 30 day average to 21 March 2025, being 137.04 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 Company did not launch a SAYE plan in 2025, therefore no options were granted to them under the plan in 2025.

Loss of office payments

No loss of office payments were made in 2025.

Payments to past directors

There were no payments made to past directors in 2025.

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.

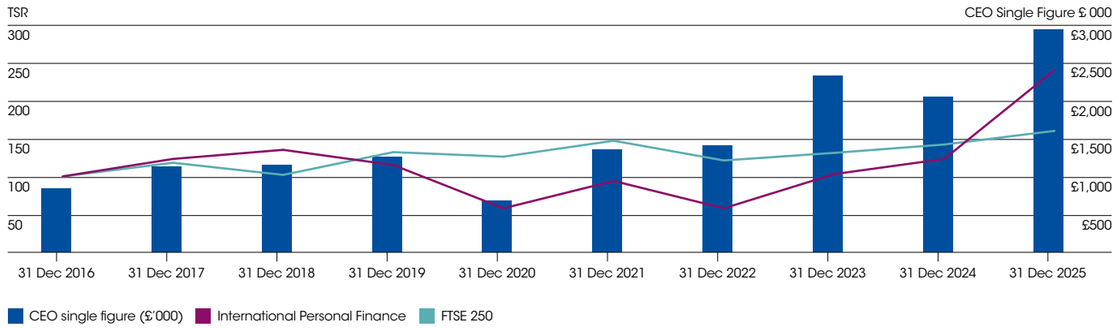
	2021 vs. 2020			2022 vs. 2021			2023 vs. 2022			2024 vs. 2023			2025 vs. 2024		
Percentage change in the relevant period	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]	Base salary	Benefits[1]	Bonus[2]
Executive directors															
Gerard Ryan[3]	0%	0%	100%	5%	(1%)	5%	5%	110%	6%	4%	(26%)	4%	3%	(32%)	3%
Gary Thompson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4%	2%	4%	3%	(4%)	3%
Non-executive directors															
Richard Holmes	N/A	N/A	N/A	15%	N/A	N/A	(2%)	N/A	N/A	N/A	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	N/A	N/A	N/A
Katrina Cliffe	N/A	N/A	N/A	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[4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(3%)	N/A	N/A	N/A	N/A	N/A
Employees	(2%)	(2%)	100%	15%	3%	1%	8%	7%	(16%)	6%	2%	(4%)	7%	1%	25%

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 included additional costs 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. Aileen Wallace was appointed to the Chair of the Remuneration Committee with effect from 1 May 2025, receiving pro rata fees in 2025. 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 2025. 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)
2025	Gerard Ryan	2,947	100.0%	100.0%
2024	Gerard Ryan	2,096	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%

Relative spend on pay

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

	2025 £m	2024 £m	Percentage change
Overall expenditure on pay	211.7	200.3	5.7%[1]
Dividend paid in the year	25.8	23.9	7.9%

1. The percentage change at a constant exchange rate is 7.2%.

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 2025 (together with interests held by his or her persons closely associated) are shown in the table below. 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	1,266,027	676,444	–	343,049	377,701	200	735%	Y
Gary Thompson	165,700	735,208	520,440	–	111,484	24,000	200	106%	N
Non-executive directors[3]									
Katrina Cliffe	40,000	–	–	–	–	–	100	125%	Y
Deborah Davis[4]	60,000	–	–	–	–	–	100	216%	Y
Richard Holmes	275,133	–	–	–	–	–	100	920%	Y
Stuart Sinclair	130,050	–	–	–	–	–	100	152%	Y
Aileen Wallace	47,835	–	–	–	–	–	100	172%	Y

1. Based on a share price of 234 pence, being the closing price on 31 December 2025 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, all of them 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.
4. Deborah Davis stepped down from the Board at the conclusion of the 2025 annual general meeting. This reflects the number of shares held as at 1 May 2025.

There were no changes to these interests between 31 December 2025 and 25 February 2026.

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 2026 Remuneration Policy which can be found on pages 156 to 159 of the 2025 Annual Report and Financial Statements, also 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 2024	Awarded in 2025	Exercised in 2025	Lapsed / Surrendered in 2025	Awards held at 31 December 2025	Performance condition period	Market price at date of grant (p)	Exercise price (p)	Exercise period
Gerard Ryan										
PSP	10 Mar 22	1,178,864	–	–	835,815	343,049	01 Jan 2022 – 31 Dec 2024	97	–	10 Mar 2025 – 09 Mar 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
RSP	29 Dec 25	–	367,447	–	–	367,447	01 Jan 2025 – 31 Dec 2027	137	–	29 Dec 2028 – 28 Dec 2035
Deferred	10 Mar 22	377,701	–	–	–	377,701	–	97	–	–
Deferred	03 Apr 23	363,878	–	–	–	363,878	–	103	–	–
Deferred	20 Mar 24	168,489	–	–	–	168,489	–	112	–	–
Deferred	29 Dec 25	–	144,077	–	–	144,077	–	137	–	–
Total		2,987,512	511,524	–	835,815	2,663,221				
Gary Thompson										
PSP	05 Apr 22	383,105	–	–	271,621	111,484	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
RSP	29 Dec 25	–	213,384	–	–	213,384	01 Jan 2025 – 31 Dec 2027	137	–	29 Dec 2028 – 28 Dec 2035
Deferred	03 Apr 23	157,425	–	–	–	157,425	–	103	–	–
Deferred	20 Mar 24	195,690	–	–	–	195,690	–	112	–	–
Deferred	29 Dec 25	–	167,325	–	–	167,325	–	137	–	–
SAYE	26 Aug 22	24,000	–	–	–	24,000	–	–	75	01 Nov 2025 – 31 May 2026
Total		1,282,044	380,709	–	271,621	1,391,132				

Share dilution

During 2025, the Company operated within the standard guidelines of 10% of issued ordinary share capital in respect of the share 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 2025 AGM respectively, including the percentage of total votes cast and number of votes withheld:

AGM		Votes for		Votes against		Withheld[1]
2025	Annual Remuneration Report	146,713,068	99.56%	647,193	0.44%	113,873
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 2026

The base salary for the Chief Executive Officer will increase by 2.5% to £645,164.

The base salary for the Chief Financial Officer will increase by 2.5% to £374,659.

Maximum bonus opportunity will be 130% of base salary (on target 50% of maximum), in line with the 2023 and proposed 2026 Policies, with performance measures weighted 80% financial and 20% personal and strategic, also in line with the 2023 and proposed 2026 Policies. 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 2026 RSP awards prior to the 2026 AGM in accordance with the 2023 and proposed 2026 Remuneration Policy. For details on the effect of the transaction on all outstanding awards please refer to the co-operation agreement and associated scheme documents.

The central, quantifiable financial underpin for 2026 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

Aileen Wallace
Chair of the Committee

25 February 2026

Statutory information

The Directors' Report for the year ended 31 December 2025 comprises pages 126 to 177 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 UK Listing Rules (UKLR). 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 33).
- The financial position of the Group (see pages 30 to 33).
- Greenhouse gas emissions (see page 74).
- Employee engagement and involvement (see pages 50 to 55).
- Engagement with customers, suppliers and others in a business relationship with the Company (see pages 43 to 65).
- A summary of the principal risks facing the Company (see pages 37 to 40)
- The S172(1) statement (see page 64).
- Information on political donations (see page 63).

Disclosures required under UKLR 6.6.1 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 (3)	Details of long-term incentive schemes as required by UKLR 9.3.3 R	Not applicable
Sub-para (4) and (5)	Waiver of emoluments and future emoluments by a director	Not applicable.
Sub-para (6) and (7)	Non pre-emptive issues of equity for cash	Not applicable.
Sub-para (8)	Parent participation in a placing by a listed subsidiary	Not applicable.
Sub-para (9)	Contracts of significance	Not applicable.
Sub-para (10)	Provision of services by a controlling shareholder	Not applicable.
Sub-para (11) and (12)	Shareholder waiver of dividends and future dividends	Statutory information, page 175

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 all directors in office at the date of the notice convening the annual general meeting shall retire from office and may offer themselves for re-appointment by the members.

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. In doing so, the Committee considered guidance from proxy agencies when determining the policy for additional time commitments. The Committee was satisfied that each director continues to contribute the time required to fulfil their duties to the Company and its shareholders, and that the number of additional commitments held by each director remained appropriate. 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 2026 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 143. In reviewing such appointments, the Committee considers the total time commitment which an additional appointment would create, the directors' other additional appointments 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. Specific Board training sessions carried out during the year included:

- an overview of how businesses can derive value from Generative AI; and
- an overview of the enterprise resource planning system being implemented across the Group.

As well as these training sessions, the Board regularly invites subject matter experts to meetings to provide briefings. More information on knowledge sharing can be found on page 101.

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 2025, 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 2026 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 can be found in the Nominations and Governance Committee report on page 141.

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 will seek re-election at our AGM on 30 April 2026. Details of the directors can be found on pages 128 to 129.

Shares in issue

As at 31 December 2025, the issued share capital was 224,610,034 ordinary shares of 10 pence each of which 4,777,987 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 below. 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 2025 AGM, we received shareholder authority to buy back up to 21,743,876 of the Company's shares until the earlier of the conclusion of the 2026 AGM or 30 June 2026. Shares purchased can be cancelled or held in treasury. This authority was not exercised in 2025. A further authority to purchase our own shares will be sought at the 2026 AGM.

Authority to issue shares

At the 2025 AGM, an ordinary resolution was passed authorising the directors to issue new shares up to an aggregate nominal amount of £7,247,958, 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 £7,247,958 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 2026 AGM. Further details can be found in the separate notice of meeting.

Interest in voting rights

As at 31 December 2025, 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]
Blackrock Inc.	16/07/2009	4.54
Old Mutual Asset Managers (UK) LTD	12/04/2010	4.88
BNP Paribas Investment Partners	08/07/2015	3.02
FMR LLC	10/01/2018	5.28
Mr Hendrik Marius van Heyst	09/11/2020	3.02
Pendal Group Limited	27/02/2022	6.20
Schroder Investment Mgt/ Schroders plc	08/09/2022	7.36
Marathon Asset Management Limited	25/09/2024	4.88
abrdn plc	16/04/2025	Below 5
Artemis Investment Management LLP	02/05/2025	13.22
Aberforth Partners LLP	24/09/2025	4.80
Perpetual Limited	03/12/2025	5.13
Janus Henderson Group plc	30/12/2025	4.74

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 the following notifications since the 2025 year end.

Name	Date notified	% of issued share capital[1]
Perpetual Limited	12/01/2026	4.30
Schroders Plc	16/01/2026	4.25
Bank of America Corporation	21/01/2026	2.52
Sand Grove Capital Management LLP	09/02/2026	5.00
HSBC Holdings plc	10/02/2026	10.10
Morgan Stanley & Co. International plc	11/02/2026	6.09
J.P. Morgan Securities plc	12/02/2026	6.11
Societe Generale	13/02/2026	4.59

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 are currently directors of the Company can be found on pages 128 to 129. Deborah Davis also served as a director up until the conclusion of the 2025 Annual General Meeting.

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 2025 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 2025 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] (EMTN) programme, which was established in 2010, entitles any holder of a note to require us to redeem that holder's notes if there is a change of control[2] and, following such change of control, the notes or the issuer (as applicable) 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 9.0 pence per share has been proposed bringing the full-year dividend to 12.8 pence per share. Subject to approval by shareholders at the 2026 AGM, the final dividend will be payable on 8 May 2026 to shareholders on the register of members on 27 March 2026. The shares will be marked ex-dividend on 26 March 2026 and the deadline to elect for the Dividend Reinvestment Plan (DRIP) is 10 April 2026.

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.

Important events since 31 December 2025

Details of important events affecting the Group since the financial year-end can be found in note 34.

Future developments

Details of any likely future developments in the Group's business can be found on page 33.

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 2025, the trustees held 476,104 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 2025 are set out in the Directors' Remuneration Report on page 168.

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.

1. The Euro Medium Term Note programme was established in 2010. The following notes (listed on the London, Euronext Dublin or Frankfurt Open Market Freiverkehr) stock exchanges) have been issued under the programme and are outstanding as at the date of this report: £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; €341m with a 2029 maturity and a 10.75% coupon; and SEK 1bn with a 2028 maturity and a coupon of three-month STIBOR plus a margin of 5.75%.
2. This provision is not applicable to the €11.6m notes with a 2026 maturity and a 11.50% coupon.

Directors' responsibilities

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.

Provident Europe

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 (Provident Polska S.A.) – (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 (Register of payment service providers).

Poland (IPF Polska Sp. z o.o.) – (i) as a credit intermediary registered in the special register of credit intermediaries maintained by the KNF; (ii) as a payment agent registered in the Register of payment service providers, register kept and supervised by 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.

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 149.

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.

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

Details of important events affecting the Group since the financial year-end can be found in note 34. Information on indications of future developments is provided in the Strategic Report.

Responsibility statement

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 128 and 129) 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 are undertaken by the reporting team, leadership team and executive directors. In advance of final consideration by the Board, the Annual Report is 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 33 and 41.

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 2025 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

25 February 2026

When personal service makes the difference

Kornél has relied on us to help manage important needs over the years, from buying a car to planning a family holiday. What he values most is having a customer representative, who visits regularly, explains options clearly and helps him make informed decisions that fit his circumstances.

"The personal connection with my customer representative makes all the difference – he visits promptly, keeps me informed of offers and never pushes."

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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 2025 which comprise the consolidated income statement, the consolidated and parent company statements of comprehensive income, the Group and company balance sheets, the Group and company statements of changes in equity, 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 2025 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 key inputs and 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 test 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 including discussing the proposed cash offer for IPF;
- assessing the impact that changes/new legislation and regulations have on the Group's and parent company's ability to continue as a going concern;
- assessing the impact of subsequent events, if any; and
- evaluating 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	£8.20m (2024: £7.20m)	£5.00m (2024: £5.99m)
Basis for determining overall materiality	1.5% (2024: 1.5%) of net assets	1.5% (2024: 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.	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	£5.33m (2024: £3.60m)	£3.25m (2024: £2.99m)
Basis for determining performance materiality	65% (2024: 50%) of overall materiality	65% (2024: 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. We have increased performance materiality to 65% in the current year reflecting our enhanced understanding of the Group operations, control environment and financial reporting processes.	In determining performance materiality, we considered a number of factors, including risk assessment and aggregation risk as well as the external risks that the parent company is exposed to, which could impact its subsidiaries. Consistent with the benchmark applied for the Group, we believe that 65% of overall materiality is appropriate.

Triviality

We agreed with the Audit and Risk Committee that we would report all audit differences in excess of £410,000 (2024: £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.

Independent Auditor's Report to the members of International Personal Finance plc *continued*

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 effective interest rate (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 operating 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 Collect Credit" division, which included the Home Credit Businesses in Poland, Czech Republic, Romania, Hungary and Mexico, and one further component 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 98% of the Group revenue and 100% of the Group amounts receivable from customers.

	Revenue	Amounts receivable from customers
Full scope audit including direct testing by Group auditor	91%	88%
Specified audit procedures	7%	12%
Review procedures performed at Group level	2%	–

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 which would result in the audit team not being able to place reliance on these controls, where deficiencies were identified, management were able to provide mitigation controls. As a result, there was no change in our audit approach.

Management's own evaluation of the Group control environment is included in the audit and risk committee's report on page 149.

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 Group 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 2025, 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 112 to 123 of the '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 Financial instruments. 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 148 and within the key sources of estimation uncertainty note on page 198.	**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.

Independent Auditor's Report to the members of International Personal Finance plc *continued*

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, including material movements in the year, ensuring that they are appropriately supported based on recent customer repayment performance and behaviour. Impairment of amount receivable from customers is further described in the Audit and Risk Committee's Report on page 148 and within the key sources of estimation uncertainty note on page 198.	**Our audit procedures to address this matter included:** – Testing the design, implementation and operating effectiveness of key controls relevant to the impairment cycle; – Engaging our data analytics 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 collect 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; – Reviewing and challenging 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 195 and key sources of estimation uncertainty note on page 199. Also refer to note 13 to the Financial Statements.	**Our audit procedures to address this matter included:** – 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 impairment 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 the proposed takeover offer; 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 33;
– 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 41;
– 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 41;
– 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 151;
– Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 35;
– The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 149; and
– The section describing the work of the audit and risk committee set out on page 147.

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, including those relating to customer lending, 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 and 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 two years, covering the periods ended 31 December 2024 to 31 December 2025.

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 151, 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 and risk 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
12 King Street
Leeds

LS1 2HL
United Kingdom
25 February 2026

Consolidated income statement

for the year ended 31 December

Group	Notes	2025 £m	2024 £m
Revenue	1	**737.5**	726.3
Impairment	1	**(126.8)**	(127.5)
Revenue less impairment		**610.7**	598.8
Interest expense	2	**(71.3)**	(70.4)
Other operating costs		**(137.9)**	(135.1)
Administrative expenses		**(312.9)**	(308.1)
Total costs		**(522.1)**	(513.6)
Profit before taxation and exceptional items	1	**88.6**	85.2
Exceptional items	10	**(3.3)**	(11.9)
Profit before taxation		**85.3**	73.3
Tax income – UK		**1.5**	0.2
Tax expense – overseas		**(32.6)**	(30.0)
Total tax expense before exceptional items	5	**(31.1)**	(29.8)
Exceptional tax income	5, 10	**–**	17.4
Total tax expense		**(31.1)**	(12.4)
Profit after taxation attributable to equity shareholders		**54.2**	60.9

Group	Notes	2025 pence	2024 pence
Earnings per share – statutory			
Basic	6	**24.8**	27.3
Diluted	6	**23.6**	25.9

Group	Notes	2025 pence	2024 pence
Earnings per share – before exceptional items			
Basic	6	**26.3**	24.9
Diluted	6	**25.0**	23.5

Statements of comprehensive income

for the year ended 31 December

		Group		Company	
		2025 £m	2024 £m	2025 £m	2024 £m
Profit/(loss) after taxation attributable to equity shareholders		**54.2**	60.9	**(41.3)**	(4.4)
Other comprehensive income/(expense)					
Items that may subsequently be reclassified to income statement					
Exchange gains/(losses) on foreign currency translations		**46.9**	(57.3)	**–**	–
Net fair value gains/(losses) – cash flow hedges		**0.2**	(0.4)	**–**	–
Tax (charge)/credit on items that may be reclassified	5	**(0.1)**	0.1	**–**	–
Items that will not subsequently be reclassified to income statement					
Actuarial gains/(losses) on retirement benefit obligation	27	**0.4**	(2.0)	**0.4**	(2.0)
Tax (charge)/credit on items that will not be reclassified	5	**(0.1)**	0.5	**(0.1)**	0.5
Other comprehensive income/(expense) net of taxation		**47.3**	(59.1)	**0.3**	(1.5)
Total comprehensive income/(expense) for the year attributable to equity shareholders		**101.5**	1.8	**(41.0)**	(5.9)

The accounting policies and notes 1 to 34 are an integral part of these Financial Statements.

Balance sheets

as at 31 December

	Notes	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Assets					
Non-current assets					
Goodwill	11	**23.8**	22.6	**–**	–
Intangible assets	12	**52.7**	37.1	**–**	–
Investment in subsidiaries	13	**–**	–	**734.8**	734.0
Property, plant and equipment	14	**16.3**	14.0	**0.8**	1.0
Right-of-use assets	15	**20.5**	17.7	**1.7**	2.0
Amounts receivable from customers	17	**291.1**	245.6	**–**	–
Deferred tax assets	16	**107.4**	106.7	**–**	–
Retirement benefit asset	27	**5.0**	4.4	**5.0**	4.4
		516.8	448.1	**742.3**	741.4
Current assets					
Amounts receivable from customers	17	**770.2**	624.4	**–**	–
Derivative financial instruments	23	**1.5**	2.6	**–**	–
Cash and cash equivalents	18	**30.4**	27.6	**0.7**	1.5
Other receivables	19	**15.5**	22.9	**599.2**	553.6
Current tax assets		**2.9**	16.1	**–**	–
		820.5	693.6	**599.9**	555.1
Total assets		**1,337.3**	1,141.7	**1,342.2**	1,296.5
Liabilities					
Current liabilities					
Borrowings	21	**(58.9)**	(92.8)	**(25.2)**	(54.9)
Derivative financial instruments	23	**(4.0)**	(1.6)	**–**	–
Trade and other payables	20	**(133.4)**	(125.1)	**(513.6)**	(460.3)
Provision for liabilities and charges	26	**–**	(2.8)	**–**	–
Lease liabilities	15	**(8.4)**	(8.1)	**(0.3)**	(0.3)
Current tax liabilities		**(9.5)**	(6.0)	**–**	–
		(214.2)	(236.4)	**(539.1)**	(515.5)
Non-current liabilities					
Deferred tax liabilities	16	**(4.1)**	(4.1)	**–**	–
Borrowings	21	**(558.8)**	(423.1)	**(464.2)**	(378.5)
Lease liabilities	15	**(14.2)**	(11.8)	**(1.7)**	(2.1)
		(577.1)	(439.0)	**(465.9)**	(380.6)
Total liabilities		**(791.3)**	(675.4)	**(1,005.0)**	(896.1)
Net assets		**546.0**	466.3	**337.2**	400.4
Equity attributable to owners of the Company					
Called-up share capital	29	**22.5**	22.5	**22.5**	22.5
Other reserve		**(22.5)**	(22.5)	**226.3**	226.3
Foreign exchange reserve		**21.6**	(25.3)	**–**	–
Hedging reserve		**–**	(0.1)	**–**	–
Own shares		**(15.4)**	(24.9)	**(15.4)**	(24.9)
Capital redemption reserve		**3.2**	3.2	**3.2**	3.2
Retained earnings		**536.6**	513.4	**100.6**	173.3
Total equity		**546.0**	466.3	**337.2**	400.4

The accounting policies and notes 1 to 34 are an integral part of these Financial Statements.

The loss after taxation of the Parent Company for the period was £41.3m (2024: loss of £4.4m).

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 34 were approved by the Board on 25 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 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
At 1 January 2025		**22.5**	**(22.5)**	**(25.3)**	**(0.1)**	**(24.9)**	**3.2**	**513.4**	**466.3**
Comprehensive income									
Profit after taxation for the year		**–**	**–**	**–**	**–**	**–**	**–**	**54.2**	**54.2**
Other comprehensive income/(expense)									
Exchange gains on foreign currency translation		**–**	**–**	**46.9**	**–**	**–**	**–**	**–**	**46.9**
Net fair value gains – cash flow hedges		**–**	**–**	**–**	**0.2**	**–**	**–**	**–**	**0.2**
Actuarial gain on retirement benefit obligation	27	**–**	**–**	**–**	**–**	**–**	**–**	**0.4**	**0.4**
Tax charge on other comprehensive income	5	**–**	**–**	**–**	**(0.1)**	**–**	**–**	**(0.1)**	**(0.2)**
Total other comprehensive income		**–**	**–**	**46.9**	**0.1**	**–**	**–**	**0.3**	**47.3**
Total comprehensive income for the year		**–**	**–**	**46.9**	**0.1**	**–**	**–**	**54.5**	**101.5**
Transactions with owners									
Share-based payment adjustment to reserves		**–**	**–**	**–**	**–**	**–**	**–**	**3.5**	**3.5**
Deferred tax on share-based payment transactions		**–**	**–**	**–**	**–**	**–**	**–**	**0.5**	**0.5**
Shares granted from employee and treasury trusts		**–**	**–**	**–**	**–**	**9.5**	**–**	**(9.5)**	**–**
Dividends paid to Company shareholders	7	**–**	**–**	**–**	**–**	**–**	**–**	**(25.8)**	**(25.8)**
At 31 December 2025		**22.5**	**(22.5)**	**21.6**	**–**	**(15.4)**	**3.2**	**536.6**	**546.0**

Statements of changes in equity continued

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 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 loss on retirement benefit obligation	27	–	–	–	–	–	(2.0)	(2.0)
Tax credit on other comprehensive income	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
At 1 January 2025		**22.5**	**226.3**	**–**	**(24.9)**	**3.2**	**173.3**	**400.4**
Comprehensive expense								
Loss after taxation for the year		**–**	**–**	**–**	**–**	**–**	**(41.3)**	**(41.3)**
Other comprehensive income/(expense)								
Actuarial gain on retirement benefit obligation	27	**–**	**–**	**–**	**–**	**–**	**0.4**	**0.4**
Tax charge on other comprehensive income	5	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Total other comprehensive income		**–**	**–**	**–**	**–**	**–**	**0.3**	**0.3**
Total comprehensive expense for the year		**–**	**–**	**–**	**–**	**–**	**(41.0)**	**(41.0)**
Transactions with owners								
Share-based payment adjustment to reserves		**–**	**–**	**–**	**–**	**–**	**3.5**	**3.5**
Deferred tax on share-based payment transactions		**–**	**–**	**–**	**–**	**–**	**0.1**	**0.1**
Shares granted from employee and treasury trusts		**–**	**–**	**–**	**9.5**	**–**	**(9.5)**	**–**
Dividends paid to Company shareholders	7	**–**	**–**	**–**	**–**	**–**	**(25.8)**	**(25.8)**
At 31 December 2025		**22.5**	**226.3**	**–**	**(15.4)**	**3.2**	**100.6**	**337.2**

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 34 are an integral part of these Financial Statements.

Cash flow statements

for the year ended 31 December

	Notes	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Cash flows from operating activities					
Cash generated from/(used in) operating activities	30	**69.8**	114.1	**(1.7)**	60.6
Finance costs paid		**(69.7)**	(72.3)	**(79.5)**	(93.5)
Finance income received		**2.0**	1.3	**50.2**	64.2
Income tax paid		**(21.8)**	(18.3)	**(2.8)**	(2.5)
Repayment in respect of State Aid		**15.2**	–	**–**	–
Net cash (used in)/generated from operating activities		**(4.5)**	24.8	**(33.8)**	28.8
Cash flows from investing activities					
Purchases of property, plant and equipment	14	**(7.4)**	(6.4)	**–**	–
Proceeds from sale of property, plant and equipment		**–**	0.1	**–**	–
Purchases of intangible assets	12	**(27.8)**	(17.8)	**–**	–
Net cash used in investing activities		**(35.2)**	(24.1)	**–**	–
Net cash (used in)/generated from operating and investing activities		**(39.7)**	0.7	**(33.8)**	28.8
Cash flows from financing activities					
Proceeds from borrowings		**140.0**	313.2	**92.6**	291.3
Repayment of borrowings		**(61.2)**	(273.5)	**(37.3)**	(283.2)
Principal elements of lease payments		**(12.8)**	(12.2)	**(0.5)**	(0.3)
Dividends paid to Company shareholders	7	**(25.8)**	(23.9)	**(25.8)**	(23.9)
Dividends received from subsidiaries		**–**	–	**3.5**	–
Acquisition of own shares		**–**	(15.1)	**–**	(15.1)
Shares acquired by employee and treasury trusts		**–**	(1.3)	**–**	(1.3)
Cash received on options exercised		**0.5**	0.2	**0.5**	0.2
Net cash generated from/(used in) financing activities		**40.7**	(12.6)	**33.0**	(32.3)
Net increase/(decrease) in cash and cash equivalents		**1.0**	(11.9)	**(0.8)**	(3.5)
Cash and cash equivalents at beginning of year		**27.6**	42.5	**1.5**	5.0
Exchange gains/(losses) on cash and cash equivalents		**1.8**	(3.0)	**–**	–
Cash and cash equivalents at end of year	18	**30.4**	27.6	**0.7**	1.5
Cash and cash equivalents at end of year comprise:					
Cash at bank and in hand	18	**30.4**	27.6	**0.7**	1.5

The accounting policies and notes 1 to 34 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 196.

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 2025 but do not have any material impact on the Group:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability'.

The following standards, interpretations and amendments to existing standards are not yet effective and have not been early adopted by the Group:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information';
- IFRS S2 'Climate-related Disclosures';
- IFRS 18 'Presentation and Disclosure in Financial Statements';
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures';
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: 'Disclosures: Classification and Measurement of Financial Instruments'; and
- Annual Improvements to IFRS standards – Volume 11.

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 231 to 235 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 33.

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 – Provident Europe, Provident Mexico 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.

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 198 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 initially recognised at fair value on the date a derivative contract is entered into. They are subsequently remeasured at fair value at each reporting date. Other than for derivatives qualifying for hedge accounting, all fair value movements are recognised in the income statement immediately as they arise.

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 reclassified to 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. 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. 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 effective interest rate (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 (2024: 3%), it is estimated that the amounts receivable from customers would be higher/lower by £12.8m (2024: £9.6m). 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 by division and product type, 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 2025, this adjustment was a reduction in receivables of £15.1m (2024: reduction of £7.9m).

Post-model overlays (PMOs) on amounts receivable from customers

2025	**Cost-of-living PMO £m**	**Hungary moratorium PMO £m**	**Total PMOs £m**
Provident Europe and Provident Mexico	**1.0**	**0.7**	**1.7**
IPF Digital	**–**	**–**	**–**
Group	**1.0**	**0.7**	**1.7**

2024	Cost-of-living PMO £m	Hungary moratorium PMO £m	Total PMOs £m
Provident Europe and Provident Mexico	6.7	1.1	7.8
IPF Digital	1.8	–	1.8
Group	8.5	1.1	9.6

Key sources of estimation uncertainty continued

A full assessment of the impact of the global economic volatility has been performed and concluded that there remains an inherent macroeconomic risk in Romania where inflation rates are at an unprecedented level and economic forecasts suggest a recession is possible in 2026. A PMO has been established and based on management's current expectations, the impact of this PMO was to increase impairment provisions at 31 December 2025 by a further £1.0m (2024: £8.5m). The reduction in the year reflects the fact that the risks associated with the cost of living crisis has eased across most markets. 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 2025 by £0.7m (2024: £1.1m). 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.

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 112-123.

1. Segment analysis

Group	Revenue 2025 £m	Revenue 2024 £m	Impairment 2025 £m	Impairment 2024 £m	Pre-exceptional profit before taxation 2025 £m	Pre-exceptional profit before taxation 2024 £m
Provident Europe	**339.7**	328.2	**5.5**	8.1	**63.2**	57.4
Provident Mexico	**247.1**	263.8	**80.3**	92.4	**26.6**	26.0
IPF Digital	**150.7**	134.3	**41.0**	27.0	**14.1**	17.0
UK costs*	**–**	–	**–**	–	**(15.3)**	(15.2)
Total	**737.5**	726.3	**126.8**	127.5	**88.6**	85.2

* 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 pre-exceptional profit before taxation. There are no individual foreign countries where non-current assets, other than financial instruments, and deferred tax assets are material.

Group	Segment assets 2025 £m	Segment assets 2024 £m	Segment liabilities 2025 £m	Segment liabilities 2024 £m
Provident Europe	**642.6**	530.3	**(336.3)**	(285.5)
Provident Mexico	**279.6**	243.3	**(201.4)**	(127.3)
IPF Digital	**337.2**	281.3	**(251.2)**	(195.1)
UK	**77.9**	86.8	**(2.4)**	(67.5)
Total	**1,337.3**	1,141.7	**(791.3)**	(675.4)

Group	Expenditure on intangible assets 2025 £m	Expenditure on intangible assets 2024 £m	Amortisation 2025 £m	Amortisation 2024 £m
Provident Europe	**–**	–	**–**	–
Provident Mexico	**–**	–	**–**	–
IPF Digital	**6.5**	5.2	**4.3**	4.3
UK	**21.3**	12.6	**8.5**	8.1
Total	**27.8**	17.8	**12.8**	12.4

Group	Capital expenditure 2025 £m	Capital expenditure 2024 £m	Depreciation 2025 £m	Depreciation 2024 £m
Provident Europe	**2.7**	1.9	**2.7**	3.7
Provident Mexico	**4.3**	4.0	**2.9**	2.7
IPF Digital	**0.3**	0.3	**0.3**	0.2
UK	**0.1**	0.2	**0.2**	0.2
Total	**7.4**	6.4	**6.1**	6.8

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 £40.8m (2024: £28.6m), and the total of non-current assets located in other countries is £72.5m (2024: £62.8m). There are no individual foreign countries where non-current assets, other than financial instruments, and deferred tax assets are material.

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	2025 £m	2024 £m
Interest payable on borrowings	**70.7**	69.3
Interest payable on lease liabilities	**2.6**	2.4
Interest income	**(2.0)**	(1.3)
Total finance costs	**71.3**	70.4

3. Profit before taxation

Profit before taxation is stated after charging:

Group	2025 £m	2024 £m
Depreciation of property, plant and equipment (note 14)	**6.1**	6.8
Depreciation of right-of-use assets (note 15)	**9.9**	10.1
Amortisation of intangible assets (note 12)	**12.8**	12.4
Employee costs (note 9)	**211.7**	200.3

4. Auditor's remuneration

During the year, the Group incurred the following costs in respect of services provided by the Group auditor:

Group	2025 £m	2024 £m
Fees payable to the Company auditor for the audit of the Parent Company and Consolidated Financial Statements	**0.6**	0.6
Fees payable to the Company auditor and its associates for other services:		
– audit of Company's subsidiaries pursuant to legislation	**0.5**	0.4
– other assurance services	**0.2**	0.2
Fees payable to auditors	**1.3**	1.2
Fees payable to auditors not associated to the company auditor	**0.3**	0.2
Total audit fees	**1.6**	1.4

Further details on auditor remuneration can be found in the Audit and Risk Committee Report on page 151.

5. Tax expense

Group	2025 £m	2024 £m
Current tax expense:		
– current year	**23.5**	22.6
– prior year	**0.4**	(1.0)
Total current tax expense	**23.9**	21.6
Deferred tax expense (note 16):		
– current year	**6.4**	6.7
– prior year	**0.8**	1.5
Total deferred tax expense	**7.2**	8.2
Tax expense before exceptional items	**31.1**	29.8
Exceptional tax income (note 10)	**–**	(17.4)
Total tax expense	**31.1**	12.4

The pre-exceptional taxation expense on the profit for 2025 is £31.1m representing an effective tax rate for the year of approximately 35% (2024: an effective tax rate of approximately 35%).

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.

5. Tax expense continued

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.

On 20 June 2023, the United Kingdom government's legislation applying the Pillar Two income tax rules became substantively enacted, effective for accounting periods commencing on or after 31 December 2023. 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 transitional safe harbours applies for a period of up to three years (with a further one year extension expected following the publication of the OECD's administrative guidance on the 'Side-by-Side Package' issued on 5 January 2026). 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 2025 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 2025. Accordingly, the Group does not expect to incur any Pillar Two top-up taxes in respect of 2025. Furthermore, no Pillar Two top-up taxes are expected to arise 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	**2025 £m**	2024 £m
Deferred tax (expense)/income on net fair value losses – cash flow hedges	**(0.1)**	0.1
Deferred tax income on net fair value gains – share based payments	**0.5**	–
Deferred tax (expense)/income on actuarial gains/(losses) on retirement benefit asset	**(0.1)**	0.5
Total tax income on other comprehensive expense and recognised directly in equity	**0.3**	0.6

The rate of tax expense on the profit before taxation for the year ended 31 December 2025 is higher than (2024: higher than) the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%). The differences are explained as follows:

Group	**2025 £m**	2024 £m
Profit before taxation	**85.3**	73.3
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	**21.3**	18.3
Effects of:		
– adjustment in respect of prior years	**1.3**	0.6
– adjustment in respect of foreign tax rates	**(1.9)**	0.6
– non-deductible bad debt income	**8.9**	1.0
– other expenses not deductible for tax purposes	**2.5**	(3.0)
– other change in unrecognised deferred tax assets	**(1.0)**	10.1
– decision of the European Court of Justice on State Aid (note 10)	**–**	(15.2)
Total tax expense	**31.1**	12.4

6. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to shareholders of 54.2m (2024: £60.9m) by the weighted average number of shares in issue during the period of 218.3m (2024: 222.8m) 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	**2025 £m**	2024 £m
Used in basic EPS calculation	**218.3**	222.8
Dilutive effect of awards	**11.6**	12.5
Used in diluted EPS calculation	**229.9**	235.3

6. Earnings per share continued

Basic and diluted EPS are presented below:

Group	**2025 pence**	2024 pence
Basic EPS	**24.8**	27.3
Dilutive effect of awards	**(1.2)**	(1.4)
Diluted EPS	**23.6**	25.9

Basic and diluted pre-exceptional EPS are presented below:

Group	**2025 pence**	2024 pence
Basic EPS	**24.8**	27.3
Exceptional item	**1.5**	(2.4)
Basic pre-exceptional EPS	**26.3**	24.9
Dilutive effect of awards	**(1.3)**	(1.4)
Diluted pre-exceptional EPS	**25.0**	23.5

7. Dividends

Group and Company	**2025 £m**	2024 £m
Interim dividend of 3.8 pence per share (2024: interim dividend of 3.4 pence per share)	**8.3**	7.7
Final 2024 dividend of 8.0 pence per share (2024: final 2023 dividend of 7.2 pence per share)	**17.5**	16.2
	25.8	23.9

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 12.5% increase in the final dividend to 9.0 pence per share (2024: 8.0 pence per share). This is in line with our progressive dividend policy and brings the full-year dividend to 12.8 pence per share (2024: 11.4 pence per share), an increase of 12.3% compared with 2024 and represents a pre-exceptional payout rate of 49% (2024: 46%). Subject to shareholder approval, the 2025 final dividend will be paid on 8 May 2026 to shareholders on the register at the close of business on 27 March 2026. The shares will be marked ex-dividend on 26 March 2026.

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.

	2025 £m	2024 £m
Short-term employee benefits	**5.0**	4.8
Post-employment benefits	**0.1**	0.1
Share-based payments	**1.6**	1.3
Total	**6.7**	6.2

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	2025 Number	2024 Number
Full-time*	**6,794**	6,671
Part-time**	**1,012**	1,133
	7,806	7,804

* Includes 1,690 customer representatives in Hungary and Romania (2024: includes 1,527 customer representatives in Hungary and Romania).
** Includes 858 customer representatives in Hungary and Romania (2024: includes 978 customer representatives in Hungary and Romania).

Customer representatives are self-employed other than in Hungary and Romania where they are required by legislation to be employed.

The average number of employees by category was as follows:

Group	2025 Number	2024 Number
Operations	**4,615**	4,704
Administration	**391**	390
Head office and loss prevention	**2,800**	2,710
	7,806	7,804

Group employment costs for all employees (including executive directors) were as follows:

Group	2025 £m	2024 £m
Gross wages and salaries	**181.3**	172.3
Social security costs	**27.3**	25.5
Pension charge – defined contribution schemes (note 27)	**1.2**	1.1
Pension credit – defined benefit schemes (note 27)	**(0.2)**	(0.3)
Share-based payment charge (note 28)	**2.1**	1.7
Total	**211.7**	200.3

The average monthly number of people directly employed by the Company in 2025 was 51 (2024: 54), all of whom fulfilled administration and operational responsibilities on behalf of the Group. In 2025, the Company paid wages and salaries totalling £8.4m (2024: £7.9m), social security costs totalling £2.9m (2024: £1.8m) and pension-related costs of £0.6m (2024: £0.6m).

10. Exceptional items

The 2025 income statement includes an exceptional cost of £3.3m (2024: an exceptional credit of £5.5m) which comprises the following items:

Group	2025 £m	2024 £m
One-off costs relating to the potential acquisition of the Group by BasePoint Capital LLC	**(3.3)**	–
Eurobond refinance costs	**–**	(5.8)
Poland restructuring costs	**–**	(6.1)
Exceptional items pre-tax	**(3.3)**	(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
Exceptional tax items	**–**	17.4
Exceptional items post-tax	**(3.3)**	5.5

Further information relating to the exceptional items is shown in the Financial review.

11. Goodwill

Group	2025 £m	2024 £m
Net book value		
At 1 January	**22.6**	23.6
Exchange adjustments	**1.2**	(1.0)
At 31 December	**23.8**	22.6

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% (2024: 12%) and would need to increase to 14% 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	2025 £m	2024 £m
Net book value		
At 1 January	**37.1**	32.3
Additions	**27.8**	17.8
Amortisation	**(12.8)**	(12.4)
Exchange adjustments	**0.6**	(0.6)
At 31 December	**52.7**	37.1
Analysed as:		
– cost	**197.2**	167.7
– amortisation	**(144.5)**	(130.6)
At 31 December	**52.7**	37.1

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	2025 £m	2024 £m
Investment in subsidiaries	**712.5**	712.5
Share-based payment adjustment	**22.3**	21.5
Total investment in subsidiaries	**734.8**	734.0

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.

A further £22.3m (2024: £21.5m) 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% (2024: 12%). This review confirmed that no impairment of the investment is required. The discount rate would need to increase to 20% 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 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 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 Financing 2 Limited	United Kingdom	Provision of loan finance
IPF Guernsey (1) Limited	Guernsey	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 Pénzügyi Zrt.	Hungary	Home credit
Provident Financial Romania IFN SA	Romania	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	Holding Company
Provident Servicios S.A. de C.V.	Mexico	Provision of Services

* 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 IPF Guernsey (1) 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 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

Group	Computer equipment £m	Fixtures and fittings £m	Motor vehicles £m	Total £m
Cost				
At 1 January 2025	**80.2**	**22.6**	**0.2**	**103.0**
Exchange adjustments	**3.7**	**1.4**	**–**	**5.1**
Additions	**5.3**	**2.1**	**–**	**7.4**
Disposals	**(4.5)**	**(1.2)**	**–**	**(5.7)**
At 31 December 2025	**84.7**	**24.9**	**0.2**	**109.8**
Depreciation				
At 1 January 2025	**(70.4)**	**(18.5)**	**(0.1)**	**(89.0)**
Exchange adjustments	**(3.0)**	**(1.1)**	**–**	**(4.1)**
Charge to the income statement	**(4.7)**	**(1.4)**	**–**	**(6.1)**
Disposals	**4.6**	**1.1**	**–**	**5.7**
At 31 December 2025	**(73.5)**	**(19.9)**	**(0.1)**	**(93.5)**
Net book value at 31 December 2025	**11.2**	**5.0**	**0.1**	**16.3**

The Company has property, plant and equipment with a cost of £2.4m (2024: £2.4m); depreciation of £1.6m (2024: £1.4m); and a net book value of £0.8m (2024: £1.0m). 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 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

	Motor vehicles £m	**Properties £m**	**Group £m**
Net book value at 1 January 2025	**8.8**	**8.9**	**17.7**
Exchange adjustments	**0.7**	**0.5**	**1.2**
Additions	**4.7**	**5.1**	**9.8**
Modifications	**0.2**	**1.5**	**1.7**
Depreciation	**(5.6)**	**(4.3)**	**(9.9)**
Net book value at 31 December 2025	**8.8**	**11.7**	**20.5**

The amounts recognised in profit and loss are as follows:

Group	**2025 £m**	2024 £m
Depreciation on right-of-use assets	**9.9**	10.1
Interest expense on lease liabilities	**2.6**	2.4
Expense relating to short term leases	**1.4**	1.4
	13.9	13.9

The movement in the lease liability in the period is as follows:

	2025 £m	2024 £m
Lease liability at 1 January	**19.9**	23.6
Exchange adjustments	**1.4**	(2.2)
Additions	**11.5**	8.3
Interest	**2.6**	2.4
Lease payments	**(12.8)**	(12.2)
Lease liability at 31 December	**22.6**	19.9
Current liabilities	**8.4**	8.1
Non-current liabilities:		
– between one and five years	**12.9**	11.4
– greater than five years	**1.3**	0.4
	14.2	11.8
Lease liability at 31 December	**22.6**	19.9

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 2025 was 10.4% (2024: 9.9%).

The total cash outflow in the year in respect of lease contracts was £12.8m (2024: £12.2m).

The total contractual undiscounted cashflows for future lease liability payments at 31 December 2025 is £27.6m (2024: £24.4m) with balances of £10.7m (2024: £10.5m) due within one year, £15.5m (2024: £13.0m) due between one and five years and £1.4m (2024: 0.9m) due after five years.

The Company has one lease as at 31 December 2025 (2024: one lease) in respect of the UK head office premises, with a lease liability of £2.0m (2024: £2.4m).

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	
	2025 £m	2024 £m	**2025 £m**	2024 £m
At 1 January	**102.6**	124.6	**–**	–
Exchange adjustments	**7.6**	(15.6)	**–**	–
Tax charge to the income statement	**(7.2)**	(6.7)	**–**	(0.8)
Tax (charge)/credit on other comprehensive income/(expense)	**(0.1)**	0.6	**–**	0.5
Tax credit/(charge) direct to equity	**0.4**	(0.3)	**–**	0.3
At 31 December	**103.3**	102.6	**–**	–

The Finance Act 2021, which was substantively enacted on 24 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 2025 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	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Deferred tax assets	**107.4**	106.7	**1.2**	1.1
Deferred tax liabilities	**(4.1)**	(4.1)	**(1.2)**	(1.1)
At 31 December	**103.3**	102.6	**–**	–

	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 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 expense	–	–	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	–
At 1 January 2025	**13.0**	**84.7**	**4.9**	**102.6**	**(1.1)**	**1.1**	**–**
Exchange adjustments	**2.1**	**5.3**	**0.2**	**7.6**	**–**	**–**	**–**
Tax credit/(charge) to the income statement	**16.3**	**(22.4)**	**(1.1)**	**(7.2)**	**–**	**–**	**–**
Tax charge on other comprehensive income	**–**	**–**	**(0.1)**	**(0.1)**	**–**	**–**	**–**
Tax credit/(charge) on items taken directly to equity	**–**	**–**	**0.4**	**0.4**	**(0.1)**	**0.1**	**–**
At 31 December 2025	**31.4**	**67.6**	**4.3**	**103.3**	**(1.2)**	**1.2**	**–**

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.

16. Deferred tax continued

At 31 December 2025, the Group has unused tax losses of £226.6m (2024: £158.1m) available for offset against future profits. A deferred tax asset has been recognised in respect of £121.3m (2024: £52.5m) of these losses where profit projections indicate the existence of sufficient taxable profits to support the recognition of the asset. The recognition for 2025 was based on the forecast profits contained in the Group's five-year business plan approved by the Board in December 2025. See information on Going Concern on page 33 for more details regarding the business plan. No deferred tax has been recognised in respect of the remaining £105.3m (2024: £105.6m) 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 £23.0m which are subject to expiry. The tax losses are due to 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 £9.3m (2024: £12.7m).

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 only the Czech Republic). The gross temporary differences of those subsidiaries affected by such potential withholding taxes is approximately £nil (2024: £69.9m) and therefore no deferred tax liability has been recognised.

17. Amounts receivable from customers

Group	**2025 £m**	2024 £m
Amounts receivable from customers comprise:		
– amounts due within one year	**770.2**	624.4
– amounts due in more than one year	**291.1**	245.6
Total amounts recoverable from customers	**1,061.3**	870.0

All lending is in the local currency of the country in which the loan is issued. The currency profile of amounts receivable from customers and revenue earned from receivables is as follows:

	Receivables		Revenue	
Group	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Polish zloty	**235.9**	191.6	**105.3**	110.7
Czech crown	**66.7**	54.1	**47.6**	44.6
Euro	**122.2**	105.6	**48.7**	45.6
Hungarian forint	**183.4**	149.2	**111.8**	106.3
Mexican peso	**248.9**	205.6	**300.4**	306.0
Romanian leu	**140.1**	111.8	**95.6**	89.0
Australian dollar	**64.1**	52.1	**28.1**	24.1
Total	**1,061.3**	870.0	**737.5**	726.3

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.

17. Amounts receivable from customers continued

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.

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:

	2025				2024			
	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
Provident Europe	**447.7**	**44.3**	**83.4**	**575.4**	347.9	37.9	73.8	459.6
Provident Mexico	**119.1**	**21.8**	**50.3**	**191.2**	95.3	18.8	45.3	159.4
IPF Digital	**276.8**	**12.6**	**5.3**	**294.7**	234.7	10.9	5.4	251.0
Group	**843.6**	**78.7**	**139.0**	**1,061.3**	677.9	67.6	124.5	870.0

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.

	2025				2024			
	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	**987.1**	**147.2**	**405.2**	**1,539.5**	802.0	128.9	366.6	1,297.5
Loss allowance	**(143.5)**	**(68.5)**	**(266.2)**	**(478.2)**	(124.1)	(61.3)	(242.1)	(427.5)
Net receivables	**843.6**	**78.7**	**139.0**	**1,061.3**	677.9	67.6	124.5	870.0

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 Provident Europe in the gross carrying amount, the loss allowance and net receivables between the beginning of the year and the end of the year:

	2025				2024			
Gross carrying amount – Provident Europe	**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	**412.9**	**72.7**	**216.5**	**702.1**	393.8	97.4	279.0	770.2
Increases due to origination	**764.2**	**–**	**–**	**764.2**	662.1	–	–	662.1
Transfers due to change in credit risk:	**(231.2)**	**53.4**	**177.8**	**–**	(194.2)	39.8	154.4	–
– From stage 1	**(244.6)**	**102.5**	**142.1**	**–**	(211.2)	90.6	120.6	–
– From stage 2	**7.2**	**(49.9)**	**42.7**	**–**	9.1	(51.8)	42.7	–
– From stage 3	**6.2**	**0.8**	**(7.0)**	**–**	7.9	1.0	(8.9)	–
Decreases due to repayments	**(752.2)**	**(93.8)**	**(251.1)**	**(1,097.1)**	(642.7)	(101.3)	(251.8)	(995.8)
Amounts written off	**–**	**–**	**(20.3)**	**(20.3)**	–	–	(41.7)	(41.7)
Increases due to recognition of interest and charges	**274.1**	**42.4**	**86.5**	**403.0**	240.6	43.0	97.0	380.6
FX	**52.9**	**6.3**	**17.9**	**77.1**	(46.1)	(6.2)	(17.1)	(69.4)
Other	**1.9**	**–**	**(0.2)**	**1.7**	(0.6)	–	(3.3)	(3.9)
Closing gross carrying amount at 31 December	**522.6**	**81.0**	**227.1**	**830.7**	412.9	72.7	216.5	702.1

	2025				2024			
Loss allowance – Provident Europe	**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	**(65.0)**	**(34.8)**	**(142.7)**	**(242.5)**	(71.6)	(45.5)	(177.9)	(295.0)
Increases due to origination	**(113.1)**	**–**	**–**	**(113.1)**	(105.3)	–	–	(105.3)
Transfers due to change in credit risk:	**32.1**	**9.6**	**(41.7)**	**–**	30.8	9.0	(39.8)	–
– From stage 1	**38.5**	**(14.1)**	**(24.4)**	**–**	39.0	(14.9)	(24.1)	–
– From stage 2	**(2.8)**	**24.2**	**(21.4)**	**–**	(3.6)	24.4	(20.8)	–
– From stage 3	**(3.6)**	**(0.5)**	**4.1**	**–**	(4.6)	(0.5)	5.1	–
Changes due to movements within and between stages	**22.5**	**(19.8)**	**(77.3)**	**(74.6)**	15.2	(17.8)	(66.9)	(69.5)
Change in credit risk parameters	**1.2**	**1.0**	**6.9**	**9.1**	7.3	1.1	(1.1)	7.3
Decreases due to repayments and write offs	**50.6**	**9.7**	**120.2**	**180.5**	54.5	14.8	127.8	197.1
FX	**(5.3)**	**(3.0)**	**(11.9)**	**(20.2)**	5.0	3.0	11.5	19.5
Other	**2.1**	**0.6**	**2.8**	**5.5**	(0.9)	0.6	3.7	3.4
Closing loss allowance at 31 December	**(74.9)**	**(36.7)**	**(143.7)**	**(255.3)**	(65.0)	(34.8)	(142.7)	(242.5)

	2025				2024			
Net receivables – Provident Europe	**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	**347.9**	**37.9**	**73.8**	**459.6**	322.2	51.9	101.1	475.2
Increases due to origination	**651.1**	**–**	**–**	**651.1**	556.8	–	–	556.8
Transfers due to change in credit risk:	**(199.1)**	**63.0**	**136.1**	**–**	(163.4)	48.8	114.6	–
– From stage 1	**(206.1)**	**88.4**	**117.7**	**–**	(172.2)	75.7	96.5	–
– From stage 2	**4.4**	**(25.7)**	**21.3**	**–**	5.5	(27.4)	21.9	–
– From stage 3	**2.6**	**0.3**	**(2.9)**	**–**	3.3	0.5	(3.8)	–
Changes due to movements within and between stages	**22.5**	**(19.8)**	**(77.3)**	**(74.6)**	15.2	(17.8)	(66.9)	(69.5)
Change in credit risk parameters	**1.2**	**1.0**	**6.9**	**9.1**	7.3	1.1	(1.1)	7.3
Increases due to recognition of interest and charges	**274.1**	**42.4**	**86.5**	**403.0**	240.6	43.0	97.0	380.6
Decreases due to repayments and write offs	**(701.6)**	**(84.1)**	**(151.2)**	**(936.9)**	(588.2)	(86.5)	(165.7)	(840.4)
FX	**47.6**	**3.3**	**6.0**	**56.9**	(41.1)	(3.2)	(5.6)	(49.9)
Other	**4.0**	**0.6**	**2.6**	**7.2**	(1.5)	0.6	0.4	(0.5)
Closing net receivables at 31 December	**447.7**	**44.3**	**83.4**	**575.4**	347.9	37.9	73.8	459.6

17. Amounts receivable from customers continued

The following tables explain the changes for Provident Mexico in the gross carrying amount, the loss allowance and net receivables between the beginning of the year and the end of the year:

	2025				2024			
Gross carrying amount – Provident Mexico	**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	**128.1**	**38.1**	**109.4**	**275.6**	158.2	44.4	119.6	322.2
Increases due to origination	**285.9**	**–**	**–**	**285.9**	289.2	–	–	289.2
Transfers due to change in credit risk:	**(169.4)**	**28.8**	**140.6**	**–**	(162.3)	24.2	138.1	–
– From stage 1	**(173.4)**	**55.7**	**117.7**	**–**	(165.9)	49.3	116.6	–
– From stage 2	**1.3**	**(27.0)**	**25.7**	**–**	1.2	(25.2)	24.0	–
– From stage 3	**2.7**	**0.1**	**(2.8)**	**–**	2.4	0.1	(2.5)	–
Decreases due to repayments	**(254.0)**	**(58.9)**	**(141.9)**	**(454.8)**	(222.7)	(52.6)	(131.3)	(406.6)
Amounts written off	**–**	**–**	**(63.6)**	**(63.6)**	–	–	(62.5)	(62.5)
Increases due to recognition of interest and charges	**144.8**	**33.3**	**68.3**	**246.4**	125.0	29.7	64.7	219.4
FX	**20.8**	**2.9**	**8.3**	**32.0**	(60.0)	(7.8)	(20.6)	(88.4)
Other	**3.3**	**0.2**	**0.6**	**4.1**	0.7	0.2	1.4	2.3
Closing gross carrying amount at 31 December	**159.5**	**44.4**	**121.7**	**325.6**	128.1	38.1	109.4	275.6

	2025				2024			
Loss allowance – Provident Mexico	**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	**(32.8)**	**(19.3)**	**(64.1)**	**(116.2)**	(43.8)	(21.9)	(69.4)	(135.1)
Increases due to origination	**(95.6)**	**–**	**–**	**(95.6)**	(81.8)	–	–	(81.8)
Transfers due to change in credit risk:	**48.6**	**0.5**	**(49.1)**	**–**	46.6	1.0	(47.6)	–
– From stage 1	**51.0**	**(14.6)**	**(36.4)**	**–**	48.7	(12.8)	(35.9)	–
– From stage 2	**(0.7)**	**15.1**	**(14.4)**	**–**	(0.6)	13.8	(13.2)	–
– From stage 3	**(1.7)**	**–**	**1.7**	**–**	(1.5)	–	1.5	–
Changes due to movements within and between stages	**1.8**	**(16.6)**	**(50.1)**	**(64.9)**	3.8	(14.2)	(46.5)	(56.9)
Change in credit risk parameters	**1.8**	**–**	**(0.4)**	**1.4**	(1.1)	(1.0)	(2.7)	(4.8)
Decreases due to repayments and write offs	**38.4**	**14.3**	**97.4**	**150.1**	34.2	12.6	89.7	136.5
FX	**(2.5)**	**(1.5)**	**(4.9)**	**(8.9)**	7.6	3.9	11.9	23.4
Other	**(0.1)**	**–**	**(0.2)**	**(0.3)**	1.7	0.3	0.5	2.5
Closing loss allowance at 31 December	**(40.4)**	**(22.6)**	**(71.4)**	**(134.4)**	(32.8)	(19.3)	(64.1)	(116.2)

	2025				2024			
Net receivables – Provident Mexico	**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	**95.3**	**18.8**	**45.3**	**159.4**	114.4	22.5	50.2	187.1
Increases due to origination	**190.3**	**–**	**–**	**190.3**	207.4	–	–	207.4
Transfers due to change in credit risk:	**(120.8)**	**29.3**	**91.5**	**–**	(115.7)	25.2	90.5	–
– From stage 1	**(122.4)**	**41.1**	**81.3**	**–**	(117.2)	36.5	80.7	–
– From stage 2	**0.6**	**(11.9)**	**11.3**	**–**	0.6	(11.4)	10.8	–
– From stage 3	**1.0**	**0.1**	**(1.1)**	**–**	0.9	0.1	(1.0)	–
Changes due to movements within and between stages	**1.8**	**(16.6)**	**(50.1)**	**(64.9)**	3.8	(14.2)	(46.5)	(56.9)
Change in credit risk parameters	**1.8**	**–**	**(0.4)**	**1.4**	(1.1)	(1.0)	(2.7)	(4.8)
Increases due to recognition of interest and charges	**144.8**	**33.3**	**68.3**	**246.4**	125.0	29.7	64.7	219.4
Decreases due to repayments and write offs	**(215.6)**	**(44.6)**	**(108.1)**	**(368.3)**	(188.5)	(40.0)	(104.1)	(332.6)
FX	**18.3**	**1.4**	**3.4**	**23.1**	(52.4)	(3.9)	(8.7)	(65.0)
Other	**3.2**	**0.2**	**0.4**	**3.8**	2.4	0.5	1.9	4.8
Closing net receivables at 31 December	**119.1**	**21.8**	**50.3**	**191.2**	95.3	18.8	45.3	159.4

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:

	2025				2024			
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	**261.0**	**18.1**	**40.7**	**319.8**	247.5	17.6	43.4	308.5
Increases due to origination	**291.9**	**–**	**–**	**291.9**	263.2	–	–	263.2
Transfers due to change in credit risk:	**(70.2)**	**8.3**	**61.9**	**–**	(59.1)	7.0	52.1	–
– From stage 1	**(76.1)**	**24.3**	**51.8**	**–**	(64.5)	22.5	42.0	–
– From stage 2	**5.3**	**(16.3)**	**11.0**	**–**	5.0	(15.8)	10.8	–
– From stage 3	**0.6**	**0.3**	**(0.9)**	**–**	0.4	0.3	(0.7)	–
Decreases due to repayments	**(315.6)**	**(15.6)**	**(42.6)**	**(373.8)**	(279.6)	(14.7)	(36.6)	(330.9)
Amounts written off	**–**	**–**	**(26.7)**	**(26.7)**	–	–	(28.6)	(28.6)
Increases due to recognition of interest and charges	**120.6**	**9.7**	**20.1**	**150.4**	108.6	9.4	17.3	135.3
FX	**16.8**	**1.3**	**4.3**	**22.4**	(19.7)	(1.2)	(6.0)	(26.9)
Other	**0.5**	**–**	**(1.3)**	**(0.8)**	0.1	–	(0.9)	(0.8)
Closing gross carrying amount at 31 December	**305.0**	**21.8**	**56.4**	**383.2**	261.0	18.1	40.7	319.8

	2025				2024			
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	**(26.3)**	**(7.2)**	**(35.3)**	**(68.8)**	(33.9)	(7.3)	(36.9)	(78.1)
Increases due to origination	**(21.2)**	**–**	**–**	**(21.2)**	(20.8)	–	–	(20.8)
Transfers due to change in credit risk:	**5.5**	**4.4**	**(9.9)**	**–**	5.2	4.5	(9.7)	–
– From stage 1	**7.8**	**(2.3)**	**(5.5)**	**–**	7.4	(2.5)	(4.9)	–
– From stage 2	**(1.8)**	**6.9**	**(5.1)**	**–**	(1.9)	7.2	(5.3)	–
– From stage 3	**(0.5)**	**(0.2)**	**0.7**	**–**	(0.3)	(0.2)	0.5	–
Changes due to movements within and between stages	**(10.2)**	**(11.4)**	**(56.1)**	**(77.7)**	(7.3)	(10.3)	(46.1)	(63.7)
Change in credit risk parameters	**0.6**	**0.4**	**0.3**	**1.3**	3.4	0.4	0.1	3.9
Decreases due to repayments and write offs	**24.2**	**5.1**	**53.2**	**82.5**	23.4	4.9	51.8	80.1
FX	**(1.8)**	**(0.5)**	**(3.3)**	**(5.6)**	2.2	0.6	5.5	8.3
Other	**1.0**	**–**	**–**	**1.0**	1.5	–	–	1.5
Closing loss allowance at 31 December	**(28.2)**	**(9.2)**	**(51.1)**	**(88.5)**	(26.3)	(7.2)	(35.3)	(68.8)

	2025				2024			
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	**234.7**	**10.9**	**5.4**	**251.0**	213.6	10.3	6.5	230.4
Increases due to origination	**270.7**	**–**	**–**	**270.7**	242.4	–	–	242.4
Transfers due to change in credit risk:	**(64.7)**	**12.7**	**52.0**	**–**	(53.9)	11.5	42.4	–
– From stage 1	**(68.3)**	**22.0**	**46.3**	**–**	(57.1)	20.0	37.1	–
– From stage 2	**3.5**	**(9.4)**	**5.9**	**–**	3.1	(8.6)	5.5	–
– From stage 3	**0.1**	**0.1**	**(0.2)**	**–**	0.1	0.1	(0.2)	–
Changes due to movements within and between stages	**(10.2)**	**(11.4)**	**(56.1)**	**(77.7)**	(7.3)	(10.3)	(46.1)	(63.7)
Change in credit risk parameters	**0.6**	**0.4**	**0.3**	**1.3**	3.4	0.4	0.1	3.9
Increases due to recognition of interest and charges	**120.6**	**9.7**	**20.1**	**150.4**	108.6	9.4	17.3	135.3
Decreases due to repayments and write offs	**(291.4)**	**(10.5)**	**(16.1)**	**(318.0)**	(256.2)	(9.8)	(13.4)	(279.4)
FX	**15.0**	**0.8**	**1.0**	**16.8**	(17.5)	(0.6)	(0.5)	(18.6)
Other	**1.5**	**–**	**(1.3)**	**0.2**	1.6	–	(0.9)	0.7
Closing net receivables at 31 December	**276.8**	**12.6**	**5.3**	**294.7**	234.7	10.9	5.4	251.0

17. Amounts receivable from customers continued

Impairment as a percentage of gross carrying amount for each geographical segment is shown below:

Group	**2025 %**	2024 %
Provident Europe	**0.7**	1.1
Provident Mexico	**27.1**	30.1
IPF Digital	**11.6**	8.6

The carrying value of amounts receivable from customers that would have been impaired had their terms not been renegotiated is £nil (2024: £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 91% (2024: 99%). The average period to maturity of the amounts receivable from customers is 13.1 months (2024: 13.5 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 2025, in the Polish business, there are £85.2m (2024: £57.1m) of undrawn granted credit card limits. The expected loss for undrawn granted credit card limits cannot be readily separated from the expected loss for drawn card balances and therefore forms part of the overall disclosed expected loss for credit cards.

The Company has no amounts receivable from customers (2024: £nil).

18. Cash and cash equivalents

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Cash at bank and in hand	**30.4**	27.6	**0.7**	1.5

The currency profile of cash and cash equivalents is as follows:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
GBP sterling	**–**	1.0	**–**	1.0
Polish zloty	**3.2**	2.7	**0.1**	–
Czech crown	**0.7**	0.7	**–**	–
Euro	**3.7**	5.0	**0.6**	0.5
Hungarian forint	**2.7**	1.5	**–**	–
Mexican peso	**13.8**	9.6	**–**	–
Romanian leu	**5.9**	6.6	**–**	–
Australian dollar	**0.4**	0.5	**–**	–
Total	**30.4**	27.6	**0.7**	1.5

19. Other receivables

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Other receivables	**5.0**	13.6	**–**	–
Prepayments	**10.5**	9.3	**0.5**	0.8
Amounts due from Group undertakings	**–**	–	**598.7**	552.8
Total	**15.5**	22.9	**599.2**	553.6

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	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Trade payables	**14.4**	14.4	**–**	0.2
Other payables including taxation and social security	**58.7**	60.6	**–**	–
Accruals	**60.3**	50.1	**18.1**	14.6
Amounts due to Group undertakings	**–**	–	**495.5**	445.5
Total	**133.4**	125.1	**513.6**	460.3

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	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Borrowings				
Bank borrowings	**141.5**	82.5	**13.2**	–
Bonds	**476.2**	433.4	**476.2**	433.4
Total	**617.7**	515.9	**489.4**	433.4

The Group's external bonds comprise the following:

Bond	Coupon %	Maturity date	**2025 £m**
Hungarian bond – €11.6m	11.50	2026	**10.1**
Polish bond – zloty 72.0m	Six-month WIBOR plus 850 basis points	2026	**15.0**
Retail bond – £80.0m	12.00	2027	**80.0**
Swedish Krona bond – 1,000.0m	Three-month STIBOR plus 575 basis points	2028	**80.7**
Euro bond – €341.0m	10.75	2029	**297.3**
			483.1
Less: unamortised arrangement fees and issue discount			**(6.9)**
Total			**476.2**

The Polish zloty 72.0m (£15.0m) and Swedish Krona 1,000.0m (£80.7m) are floating rate bonds. 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	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Borrowings				
Repayable:				
– in less than one year	**58.9**	92.8	**25.2**	54.9
– between one and two years	**142.7**	47.6	**79.1**	23.6
– between two and five years	**416.1**	375.5	**385.1**	354.9
Total	**617.7**	515.9	**489.4**	433.4

21. Borrowing facilities and borrowings continued

The average period to maturity of the Group's external bonds and committed external borrowing facilities is 2.6 years (2024: 3.0 years).

The currency exposure on external borrowings is as follows:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Sterling	**79.2**	78.7	**79.2**	78.7
Polish zloty	**45.4**	20.5	**15.0**	14.0
Czech crown	**5.3**	2.3	**–**	–
Euro	**314.5**	340.7	**314.5**	340.7
Hungarian forint	**80.9**	61.4	**–**	–
Romanian leu	**11.7**	3.3	**–**	–
Mexican peso	**–**	9.0	**–**	–
Swedish krona	**80.7**	–	**80.7**	–
Total	**617.7**	515.9	**489.4**	433.4

Further information on changes in external borrowings is included in the funding section of the Financial review on page 32.

The maturity of the Group and Company's external bond and external bank facilities is as follows:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Bond and bank facilities available				
Repayable:				
– on demand	**46.9**	35.2	**9.7**	8.0
– in less than one year	**97.0**	135.1	**25.0**	71.3
– between one and two years	**157.7**	78.9	**80.0**	23.6
– between two and five years	**448.2**	407.7	**417.3**	387.1
Total	**749.8**	656.9	**532.0**	490.0

The undrawn external bank facilities at 31 December were as follows:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Expiring within one year	**85.0**	77.2	**9.5**	24.1
Expiring between one and two years	**14.1**	31.3	**–**	24.9
Expiring in more than two years	**26.1**	24.9	**26.2**	–
Total	**125.2**	133.4	**35.7**	49.0

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 2025, the Group's bonds and committed borrowing facilities had an average period to maturity of 2.6 years (2024: 3.0 years).

As shown in note 21, total undrawn facilities as at 31 December 2025 were £125.2m (2024: £133.4m).

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	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Not later than six months	**42.9**	44.5	**180.7**	172.7
Later than six months and not later than one year	**74.1**	101.7	**51.4**	78.6
Later than one year and not later than two years	**198.9**	93.3	**465.4**	362.2
Later than two years and not later than five years	**495.0**	480.5	**462.4**	458.5
Total	**810.9**	720.0	**1,159.9**	1,072.0

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 £495.5m (2024: £445.5m).

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:

	2025		2024	
Group	**Outflow £m**	**Inflow £m**	Outflow £m	Inflow £m
Not later than one month	**183.7**	**182.5**	292.4	292.6
Later than one month and not later than six months	**244.8**	**242.3**	121.5	121.4
Later than six months and not later than one year	**0.1**	**0.1**	–	–
Total	**428.6**	**424.9**	413.9	414.0

There are no foreign currency contract derivative assets and liabilities for the Company.

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 %
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
2025				
Less than one year	**770.2**	**72.6**	**143.9**	**19.2**
Later than one year	**291.1**	**27.4**	**605.9**	**80.8**
Total	**1,061.3**	**100.0**	**749.8**	**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 2025; 9.7% in 2024) 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	**2025 £m**	2024 £m
Reduction in profit before taxation	**3.6**	1.0

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 2025 is an increase in net assets of £46.9m (2024: reduction of £57.3m). 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	2025 £m	2024 £m
Change in reserves	**3.8**	3.7
Change in profit before taxation	**5.7**	5.6

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	2025 £m	2024 £m
Cash and cash equivalents	**30.4**	27.6
Derivative financial assets	**1.5**	2.6
Total	**31.9**	30.2

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	2025 £m	2024 £m
Amounts receivable from customers	**1,061.3**	870.0

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.

22. Risks arising from financial instruments continued

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 30 includes information on the Group's Financial model which covers the Group's capital structure strategy.

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	2025 £m	2024 £m
Receivables	**1,061.3**	870.0
Borrowings	**(617.7)**	(515.9)
Other net assets	**102.4**	112.2
Equity	**546.0**	466.3
Equity as % of receivables	**51.4**	53.6%
Gearing	**1.1**	1.1

The Group has a target equity to receivables rate of 40%. At 31 December 2025, the equity to receivables rate was 51.4% (2024: 53.6%).

We continue to operate with significant headroom on the Group's debt funding covenants. Further details are included on page 33.

23. Derivative financial instruments

The Group's derivative assets and liabilities that were measured at fair value at 31 December are as follows:

Group	2025 £m	2024 £m
Assets		
Foreign currency contracts	**1.5**	2.6
Total	**1.5**	2.6

Group	2025 £m	2024 £m
Liabilities		
Foreign currency contracts	**4.0**	1.6
Total	**4.0**	1.6

The company had no derivative assets or liabilities at 31 December 2025 (2024: 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 £0.2m has been credited to equity for the Group in the period in respect of cash flow hedges (2024: £0.4m charged to equity), Company: £nil to equity (2024: £nil 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 2024			
Foreign currency contracts	413.9	–	413.9
Cash flow hedges	413.9	–	413.9
As at 31 December 2025			
Foreign currency contracts	**428.6**	**–**	**428.6**
Cash flow hedges	**428.6**	**–**	**428.6**

The company had no cashflow hedges as at 31 December 2025 (2024: nil).

The Group and the company had no interest rate swaps at 31 December 2025 (2024: nil).

24. Analysis of financial assets and financial liabilities

Financial assets

An analysis of Group financial assets is presented below:

	2025			2024		
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	**1,061.3**	**–**	**1,061.3**	870.0	–	870.0
Derivative financial instruments	**–**	**1.5**	**1.5**	–	2.6	2.6
Cash and cash equivalents	**30.4**	**–**	**30.4**	27.6	–	27.6
Other receivables	**15.5**	**–**	**15.5**	22.9	–	22.9
Total	**1,107.2**	**1.5**	**1,108.7**	920.5	2.6	923.1

Financial liabilities

An analysis of Group financial liabilities is presented below:

	2025			2024		
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	**476.2**	**–**	**476.2**	433.4	–	433.4
Bank borrowings	**141.5**	**–**	**141.5**	82.5	–	82.5
Derivative financial instruments	**–**	**4.0**	**4.0**	–	1.6	1.6
Trade and other payables	**133.4**	**–**	**133.4**	125.1	–	125.1
Provision for liabilities and charges	**–**	**–**	**–**	2.8	–	2.8
Total	**751.1**	**4.0**	**755.1**	643.8	1.6	645.4

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 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

		Fair values			
At 31 December 2025	**Carrying value £m**	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total fair value £m**
Financial assets					
Amounts receivable from customers	**1,061.3**	**–**	**–**	**1,373.9**	**1,373.9**
Derivative financial instruments	**1.5**	**–**	**1.5**	**–**	**1.5**
Cash and cash equivalents	**30.4**	**30.4**	**–**	**–**	**30.4**
Other receivables	**15.5**	**–**	**–**	**15.5**	**15.5**
	1,108.7	**30.4**	**1.5**	**1,389.4**	**1,421.3**
Financial liabilities					
Bonds	**476.2**	**511.4**	**–**	**–**	**511.4**
Bank borrowings	**141.5**	**141.5**	**–**	**–**	**141.5**
Derivative financial instruments	**4.0**	**–**	**4.0**	**–**	**4.0**
Trade and other payables	**133.4**	**–**	**–**	**133.4**	**133.4**
	755.1	**652.9**	**4.0**	**133.4**	**790.3**

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 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

At 31 December 2025	**Carrying value £m**	**Fair values Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total fair value £m**
Financial assets					
Cash and cash equivalents	**0.7**	**0.7**	**–**	**–**	**0.7**
Other receivables	**599.2**	**–**	**–**	**599.2**	**599.2**
	599.9	**0.7**	**–**	**599.2**	**599.9**
Financial liabilities					
Bonds	**476.2**	**511.4**	**–**	**–**	**511.4**
Bank borrowings	**13.2**	**13.2**	**–**	**–**	**13.2**
Trade and other payables	**513.6**	**–**	**–**	**513.6**	**513.6**
	1,003.0	**524.6**	**–**	**513.6**	**1,038.2**

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% (2024: 12%) 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

As at 31 December 2024, the Group had £2.8m payable to employees outstanding relating to a restructure exercise undertaken in 2024. This provision was fully utilised in 2025.

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.

The scheme is exposed to credit risk i.e. the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation and market risk i.e. the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the scheme comprises of currency risk, interest rate risk, inflation risk and other price risk.

Credit risk is mitigated by the underlying exposures on an aggregate basis being predominantly investment grade credit securities and by holding a diverse portfolio of investments with exposure to a range of issues and issuers, through the higher yield available on these investments which compensates on an aggregate basis for the risk taken and through the use of active fund managers who through careful stock selection aim to reduce the impact of defaults and downgrades.

Scheme market risks:

- currency risk: mitigated by all pooled investment vehicles held by the scheme being GBP denominated;
- interest rate risk: the scheme is subject to interest rate risk as some of the scheme's investments are held in leveraged gilts through pooled vehicles, and cash, as part of the LDI investment strategy (hedging component). Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate;
- inflation risk: the scheme is also subject to inflation risk because some of the scheme's investments are held in inflation-linked bonds (through pooled vehicles). Under this strategy, if inflation rises, the value of the inflation-linked bond assets will also rise to help match the increase in the actuarial liabilities. Similarly, if inflation falls, the inflation-linked bond assets will also fall in value, as will the actuarial liabilities; and
- other price risk: arises principally in relation to the scheme's return seeking portfolio (diversified growth funds) which includes a range of strategies. This exposure to overall price movements is managed by constructing a diverse portfolio of investments across various markets.

Scheme assets are stated at fair value as at 31 December 2025. The major assumptions used by the actuary were:

Group and Company	**2025 %**	2024 %
Price inflation ('CPI')	**2.6**	2.7
Rate of increase to pensions in payment	**2.9**	3.1
Discount rate	**5.7**	5.6

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 £0.6m.

If the discount rate was 50 basis points higher/(lower), the defined benefit asset would increase by £1.3m/(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 £0.4m).

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	**2025 £m**	2024 £m
Diversified growth funds	**4.0**	3.1
Corporate bonds	**7.4**	8.4
Equities	**3.2**	3.5
Liability driven investments	**11.8**	10.7
Other	**0.5**	0.6
Total fair value of scheme assets	**26.9**	26.3
Present value of funded defined benefit obligations	**(21.9)**	(21.9)
Net asset recognised in the balance sheet	**5.0**	4.4

All pension scheme assets held are not quoted or traded on an exchange and are designated as "unquoted pooled funds".

27. Retirement benefit asset/obligation continued

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	**2025 £m**	2024 £m
Interest cost	**1.2**	**1.1**
Expected return on scheme assets	**(1.4)**	**(1.4)**
Net credit recognised in the income statement	**(0.2)**	**(0.3)**

The net credit is included within administrative expenses.

Movements in the fair value of scheme assets were as follows:

Group and Company	**2025 £m**	2024 £m
Fair value of scheme assets at 1 January	**26.3**	30.4
Expected return on scheme assets	**1.4**	1.4
Actuarial gain/(loss) on scheme assets	**0.1**	(4.3)
Net benefits paid out	**(0.9)**	(1.2)
Fair value of scheme assets at 31 December	**26.9**	26.3

Movements in the present value of the defined benefit obligation were as follows:

Group and Company	**2025 £m**	2024 £m
Defined benefit obligation at 1 January	**(21.9)**	(24.3)
Interest cost	**(1.2)**	(1.1)
Actuarial gain on scheme liabilities	**0.3**	2.3
Net benefits paid out	**0.9**	1.2
Defined benefit obligation at 31 December	**(21.9)**	(21.9)

The weighted average duration of the defined benefit obligation is 14 years (2024: 14 years).

The actual return on scheme assets compared to the expected return is as follows:

Group and Company	**2025 £m**	2024 £m
Expected return on scheme assets	**1.4**	1.4
Actuarial gain/(loss) on scheme assets	**0.1**	(4.3)
Actual gain/(loss) on scheme assets	**1.5**	(2.9)

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	**2025 £m**	2024 £m
Actuarial gain/(loss) on scheme assets	**0.1**	(4.3)
Actuarial gain on scheme liabilities	**0.3**	2.3
Total gain/(loss) recognised in the SOCI in the year	**0.4**	(2.0)
Cumulative amount of losses recognised in the SOCI	**(18.2)**	(18.6)

The history of experience adjustments are as follows:

Group and Company	**2025**	2024	2023*	2022*	2021*
Actuarial gains/(losses) on scheme assets:					
– amount (£m)	**0.1**	(4.3)	(0.5)	(21.3)	(1.6)
– percentage of scheme assets (%)	**0.4**	(16.3)	(1.6)	(68.9)	(3.1)
Experience (losses)/gains on scheme liabilities:					
– amount (£m)	**(0.1)**	–	3.4	(2.4)	1.7
– percentage of scheme liabilities (%)	**(0.5)**	–	14.2	(8.3)	3.7

* As required under IAS 19.

27. Retirement benefit asset/obligation continued

The Group expects to make a contribution of £nil (2024: £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 £1.2m for the year ended 31 December 2025 (2024: £1.1m), Company £0.6m (2024: £0.6m). £nil contributions were payable to the scheme at the year end (2024: £nil).

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, SAYE scheme or the Discretionary Award Plan in 2025.

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 2025 was £2.1m (2024: charge of £1.7m).

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	**Deferred Share Plan**	**Restricted Share Plan***
Grant date	**24/04/2025**	**24/04/2025**
Share price at award date	**1.39**	**1.39**
Base price for TSR	**n/a**	**n/a**
Exercise price	**n/a**	**n/a**
Vesting period (years)	**3**	**3**
Expected volatility	**n/a**	**34%**
Award life (years)	**n/a**	**3**
Expected life (years)	**n/a**	**3**
Risk-free rate	**n/a**	**4.02%**
Expected dividends expressed as a dividend yield	**n/a**	**7.60%**
Deferred portion	**n/a**	**n/a**
TSR threshold	**n/a**	**n/a**
TSR maximum target	**n/a**	**n/a**
EPS threshold	**n/a**	**n/a**
EPS maximum target	**n/a**	**n/a**
Net revenue threshold	**n/a**	**n/a**
Net revenue maximum target	**n/a**	**n/a**
Fair value per award (£)	**n/a**	**1.11**

* The vesting of awards will be determined by the committee and adherence to its progressive dividend policy.

28. Share-based payments continued

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.

The movements in awards during the year for the Group are outlined in the table below:

	SAYE schemes		CSOPs		Deferred Share Plans		Performance Share Plans		Restricted Share Plans		Discretionary Award Plans	
Group	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £
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	–	–	–
Outstanding at 1 January 2025	**1,037,900**	**0.85**	**2,408**	**2.93**	**3,406,335**	**–**	**4,021,627**	**–**	**4,059,193**	**–**	**–**	**–**
Granted	**–**	**–**	**–**	**–**	**719,211**	**–**	**–**	**–**	**2,258,875**	**–**	**–**	**–**
Expired/lapsed	**(11,923)**	**1.17**	**–**	**–**	**(3,877)**	**–**	**(1,224,466)**	**–**	**(106,313)**	**–**	**–**	**–**
Exercised	**(681,683)**	**0.75**	**–**	**–**	**(626,746)**	**–**	**(1,168,455)**	**–**	**–**	**–**	**–**	**–**
Outstanding at 31 December 2025	**344,294**	**1.03**	**2,408**	**2.93**	**3,494,923**	**–**	**1,628,706**	**–**	**6,211,755**	**–**	**–**	**–**

Share awards outstanding at 31 December 2025 had exercise prices of £0.75– £2.93 (2024: £0.75 – £2.93) and a weighted average remaining contractual life of 7.8 years (2024: 8.0 years).

The movements in awards during the year for the Company are outlined in the table below:

	SAYE schemes		CSOPs		Deferred Share Plans		Performance Share Plans		Restricted Share Plans		Discretionary Award Plans	
Company	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £
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	–	–	–
Outstanding at 1 January 2025	**634,401**	**0.84**	**646**	**2.93**	**2,014,946**	**–**	**2,095,311**	**–**	**2,331,225**	**–**	**–**	**–**
Granted	**–**	**–**	**–**	**–**	**483,799**	**–**	**–**	**–**	**1,119,760**	**–**	**–**	**–**
Expired/ lapsed	**(9,923)**	**1.26**	**–**	**–**	**–**	**–**	**(1,115,802)**	**–**	**(82,277)**	**–**	**–**	**–**
Exercised	**(411,242)**	**0.76**	**–**	**–**	**(179,327)**	**–**	**(104,272)**	**–**	**–**	**–**	**–**	**–**
Outstanding at 31 December 2025	**213,236**	**0.96**	**646**	**2.93**	**2,319,418**	**–**	**875,237**	**–**	**3,368,708**	**–**	**–**	**–**

Share awards outstanding at 31 December 2025 had exercise prices of £0.75 – £2.93 (2024: £0.75 – £2.93) and a weighted average remaining contractual life of 7.8 years (2024: 8.1 years).

29. Share capital

Company	**2025 £m**	2024 £m
At 1 January	**22.5**	23.4
Own shares acquired	**–**	(0.9)
At 31 December	**22.5**	22.5

Share capital consists of 224,610,034 authorised, issued and fully-paid up shares (2024: 224,610,034 authorised, issued and fully-paid up shares) at a nominal value of 10 pence.

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 2025 was 5,254,091 (2024: 7,730,975). During 2025, the employee trust acquired nil shares at an average price of £nil (2024: 1,245,160 acquired at an average price of £1.09) and the treasury trust acquired nil shares (2024: nil shares).

30. Reconciliation of profit/(loss) after taxation to cash generated from operating activities

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Profit/(loss) after taxation from operations	**54.2**	60.9	**(41.3)**	(4.4)
Adjusted for:				
– tax charge	**31.1**	12.4	**2.8**	3.4
– finance costs	**73.3**	71.7	**81.0**	91.1
– finance income	**(2.0)**	(1.3)	**(50.2)**	(63.9)
– dividends received from subsidiaries	**–**	–	**(3.5)**	–
– share-based payment charge (note 28)	**2.1**	1.7	**1.3**	1.0
– depreciation of property, plant and equipment (note 14)	**6.1**	6.8	**0.2**	0.1
– amortisation of intangible assets (note 12)	**12.8**	12.4	**–**	–
– depreciation of right-of-use assets (note 15)	**9.9**	10.1	**0.3**	0.3
– short-term and low value lease costs (note 15)	**1.4**	1.4	**–**	–
Changes in operating assets and liabilities:				
– increase in amounts receivable from customers	**(127.3)**	(58.8)	**–**	–
– decrease/(increase) in other receivables	**8.2**	(10.4)	**(44.9)**	(33.4)
– (decrease)/increase in trade and other payables	**(0.7)**	7.6	**52.8**	66.7
– change in provisions	**(2.8)**	2.8	**–**	–
– change in retirement benefit asset	**(0.2)**	(0.3)	**(0.2)**	(0.3)
– increase/(decrease) in derivative financial instrument liabilities	**3.7**	(2.9)	**–**	–
Cash generated from operating activities	**69.8**	114.1	**(1.7)**	60.6

31. Capital commitments

Group	**2025 £m**	2024 £m
Capital expenditure commitments contracted with third parties but not provided for at 31 December	**7.6**	5.5

The Company has no commitments as at 31 December 2025 (2024: £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 of tax at stake for all open years is £8.8m. 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:

	2025			2024		
Company	**Recharge of costs £m**	**Interest charge £m**	**Outstanding balance £m**	Recharge of costs £m	Interest charge £m	Outstanding balance £m
Europe	**0.5**	**–**	**45.3**	0.1	–	46.8
Mexico	**0.4**	**19.6**	**196.0**	2.4	14.4	114.5
Other UK companies	**9.3**	**3.4**	**(138.1)**	12.3	5.6	(54.0)
	10.2	**23.0**	**103.2**	14.8	20.0	107.3

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.

34. Post balance sheet event

On 24 December 2025, the boards of IPF Parent Holdings Limited ("BasePoint"), a newly formed company in the same group as BasePoint Capital LLC, and IPF announced that they had reached agreement on the terms of a recommended cash offer to be made by BasePoint for the entire issued and to be issued ordinary share capital of IPF, to be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006.

On 15 January 2026, IPF published a Scheme Document which, amongst other things, sets out the full terms and conditions of the acquisition. The acquisition remains conditional on the satisfaction (or waiver, where applicable) of various conditions, including the receipt of certain financial regulatory, antitrust and foreign investment clearances, the approval by the requisite majorities of IPF shareholders and the sanction by the High Court in the UK.

In order to approve the terms of the acquisition, the required majority of Scheme Shareholders will need to vote in favour of the resolution to be proposed at the Court Meeting and the required majority of IPF Shareholders will need to vote in favour of the resolution to be proposed at the General Meeting. As announced on 11 February 2026, the Court Meeting and the General Meeting are expected to be held on 11 March 2026.

Subject to the satisfaction (or waiver, where applicable) of the various conditions, the acquisition is expected to complete during the third quarter of 2026.

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.

Alternative performance measures *continued*

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).
Return on equity (RoE) (%)	None	Not applicable	Profit after tax divided by the average of 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 2024 profit and loss account at the average actual exchange rates used in the current year.

2025 £m	Provident Europe	Provident Mexico	IPF Digital	Central costs	Group
Customers (000)	**738**	**705**	**286**	**–**	**1,729**
Average gross receivables	**757.6**	**295.9**	**352.4**	**–**	**1,405.9**
Closing receivables	**575.4**	**191.2**	**294.7**	**–**	**1,061.3**
Customer lending	**764.2**	**285.9**	**291.9**	**–**	**1,342.0**
Revenue	**339.7**	**247.1**	**150.7**	**–**	**737.5**
Impairment	**(5.5)**	**(80.3)**	**(41.0)**	**–**	**(126.8)**
Net revenue	**334.2**	**166.8**	**109.7**	**–**	**610.7**
Interest expense	**(39.2)**	**(13.6)**	**(18.4)**	**(0.1)**	**(71.3)**
Costs	**(231.8)**	**(126.6)**	**(77.2)**	**(15.2)**	**(450.8)**
Profit/(loss) before tax	**63.2**	**26.6**	**14.1**	**(15.3)**	**88.6**

2024 performance at 2024 average foreign exchange rates

£m	Provident Europe	Provident Mexico	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

Foreign exchange movements

£m	Provident Europe	Provident Mexico	IPF Digital	Central costs	Group
Average gross receivables	9.9	(24.2)	(5.2)	–	(19.5)
Closing receivables	37.2	12.1	12.8	–	62.1
Customer lending	12.7	(23.2)	(3.9)	–	(14.4)
Revenue	4.8	(20.2)	(2.9)	–	(18.3)
Impairment	(0.1)	6.2	1.5	–	7.6
Net revenue	4.7	(14.0)	(1.4)	–	(10.7)
Interest expense	(0.5)	0.9	0.4	–	0.8
Costs	(3.7)	10.1	0.6	–	7.0
	0.5	(3.0)	(0.4)	–	(2.9)

2024 performance at 2025 average exchange rates

£m	Provident Europe	Provident Mexico	IPF Digital	Central costs	Group
Average gross receivables	715.9	282.7	309.4	–	1,308.0
Closing receivables	496.8	171.5	263.8	–	932.1
Customer lending	674.8	266.0	259.3	–	1,200.1
Revenue	333.0	243.6	131.4	–	708.0
Impairment	(8.2)	(86.2)	(25.5)	–	(119.9)
Net revenue	324.8	157.4	105.9	–	588.1
Interest expense	(38.1)	(13.5)	(17.9)	(0.1)	(69.6)
Costs	(228.8)	(120.9)	(71.4)	(15.1)	(436.2)

Alternative performance measures *continued*

Year-on-year movement at constant exchange rates

	Provident Europe	Provident Mexico	IPF Digital	Central costs	Group
Average gross receivables	5.8%	4.7%	13.9%	–	7.5%
Closing receivables	15.8%	11.5%	11.7%	–	13.9%
Customer lending	13.2%	7.5%	12.6%	–	11.8%
Revenue	2.0%	1.4%	14.7%	–	4.2%
Impairment	32.9%	6.8%	(60.8%)	–	(5.8%)
Net revenue	2.9%	6.0%	3.6%	–	3.8%
Interest expense	(2.9%)	(0.7%)	(2.8%)	–	(2.4%)
Other costs	(1.3%)	(4.7%)	(8.1%)	(0.7%)	(3.3%)

Return on equity (RoE)

RoE is calculated as profit after tax divided by average equity:

	2025 £m	2024 £m	2023 £m
Equity (net assets)	**546.0**	466.3	501.9
Average equity	**506.2**	484.1	
Profit after tax	**54.2**	60.9	
RoE	**10.7%**	12.6%	

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:

2025	**European home credit £m**	**Mexico home credit £m**	**IPF Digital £m**	**Group £m**
Closing net receivables 2025	**575.4**	**191.2**	**294.7**	**1,061.3**
Closing net receivables 2024	**459.6**	**159.4**	**251.0**	**870.0**
Average net receivables	**517.5**	**175.3**	**272.9**	**965.7**
Equity (net assets) at 40%	**207.0**	**70.1**	**109.2**	**386.3**
Pre-exceptional profit before tax	**63.2**	**26.6**	**14.1**	**88.6**
Tax at 35.1%	**(22.2)**	**(9.3)**	**(4.9)**	**(31.1)**
Pre-exceptional profit after tax	**41.0**	**17.3**	**9.2**	**57.5**
Pre-exceptional RoRE	**19.8%**	**24.7%**	**8.4%**	**14.9%**

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 35.0%	(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%

Average gross receivables

	2025 £m	2024 £m
Provident Europe	**757.6**	706.0
Provident Mexico	**295.9**	306.9
IPF Digital	**352.4**	314.6
Group	**1,405.9**	1,327.5

Impairment coverage ratio

Impairment coverage ratio is calculated as loss allowance divided by closing gross receivables:

	2025 £m	2024 £m
Closing gross receivables	**1,539.5**	1,297.5
Loss allowance	**(478.2)**	(427.5)
Closing net receivables	**1,061.3**	870.0
Impairment coverage ratio	**31.1%**	32.9%

Shareholder Information

Financial calendar for 2026

25 February 2026	Announcement of 2025 full-year results
26 March 2026	Ex-dividend date for final dividend
27 March 2026	Record date for final dividend
10 April 2026	DRIP cut-off date
30 April 2026	AGM
8 May 2026	Payment of 2025 final dividend
29 July 2026	Announcement of 2026 half-year results
27 August 2026	Ex-dividend date of interim dividend
28 August 2026	Record date for interim dividend
4 September 2026	DRIP cut-off date
25 September 2026	Payment of 2026 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
2025	3.8	28/08/2025	26/09/2025	Interim
2024	8.0	10/04/2025	12/05/2025	Final
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 MUFG'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

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Shareholders can register for electronic communications by visiting www.myipfshares.com.

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- Online access to personal shareholding information.
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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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