

A young woman with dark hair, wearing a purple polo shirt and a floral apron, is smiling warmly at the camera. She is in a kitchen setting with various items visible in the background, including a stove and shelves. The overall atmosphere is bright and positive.

# IPF GROUP COMPASS

The logo for IPF Group Compass, featuring a stylized red and blue shape that resembles a compass rose or a stylized 'P' and 'F' combined.

International  
Personal  
Finance

The purpose of this document is to provide clear, consistent guidance and a simple introduction to our business for all our stakeholders, be them internal or external.

Beyond introducing our purpose of Building a Better World through Financial Inclusion, it addresses commonly asked questions and challenges, as well as opportunities, supported by customer stories and evidence behind all our areas of statements.

We aim to inspire all stakeholders to become advocates for Provident and International Personal Finance and its contribution to society.

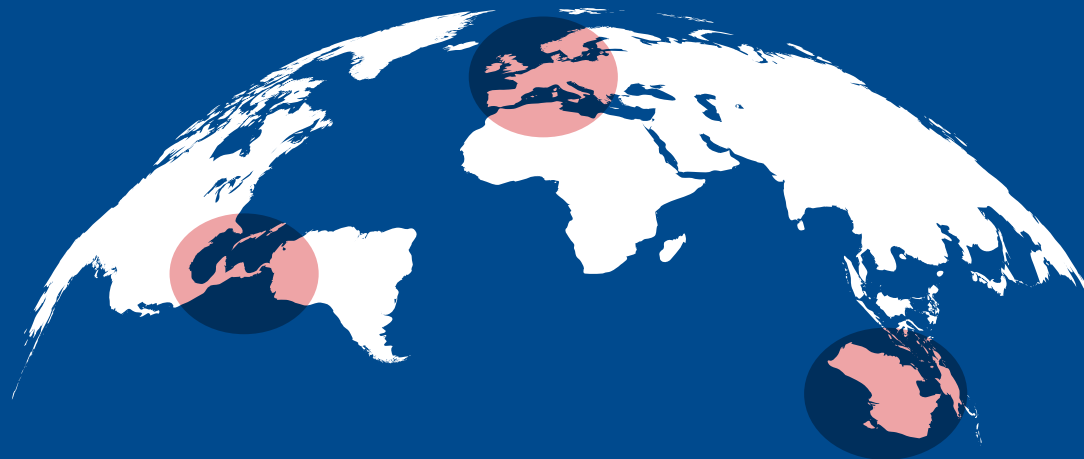
**Building a better world through financial inclusion.**

# 1

## WHO WE ARE IPF GROUP FACTS

IPF is a global financial services operator, helping millions of people who often find it difficult to get credit from banks, to be included in the financial system. By doing so, we fulfil our clear purpose of building a better world through financial inclusion.

As a modern, multi-product, and digitally-enabled business, we offer a growing selection of affordable financial products and value-added services to our 1.7 million customers worldwide.



### IPF GROUP FACTS

- ▶ 9 markets
- ▶ we work with 21,000 employees and customer representatives
- ▶ helping people for more than 26 years
- ▶ helped 15,000,000+ customers access credit

# 2 CHAMPIONING FINANCIAL INCLUSION AND RESPONSIBLE LENDING

IPF plays a crucial role in enabling financial inclusion. By offering accessible credit to individuals who lack or have insufficient credit bureau history or have difficulties to acquire a bank loan, we help them integrate into the mainstream financial market, in a responsible way.

## WE EXTEND FINANCIAL INCLUSION:

An estimated 2 billion people worldwide are unbanked or underbanked. By providing access to regulated credit and insurance products, we empower customers to manage their finances, navigate emergencies, grow microbusinesses, and secure peace of mind. As specialists in responsible lending, we particularly benefit those with low-to-medium incomes by enabling them to build credit histories.

## WE ARE ETHICAL:

We uphold strict ethical standards, ensuring transparent, fair, and responsible lending practices. Our operations are guided by a rigorous Code of Ethics and oversight from supervising authorities, including national banks. Being a regulated lender, we offer a legitimate alternative to the unregulated market.

## WE LEND RESPONSIBLY:

Comprehensive affordability and creditworthiness checks, utilising both internal models and external sources, ensure loans are tailored to individual circumstances, with manageable repayment plans.

## WE ARE TRANSPARENT:

We prioritise clear, upfront communication and ensure our processes and terms are easily understood.

## WE ARE FLEXIBLE:

Our financial model does not rely on penalty or late payment fees. If a customer faces repayment challenges, we offer tailored support, including adjusted payment schedules or payment holidays, to help them regain financial stability.

## WE ARE PART OF THE COMMUNITY:

Our deep understanding of our customers' financial circumstances, particularly in the home credit model, allows us to offer personalised and respectful service. Our Customer Representatives are trusted members of their communities, providing the support and financial education to help make informed decisions.

# EVIDENCE



## CODE OF ETHICS

Global Code of Ethics (ipfin.co.uk)



## RESPONSIBLE LENDING PRINCIPLES

Our responsible approach (ipfin.co.uk)

[Links](#)  




# 64%

of respondents to our 2024 Financial Wellbeing Survey agree that non-banking financial institutions help create a credit history for the underbanked and underserved

# 69%

of our customers would recommend our services to friends and family

# 90%+

of our customers are satisfied with the product and service we provide

# 3 OUR CUSTOMERS

Every day we help millions of people around the globe who find it difficult to access credit from banks and other non-bank financial institutions.

Some lenders are often accused of exploiting financially vulnerable individuals who lack access to mainstream credit. IPF/Provident is often questioned about the customers we serve, including their financial standing, vulnerability or social status.

## WHO ARE OUR CUSTOMERS?

We serve a segment of the population often overlooked by traditional financial institutions – individuals with low-to-medium incomes and limited or no credit history.

## WHY ARE THEY EXCLUDED?

This exclusion stems from various challenges, including low-to-medium incomes, limited savings, inconsistent earnings, lack of formal credit history, geographical barriers to banking services, and the impact of past credit difficulties or high fees.

## WHAT DO THEY USE OUR PRODUCTS FOR?

Our financial services enable customers to overcome life's challenges and seize opportunities. Whether it's creating a more comfortable and sustainable home, ensuring timely medical attention, or getting a family business back up and running, we offer solutions that make a tangible difference in our customers' lives.

## THE MOST FREQUENT USE OF OUR LOANS:



Increasing the comfort of life at home.



Healthcare and medical expenses.



Smoothing household budgets and managing unexpected expenses.



# EVIDENCE

**41%**

of customers live in an area with a population less than 5,000

**15 million**

customers served since 1997

**72%**

of respondents to our 2024 Financial Wellbeing Survey say they were able to save some money last year



*Provident's loans have allowed me to reinvest in my business and grow. I feel empowered and productive, even at my age.*

**Cristina, a customer from Mexico**



# 4

## OUR PRODUCTS

Home credit is a highly valued product with strong demand. We continually broaden our offerings to promote financial inclusion, meet evolving customer needs, and support the financial journey of our customers. While product availability varies by market, we aim to provide the widest possible range in every country of operation.

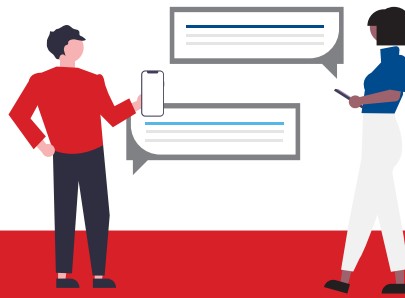
### HOME CREDIT INSTALMENT LOANS

Small-sum cash loans with weekly personal service in customers' homes by our customer representative.



### HYBRID LOANS

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



### CREDIT CARD

A convenient way for customers to pay in-store, buy online or obtain cash from an ATM.



### DIGITAL INSTALMENT LOANS

Affordable, end-to-end digital service with terms up to three years and monthly repayments.



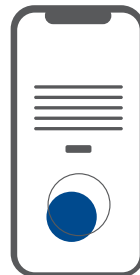
### REVOLVING CREDIT LINE

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



### MOBILE WALLET

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



### VALUE-ADDED SERVICES

Products and services available beyond the loan products, including health and life insurance.



### RETAIL PARTNERSHIPS

Access to our fast and simple solutions for customers in physical and online stores.





# EVIDENCE

## 1.5 million

home credit customers

## 800,000

value-added services contracted by our customers

## 200,000+

credit cards issued in Poland

## 100,000+

mobile wallets used by IPFD customers



*I have the new credit card from Provident.  
It's so convenient to withdraw cash or shop in stores.  
Recently, I used the credit to redecorate my home  
and I even bought some lovely presents for my grandchildren.*

**Piotr, a customer from Poland**

# 5 PRICE & RETURNS

While critics raise concerns about high interest rates and potential debt cycles, pricing is a crucial aspect of IPF/Provident's products and propositions.

We strive to balance multiple factors when determining pricing: fulfilling our mission of financial inclusion by serving as many people as possible, managing the inherent risks of our business model and customer segment, generating reasonable shareholder returns, and staying competitive in the market. Throughout this process, we prioritise affordability for our customers and adhere strictly to all regulatory guidelines.

## KEY PRICING FACTORS:

### FULL COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS:

We operate under a market regulatory environment that usually involves price caps or price guidelines and we always make sure to follow them.

### HIGHER INFRASTRUCTURE COSTS:

Our personalised, home-visit service model results in higher operational costs than traditional banks, but enables us to provide tailored support and build stronger customer relationships.

### HIGHER RISK:

We serve financially-excluded individuals, often with limited or no credit history, which carries a higher risk and is reflected in our pricing.

### A FINANCIAL MODEL TARGETING SUSTAINABLE RETURNS:

Our financial model balances responsible lending practices with sustainable profitability. We maintain strict financial discipline to ensure loan affordability while achieving a 15-20% return on required equity. Cost control is paramount, as we strive to minimise expenses passed on to our customers.



# EVIDENCE



**OUR STRATEGY AND FINANCIAL MODEL**

ipfin.co.uk



**17,000**

customer representatives  
visiting our customers

**7.8 million**

calls handled by our call centres  
in 2023

**10%+**

average cost of funding

**50 million**

customer visits per year

# 6 COMMITMENT TO COMMUNITY & ECONOMY

We take responsibility for everything we do and make sure to deliver on our commitments including paying our taxes and contributing to local good causes.



Our **Invisibles programme** was born out of our purpose to increase financial inclusion. We identify and support underprivileged groups of society that are invisible economically or socially, e.g. adolescents leaving children's homes, single parents, social care workers, elderly unemployed individuals, etc.



Provident/IPF supports people offering **financial literacy opportunities** to help them manage their household budgets and make informed financial decisions.



Our **volunteering programmes** are driven by our colleagues who dedicate their time and efforts to be positively active to support their local communities. Our teams help food banks and charities, plant trees, or read books to children in hospitals, to name just a few.



We **contribute to the economies** where we operate through the employment we provide, the taxes we pay and the money that we lend to our customers.



We offer **employment opportunities** for more than 21,000 individuals in nine markets.



# EVIDENCE

**£177m**

total tax contribution in 2023

**35%**

of respondents to our 2024 Financial Wellbeing Survey feel unconfident about their financial knowledge

**£893,000**

total community investment in 2023

**2024**

**Volunteer & Financial Inclusion Month:**



**9**

markets

**85**

projects

**2,500**

volunteers

**250,000**

beneficiaries



**Building a better world through financial inclusion.**