



**Full-year financial report
for the year ended 31 December 2025**

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Notes

This report has been prepared to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The report should not be relied on by any other party or for any other purpose. The report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report, but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, as well as any forward-looking information. Percentage change figures for all performance measures, other than profit before taxation and earnings per share, unless otherwise stated, are quoted after restating prior year figures at a constant exchange rate (CER) for the period to present the performance variance.

25 February 2026

International Personal Finance plc

Full-year financial report for the year ended 31 December 2025

Principal activity

International Personal Finance (“IPF” or “the Group”) is helping to build a better world through financial inclusion by providing affordable credit products and insurance services to underserved consumers across nine markets.

Increased growth and strong strategic progress

Key highlights

Another year of delivery

- Group pre-exceptional profit before tax of £88.6m¹ (2024: £85.2m¹), driven by strong operational delivery and continued progress against our Next Gen strategy.
- Final dividend of 9.0 pence per share proposed (2024: 8.0 pence), resulting in a full-year dividend of 12.8 pence (2024: 11.4 pence).

Increased growth underpinned by good demand, disciplined execution and robust credit quality

- Customer numbers up by 4.7% year on year to 1.7m, supported by robust demand and an expanded product set.
- Customer lending growth and closing net receivables increased by 11.8%² and 13.9%², respectively, with all three divisions delivering good growth.
- Robust credit quality and customer repayment performance across the Group delivered an impairment rate of 9.0% (2024: 9.6%), whilst absorbing higher up-front IFRS 9 impairment charges.

Strong funding and capital position

- Headroom on undrawn funding facilities and non-operational cash balances of £129m, provides significant capacity to support further growth.
- Equity to receivables ratio of 51% (2024: 54%) supports the Group’s growth plans whilst maintaining a progressive dividend policy.

Next Gen growth strategy driving scale and efficiency

- Nearly 200,000 customers are now enjoying the utility of ProviSmart credit cards in Poland, and a credit card pilot has recently been launched in Romania.
- Retail partnership credit now live in 1,700 offline and online stores in Romania and over 1,000 in Mexico.
- Geographic expansion in Provident Mexico continues, with new branches opened in Monterrey and Ensenada.
- Following successful pilots of short-term loan products in Mexico and Poland, both countries have now moved into full roll-out.
- An additional £5m per annum will be invested in new initiatives over the next two to three years to strengthen the Group’s medium-term performance.

Proposed acquisition by IPF Parent Holdings Limited (“BasePoint”)

- The Board has recommended BasePoint’s proposed acquisition of the Group at an increased final offer value, separately announced today, of 250 pence per share (inclusive of a 15 pence per share special dividend), representing a premium of approximately 40% to the closing price of 179.2 pence per IPF share on 29 July 2025, being the last business day prior to the commencement of the offer period.

Group key statistics	FY-25	FY-24	YoY change
Customer numbers (000s)	1,729	1,652	4.7%
Customer lending (£m)	1,342.0	1,214.5	11.8% ²
Closing net receivables (£m)	1,061.3	870.0	13.9% ²
Pre-exceptional PBT (£m) ¹	88.6	85.2	4.0%
Statutory PBT (£m)	85.3	73.3	16.4%
Pre-exceptional EPS (pence) ^{1,3}	26.3	24.9	5.6%
Full-year dividend per share (pence)	12.8	11.4	12.3%
TNAV per share ⁴	2.14	1.87	14.4%

¹ Prior to a pre-tax exceptional charge of £3.3m in 2025 and £11.9m in 2024 (see note 9 for details).

² At constant exchange rates (CER).

³ Prior to an exceptional tax credit of £17.4m in 2024 (see note 9 for details).

⁴ Total net asset value (TNAV) per share is calculated as net assets (2025: £546.0m, 2024: £466.3m) less goodwill and intangible assets (2025: £76.5m, 2024: £59.7m) divided by the number of shares with voting rights (2025: 219.8m, 2024: 217.4m). The main driver of the increase in TNAV per share of 14.9% in the year relates to the £47m foreign exchange gain taken to reserves (approximately 80% of the gain).

Gerard Ryan, Chief Executive Officer at IPF commented:

“I am pleased with the Group’s performance in 2025. Our overarching aim for the year was to accelerate the pace of growth and change across the business, whilst delivering our Next Gen strategy. Our growth rate improved as the year progressed, reflecting good consumer demand, disciplined execution and improving momentum from our new products and distribution channels. All three divisions contributed to this progress, with growth in customer numbers, lending and receivables, and we aim to increase our investment in new products and channels to maintain this momentum. Customer repayment performance continues to be robust and credit quality remains well controlled.

This financial performance, together with our strong funding and capital position, has enabled us to continue investing in growth while maintaining a progressive dividend. Looking ahead, we entered 2026 with a solid balance sheet and a clear strategy to scale the business sustainably. I would like to thank our colleagues across the Group for their continued commitment and focus on fulfilling our purpose of building financial inclusion for our customers, which remains central to delivering long-term value for all our stakeholders.”

Alternative performance measures

This full-year financial report provides alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards. We believe these APMs provide stakeholders with important additional information on our business. To support this, we have included an accounting policy note on APMs in the notes to this financial report, a glossary indicating the APMs that we use, an explanation of how they are calculated and how we use them, and a reconciliation of the APMs we use to a statutory measure, where relevant.

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Investor and analyst webcast

International Personal Finance will host a webcast of its 2025 full-year results presentation at 09.00hrs (GMT) today – Wednesday 25 February, which can be accessed [here](#).

A copy of this statement can be found on our website at www.ipfin.co.uk.

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Chief Executive Officer's review

Group performance

I am pleased with the Group's financial and operational performance in 2025 which delivered a year-on-year increase in pre-exceptional profit before tax of £3.4m (4.0%) to £88.6m (2024: £85.2m).

One of the highlights of 2025 was the Group's return to customer growth for the first time in 10 years. Overall, our customer numbers increased by 4.7% to over 1.7 million, with the rate of growth building through the year, supported by our Polish business returning to growth and the growing contribution from new products and expanded distribution channels. Based on the strong customer appeal and growing momentum from our new products and distribution channels, we will be investing a further £5m per annum in these initiatives over the next two to three years through additional marketing and brand-building costs, enhancing our colleague capability, as well as incurring additional up-front impairment charges as we refine our credit scorecards. Whilst this may impact our returns in 2026 and 2027, we believe this investment will sustain our growth rates and allow us to more effectively fulfil our purpose of building financial inclusion.

Customer lending increased by 11.8% (at CER), outpacing customer number growth, with all three divisions delivering good performances of between 7% and 13%. This was supported by our continued focus on enhancing our customer proposition and broadening our product set. As a result of the growth in customer lending, closing net receivables increased by 13.9% (at CER) to £1,061.3m (2024: £870.0m).

Customer repayment performance continued to be excellent across all our divisions, notwithstanding the impact of accelerating growth and the associated higher up-front IFRS 9 impairment charges. The combination of consistent customer repayment behaviour and a strong debt sale market led to a small improvement in the Group's impairment rate to 9.0% (2024: 9.6%).

Our balance sheet and funding position continued to be strong. During the year, we extended our maturity profile by securing £55m of new bank facilities and successfully priced a SEK 1bn (c.£80m) senior unsecured floating-rate bond issuance, due in 2028. We ended the year with headroom on debt facilities of £129m and an equity to receivables ratio of 51% (2024: 54%), providing a strong platform to continue investing in growth while maintaining a progressive dividend policy.

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.

Full details of the Group's financial performance are detailed in the financial review section.

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.

Next Gen financial inclusion

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

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.

Our credit card business in Poland showed good growth momentum in 2025, with nearly 200,000 active credit cards now in issue. This includes 2,000 customers using the fully digital credit card we launched towards the end of the year, a product that we expect to be a key driver of future growth. Credit card lending now accounts for around 50% of receivables within the Polish portfolio, with customers actively using their card both in-store and online. The card's strong customer appeal has supported our extension of the product into Romania, where testing commenced in late 2025 for an expected full launch to consumers in this market in the third quarter of 2026.

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, we have expanded the partnerships proposition, with retail finance available at over 100 online merchants and in over 900 physical stores, including a large flagship retailer which was launched in the fourth quarter and is showing encouraging signs in terms of future potential for growth.

In Provident Mexico, we opened two new branches 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 in delivering longer-term, sustainable growth.

Responding to the demand for small, fast-repay borrowing, we introduced short-term digital loans in Mexico and Poland. Offering credit in the £100–£200 range repaid within 30–60 days, these loans complement our longer-term products and provide 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, with more affordable instalments.

Australia represents an attractive growth market for our digital business, with significant scope to increase market share. To support this ambition, we have invested in automation and enhancements to the customer journey and, in mid-2025, began to invest in our Credit24 brand to increase brand recognition, increase customer acquisition and drive market share gains. These actions have supported customer numbers increasing by 17% and net receivables growing by 23% during the year.

Next Gen organisation

We are continuing our journey to become a more efficient organisation that makes a positive impact on society. Through our Next Gen Organisation pillar, we are building a workplace where people feel empowered, connected and proud of what they do. We are also driving efficiency improvements across the business.

We are updating our technology and introducing more conforming internal processes to reduce complexity, improve efficiency and make day-to-day work simpler for colleagues so they can focus more time on customers and value-adding activities. One example is ONE IPF, our multi-year programme to implement a new enterprise resource planning system that will replace multiple legacy platforms, transforming how our finance, HR and procurement colleagues carry out their work. The programme will standardise processes, improve data quality and speed, and drive greater efficiency, giving colleagues better tools and insights to work more effectively and support decision-making across the Group.

Our Provident Mexico division expanded its “Power of Women” programme to support career progression and leadership development. More than 90 colleagues completed learning modules and this programme has been a key contributing factor to women now representing over half of our 1,050 Development Managers in Mexico.

In 2025, the Group achieved ISO 45003 certification across all our Provident businesses and IPF Digital in Poland, marking a significant milestone in strengthening psychological health and safety. This complements our long-standing ISO 45001 accreditation, which was successfully retained during the year, and reinforces our commitment to a safe, supportive and high-performing workplace.

In 2025, we invested around £500,000 in our local communities, with colleagues actively supporting a wide range of local initiatives, including our Invisibles and Financial Education programmes focused on vulnerable and often overlooked groups in society. This reflects our continued commitment to making a positive and lasting impact in the markets in which we operate.

Next Gen technology and data

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. 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 colleagues and customers alike. 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.

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

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.

In Mexico, we introduced 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.

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.

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.

Potential acquisition by BasePoint

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. Under the final terms of the acquisition, as announced today, IPF shareholders will be entitled to receive 250 pence in cash for each IPF share, comprising 235 pence for each IPF share and a special dividend payment of 15 pence per IPF share, which is expected to be paid by IPF within 14 days of the effective date. As previously announced, eligible IPF shareholders remain entitled to retain the final dividend of 9.0 pence per share declared today (the “Permitted Dividend”).

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 parties are now aiming to complete the acquisition by the end of Q2 2026.

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.

Financial 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	FY-24	Change	Change
	£m	£m	£m	%
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	FY-24	Change	Change	Change at
	£m	£m	£m	%	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 9 for details).

² Prior to an exceptional tax credit of £17.4m in 2024 (see note 9 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 2.2ppts 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 0.6ppt 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.

Divisional performance

Provident Europe

	FY-25	FY-24	Change	Change	Change at
	£m	£m	£m	%	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 taxation¹	63.2	57.4	5.8	10.1	
Revenue yield	44.8%	46.5%	(1.7) pts		
Impairment rate	0.7%	1.1%	0.4 pts		
Cost-income ratio	68.2%	68.6%	0.4 pts		
Pre-exceptional RoRE ^{1,2}	19.8%	19.9%	(0.1) pts		

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 pts 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%, whilst 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	FY-24	Change	Change	Change at
	£m	£m	£m	%	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	FY-24	Change	Change	Change at
	£m	£m	£m	%	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 0.1 ppts 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.

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.

Funding and balance sheet

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

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 the Group has funding headroom of £129m.

In March 2025, and as reported at the half year, we repaid at par and subsequently delisted the remaining €66.7m of our 2020 Eurobond. The strong secondary market performance of our €341m 2029 Eurobonds 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*).

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.

Both Fitch Ratings and Moody's Ratings reviewed the Group's long-term credit ratings and reaffirmed their previous assessments. Fitch maintained its rating at BB with a Stable outlook in the first half of the year, while Moody's confirmed its Ba3 rating, also with a Stable outlook in early 2026.

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. Our strong capital position supports the Group's ambitious growth plans and progressive dividend policy through to the point at which we are delivering management's target returns and operating in line with our financial model which we expect to be in 2028.

The Group's gearing ratio was 1.2 times (2024: 1.2 times) at the end of December 2025 and is well 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.

International Personal Finance plc

Consolidated income statement for the year ended 31 December

	Notes	2025 £m	2024 £m
Revenue	4	737.5	726.3
Impairment	4	(126.8)	(127.5)
Revenue less impairment		610.7	598.8
Interest expense	5	(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	4	88.6	85.2
Exceptional items	9	(3.3)	(11.9)
Profit before taxation		85.3	73.3
Tax income/(expense)			
– UK		1.5	0.2
– Overseas		(32.6)	(30.0)
Tax expense before exceptional items	6	(31.1)	(29.8)
Exceptional tax income	6, 9	-	17.4
Total tax expense		(31.1)	(12.4)
Profit after taxation attributable to owners of the Company		54.2	60.9

Earnings per share - statutory

	Notes	2025 pence	2024 pence
Basic	7	24.8	27.3
Diluted	7	23.6	25.9

Earnings per share – before exceptional items

	Notes	2025 pence	2024 pence
Basic	7	26.3	24.9
Diluted	7	25.0	23.5

The notes to the financial information are an integral part of this consolidated financial information.

Consolidated statement of comprehensive income for the year ended 31 December

	2025	2024
	£m	£m
Profit after taxation attributable to owners of the Company	54.2	60.9
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	(0.1)	0.1
Items that will not subsequently be reclassified to income statement:		
Actuarial gains/(losses) on retirement benefit obligation	0.4	(2.0)
Tax (charge)/credit on items that will not be reclassified	(0.1)	0.5
Other comprehensive income/(expense) net of taxation	47.3	(59.1)
Total comprehensive income for the year attributable to owners of the Company	101.5	1.8

The notes to the financial information are an integral part of this consolidated financial information.

Balance sheet as at 31 December

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Goodwill	10	23.8	22.6
Intangible assets	11	52.7	37.1
Property, plant and equipment	12	16.3	14.0
Right-of-use assets	13	20.5	17.7
Amounts receivable from customers	15	291.1	245.6
Deferred tax assets	14	107.4	106.7
Retirement benefit asset	18	5.0	4.4
		516.8	448.1
Current assets			
Amounts receivable from customers	15	770.2	624.4
Derivative financial instruments	17	1.5	2.6
Cash and cash equivalents		30.4	27.6
Other receivables		15.5	22.9
Current tax assets		2.9	16.1
		820.5	693.6
Total assets		1,337.3	1,141.7
Liabilities			
Current liabilities			
Borrowings	16	(58.9)	(92.8)
Derivative financial instruments	17	(4.0)	(1.6)
Trade and other payables		(133.4)	(125.1)
Provisions for liabilities and charges	19	-	(2.8)
Lease liabilities	13	(8.4)	(8.1)
Current tax liabilities		(9.5)	(6.0)
		(214.2)	(236.4)
Non-current liabilities			
Deferred tax liabilities	14	(4.1)	(4.1)
Lease liabilities	13	(14.2)	(11.8)
Borrowings	16	(558.8)	(423.1)
		(577.1)	(439.0)
Total liabilities		(791.3)	(675.4)
Net assets		546.0	466.3
Equity attributable to owners of the Company			
Called-up share capital		22.5	22.5
Other reserve		(22.5)	(22.5)
Foreign exchange reserve		21.6	(25.3)
Hedging reserve		-	(0.1)
Own shares		(15.4)	(24.9)
Capital redemption reserve		3.2	3.2
Retained earnings		536.6	513.4
Total equity		546.0	466.3

The notes to the financial information are an integral part of this consolidated financial information.

Statement of changes in equity

	Called-up share capital £m	Other reserve £m	Other reserves* £m	Retained earnings £m	Total equity £m
At 1 January 2024	23.4	(22.5)	(2.2)	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	-	-	-	(2.0)	(2.0)
Tax credit on other comprehensive expense	-	-	0.1	0.5	0.6
Total other comprehensive expense	-	-	(57.6)	(1.5)	(59.1)
Total comprehensive (expense)/income for the year	-	-	(57.6)	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 trust	-	-	(1.3)	-	(1.3)
Shares granted from treasury and employee trust	-	-	13.1	(13.1)	-
Dividends paid to Company shareholders	-	-	-	(23.9)	(23.9)
At 31 December 2024	22.5	(22.5)	(47.1)	513.4	466.3
At 1 January 2025	22.5	(22.5)	(47.1)	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	-	-	-	0.4	0.4
Tax charge on other comprehensive income	-	-	(0.1)	(0.1)	(0.2)
Total other comprehensive income	-	-	47.0	0.3	47.3
Total comprehensive income for the year	-	-	47.0	54.5	101.5
Transactions with owners:					
Share-based payment adjustments to reserves	-	-	-	3.5	3.5
Deferred tax on share-based payment transactions	-	-	-	0.5	0.5
Shares granted from treasury and employee trust	-	-	9.5	(9.5)	-
Dividends paid to Company shareholders	-	-	-	(25.8)	(25.8)
At 31 December 2025	22.5	(22.5)	9.4	536.6	546.0

* Includes foreign exchange reserve, hedging reserve, capital redemption reserve and amounts paid to acquire shares held in treasury and by employee trust.

Cash flow statement for the year ended 31 December	2025	2024
	£m	£m
Cash flows from operating activities		
Cash generated from operating activities	69.8	114.1
Finance costs paid	(69.7)	(72.3)
Finance income received	2.0	1.3
Income tax paid	(21.8)	(18.3)
Repayment in respect of State Aid	15.2	-
Net cash (used in)/generated from operating activities	(4.5)	24.8
Cash flows from investing activities		
Purchases of intangible assets	(27.8)	(17.8)
Purchases of property, plant and equipment	(7.4)	(6.4)
Proceeds from sale of property, plant and equipment	-	0.1
Net cash used in investing activities	(35.2)	(24.1)
Net cash (used in)/generated from operating and investing activities	(39.7)	0.7
Cash flows from financing activities		
Proceeds from borrowings	140.0	313.2
Repayment of borrowings	(61.2)	(273.5)
Principal elements of lease payments	(12.8)	(12.2)
Acquisition of own shares	-	(15.1)
Shares acquired by employee trust	-	(1.3)
Cash received on share options exercised	0.5	0.2
Dividends paid to Company shareholders	(25.8)	(23.9)
Net cash generated from/(used in) financing activities	40.7	(12.6)
Net increase/(decrease) in cash and cash equivalents	1.0	(11.9)
Cash and cash equivalents at beginning of year	27.6	42.5
Exchange gains/(losses) on cash and cash equivalents	1.8	(3.0)
Cash and cash equivalents at end of year	30.4	27.6

1. Basis of preparation

The financial information, which comprises the consolidated income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and related notes, is derived from the full Group Financial Statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. It does not constitute full Financial Statements within the meaning of section 434 of the Companies Act 2006.

Statutory Financial Statements for the year ended 31 December 2024 have been delivered to the Registrar of Companies and those for 2025 will be delivered following the Company's annual general meeting. The auditor has reported on those Financial Statements: its reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing this financial information (see note 24 for further details).

The accounting policies used in completing this financial information have been consistently applied in all periods shown. These accounting policies are detailed in the Group's Financial Statements for the year ended 31 December 2025 which can be found on the Group's website (www.ipfin.co.uk).

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.

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.

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

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.

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.

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.

Each of the APMs, used by the Group are set out on pages 49 to 54 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.

2. Principal risks and uncertainties

In accordance with the Companies Act 2006, a description of the principal risks and uncertainties (and the mitigating factors in place in respect of these) is included below. Effective management of risks, uncertainties and opportunities is critical to our business in order to deliver long-term shareholder value and protect our people, assets and reputation. We manage risk strategically using 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. Risk appetite is a core consideration within our ERM approach and plays an important role in addressing the Group's key risks effectively. The way we implement risk management also supports our understanding and ability to address our capacity to sustain risk over time, ensure risks are considered in decision-making across the Group and enable the Board to perform its supervisory role.

Risk environment
↑ IPF Risk environment improving
↔ IPF Risk environment remains stable
↓ IPF Risk environment worsening

1. 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.

Impact

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.

2. 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.

Impact

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.

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.

3. 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.

Impact

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.

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.

4. Reputation risk ↔

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

Impact

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.

5. 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.

Impact

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.

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.

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.

6. 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.

Impact

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 agreeing a Group-wide approach for oversight of change and transformation.

7. Brand and proposition risk ↔

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

Impact

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. 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 in place to review the product development roadmap, manage product risks and develop new products.
- Product and promotions incorporate adequate risk criteria and risk assessment protocols.
- Regular monitoring of competitors and their offerings, advertising and share of voice in our markets.
- Strategic planning and tactical responses on competition threats.
- Customer engagement and brand tracking surveys.

8. Technology risk ↑

The risk of failure to develop and maintain effective technology solutions.

Impact

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.

9. 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.

Impact

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.

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.

10. 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.

Impact

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.

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.

3. Related parties

The Group has not entered into any material transactions with related parties during the year ended 31 December 2025.

4. Segmental analysis

Geographical segments

	2025 £m	2024 £m
Revenue		
Provident Europe	339.7	328.2
Provident Mexico	247.1	263.8
IPF Digital	150.7	134.3
Revenue	737.5	726.3
Impairment		
Provident Europe	5.5	8.1
Provident Mexico	80.3	92.4
IPF Digital	41.0	27.0
Impairment	126.8	127.5
Profit before taxation and exceptional items		
Provident Europe	63.2	57.4
Provident Mexico	26.6	26.0
IPF Digital	14.1	17.0
Central costs*	(15.3)	(15.2)
Profit before taxation and exceptional items	88.6	85.2

*Although central costs are not classified as a separate segment in accordance with IFRS 8 'Operating segments', they are shown separately above in order to provide reconciliation to profit before taxation and exceptional items.

Further information relating to the exceptional items is shown in note 9.

	2025 £m	2024 £m
Segment assets		
Provident Europe	642.6	530.3
Provident Mexico	279.6	243.3
IPF Digital	337.2	281.3
UK	77.9	86.8
Total	1,337.3	1,141.7
Segment liabilities		
Provident Europe	(336.3)	(285.5)
Provident Mexico	(201.4)	(127.3)
IPF Digital	(251.2)	(195.1)
UK	(2.4)	(67.5)
Total	(791.3)	(675.4)

4. Segmental analysis (continued)

	2025	2024
	£m	£m
Expenditure on intangible assets (note 11)		
Provident Europe	-	-
Provident Mexico	-	-
IPF Digital	6.5	5.2
UK	21.3	12.6
Total	27.8	17.8

	2025	2024
	£m	£m
Amortisation (note 11)		
Provident Europe	-	-
Provident Mexico	-	-
IPF Digital	4.3	4.3
UK	8.5	8.1
Total	12.8	12.4

	2025	2024
	£m	£m
Capital expenditure (note 12)		
Provident Europe	2.7	1.9
Provident Mexico	4.3	4.0
IPF Digital	0.3	0.3
UK	0.1	0.2
Total	7.4	6.4

	2025	2024
	£m	£m
Depreciation (note 12)		
Provident Europe	2.7	3.7
Provident Mexico	2.9	2.7
IPF Digital	0.3	0.2
UK	0.2	0.2
Total	6.1	6.8

5. Interest expense

	2025	2024
	£m	£m
Interest payable on borrowings	70.7	69.3
Interest payable on lease liabilities	2.6	2.4
Interest income	(2.0)	(1.3)
Interest expense	71.3	70.4

6. Tax expense

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

7. Earnings per share

	2025	2024
	pence	pence
Basic EPS	24.8	27.3
Dilutive effect of awards	(1.2)	(1.4)
Diluted EPS	23.6	25.9

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 which has been adjusted to exclude the weighted average number of shares held in treasury and by the employee trust (2024: 222.8m).

	2025	2024
	pence	pence
Basic pre-exceptional EPS	26.3	24.9
Dilutive effect of awards	(1.3)	(1.4)
Diluted pre-exceptional EPS	25.0	23.5

Basic pre-exceptional EPS is calculated by dividing the pre-exceptional profit attributable to shareholders of £57.5m (2024: £55.4m) by the weighted average number of shares in issue during the period of 218.3m which has been adjusted to exclude the weighted average number of shares held in treasury and by the employee trust (2024: 222.8m).

For diluted EPS the weighted average number of shares has been adjusted to 229.9m (2024: 235.3m) to assume conversion of all dilutive potential ordinary share options relating to employees of the Group.

8. Dividends

Dividend per share

	2025 Pence	2024 pence
Interim dividend	3.8	3.4
Final proposed dividend	9.0	8.0
Total dividend	12.8	11.4

Dividends paid

	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
Total dividends paid	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 a 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.

9. Exceptional items

The 2025 income statement includes an exceptional item of £3.3m (2024: exceptional items after tax of £5.5m) which comprises the following items:

	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 General Court of the EU on State Aid	-	15.2
Exceptional tax items	-	17.4
Exceptional items after tax	(3.3)	5.5

10. Goodwill

	2025	2024
	£m	£m
Net book value at 1 January	22.6	23.6
Exchange adjustments	1.2	(1.0)
Net book value 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's outstanding customer receivables) and would need to be 17% lower than currently estimated for the goodwill balance to be impaired.

11. Intangible assets

	2025	2024
	£m	£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)
Net book value at 31 December	52.7	37.1

Intangible assets comprise computer software and are a mixture 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.

12. Property, plant and equipment

	2025	2024
	£m	£m
Net book value at 1 January	14.0	16.0
Exchange adjustments	1.0	(1.5)
Additions	7.4	6.4
Disposals	-	(0.1)
Depreciation	(6.1)	(6.8)
Net book value at 31 December	16.3	14.0

As at 31 December 2025, the Group had £7.6m of capital expenditure commitments contracted with third parties that were not provided for (2024: £5.5m).

13. Right-of-use assets and lease liabilities

The movement in the right-of-use assets in the period is as follows:

Right-of-use assets	2025	2024
	£m	£m
Net book value at 1 January	17.7	21.7
Exchange adjustments	1.2	(2.2)
Additions	9.8	8.3
Modifications	1.7	-
Depreciation	(9.9)	(10.1)
Net book value at 31 December	20.5	17.7

The recognised right-of-use assets relate to the following types of assets:

	2025	2024
	£m	£m
Properties	11.7	8.9
Motor vehicles	8.8	8.8
Total right-of-use assets	20.5	17.7

The movement in the lease liability in the period is as follows:

Lease liability	2025	2024
	£m	£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

Analysed as:

Current	8.4	8.1
Non-current:		
- 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 amounts recognised in profit and loss are as follows:

	2025	2024
	£m	£m
Depreciation on right-of-use assets	9.9	10.1
Interest expense on lease liabilities	2.6	2.4
Expense relating to leases of short-term leases	1.4	1.4
Amounts recognised in profit and loss	13.9	13.9

The total cash outflow in the year in respect of lease contracts is £12.8m (2024: £12.2m).

14. Deferred tax assets

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.

15. Amounts receivable from customers

All lending is in the local currency of the country in which the loan is issued:

	2025	2024
	£m	£m
Polish zloty	235.9	191.6
Czech crown	66.7	54.1
Euro	122.2	105.6
Hungarian forint	183.4	149.2
Mexican peso	248.9	205.6
Romanian leu	140.1	111.8
Australian dollar	64.1	52.1
Total receivables	1,061.3	870.0

Amounts receivable from customers are held at amortised cost and are equal to the expected future cash flows receivable discounted at the average annual effective interest rate of 91% (2024: 99%). The average period to maturity of the amounts receivable from customers is 13.1 months (2024: 13.5 months). As at 31 December 2025, in the Polish business, there are £85.2m (2024: £57.1m) of undrawn granted credit card limits.

Determining an increase in credit risk since initial recognition

IFRS 9 has the following recognition criteria:

- Stage 1: Requires the recognition of 12 month expected credit losses (the expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition.
- Stage 2: Lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition.
- Stage 3: Credit impaired.

When determining whether the risk of default has increased significantly since initial recognition the Group considers both quantitative and qualitative information based on the Group's historical experience.

The approach to identifying significant increases in credit risk is consistent across the Group's products. In addition, as a backstop, the Group considers that a significant increase in credit risk occurs when an asset is more than 30 days past due.

Financial instruments are moved back to stage 1 once they no longer meet the criteria for a significant increase in credit risk.

Definition of default and credit impaired assets

The Group defines a financial instrument as in default, which is fully-aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria: the customer is more than 90 days past due on their contractual payments in home credit and 60 days past due on their contractual payments in IPF Digital.
- Qualitative criteria: indication that there is a measurable movement in the estimated future cash flows from a group of financial assets. For example, if prospective legislative changes are considered to impact the repayments performance of customers.

The default definition has been applied consistently to model the PD, exposure at default (EAD) 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.

The breakdown of receivables by stage is as follows:

2025	Stage 1	Stage 2	Stage 3	Total net receivables
	£m	£m	£m	£m
Provident Europe	447.7	44.3	83.4	575.4
Provident Mexico	119.1	21.8	50.3	191.2
IPF Digital	276.8	12.6	5.3	294.7
Group	843.6	78.7	139.0	1,061.3

2024	Stage 1	Stage 2	Stage 3	Total net receivables
	£m	£m	£m	£m
Provident Europe	347.9	37.9	73.8	459.6
Provident Mexico	95.3	18.8	45.3	159.4
IPF Digital	234.7	10.9	5.4	251.0
Group	677.9	67.6	124.5	870.0

The Group has one class of loan receivable and no collateral is held in respect of any customer receivables.

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	Stage 1	Stage 2	Stage 3	Total net receivables
	£m	£m	£m	£m
Gross carrying amount	987.1	147.2	405.2	1,539.5
Loss allowance	(143.5)	(68.5)	(266.2)	(478.2)
Group	843.6	78.7	139.0	1,061.3

2024	Stage 1	Stage 2	Stage 3	Total net receivables
	£m	£m	£m	£m
Gross carrying amount	802.0	128.9	366.6	1,297.5
Loss allowance	(124.1)	(61.3)	(242.1)	(427.5)
Group	677.9	67.6	124.5	870.0

16. Borrowing facilities and borrowings

The maturity of the Group's external bond and external bank borrowings and facilities is as follows:

	2025		2024	
	Borrowings £m	Facilities £m	Borrowings £m	Facilities £m
Repayable:				
– in less than one year	58.9	143.9	92.8	170.3
– between one and two years	142.7	157.7	47.6	78.9
– between two and five years	416.1	448.2	375.5	407.7
	558.8	605.9	423.1	486.6
Total borrowings	617.7	749.8	515.9	656.9

Total undrawn facilities as at 31 December 2025 were £125.2m (2024: £133.4m), excluding £6.9m unamortised arrangement fees and issue discount (2024: £7.6m).

17. Derivative financial instruments

At 31 December 2025, the Group had an asset of £1.5m and a liability of £4.0m (2024: £2.6m asset and £1.6m liability) in respect of foreign currency contracts. Foreign currency contracts are in place to hedge foreign currency cash flows. Where these cash flow hedges are effective, in accordance with IFRS, movements in their fair value are taken directly to reserves.

18. Retirement benefit asset

The amounts recognised in the balance sheet in respect of the retirement benefit obligation are as follows:

	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

The credit recognised in the income statement in respect of defined benefit pension costs is £0.2m (2024: £0.3m).

19. Provisions for liabilities and charges

At 31 December 2024, the Group had £2.8m payable to employees outstanding, relating to the exceptional item (see note 9) following the restructure exercise in Poland during 2024. This provision was fully utilised in 2025.

20. 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.

Except as detailed in the following table, the carrying value of financial assets and liabilities recorded at amortised cost, which are all short term in nature, are a reasonable approximation of their fair value:

	2025		2024	
	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m
Financial assets				
Amounts receivable from customers	1,373.9	1,061.3	1,124.5	870.0
	1,373.9	1,061.3	1,124.5	870.0
Financial liabilities				
Bonds	511.4	476.2	468.2	433.4
Bank borrowings	141.5	141.5	82.5	82.5
	652.9	617.7	550.7	515.9

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 collection costs, at the Group's weighted average cost of capital which we estimate 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.

21. Reconciliation of profit after taxation to cash generated from operating activities

	2025	2024
	£m	£m
Profit after taxation from operations	54.2	60.9
Adjusted for:		
Tax charge	31.1	12.4
Finance costs	73.3	71.7
Finance income	(2.0)	(1.3)
Share-based payment charge	2.1	1.7
Depreciation of property, plant and equipment (note 12)	6.1	6.8
Depreciation of right-of-use assets (note 13)	9.9	10.1
Amortisation of intangible assets (note 11)	12.8	12.4
Short term and low value lease costs (note 13)	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)
(Decrease)/increase in trade and other payables	(0.7)	7.6
Change in provisions	(2.8)	2.8
Change in retirement benefit asset	(0.2)	(0.3)
Increase/(decrease) in derivative financial instrument liabilities	3.7	(2.9)
Cash generated from operating activities	69.8	114.1

22. Contingent liabilities

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.

23. Average and closing foreign exchange rates

The table below shows the average exchange rates for the relevant reporting periods and closing exchange rates at the relevant period ends.

	Average 2025	Closing 2025	Average 2024	Closing 2024
Polish zloty	5.0	4.8	5.1	5.2
Czech crown	28.6	27.7	29.6	30.4
Euro	1.2	1.1	1.2	1.2
Hungarian forint	461.2	440.7	466.9	496.9
Mexican peso	25.3	24.2	23.0	26.0
Romanian leu	5.9	5.8	5.9	6.0
Australian dollar	2.0	2.0	1.9	2.0

The £46.9m exchange gain (2024: loss of £57.3m) on foreign currency translations shown within the statement of comprehensive income arises on retranslation of net assets denominated in currencies other than sterling, due to the change in foreign exchange rates against sterling between December 2024 and December 2025 shown in the table above.

24. 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, 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 this full-year Financial Report.

25. 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.

Responsibility statement

This statement is given pursuant to Rule 4 of the Disclosure Guidance and Transparency Rules.

It is given by each of the directors as at the date of this report, namely: Stuart Sinclair, Chair; Gerard Ryan, Chief Executive Officer; Gary Thompson, Chief Financial Officer; Katrina Cliffe, Senior independent non-executive director; Richard Holmes, independent non-executive director and Aileen Wallace, independent non-executive director.

To the best of each director’s knowledge:

- a) the financial information, prepared in accordance with the IFRSs, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- b) the management report contained in this report includes 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.

Alternative performance measures

This financial report 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.
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.
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.
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.
Impairment rate (%)	None	Not applicable	Impairment as a percentage of average gross receivables (before impairment provision) and represents a measure of credit quality that is used across the business.
Cost-income ratio (%)	None	Not applicable	The cost-income ratio is costs, including customer representatives' commission, excluding interest expense, divided by reported revenue. This is useful for comparing performance across markets.

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Balance sheet and returns measures			
Equity to receivables ratio (%)	None	Not applicable	Total equity divided by amounts receivable from customers. This is a measure of balance sheet strength and the Group targets a ratio of around 40%.
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.
Gross receivables (£m)	Net customer receivables	Not applicable	Gross receivables is the same definition as gross carrying amount as per note 15.
Impairment coverage ratio	None	Not applicable	Expected loss allowance divided by gross receivables (before impairment provision).
RoE (%)	None	Not applicable	Return on equity (RoE) calculated as annual profit after tax divided by average net assets over the same period.
Pre-exceptional RoRE (%)	None	Not applicable	Return on required equity (RoRE) is calculated as annual pre-exceptional profit after tax divided by required equity of 40% of average net receivables.
Other measures			
Customers	None	Not applicable	Customers that are being served by our customer representatives or through our money transfer product in the home credit business and customers that are not in default in our digital business.

Constant exchange rate reconciliations

2025

£m	Provident		IPF Digital	Central costs	Group
	Europe	Mexico			
Customers (000)	738	705	286	-	1,729
Average gross receivables	757.6	295.9	352.4	-	1,405.9
Closing net 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		IPF Digital	Central costs	Group
	Europe	Mexico			
Customers (000)	725	680	247	-	1,652
Average gross receivables	706.0	306.9	314.6	-	1,327.5
Closing net 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		IPF Digital	Central costs	Group
	Europe	Mexico			
Average gross receivables	9.9	(24.2)	(5.2)	-	(19.5)
Closing net 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, restated at 2025 average foreign 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 net 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)

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 net 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%)
Costs	(1.3%)	(4.7%)	(8.1%)	(0.7%)	(3.3%)

Balance sheet and returns measures

Average gross receivables (before impairment provisions) are used in the revenue yield and impairment rate calculations.

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

The impairment coverage ratio is calculated as loss allowance divided by gross carrying amount.

Impairment coverage ratio

	2025	2024
	£m	£m
Closing gross carrying amount	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%

Return on equity (RoE) is calculated as annual profit after tax divided by average equity.

RoE

	2025	2024	2023
	£m	£m	£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%	

Return on required equity (RoRE) is calculated as annual pre-exceptional profit after tax divided by required equity of 40% of average net receivables.

<u>Pre-exceptional RoRE 2025</u>	Provident Europe £m	Provident Mexico £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%

<u>Pre-exceptional RoRE 2024</u>	Provident Europe £m	Provident Mexico £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%