



## **International Personal Finance plc**

*(incorporated with limited liability in England and Wales with registered number 06018973)*

**unconditionally and irrevocably guaranteed by:**

### **IPF Holdings Limited**

*(incorporated with limited liability in England and Wales with registered number 01525242)*

### **International Personal Finance Investments Limited**

*(incorporated with limited liability in England and Wales with registered number 00961088)*

### **IPF International Limited**

*(incorporated with limited liability in England and Wales with registered number 00753518)*

## **EUR 1,000,000,000**

*Euro Medium Term Note Programme*

This supplement (the “**Supplement**”, which definition shall also include all information incorporated by reference herein) to the base prospectus dated 4 May 2017 as supplemented on 16 June 2017 (the “**Prospectus**”, which definition includes the base prospectus as supplemented, amended or updated from time to time and includes all information incorporated by reference therein) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (“**FSMA**”) and is prepared in connection with the EUR 1,000,000,000 Euro Medium Term Note Programme established by International Personal Finance plc (the “**Issuer**”, or “**IPF**”) and guaranteed by IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited (each a “**Guarantor**”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, updates, must be read in conjunction with and forms part of the Prospectus and any other supplements to the Prospectus issued by the Issuer.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (“**FCA**”), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom, as a supplement to the Prospectus. The Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes under the Programme.

Investors should be aware of their rights under sections 87Q(4)-(6) of FSMA. In accordance with Section 87Q(4) of FSMA, investors who have agreed to purchase or subscribe for transferrable securities before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances. Investors who wish to withdraw their acceptances should contact their broker.

The Issuer and each Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and each Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

## 1. Purpose

The purpose of this Supplement is to incorporate by reference into the Prospectus certain sections of, and the unaudited consolidated financial statements (as at and for the six month financial period ended 30 June 2017) from, IPF's unaudited half yearly report and financial statements 2017 as released on 26 July 2017 (the **"2017 Interim Report"**) (which 2017 Interim Report has been previously published and which has been filed with the FCA).

The parts of the 2017 Interim Report that are incorporated by reference into the Prospectus by this Supplement are the section entitled "Key highlights" (on page 3), the sections entitled "Group performance overview" and "Market overview" (on page 4) and the section entitled "Dividend" (on page 13).

The unaudited consolidated financial statements (and related report and notes) that are incorporated by reference into the Prospectus appear on pages 14 to 38 (inclusive) of the 2017 Interim Report.

The purposes of this Supplement may be further summarised as follows:

- (i) to incorporate the unaudited consolidated financial statements (as at and for the six month financial period ended 30 June 2017) from the 2017 Interim Report (see the section entitled '2. Incorporation of the 2017 Interim Report's financial statements' below);
- (ii) to update section B.12 of the Summary section commencing on page 8 of the Prospectus with reference to (1) the unaudited consolidated financial statements (as at and for the six month financial period ended 30 June 2017) from the 2017 Interim Report and (2) potential changes to the future tax treatment of certain intra-group transactions in Poland (see the section entitled '3. Supplementing section B.12 of the Summary section of the Prospectus' below);
- (iii) to update the Business Description of International Personal Finance plc and the Group section commencing on page 52 of the Prospectus with reference to information contained in the 2017 Interim Report concerning IPF's performance in the first half of the financial year ending 31 December 2017 (see the section entitled '4. Supplementing the Business Description of International Personal Finance plc and the Group section of the Prospectus' below);

- (iv) to update certain of the Risk Factors section at page 26, page 29 and page 30 of the Prospectus with respect to (1) proposed amendments to Romanian regulations relating to Non-banking Financial Institutions (2) the initiation of a process with the UK tax authority in respect of certain intra-group transactions and (3) potential changes to the future tax treatment of certain intra-group transactions in Poland (see the section entitled '5. Updating the Risk Factors section of the Prospectus' below);
- (v) to update certain of the Regulatory Information section at page 83 of the Prospectus with respect to proposed amendments to Romanian regulations relating to Non-banking Financial Institutions (see the section entitled '6. Updating the Regulatory Information section of the Prospectus' below); and
- (vi) to update certain of the General Information section at page 160 of the Prospectus with respect to (1) potential changes to the future tax treatment of certain intra-group transactions in Poland and (2) the initiation of a process with the UK tax authority in respect of certain intra-group transactions (as more particularly described in the section entitled '7. Updating the General Information (see Statement of Significant Change and Material Adverse Change) section of the Prospectus' below).

## 2. Incorporation of financial statements

On 26 July 2017, IPF released its unaudited consolidated financial statements for the six month financial period ended 30 June 2017 (together with the review report thereon prepared by the auditors and notes thereto) as set out on pages 14 to 38 (inclusive) of the 2017 Interim Report. By virtue of this Supplement, the financial statements for the six month financial period ended 30 June 2017 (together with the review report thereon prepared by the auditors and notes thereto) as set out at pages 14 to 38 (inclusive) of the 2017 Interim Report are incorporated in and form part of the Prospectus.

## 3. Supplementing section B.12 of the Summary section of the Prospectus

- (i) Section B.12 of the Summary, which commences on page 8 of the Prospectus, shall be supplemented to reflect the publication of the 2017 Interim Report. Section B.12 as so supplemented is set out below:

B.12	Key Historical Financial Information: Issuer	Issuer		Unaudited Six months ended 30 June 2017 £M	Unaudited Six months ended 30 June 2016 £M
		Consolidated Statement	Income		
		Revenue		400.8	361.5
		Impairment		(109.9)	(101.1)
		Exceptional impairment		-	-
		Revenue less impairment		290.9	260.4

<i>Finance costs</i>	<i>(27.1)</i>	<i>(21.6)</i>
<i>Other operating costs</i>	<i>(66.7)</i>	<i>(58.6)</i>
<i>Administrative expenses</i>	<i><u>(154.1)</u></i>	<i><u>(147.2)</u></i>
<i>Exceptional administrative expenses</i>	<i>-</i>	<i>-</i>
<b>Total costs</b>	<b><u>(247.9)</u></b>	<b><u>(227.4)</u></b>
<b>Profit before taxation &amp; exceptional items</b>	<b>43.0</b>	<b>33.0</b>
<i>Exceptional items</i>	<i>-</i>	<i>-</i>
<b>Profit before taxation</b>	<b>43.0</b>	<b>33.0</b>
<i>Tax (expense)/income</i>		
- UK	<i>-</i>	<i>-</i>
- Overseas	<i><u>(12.9)</u></i>	<i><u>(8.9)</u></i>
<b>Total tax expense</b>	<b><u>(12.9)</u></b>	<b><u>(8.9)</u></b>
<b>Profit after taxation attributable to owners of the parent</b>	<b><u>22.4</u></b>	<b><u>21.6</u></b>
<b>Consolidated Balance Sheet</b>		
	<b>Unaudited 30 June 2017</b>	<b>Unaudited 30 June 2016</b>
	<b>£M</b>	<b>£M</b>
<b>Assets</b>		
<b>Non-current assets</b>		
<i>Goodwill</i>	<b>23.9</b>	<b>22.9</b>
<i>Intangible assets</i>	<b>34.9</b>	<b>31.2</b>
<i>Property, plant and</i>	<b>24.3</b>	<b>22.9</b>
<i>Deferred tax assets</i>	<b>118.9</b>	<b>87.3</b>
<i>Non-current tax asset</i>	<b>36.0</b>	<b>-</b>
<i>Retirement benefit asset</i>	<b>-</b>	<b>-</b>
	<b><u>238.0</u></b>	<b><u>164.3</u></b>
<b>Current assets</b>		
<b>Amounts receivable from customers</b>		
- due within one year	<b>863.1</b>	<b>752.3</b>
- due in more than one	<b><u>147.1</u></b>	<b><u>122.4</u></b>
	<b><u>1,010.2</u></b>	<b><u>874.7</u></b>
<i>Derivative financial</i>	<b><u>3.0</u></b>	<b><u>19.9</u></b>
<i>Cash and cash</i>	<b><u>32.3</u></b>	<b><u>42.1</u></b>
<i>Other receivables</i>	<b><u>30.2</u></b>	<b><u>32.4</u></b>
<i>Current tax assets</i>	<b><u>11.5</u></b>	<b><u>3.9</u></b>
	<b><u>1,087.2</u></b>	<b><u>973.0</u></b>
<b>Total assets</b>	<b><u>1,325.2</u></b>	<b><u>1,137.3</u></b>

	<i>Unaudited 30 June 2017 £M</i>	<i>Unaudited 30 June 2016 £M</i>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	(73.9)	(17.8)
Derivative financial	(12.6)	(6.1)
Trade and other payables	(133.0)	(120.1)
Current tax liabilities	<u>(5.0)</u>	<u>(16.7)</u>
	<u>(224.5)</u>	<u>(160.7)</u>
<b>Non-current liabilities</b>		
Retirement benefit	<u>(6.0)</u>	<u>(4.7)</u>
Deferred tax liabilities	<u>(7.3)</u>	<u>(6.1)</u>
Borrowings	<u>(610.4)</u>	<u>(584.6)</u>
	<u>(623.7)</u>	<u>(595.4)</u>
<b>Total liabilities</b>	<u>(848.2)</u>	<u>(756.1)</u>
<b>Net assets</b>	<u>477.0</u>	<u>381.2</u>
<b>Equity attributable to owners of the parent</b>		
Called-up share capital	23.4	23.4
Other reserves	(22.5)	(22.5)
Foreign exchange	46.5	(4.3)
Hedging reserve	2.5	(1.2)
Own shares	(48.8)	(55.2)
Capital redemption	2.3	2.3
Retained earnings	<u>473.6</u>	<u>438.7</u>
<b>Total equity</b>	<u>477.0</u>	<u>381.2</u>
<b>Consolidated Statement of Cash flows</b>		
	<i>Unaudited Six months ended 30 June 2017 £M</i>	<i>Unaudited Six months ended 30 June 2016 £M</i>
<b>Net cash generated from/(used in) operating activities</b>	(14.6)	0.8
<b>Net cash used in investing activities</b>	<u>(9.1)</u>	<u>(10.2)</u>
<b>Net cash generated from financing activities</b>	<u>11.0</u>	<u>8.1</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(12.7)	(1.3)

		<i>Cash and cash equivalents at the start of the period</i>	<b>43.4</b>	<b>39.9</b>
		<i>Exchange (losses)/gains on cash and cash equivalents</i>	<b>1.6</b>	<b>3.5</b>
		<i><b>Cash and cash equivalents at the end of the period</b></i>	<b>32.3</b>	<b>42.1</b>

- (ii) The final sentence of Section B.12 of the Summary at page 10 of the Prospectus shall be deleted in its entirety and replaced with the following:

“Save as disclosed in paragraph 5(iii) of the Supplement to this Prospectus dated 23 November 2017, there has been no material adverse change in the prospects of the Issuer, any of the Guarantors or of the Group since 31 December 2016.”

#### **4. Supplementing the Business Description of International Personal Finance plc and the Group section of the Prospectus**

By virtue of this Supplement, the following sections of the 2017 Interim Report are hereby incorporated in and form part of this Supplement, and are thereby incorporated in and form part of the ‘Business Description of International Personal Finance plc and the Group’ section of the Prospectus, which commences on page 52 of the Prospectus:

- the section entitled “Key highlights” on page 3 of the 2017 Interim Report;
- the section entitled “Group performance overview” on page 4 of the 2017 Interim Report;
- the section entitled “Market overview” on page 4 of the 2017 Interim Report; and
- the section entitled “Dividend” on page 13 of the of the 2017 Interim Report.

#### **5. Updating the Risk Factors section of the Prospectus**

- (i) The final paragraph of page 26 (running into page 27) of the Prospectus shall be deleted in its entirety and replaced with the following:

“The Group’s Romanian subsidiary, Provident Financial Romania Institutie Financiară Nebancară S.A. (“Provident Romania”), is registered in the General Register of Non-banking Financial Institutions (“NBFIs”) kept by the National Bank of Romania. If an NBFi meets certain criteria, it must be registered in the Special Register held by the National Bank of Romania. On 25 September 2017, the National Bank of Romania published an amendment to regulation 20 in the Official Gazette no. 760/25.09.2017 relating to NBFIs which came into effect on 1 October 2017. The amendment, amongst other things, broadens the qualifying criteria by which NBFIs are being assessed and placed in the Special Registry. In light of the amendment, Provident Romania will be required to register in the Special Registry prior to the date falling 30 business days after 25 January 2018. The prospective move to the Special Registry is subject to ongoing assessment by the Group and it is expected that its potential implications on the Romanian business

will not be fully determinate until at least the first quarter of 2018. It is likely that the amendment, once effected, will significantly reduce the volume of loans issued to its Romanian customers and limit growth in 2018.”

- (ii) The risk factor entitled “***The Group may be subject to changes in tax laws or regulations, or their respective interpretations.***” on page 29 shall be supplemented by the deletion of the fourth paragraph and replacement with the following new paragraph:

“In early 2017, the home credit company in Poland, Provident Polska, appealed decisions received from the Polish Tax Chamber (the upper tier of the Polish tax authority) with respect to its 2008 and 2009 financial years. The decisions for both years are identical and involve a transfer pricing challenge relating to an intra-group arrangement with a United Kingdom entity together with a challenge to the timing of taxation of home collection fee revenues. As stated in the announcement at the time of the 2008 decision (issued on 6 January 2017), the Group disagrees with the interpretation of the tax authority and will defend its position robustly in court. In that announcement the Group also stated its intention to initiate a process with the UK tax authority aimed at ensuring that the intra-group transaction is not subject to double taxation but is taxed in accordance with international tax principles. This process involves a negotiation between the UK and Polish tax authorities to determine the correct pricing of the intra-group transaction. The process was initiated during 2017 and in response the Polish court has stayed the hearings of the 2008 and 2009 appeals pending resolution of this process. In order to make the appeals, the Group paid the amounts assessed which total £38 million comprising tax and associated interest. The 2010 financial year is currently being audited by the tax authorities in Poland and a decision is expected in due course. In the event that the decision follows the same reasoning as the decisions for 2008 and 2009, a further payment of approximately £19 million would become payable. All subsequent financial years remain open to future audit.”

- (iii) The risk factor entitled “***Challenges to the tax treatment of arrangements amongst the companies in the Group could materially and adversely affect the Group’s financial and operating results***” on page 30 shall be supplemented by the inclusion of the following new paragraph:

“On 3 October 2017, the Polish Government’s Council of Ministers approved a comprehensive set of changes to Polish Income Tax which were approved by the Polish Parliament on 10 November 2017. The bill has been passed to the President for signature, and if signed and published in the Government Journal by 30 November, will be effective as and from 1 January 2018. The proposals purport to, amongst other things, increase the tax payable arising from disallowance of tax deductions for expenses linked to certain intragroup transactions. The Group has commenced the evaluation of potential changes to its Polish business operations in order to mitigate the impact of this proposed legislation. By way of illustration the Group estimates that if the proposals had been binding for the year ending 31 December 2016, and in the absence of any mitigants, it would have incurred an increase in the Group’s tax charge of approximately £12 million to £14 million. In addition, the new law, if enacted, will give rise to a one-time accounting charge in 2017 of up to approximately £30 million arising from the write-down of a deferred tax asset.”

## **6. Updating the Regulatory Information section of the Prospectus**

The fourth paragraph of page 83 of the Prospectus shall be deleted in its entirety and replaced with the following:

“Provident Romania is registered in the General Register of NBFIs kept by the National Bank of Romania. If an NBFi meets certain criteria, it must be registered in the Special Register held by the National Bank of Romania. On 25 September 2017, the National Bank of Romania published an amendment to regulation 20 in the Official Gazette no. 760/25.09.2017 relating to NBFIs which came into effect on 1 October 2017. The amendment, amongst other things, broadens the qualifying criteria by which NBFIs are being assessed and placed in the Special Registry. In light of the amendment, Provident Romania will be required to register in the Special Registry prior to the date falling 30 business days after 25 January 2018. The prospective move to the Special Registry is subject to ongoing assessment by the Group and it is expected that its potential implications on the Romanian business will not be fully determinate until at least the first quarter of 2018.”

## **7. Updating the General Information (Statement of Significant Change and Material Adverse Change) section of the Prospectus**

- (i) Paragraph (3) of the General Information section at page 160 of the Prospectus shall be deleted in its entirety and replaced with the following:

“There has been no significant change in the financial or trading position of the Issuer, any of the Guarantors or of the Group since 30 June 2017. Save as disclosed in paragraph 5(iii) of the Supplement to this Prospectus dated 23 November 2017, there has been no material adverse change in the prospects of the Issuer, any of the Guarantors or of the Group since 31 December 2016.”

- (ii) Paragraph (4)(b) of the General Information section at page 160 of the Prospectus shall be deleted in its entirety and replaced with the following:

“In early 2017, Provident Polska appealed decisions received from the Polish Tax Chamber (the upper tier of the Polish tax authority) with respect to its 2008 and 2009 financial years. The decisions for both years are identical and involve a transfer pricing challenge relating to an intra-group arrangement with a United Kingdom entity together with a challenge to the timing of taxation of home collection fee revenues. As stated in the announcement at the time of the 2008 decision, the Group disagrees with the interpretation of the tax authority and will defend its position robustly in court. In order to make the appeals, the Group paid the amounts assessed which total £38 million comprising tax and associated interest. The Group has initiated a process with the UK tax authority aimed at ensuring that the intra-group transaction is not subject to double taxation but is taxed in accordance with international tax principles. This process involves a negotiation between the UK and Polish tax authorities to determine the correct pricing of the intra-group transaction. The process was initiated during 2017 and in response the Polish court has stayed the hearings of the 2008 and 2009 appeals pending resolution of this process. The 2010 financial year is currently being audited by the tax authorities in Poland and a decision is expected in due course. In the event that the decision follows the same reasoning as the decisions for 2008 and 2009, a further payment of



approximately £19 million would become payable. All subsequent financial years remain open to future audit.”

## **8. General**

Copies of all documents incorporated by reference in the Prospectus and this Supplement may be obtained (without charge) from the website of the Regulatory News Service operated by the London Stock Exchange at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Any information contained in any of the documents incorporated by reference which is not incorporated in and does not form part of this Supplement is either not relevant for investors or is covered elsewhere in the Prospectus.

If documents which are incorporated by reference in this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

To the extent that there is any inconsistency between: (a) any statement in this Supplement or any statement incorporated by reference in the Prospectus by this Supplement; and (b) any other statement in or incorporated by reference into, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.