



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)

IPF Digital Group Limited

(incorporated with limited liability in England and Wales with registered number 06032184)

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 12 April 2019 as supplemented on 7 May 2019 (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, IPF International Limited and IPF Digital Group Limited (formerly MCB Finance Group 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(“**FCA**”), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”) and relevant implementing measures in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 (i) certain sections of, and the unaudited consolidated financial statements (as at and for the six month financial period ended 30 June 2019) from, IPF's unaudited half yearly report and financial statements 2019 as released on 31 July 2019 (the **"2019 Interim Report"**) (which 2019 Interim Report has been previously published and which has been filed with the FCA) and (ii) certain sections of IPF's third quarter trading update dated 31 October 2019 (the **"2019 Q3 Trading Update"**) (which 2019 Q3 Trading Update has been previously published and which has been filed with the FCA).

The unaudited consolidated financial statements (and related report and notes) that are incorporated by reference into the Prospectus appear on pages 14 to 45 (inclusive) of the 2019 Interim Report.

Additional parts of the 2019 Interim Report that are incorporated by reference into the Prospectus by this Supplement are the sections entitled "Key highlights" (on page 3), "Group performance overview" (on page 5) and "Dividend" (on page 12). The parts of the 2019 Q3 Trading Update that are incorporated by reference into the Prospectus by this Supplement are the sections entitled "Highlights" (on page 1) excluding the first bullet point of that section, "Group Q3 overview" (on page 1), "European Home Credit" (on page 1), "Mexico Home Credit" (on page 2), "IPF Digital" (on page 2) and "Funding" (on page 2).

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 2019) from the 2019 Interim Report;
- (ii) to update section B.12 of the Summary section commencing on page 9 of the Prospectus with reference to the unaudited consolidated financial statements (as at and for the six month financial period ended 30 June 2019) from the 2019 Interim Report;

- (iii) to update section D.2 of the Summary section commencing on page 17 of the Prospectus with respect to information relating to the uncertainty surrounding Brexit and its potential impact on the Group and its operations;
- (iv) to update the Business Description of International Personal Finance plc and the Group section commencing on page 55 of the Prospectus with reference to (i) information contained in the 2019 Interim Report concerning IPF's performance in the first half of the financial year ending 31 December 2019, and (ii) information contained in the 2019 Q3 Trading Update concerning IPF's performance and governance in the third quarter of 2019;
- (v) to update the Risk Factors section at page 22 of the Prospectus by deleting reference to the Group's Slovak subsidiary which has now been liquidated;
- (vi) to update the Risk Factors section at page 23 of the Prospectus with respect to information concerning the uncertainty surrounding Brexit and its potential impact on the Group and its operations;
- (vii) to update the Risk Factors section at page 23 of the Prospectus with respect to the Polish tax authority closing its audits of the 2010, 2011 and 2012 years for IPF's Polish home credit company;
- (viii) to update the Risk Factors section at page 26 of the Prospectus with respect to the proposals made by the Polish government in relation to the cap on non-interest costs;
- (ix) to update the Risk Factors section at page 27 of the Prospectus with respect to the new price cap proposals being tabled in the Romanian parliament;
- (x) to update the Risk Factors section at page 27 of the Prospectus by amending reference to the Group's Slovak subsidiary in light of its liquidation;
- (xi) to update the Risk factors section at page 28 of the Prospectus with respect to the Polish competition and consumer protection authority's review of rebating practices;
- (xii) to update the Risk Factors section at page 30 of the Prospectus with respect to the Polish tax authority closing its audits of the 2010, 2011 and 2012 years for IPF's Polish home credit company;
- (xiii) to update the Risk Factors section at page 30 of the Prospectus with respect to the European Commission's State Aid investigation into the Group Financing Exemption contained in the UK controlled foreign company rules;
- (xiv) to update the Business Description section at page 55 of the Prospectus by deleting reference to the Group's Slovak subsidiary which has now been liquidated;

- (xv) to update the Business Description section at page 60 of the Prospectus by updating a reference to the Group's Slovak subsidiary in light of its being liquidated;
- (xvi) to update the Regulatory Information section at page 81 of the Prospectus with respect to the proposals made by the Polish government in connection with the existing cap on non-interest costs;
- (xvii) to update the Regulatory Information section at page 82 of the Prospectus by amending reference to the Group's Slovak subsidiary which has now been liquidated;
- (xviii) to update the Regulatory Information section at page 83 of the Prospectus with respect to the Polish competition and consumer protection authority's review of rebating practices;
- (xix) to update the Regulatory Information section at page 83 of the Prospectus with respect to the new price cap proposals being tabled in the Romanian parliament;
- (xx) to update the Documents Incorporated by Reference section at page 85 of the Prospectus with respect to the incorporation by reference into the Prospectus of the 2019 Interim Report and the Q3 Trading Update; and
- (xxi) to update the General Information section at page 166 of the Prospectus with respect to the Polish tax authority closing its audits of the 2010, 2011 and 2012 years for IPF's Polish home credit company.

2. Incorporation of financial statements

On 31 July 2019, IPF released its unaudited consolidated financial statements for the six month financial period ended 30 June 2019 (together with the review report thereon prepared by the auditors and notes thereto) as set out on pages 14 to 45 (inclusive) of the 2019 Interim Report. By virtue of this Supplement, the financial statements for the six month financial period ended 30 June 2019 (together with the review report thereon prepared by the auditors and notes thereto) as set out at pages 14 to 45 (inclusive) of the 2019 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 9 of the Prospectus, shall be supplemented to reflect the publication of the 2019 Interim Report. Section B.12 as so supplemented is set out below:

B.12	<i>Key Historical Financial Information: Issuer</i>	Issuer		
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Consolidated Income Statement	Unaudited Six months ended 30 June 2019 £M	Unaudited Six months ended 30 June 2018 £M
Revenue	446.9	418.9
Impairment	<u>(123.8)</u>	<u>(102.5)</u>
Exceptional impairment	-	-
Revenue less impairment	<u>323.1</u>	<u>316.4</u>
Finance costs	(31.8)	(28.0)
Other operating costs	(69.1)	(67.3)
Administrative expenses	<u>(166.1)</u>	<u>(164.6)</u>
Exceptional administrative expenses	-	-
Total costs	<u>(267.0)</u>	<u>(259.9)</u>
Profit before taxation & exceptional items	56.1	56.5
Exceptional items	-	-
Profit before taxation	56.1	56.5
Tax (expense)/income		
- UK	-	-
- Overseas	<u>(23.0)</u>	<u>(19.2)</u>
Total tax expense	<u>(23.0)</u>	<u>(19.2)</u>
Loss after taxation – discontinued operations	-	-
Profit after taxation attributable to owners of the parent	<u>33.1</u>	<u>37.3</u>
Consolidated Balance Sheet		
	Unaudited 30 June 2019 £M	Unaudited 30 June 2018 £M
Assets		
Non-current assets		
Goodwill	24.4	23.9
Intangible assets	41.8	33.9
Property, plant and equipment	19.3	19.2
Right of use asset	19.5	-
Deferred tax assets	138.0	116.8
Non-current tax asset	36.2	35.1
Retirement benefit asset	3.7	6.5
	<u>282.9</u>	<u>235.4</u>

		Total equity	453.9	386.6
		Consolidated Statement of Cash flows		
			Unaudited Six months ended 30 June 2019 £M	Unaudited Six months ended 30 June 2018 £M
		Net cash generated from / (used in) operating activities	13.5	49.5
		Net cash used in investing activities	<u>(13.7)</u>	<u>(11.4)</u>
		Net cash generated from financing activities	<u>(8.3)</u>	<u>(31.0)</u>
		Net increase/(decrease) in cash and cash equivalents	(8.5)	7.1
		Cash and cash equivalents at the start of the period	46.6	27.4
		Exchange (losses)/gains on cash and cash equivalents	(0.2)	(0.9)
		Cash and cash equivalents at the end of the period	37.9	33.6

Since 31 December 2018, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of the Issuer have been prepared, there has been no material adverse change in the prospects of the Issuer and its controlled entities taken as a whole. Since 30 June 2019, the last day of the financial period in respect of which the most recent published unaudited financial statements of the Issuer have been prepared, the Polish tax authority has closed its audits of the 2010, 2011 and 2012 financial years for the Issuer's Polish home credit company and also proposed adjustments to the tax base for the years 2013 to 2017. The Issuer has not contested these findings and has accepted the Polish tax authority's proposed adjustments for the years 2010 to 2017 inclusive (giving rise to an overall payment of £3.8 million for these years). Aside from this, there have been no significant changes in the financial or trading position of the Issuer and its controlled entities taken as a whole.

4. Updating section D.2 of the Summary section of the Prospectus

The following paragraph shall be inserted within the first bullet point on page 18 of the Prospectus as a new paragraph immediately following the sentence which ends with the words "financial condition":

"With reference to the possibility of a "no-deal" Brexit, as IPF's European operations are all within the EU and trade under locally-granted licences, IPF continues to believe that there should not be significant operation disruption. The Group's operational contingency planning remains focused on the areas of people, data, and cross-border corporate structures. While there is

ongoing uncertainty about the future relationship between the UK and the EU, the Group believes it has robust plans in place to address the risks.”

5. Supplementing the Business Description of International Personal Finance plc and the Group section of the Prospectus

By virtue of this Supplement (and in addition to pages 14 to 45 (inclusive) of the 2019 Interim Report which are incorporated by reference into the Prospectus), the following sections of the 2019 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 55 of the Prospectus:

- the section entitled “Key highlights” on page 3 of the 2019 Interim Report;
- the section entitled “Group performance overview” on page 5 of the 2019 Interim Report; and
- the section entitled “Dividend” on page 12 of the of the 2019 Interim Report.

Additionally, by virtue of this Supplement, the following sections of the 2019 Q3 Trading Update 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:

- the section entitled “Highlights” on page 1 of the 2019 Q3 Trading Update, excluding the first bullet point of that section;
- the section entitled “Group Q3 overview” on page 1 of the 2019 Q3 Trading Update;
- the section entitled “European home credit” on page 1 of the 2019 Q3 Trading Update;
- the section entitled “Mexico home credit” on page 2 of the 2019 Q3 Trading Update;
- the section entitled “IPF Digital” on page 2 of the 2019 Q3 Trading Update; and
- the section entitled “Funding” on page 2 of the 2019 Q3 Trading Update.

6. Updating the Risk Factors section of the Prospectus

The words “Slovakia (currently in the process of being liquidated),” shall be deleted from the first paragraph below the heading “The Group is exposed to the risk of political or economic instability in the markets in which it operates” on page 22 of the Prospectus.

The following paragraph shall be inserted into the Prospectus immediately after the first paragraph on page 23 of the Prospectus:

“With reference to the possibility of a “no-deal” Brexit, as IPF’s European operations are all within the EU and trade under locally-granted licences, IPF continues to believe that there should not be significant operation disruption. The Group’s operational contingency planning remains focused on the areas of people, data, and cross-border corporate structures. While there is

ongoing uncertainty about the future relationship between the UK and the EU, the Group believes it has robust plans in place to address the risks.”

The words “with 2010, 2011 and 2012 audits also open” shall be deleted from the paragraph starting “Funding and liquidity risk:” on page 23 of the Prospectus.

The last three sentences of the paragraph commencing on page 25 of the Prospectus and running across into page 26 of the Prospectus, commencing with the words “The level of the current cap” and ending with the words “75% of the loan value” shall be deleted and replaced with the following:

“On 25 June 2019, the Council of Ministers in Poland further amended the draft set of proposals. This latest modified draft proposal sponsored by the Polish Government is for a flat level cap of 10% of the loan value (currently 25%) and the additional cap per annum would be reduced to 10% (from 30%). The combined total of the flat 10% and the time-dependent 10% per annum would not be able to exceed 75% of the loan value (currently 100%). The parliamentary process for debate of the proposals was commenced earlier this year. However, the current parliamentary session is due to expire in mid-November following national elections in Poland. If the proposals are not enacted during this parliamentary session, the proposals would need to be tabled anew during the new or a subsequent parliamentary session and would be subject to debate and possible further modification. If the proposals are finalised and enacted, IPF will update the market once its assessment of the potential financial impact on the Group is complete.”

The second paragraph on page 26 of the Prospectus, commencing with “The revised proposal”, shall be deleted.

The last three sentences of the second paragraph on page 27 of the Prospectus, commencing with the words “The legislation together with” and ending with the words “wish to see that course” shall be deleted and replaced with the following sentences:

“Further to the Romanian Constitutional Court’s finding earlier this year that the newly enacted price cap law in that country was unconstitutional, and the consequent annulment of that regulation, new proposals have been tabled in the Romanian parliament. There is therefore a possibility of price caps for consumer lending being introduced in Romania at some point in the future.”

The words “is now in formal liquidation” in paragraph 3 of page 27 of the Prospectus shall be deleted and replaced with the words “has been liquidated”.

The paragraph on page 28 of the Prospectus starting “The Office is currently conducting” shall be deleted and replaced with the following paragraph:

“The Office is conducting a comprehensive review of rebating practices by banks and other consumer credit providers on early loan settlement, including those of the Group’s Polish businesses. In light of this and a recent European Court of Justice declaratory judgment on the matter, IPF expects new market standard rebating practices to evolve in Poland and, potentially, other markets in the EU. When IPF has clarity on the new emerging standards, it will conform its rebating practices in line with these standards and update the market on the potential financial impact.”

The sentences in the first paragraph on page 30 of the Prospectus commencing from the words “The financial years from 2010 to 2012” and ending at “paid in January 2017” shall be deleted, and replaced with the following sentences:

“The Polish tax authority closed its audits of the 2010, 2011 and 2012 financial years for IPF’s Polish home credit company which included a challenge to the pricing of an intra-group arrangement with a UK Group company. In view of the ongoing nature of this arrangement, the tax authority also proposed adjustments to the tax base for later years. IPF did not contest these findings and accepted the tax authority’s proposed adjustments for the years 2010 to 2017 inclusive. This gave rise to an overall payment of £3.8 million for these years.”

The second paragraph on page 30 of the Prospectus shall be deleted in its entirety and replaced with the following two paragraphs:

“In late 2017 the European Commission opened a State Aid investigation into the Group Financing Exemption contained in the UK controlled foreign company rules, which were introduced in 2013. On 2 April 2019, the EU announced its finding that the Group Financing Exemption is partially incompatible with EU State Aid rules. In common with other UK-based international companies whose intra-group finance arrangements are in line with current controlled foreign company rules, the Group is affected by this decision. The total tax benefit obtained by the Group in all years as a result of the structure affected by the decision is estimated at up to £13.5 million. The amount repayable by the Group under the decision however is expected to be lower than this as the final decision only found the UK tax regime to be partially incompatible. The final amount will be subject to agreement with HMRC, which has recently initiated a process of information gathering with affected taxpayers, including IPF, for this purpose. The UK government has announced that it has filed an annulment application before the General Court of the EU.

In common with a number of other affected taxpayers, IPF has also filed its own annulment application. Nevertheless, the amount of finally agreed State Aid will need to be paid by the Group to HMRC in accordance with the State Aid rules. Based on legal advice received by management regarding the strength of the technical position set out in the annulment applications, it is expected to be more likely than not that any payment that the Group makes under the decision will ultimately be repaid. HMRC has stated that it does not consider that the timing and form of the UK’s exit from the EU will have any practical impact on this matter.”

7. Updating the Business Description section of the Prospectus

The fourth sentence in the first paragraph on page 55 of the Prospectus shall be amended by deleting the words “Slovakia (in the process of being liquidated),”.

The second sentence of the first paragraph on page 60 of the Prospectus, commencing with the words “The Group is in the process of” shall be deleted in its entirety and replaced with the following sentences:

“The Group is in the process of liquidating the home credit business in Lithuania, and has liquidated the home credit business in Slovakia. This did not result in any profit or loss account charge or credit during 2018.”

8. Updating the Regulatory Information section of the Prospectus

The sentences within the third paragraph on page 82 of the Prospectus from “The level of the current cap is” to “loan value” shall be deleted, and replaced with the following:

“On 25 June 2019 the Council of Ministers in Poland further amended the draft set of proposals. This latest modified draft proposal sponsored by the Polish Government is for a flat level cap of 10% of the loan value (currently 25%) and the additional cap per annum would be reduced to 10% (from 30%). The combined total of the flat 10% and the time-dependent 10% per annum would not be able to exceed 75% of the loan value (currently 100%). The parliamentary process for debate of the proposals was commenced earlier this year. However, the current parliamentary session is due to expire in mid-November following national elections in Poland. If the proposals are not enacted during this parliamentary session, the proposals would need to be tabled anew during the new or a subsequent parliamentary session and would be subject to debate and possible further modification. If the proposals are finalised and enacted, IPF will update the market once its assessment of the potential financial impact on the Group is complete.”

The fourth paragraph on page 82 of the Prospectus shall be deleted.

The fifth sentence of the first paragraph on page 82 of the Prospectus, “The Group’s Slovak subsidiary is now in formal liquidation”, shall be deleted and replaced with the following sentence:

“The Group’s Slovak subsidiary has now been liquidated.”

The first paragraph on page 83 of the Prospectus shall be deleted and replaced with the following paragraph:

““The Office is conducting a comprehensive review of rebating practices by banks and other consumer credit providers on early loan settlement, including those of the Group’s Polish businesses. In light of this and a recent European Court of Justice declaratory judgment on the matter, IPF expects new market standard rebating practices to evolve in Poland and, potentially, other markets in the EU. When IPF has clarity on the new emerging standards, it will conform its rebating practices in line with these standards and update the market on the potential financial impact.”

The third paragraph on page 83 of the Prospectus shall be deleted.

The last three sentences of the fifth paragraph on page 83 of the Prospectus, commencing with the words “The legislation together with” and ending with the words “wish to choose that course” shall be deleted and replaced with the following sentences:

“Further to the Romanian Constitutional Court’s finding earlier this year that the newly enacted price cap law in that country was unconstitutional, and the consequent annulment of that regulation, new proposals have been tabled in the Romanian parliament. There is therefore a possibility of price caps for consumer lending being introduced in Romania at some point in the future.”

9. Updating the Documents Incorporated By Reference section of the Prospectus

The following paragraphs shall be inserted on page 85 as new paragraphs (iii) and (iv) respectively, immediately after the paragraph ending “pages 107 to 132”, and the numbering of the subsequent paragraphs shall be adjusted accordingly:

- (iii) the following sections of the Issuer's unaudited half yearly report and financial statements 2019 as released on 31 July 2019:
 - (a) "Key Highlights" on page 3;
 - (b) "Group performance overview" on page 5;
 - (c) "Dividend" on page 12; and
 - (d) the financial statements for the six month financial period ended 30 June 2019 (together with the review report thereon prepared by the auditors and notes thereto) on pages 14 to 45 (inclusive);
- (iv) the following sections of the Issuer's third quarter trading update dated 31 October 2019:
 - (a) "Highlights" on page 1, excluding the first bullet point of that section;
 - (b) "Group Q3 overview" on page 1;
 - (c) "European Home Credit" on page 1;
 - (d) "Mexico Home Credit" on page 2;
 - (e) "IPF Digital" on page 2; and
 - (f) "Funding" on page 2.

10. Updating the General Information section of the Prospectus

The sentences in the first paragraph on page 166 of the Prospectus commencing from the words "The financial years from 2010 to 2012" and ending at "paid in January 2017" shall be deleted.

11. 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.