

SEMI-ANNUAL REPORT

2016

IPF Investments Polska Sp. z o.o.

Content of the Semi-annual Report:

- 1) Selected financial data**
- 2) Semi-annual condensed interim financial statements**
- 3) Management Board Report**
- 4) Management Board Statement**

Selected financial data
IPF Investments Polska Sp. z o. o.

As at and for the six month period ended 30 June	2016	2015	2016	2015
	PLN 000'		EUR 000'	
Total income	6 127	10 453	1 399	2 529
Profit before income tax	53	68	12	16
Net profit for the period	43	55	10	13
Non-current assets	200 000	200 000	45 193	47 683
Current assets	1 088	1 451	246	346
Total assets	201 088	201 451	45 439	48 029
Called up share capital	45	45	10	11
Total equity	193	457	44	109
Current liabilities	894	993	202	237
Non-current liabilities	200 001	200 001	45 193	47 683
Total liabilities	200 895	200 994	45 395	47 920
Net cash inflow/(outflow) from operating activities	6 101	14 021	1 393	3 392
Net cash inflow/(outflow) from financing activities	(6 416)	(13 930)	(1 465)	(3 369)
Net increase/(decrease) in cash and cash equivalents	(315)	91	(72)	22
Cash and cash equivalents at the end of the period	197	464	44	111

The amounts in PLN from the statement of comprehensive income and the statement of cash flows have been translated to EUR at the average NBP rates for the six month periods ended 30 June 2016 and 2015 respectively, which have been calculated as an arithmetical average of the NBP rates as at the end of each month in the period.

The amounts in PLN from the statement of financial position have been translated to EUR at the average NBP rate as at 30 June 2016 and 2015 respectively.

IPF Investments Polska Sp. z o.o.
Unaudited condensed interim financial statements
as at and for the six month period ended 30 June 2016

To the shareholder of IPF Investments Polska Sp. z o.o.

Approval of the condensed interim financial statements

The accompanying condensed interim financial statements comprising condensed interim statement of comprehensive income for the six month period ended 30 June 2016, condensed interim statement of financial position as at 30 June 2016, condensed interim statement of changes in equity for the six month period ended 30 June 2016, condensed interim statement of cash flows for the six month period ended 30 June 2016 and notes to the condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union and are presented in the following order:

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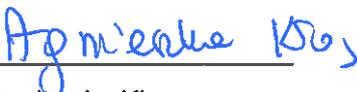
We hereby approve the condensed interim financial statements of IPF Investments Polska Sp. z o.o. as at and for the six month period ended 30 June 2016.



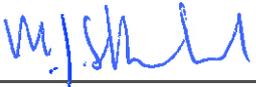
Alicja Kopec
Board Member



John Dahlgreen
Board Member



Agnieszka Klos
Board Member



Mark Sutherland
Board Member/ Responsible for
maintaining the books of accounts

Warsaw, 25th July 2016

Condensed interim statement of comprehensive income

For the six month period ended 30 June	2016 PLN <i>(unaudited)</i>	2015 PLN <i>(unaudited)</i>
Interest revenue	6 126 559,79	10 453 298,15
Total income	6 126 559,79	10 453 298,15
Finance costs	(6 025 054,70)	(10 337 388,72)
Operating costs	(48 660,50)	(48 403,40)
Total costs	(6 073 715,20)	(10 385 792,12)
Profit before income tax	52 844,59	67 506,03
Income tax expense	(10 166,00)	(12 826,40)
Net profit for the period	42 678,59	54 679,63
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	42 678,59	54 679,63

Condensed interim statement of financial position

As at	30 June 2016 PLN (unaudited)	31 December 2015 PLN	30 June 2015 PLN (unaudited)
ASSETS			
Non-current assets			
Receivables from loans	200 000 000,00	200 000 000,00	200 000 000,00
Deferred income tax asset	-	1 147,99	-
	200 000 000,00	200 001 147,99	200 000 000,00
Current assets			
Receivables from loans	890 900,37	932 219,55	892 521,54
Trade and other receivables	5,50	5 415,90	94 478,01
Cash and cash equivalents	196 595,42	511 365,55	463 942,36
	1 087 501,29	1 449 001,00	1 450 941,91
Total assets	201 087 501,29	201 450 148,99	201 450 941,91
LIABILITIES			
Current liabilities			
Debt securities in issue	875 976,45	916 921,75	877 932,31
Trade and other payables	10 000,00	21 340,00	109 274,50
Current income tax liabilities	7 984,00	11 961,00	5 736,00
	893 960,45	950 222,75	992 942,81
Non-current liabilities			
Debt securities in issue	200 000 000,00	200 000 000,00	200 000 000,00
Deferred tax liability	936,01	-	871,88
	200 000 936,01	200 000 000,00	200 000 871,88
Total liabilities	200 894 896,46	200 950 222,75	200 993 814,69
EQUITY			
Called up share capital	45 000,00	45 000,00	45 000,00
Retained earnings	147 604,83	454 926,24	412 127,22
Total equity	192 604,83	499 926,24	457 127,22
Total equity and liabilities	201 087 501,29	201 450 148,99	201 450 941,91

Condensed interim statement of changes in equity

	Called up share capital PLN	Retained earnings PLN	Total equity PLN
At 1 January 2016	45 000,00	454 926,24	499 926,24
Profit for the period	-	42 678,59	42 678,59
Dividend	-	(350 000,00)	(350 000,00)
At 30 June 2016 (unaudited)	45 000,00	147 604,83	192 604,83

	Called up share capital PLN	Retained earnings PLN	Total equity PLN
At 1 January 2015	45 000,00	357 447,59	402 447,59
Profit for the period	-	54 679,63	54 679,63
At 30 June 2015 (unaudited)	45 000,00	412 127,22	457 127,22

Condensed interim statement of cash flows

For the six month period ended 30 June	2016 PLN (<i>unaudited</i>)	2015 PLN (<i>unaudited</i>)
Profit before income tax	52 844,59	67 506,03
Adjusted for:	(105 555,72)	(111 181,02)
Finance costs	6 025 054,70	10 337 388,72
Interest on granted loans - revenue	(6 124 680,82)	(10 446 025,23)
Increase/(decrease) in trade and other receivables	5 410,40	(90 478,01)
Increase/(decrease) in current liabilities, excluding bank and other borrowings	(11 340,00)	87 933,50
Income tax paid	(12 059,00)	(7 950,00)
Interest received on granted loans	6 166 000,00	14 072 759,06
Net cash inflow/(outflow) from operating activities	6 101 229,87	14 021 134,07
Cash flow from investing activities		
Net cash inflow/(outflow) from investing activities	-	-
Cash flow from financing activities		
Cash inflows:	-	200 000 000,00
New debt securities issue	-	200 000 000,00
Cash outflows:	(6 416 000,00)	(213 929 863,46)
Dividend paid	(350 000,00)	-
Repayments of debt securities	-	(200 000 000,00)
Interest paid	(6 066 000,00)	(13 929 863,46)
Net cash inflow/(outflow) from financing activities	(6 416 000,00)	(13 929 863,46)
Net increase/(decrease) in cash and cash equivalents	(314 770,13)	91 270,61
Cash and cash equivalents at the beginning of the period	511 365,55	372 671,75
Cash and cash equivalents at the end of the period	196 595,42	463 942,36

Notes to the condensed interim financial statements

1. General information

IPF Investments Polska Sp. z o.o. ("the Company", "IPF Investments Polska") is a Company registered in the Republic of Poland. The address of the Company's registered office is ul. Inflancka 4A, Warsaw.

IPF Investments Polska Sp. z o.o. was established on 8 December 2009. On 21 December 2009 the Company was entered into the Register of Entrepreneurs kept by the District Court for the city of Warsaw, XII Commercial Division of the National Court Registry, under the number KRS 0000344995.

The Company was formed as a special purpose entity for the purpose of raising funds, mainly from the issue of commercial bonds, and the provision of finance to entities owned by International Personal Finance Plc ("IPF Plc" - an entity listed on the London Stock Exchange / "the Group") to finance their home lending business. The Company does not employ any employees and is not planning to employ any employees in the near future.

As stated in the Company's Memorandum of Association, the Company's operation period is unlimited.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2015, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and were approved for issuance on 22 February 2016.

These condensed interim financial statements have been prepared on a going concern basis and under the historical cost convention.

The Company's activities are not subject to significant seasonal or cyclical trends.

The Company operates within one operating segment.

3. Summary of significant accounting policies

The accounting policies applied in these condensed interim financial statements are consistent with the policies applied in the Financial Statements of the Company for the year ended 31 December 2015 and described therein, except for new standards and amendments to existing standards adopted from 1 January 2016 (see below).

Standards and amendments effective from 2016

The following standards and amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the financial year beginning 1 January 2016:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (issued on 21 November 2013),
- *Annual Improvements to IFRSs 2010-2012* (issued on 12 December 2013) (amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38),
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* (issued on 6 May 2014),
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (issued on 12 May 2014),
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (issued on 30 June 2014),
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (issued on 12 August 2014),

Notes to the condensed interim financial statements

- *Annual Improvements to IFRSs 2012–2014* (amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34) (issued on 25 September 2014),
- Amendments to IAS 1 *Disclosure Initiative* (issued on 18 December 2014).

Application of the amendments to the standards listed above had no material impact on the Company's financial position, performance and the scope of information presented in these condensed interim financial statements.

Standards and amendments issued by IASB but not yet effective

The Company did not early adopt any of the following standards and amendments to the existing standards, which were issued by IASB but are not yet effective:

- IFRS 9 *Financial Instruments* (issued on 24 July 2014) - effective for financial years beginning on or after 1 January 2018 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- IFRS 14 *Regulatory Deferral Accounts* (issued on 30 January 2014) – effective for financial years beginning on or after 1 January 2016 – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- IFRS 15 *Revenue from Contracts with Customers* (issued on 28 May 2014) including amendments to IFRS 15 *Effective date of IFRS 15* (issued on 11 September 2015) – effective for financial years beginning on or after 1 January 2018 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (issued on 11 September 2014) - effective date was deferred indefinitely and the endorsement process was postponed,
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (issued on 18 December 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- IFRS 16 *Leases* (issued on 13 January 2016) - effective for financial years beginning on or after 1 January 2019 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* (issued on 19 January 2016) - effective for financial years beginning on or after 1 January 2017 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- Amendments to IAS 7 *Disclosure Initiative* (issued on 29 January 2016) - effective for financial years beginning on or after 1 January 2017 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- Clarifications to IFRS 15 *Revenue from Contracts with Customers* (issued on 12 April 2016) - effective for financial years beginning on or after 1 January 2018 – not yet endorsed by EU till the date of approval of these condensed interim financial statements,
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (issued on 20 June 2016) - effective for financial years beginning on or after 1 January 2018 – not yet endorsed by EU till the date of approval of these condensed interim financial statements.

As at the date of authorisation of these condensed interim financial statements the Management is in progress of analysing the impact of the above new standards and amendments to the existing standards on the Company's accounting policies.

Notes to the condensed interim financial statements (continued)

4. Receivables from loans

As at 30 June 2016 the Company had a receivable from only one loan, which was issued in June 2015 to a related entity for a period of 5 years at nominal value of PLN 200 million. The loan matures in June 2020. The interest on the loan is based on variable interest rate (WIBOR 6M) plus margin. The amount receivable from the loan is measured at amortized cost and equals the expected future cash flows discounted at the EIR (effective interest rate).

The repayment of the loan is guaranteed by entities from the Group (for details see note 9). The loan was neither past due nor impaired as at 30 June 2016.

5. Debt securities in issue

In June 2015 the Company issued 200 000 5-year floating-rate debt securities with a par value of PLN 1 000 each and a total nominal value of PLN 200 million. The details of the bonds' features as at 30 June 2016 are the following:

ISIN code	Maturity Date	Interest basis	Carrying value PLN
PLIPFIP00033	03.06.2020	WIBOR 6M + margin	200 875 976,45
Current			875 976,45
Non-current			200 000 000,00
Total			200 875 976,45

6. Share capital

There were no changes to the number of shares issued in the six month period ended 30 June 2016 and 2015 (there have been no such changes since the initial capital injection).

The Company's immediate and ultimate parent and sole shareholder is International Personal Finance Plc ("IPF Plc").

7. Dividends

On 28 April 2016 the General Shareholders Meeting declared a dividend in the total amount of PLN 350 000 000 (PLN 97 478,65 out of 2015 profit and PLN 252 521,35 out of 2010-2014 profits). The dividend was paid in May 2016.

No dividend was declared nor paid in the six month period ended 30 June 2015.

8. Income tax

The effective tax rate for the six month period ended 30 June 2016 and 30 June 2015 approximates 19%.

9. Related party transactions

(a) Relationship between IPF Investments Polska and its parent company

For the parent information, see note 6.

(b) Transactions with key management personnel

The members of the Company's Management Board have been employed by the IPF Plc Group (the Group). During the period, the management of the Company has not received any compensation in respect of their capacity as managers of the Company. The Company's managers have been nominated by the shareholder, and were appointed in order to safeguard the shareholder's interests.

Notes to the condensed interim financial statements (continued)

In the six month period ended 30 June 2016 and 2015 the Company did not grant any loans to the Management Board members. There were no other transactions concluded with members of the management of the Company, of the parent company nor their close family members.

(c) Group transactions

In the six month period ended 30 June 2016 and 2015 the Company was a party to transactions with the following related Group entities:

- IPF Plc
- Provident Polska S.A.
- IPF Holdings Ltd (UK)
- International Personal Finance Investments Ltd (UK)
- IPF International Ltd (UK).

The nature of the transactions with the above entities was the following:

1. PLN 200 million intra-group loan agreement concluded with Provident Polska S.A. as borrower to financially support its basic business activity and with IPF Plc, IPF Holdings Limited, International Personal Finance Investments Limited and IPF International Limited as joint guarantors of repayment of the loan issued to Provident Polska S.A. (The loan was issued in June 2015 for 5 years. The old loan with maturity date of 30 June 2015 was fully repaid in June 2015).
2. Services agreement, which regulates the provision by Provident Polska S.A. to the Company of services in relation to accounting, banking, legal and other business related services as well as rental of office space.

Only the transactions with Provident Polska S.A. had an effect on the Company's condensed interim statement of financial position and condensed interim statement of comprehensive income, which was the following:

For the six month period ended 30 June	2016 PLN <i>(unaudited)</i>	2015 PLN <i>(unaudited)</i>
Revenue/(costs)		
Interests from loan	6 124 680,82	10 446 025,23
Cost recharges	14 000,00	96 478,01
Service costs	(37 859,40)	(37 859,40)
	6 100 821,42	10 504 643,84

As at	30 June 2015 PLN <i>(unaudited)</i>	31 December 2015 PLN	30 June 2015 PLN <i>(unaudited)</i>
Assets/(liabilities)			
Receivables from loan	200 890 900,37	200 932 219,55	200 892 521,54
Trade and other receivables	-	5 410,40	94 478,01
Trade and other payables	-	-	-
	200 890 900,37	200 937 629,95	200 986 999,55

Notes to the condensed interim financial statements (continued)

10. Fair value of financial assets and liabilities by category and fair value hierarchy

The fair value and carrying value of the financial assets and liabilities of the Company are set out below:

As at	30 June 2016		31 December 2015		30 June 2015	
	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value
	PLN (<i>unaudited</i>)	PLN (<i>unaudited</i>)	PLN	PLN	PLN (<i>unaudited</i>)	PLN (<i>unaudited</i>)
Financial assets						
Cash and cash equivalents	196 595,42	196 595,42	511 365,55	511 365,55	463 942,36	463 942,36
Receivables from loans	206 290 236,01	200 890 900,37	206 398 567,95	200 932 219,55	207 927 827,99	200 892 521,54
Trade and other receivables	5,50	5,50	5 415,90	5 415,90	94 478,01	94 478,01
Total	206 486 836,93	201 087 501,29	206 915 349,40	201 449 001,00	208 486 248,36	201 450 941,91
Financial liabilities						
Debt securities in issue	199 666 000,00	200 875 976,45	200 328 219,18	200 916 921,75	202 889 150,68	200 877 932,31
Trade and other payables	10 000,00	10 000,00	21 340,00	21 340,00	109 274,50	109 274,50
Total	199 676 000,00	200 885 976,45	200 349 559,18	200 938 261,75	202 998 425,18	200 987 206,81

The fair value of amounts receivable from loans for the disclosure purposes has been assessed by discounting contractual future cash flows at an appropriate current market rate of similar instruments available for the Company.

The fair value of debt securities in issue has been obtained by reference to the Catalyst market listings (as at the end of half year 2016, year 2015 and half year 2015 respectively). Due to the small number of transactions in the market resulting from limited number of bonds and their relatively high nominal value per unit the debt securities in issue have been classified into level 2 of fair value hierarchy.

For other financial assets and liabilities, which are all short-term in nature, the carrying value is a reasonable approximation of fair value.

All financial assets of the Company are categorised as *loans and receivables* while all its financial liabilities are categorised as *financial liabilities measured at amortized cost*.

The IFRS 13 fair value hierarchy of the Company's financial assets and liabilities as at 30 June 2016, 31 December 2015 and 30 June 2015 is set out below:

As at 30 June 2016
(*unaudited*)

Financial assets	Level 1	Level 2	Level 3	Total
	PLN	PLN	PLN	PLN
Cash and cash equivalents	196 595,42	-	-	196 595,42
Receivables from loans	-	206 290 236,01	-	206 290 236,01
Trade and other receivables	-	5,50	-	5,50
Total	196 595,42	206 290 241,51	-	206 486 836,93
Financial liabilities				
Debt securities in issue	-	199 666 000,00	-	199 666 000,00
Trade and other payables	-	10 000,00	-	10 000,00
Total	-	199 676 000,00	-	199 676 000,00

Notes to the condensed interim financial statements (continued)

As at 31 December 2015

	Level 1	Level 2	Level 3	Total
	PLN	PLN	PLN	PLN
Financial assets				
Cash and cash equivalents	511 365,55	-	-	511 365,55
Receivables from loans	-	206 398 567,95	-	206 398 567,95
Trade and other receivables	-	5 415,90	-	5 415,90
Total	511 365,55	206 403 983,85	-	206 915 349,40
Financial liabilities				
Debt securities in issue	-	200 328 219,18	-	200 328 219,18
Trade and other payables	-	21 340,00	-	21 340,00
Total	-	200 349 559,18	-	200 349 559,18

As at 30 June 2015
(unaudited)

	Level 1	Level 2	Level 3	Total
	PLN	PLN	PLN	PLN
Financial assets				
Cash and cash equivalents	463 942,36	-	-	463 942,36
Receivables from loans	-	207 927 827,99	-	207 927 827,99
Trade and other receivables	-	94 478,01	-	94 478,01
Total	463 942,36	208 022 306,00	-	208 486 248,36
Financial liabilities				
Debt securities in issue	-	202 889 150,68	-	202 889 150,68
Trade and other payables	-	109 274,50	-	109 274,50
Total	-	202 998 425,18	-	202 998 425,18

There were no transfers between the levels during the period.

11. Post balance sheet events

There were no events after the reporting date up to the date of the signing the condensed interim financial statements that would require additional disclosure in the condensed interim financial statements.

MANAGEMENT BOARD REPORT

of

IPF Investments Polska Sp. z o. o.

for the six month period ended 30 June 2016

Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2016



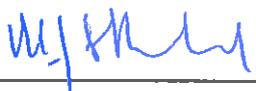
Alicja Kopeć
Board Member



John Dahlgreen
Board Member



Agnieszka Kłos
Board Member



Mark Sutherland
Board Member/ Responsible for
maintaining the books of accounts

Warsaw, 25th July 2016

**Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2016**

Dear Shareholder,

This report covers the six month period ended 30 June 2016.

1. General information

IPF Investments Polska Sp. z o.o. is a Company registered in the Republic of Poland. The address of the Company's registered office is ul. Inflancka 4A, Warsaw.

IPF Investments Polska Sp. z o.o. was established on 8 December 2009. On 21 December 2009 the Company was entered into the Register of Entrepreneurs kept by the District Court of the city of Warsaw, XII Commercial Division of the National Court Registry, under the number KRS 0000344995.

The Company was formed as a special purpose entity for the purpose of raising funds, mainly from the issue of commercial bonds, and the provision of finance to entities owned by International Personal Finance Plc ("IPF Plc" - an entity listed on the London Stock Exchange / "the Group") to finance their home lending business. The Company does not employ any employees and is not planning to employ any employees in the near future.

As stated in the Company's Memorandum of Association, the Company's operation period is unlimited.

The following persons served as members of the Management Board as at 30 June 2016 and as at the date of approval of these condensed interim financial statements:

John Dahlgreen	Member since 8 December 2009
Alicja Kopeć	Member since 8 December 2009
Agnieszka Kłos	Member since 24 July 2012
Mark Sutherland	Member since 31 October 2013

During the reporting period and till the date of approval of these condensed interim financial statements for issuance there were the following changes in the Management Board composition:

- with effect on 23 February 2016 David Broadbent resigned from the position of the Management Board Member, which he held since 8 December 2009.

2. Significant events in 2016

Bonds issue programme

On 3 June 2015 the Company issued new floating-rate bonds with a maturity date of 3 June 2020 and total par value of PLN 200 million under the Programme. The new bonds were offered both to existing and new bondholders which resulted in earlier redemption of PLN 90,6 million from the old bonds issue (with the maturity date as of 30 June 2015). The remaining bonds from the old issue were finally redeemed on 30 June 2015 in accordance with their original maturity.

Interest coupon payments

On 3 June 2016 the Company made the second coupon payment of PLN 6,1 million on the bonds from the 2015 issue. The first coupon was paid on 3 December 2015 and amounted to PLN 6,0 million.

Loans to Provident Polska S.A.

Following the successful issue of the commercial bonds in June 2015 all the proceeds from the issue in the amount of PLN 200 million were loaned to Provident Polska S.A. to finance its home lending business in Poland. The loan agreement was concluded in June 2015 with Provident Polska S.A. as a borrower and IPF Plc, IPF Holdings Limited, International Personal Finance Investments Limited, IPF International Limited (entities from the Group) as guarantors. The maturity of the loan and interest payments intervals match those of the commercial bonds issued by the Company.

Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2016

On 3 June 2016 the Company received the second interest payment in the amount of PLN 6,2 million. The first interest payment was received from Provident Polska S.A. on 3 December 2015 (in the amount of PLN 6,1 million).

3. Financial position and result

In the six month period ended 30 June 2016 the Company made a net profit of PLN 42,7 thousand. As at 30 June 2016 the Company's assets consisted of only one loan, which was issued to a related entity for a period of 5 years, with a nominal value of PLN 200 million, which was financed by debt securities in issue in the same nominal amount and with the same maturity.

The Management Board expects that the Company will continue to operate and generate profits in the future.

4. Risk arising from financial instruments

The Company follows treasury policies approved by the Group Board. The Company's day-to-day operations are managed by delegated employees of Provident Polska S.A. on the basis of a service agreement.

The treasury policies are designed to manage the main financial risks in relation to funding and investment. These policies ensure that the borrowings and investments are with high quality counterparties; are limited to specific instruments; the exposure to a single counterparty or type of instrument is controlled; and the Company's exposure to interest rate risk is maintained within set limits.

Interest rate risk

The Company is exposed to interest rate risk arising from changes in interest rates on loan receivables and debt securities in issue and therefore seeks to limit its exposure (the interest risk in relation to overnights and deposits is assessed as insignificant, trade receivables and payables are non interest bearing). This is achieved by the perfect matching of the parameters of loan issued to the Group company with the terms and conditions of the debt securities issued, which means that any changes in market conditions in relation to debt securities in issue are automatically reflected in loan contract conditions. Therefore, if interest rates increased/decreased by 50 bps in the period from 1 January 2016 to 30 June 2016 this would have no significant effect on net interest revenue (revenue less interest expense).

Credit risk

The Company is subject to credit risk in respect of the amounts receivable from loans and the cash held on deposit with banks. Credit quality of these assets is good.

The cash deposits are held only with banks, which meet the criteria set out within treasury policies to ensure the risk of loss is minimised. In addition the amounts held with the banks are minimised.

The risk of material unexpected credit losses in respect of amounts receivable from loans is low as the Company lends only to the Group entity. This risk is further minimized by the guarantees for the loan agreement obtained from major holding companies of IPF Group who have Fitch Agency rating BB+.

Liquidity risk

The Company is not subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plans for growth as it has a stable source of long term finance in the form of debt securities. The nature of the Company's business and its policy is that the term and conditions of amounts receivable from loans are matched with those of debt securities in issue.

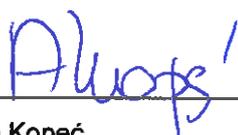
5. Anticipated development

The Company was formed as a special purpose entity for the purpose of raising funds, mainly from commercial bond issues, and the provision of finance to entities owned by IPF Plc. Therefore its strategy is to sustain long term finance at levels which meet the needs of the Group. There are no anticipated changes to the nature of the Company over the foreseeable future.

**IPF Investments Polska Sp. o.o.
MANAGEMENT BOARD STATEMENT**

**in relation to the Condensed interim financial statements and the Management Board
Report of IPF Investments Polska Sp. z o.o.
as at and for the six month period ended 30 June 2016**

The Management Board of IPF Investments Polska Sp. z o.o. hereby confirms that according to their best knowledge the attached Condensed interim financial statements as at and for the six month period ended 30 June 2016 and the comparative data have been prepared in accordance with the applicable accounting principles and they present a true, fair and clear view of the property and financial situation of IPF Investments Polska Sp. z o.o. and its financial result. The Management Board also confirms that the Management Board Report for the six month period ended 30 June 2016 presents a true picture of the development and achievements and the situation of IPF Investments Polska. Sp. z o.o., including a description of main threats and risks.



Alicja Kopec
Board Member



John Dahlgreen
Board Member



Agnieszka Klos
Board Member



Mark Sutherland
Board Member/ Responsible for
maintaining the books of accounts

Warsaw, 25th July 2016