

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

**in relation to the 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 2011**

The Management Board of IPF Investments Polska Sp. z o.o. hereby confirms that according to their best knowledge the attached semi-annual condensed financial statements and the comparative data for the six month period ended 30 June 2011 have been prepared in accordance with the applicable accounting principles and they present 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 2011 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.



David Broadbent
Board Member



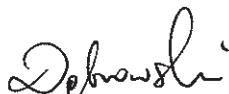
John Dahlgreen
Board Member



Alicja Kopec
Board Member



Krzysztof Adamski
Board Member



Mariusz Dąbrowski
Board Member/ Responsible for
maintaining the books of accounts

Warsaw, 20th July 2011

Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2011

Interest rate risk

The Company is exposed to interest rate risk arising on 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 loans issued to the Group companies 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 will be automatically reflected in loan contract conditions. Therefore, if interest rates increased/decreased by 50 bps in the period from 1 January to 30 June 2011 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 with banks with good ratings (Moody's: Aa2 and Aa3), 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 Group companies. This risk is further minimized by the guarantees for the loan agreements obtained from major Group UK holding companies 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 International Personal Finance Plc. Therefore its strategy is to sustain long term finance at levels which meet the needs of the Group.

Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2011

Dear Shareholder,

This report covers the six month period ended 30 June 2011.

1. Organisational matters

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. Polna 11, 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 Business Department of the National Court Register at the District Court in 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 in the six month period ended 30 June 2011:

| | |
|-------------------|-------------------------------|
| David Broadbent | Member since 08 December 2009 |
| John Dahlgreen | Member since 08 December 2009 |
| Alicja Kopeć | Member since 08 December 2009 |
| Krzysztof Adamski | Member since 08 December 2009 |
| Mariusz Dąbrowski | Member since 08 December 2009 |

2. Significant events in 2011

First interest coupon payment

On 29 March 2011 the Company made a first interest coupon payment of PLN 11,5 million on bonds of a par value of PLN 200 million, which had been issued on 1 October 2010 under a medium-term bond programme.

3. Financial position and result

In the six month period ended 30 June 2011 the Company made a net profit of PLN 38,2 thousand. As at 30 June 2011 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.

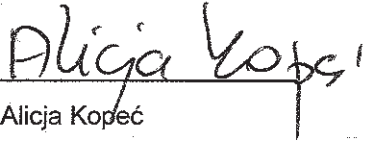
Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2011



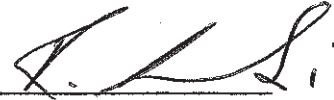
David Broadbent
Board Member



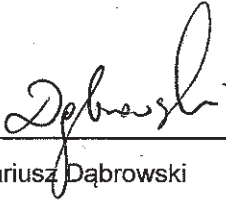
John Dahlgreen
Board Member



Alicja Kopeć
Board Member



Krzysztof Adamski
Board Member



Mariusz Dąbrowski
Board Member / Responsible for
maintaining the books of account

Warsaw, 20th July 2011

MANAGEMENT BOARD REPORT

of

IPF Investments Polska Sp. z o.o.

for the six month period ended 30 June 2011

Notes to the financial statements (continued)

5. Related party transactions (continued)

(b) Transactions with key management personnel

The members of the Company's management board have been employed by 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 shareholders, and were appointed in order to safeguard the shareholders' interests.

In the six month period ended 30 June 2011 and in 2010 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 2011 and in 2010 the Company was a party to transactions with the following related Group entities:

- IPF Plc (UK)
- 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. 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 Ltd, International Personal Finance Investments Ltd and IPF International Ltd as guarantors.
2. Services agreement, which regulates the provision by Provident Polska S.A. to the Company for 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 balance sheet and income statement, which was the following:

| As at and for the six month periods ended 30 June | 2011 PLN | 2010 PLN |
|---------------------------------------------------|----------------------|-------------|
| Revenue/(costs) | | |
| Interests from loan | 12 955 319,42 | - |
| Administrative costs | (37 859,40) | - |
| | 12 917 460,02 | - |

| As at | 30 June 2011 PLN | 31 December 2010 PLN |
|-------------------------------|-----------------------|-------------------------|
| Assets / (liabilities) | | |
| Receivables from loan | 204 899 380,18 | 203 424 600,76 |
| Trade liabilities | (8 619,80) | (18 775,80) |
| | 204 890 760,38 | 203 405 824,96 |

6. Post balance sheet events

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

Notes to the financial statements

1. Statement of compliance

These condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and accounting standards applicable to interim financial reporting as adopted by the European Union. These condensed interim financial statements should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

2. Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention except for the valuation of financial assets and liabilities.

Accounting policies

In preparation of the financial statements the Company has applied the same accounting policies, presentation and judgments as in the last annual financial statements.

The following new standards, new interpretations and amendments to standards and interpretations are effective for the financial year beginning 1 January 2011 and their adoption had no impact on the Company's financial statements:

IAS 32 (amendment), 'Classification of rights issues'; the amendment applies to periods starting on or after 1 February 2010;

IAS 24 (revised), 'Related party disclosure';

IFRS 1 (revised), 'Limited exemption from comparative IFRS 7 disclosures for first time adopters'; the changes apply to periods starting on or after 1 July 2010;

Improvements to IFRS 2010 (May 2010); except for the amendments in connection with IFRS 3 and IAS 27, the effective date of all the amendments is for annual periods beginning on or after 1 January 2011;

IFRIC 14 (amendments), 'Prepayments of a minimum funding requirement'; the amendments apply to periods starting on or after 1 January 2011;

IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments'.

3. Share capital

There were no changes to the number of shares issued in the six month periods ended 30 June 2011 and 2010 since the initial capital injection. The Company's immediate and ultimate parent and sole shareholder is International Personal Finance Plc.

4. Income tax

The tax expense for the period has been calculated by applying the directors' best estimate of the effective tax rate for the year, which is 19% (31 December 2010: 19%) to the profit for the period.

5. Related party transactions

(a) Relationship between IPF Investments Polska and its parent

For the parent information, see note 3.

Statement of cash flows

| For the six month periods ended 30 June | 2011 PLN | 2010 PLN |
|----------------------------------------------------------------------|------------------------|------------------|
| Profit before income tax | 47 195,05 | - |
| Adjusted for : | 11 378 913,95 | - |
| Finance costs | 12 856 181,37 | - |
| Increase in receivables | (1 474 779,42) | - |
| Increase in current liabilities, excluding bank and other borrowings | (2 488,00) | - |
| Income tax paid | (13 325,00) | - |
| Net cash from operating activities | 11 412 784,00 | - |
| Cash flow from investing activities | | |
| Net cash inflow/(outflow) from investing activities | - | - |
| Cash flow from financing activities | | |
| Cash inflows : | - | 45 000,00 |
| Share capital | - | 45 000,00 |
| Cash outflows : | (11 381 920,00) | - |
| Interest paid | (11 381 920,00) | - |
| Net cash from financing activities | (11 381 920,00) | 45 000,00 |
| Net increase in cash and cash equivalents | 30 864,00 | 45 000,00 |
| Cash and cash equivalents at the beginning of the period | 44 960,00 | - |
| Cash and cash equivalents at the end of the period | 75 824,00 | 45 000,00 |

Statement of changes in equity

for the six month periods ended 30 June 2011 and 30 June 2010

| | Paid in share capital PLN | Retained earnings PLN | Total equity PLN |
|----------------------------|---------------------------------|-----------------------------|------------------------|
| At 21 December 2009 | - | - | - |
| Share capital paid in | 45 000,00 | - | 45 000,00 |
| Profit for the period | - | - | - |
| At 30 June 2010 | 45 000,00 | - | 45 000,00 |
| At 1 July 2010 | 45 000,00 | - | 45 000,00 |
| Profit for the period | - | 6 507,20 | 6 507,20 |
| At 31 December 2010 | 45 000,00 | 6 507,20 | 51 507,20 |
| At 1 January 2011 | 45 000,00 | 6 507,20 | 51 507,20 |
| Profit for the period | - | 38 227,99 | 38 227,99 |
| At 30 June 2011 | 45 000,00 | 44 735,19 | 89 735,19 |

Statement of financial position

| As at | 30 June 2011 PLN | 31 December 2010 PLN | 30 June 2010 PLN |
|-------------------------------------|-----------------------|-------------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Receivables from loans | 198 845 024,02 | 197 556 765,14 | - |
| Deferred income tax asset | 2 831,56 | - | - |
| | 198 847 855,58 | 197 556 765,14 | - |
| Current assets | | | |
| Receivables from loans | 6 054 356,16 | 5 867 835,62 | - |
| Cash and cash equivalents | 75 824,00 | 44 960,00 | 45 000,00 |
| | 6 130 180,16 | 5 912 795,62 | 45 000,00 |
| Total assets | 204 978 035,74 | 203 469 560,76 | 45 000,00 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Debt securities in issue | 6 003 945,21 | 5 817 424,66 | - |
| Trade and other payables | 37 287,80 | 39 775,80 | - |
| | 6 041 233,01 | 5 857 200,46 | - |
| Non-current liabilities | | | |
| Debt securities in issue | 198 847 067,54 | 197 559 326,72 | - |
| Deferred tax liability | - | 1 526,38 | - |
| | 198 847 067,54 | 197 560 853,10 | - |
| Total liabilities | 204 888 300,55 | 203 418 053,56 | - |
| EQUITY | | | |
| Paid in share capital | 45 000,00 | 45 000,00 | 45 000,00 |
| Retained earnings | 44 735,19 | 6 507,20 | - |
| Total equity | 89 735,19 | 51 507,20 | 45 000,00 |
| Total equity and liabilities | 204 978 035,74 | 203 469 560,76 | 45 000,00 |

Statement of comprehensive income

| For the six month periods ended 30 June | 2011 PLN | 2010 PLN |
|------------------------------------------------------------|------------------------|-------------|
| Interest revenue | 12 955 319,42 | - |
| Total income | 12 955 319,42 | - |
| Finance costs | (12 856 181,37) | - |
| Operating costs | (51 943,00) | - |
| Total costs | (12 908 124,37) | - |
| Profit before income tax | 47 195,05 | - |
| Income tax expense | (8 967,06) | - |
| Profit for the period | 38 227,99 | - |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | 38 227,99 | - |
| Profit attributable to: | | |
| Owners of the Company | 38 227,99 | - |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 38 227,99 | - |



David Broadbent
Board Member



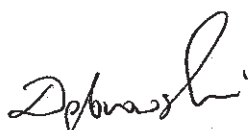
John Dahlgreen
Board Member



Alicja Kopeć
Board Member



Krzysztof Adamski
Board Member



Mariusz Dąbrowski
Board Member/ Responsible for
maintaining the books of account

Warsaw, 20th July 2011

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

Approval of the financial statements

The accompanying condensed statement of comprehensive income, statement of financial position, statement of changes in shareholders' equity, statement of cash flows and notes to the financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and accounting standards applicable to interim financial reporting as adopted by the European Union and are presented in the following order:

| | Page |
|----------------------------------------------|------|
| Statement of comprehensive income | 4 |
| Statement of financial position | 5 |
| Statement of changes in shareholders' equity | 6 |
| Statement of cash flows | 7 |
| Notes to the financial statements | 8 |

IPF Investments Polska Sp. z o.o.
Unaudited condensed Financial Statements
as at and for the six month period ended 30 June 2011

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

| As at and for the six month period ended 30 June | 2011 | 2010 | 2011 | 2010 |
|----------------------------------------------------|----------|------|----------|------|
| | PLN 000' | | EUR 000' | |
| Total income | 12 955 | - | 3 266 | - |
| Profit before income tax | 47 | - | 12 | - |
| Profit for the period | 38 | - | 10 | - |
| Non-current assets | 198 848 | - | 49 659 | - |
| Current assets | 6 130 | 45 | 1 531 | 11 |
| Total assets | 204 978 | 45 | 51 190 | 11 |
| Paid in share capital | 45 | 45 | 11 | 11 |
| Total equity | 90 | 45 | 22 | 11 |
| Current liabilities | 6 041 | - | 1 509 | - |
| Non-current liabilities | 198 847 | - | 49 659 | - |
| Total liabilities | 204 888 | - | 51 168 | - |
| Net cash from operating activities | 11 413 | - | 2 850 | - |
| Net cash from financing activities | (11 382) | 45 | (2 842) | 11 |
| Net increase in cash and cash equivalents | 31 | 45 | 8 | 11 |
| Cash and cash equivalents at the end of the period | 76 | 45 | 19 | 11 |

The amounts in PLN from the statement of comprehensive income have been translated to EUR at the average NBP rates for the six month periods ended 30 June 2011 and 2010 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 and the statement of cash flow have been translated to EUR at the average NBP rate as at 30 June 2011 and 2010 respectively.

Content of the Semi-annual Report:

- 1) Selected financial data
- 2) Semi-annual financial statements
- 3) Management board report
- 4) Management board statement

SEMI-ANNUAL REPORT

2011

IPF Investments Polska Sp. z o.o.