vanquis

2026 HALF YEAR RESULTS

30 JULY 2026
8:30AM

Agenda

1H26 Performance Summary and Outlook	Ian McLaughlin
1H26 Performance and Guidance Detail	Dave Watts
Conclusion	Ian McLaughlin
Q&A	Ian & Dave

1H26 Performance Summary and Outlook

Ian McLaughlin
Chief Executive Officer

Profitable growth continued in 1H26

1. **Profit before tax up 44% YoY at £8.9m,** above FY25 profit.
2. **24% balance growth YoY**, with 8% income growth.
3. **NIM and RAM reduction** reflects shift in balance growth product mix.
4. **Credit quality remains stable.**
5. **Cost discipline remains a priority**, with cost: income ratio reducing 9.4% to 53.1%.
6. **Low single digits ROTE.**
7. **Strong capital position**, enabling future growth plans.
8. **Progress** on serving the borrowing needs of the underserved **recognised by industry awards** for “Europe Best Bank Transformation” and “UK Best for Consumer Lending”.

	1H26	HoH % Change	YoY % Change
Gross customer interest-earning balances[1]	£3,054m	8%	24%
Net interest margin (NIM)[2]	15.0%	(1.2)%	(2.4)%
Risk-adjusted margin (RAM)[3]	9.3%	(0.5)%	(3.1)%
Cost: income ratio[4]	53.1%	(1.4)%	(9.4)%
Statutory Return on Tangible Equity (ROTE)[5]	**2.5%**	**0.8%**	**(0.6)%**
Common Equity Tier 1 (CET1) ratio[6]	15.6%	(0.9)%	(2.9)%

Continued operational delivery against our three priorities

Building strong foundations to deliver attractive shareholder returns in the medium term

Serve More

- **Grew Credit Card customers** and drove engagement via prize draws and Vanquis Rewards cashback.
- Developing **instalment lending alternatives** and a **prime upgrade Credit Card proposition** to retain high quality customers as they build financial resilience.
- **Expanded Vehicle Finance pricing points** offered to customers.
- **Grew 2CM customers by 30%** via our forward flow partners.
- Further increased **Snoop active users** and launched the **Snoop Savings dashboard**.

Serve Responsibly

- **UK Customer Satisfaction Index (CSI) Score increased to 83.2**, ahead of the industry benchmark of 82.0.
- **Achieved ServiceMark accreditation***, recognising customer service excellence.
- **Enhanced navigation and self-service functionality** in the new mobile app.
- Introduced a **Credit Card repayment calculator**.
- **Expanded "Not Yet" support**, identifying >£57m of annualised unclaimed benefits for >35k customers since January 2025.

Scale Profitably

Successfully migrated **all Credit Card customers** onto our new **award-winning mobile banking app.**

- Launched **new Credit Card customer onboarding journey**.
- **Expanded use of AI** across customer service, analytics, decisioning and colleague productivity.
  - Launched our **first customer facing AI agent.**

* Accreditation from the Institute of Customer Service

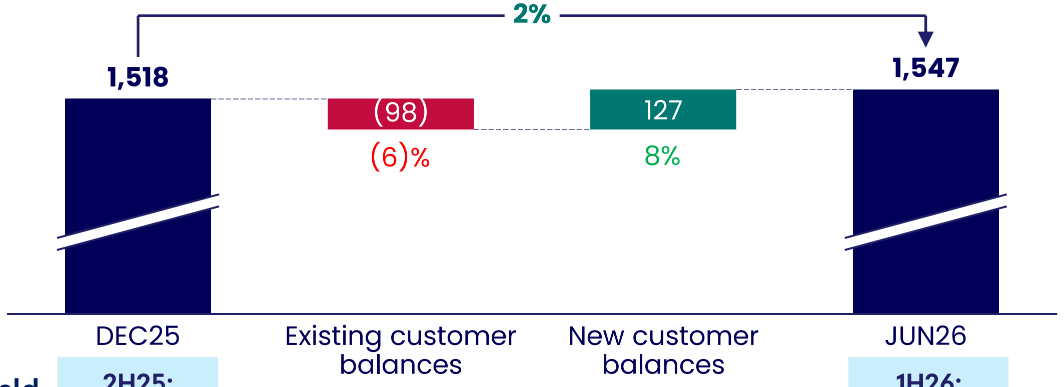
Impacts from increased macroeconomic uncertainty emerging in 2Q26

Two main headwinds:

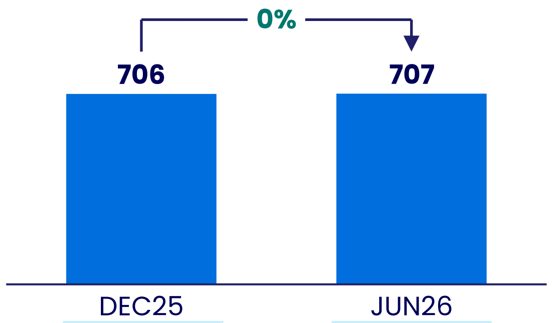
1. *Lower utilisation from existing Credit Card customers than previously planned for*
2. *Increased IFRS9 macroeconomic impairment provision for higher unemployment forecast*

Gross customer interest earning balances (£m)[1]

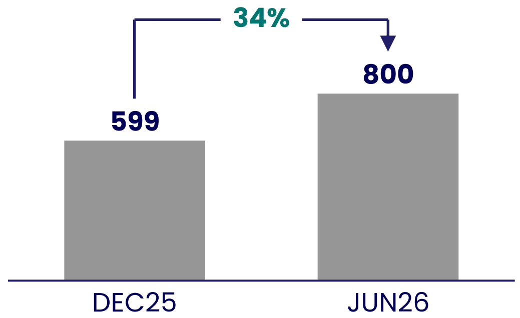
Credit Cards



Vehicle Finance



Second Charge Mortgages



	Credit Cards DEC25	Credit Cards JUN26	Vehicle Finance DEC25	Vehicle Finance JUN26	Second Charge Mortgages DEC25	Second Charge Mortgages JUN26
Asset yield	2H25: 26.5%	1H26: 25.5%	2H25: 16.7%	1H26 17.4%	2H25: 7.1%	1H26: 6.8%

1. **Lower than expected higher yielding existing customer balances**
   - More cautious customer behaviour, with reduced spending driving lower utilisation in higher yielding back book.
   - Trend consistent with the non-prime credit card market (industry spend down c.1% YoY)*.
   - Benefits from back book stimulation initiatives only partially mitigated impact (prize draws and Vanquis Rewards cashback).

2. **Absorbed £8.5m increase in IFRS9 macroeconomic impairment provision.**
   - Forecast that UK unemployment increases to a peak of 5.7% (DEC25 forecast: 5.1%).

- **Stable balances** in line with expectations.
  - Proactively managing new business growth ahead of the launch of the new IT platform later this year.
- **Improving asset yield** through repricing initiatives.

- **Strong balance growth** through long term forward flow origination agreements with partners.
- **Reduced asset yield,** driven by increased competition, albeit in a growing market.

Continued Credit Cards balance growth driven by new customers, which are initially lower yielding than existing customers

* Source: Visa Analytics

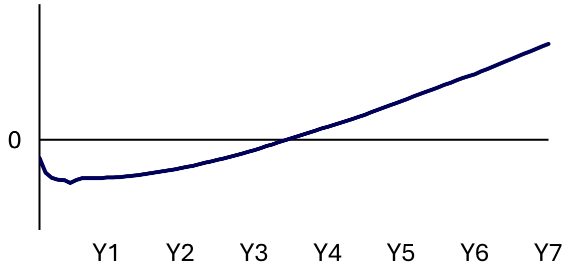
Improving Credit Card profitability from recent new customer growth

New customer growth since 2025 will deliver greater contribution to profits from 2027

Cumulative PBT of a typical customer (£)

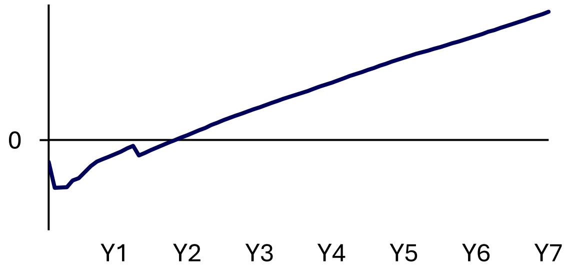
Credit Builder card

New customers become profitable after **3.5 years** after which profitability continues to grow.

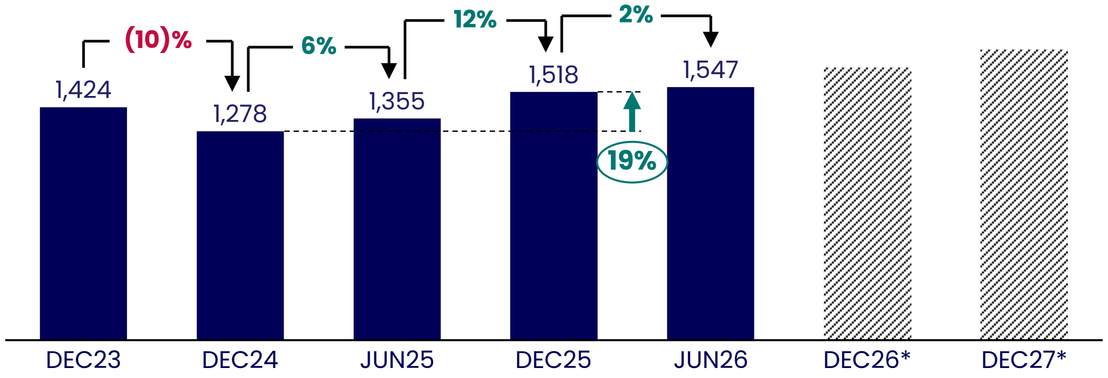


Balance Transfer (BT) card

New customers become profitable in **under 2 years** after the BT period ends.



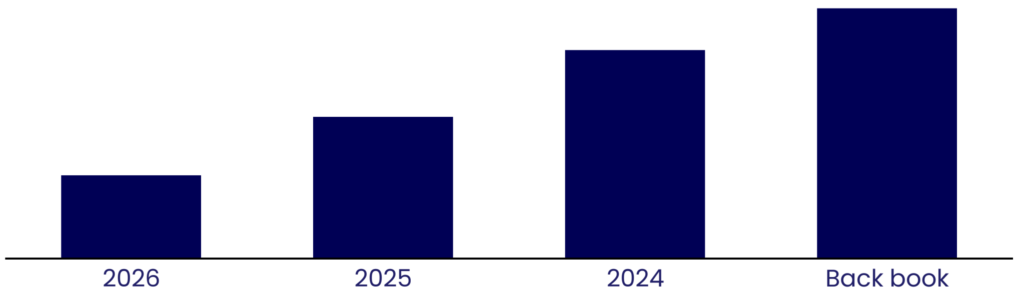
Gross customer interest earning balances trend (£m)[1]



* Represents indicative growth

- **Profitability will increase in 2027**
  - Balances reduced by 10% in 2024, resulting in lower maturing balances, and therefore profitability, in 2026.
- **Front book lending originated in 2025 (19% balance growth) starts to become profitable in 2027**, as 0% BTs and promotional products revert to interest earning balances.
  - Maturing BTs are revolving to interest earning balances in line with expectations.
- **Intend to grow balances in 2H26 at a similar rate to 2H25,** driven by new customer growth. Expect 2027 growth to be similar to 2026.
- **Asset yields improve each year as the balances mature.**

Current indicative asset yield of new customers by vintage (%)

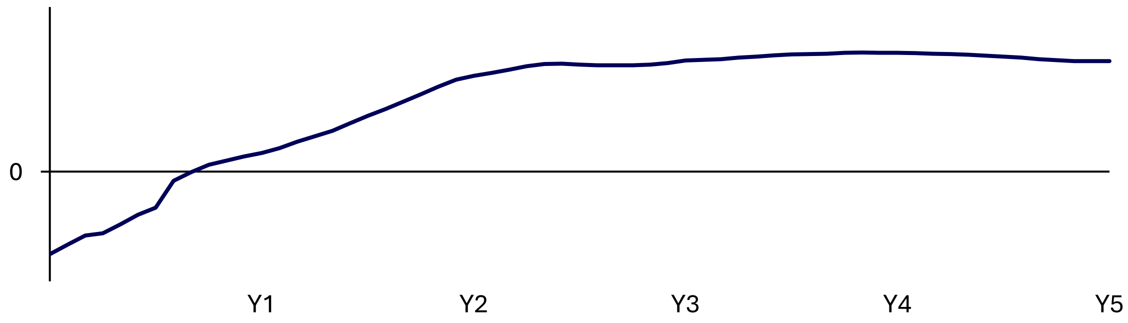


Vehicle Finance growth to resume from 2027

Improved profitability from 2027 post launch of the new onboarding and servicing platform, with new customers becoming profitable within the first year

Cumulative PBT of a typical customer (£)

New customers become profitable towards the **end of year 1**, with profitability maturing after c.2.5 years, consistent with the behavioral life of the customer.



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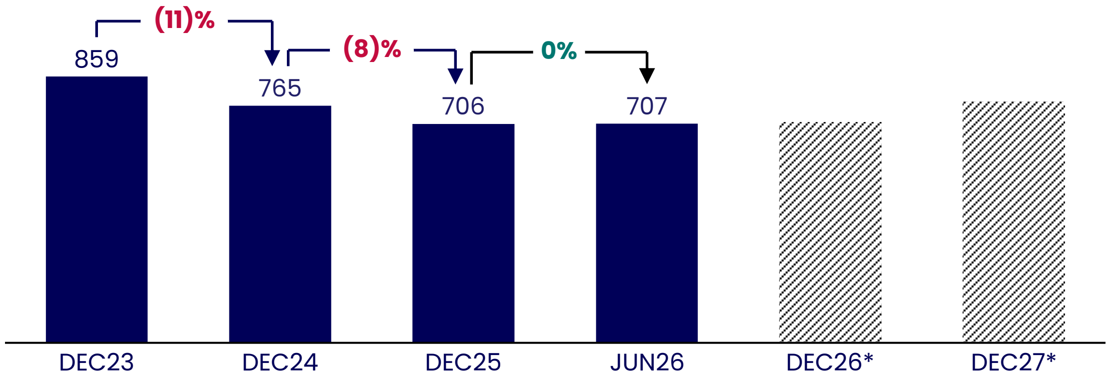


- **Continuing to moderate balance growth in 2H26**, as we complete the platform build as part of Gateway.
- **Increased balance growth expected during 2027**, driven by better connectivity to the broker network and improved speed of servicing.
- **Delivering further enhancements to underwriting strategies** and credit risk analytics.
- **More efficient operations** drives increased profitability.

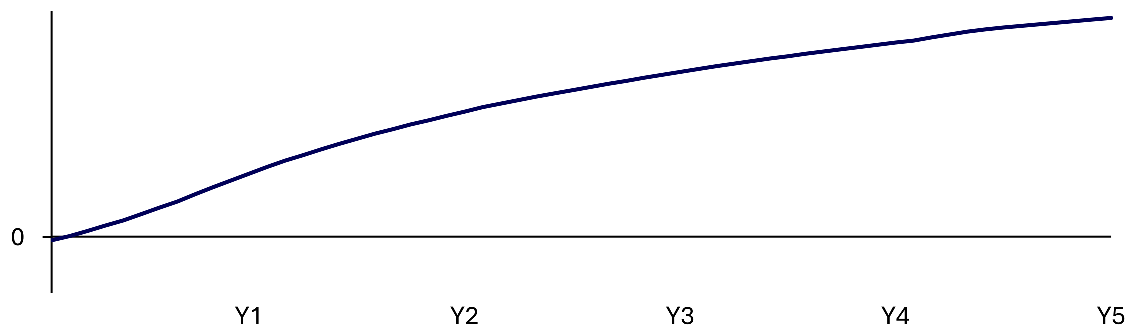
* Represents indicative growth

Strong 2CM growth continues, though competitor activity increasing

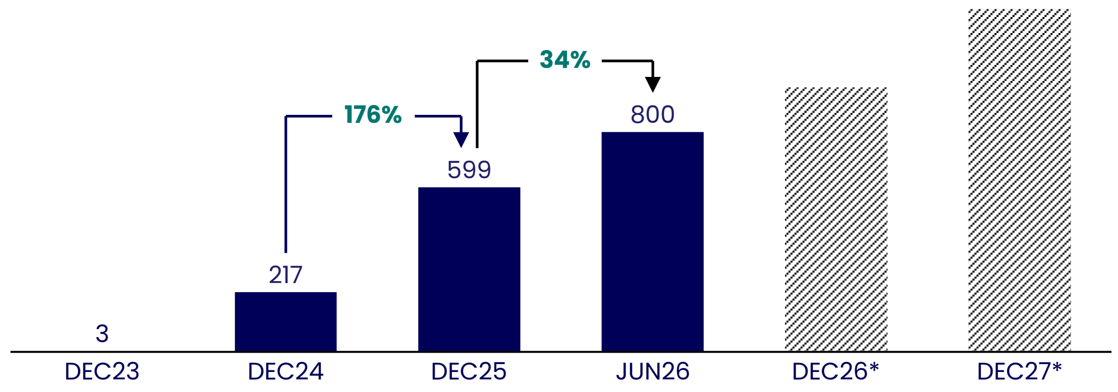
Growth via forward flow partners to continue at a similar rate, driving increased profitability despite competitive pressures, with new customers profitable from month one

Cumulative PBT of a typical customer (£)

New customers become **profitable from month one**, due to modest initial IFRS9 modelled impairment.



Gross customer interest earning balances trend (£m)[1]



* Represents indicative growth

- **Expect balance growth to continue at a similar rate** of c.£30m per month.
- Competitive dynamics putting **further downward pressure on asset yield.**
- **Growth continues to be accretive to mid-teens ROTE hurdle.**

Updated financial guidance for 2026 and 2027

Guidance assumes impact on consumer confidence from uncertain macroeconomic environment continues; balance growth expected to be driven by increased new customer acquisition; combination moderates short term returns

	1H26 Actuals	FY26 Guidance	FY27 Guidance
Gross customer interest-earning balances[1]	£3,054m	>£3.3bn *(unchanged)*	>£3.7bn *(unchanged)*
Net interest margin (NIM)[2]	15.0%	c.14.5% *(c.15.5% previously)*	>13.0% *(c.14.5% previously)*
Risk-adjusted margin (RAM)[3]	9.3%	>8.5% *(>9.5% previously)*	>8.0% *(>9.0% previously)*
Cost: income ratio[4]	53.1%	Low 50s *(high 40s previously)*	Mid to high 40s *(mid 40s previously)*
Statutory ROTE[5]	**2.5%**	**Low single digits (low double digits previously)**	**Low double digits (mid-teens now expected in 2028)**
CET1 ratio[6]*	15.6%	>14.5% (unchanged)	>12.0%**
Dividend	-	Modest	

- **FY26 ROTE guidance impact of 2.4% driven by IFRS9 macroeconomic impairment provision** for higher unemployment.
- **Mid-teens ROTE in 2028** underpinned by further improvement in cost: income ratio as we continue to execute on our initiatives.
- Given confidence in the medium term outlook for the business, and assuming no significant deterioration in the UK economy, **the Board intends to re-establish a modest dividend with FY26 results**.

** Guidance subject to regulatory change*
*** Post Basel 3.1 and SDDT regime implementation from 1 January 2027*

Continuing to build a higher quality, more profitable business

The growth opportunity within the underserved addressable market underpins our confidence in the strategy

Confidence in the outlook supported by:

1. **Gateway technology transformation build remains on track** for completion in 2026.
2. **Greater transformation cost savings of £30-35m now expected**, driving lower operating costs in both 2026 and 2027.
3. **Further optimised liquidity and funding**, with access to cheaper retail deposit funding remaining a core strength.
4. **Capital optimisation completed** following Tier 2 issuance.
5. **Clarity on future capital requirements,** with an expected increase in capital capacity to support lending growth from 2027.
6. **On track to deliver our balance growth ambitions**, enabling us to serve the borrowing needs of the underserved UK adult population.

1H26 Financial Performance and Guidance Detail

Dave Watts
Chief Financial Officer

1H26 Group performance

Profitable balance growth continued; mix of growth impacted asset yield, NIM and RAM

Gross Customer Interest Earning Balances[1]	£3,054m	(DEC25: £2,824m)	8% ↑
Customer Deposits[31]	£3,176m	(DEC25: £2,984m)	6% ↑
Net Interest Margin[2]	15.0%	(1H25: 17.4%)	(2.4)% ↓
Risk Adjusted Margin[3]	9.3%	(1H25: 12.4%)	(3.1)% ↓
Cost: Income Ratio[4]	53.1%	(1H25: 62.5%)	(9.4)% ↓
Return on Tangible Equity[5]	2.5%	(1H25: 3.1%)	(0.6)% ↓
Earnings Per Share[7]	1.8p	(1H25: 2.2p)	(18)% ↓
Tangible Net Asset Value Per Share[8]	143p	(DEC25: 143p)	-% →
Common Equity Tier 1 Ratio[6]	15.6%	(DEC25: 16.5%)	(0.9)% ↓

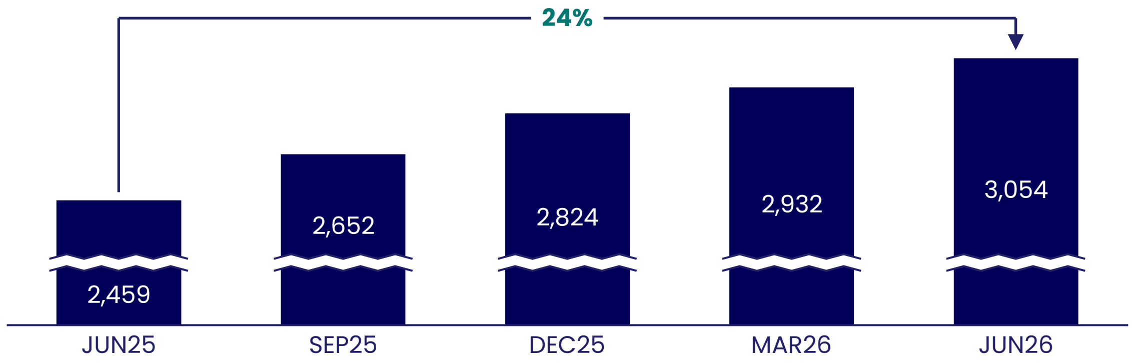
Income Statement	JUN26 £m	JUN25 £m	Change %
Net interest income	218.1	202.2	8%
Non-interest income	19.4	17.5	11%
Total income	**237.5**	**219.7**	**8%**
Impairment charges	(102.4)	(76.1)	35%
Risk-adjusted income	**135.1**	**143.6**	**(6)%**
Operating costs	(126.2)	(137.4)	(8)%
Profit before tax from continuing operations	**8.9**	**6.2**	**44%**

- **Net interest income and total income increased 8% YoY (1H26 vs 1H25)**, reflecting balance growth, although the mix of growth in Credit Cards and 2CM impacted asset yield and NIM.
- **Impairment charges increased 35% YoY but reduced (2)% HoH (1H26 vs 2H25)**, despite the growth in balances and an increase in the IFRS9 provision for macroeconomic uncertainty by £8.5m.
- **Operating costs decreased (8)% YoY**, driven by lower complaint costs, while continued transformation cost savings facilitated investment and offset inflation related cost increases.
- **Profit before tax from continuing operations increased 44% to £8.9m,** higher than FY25 PBT.
- **ROTE was 2.5%.**

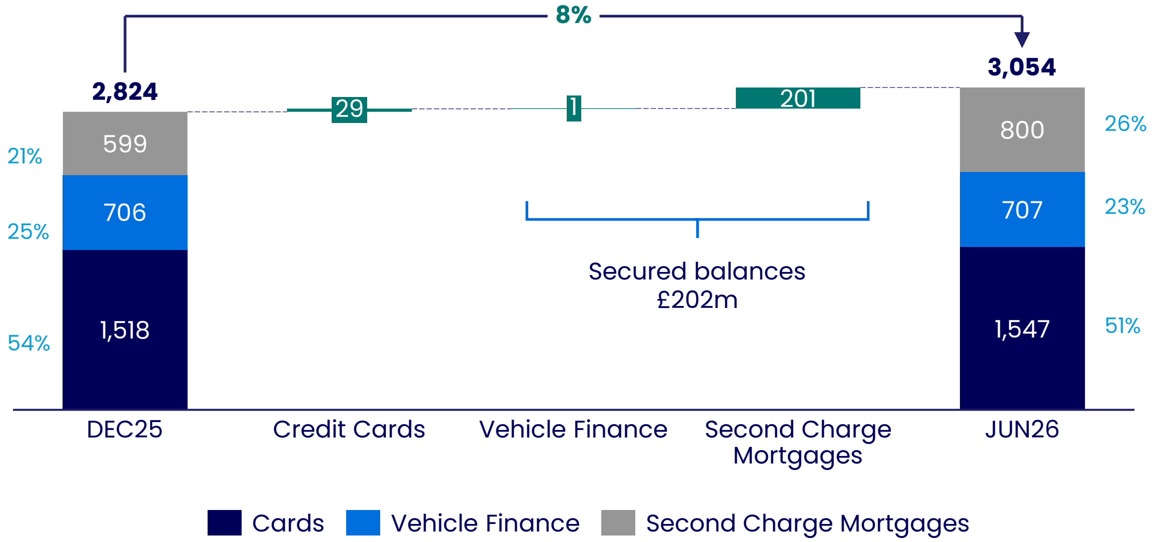
Gross customer interest-earning balances

Strong new customer balance growth in Credit Cards and 2CM

Gross customer interest-earning balances trend (£m)[1]



Gross customer interest-earning balances movement (£m)[1]

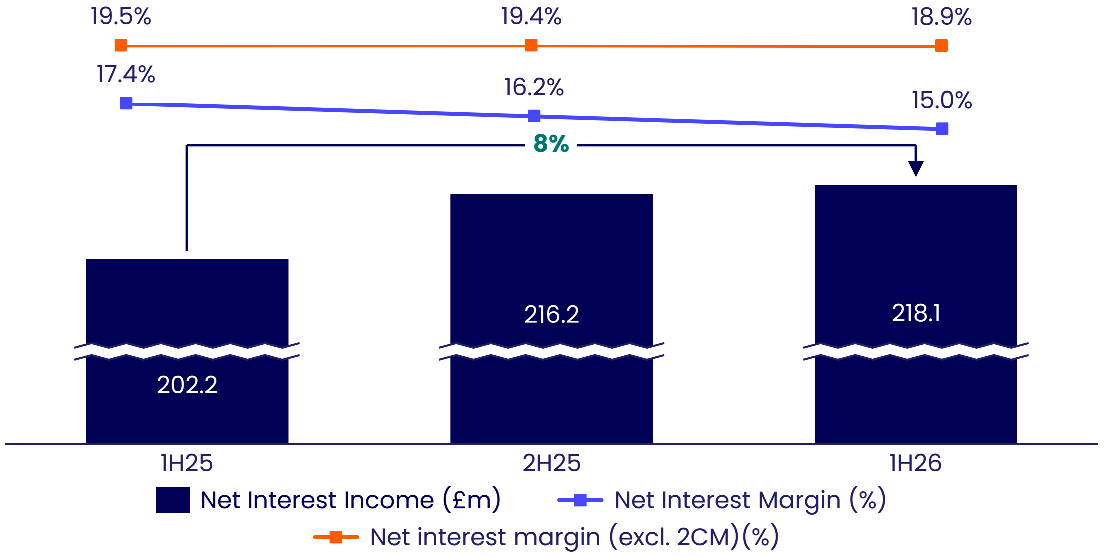


- **Group balances increased 24% YoY and 8% HoH**
- **Credit Cards**
  - **Balances increased 2% HoH to £1,547m**, driven by
    - New customer balance growth, including via 0% Balance Transfers (BTs) and promotional products.
    - A more uncertain macroeconomic backdrop, meaning existing customers acted cautiously by moderating spending.
- **Vehicle Finance**
  - **Balances were stable HoH at £707m**, in line with expectations, reflecting the proactive management of new business growth ahead of the launch of the new onboarding and servicing platform later this year as part of the conclusion of the Gateway programme build.
- **Second Charge Mortgages**
  - **Balances grew c.£200m HoH to £800m**, driven by our long term forward flow origination agreements with partners.

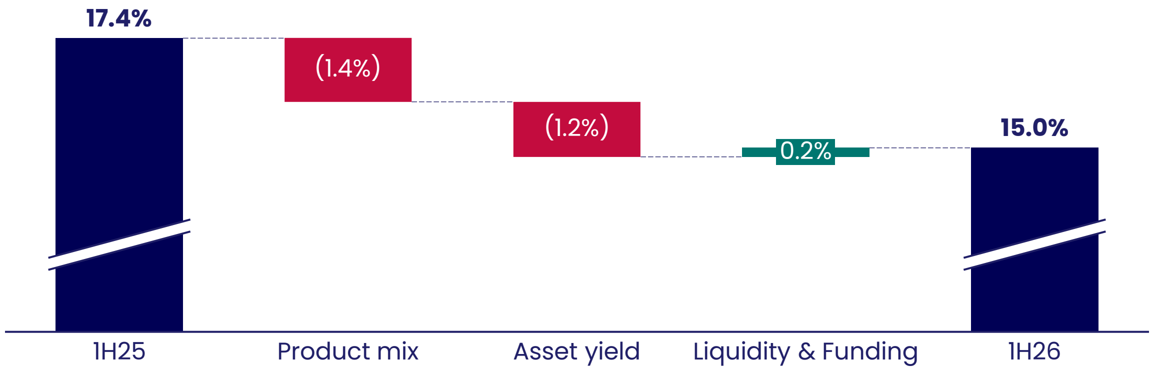
Net Interest Margin

Reduction reflects the mix of balance growth – 2CM and new Credit Card customers

Net interest income trend (£m)



NIM drivers (%)[2]



Product mix

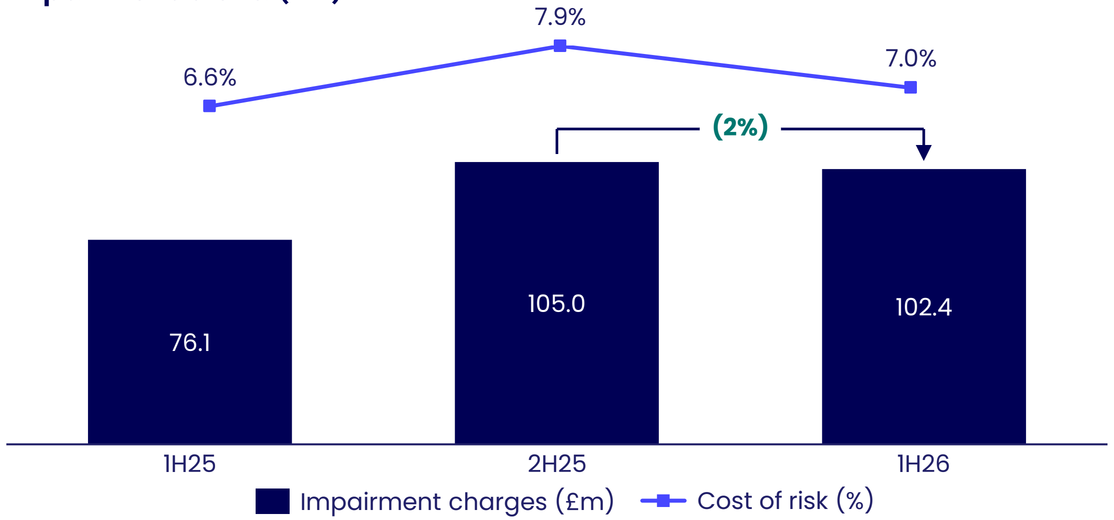
	Product mix (average gross customer interest-earning balances[9])				Asset yield[10]		
	JUN26 £m	JUN25 £m	JUN26 share %	JUN25 share %	JUN26 %	JUN25 %	Change
Credit Cards	1,534	1,296	52%	55%	25.5%	27.8%	(2.3)
Vehicle Finance	709	750	24%	32%	17.4%	16.9%	0.5
Second Charge Mortgages	690	293	24%	13%	6.8%	7.6%	(0.8)
Total	**2,933**	**2,339**			**19.1%**	**21.8%**	**(2.7)**

- **Interest income increased 8% YoY to £297.5m**, driven by a 25% increase in average gross customer interest-earning balances offset by lower asset yield, reflecting the mix effect from lower risk, lower margin Second Charge Mortgages.
  - **Credit Cards yield reduced,** driven by new customer growth, including via 0% BTs and promotional products, and a reduction in balances of existing customers, as they cautiously moderated spending in the second quarter in the face of increased macroeconomic uncertainty.
  - **2CM asset yield reduced,** reflecting pricing pressure from increased competition.
  - **Vehicle Finance asset yield improved** due to repricing initiatives.
- **Interest expense increased 9% YoY to £(79.4)m**, reflecting the increased funding requirement to support lending growth and a resulting increase in retail deposits.
- **Excluding Second Charge Mortgages, NIM reduced (0.6) percentage points YoY to 18.9%**

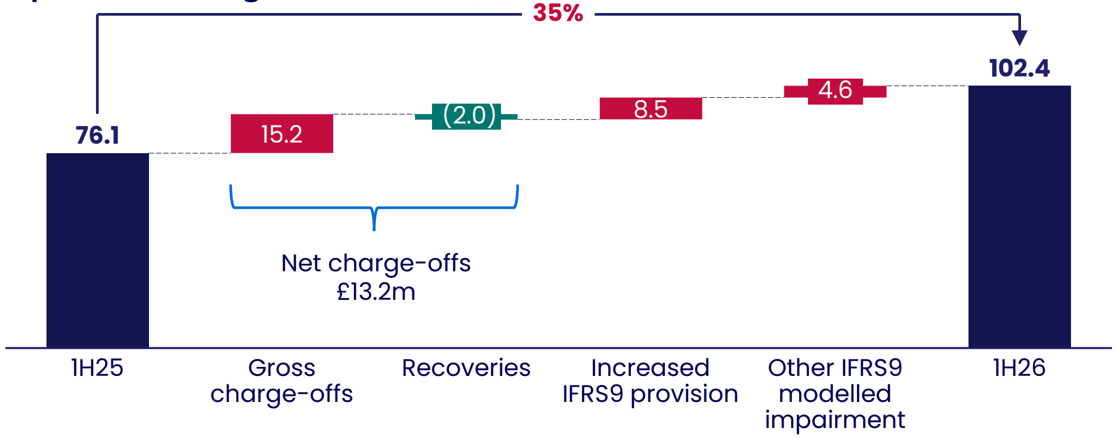
Impairment charges

Stable portfolio credit quality, with an increased IFRS9 provision for macroeconomic uncertainty

Impairment trend (£m)



Impairment charges movement (£m)



Impairment charges (£m)

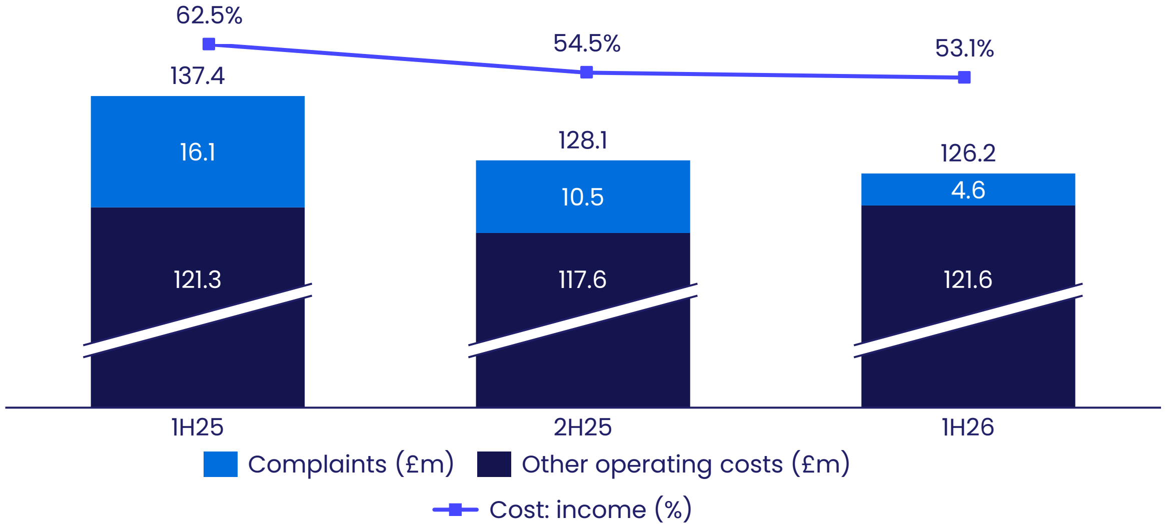
		1H26 £m	1H25 £m	Change %
Gross charge-offs		(137.3)	(122.1)	12%
Recoveries		30.6	28.6	7%
Net charge-offs		**(106.7)**	**(93.5)**	**14%**
IFRS9 modelled impairment/other		**4.3**	**17.4**	**(75)%**
Impairment charges		**(102.4)**	**(76.1)**	**35%**
	FY26 Guidance %	1H26 %	1H25 %	Change
Group cost of risk[11]		**(7.0)%**	**(6.6)%**	**(0.4)**
Credit Cards	10-13%	(11.0)%	(10.0)%	(1.0)
Vehicle Finance	5-7%	(5.1)%	(3.4)%	(1.7)
Second Charge Mortgages	<1%	(0.2)%	(0.1)%	(0.1)

- **Impairment charges increased 35% YoY, but reduced (2)% HoH**, despite the 8% growth in balances from DEC25.
  - **Increased the IFRS9 provision for macroeconomic uncertainty by £8.5m**, driven by a forecast of peak UK unemployment increasing to 5.7% (DEC25 forecast: 5.1%).
- **Credit Card gross charge-offs increased 17%**, reflecting increased average balances and the maturity of new customer driven balance growth in 2025.
  - The gross charge off rate remained stable at 13.7% (1H25: 13.9%).
- **IFRS9 modelled impairment resulted in a net reduction in impairment of £4.3m**, partly offsetting the increase in charge-offs.
- **Stable portfolio credit quality**, with the cost of risk across all products at the lower end of guided ranges.

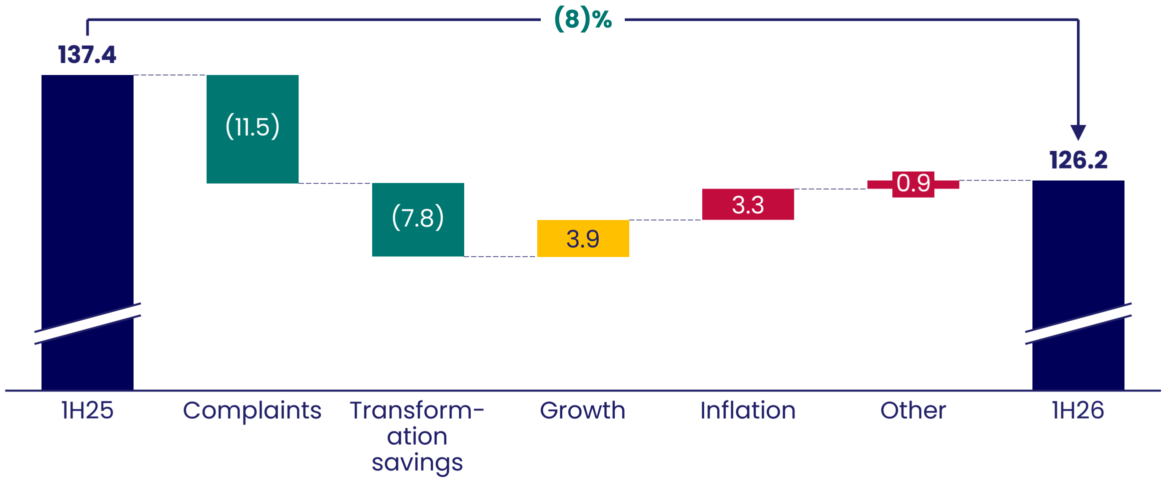
Operating costs

Cost discipline maintained, with additional Gateway spend to drive increased future savings

Operating costs trend (£)



Operating costs movement (£m)



* *Does not include outsourced resource.*

Costs by type (£m) & Full-time equivalent headcount (FTE) (#)

	1H26 £m	1H25 £m	Change %
Cost by type (£m)			
Staff and outsourced people costs[12]	(66.4)	(66.4)	-
Non staff costs[13]	(52.5)	(64.4)	(18)%
Depreciation and amortisation	(7.2)	(6.6)	9%
Total operating costs	**(126.2)**	**(137.4)**	**(8)%**
Of which complaints	*(4.6)*	*(16.1)*	*(72)%*
Full-Time Equivalent (FTE) headcount by area (#)[14]			
Product & commercial	158	130	22%
Operations*	473	458	3%
Technology & change	370	381	(3)%
Functions & other	227	231	(2)%
Total FTE headcount	**1,228**	**1,200[15]**	**2%**

- **Operating costs decreased (8)% YoY**, driven by lower complaint costs, with continued transformation savings facilitating growth and offsetting inflation-related cost increases.
- **The cost: income ratio improved to 53.1%** (1H25: 62.5%)
- Continued investment linked to the completion of the Gateway programme to ensure the platform supports the next phase of continuous IT improvement, including the expanded use of AI. This will pay back via increased cost savings in the coming years.
- Investment was also made to improve Credit Card and Credit Risk capabilities.

Product contribution

Improved profitability across all lending products in 1H26

	Cards			Vehicle Finance			2CM			Corporate Centre			Total		
	1H26 £m	1H25 £m	Change %	1H26 £m	1H25 £m	Change %	1H26 £m	1H25 £m	Change %	1H26 £m	1H25 £m	Change %	1H26 £m	1H25 £m	Change %
Interest income	194.1	179.0	8%	61.3	62.9	(3)%	23.1	11.0	110%	19.0	22.0	(14)%	297.5	274.9	8%
Interest expense	(27.1)	(24.7)	10%	(13.1)	(14.3)	(8)%	(14.6)	(6.7)	118%	(24.6)	(27.0)	(9)%	(79.4)	(72.7)	9%
Net interest income	**167.0**	**154.3**	**8%**	**48.2**	**48.6**	**(1)%**	**8.5**	**4.3**	**98%**	**(5.6)**	**(5.0)**	**12%**	**218.1**	**202.2**	**8%**
Non-interest income	17.4	16.0	9%	-	-	-	1.2	0.2	500%	0.8	1.3	(38)%	19.4	17.5	11%
Total income	**184.4**	**170.3**	**8%**	**48.2**	**48.6**	**(1)%**	**9.7**	**4.5**	**116%**	**(4.8)**	**(3.7)**	**30%**	**237.5**	**219.7**	**8%**
Impairment charges	(83.7)	(64.0)	31%	(18.1)	(12.7)	43%	(0.6)	(0.2)	200%	-	0.8	100%	(102.4)	(76.1)	35%
Risk-adjusted income	**100.7**	**106.3**	**(5)%**	**30.1**	**35.9**	**(16)%**	**9.1**	**4.3**	**112%**	**(4.8)**	**(2.9)**	**66%**	**135.1**	**143.6**	**(6)%**
Operating costs	(87.9)	(93.7)	(6)%	(28.4)	(34.5)	(18)%	(2.0)	(1.9)	5%	(7.9)	(7.3)	8%	(126.2)	(137.4)	(8)%
PBT from continuing operations	**12.8**	**12.6**	**2%**	**1.7**	**1.4**	**21%**	**7.1**	**2.4**	**196%**	**(12.7)**	**(10.2)**	**25%**	**8.9**	**6.2**	**44%**
Net interest margin (%)[2]	22.0	24.0	(2.0)	13.7	13.1	0.6	2.5	3.0	(0.5)				15.0	17.4	(2.4)
Risk adjusted margin (%)[3]	13.2	16.5	(3.3)	8.6	9.7	(1.1)	2.7	3.0	(0.3)				9.3	12.4	(3.1)
Cost: income ratio (%)[4]	47.7	55.0	(7.3)	59.0	71.0	(12.0)	20.8	42.2	(21.4)				53.1	62.5	(9.4)
	JUN26 £m	DEC25 £m	Change %	JUN26 £m	DEC25 £m	Change %	JUN26 £m	DEC25 £m	Change %	JUN26 £m	DEC25 £m	Change %	JUN26 £m	DEC25 £m	Change %
Gross customer interest-earning balances[1]	1,547	1,518	2%	707	706	-	800	599	34%				3,054	2,824	8%
Customers ('000)[16]	1,354	1,339	1%	101	103	(2)%	13	10	30%	398	389	2%	1,788	1,770	1%

- *Active Credit Card customer numbers were 1,036k as at JUN26 (DEC25: 1,039k). Active credit customers represent accounts with a balance or have made transactions in the last two statement periods.*
- *Corporate Centre includes Savings (JUN26: 63k; DEC25: 60k) and Snoop savings (JUN26: 26k; DEC25: 22k) customer numbers.*
- *Total Group customer numbers de-duplicated for customers with more than one product. 90k customers had more than one product as at JUN26 (DEC25: 80k).*

Credit Cards

Continued profitable growth; margins impacted by the macroeconomic environment

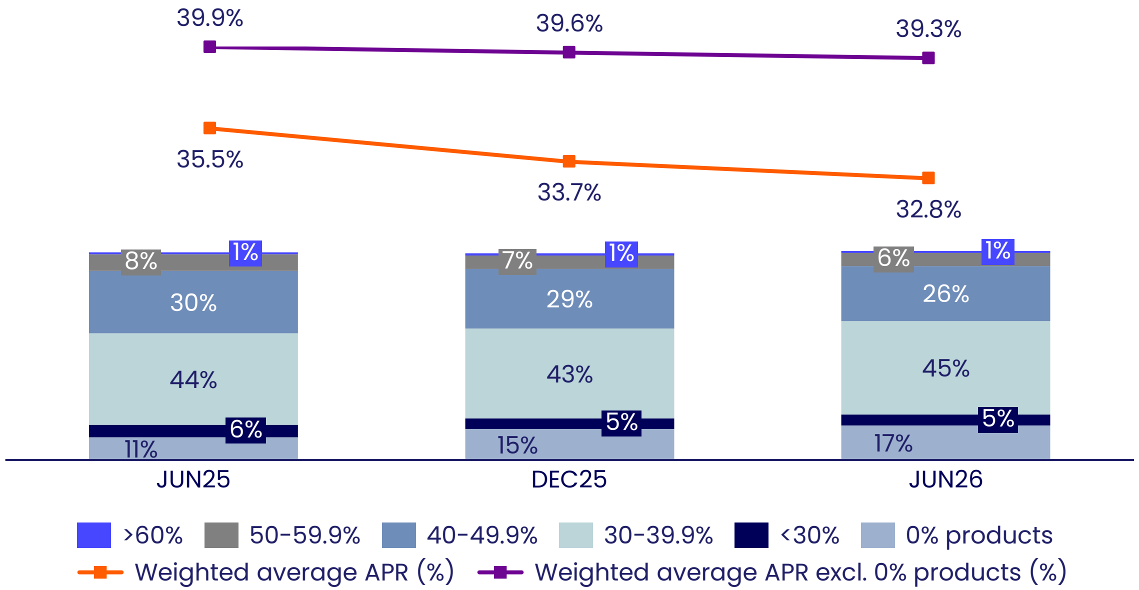
Gross Customer Interest Earning Balances[1]	Asset Yield[10]	Net Interest Margin[2]
£1,547m	25.5%	22.0%
(DEC25: £1,518m) 2% ↑	*(1H25: 27.8%)* (2.3)% ↓	*(1H25: 24.0%)* (2.0)% ↓

Cost of Risk[11]	Risk Adjusted Margin[3]	Cost: Income Ratio[4]
(11.0)%	13.2%	47.7%
(1H25: (10.0)%) (1.0)% ↑	*(1H25: 16.5%)* (3.3)% ↓	*(1H25: 55.0%)* (7.3)% ↓

Profit Before Tax Contribution	Customers[16]	Average Balance
£12.8m	1,354k	£1,124
(1H25: £12.6m) 2% ↑	*(DEC25: 1,339)* 1% ↑	*(DEC25: £1,115)* 1% ↑

Credit Cards	**1H26 £m**	1H25 £m	Change %
Gross charge-offs	(104.3)	(89.3)	17%
Recoveries	23.2	22.4	4%
Net charge-offs	**(81.1)**	**(66.9)**	**21%**
IFRS9 modelled impairment/other	(2.6)	2.9	
Impairment charges	**(83.7)**	**(64.0)**	**31%**
Gross charge-off rate	**13.7%**	**13.9%**	**(0.2)**

Portfolio mix (APR %)



- **Gross customer interest-earning balances increased 14% YoY and 2% HoH,** driven by new customer growth, including via 0% BTs and promotional products.
  - Existing customer balances reduced, as customers acted cautiously, by moderating spending given increased macroeconomic uncertainty.
- **Asset yield and NIM reduced (2.3) percentage points and (2.0) percentage points** YoY due to further growth in 0% products driving a reduction in weighted average APR to 32.8% (JUN25: 35.5%).
  - Weighted average APR excl. 0% products decreased (0.6) percentage points to 39.3%, driven by lower than expected utilisation from existing customers with higher APRs.
- **RAM decreased (3.3) percentage points, including a (1.0) percentage points increase in cost of risk**, at the lower end of the guided range, of 10-13%, despite the increase in the IFRS9 macroeconomic impairment provision.

Vehicle Finance (VF)

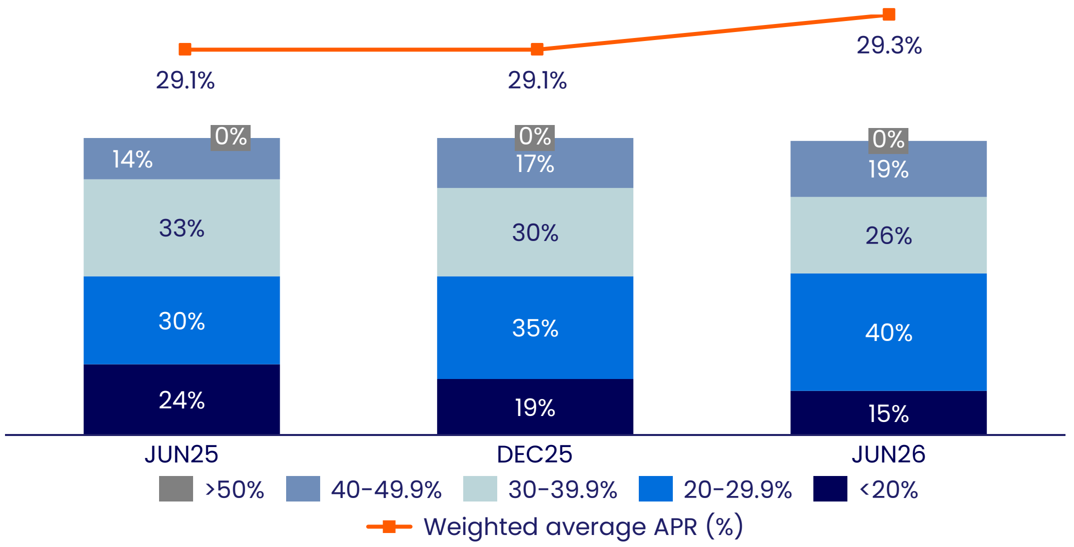
Continued to proactively manage new business growth, while improving product profitability, in advance of the new onboarding and servicing platform being built as part of Gateway

Gross Customer Interest Earning Balances[1]	Asset Yield[10]	Net Interest Margin[2]
£707m	17.4%	13.7%
(DEC25: £706m) -% →	*(1H25: 16.9%)* 0.5% ↑	*(1H25: 13.1%)* 0.6% ↑

Cost of Risk[11]	Risk Adjusted Margin[3]	Cost: Income Ratio[4]
(5.1)%	8.6%	59.0%
(1H25: (3.4)%) (1.7)% ↑	*(1H25: 9.7%)* (1.1)% ↓	*(1H25: 71.0%)* (12.0)% ↓

Profit Before Tax Contribution	Customers[16]	Average loan value at origination
£1.7m	101k	£9,681
(1H25: £1.4m) 21% ↑	*(DEC25: 103k)* (2)% ↓	*(DEC25: £9,285)* 4% ↑

Vehicle Finance	**1H26 £m**	1H25 £m	Change %
Gross charge-offs	(33.0)	(32.8)	1%
Recoveries	7.3	6.0	22%
Net charge-offs	**(25.7)**	**(26.8)**	**(4)%**
IFRS9 modelled impairment/other	7.6	14.1	(46)%
Impairment charges	**(18.1)**	**(12.7)**	**43%**
Gross charge-off rate	**9.4%**	**8.4%**	**0.6**



- **Gross customer interest-earning balances reduced (4)% YoY but was stable HoH**, in line with expectations, while the new onboarding and servicing platform is built.
- **Asset yield and NIM both improved YoY**, driven by the weighted average APR increasing 0.2% to 29.3%.
- **RAM was 8.6%, including a cost of risk of (5.1)%,** at the lower end of the guided range of 5-7%.
- **Cost: income ratio improved to 59.0% (1H25: 71.0%)** - focus going forward on improving the operational efficiency following the technology transformation via Gateway.

Second Charge Mortgages (2CM)

Continued strong growth in a growing market

Gross Customer Interest Earning Balances[1]
£800m
(DEC25: £599m) 34% ↑

Asset Yield[10]
6.8%
(1H25: 7.6%) (0.8)% ↓

Net Interest Margin[2]
2.5%
(1H25: 3.0%) (0.5)% ↓

Cost of Risk[11]
(0.2)%
(1H25: (0.1)%) (0.1)% ↑

Risk Adjusted Margin[3]
2.7%
(1H25: 3.0%) (0.3)% ↓

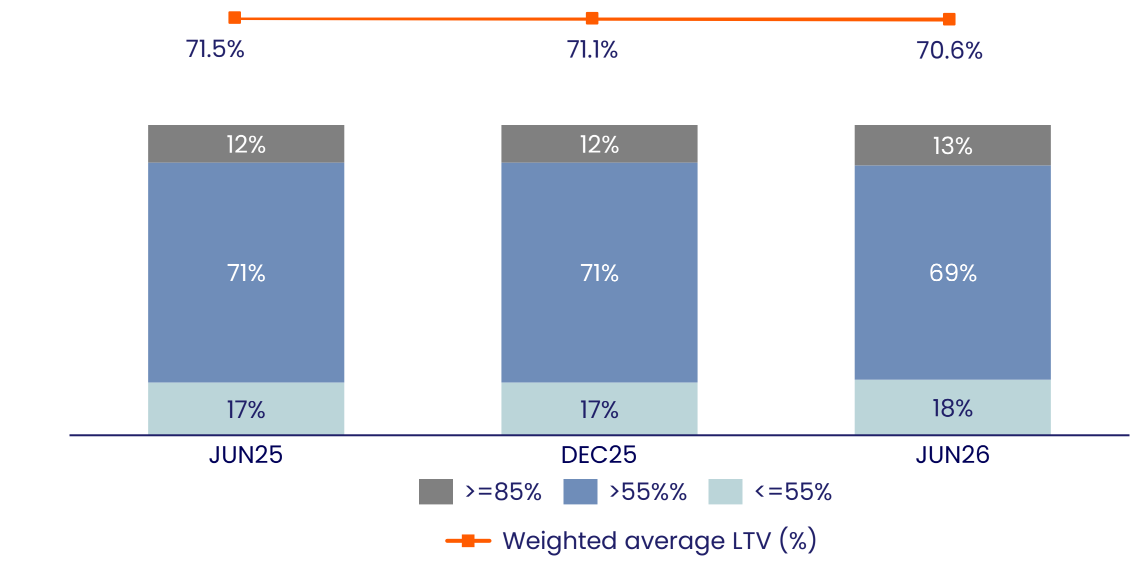
Cost: Income Ratio[4]
20.8%
(1H25: (42.2)%) (21.4)% ↓

Profit Before Tax Contribution
£7.1m
(1H25: £2.4m) 196% ↑

Customers[16]
12.9k
(DEC25: 9.9k) 30% ↑

Average loan value at origination (£'000)
£67.5k
(DEC25: £63.4k) 6% ↑

Loan to value (LTV) (%)



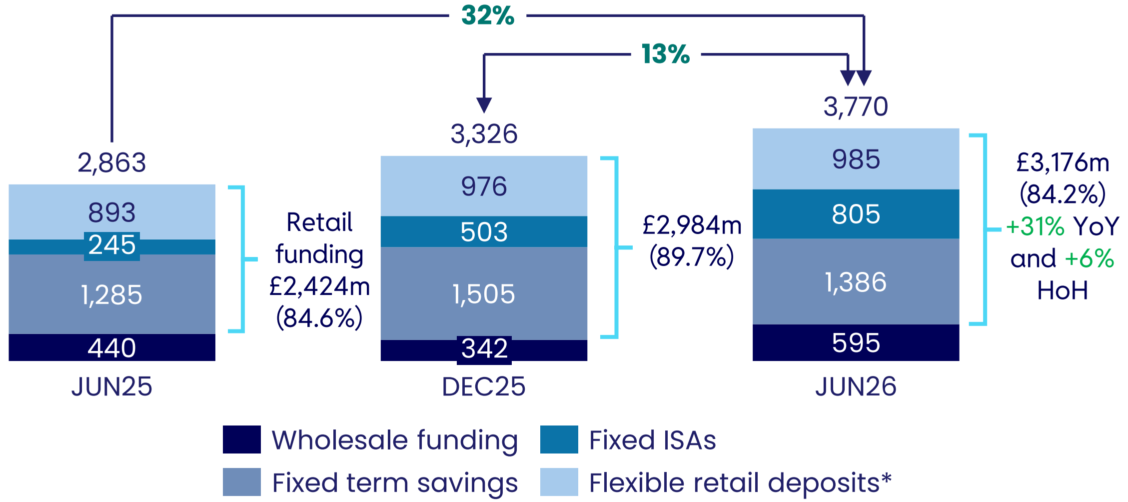
- **Gross customer interest-earning** balances grew at a similar monthly run rate as FY25, driven by our long term forward flow origination agreements with partners.
- **NIM reduced (0.5) percentage points to 2.5**%, driven by pricing pressure from increased competition.
- **RAM was 2.7%**, reflecting the low cost of risk for secured lending with a weighted average LTV% in the low 70s
- **Capital efficient**, being a secured product with a lower risk weighting.
- Customers primarily using 2CM for **debt consolidation.**

Liquidity & Funding optimisation

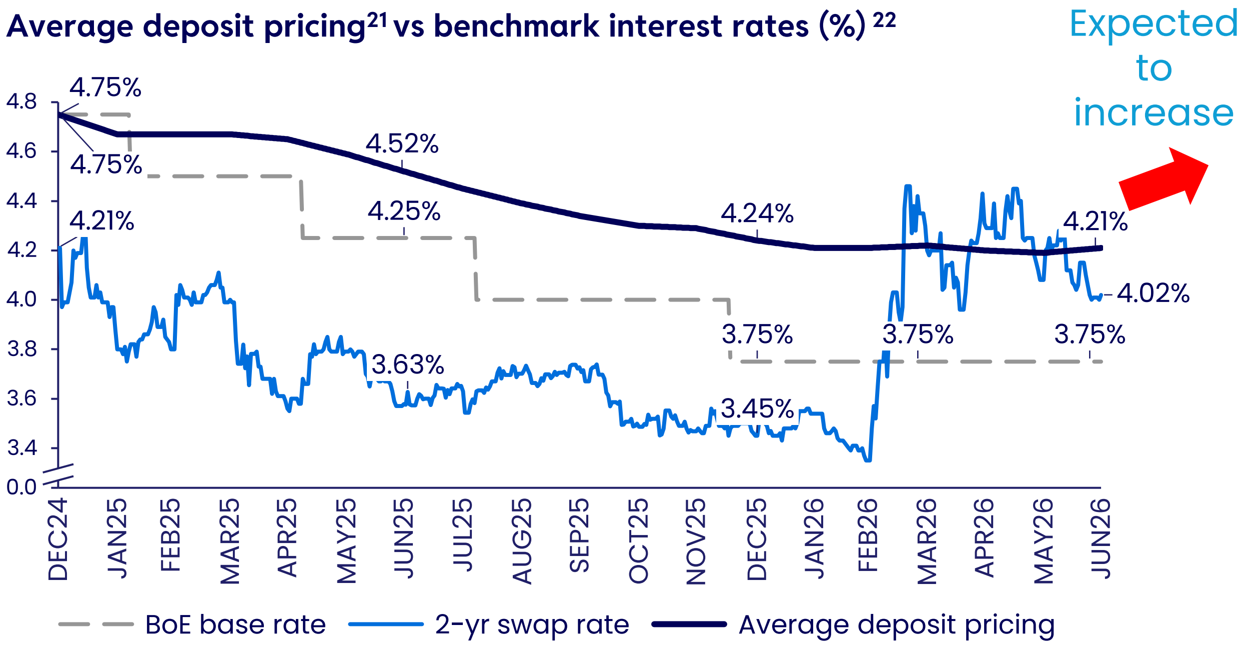
Successful Credit Card ABS issuance while broadening our deposits product range

Liquidity	JUN26 £m	DEC25 £m	Change
High Quality Liquid Assets (HQLA)[17]	1,215	998	22%
of which Cash in BoE reserve account	804	746	8%
of which other HQLA	411	252	63%
Liquidity Coverage Ratio (LCR)[18]	221%	306%	(85)
Excess HQLA over LCR[19]	648	653	(1)%

Funding mix[20]



Average deposit pricing[21] vs benchmark interest rates (%)[22]



Liquidity

- **HQLA increased 22% HoH** driven by the public issuance of £268m of Credit Card Asset Backed Securities (ABS), partially offset by a £40m redemption of Vehicle Finance ABS, in JUN26.
  - 34% (DEC25: 25%) invested in higher returning assets, including UK gilts, T-bills and other SSAs.

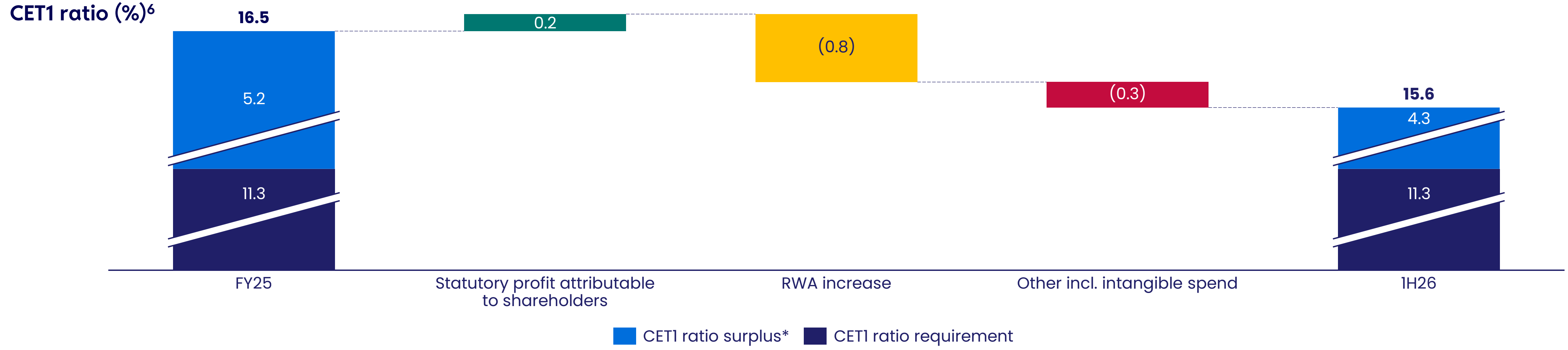
Funding

- **Primarily funded by retail deposits, representing 84.2% of total funding.**
  - 99% of retail deposits covered by the Financial Services Compensation Scheme (FSCS).
  - Individual Savings Accounts (ISAs) increased 87% to £1,018m, with a broadening of the product range.
  - Fixed term products reduced 8% to £1,386m, retail notice accounts reduced 30% to £304m, and Vanquis and Snoop branded easy access accounts decreased 6% to £468m.
- Average deposit rates reduced YoY, driven by the lower BoE base rate. However, given the increase in swap rates in 2Q26, these are expected to increase going forward.
- Funding diversification improved through issuance of Credit Card ABS.

**Flexible deposits includes – Retail notice accounts, easy access accounts (Vanquis and Snoop) and easy access and notice ISAs*

CET1 capital

Deployed 80bps of CET1 capital for lending growth, with continued capital strength to deliver our plans



	FY25	Statutory profit attributable to shareholders	RWA increase	Other incl. intangible spend	1H26
CET1 Capital (£m)	341	4.4		(7)	339
RWAs (£m)	2,073		108		2,181
Surplus CET1 Capital (£m)	107				93

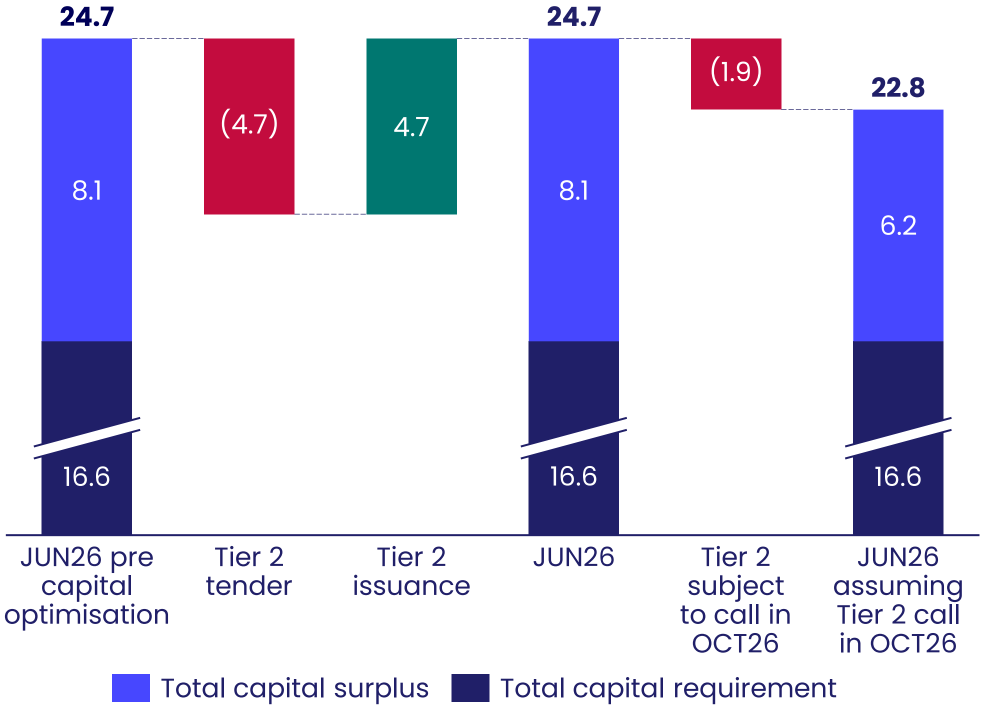
- 20bps benefit from **statutory profit attributable to shareholders**.
- 80bps reduction from the £108m **RWA increase** reflecting the 9% growth in net receivables.
- **CET1 ratio 4.3% above the 11.3% regulatory minimum,** equating to a £93m surplus.*

** Includes confidential and management buffers, subject to regulatory requirements.*

Further capital optimisation

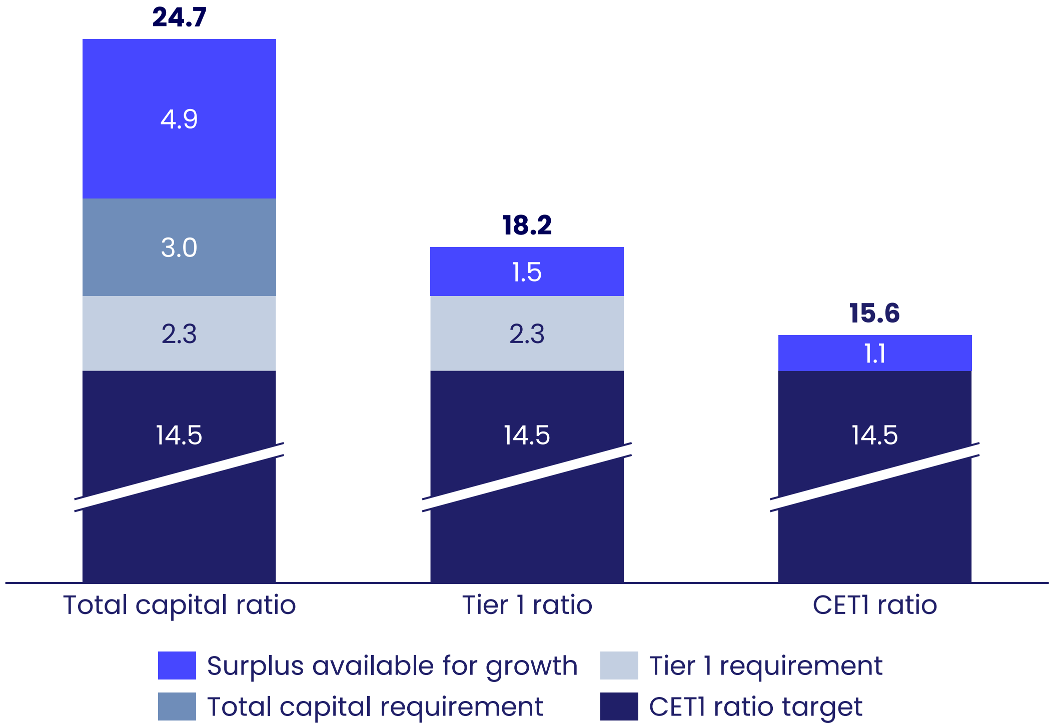
Additional capital stack optimisation following existing Tier 2 tender and new issuance in 2Q26

Total capital ratio (%)[23]



Total Capital (£m)	539	(100)	100	539	(41.5)	498
RWAs (£m)	2,181			2,181		2,181
Surplus Total Capital (£m)	178			178		136

Capital ratio requirements and surplus capital to target (%)



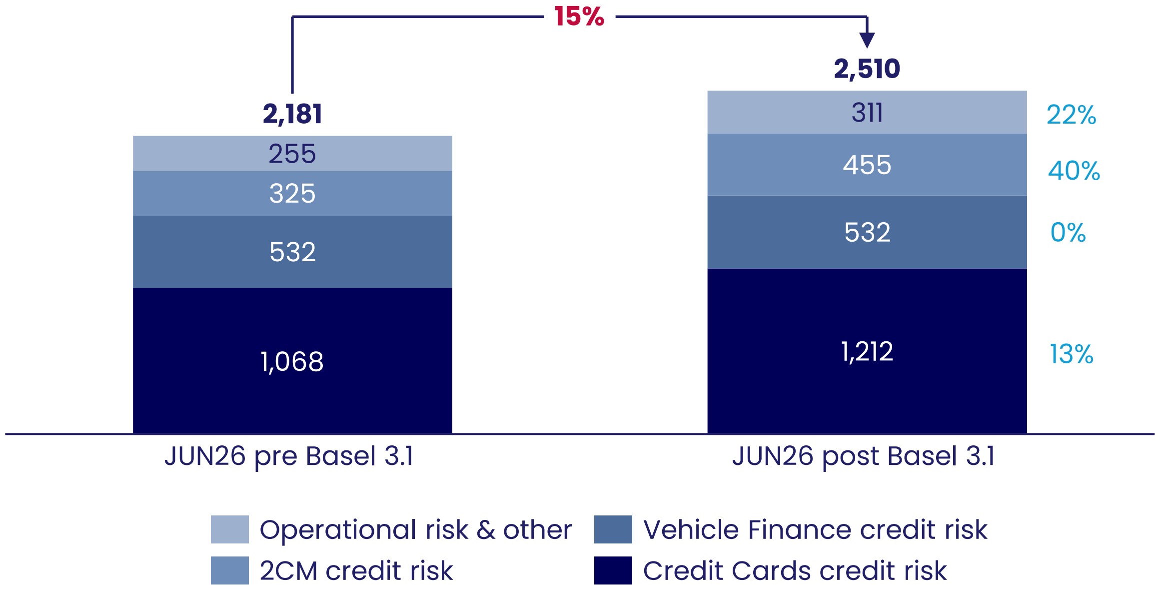
- **CET1, AT1 and Tier 2 capital levels sufficient** to deliver planned growth.
- **Excess Tier 2 capital (£41.5m)**, related to legacy Tier 2 issuance in 2021, subject to call in OCT26.

Surplus capital to all tiers of regulatory capital requirements enabling future growth

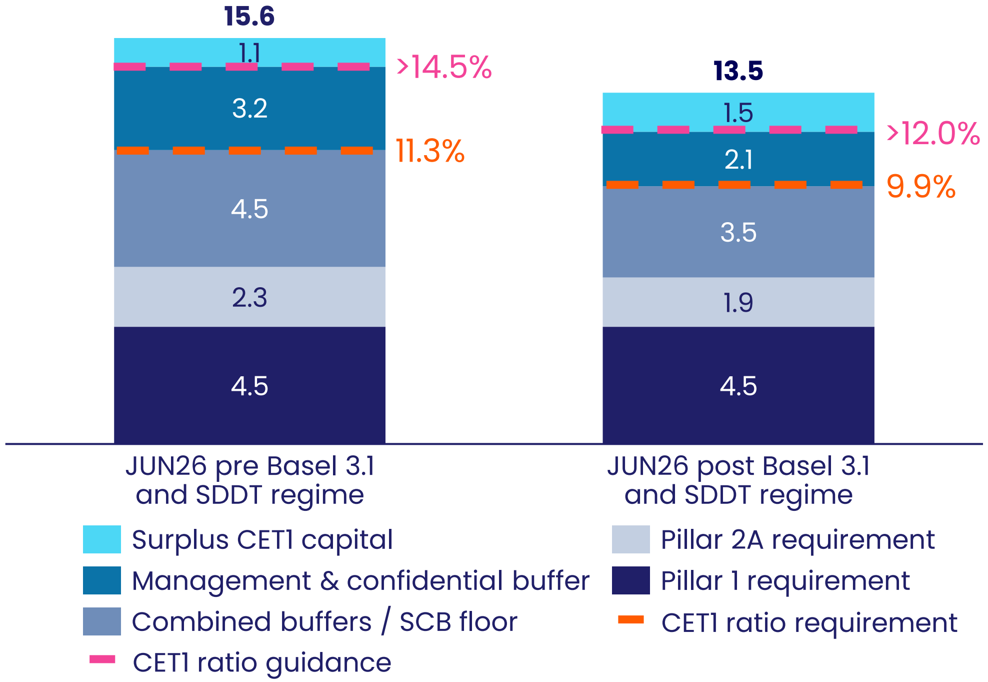
Basel 3.1 and SDDT regime capital requirements from 1JAN27

The Group expects to have additional surplus capital to support balance growth

Increase in proforma RWAs from Basel 3.1 (£m/%)



CET1 ratio requirements* and surplus CET1 capital to guidance (%)



- **Credit Card** increase driven by higher credit conversion factor on undrawn credit lines (0% currently, becoming 10%).
- **2CM** increase due to higher risk weighting on LTVs of 55% to 80% (35% currently, becoming 75%).
- **Operational risk** increase reflects new calculation methodology under the Standardised Approach.

CET1 capital (£m)	339	339
RWAs (£m)	2,181	2,510
Surplus CET1 capital to guidance (£m)	23	38

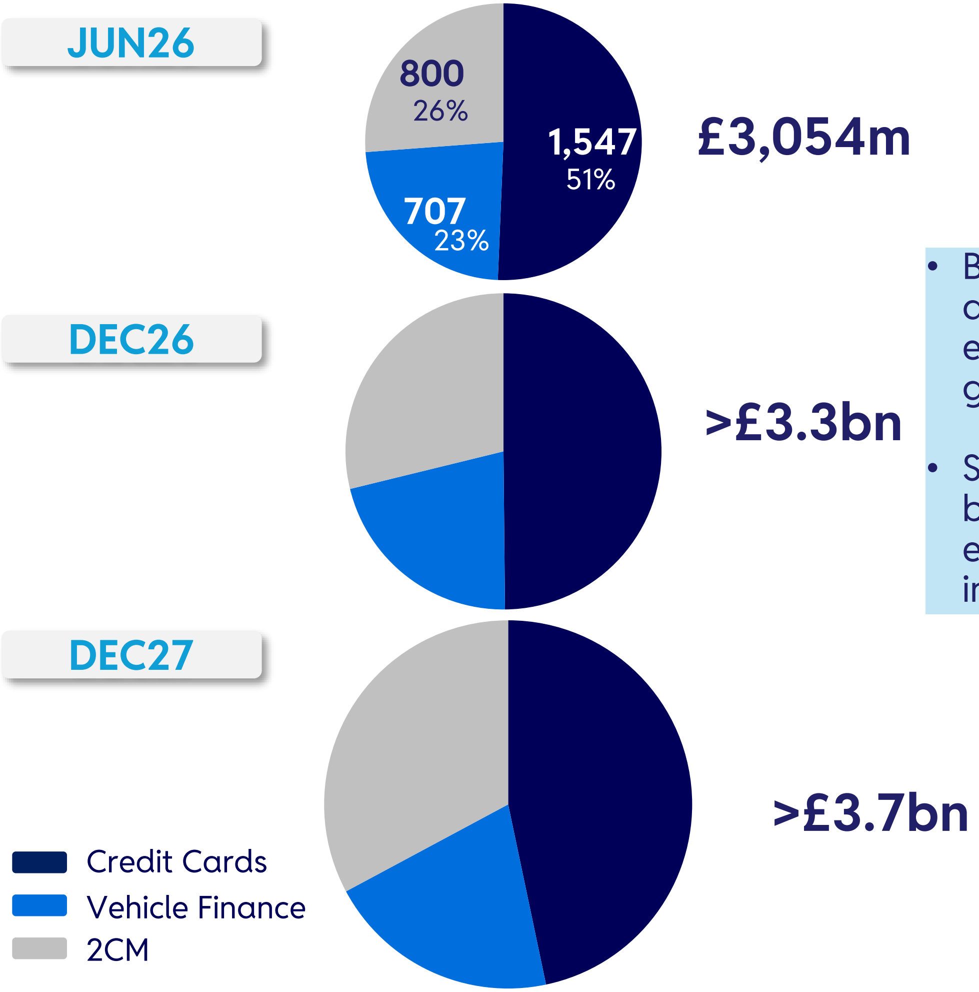
Surplus CET1 capital to guidance expected to increase by £15m to £38m on a JUN26 proforma basis post implementation of Basel 3.1 and the SDDT regime

* Transitional requirements (advised by the PRA in July 2026); formal CSREP review by the PRA expected in 2027

Balances, margins and cost: income guidance

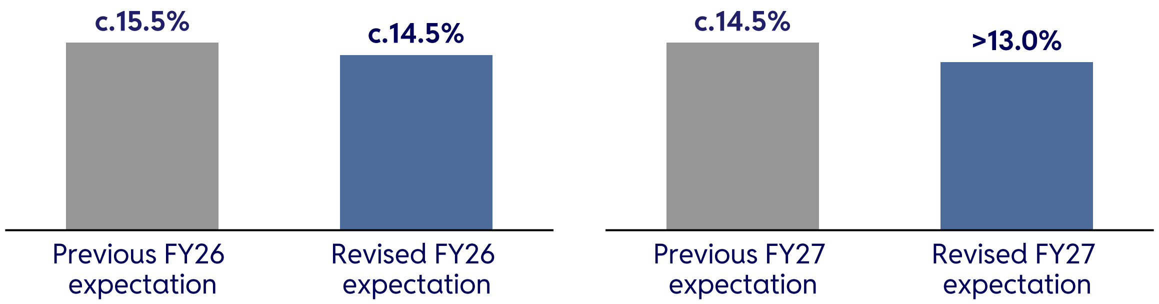
Balance growth guidance remains unchanged; as expected, mix of growth in 2CM and Credit Cards driving lower margins. NIM should stabilise post 2027, as Credit Card growth matures

Gross customer interest earning balances (£m)[1]

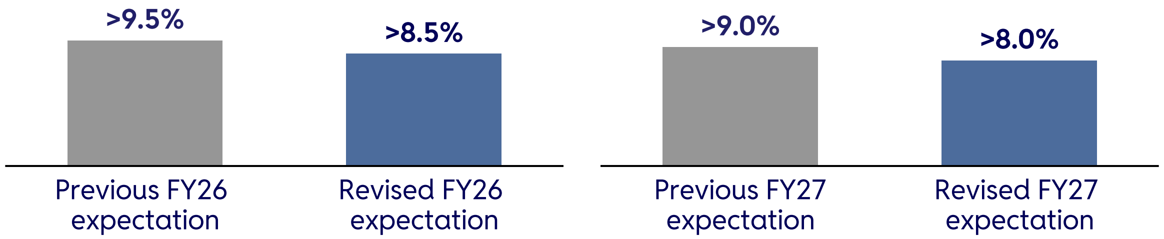


- Balances in all products expected to grow.
- Share of 2CM balances expected to increase.

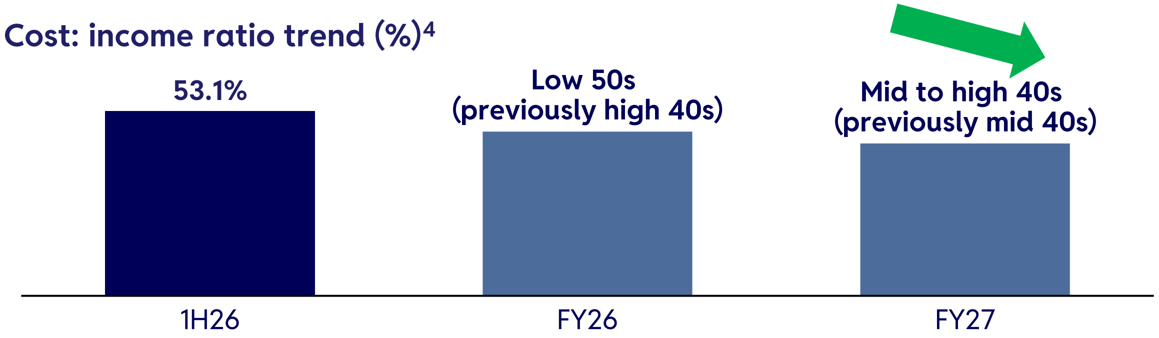
NIM trend (%)[2]



RAM trend (%)[3]



Cost: income ratio trend (%)[4]

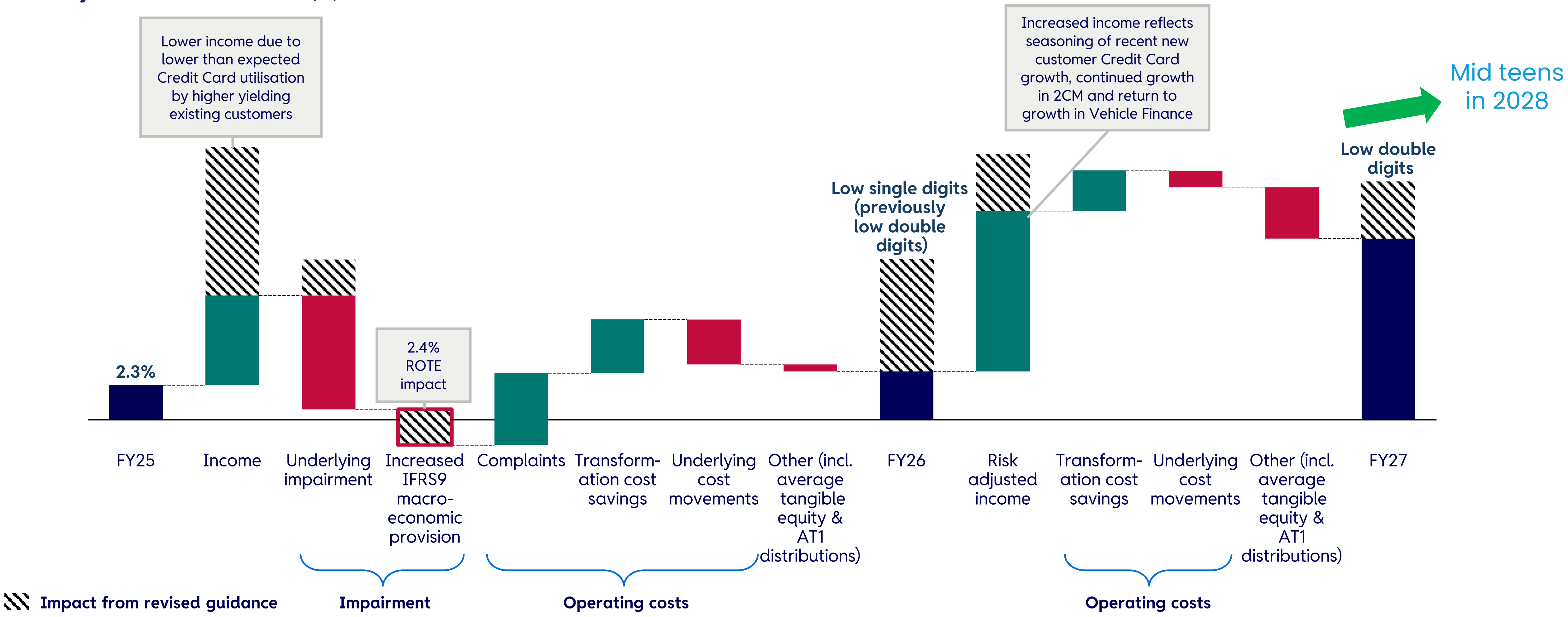


Transformation cost savings	**£30-£35m from 2026 – 2028** (previously £23-£28m from 2026 – 2027)

Statutory ROTE guidance (illustrative walk)

ROTE impacted by reduced income from lower than expected Credit Card utilisation by existing customers and increased IFRS9 macroeconomic impairment provision

Statutory ROTE outlook FY25-27 (%)[5]



ROTE improvement in 2027 driven by increased profitability on recent new customer balance growth

Conclusion

Ian McLaughlin

Progress continues despite macroeconomic headwinds

Driving the right actions to grow and deliver long term, sustainable profitability

1. **Improved PBT to £8.9m,** a higher PBT than FY25, despite an £8.5m increase in the IFRS9 macroeconomic provision.
2. **Grew balances by 8% in 1H26**, despite existing Credit Card customers acting cautiously by moderating spending.
3. **NIM and RAM movements a function of mix of growth** in Second Charge Mortgages and Credit Cards.
4. **Credit quality of the portfolio remains stable**.
5. **Cost discipline remains a priority**, delivering greater transformation savings of £30-35m while continuing to invest for the future.
6. **Liquidity and funding further strengthened.**
7. **Additional capital optimisation and increased capital capacity from 2027** to deliver balance growth.
8. **The Board intends to re-establish a modest dividend with FY26 results.***

Headwinds being absorbed but strong foundations built, giving confidence in the outlook

* Assuming no significant deterioration in the UK economy.

Q&A

Strategy remains focused on creating long term shareholder value

The opportunity to "Serve More", "Serve Responsibly" and "Scale Profitably" in the underserved UK market remains significant

What sets us apart

A large and underserved target addressable market
- Over half of UK adults face barriers to accessing mainstream credit. Vanquis has a significant opportunity to grow market share in our core products.

A proposition that helps customers to build financial resilience
- Offer lending, savings and money management solutions to address three core customer needs: healthy borrowing, controlled spending and the ability to build a financial safety net.

Cost effective funding model supports increased asset scale
- Retail deposits provide stable, low cost funding.

A modern, efficient and scalable technology platform
- Gateway enables digital first offerings and customer engagement.

Appendix

Serve More

Reaching more customers and deepening relationships across the underserved UK adult population

What we have delivered

- **Strengthened the Credit Card proposition** through the new Vanquis app, with more than 250,000 Vanquis Rewards registrations and over 700,000 customers engaging with behaviour linked prize draws that recognise positive everyday financial behaviours.
- **Developing instalment alternatives and a Prime Upgrade proposition** to support retention of high quality customers as they build financial resilience.
- **Expanded access to Vehicle Finance** through additional pricing points, enabling more customers to receive an offer aligned to their individual circumstances.
- **Grew Snoop active users by 2% to 335,000**, including 44,000 Vanquis customers, deepening engagement across the Group.
- **Enhanced the savings proposition** through Snoop's new Savings Dashboard, helping customers track balances, activity and progress towards their savings goals.

Key metrics

Customer numbers
1.79m — 1% ↑
(FY25: 1.77m)

Gross customer interest-earning balances[1]
£3,054m — 8% ↑
(FY25: £2,824m)

Retail deposits[31]
£3,219m — 7% ↑
(FY25: £3,020m)

Snoop active users ('000)
335k — 2% ↑
(FY25: 328k)

Serve Responsibly

Ensuring our lending is affordable for customers, supporting financial inclusion and helping customers build financial resilience

What we have delivered

- **The Group's UK Customer Satisfaction Index (CSI) score has increased to 83.2,** relative to an industry benchmark of 82.0.
- **Strengthened customer experience and service quality**, achieving ServiceMark accreditation from the Institute of Customer Service.
- **Improved accessibility and reduced customer effort** through the new Vanquis app, with clearer journeys, enhanced navigation and greater self-service capability.
- **Enhanced customer support** through a new Credit Card repayment calculator, helping customers understand how higher monthly payments can reduce interest costs and clear balances sooner.
- **Extended support to "Not Yet" customers** through the Fair Finance decline-referral programme, improving access to affordable credit and identifying more than £57m of annualised unclaimed government benefits since January 2025.

Key metrics

Cost of risk[11]
(7.0)% (0.4)% ↑
(HY25: (6.6%))

Vanquis customer satisfaction (CSI) score
83.1

'Great Place to Work' trust score (colleague engagement)
74% 1% ↑
(FY25: 73%)

ServiceMark
The Institute of Customer Service

Scale Profitably

Building a simpler, more efficient and more scalable bank

What we have delivered

- **Established the new Vanquis app as the Group's primary digital customer channel**, migrating all Credit Card customers and bringing together servicing, rewards, fraud protection, in-app support and future money-management capabilities.
- **Modernised Credit Card onboarding** through a simpler and more accessible journey, supported by enhanced decisioning, stronger fraud controls and improved data insight.
- **Expanded the use of AI and automation** across colleague productivity, customer service, analytics, decisioning and Snoop's customer-facing capabilities.
- **Launched the Group's first customer-facing agentic AI tool**, helping customers resolve routine queries more quickly and efficiently.

Key metrics

Technology and Operations cash investment spend
£14.2m — 6% ↑
(1H25: £13.4m)

Group headcount (Full Time Equivalent)[14]
1,228 — 2% ↑
(FY25: 1,200)

Outsourced resource[24]
662 — 7% ↓
(FY25: 713)

Transformation cost savings
£7.8m — 1% ↓
(1H25: £7.9m)

Remain on track to complete the Gateway programme build in 2026

Technology transformation on track, with focus on further automation and expanded use of AI

What we will deliver 2H26

Gateway

- New onboarding & servicing platform built for Vehicle Finance
- New financial crime system for Cards & Vehicle Finance
- Key Credit Card servicing processes (including Collections)

Continuous improvement in 2H26 and 2027

Continuous Technology Improvement

- Snoop style money management features to be incorporated in the new mobile app
- Agentic support for customers in financial difficultly
- Additional use cases on the new data & analytics platform

- Upon completion we will have built a modern, efficient and scalable technology platform that enables digital first offerings, better customer engagement, and accelerated speed to market for new products, features and services.
- To enhance future efficiency potential, we are making targeted, disciplined investment to position the platform for continuous improvement, including further automation and the expanded use of AI.
- We now expect £30-35m of transformation cost savings in 2026 to 2028, ahead of previous guidance of £23-28m in 2026 to 2027.

Customer profiles

Customers tend to be midlife, employed with a modest income & well distributed across the UK

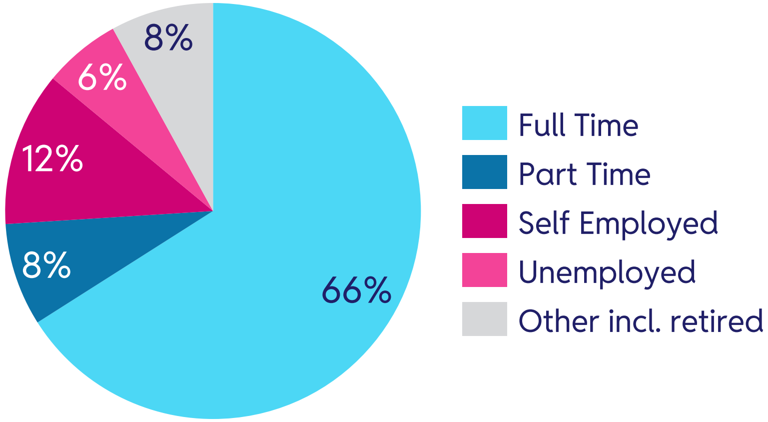
Average customer age

Credit Card	Vehicle Finance	2CM	Savings	Snoop
48	43	46	54	37

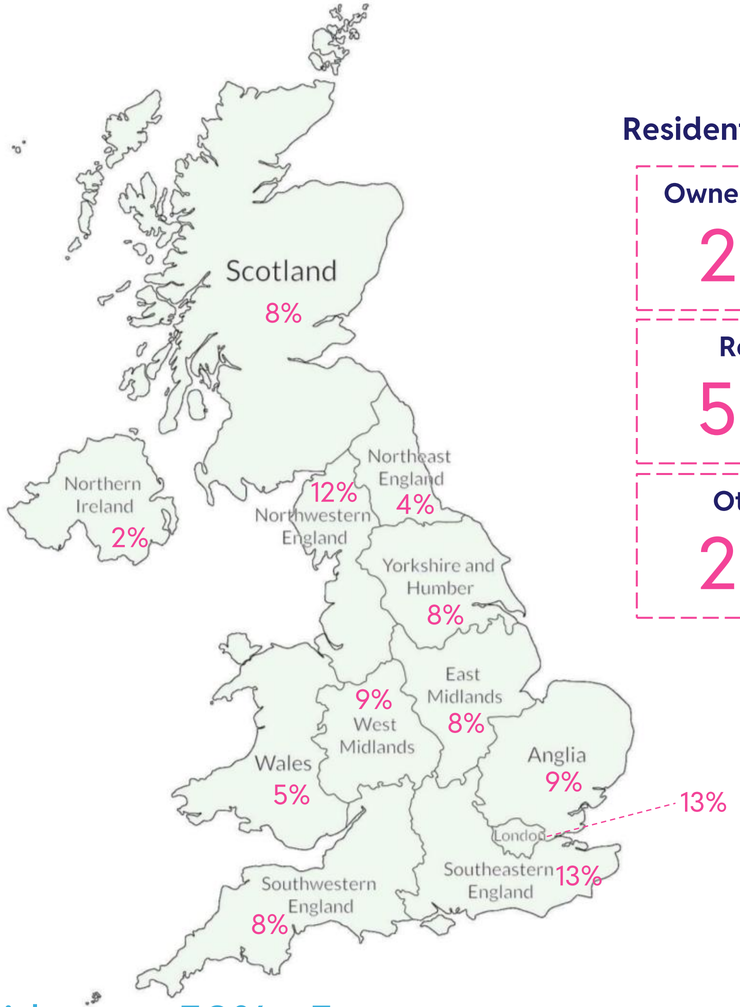
Average income

Credit Card	Vehicle Finance	2CM	Snoop
c.£31k	c.£29k	c.£77k	c.£46k

Employment status of Credit Card & Vehicle Finance customers



Geographic distribution of customer base*



Residential status**

Owner Occupier	Renting	Other***
26%	54%	20%

Average tenure of a credit card customer is 6 years, with over 50% >5 years.

*Includes Credit Cards, Vehicle Finance, 2CM, Savings & Snoop
**Includes Credit Cards, Vehicle Finance & 2CM
*** Includes living with parents & other arrangements such as student accommodation

Our 2CM business

Forward flow partners maintain the customer relationship, but Vanquis acquires the interest in the loan

Long term forward flow arrangements

Interbridge Mortgages | Selina | vanquis

Origination: Utilise up to 70 mortgage brokers to source business. Selina also conduct direct sales.

Pricing: Manage margins with flow providers to balance growth & returns.

Underwriting: Conducted in line with Lending Policy reviewed & approved by Vanquis (e.g. LTV limits). Arrangements also subject to 3rd party audits to ensure adherence to policy and regulatory standards.

Regulatory Compliance: All matters, including consumer duty.

Servicing: Includes arrears handling, redemptions, processing payments, repossessions and product switches.

Acquisition: Funds are provided ahead of completion and Vanquis then purchases the loans after paying an acquisition fee.

Credit Risk: Vanquis takes on beneficial interest and associated credit risk for losses.

Provisioning: Holds IFRS9 provisions for potential future losses.

Update on motor finance customer redress

Limited liability on motor finance commissions

- Vanquis **did not participate in discretionary commission arrangements (DCAs) and did not operate tied selling arrangements**. Therefore, the Group is not in scope for these elements of the FCA motor finance compensation schemes.

- The FCA has published two industry-wide schemes. Vanquis is only exposed to potential redress under Scheme 2, which covers agreements entered into between 1 April 2014 and 1 November 2024.

- The Group has **4,338 credit agreements where commissions paid were above 39% of the total charge for credit and 10% of the total amount of credit**.

- The Group recognised a **provision of £3.0m** in respect of this matter in 3Q25, which was reviewed and **remains unchanged**.

- While the **implementation of the scheme is uncertain** due to legal challenges from other interested parties, Vanquis remains committed to ensuring customers receive appropriate redress where detriment has occurred. In the meantime, the Group is **working through the elements of the scheme not subject to the pause** and will begin contacting customers who are not due redress shortly.
  - Of the related complaints received to date, 97% have been from CMCs, and of the 4,338 credit agreements potentially in scope for the scheme, less than 30% of these customers have complained.

1H26 Group performance

Income Statement	1H26 £m	1H25 £m	Change %
Net interest income	218.1	202.2	8%
Non-interest income	19.4	17.5	11%
Total income	**237.5**	**219.7**	8%
Impairment charges	(102.4)	(76.1)	35%
Risk-adjusted income	**135.1**	**143.6**	(6)%
Operating costs	(126.2)	(137.4)	(8)%
Profit before tax from continuing operations	**8.9**	**6.2**	44%
Tax charge	(1.2)	(1.3)	8%
Profit after tax from continuing operations	**7.7**	**4.9**	57%
Profit after tax from discontinued operations	-	0.7	(100)%
Statutory profit after tax	**7.7**	**5.6**	38%
AT1 distributions (gross of tax)	(3.3)	-	100%
Statutory profit attributable to shareholders	**4.4**	**5.6**	**(21)%**

Receivables	JUN26 £m	DEC25 £m	Change %
Gross customer interest-earning balances[1]	3,054	2,824	8%
Net receivables[25]	2,933	2,691	9%

Selected key metrics	1H26 %	1H25 %	Change
Average gross customer interest-earning balances (excluding Personal Loans)[9] (£m)	2,933	2,339	25%
Asset yield[10]	19.1	21.8	(2.7)
Net interest margin (NIM)[2]	15.0	17.4	(2.4)
Total income margin (TIM)[26]	16.3	18.9	(2.6)
Cost of risk[11]	(7.0)	(6.6)	(0.4)
Risk-adjusted margin (RAM)[3]	9.3	12.4	(3.1)
Cost: income ratio[4]	53.1	62.5	(9.4)
Average tangible equity (£m)	356	361	(1)%
Statutory ROTE[5]	**2.5**	3.1	**(0.6)**
Basic earnings per share (EPS) (p)[7]	1.8	2.2	(18)%
Dividend per share (p)	-	-	

Capital, liquidity, funding and balance sheet metrics	JUN26 £m	DEC25 £m	Change
CET1 ratio[6]	**15.6**	16.5	(0.9)%
Risk weighted assets (RWA)[27]	2,181	2,073	5%
High quality liquid assets (HQLA)[17]	1,215	998	22%
Liquidity coverage ratio (LCR)[18]	221%	306%	(85)
Retail deposits[31]	3,176	2,984	6%
Retail funding (% of all funding)[28]	84.2%	89.7%	(5.5)
Tangible net asset value (TNAV)	357	362	(1)%
TNAV per share (p)[8]	143	143	-

Segmental performance (1/2)

Credit Cards

Credit Cards	1H26 £m	1H25 £m	Change %
Interest income	194.1	179.0	8%
Interest expense	(27.1)	(24.7)	10%
Net interest income	**167.0**	**154.3**	8%
Non-interest income	17.4	16.0	9%
Total income	**184.4**	**170.3**	8%
Impairment charges	(83.7)	(64.0)	31%
Risk-adjusted income	**100.7**	**106.3**	(5)%
Operating costs	(87.9)	(93.7)	(6)%
Profit before tax contribution	**12.8**	**12.6**	2%
Receivables and key metrics			
Ave. gross customer interest-earning balances[9]	1,534	1,296	18%
Asset yield (%)[10]	25.5	27.8	(2.3)
Net interest margin (%)[2]	22.0	24.0	(2.0)
Cost of risk (%)[11]	(11.0)	(10.0)	(1.0)
Risk-adjusted margin (%)[3]	13.2	16.5	(3.3)
Cost: income ratio (%)[4]	47.7	55.0	(7.3)

Receivables and other key metrics	JUN26 £m	DEC25 £m	Change %
Gross customer interest-earning balances[1]	1,547	1,518	2%
Gross receivables	1,587	1,554	2%
Expected credit losses	(174)	(170)	2%
Net receivables[25]	1,414	1,384	2%
RWAs[27]	1,144	1,122	2%
Customers ('000)	1,354	1,339	1%
Average balance (£)	1,124	1,115	1%
Average customer limit (£)	2,606	2,514	4%

Vehicle Finance

Vehicle Finance	1H26 £m	1H25 £m	Change %
Interest income	61.3	62.9	(3)%
Interest expense	(13.1)	(14.3)	(8)%
Net interest income	**48.2**	**48.6**	(1)%
Total income	**48.2**	**48.6**	(1)%
Impairment charges	(18.1)	(12.7)	43%
Risk-adjusted income	**30.1**	**35.9**	(16)%
Operating costs	(28.4)	(34.5)	(18)%
Profit before tax contribution	**1.7**	**1.4**	21%
Receivables and key metrics			
Ave. gross customer interest-earning balances[9]	709	750	(5)%
Asset yield (%)[10]	17.4	16.9	0.5
Net interest margin (%)[2]	13.7	13.1	0.6
Cost of risk (%)[11]	(5.1)	(3.4)	(1.7)
Risk-adjusted margin (%)[3]	8.6	9.7	(1.1)
Cost: income ratio (%)[4]	59.0	71.0	(12.0)

Receivables and other key metrics	JUN26 £m	DEC25 £m	Change %
Gross customer interest-earning balances[1]	707	706	-
Gross receivables	765	762	-
Expected credit losses	(68)	(73)	(7)%
Net receivables[25]	697	689	1%
RWAs[27]	580	573	1%
Customers ('000)	101	103	(2)%
Average loan value at origination (£)	9,681	9,285	4%

Segmental performance (2/2)

Second Charge Mortgages	1H26 £m	1H25 £m	Change %
Interest income	23.1	11.0	110%
Interest expense	(14.6)	(6.7)	118%
Net interest income	**8.5**	**4.3**	**98%**
Non-interest income	1.2	0.2	500%
Total income	**9.7**	**4.5**	**116%**
Impairment charges	(0.6)	(0.2)	200%
Risk-adjusted income	**9.1**	**4.3**	**112%**
Operating costs	(2.0)	(1.9)	5%
Profit before tax contribution	**7.1**	**2.4**	**196%**
Receivables and key metrics			
Ave. gross customer interest-earning balances[9]	690	293	135%
Asset yield (%)[10]	6.8	7.6	(0.8)
Net interest margin (%)[2]	2.5	3.0	(0.5)
Cost of risk (%)[11]	(0.2)	(0.1)	(0.1)
Risk-adjusted margin (%)[3]	2.7	3.0	(0.3)
Cost: income ratio (%)[4]	20.8	42.2	(21.4)
Receivables and other key metrics			
	JUN26 £m	DEC25 £m	Change %
Gross customer interest-earning balances[1]	800	599	34%
Gross receivables	824	619	33%
Expected credit losses	(1.5)	(0.9)	67%
Net receivables[25]	823	618	33%
RWAs[27]	340	260	31%
Customers ('000)	12.9	9.9	30%
Average loan value at origination (£)	67.5	63.4	6%

Corporate Centre	1H26 £m	1H25 £m	Change %
Interest income	19.0	22.0	(14)%
Interest expense	(24.6)	(27.0)	(9)%
Net interest income	**(5.6)**	**(5.0)**	12%
Non-interest income	0.8	1.3	(38)%
Total income	**(4.8)**	**(3.7)**	30%
Impairment charges	-	0.8	
Risk-adjusted income	**(4.8)**	**(2.9)**	66%
Operating costs	(7.9)	(7.3)	8%
Loss before tax contribution	**(12.7)**	**(10.2)**	25%
Key metrics			
	JUN26 £m	DEC25 £m	Change %
RWAs[27]	115	118	(3)%
Savings customers (Vanquis and Snoop) ('000)	88	81	9%
Snoop customers ('000)	335	313	7%

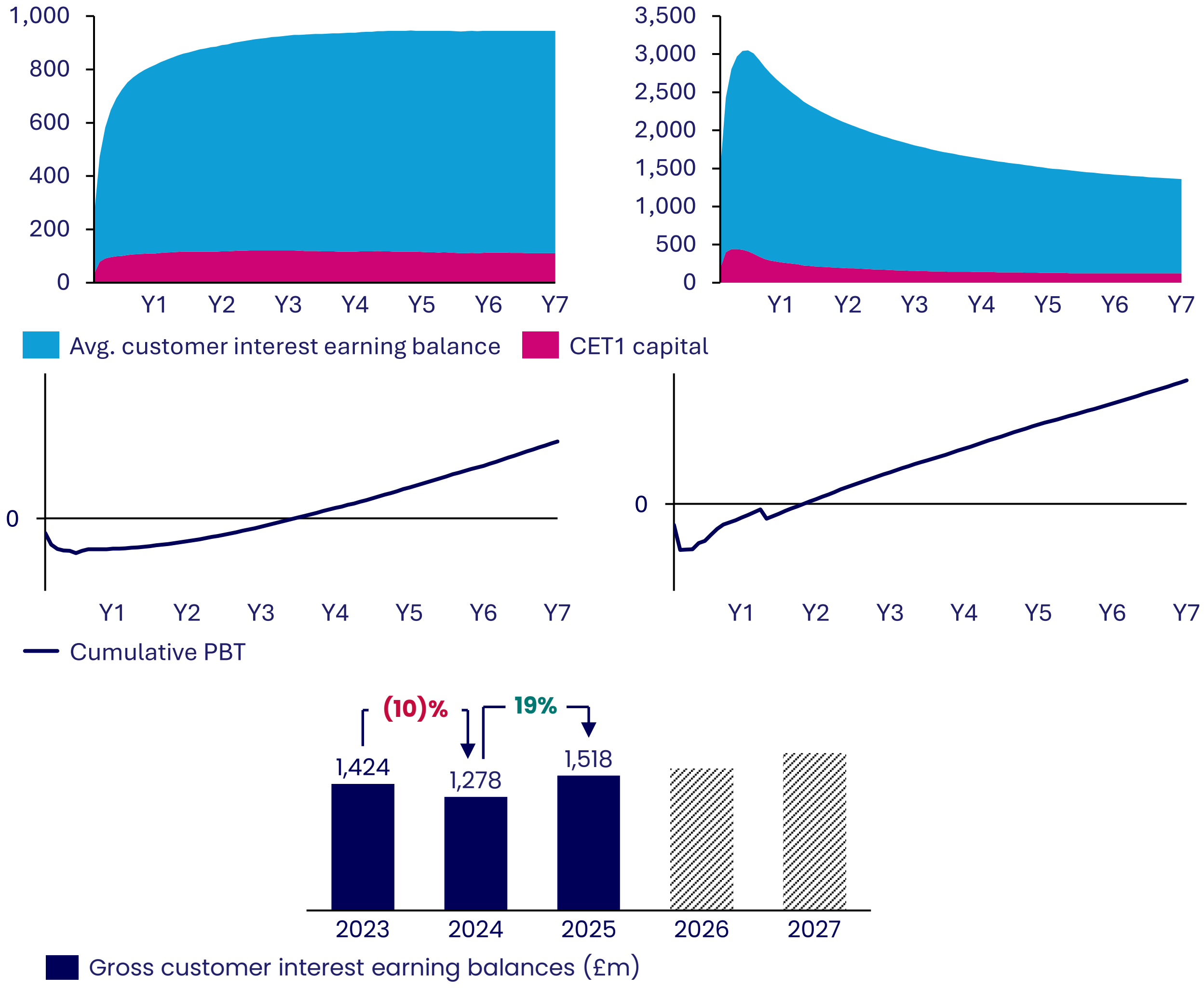
- Corporate Centre includes:
  - **Unallocated Treasury result** after product allocations
    - Interest income primarily reflects returns from the Group's HQLA
    - Interest expense from unallocated Tier 2 capital is retained in Corporate Centre
  - **Retail Savings business costs**
  - **Snoop** income and costs
  - Immaterial or central items.

New customer product financial performance

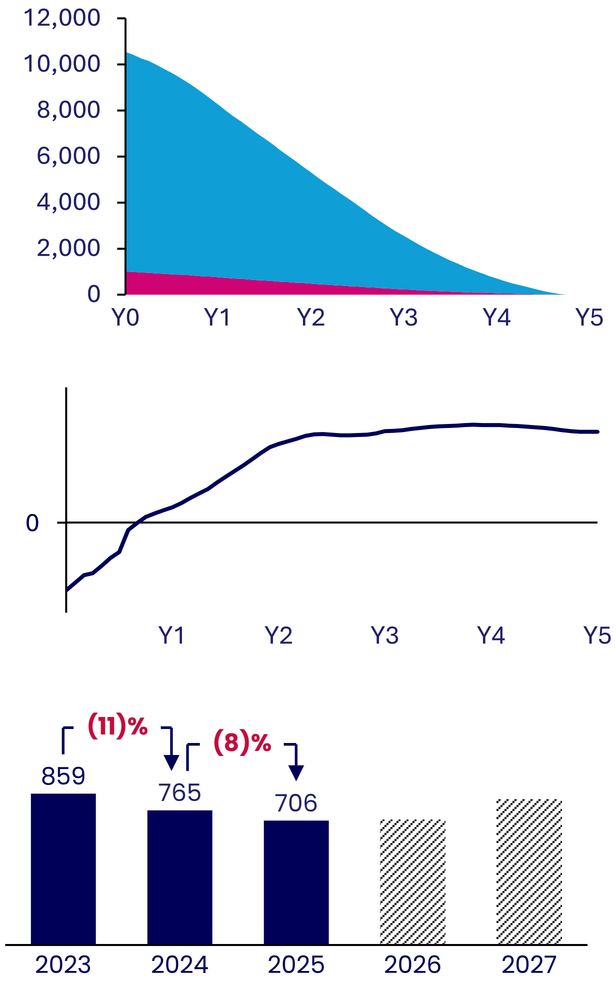
All new lending written delivers through the cycle ROTE of > mid-teens

Credit Cards – Credit Builder

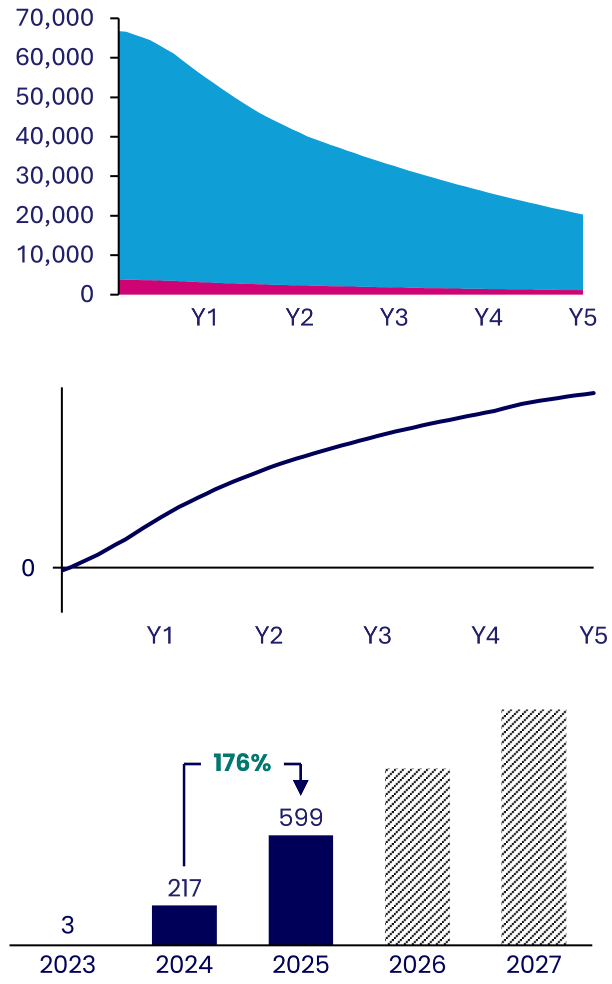
Credit Cards – Balance Transfer



Vehicle Finance



Second Charge Mortgages



The profitability payback on Credit Card products is slower but increases over time. VF and 2CM payback is faster but reduces as balances run-off.

Receivables Reconciliation

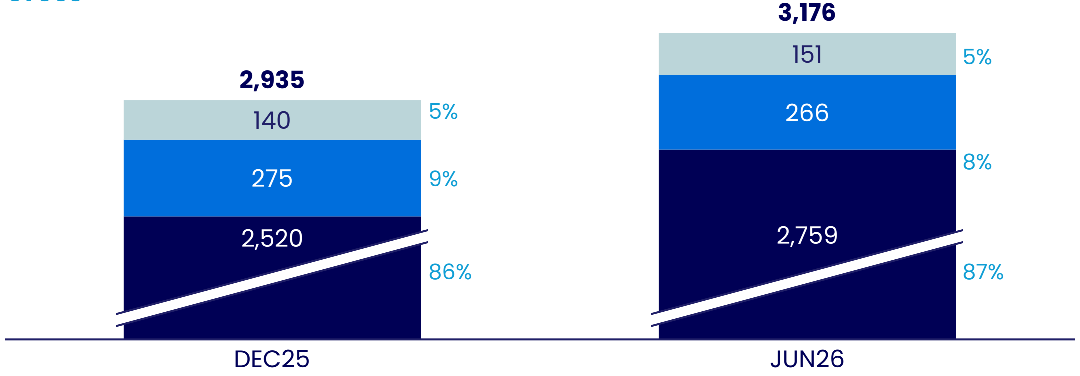
Asset driven products	Cards		Vehicle Finance		2CM		Total	
	JUN26 £m	DEC25 £m	JUN26 £m	DEC25 £m	JUN26 £m	DEC25 £m	JUN26 £m	DEC25 £m
Gross customer interest-earning balances[1]	**1,547**	**1,518**	**707**	**706**	**800**	**599**	**3,054**	**2,824**
Adjustments:								
Post charge off assets	6	6	13	10	-	-	19	16
Deferred acquisition costs	29	29	45	45	24	20	98	94
Other	6	2	(0.1)	(0.2)	-	-	6	2
Gross amounts receivable from customers (Gross receivables)	**1,587**	**1,554**	**765**	**762**	**824**	**619**	**3,176**	**2,935**
Expected credit losses	(174)	(170)	(68)	(73)	(2)	(1)	(243)	(244)
Net receivables[30]	**1,414**	**1,384**	**697**	**689**	**823**	**618**	**2,933**	**2,691**

- **Gross customer interest-earning balances** are the customer receivables on which the Group charges interest to customers. These balances are used by the business for forecasting and the calculation of performance KPIs.
- **Post charge off assets** are balances previously impaired which continue to hold value.
- **Deferred acquisition costs** are capitalised under IFRS 9 upon origination of a loan (e.g. broker commissions, affiliate and partnership spend), which are then amortised over the duration of the loan (VF and 2CM) or modelled revenue curve (Credit Cards).
- **Other** comprises card holder plastic, chargebacks and late fee accruals, offset by amounts received but not applied to customer balances.

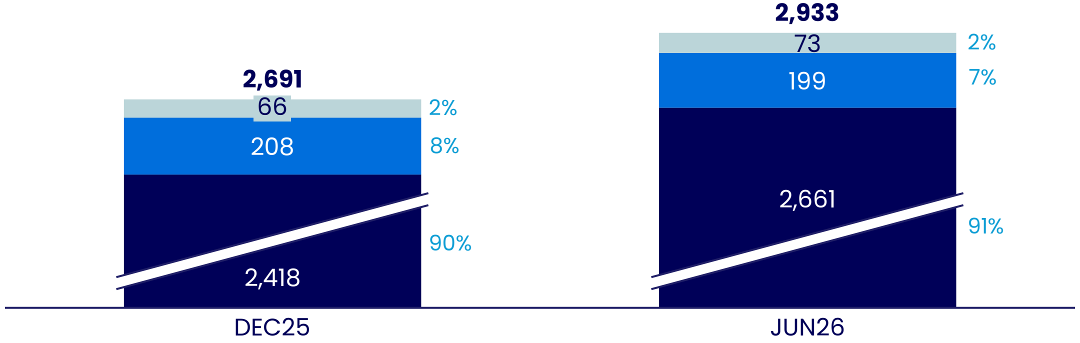
Gross and net receivables

Receivables by stage (£m)

Gross



Net



Gross receivables and coverage ratios by stage

	Gross receivables			Coverage ratio[29]		
	JUN26 £m	DEC25 £m	Share %	JUN26 %	DEC25 %	Change
Total	**3,176**	**2,935**		**7.6**	**8.4**	**(0.8)**
Stage 1	2,759	2,520	87%	3.5	4.1	(0.6)
Stage 2	266	275	8%	25.2	25.4	(0.2)
Stage 3	151	140	5%	51.8	51.9	(0.1)
Of which Credit Cards	***1,587***	***1,554***		***10.9***	***11.1***	**(0.2)**
Stage 1	*1,370*	*1,352*	*86%*	*6.1*	*6.6*	(0.5)
Stage 2	*145*	*139*	*9%*	*34.3*	*35.7*	(1.4)
Stage 3	*72*	*63*	*5%*	*55.2*	*51.9*	3.3
Of which Vehicle Finance	***765***	***762***		***8.9***	***9.6***	**(0.7)**
Stage 1	*577*	*556*	*75%*	*2.3*	*2.4*	(0.1)
Stage 2	*113*	*129*	*15%*	*14.7*	*15.2*	(0.5)
Stage 3	*75*	*76*	*10%*	*50.5*	*52.5*	(2.0)

Post Charge Off Assets (PCOA) (£m)

	Credit Cards	Vehicle Finance	Total
DEC25	***5.7***	***9.9***	***15.6***
Additions	1.7	4.4	6.1
Revaluation	0.1	0.5	0.6
Debt sales	(1.9)	(2.2)	(4.1)
Write-off	-	(0.1)	(0.1)
JUN26	**5.6**	**12.5**	**18.1**

ROTE, EPS, TNAV Calculation

ROTE & EPS	1H26 £m	1H25 £m
Statutory profit/(loss) attributable to shareholders (A)	**4.4**	**5.6**
Ave. equity as per balance sheet	490	443
Ave. pension asset	(9)	(26)
Ave. deferred tax on pension asset	2	6
Ave. equity after pension asset impact	**484**	**424**
Ave. intangible assets & goodwill	(69)	(63)
Ave. AT1 notes	(59)	-
Average tangible equity (B)	**356**	**361**
ROTE (%) (A/B)	**2.5%**	**3.1%**
Weighted average number of shares (#m)(C)	249.7	254.5
EPS (p) (A/C)	**1.8**	**2.2**

TNAV	JUN26 £m	DEC25 £m
Equity as per balance sheet	495	487
Pension asset	(10)	(6)
Deferred tax on pension asset	3	2
Equity after pension asset impact	487	483
Intangible assets & goodwill	(71)	(66)
AT1 notes	(59)	(59)
Tangible net asset value (D)	**357**	**358**
Closing number of shares (#m)(E)	250.0	250.3
TNAV per share (p) (D/E)	**143**	**143**

- **Balance sheet** item averages are based on average month end balances for the 6 months ending 30 June or 31 December, using a 7-point average.
- **Deferred tax** assumed at 25.0%.
- **Closing and average number of shares** excludes shares held as part of the Employee Benefit Trust.

Summary Balance Sheet

	JUN26 £m	DEC25 £m
Assets		
Cash and cash equivalents	859	805
Investment securities	404	255
Amounts receivables from customers[30]	2,932	2,692
Pension asset	10	6
Goodwill and other intangibles	71	66
Other assets	121	118
Total assets	**4,397**	**3,942**
Liabilities and equity		
Retail deposits[31]	3,219	3,020
Bank and other borrowings[32]	595	348
Trade and other payables	51	52
Other liabilities	37	34
Total liabilities	**3,902**	**3,454**
Share capital	53	53
Share premium	276	276
Reserves	165	158
Total equity	**495**	**487**
Total liabilities and equity	**4,397**	**3,942**

Funding Mix[20]	JUN26 £m	%	DEC25 £m	%
Fixed-term savings	1,386	36.8%	1,505	45.2%
Fixed Individual Savings Accounts (ISAs)	805	21.3%	503	15.1%
Retail notice accounts	304	8.1%	437	13.1%
Easy access accounts – Vanquis	236	6.3%	241	7.2%
Easy access accounts – Snoop	232	6.1%	258	7.8%
Easy access and notice ISAs	213	5.6%	40	1.2%
Retail Deposits[31]	**3,176**	**84.2%**	**2,984**	**89.7%**
Vehicle Finance securitisation	160	4.2%	200	6.0%
Credit card securitisation	268	7.1%	-	-
Tier 2 capital	142	3.8%	142	4.3%
Indexed Long-Term Repo (ILTR)	25	0.7%	-	-
Total on-balance sheet funding	**3,770**		**3,326**	

- **Cash** includes the Liquid Asset Buffer held at the Bank of England.
- **Amounts receivables from customers** represent net receivables.
- **Pension asset** reflects the results from the most recent Scheme valuation (1JUN24) and updated market assumptions.
- **Derivative financial assets and liabilities** are used to manage the Group's interest rate risk.
- **Goodwill** relates to the acquisition of Snoop.
- **Retail deposits** are managed in line with Group funding requirements.
- **Bank and other borrowings** comprise the various non-retail funded balances, including Tier 2 debt, Credit Card and VF securitisations and other bonds.
- **Trade and other payables** relates to accruals including complaint costs expected to be paid out.

Capital Composition

	JUN26 £m	DEC25 £m
Total equity	**495**	**487**
Pension asset	(10)	(6)
Deferred tax on retirement benefit asset	3	2
Goodwill	(1)	(1)
Intangible assets	(70)	(65)
Deferred tax on intangible assets	4	5
Deferred tax asset from losses	(21)	(20)
AT1 capital	(59)	(59)
Other*	(2)	(1)
CET1 capital	**339**	**341**
AT1 capital	59	59
Tier 1 capital	**398**	**400**
Tier 2 capital	142	142
Total regulatory capital	**539**	**541**
CET1 requirement	246	234
CET1 surplus	**93**	**107**
Tier 1 requirement	296	281
Tier 1 surplus	102	118
Total capital requirement	361	344
Total capital surplus	178	197
Risk-weighted assets[27]	**2,181**	**2,073**
CET1 ratio[6]	**15.6%**	**16.5%**
Tier 1 ratio[33]	18.2%	19.3%
Total capital ratio[23]	24.7%	26.1%
Leverage exposure[34]	3,705	3,299
Leverage ratio[35]	10.7%	12.1%

Risk weighted assets by product (£m)

	JUN26 £m	DEC25 £m
Credit Cards	1,144	1,122
Vehicle Finance	580	573
Second Charge Mortgages	340	260
Corporate Centre	115	118
Total	**2,181**	**2,073**

- **CET1 requirement** is 11.3% of RWAs, being 56.25% of the Group's Total Capital Requirement (TCR) plus combined buffers of 4.5%, but excluding any confidential or management buffers, as applicable.
- **Tier 1 requirement** is 13.6% of RWAs, being 75% of the Group's Total Capital Requirement (TCR) plus combined buffers of 4.5%, but excluding any confidential or management buffers, as applicable.
- **Total capital requirement** is 16.6%, being the Group's TCR (12.1%) plus combined buffers of 4.5%, but excluding any confidential or management buffers, as applicable.

* Includes AT1 foreseeable distributions.

Glossary

ABS	Asset Backed Securities
AI	Artificial Intelligence
APR	Annual Percentage Rate
AT1	Additional Tier 1
AVE / Ave.	Average
BoE	Bank of England
BT	Balance Transfer
CET1	Common Equity Tier 1
CSI	Customer Satisfaction Index
CSREP	Capital Supervisory Review and Evaluation Process
CMCs	Claims Management Companies
DCA	Discretionary Commission Arrangements
ECL	Expected Credit Loss
EPS	Earnings Per Share
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme
FTE	Full-time equivalent
FY	Financial Year
Group	Vanquis Banking Group plc and its subsidiary undertakings
HoH	Half on Half
HQLA	High-Quality Liquid Assets
IFRS	International Financial Reporting Standards
ILTR	Indexed Long Term Repo
ISA	Individual Savings Account
KPI	Key Performance Indicator

LCR	Liquidity Coverage Ratio
LTV	Loan To Value
NIM	Net Interest Margin
N/M	Not Meaningful
P&L	Profit & Loss Account
PAT	Profit After Tax
PBT	Profit Before Tax
PCOA	Post Charge Off Assets
PRA	Prudential Regulation Authority
RAM	Risk-adjusted Margin
ROTE	Return On Tangible Equity
RWA	Risk-Weighted Assets / Exposure Amounts
SCB	Single Capital Buffer
SDDT	Small Domestic Deposit Takers
SSA	Sovereigns, Supranationals and Agencies
TCR	Total Capital Requirement
Tier 1	Tier 1 capital / ratio
Tier 2	Tier 2 capital / ratio
TIM	Total Income Margin
TNAV	Tangible Net Asset Value
Vanquis	Vanquis Banking Group plc
VF	Vehicle Finance
YoY	Year on Year
2CM	Second Charge Mortgages

Footnotes

1	Gross customer interest-earning balances excludes post charge off assets and deferred acquisition costs, which are included in gross receivables.
2	Net interest margin is calculated as interest income less interest expense for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.
3	Risk-adjusted margin is calculated as risk-adjusted income for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.
4	Cost: income ratio is calculated as operating costs as a percentage of total income for the 6 months ended 30 June and 31 December.
5	ROTE is calculated as annualised statutory profit attributable to shareholders for the 6 months ended 30 June and 31 December as a percentage of average tangible equity for the 6 months ended 30 June and 31 December. Tangible equity is stated as equity after deducting the Group's pension asset, net of deferred tax, intangible assets and goodwill and AT1 notes.
6	The CET1 ratio is calculated as the ratio of the Group's Common Equity Tier 1 (CET1) capital as a percentage of the Group's risk-weighted assets measured in accordance with the CRR.
7	Basic earnings per share is calculated as statutory profit after tax for the 6 months ended 30 June and 31 December, divided by the weighted average number of shares outstanding during the period less the weighted average number shares held by the Employee Benefit Trust.
8	TNAV per share is calculated as closing tangible net asset value, divided by the period end number of shares in issue less the shares held by the Employee Benefit Trust. Tangible net asset value is stated as equity after the Group's pension asset, net of deferred tax, intangible assets and goodwill and AT1 notes.
9	Average gross customer interest-earning balances is based on the average of 7 months of gross customer-interest-earning balances.
10	Asset yield is calculated as interest income received from customers for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7-point month end average.
11	Cost of risk is calculated as impairment charges for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7-point month end average.
12	Staff and outsourced people costs include all costs in relation to employees and outsourced/resource, including wages, pensions, benefits, training and recruitment.
13	Non staff costs include, amongst other items: complaints, fraud, marketing, IT, property, legal, FCA and PRA levies, and customer management related costs.
14	Number of full-time equivalent people working for the Group under contracts of employment (employee numbers), excluding employees on maternity leave.
15	1H25 restated to exclude employees on maternity leave.
16	Total customer numbers are presented net of cross product holding. Customer numbers by product are presented on a gross holding basis.

17	Liquid assets (HQLA) are unencumbered assets, that are liquid in markets during a time of stress.
18	The liquidity coverage ratio (LCR) refers to the proportion of highly liquid assets to net 30-day cash outflows, calculated in accordance with regulatory guidance.
19	Excess liquid assets are those HQLA in excess of the regulatory minimum requirement to meet the Liquidity Coverage Ratio of 100% of regulatory net cash outflows, calculated in accordance with regulation.
20	Excludes accrued interest, arrangement fees, overdrafts and fair value adjustments for hedged risk.
21	Average deposit pricing reflecting the weighted average customer interest rate of deposits on book at each month end.
22	2-year swap is taken from UK OIS spot curve data published by the BoE.
23	The total capital ratio is calculated as the ratio of the Group's total capital as a percentage of the Group's risk-weighted assets measured in accordance with the CRR.
24	Outsourced resource reflects the total outsourced capacity purchased by VBG, expressed as full-time equivalent resources.
25	Net receivables are gross receivables less allowance account (ECL) provision.
26	Total income margin is calculated as total income for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7-point month end average.
27	Risk-weighted assets are calculated by assigning a degree of risk expressed as a percentage (risk weight) to the on and off-balance sheet assets of the Group, an exposure representing the degree of operational risk of the Group's activities and any exposure amount required for market risk. RWAs are calculated in accordance with the applicable rules set out in CRR and the PRA Rulebook.
28	Retail funding is calculated as total retail savings and deposit balances, excluding accrued interest, as a percentage of total committed funding.
29	Coverage ratio is calculated as expected credit loss allowance divided by gross receivables, including directly attributable acquisition costs and post charge off assets.
30	Amounts receivables from customers are presented net of fair value adjustment for portfolio hedged risk.
31	Retail deposits on the balance sheet include principal and accrued interest and are presented net of fair value adjustments.
32	Bank and other borrowing are presented net of fair value adjustment for hedged risk.
33	The Tier 1 ratio is calculated as the ratio of the Group's Tier 1 capital as a percentage of the Group's risk-weighted assets measured in accordance with the CRR.
34	Leverage exposure is a regulator-defined quantity that measures a bank's total assets and certain off-balance sheet items including derivatives and undrawn commitments on Credit Cards. Leverage metrics exclude central bank claims in accordance with the PRA's UK leverage framework.
35	Leverage ratio is the Tier 1 regulatory capital expressed as a proportion of the leverage exposure, which allows the PRA to assess the risk of excessive leverage in financial institutions.

Disclaimers

Important notice
The information in this presentation may include forward-looking statements. Forward looking statements, by their nature involve risk and uncertainty as they relate to future events and circumstances. Forward looking statements can be identified from the fact that they do not relate only to historical or current facts and , which they are based on assumptions, expectations, valuations, targets, estimates, forecasts and projections about future events. These can be identified by the use of words such as ‘short term’, 'medium term', ‘long term’, 'expects', 'aims', 'targets', 'seeks', 'anticipates', 'plans', 'intends', 'prospects' 'outlooks', 'projects', ‘forecasts’, 'believes', 'estimates', 'potential', 'possible’, 'will', 'may', 'should' and similar words or phrases (including the negatives thereof). Forward looking statements can be made in writing but may also be made verbally by directors, officers or employees of the Group (including during management presentations) in connection with this presentation. These forward looking statements speak only as at the date they are made, reflect, at the time made, the Company’s beliefs, intentions and current targets/aims and are inherently subject to significant known and unknown risks, uncertainties and assumptions about the Company and its subsidiaries (which together comprise the “Group”) and its securities, investments and the environment in which it operates, which are difficult or impossible to predict and are beyond the Company's control. Forward looking statements may be affected by a number of factors including, without limitation the development of its the Group’s business and strategy, any corporate activity undertaken by the Group, trends in its operating industry, changes to customer behaviours and covenant, macroeconomic and/or geopolitical factors, changes to its board and/ or employee composition, exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities, changes to law regulation and the interpretation thereof and/or changes to the policies and practices of the Bank of England, the PRA, the FCA, and/or other regulatory and governmental bodies, changes to accounting standards, the outcome of current and future legal proceedings and regulatory investigations inflation, deflation, interest rates, exchange rates, changes in the liquidity, capital, funding and/ or asset position and/or credit ratings of the Group, future capital expenditures and acquisitions.

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