2025 HALF YEAR RESULTS

INVESTOR MEET
COMPANY PRESENTATION

7 AUGUST 2025
3PM

Agenda

Who is Vanquis?	Ian McLaughlin
Summary of 1H25	Ian McLaughlin & Dave Watts
Q&A	Ian & Dave

Who is Vanquis?

Ian McLaughlin
Chief Executive Officer

Our purpose

To deliver caring banking so our customers can make the most of life’s opportunities

The bank that’s got your back

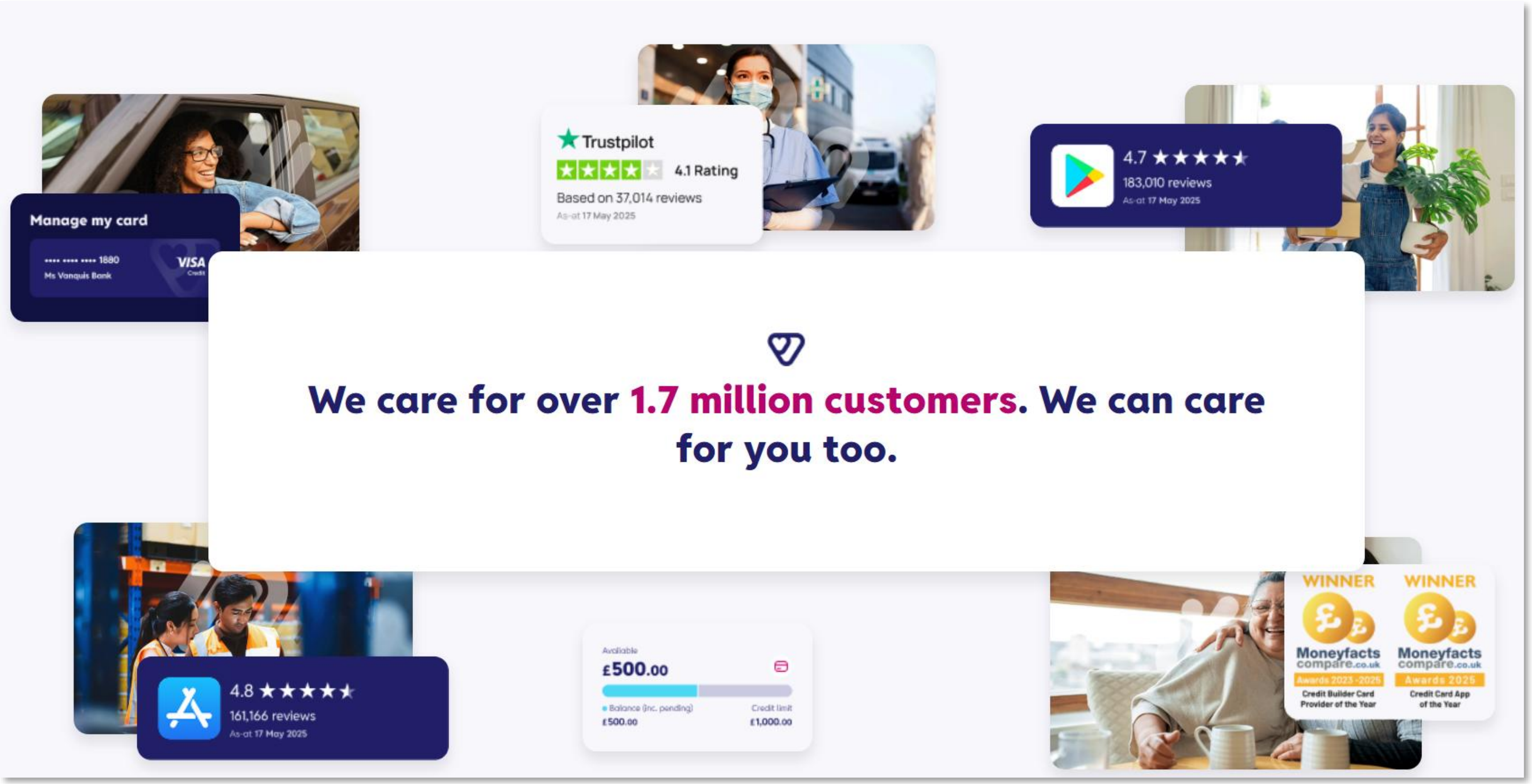
Need to take care of your finances and grab life’s opportunities? We’ve got you.

Trustpilot

TrustScore 4.1 37,953 reviews

Our customers

Serving the banking needs of the underserved UK adult population



Their core needs

Help me borrow healthily	Help me build a financial safety net	Help me feel in control of my everyday spending

Our proposition

Credit, savings & money management solutions, with lending predominantly funded by deposits

	Credit Cards	Vehicle Finance	Second Charge Mortgages	Savings	Snoop
# Customers	1,290k	106k	6.3k	55k	313k
Gross customer interest-earning balances	£1,335m	£733m	£371m	Balances £2,424m	

Strategic transformation of the bank

2024 was a pivotal year

1. Refreshed our strategy, enhanced our customer proposition and simplified the organisation.
2. Implemented changes required for sustainable performance.
3. Managed new business growth as we resolved the issues of the past.
4. Delivered transformation cost savings.
5. Navigated external factors – CMC Complaints and Vehicle Finance Commissions

Summary of 1H25

Profit delivered in 1H25

Two consecutive quarters of profitability and three consecutive quarters of balance growth

While the strategic transformation of the bank continues, we have:

1. **Sustainably grown interest-earning balances** and optimised mix to maximise return on deployed capital.
2. **Made strong progress on the Gateway technology transformation programme,** which remains on track for delivery in mid-2026.
3. **Delivered ongoing transformation cost savings**, with all necessary actions already taken to meet our commitment of an additional £15 million in savings for 2025.
4. **Seen continued customer resilience**, with robust credit quality reflecting responsible lending.
5. **Continued to develop our award-winning proposition** to meet customer needs.

1H25 Highlights

Improving customer proposition with enhancements to risk management

Initiatives	What we have delivered
Customer proposition	• Launched new Credit Card product variants. • Enhanced credit decisioning in Vehicle Finance. • Maintained strong growth in Second Charge Mortgages. • Expanded our flexible savings product range, including ISAs. • Achieved a 7% increase in Snoop active users, including a 12% increase in Vanquis customers using the app.
Insightful risk management	• Positive experiences for 'Not Yet' customers through the Fair Finance referral programme. • Introduced a new customer service platform. • Rebranded Vanquis as 'the bank that's got your back'.

Key metrics

Metric	1H25	FY24
Gross customer interest earning balances	£2,459m	(FY24: £2,308m)
Retail deposits	£2,424m	(FY24: £2,399m)
Customer numbers	1.70m	(FY24: 1.69m)
Snoop active users ('000)	313k	(FY24: 293k)
Vanquis customer satisfaction (Trustpilot score)	4.1/5 stars	(FY24: 4.2/5 stars)
Moneybarn customer satisfaction (Trustpilot score)	4.4/5 stars	(FY24: 4.4/5 stars)

1H25 Highlights

Technology transformation and operational efficiency on track, supported by a strong team

Initiatives	What we have delivered
Technology transformation	• Centralised customer data on a new IT platform. • Launching a new mobile app and Credit Card onboarding and decisioning platform in the next 3 months.

Operational efficiency	• Delivered operational efficiency improvements across key processes through expanded use of digital tools, AI, and self-service
	    • Debt sale programmes
	    • Fraud
	    • Complaints
	• Rationalised property footprint.

People	• Improved colleague engagement, with a 5% increase in the mid-year score to 65%.

Key metrics

Technology and Operations cash investment spend	£13.4m	(2H24: £13.6m)
Group headcount (Full Time Equivalent)	1,224	(FY24: 1,215)
Transformation cost savings	£7.9m	(2H24: £27.4m)
Mid-year Pulse Survey (Colleague engagement)	65%	(FY24: 60%)

Update on external factors

Clear distinction from Johnson case supports limited liability on motor finance commissions

Update following Supreme Court Judgment and FCA's intention to consult on a compensation scheme

- The Group believes any **liability is limited**.
  - Under IAS 37, no provision has been made, but we have disclosed a contingent liability.
- **Vanquis did not participate in discretionary commission arrangements (DCAs)** - not in scope for this element of any scheme.
- **The FCA intend to consult on the inclusion of certain non-DCAs** following the unfair relationship Supreme Court decision in the Johnson case.
- **Vanquis' position is clearly differentiated from the facts in the Johnson case**. This is on a number of grounds, including, but not limited to:
  - **Size of commission:** Averaged £695 and c.13% of the total credit charge* vs 55% in *Johnson*.
  - **Nature of commission:** Were a flat fee or fixed percentage of the loan.
  - **Lending arrangements:** Vanquis did not operate "right of first refusal" arrangements.**
  - **Extent and manner of commission disclosure considering characteristics of the consumer:** Customers signed pre-contractual documentation confirming that they understood a commission *will* be paid.*
  - **Compliance with regulatory rules:** Disclosures exceeded regulatory requirements.

* Period 26 October 2013 to 25 October 2024.
**Based on a review of introducer agreements.

Update on external factors

New FOS fee structure resulting in meaningfully reduced CMC referrals

New FOS fee charging structure

- The revised FOS fee structure, implemented on 1 April 25, has reduced unmerited CMC complaint referrals to the FOS.

Charging structure pre 1 April 2024

Lenders paid **£750** per claim

Charging structure pre 1 April 2025

Lenders paid **£650** per claim

New charging structure

CMCs pays **£250** per claim upfront, reducing to £75 if upheld
Lender pays **£475** for claims not upheld (£650 only if claims upheld)

Complaint costs

- Since the revised FOS fee structure was implemented on 1 April 25 negligible Vanquis related CMC complaints have been referred to the FOS.
- CMC complaint volumes submitted directly to Vanquis have also reduced.
- **1H25 complaint costs £16m** - 36% lower YoY (1H25 vs 1H24).
- 1Q25 complaint costs were in line with expectations, with a lower run rate from 2Q25, as expected.
- Expect 2H25 complaint costs to be lower than 1H25.
- See slide 20 for further details of financial impacts of complaints.

Regulatory engagement and legal proceedings

- Support the Government's planned changes to reform the FOS.
- Continue to engage with regulators to address complaints issues on an industry-wide basis.
- Successful strike out hearing outcome in court case against The Money Solicitor (TMS Legal Ltd.), the CMC responsible for the most unmerited claims in recent years. Legal proceedings now progress to trial.

Guidance summary

Remain on track to achieve FY25 and FY26 guidance, with higher balance growth in 2025

	1H25 Performance	Statutory Guidance	
	Statutory	FY25	FY26
Gross customer interest earning balances	£2,459m	>£2.6bn (up from c.£2.6bn)	c.£3.0bn
Net Interest Margin	17.4%	>17%	>16%
Cost: Income ratio*	62.5%	High 50s	Low 50s
ROTE**	**3.1%**	**Low single digits**	**Low double digits**
Tier 1 ratio	18.5%	>17.5%	

* Guiding to a cost: income ratio of 49% or lower in FY27.
** Guiding to mid-teens ROTE in FY27.

Focused on creating long-term shareholder value

Delivering for our customers to drive ongoing sustainable, profitable growth

1. **Profitable in 1H25** driven by balance growth and improved risk adjusted margin.
2. **Sufficient capital** to achieve growth plans.
3. **Credit quality remains robust**, reflecting continued customer resilience and responsible lending practices.
4. **Disciplined focus on costs**, delivering cost savings while investing in technology transformation via Gateway.
5. **Complaint costs meaningfully lower,** following new FOS fee charging structure, with this trend expected to continue.
6. **Limited liability on motor finance commissions,** supported by clear distinction from Johnson Supreme Court unfair relationship case.
7. **Dynamically managing liquidity and funding**.
8. **Driving operational efficiency** and **deploying capital in the most accretive opportunities** to generate higher returns.

Our customers

Why Vanquis matters

“A very quick and easy process from start to finish, customer service is excellent, and they treat you like a person not a number.”

Vanquis customer

“From application to funds being paid to the dealer, I had a seamless & professional experience. Within a week of applying, I was driving away in my new vehicle. I was updated every step of the way and wouldn’t hesitate to recommend Moneybarn to anyone looking for affordable finance.”

Moneybarn customer

“I was recommended Snoop by a friend, and I am so glad they did. It helps with budgeting and understanding where exactly your money is going. I can keep track easily and it gives reminders of bill renewals. Such a good app!”

Snoop customer

Vanquis
4.1/5 Trustpilot score
>37k reviews
- "Great" rating
- 80% **5-star** | 9% **4-star**

Moneybarn
4.4/5 Trustpilot score
>14k reviews
- “Excellent" rating
- 82% **5-star** | 6% **4-star**

Snoop
4.6/5 App Store rating
4.5/5 Google Play rating
- **>13k 4 and 5-star reviews**

Q&A

Appendix

1H25 Group performance

Return to profitability alongside continued balance growth

Receivables	JUN25 £m	DEC24 £m	Change %	JUN24 £m	Change %
Gross customer interest earning balances	2,459	2,308	7%	2,252	9%
Average gross customer interest earning balances (excluding Personal Loans)	2,339	2,208	6%	2,201	6%
Net receivables	2,325	2,155	8%	2,010	16%

Income Statement	1H25 £m	2H24 £m	Change %	1H24 £m	Change %
Net interest income	202.2	200.6	1%	207.3	(2)%
Non-interest income	17.5	19.0	(8)%	19.5	(10)%
Total income	**219.7**	219.6	-	226.8	(3)%
Impairment charges	(76.1)	(92.3)	(18)%	(93.0)	(18)%
Risk-adjusted income	**143.6**	127.3	13%	133.8	7%
Operating costs	(137.4)	(219.2)	(37)%	(179.9)	(24)%
Profit/(loss) before tax from continuing operations	**6.2**	(91.9)		(46.1)	
Tax (charge)/credit	**(1.3)**	6.8		10.6	
Profit/(loss) after tax from continuing operations	**4.9**	(85.1)		(35.5)	
Profit/(loss) after tax from discontinued operations	0.7	1.6		(0.3)	
Statutory profit/(loss) after tax	**5.6**	(83.5)		(35.8)	

Notable items	1H25 £m	2H24 £m	1H24 £m
Goodwill write-off	-	(71.2)	-
Transformation & other exceptional costs	-	(8.6)	(15.5)
Amortisation of acquisition intangibles	-	(2.0)	(4.2)
Vehicle Finance receivables review	-	**(6.8)**	**(12.8)**
Income	-	*(1.4)*	*(3.1)*
Impairment	-	*(5.4)*	*(9.7)*
Other one-off cost items	-	-	(10.2)
Total notable items	-	**(88.6)**	**(42.7)**

- **Gross customer interest earning balances** increased 7% HoH (JUN25 vs DEC24), reflecting increased balances in Credit Cards and Second Charge Mortgages (2CM).
- **Net receivables** increased 8%, reflecting lower-risk 2CM growth.
- **Net interest income** increased 1%, reflecting a 6% increase in average balances offset by lower NIM from 2CM growth.
- **Impairment charges** decreased 18%, reflecting an underlying improvement in credit quality and the non-repeat of the impact of the VF receivables review.
- **Risk adjusted income** improved 13% HoH (1H25 vs 2H24).
- **Operating costs** reduced 37% reflecting the non-repeat of £81.8m of notable items, with underlying costs flat.
    - Further transformation cost savings and reduced complaint costs were offset by growth, inflation and accruals for discretionary staff costs.
- **Profit before tax from continuing operations** of £6.2m.
- **Profit after tax from discontinued operations** relates to the Personal Loans portfolio. The sale completed at the end of 1Q25.
- **No notable items** in 1H25.

1H25 Group key performance metrics

Improving risk adjusted margin driving low single digits ROTE

	1H25 %	2H24 %	Change	1H24 %	Change
Selected key metrics					
Asset yield	21.8	22.4	(0.6)	23.2	(1.4)
Net interest margin (NIM)	**17.4**	18.1	(0.7)	18.9	(1.5)
Total income margin (TIM)	18.9	19.8	(0.9)	20.7	(1.8)
Cost of risk	(6.6)	(8.3)	(1.7)	(8.5)	(1.9)
Risk adjusted margin (RAM)	12.4	11.5	0.9	12.2	0.2
Statutory cost: income ratio	**62.5**	99.8	(37.3)	79.3	(16.8)
Average tangible equity (£m)	361	362	-	382	(5)%
Statutory ROTE	**3.1%**	(45.9)		(18.9)	
Basic earnings per share (EPS) (p)	2.2	(32.6)		(14.1)	
Dividend per share (p)	-	-		-	

	JUN25 £m	DEC24 £m	Change	JUN24 £m	Change
Capital, liquidity, funding and balance sheet metrics					
Tier 1 ratio	**18.5%**	18.8%	(0.3)	19.8%	(1.3)
Risk weighted assets (RWA)	1,883	1,835	3%	1,813	4%
High quality liquid assets (HQLA) (£m)	873	947	(8)%	717	22%
Liquidity coverage ratio (LCR)	366%	359%	(7)	557%	(191)
Retail deposits	2,424	2,399	1%	1,912	27%
Retail funding (% of all funding)	84.6%	85.6%	(1.0)	79.3%	5.3
Tangible net asset value (TNAV)	362	358	1%	371	(3)%
TNAV per share (p)	142	140	1%	146	(3)%

- **Asset yield** decreased 60bps HoH, reflecting lower yield on 2CM. Credit Cards yield reduced marginally, reflecting growth in 0% balance transfers (BTs) and promotional products, while VF yield improved.
- **NIM** reduced 70bps, driven by the lower margin in 2CM, partially offset by lower cost of funds.
- **RAM** increased 0.9%, driven by a 1.7% reduction in **cost of risk**, reflecting meaningfully lower impairment in VF.
- **Cost: income ratio** improvement reflects the non-repeat of notable items.
  - Neutral underlying cost: income jaws HoH.
- **ROTE** of 3.1%, in line with FY25 guidance of low single digits.
- **Tier 1 capital ratio** reduced 30bps, with earnings and the 40bps benefit from the Personal Loans portfolio sale more than offset by growth driving a 3% increase in RWAs.
- **Liquidity and funding** remained strong, while being more dynamically managed.
- **Retail deposits** growth driven by a broader product range, including ISAs and the Snoop Easy Access branded product.

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Unless otherwise stated, information in this presentation was prepared as at 30 June 2025.

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