vanquis

2025 HALF YEAR RESULTS

7 AUGUST 2025
9AM

Agenda

Summary of 1H25	Ian McLaughlin
1H25 Performance	Dave Watts
Q&A	Ian & Dave

Summary of 1H25

Ian McLaughlin
Chief Executive Officer

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 Performance vs. FY25 Guidance

On track to deliver our FY25 Guidance, with higher balance growth than previously expected

	1H25 Performance	FY25 Guidance
Gross customer interest earning balances[1]	£2,459m	>£2.6bn
Net Interest Margin (NIM)[2]	17.4%	>17%
Cost: Income ratio[3]	62.5%	High 50s
Return on Tangible Equity (ROTE)[4]	**3.1%**	**Low single digits**
Tier 1 ratio[5]	18.5%	>17.5%

1H25 Highlights

Improving customer proposition with enhancements to risk management

Initiatives	What we have delivered
Customer proposition **Insightful risk management**	• 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. • 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[1]	£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)[6]
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

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.

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.

Vehicle Finance business transformation

Gateway will deliver a new customer onboarding and servicing platform by mid-2026

Customer need for Vehicle Financing

"The cost of a car is the **second biggest expense for our customer base.**"

"A car purchase for our customers is **not a luxury** - most customers need their car to go to work & provide for their family."

Vanquis proposition today

- Moneybarn brand **finance affordable used vehicles** with limited direct competition - lower loan sizes but higher APRs.
- **Returned to profit in 1H25** after 2024 loss, partly due to VF receivables review.

Technology transformation via Gateway

- New platform will automate processes, reduce manual intervention and **drive operational efficiency.**
- **Enhance scalability** via stronger broker & dealer relationships.

Market opportunity

- **~30% of UK used car purchases are financed** (SMMT & FLA).
- Used car market projected to grow meaningfully over next 5 years (Oxford Economics).

2025 c.£21bn → **2030** c.£27bn

Balances reduced 4% vs DEC24
£733m
DEC24: £765m

VF lending per annum
c.£300m

Average loan value at origination
£9.2k
2H24: £9.1k

Weighted average APR
29.1%
DEC24: 28.4%

Risk adjusted margin
9.7%
2H24: 4.2%

1H25 cost: income ratio
71.0%
2H24: 78.2%

Proactively managing new business growth ahead of Gateway platform launch. Should deliver **increased balances** and an **improved cost: income ratio.**

1H25 Financial Performance

Dave Watts
Chief Financial Officer

1H25 Group performance

Return to profitability alongside continued balance growth

Receivables	JUN25 £m	DEC24[7] £m	Change %	JUN24[7] £m	Change %
Gross customer interest earning balances[1]	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[8]	2,325	2,155	8%	2,010	16%

Income Statement	1H25 £m	2H24[1] £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[7] £m	1H24[7] £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[7] %	Change	1H24[7] %	Change
Selected key metrics					
Asset yield[9]	21.8	22.4	(0.6)	23.2	(1.4)
Net interest margin (NIM)[2]	**17.4**	18.1	(0.7)	18.9	(1.5)
Total income margin (TIM)[10]	18.9	19.8	(0.9)	20.7	(1.8)
Cost of risk[11]	(6.6)	(8.3)	(1.7)	(8.5)	(1.9)
Risk adjusted margin (RAM)[12]	12.4	11.5	0.9	12.2	0.2
Statutory cost: income ratio[3]	**62.5**	99.8	(37.3)	79.3	(16.8)
Average tangible equity (£m)	361	362	-	382	(5)%
Statutory ROTE[4]	**3.1%**	(45.9)		(18.9)	
Basic earnings per share (EPS) (p)[13]	2.2	(32.6)		(14.1)	
Dividend per share (p)	-	-		-	

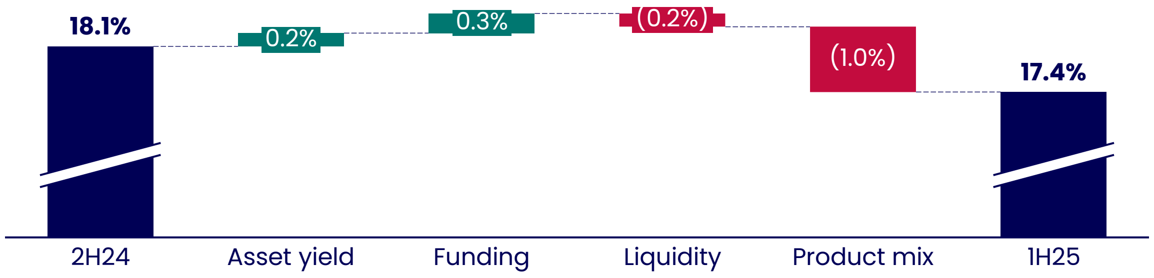
	JUN25 £m	DEC24[7] £m	Change	JUN24[7] £m	Change
Capital, liquidity, funding and balance sheet metrics					
Tier 1 ratio[5]	**18.5%**	18.8%	(0.3)	19.8%	(1.3)
Risk weighted assets (RWA)[14]	1,883	1,835	3%	1,813	4%
High quality liquid assets (HQLA) (£m)[15]	873	947	(8)%	717	22%
Liquidity coverage ratio (LCR)[16]	366%	359%	(7)	557%	(191)
Retail deposits	2,424	2,399	1%	1,912	27%
Retail funding (% of all funding)[17]	84.6%	85.6%	(1.0)	79.3%	5.3
Tangible net asset value (TNAV)	362	358	1%	371	(3)%
TNAV per share (p)[18]	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.

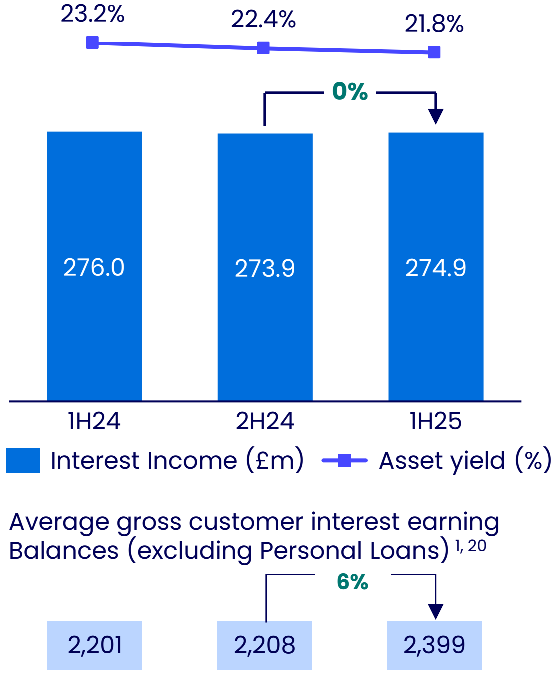
Net Interest Margin

Reducing in line with guidance and reflecting pricing discipline

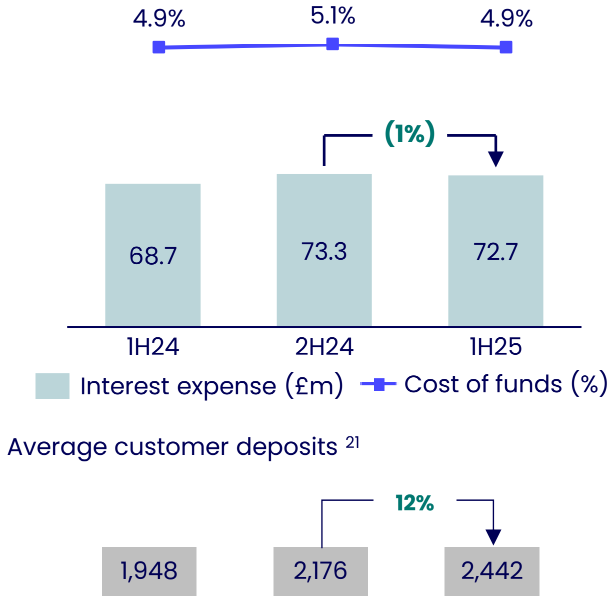
NIM drivers (%)[2]



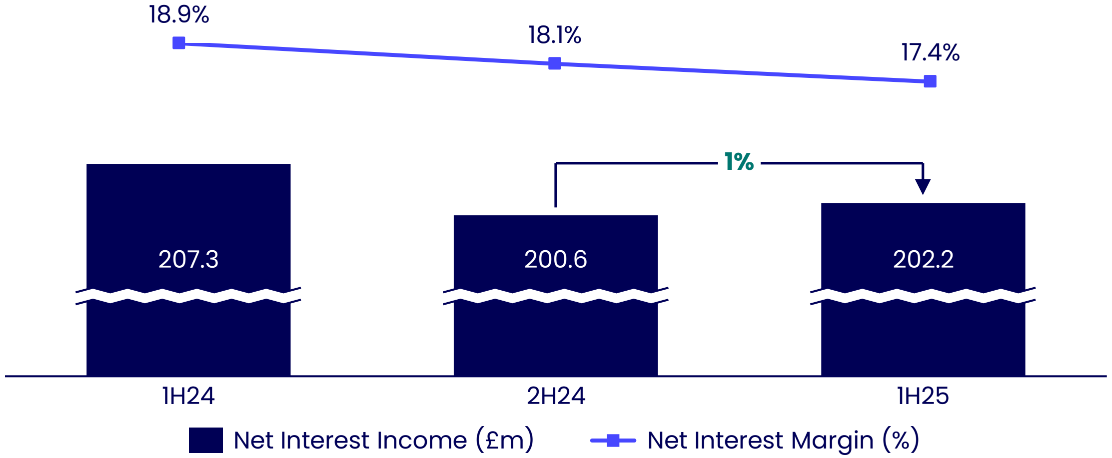
Interest income trend (£m)[19]



Interest expense trend (£m)



Net interest income trend (£m)

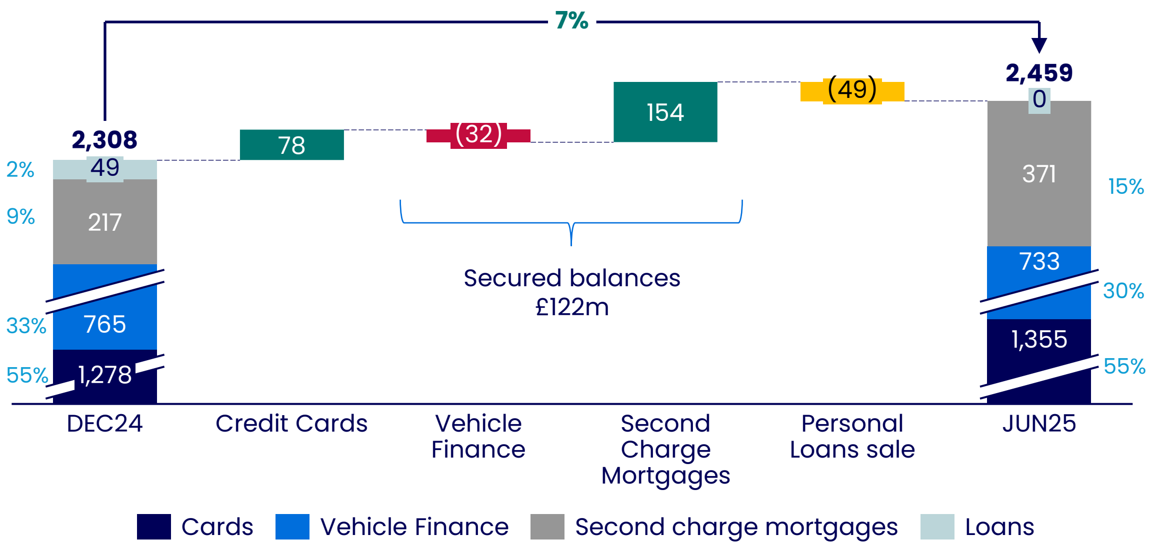


- **Interest income** increased marginally HoH, as growth in 2CM and pricing improvements across products, was offset by the impact of growth in 0% Credit Card products and lower VF balances.
- **Interest expense** decreased 1%, reflecting the lower BoE base rate and reduced rate outlook, and maturing fixed-term deposits being refinanced with lower interest variable savings products.
- **NIM** reduced 70 bps in line with expectations, due to growth in lower-margin, lower-risk 2CM, with FY25 guidance of >17% remaining unchanged.

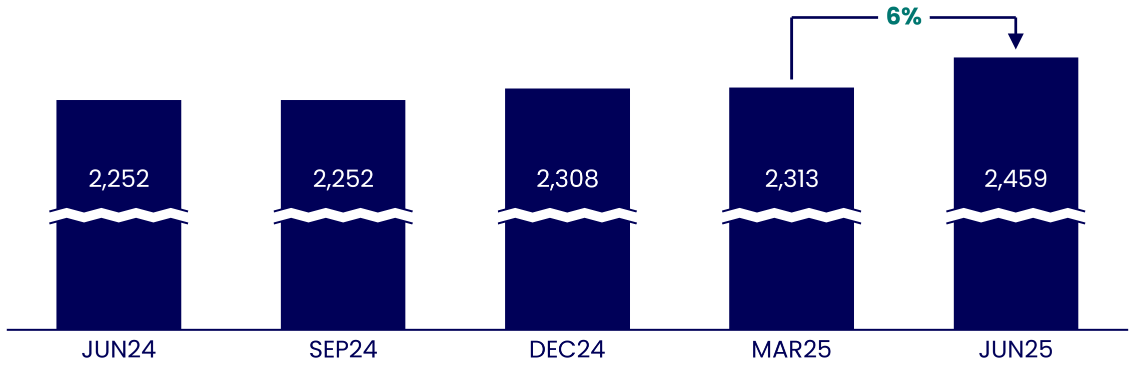
Gross customer interest earning balances

Strong growth in Credit Cards and 2CM. Proactively managing new business growth in VF

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



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

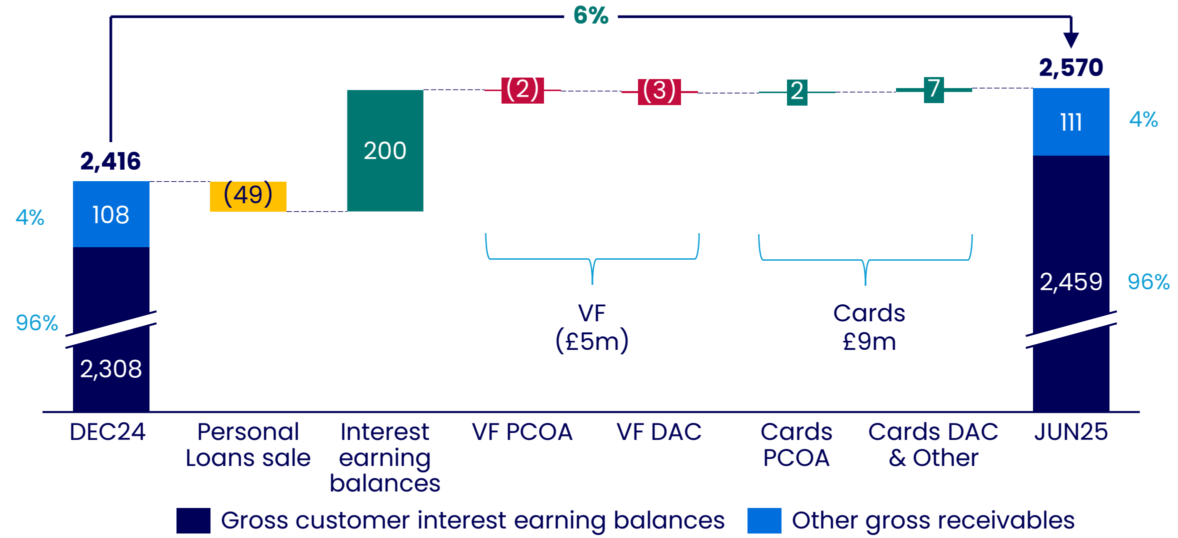


- **Gross customer interest earning balances** increased 7% since DEC24, of which 6% in 2Q25.
- **Credit Card balances** increased 6%, all in 2Q25, reflecting both new customer acquisitions and increased card utilisation of existing customers following credit line extensions and risk-based repricing.
- **VF balances** decreased 4%, as new business growth was proactively managed while the new onboarding and servicing platform is developed.
- **2CM balances** continued to grow meaningfully via forward flow agreements with Interbridge Mortgages and Selina Finance.
- **Personal Loans portfolio sale** completed at the end of 1Q25.
- Overall, **increasing proportion of secured vs unsecured balances.**

Gross and net receivables

Increase driven by interest earning balances growth, with improved asset quality

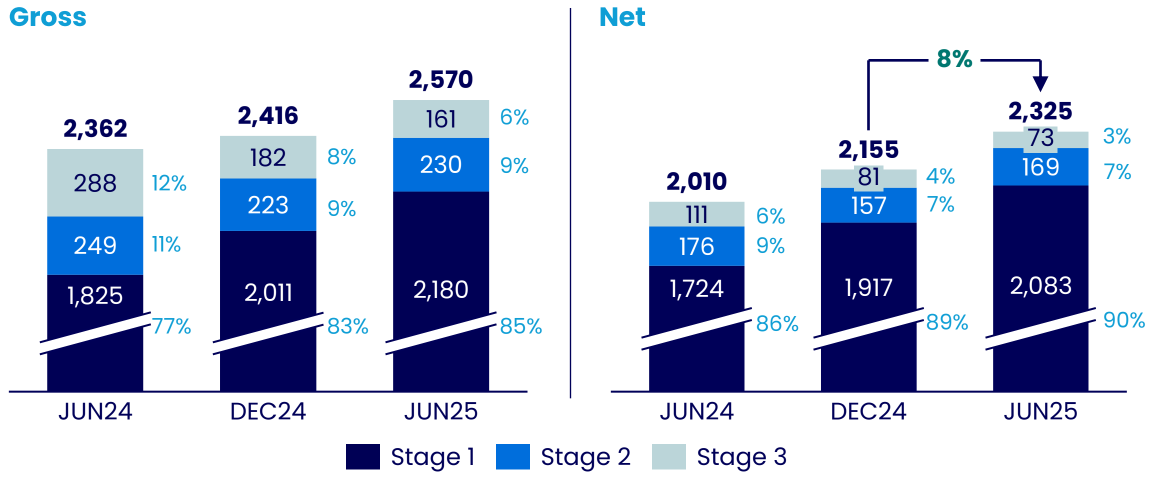
Gross receivables movement (£m)[22]



Post Charge Off Assets (PCOA) (£m)

	Credit Cards	Vehicle Finance	Total
DEC24	***5.9***	***17.3***	***23.2***
Additions	2.6	3.3	5.9
Revaluation	-	0.5	0.5
Debt sales	(1.0)	(4.6)	(5.6)
Write-off	-	(1.2)	(1.2)
JUN25	**7.5**	**15.3**	**22.8**

Receivables by stage (£m)[8,22]

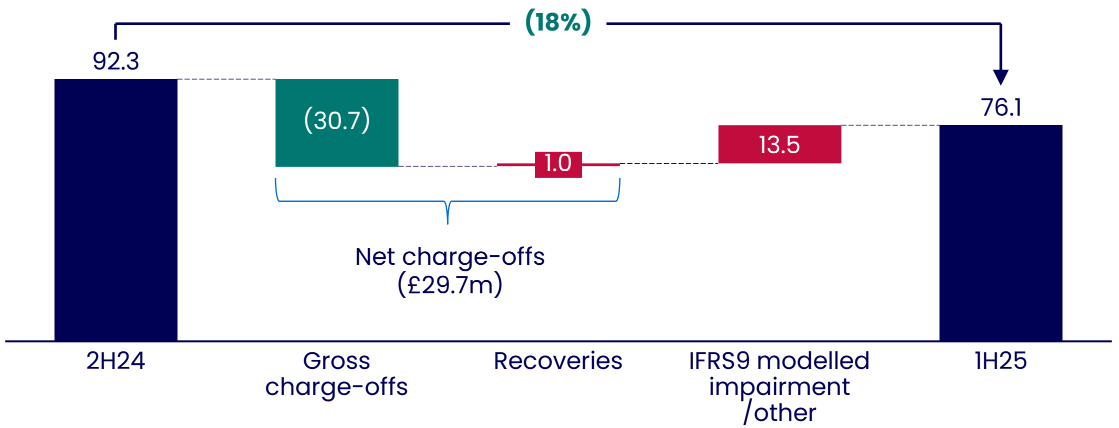


- **Gross receivables** increased 6% in 1H25.
- **Other gross receivables** were broadly stable, with established debt sale programmes from both the Credit Cards and VF PCOA populations.
- **Further debt sales** from PCOA populations expected in 2H25.
- **Net receivables** increased 8%, with an improved proportion of receivables by stage.

Impairment charges

Reduced gross and net charge-offs reflecting customer resilience

Impairment charge movement (£m)



Impairment charge (£m)

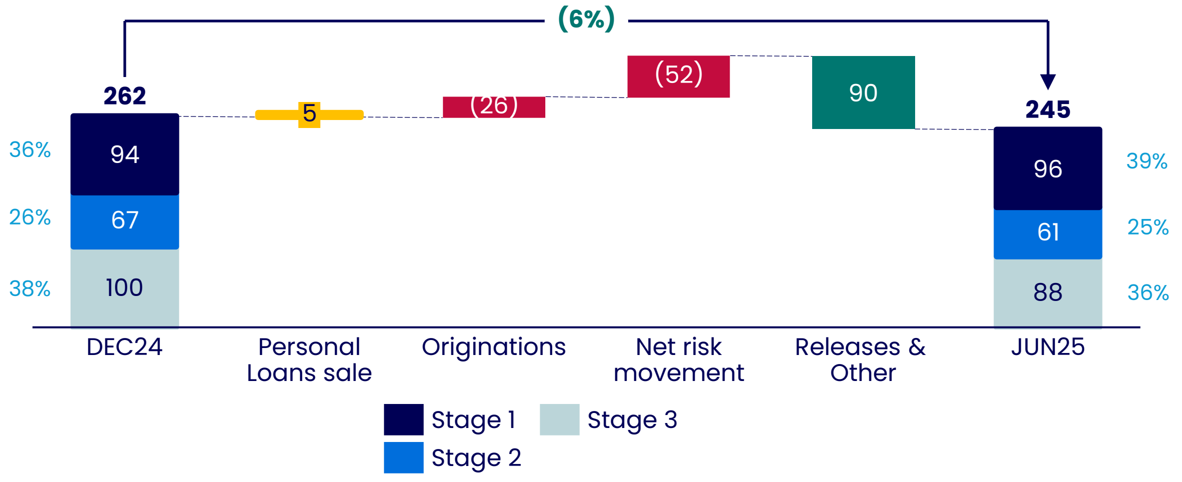
	1H25 £m	2H24[7] £m	Change %	1H24[7] £m	Change %
Gross charge-offs	(122.1)	(152.8)	(20)%	(113.6)	7%
Recoveries	28.6	29.6	(3)%	23.4	22%
Net charge-offs	**(93.5)**	**(123.2)**	**(24)%**	**(90.2)**	**4%**
Originations[23]	(25.7)	(23.7)	8%	(21.3)	21%
Net risk movements	(51.9)	(72.6)	(29)%	(82.4)	(37)%
Releases due to write-offs & debt sales	89.4	126.9	(30)%	97.3	(8)%
Other incl. non repeat of VF review	5.6	0.3		3.6	56%
IFRS9 modelled impairment/other	**17.4**	**30.9**	**(44)%**	**(2.8)**	
Impairment charge	**(76.1)**	**(92.3)**	**(18)%**	**(93.0)**	**(18)%**
Group cost of risk[11]	**(6.6)%**	**(8.3)%**	**(1.7)%**	**(8.5)%**	**(1.9)%**
Credit Cards	(10.0)%	(9.4)%	0.6%	(9.5)%	0.5%
Vehicle Finance	(3.4)%	(7.7)%	(4.3)%	(7.0)%	(3.6)%
Second Charge Mortgages	(0.1)%	(0.3)%	(0.2)%	n/m	

- **Net charge-offs** reduced 24% HoH, reflecting continued customer resilience.
- **IFRS9 modelled impairment** benefit reduced HoH.
  - **Origination charges** increased 8%, consistent with the growth in gross customer interest earning balances.
  - **Net risk movements** reflect stage migrations and changes in post model adjustments (PMAs).
- **Other** in 1H24 and 2H24 included the net impact of the gross charge-offs, ECL release and creation of the PCOA related to the prior year VF receivables review.
- **1H25 cost of risk** across products lower than previously guided expectations.
  - Credit Cards: 10.0% against guidance of 10-14%.
  - VF: 3.4% against guidance of 4-6%.
  - 2CM: 0.1% against guidance of <1%.
- **Expect impairment to increase in 2H25**, driven by increased origination charges on new gross customer interest earning balances.

Expected Credit Losses (ECL)

Reduced ECL despite growing receivables, reflecting responsible credit risk lending

ECL movement (£m)



ECL (£m)

	JUN25 £m	DEC24[7] £m	Change %
ECL brought forward	**(262)**	**(351)**	
Personal Loans sale	5	10	(50)%
Originations	(26)	(24)	(8)%
Net risk movement	(52)	(73)	(29)%
Releases due to write-offs, debt sales & other	90	181	(50)%
ECL carried forward	**(245)**	**(262)**	**(6)%**
Gross receivables[22]	2,570	2,416	6%
Net receivables[8]	2,325	2,155	8%
Coverage ratio[24]	9.5%	10.8%	(1.3)

Gross receivables and coverage ratios by stage

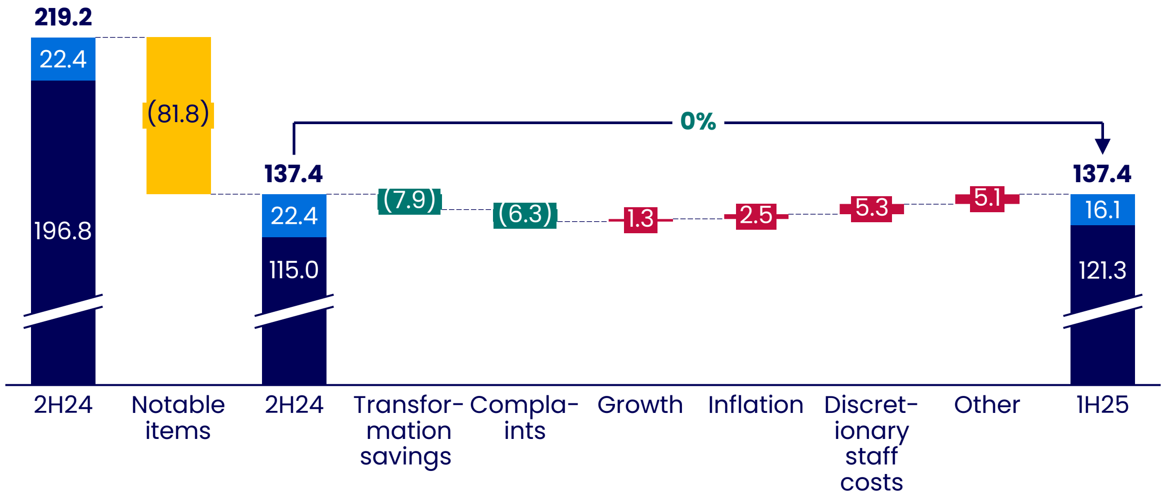
	Gross receivables[22]			Coverage ratio[24]		
	JUN25 £m	DEC24 £m	Change %	JUN25 %	DEC24 %	Change
Total	**2,570**	**2,416**	**6%**	**9.5**	**10.8**	**(1.3)**
Stage 1	2,180	2,011	8%	4.4	4.7	(0.3)
Stage 2	230	223	3%	26.4	30.1	(3.7)
Stage 3	161	182	(12)%	54.4	55.2	(0.8)
Of which Credit Cards	***1,390***	***1,310***	***6%***	***11.4***	***12.2***	**(0.8)**
Stage 1	*1,219*	*1,137*	*7%*	*6.7*	*6.8*	(0.1)
Stage 2	*110*	*100*	*10%*	*38.2*	*40.4*	(2.2)
Stage 3	*62*	*74*	*(16)%*	*56.3*	*57.1*	(0.8)
Of which Vehicle Finance	***795***	***832***	***(4)%***	***10.8***	***11.6***	**(0.8)**
Stage 1	*579*	*606*	*(4)%*	*2.5*	*3.0*	(0.5)
Stage 2	*117*	*120*	*(3)%*	*16.0*	*17.9*	(1.9)
Stage 3	*99*	*106*	*(7)%*	*53.5*	*53.9*	(0.4)

- **ECL** reduced 5%, as originations and net risk movements were more than offset by releases due to charge-offs and debt sales.
- **Total coverage ratios** reduced, reflecting increased balances in Stage 1 and 2, and a reduction in Stage 3 balances.
- **Comfortable with current coverage ratios** based on a clearer understanding of the credit risk of the portfolios.

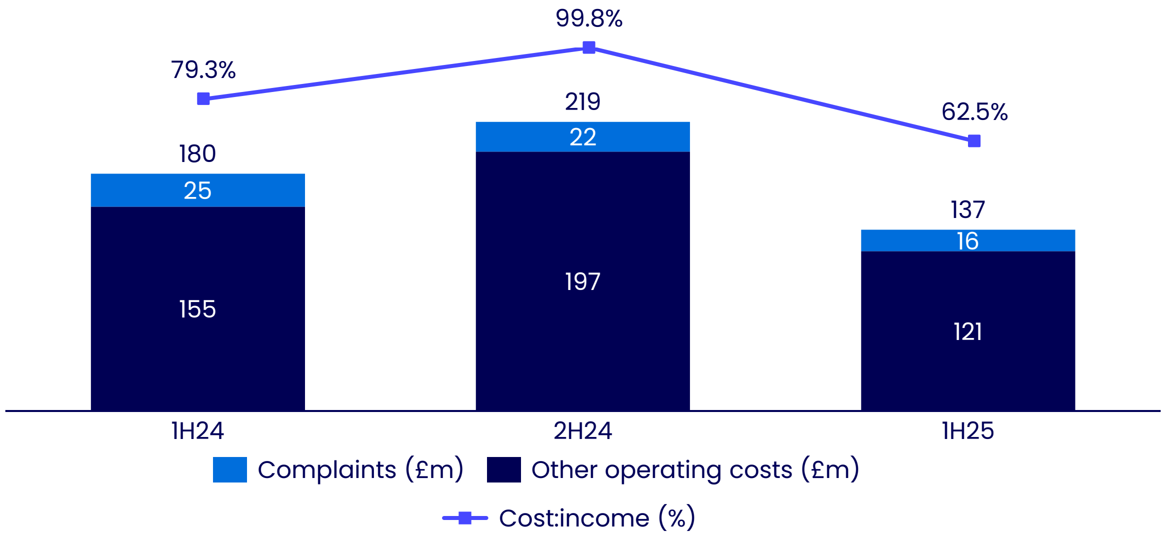
Operating costs

Continued cost discipline, delivering on committed transformation cost savings

Operating costs movement (£m)



Operating costs trend (£)



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

	1H25 £m	2H24[7] £m	Change %	1H24[7] £m	Change %
Cost by type (£m)					
Staff and outsourced people costs[25]	(66.4)	(62.2)	7%	(66.4)	-
Administrative[26]	(63.7)	(67.4)	(5)%	(74.9)	(15)%
Depreciation, amortisation and write-offs	(7.3)	(7.7)	(5)%	(8.8)	(2)%
Notable items	-	(81.8)	(100)%	(29.9)	(100)%
Total operating costs	**(137.4)**	**(219.2)**	(37)%	**(179.9)**	(24)%
Of which complaint costs (see slide 20)	*(16.1)*	*(22.4)*	(28)%	*(24.9)*	(36)%
Of which fraud costs	(5.8)	(5.5)	6%	(6.5)	(10)%
FTEs by area (#)[6]					
Customer facing & support	575	559	3%	595	(3)%
Technology & Change	394	400	(2)%	406	(3)%
Operations, Functions & Other	255	257	(1)%	290	(12)%
Total FTE	**1,224**	**1,215**	**1%**	**1,291**	(5)%

- All actions taken to deliver **an additional £15m of committed savings by the end of 2025.**
- **Taking actions to realise saves from Gateway technology transformation in 2025** (previously expected in later years), primarily in Operations.
- **Discretionary staff costs includes bonus accrual in 1H25** after no bonuses paid to staff in 2023 or 2024.

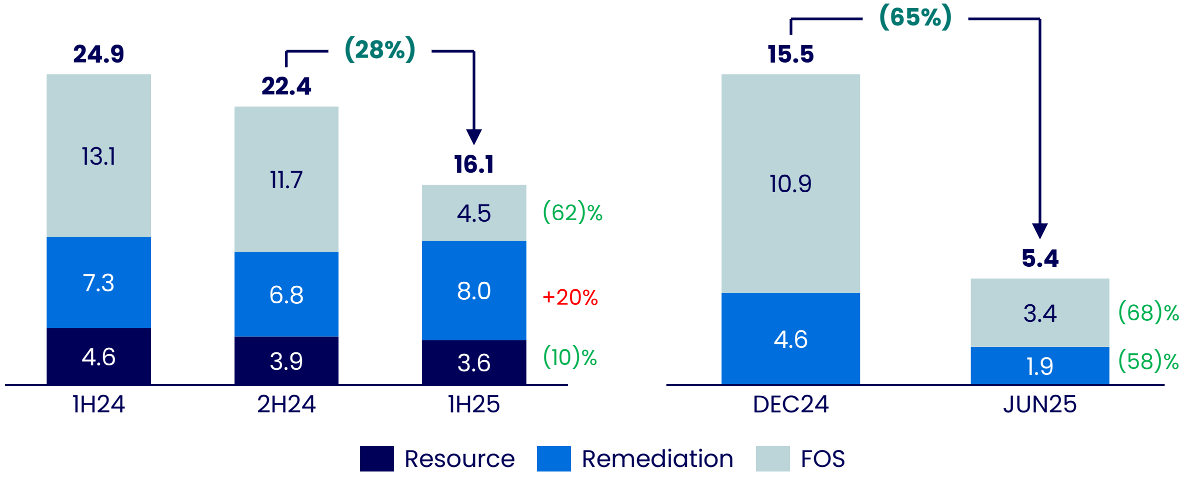
Complaint costs

Meaningfully lower in 1H25, driven by lower FOS referral fees, which are expected to continue

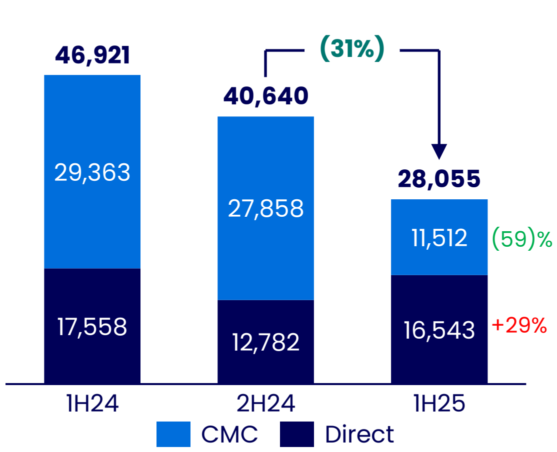
Complaint costs (£m)[27]

P&L charge

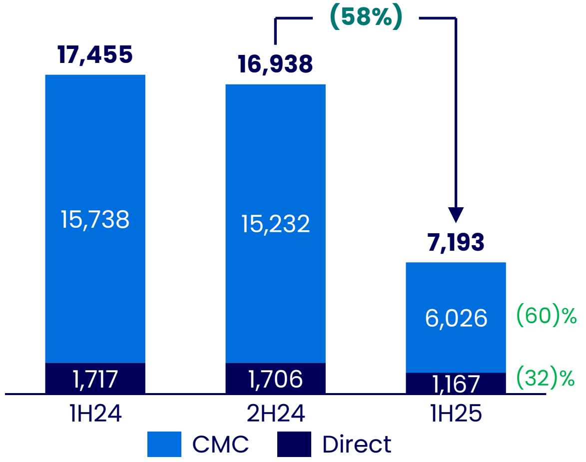
Balance Sheet position



Total complaint volumes*

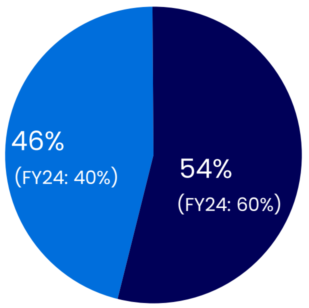


FOS referral volumes



Complaint volumes

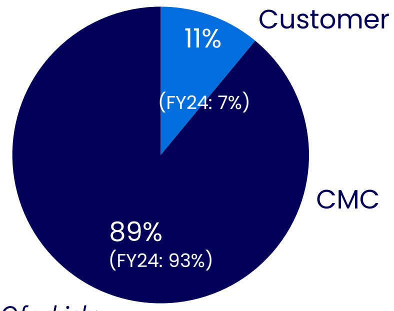
Complaint type (%)



Lending origination

Service

Lending origination complaint source (%)



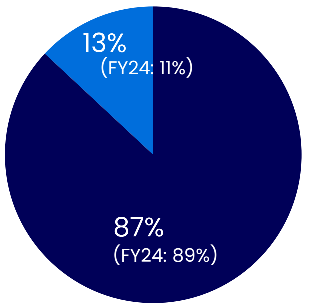
Of which:

CMC 1 - 42% *(FY24: 43%)*

CMC 2 - 28% *(FY24: 26%)*

All other - 30% *(FY24: 30%)*

Lending origination product breakdown (%)



Credit Cards

Vehicle Finance

Vanquis complaints uphold rates (%)

	1H24 (%)	2H24 (%)	**1H25 (%)**
CMC	13	7	**10**
Direct	35	30	**33**
Total	21	16	**19**

FOS referral uphold rates (%)

	1H24 (%)	2H24 (%)	**1H25 (%)**
CMC	18	11	**12**
Direct	35	36	**33**
Total	21	12	**14**

*Total complaint volumes exclude VF commission complaints that do not need to be assessed before 4 December 25, and this deadline may be extended by the FCA. As at 4 August 2025, c.16,700 complaints where an unfair relationship related to the commission amount has been alleged. This is out of a total of c.62,000 complaints related to VF commissions that are subject to this extension (December 2024: c4,500). c.99% of these complaints were from CMCs.

Product segmentation

A more transparent reporting of the Group's continuing operations by product

1H25 £m	Cards	Vehicle Finance	2CM	Corporate Centre	Total
Interest income[19]	179.0	62.9	11.0	22.0	274.9
Interest expense	(24.7)	(14.3)	(6.7)	(27.0)	(72.7)
Net interest income	**154.3**	**48.6**	**4.3**	**(5.0)**	**202.2**
Non-interest income	16.0	-	0.2	1.3	17.5
Total income	**170.3**	**48.6**	**4.5**	**(3.7)**	**219.7**
Impairment charges	(64.0)	(12.7)	(0.2)	0.8	(76.1)
Risk-adjusted income	**106.3**	**35.9**	**4.3**	**(2.9)**	**143.6**
Operating costs	(93.7)	(34.5)	(1.9)	(7.3)	(137.4)
Profit before tax	**12.6**	**1.4**	**2.4**	**(10.2)**	**6.2**
Receivables and key metrics					
Gross customer interest earning balances[1]	1,355	733	371	-	2,459
Net interest margin (%)[2]	24.0	13.1	3.0	-	17.4
Cost of risk (%)[11]	(10.0)	(3.4)	(0.1)	-	(6.6)
Risk adjusted margin (%)[12]	16.5	9.7	3.0	-	12.4
Cost: income ratio (%)[3]	55.0	71.0	42.2	-	62.5

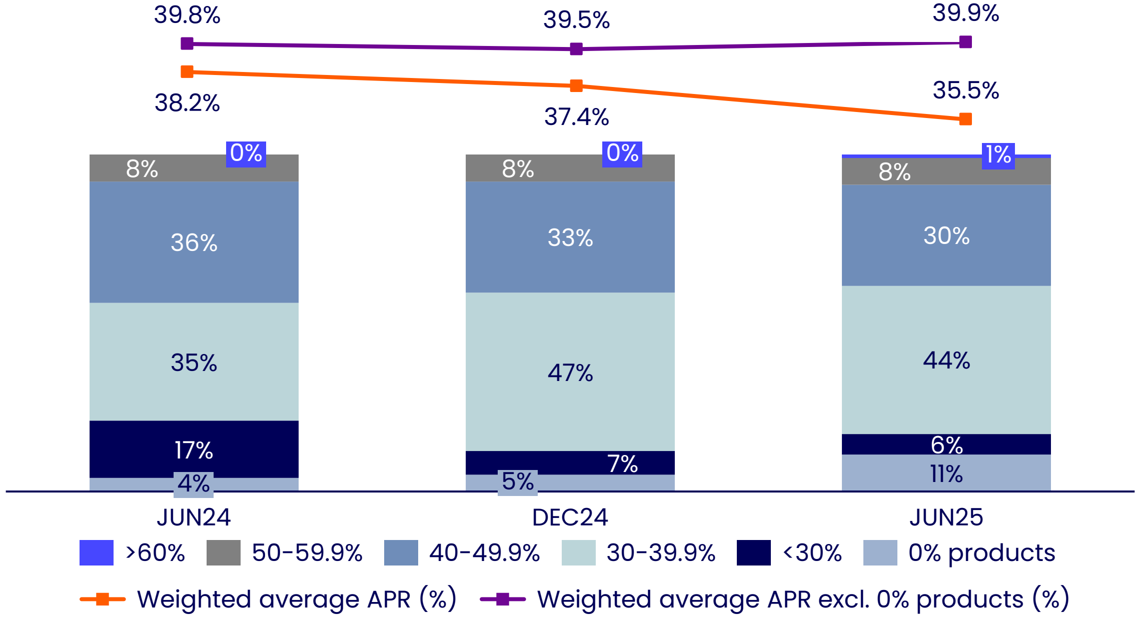
- Transitioned to reporting solely on a **statutory basis.**
- Following the sale of the Personal Loans portfolio, the Group now comprises **four segments**:
  - Credit Cards
  - Vehicle Finance
  - Second Charge Mortgages
  - Corporate Centre
- **Reallocated Treasury interest income and expense, and operating costs** across products.
  - Now more accurately reflects the interest income and funding costs of each lending product.
  - Operating costs now more closely aligned to service usage and reflective of business size to enable a better assessment of product profitability.
- **No changes to the overall Group consolidated financial position.**

Credit Cards

Returned to balance growth in 2Q25, while adopting a risk-based pricing approach

	1H25 £m	2H24[7] £m	Change %	1H24[7] £m	Change %
Interest income	179.0	182.1	(2)%	183.6	(3)%
Interest expense	(24.7)	(26.3)	(6)%	(26.9)	(8)%
Net interest income	**154.3**	155.8	(1)%	156.7	(2)%
Non-interest income	16.0	16.4	(2)%	18.6	(14)%
Total income	**170.3**	172.2	(1)%	175.3	(3)%
Impairment charges	(64.0)	(60.4)	6%	(63.5)	1%
Risk-adjusted income	**106.3**	111.8	(5)%	111.8	(5)%
Operating costs	**(93.7)**	(93.0)	1%	(100.5)	(7)%
Profit before tax	**12.6**	18.8	(33)%	11.3	12%
Receivables and key metrics					
Gross customer interest earning balances[1]	1,355	1,278	6%	1,295	5%
Avg. gross customer interest earning balances[20]	1,296	1,284	1%	1,339	(3)%
Gross receivables[22]	1,390	1,310	6%	1,331	4%
Expected credit losses	(158)	(160)	(1)%	(181)	(13)%
Net receivables[8]	1,232	1,150	7%	1,151	7%
Asset yield (%)[9]	27.8	28.2	(0.4)%	27.6	0.2%
Net interest margin (%)[2]	24.0	24.1	(0.1)%	23.5	0.5%
Cost of risk (%)[11]	(10.0)	(9.4)	0.6%	(9.5)	0.5%
Risk adjusted margin (%)[12]	16.5	17.3	(0.8)%	16.8	(0.3)%
Cost: income ratio (%)[3]	55.0	54.0	1.0%	57.3	(2.3)%
RWAs[14]	1,005	944	6%	1,029	(2)%
Customers ('000)	1,290	1,267	2%	1,321	(2)%
Average balance (£)	1,033	991	4%	966	7%
Average customer limit (£)	2,357	2,156	9%	2,044	15%

Portfolio mix (APR %)[28]



- **Gross customer interest earning balances** increased 6%, all in 2Q25, (following stable balances in 1Q25), reflecting both credit line increases of existing customers, and new customer growth following the release of new product variants.
    - **Customer numbers** increased 2%, while average customer limits and drawn balances also increased.
- **Asset yield and NIM** were broadly stable HoH despite growth in 0% products driving a reduction in **weighted average APR** to 35.5%.
    - Weighted average APR excl. 0% products increased to 39.9%, driven by risk-based repricing.
- **Expanded APR** ranges as a result of risk-based repricing, including >60% APR products.

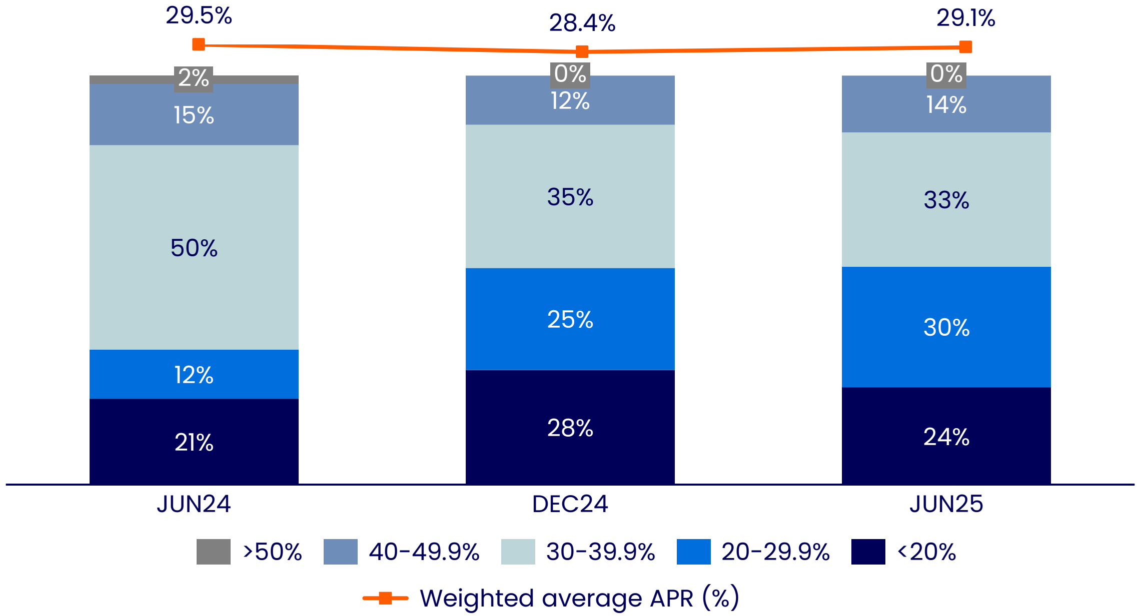
Vehicle Finance (VF)

Proactively managing new business growth, while product profitability improved

	1H25 £m	2H24[7] £m	Change %	1H24[7] £m	Change %
Interest income	62.9	63.4	(1)%	69.7	(10)%
Interest expense	(14.3)	(15.7)	(9)%	(15.7)	(9)%
Net interest income	**48.6**	47.7	2%	54.0	(10)%
Total income	**48.6**	47.7	2%	54.0	(10)%
Impairment charges	(12.7)	(30.9)	(59)%	(29.5)	(57)%
Risk-adjusted income	**35.9**	16.8	114%	24.5	47%
Operating costs	(34.5)	(37.3)	(8)%	(42.8)	(19)%
Profit before tax	**1.4**	(20.5)		(18.3)	
Receivables and key metrics					
Gross customer interest earning balances[1]	733	765	(4)%	850	(14)%
Avg. gross customer interest earning balances[20]	750	803	(7)%	851	(12)%
Gross receivables[24]	795	832	(4)%	921	(14)%
Expected credit losses	(86)	(96)	(10)%	(160)	(46)%
Net receivables[8]	709	735	(4)%	760	(7)%
Asset yield (%)[9]	16.9	15.7	1.2%	16.5	0.4%
Net interest margin (%)[2]	13.1	11.8	1.3%	12.8	0.3%
Cost of risk (%)[11]	(3.4)	(7.7)	(4.3)%	(7.0)	(3.6)%
Risk adjusted margin (%)[12]	9.7	4.2	5.5%	5.8	3.9%
Cost: income ratio (%)[3]	71.0	78.2	(7.2)%	79.3	(8.3)%
RWAs[14]	595	615	(3)%	678	(12)%
Customers ('000)	106	110	(4)%	110	(4)%
Average loan value at origination (£)	9,229	9,097	1%	8,724	6%

Notable items	1H25 £m	2H24[7] £m	1H24[7] £m
Vehicle Finance receivables review	-	**(6.8)**	**(12.8)**
Income	-	(1.4)	(3.1)
Impairment	-	(5.4)	(9.7)

Portfolio mix (APR %)[28]



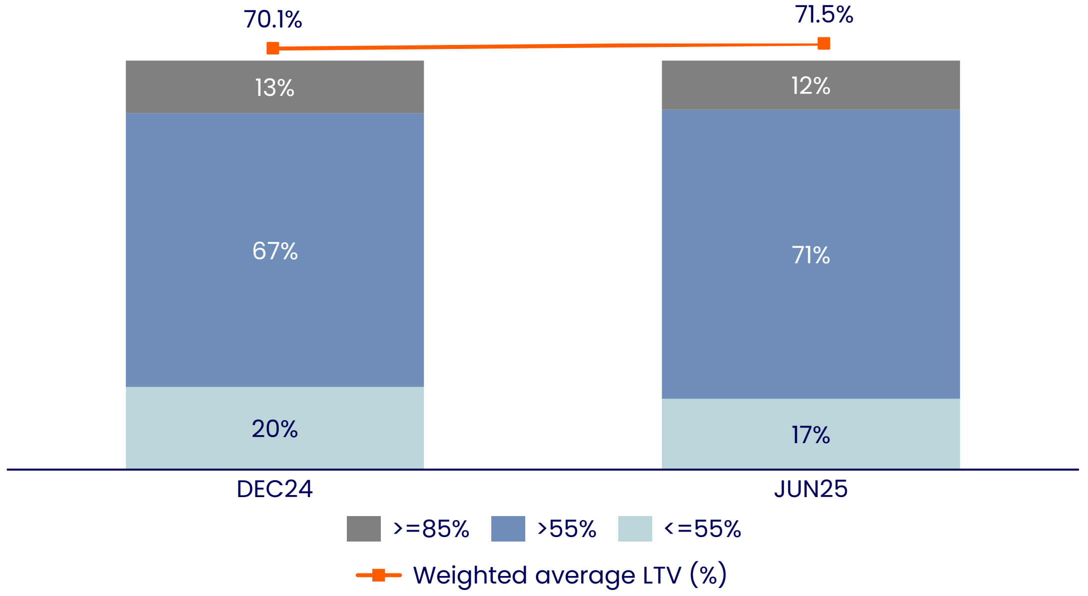
- **Gross customer interest earning balances** reduced 4%, in line with expectations, before the delivery of the new Gateway platform.
- **Asset yield and NIM** both improved HoH, driven by the weighted average APR improving to 29.1%.
- **RAM** improved to 9.7%, including a **cost of risk** of 3.4%, reflecting better credit quality in the portfolio.
  - Much more clarity on the cost of risk following the VF receivables review last year.
- **Cost: income ratio** improved to 71% - focus going forward on improving the operational efficiency of the business through technology transformation.

Second Charge Mortgages (2CM)

Continued strong growth in a growing market

	1H25 £m	2H24[7] £m	Change %	1H24[7] £m
Interest income	11.0	4.6	139%	0.2
Interest expense	(6.7)	(3.1)	116%	(0.3)
Net interest income	**4.3**	1.5	187%	(0.1)
Non-interest income	0.2	-	100%	-
Total income	**4.5**	1.5	200%	(0.1)
Impairment charges	(0.2)	(0.2)	-	-
Risk-adjusted income	**4.3**	1.3	231%	(0.1)
Operating costs	**(1.9)**	(0.4)	375%	(0.2)
Profit before tax	**2.4**	0.9	167%	(0.3)
Receivables and key metrics				
Gross customer interest earning balances[1]	371	217	71%	30
Avg. gross customer interest earning balances[20]	293	121	142%	11
Gross receivables[22]	385	226	70%	32
Expected credit losses	(0.4)	(0.2)	100%	-
Net receivables[8]	385	225	71%	32
Asset yield (%)[9]	7.6	7.6	-	n/m
Net interest margin (%)[2]	3.0	2.5	0.5%	n/m
Cost of risk (%)[11]	(0.1)	(0.3)	0.2%	n/m
Risk adjusted margin (%)[19]	3.0	2.1	0.9%	n/m
Cost: income ratio (%)[3]	42.2	26.7	15.5%	n/m
RWAs[14]	157	93	69%	39
Customers ('000)	6.3	3.7	70%	0.6
Average loan value at origination (£'000)	61.3	59.7	3%	55.1

Loan to value (LTV) (%)



- **Gross customer interest earning balances** continued to grow at a similar monthly run rate, driven by long-term forward flow origination agreements with partners.
- **NIM** increased 0.5%, driven by lower cost of funds, with asset yield stable.
- **Low cost of risk** given secured lending and weighted average LTV in the low 70s%.
- Most customers using 2CM for **debt consolidation.**
- **Capital efficient**, being a secured product with a lower risk weighting.

Corporate Centre

Streamlined following reallocation of funding and operating costs to products

	1H25 £m	2H24[7] £m	Change %	1H24[7] £m	Change %
Interest income[19]	22.0	23.8	(8)%	22.5	(2)%
Interest expense	(27.0)	(28.2)	(4)%	(25.8)	5%
Net interest income	**(5.0)**	(4.4)	14%	(3.3)	52%
Non-interest income	1.3	2.6	(50)%	0.9	44%
Total income	**(3.7)**	(1.8)	106%	(2.4)	54%
Impairment charges	0.8	(0.8)		-	
Risk-adjusted income	**(2.9)**	(2.6)	12%	(2.4)	21%
Operating costs	(7.3)	(88.5)	(92)%	(36.4)	(80)%
Loss before tax	**(10.2)**	(91.1)	(89)%	(38.8)	(74)%
Key metrics					
RWAs[14]	124	145	(15)%	67	85%
Snoop Customers ('000)	313	293	7%	290	8%

Notable items	1H25 £m	2H24[7] £m	1H24[7] £m
Goodwill write-off	-	(71.2)	-
Transformation & other exceptional costs	-	(8.6)	(15.5)
Amortisation of acquisition intangibles	-	(2.0)	(4.2)
Other one-off cost items	-	-	(10.2)
Total notable items	-	(81.8)	(29.9)

- Corporate Centre includes:
  - **Unallocated Treasury result** after product allocations
    - Interest income primarily reflects returns from the Group's Liquid Asset Buffer
    - Interest expense from unallocated Tier 2 capital is retained in Corporate Centre
  - **Retail Savings business costs**
  - **Snoop** income and costs
  - Immaterial or central items.
- The reduced Corporate Centre drag reflects the non-repeat of notable items.

Liquidity & Funding

Dynamically managing liquidity and funding

Liquidity (£m)

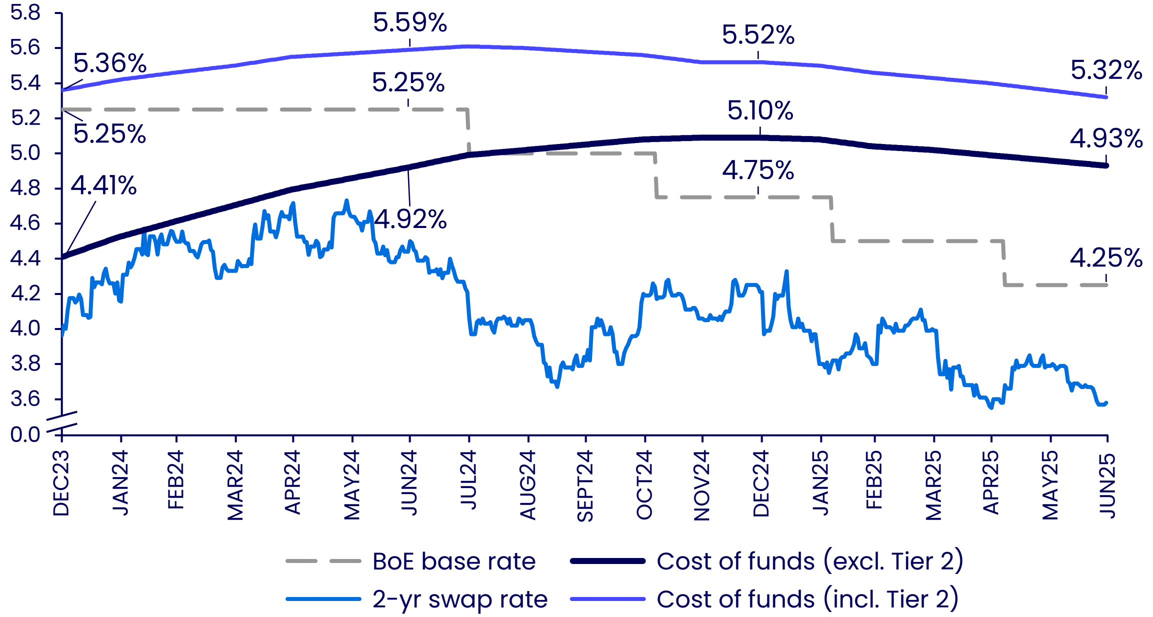
	JUN25 £m	DEC24 £m	Change
HQLA[15]	873	947	(8)%
LCR[16]	366%	359%	(7)
Excess HQLA over LCR[29]	619	667	(7)%

Funding (£m)[30]

	JUN25 £m	%	DEC24 £m	%
Fixed-term products	1,285	44.9%	1,415	50.5%
Retail notice accounts	544	19.0%	602	21.5%
Easy access accounts	329	11.5%	376	13.4%
Individual Savings Accounts (ISAs)	265	9.3%	6	0.2%
Retail Deposits	**2,424**	**84.6%**	**2,399**	**85.6%**
Vehicle Finance securitisation	200	6.9%	200	7.0%
Tier 2 capital	200	6.9%	200	7.0%
Indexed Long-Term Repo (ILTR)	40	1.4%	5	0.2%
Total on-balance sheet funding	**2,864**		**2,604**	

- **97% of retail deposit balances covered** by the Financial Services Compensation Scheme (FSCS).
- **Vehicle Finance securitisation** due for renewal in JUN26.
- Maintained regular access to the **Sterling Monetary Framework via the ILTR facility**.
- **Contingent liquidity** with Credit Card collateral pre-positioned with the BoE.

Group cost of funds[31] vs benchmark interest rates (%)[32]

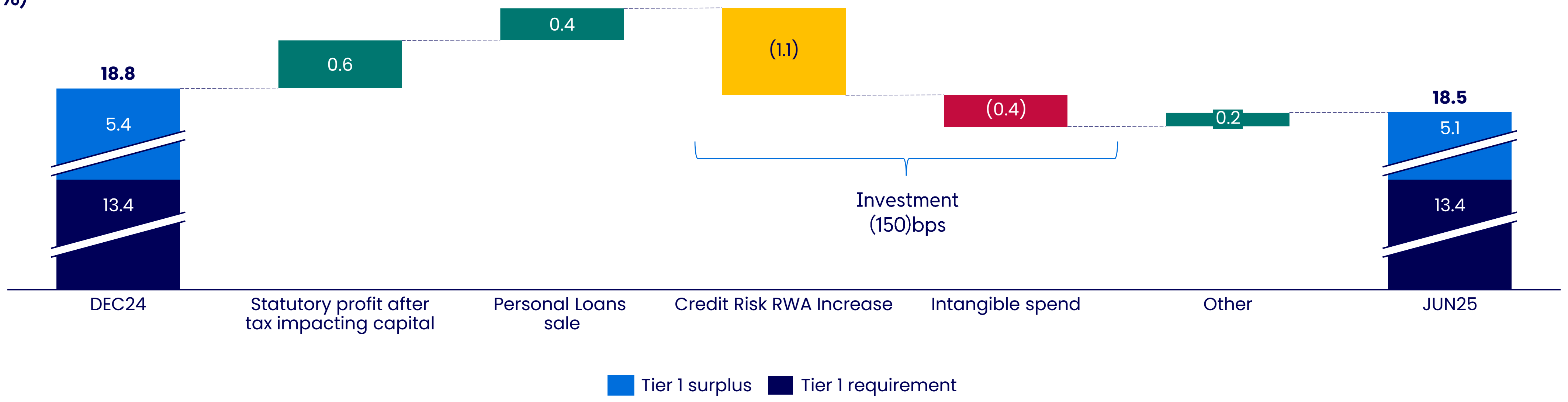


- **Highly liquid** with most of the surplus liquidity held in the BoE reserve account.
- **Liquid asset buffer** diversified into higher-returning UK Gilts (c.£115m purchased).
- **Continued optimisation of retail funding** through a broader product range, including ISAs, and distribution reach through the Snoop brand.
- **Decreased cost of funds** reflecting the lower BoE base rate, reduced rate outlook and maturing fixed-term deposits being refinanced with lower interest rate savings products.

Tier 1 capital

Capital accretive in 1H25, with sufficient capital to deliver our growth plans

Tier 1 ratio (%)[5]



	DEC24	Statutory profit after tax impacting capital	Personal Loans sale	Credit Risk RWA Increase	Intangible spend	Other	JUN25
Tier 1 Capital (£m)	344	11	1		(7)	(1)	348
RWAs (£m)	1,835		(38)	104		(19)	1,883
Surplus Tier 1 Capital (£m)	99						96

- **Tier 1 ratio 5.1% above the 13.4% regulatory minimum** (£96m surplus).
- **Statutory profit after tax in 1H25** (60bps benefit).
- 40bps benefit from the **Personal Loans portfolio sale**.
- **Credit Risk RWA increase of 110bps reflects the 8% increase in net receivables,** driven by growth in Credit Cards and lower RWA density 2CM.
- **1H25 investment to drive future profitability (150bps impact)** from RWA growth and technology intangibles spend.
- **Potential capital optimisation opportunities** exist (non-utilised AT1 capacity and excess Tier 2 capital issued).
- **The Group's capital requirements are expected to be reviewed by the PRA in 2H25** as part of the triennial CSREP.

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[5]	£2,459m	>£2.6bn (up from c.£2.6bn)	c.£3.0bn
Net Interest Margin[2]	17.4%	>17%	>16%
Cost: Income ratio[3]*	62.5%	High 50s	Low 50s
ROTE[4]**	**3.1%**	**Low single digits**	**Low double digits**
Tier 1 ratio[5]	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.

Vanquis purpose

Delivering caring banking so our customers can make the most of life's opportunities

"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

Product contribution

Asset driven products	Cards			Vehicle Finance			2CM			Corporate Centre			Total		
	1H25 £m	2H24[7] £m	1H24[7] £m	1H25 £m	2H24[7] £m	1H24[7] £m	1H25 £m	2H24[7] £m	1H24[7] £m	1H25 £m	2H24[7] £m	1H24[7] £m	1H25 £m	2H24[7] £m	1H24[7] £m
Interest income[19]	179.0	182.1	183.6	62.9	63.4	69.7	11.0	4.6	0.2	22.0	23.8	22.5	274.9	273.9	276.0
Interest expense	(24.7)	(26.3)	(26.9)	(14.3)	(15.7)	(15.7)	(6.7)	(3.1)	(0.3)	(27.0)	(28.2)	(25.8)	(72.7)	(73.3)	(68.7)
Net interest income	154.3	155.8	156.7	48.6	47.7	54.0	4.3	1.5	(0.1)	(5.0)	(4.4)	(3.3)	202.2	200.6	207.3
Non-interest income	16.0	16.4	18.6	-	-	-	0.2	-	-	1.3	2.6	0.9	17.5	19.0	19.5
Total income	170.3	172.2	175.3	48.6	47.7	54.0	4.5	1.5	(0.1)	(3.7)	(1.8)	(2.4)	219.7	219.6	226.8
Impairment charges	(64.0)	(60.4)	(63.5)	(12.7)	(30.9)	(29.5)	(0.2)	(0.2)	-	0.8	(0.8)	-	(76.1)	(92.3)	(93.0)
Risk-adjusted income	106.3	111.8	111.8	35.9	16.8	24.5	4.3	1.3	(0.1)	(2.9)	(2.6)	(2.4)	143.6	127.3	133.8
Operating costs	(93.7)	(93.0)	(100.5)	(34.5)	(37.3)	(42.8)	(1.9)	(0.4)	(0.2)	(7.3)	(88.5)	(36.4)	(137.4)	(219.2)	(179.9)
PBT from continuing operations	12.6	18.8	11.3	1.4	(20.5)	(18.3)	2.4	0.9	(0.3)	(10.2)	(91.1)	(38.8)	6.2	(91.9)	(46.1)
Gross customer interest earning balances[1]	1,355	1,278	1,295	733	765	850	371	217	30	-	49	77	2,459	2,308	2,252
Net interest margin (%)[2]	24.0	24.1	23.5	13.1	11.8	12.8	3.0	2.5	n/m	-	-	-	17.4	18.1	18.9
RWAs[14]	1,005	944	1,029	595	615	678	157	93	39	124	183	67	1,880	1,835	1,813
Customers ('000)[33]	1,290	1,267	1,321	106	110	110	6.3	3.7	0.6	313	317	323	1,704	1,686	1,754

Liability driven products	Savings		
	JUN25	DEC24	JUN24
Retail deposits (£m)[34]	2,464	2,428	1,938
Balance covered by FSCS (%)	97	96	96
Number of customers ('000)	55	57	48

- **Corporate Centre** gross customer interest earning balances, RWAs and customer numbers include the Personal Loans portfolio, which is recognised as a discontinued operation.
- **Total Group customer numbers** de-duplicatated for customers with more than one product.

Receivables Reconciliation

Asset driven products	Cards			Vehicle Finance			2CM			Loans (discontinued operations)			Total		
	JUN25 £m	DEC24 £m	JUN24 £m	JUN25 £m	DEC24 £m	JUN24 £m	JUN25 £m	DEC24 £m	JUN24 £m	JUN25 £m	DEC24 £m	JUN24 £m	JUN25 £m	DEC24 £m	JUN24 £m
Gross customer interest earning balances[1]	**1,355**	**1,278**	**1,295**	**733**	**765**	**850**	**371**	**217**	**30**	**-**	**49**	**77**	**2,459**	**2,308**	**2,252**
Adjustments:															
Post charge off assets	8	6	6	15	17	18	-	-	-	-	-	-	23	23	24
Deferred acquisition costs	27	25	29	47	50	53	14	8	1	-	-	1	88	84	83
Other	-	1	2	-	-	-	-	-	-	-	-	-	-	1	2
Gross amounts receivable from customers (Gross receivables)	**1,390**	**1,310**	**1,331**	**795**	**832**	**921**	**385**	**226**	**32**	**-**	**49**	**78**	**2,570**	**2,416**	**2,362**
Expected credit losses	(158)	(160)	(182)	(86)	(96)	(160)	(0.4)	(0.2)	-	-	(5)	(10)	(245)	(262)	(353)
Reported amounts receivable from customers (Net receivables)	**1,232**	**1,150**	**1,151**	**709**	**735**	**760**	**385**	**225**	**32**	**-**	**44**	**68**	**2,325**	**2,155**	**2,010**

- **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.

ROTE, EPS, TNAV Calculation

ROTE & EPS	1H25 £m	2H24 £m	1H24[1] £m
Profit before tax	7.1	(89.8)	(46.5)
Tax charge / (credit)	(1.5)	6.3	10.7
Profit after tax (A)	**5.6**	**(83.5)**	**(35.8)**
Ave. equity as per balance sheet	442.9	509.3	549.8
Ave. pension asset	(25.7)	(33.5)	(34.0)
Ave. deferred tax on pension asset	6.4	8.4	8.5
Ave. equity after pension asset impact	423.6	484.2	524.3
Ave. intangible assets	(61.5)	(60.3)	(70.3)
Ave. goodwill	(1.2)	(62.2)	(72.4)
Average tangible equity (B)	**360.9**	**361.7**	**381.6**
ROTE (%) (A annualised/B)	**3.1%**	**(45.9)%**	**(18.9)%**
Weighted average number of shares (#m)(C)	254.5	255.5	254.7
Average EPS (p) (A/C)	**2.2**	**(32.7)**	**(14.1)**

TNAV	JUN25 £m	DEC24 £m	JUN24[1] £m
Equity as per balance sheet	434.7	441.2	529.7
Pension asset	(12.7)	(27.8)	(34.4)
Deferred tax on pension asset	3.2	7.0	8.6
Equity after pension asset impact	425.2	420.4	503.9
Intangible assets	(62.5)	(61.5)	(60.2)
Goodwill	(1.2)	(1.2)	(72.4)
Tangible net asset value (D)	**361.5**	**357.7**	**371.3**
Closing number of shares (#m)(E)	254.5	255.5	254.7
TNAV per share (p) (D/E)	**142.0**	**140.0**	**145.8**

- **Balance sheet** item averages are based on average month end balances for the 6 months ending 30 June and 31 December, using a 7-point average.
- **Deferred tax** assumed at 25.0%.

Summary Balance Sheet

	JUN25 £m	DEC24 £m	JUN24 £m
Assets			
Cash and balances at central banks	805	1,004	773
Amounts receivables from customers[35]	2,325	2,154	2,009
Pension asset	13	28	34
Intangibles	63	62	60
Goodwill	1	1	72
Derivative financial assets	2	-	1
Other assets	238	126	136
Total assets	**3,447**	**3,375**	**3,085**
Liabilities and equity			
Retail deposits[34]	2,464	2,428	1,938
Bank and other borrowings[36]	448	410	504
Trade and other payables	56	46	50
Derivative financial liabilities	7	2	10
Other liabilities	37	48	53
Total liabilities	**3,012**	**2,934**	**2,555**
Share capital	53	53	53
Share premium	276	276	276
Reserves	106	112	201
Total equity	**435**	**441**	**530**
Total liabilities and equity	**3,447**	**3,375**	**3,085**

- **Cash** includes the Liquid Asset Buffer held at the Bank of England.
- **Amounts receivables from customers** represent net receivables (see slide 16).
- **Pension asset** reduction reflects the preliminarily results from the most recent Scheme valuation 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.
- **Other assets** include UK gilts held in the Liquid Asset Buffer, right of use assets, tax and other smaller items.
- **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, VF securitisation and other bonds.
- **Trade and other payables** relates to accruals including complaint costs expected to be paid out.
- **Reserves** reduced due to pension movements net of tax, partially offset by statutory profits.

Capital Composition

	JUN25 £m	DEC24 £m	JUN24 £m
Total equity	**435**	**441**	**530**
Retirement benefit asset	(13)	(28)	(34)
Deferred tax on retirement benefit asset	3	7	9
Goodwill	(1)	(1)	(72)
Intangible assets	(63)	(62)	(60)
Deferred tax on intangible assets	4	5	3
Deferred tax asset from losses	(18)	(18)	(15)
CET1/Tier 1 capital[5]	**348**	**344**	**359**
Tier 2 capital	200	200	200
Total regulatory capital	**548**	**544**	**559**
Tier 1 requirement	252	246	243
Tier 1 surplus	**96**	**99**	**116**
Total capital requirement	308	300	297
Total capital surplus	240	244	263
Risk-weighted assets[14]	**1,883**	**1,835**	**1,813**
CET1/Tier 1 ratio (%)[5]	**18.5%**	**18.8%**	**19.8%**
Total capital ratio (%)	29.1%	29.7%	30.8%
Leverage exposure[37]	2,779	2,483	2,339
Leverage ratio (%)[38]	12.5%	13.9%	15.4%

- **Tier 1 requirement** is 13.4% 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, if applicable.
- **Total capital requirement** is 16.4%, being the Group's TCR (11.9%) plus the countercyclical capital buffer (2.0%) and capital conservation buffer (2.5%), but excluding any confidential or management buffers, if applicable.

Glossary

AI	Artificial Intelligence
APR	Annual Percentage Rate
AT1	Additional Tier 1
AVE / Ave.	Average
BoE	Bank of England
BT	Balance Transfer
CSREP	Capital Supervisory Review and Evaluation Process
Tier 1	Tier 1 capital / ratio
Tier 2	Tier 2 capital / ratio
CMCs	Claims Management Companies
DAC	Deferred Acquisition Costs
DCA	Discretionary Commission Arrangements
ECL	Expected Credit Loss
EPS	Earnings Per Share
FCA	Financial Conduct Authority
FOS	Financial Ombudsman Service
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
IAS37	International Accounting Standard 37 provisions, contingent liabilities, and contingent assets
IFRS	International Financial Reporting Standards
ILTR	Indexed Long Term Repo

ISA	Individual Savings Account
KPI	Key Performance Indicator
LAB	Liquid Asset Buffer
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
PMA	Post Model Adjustment
PRA	Prudential Regulation Authority
RAM	Risk-adjusted Margin
ROTE	Return On Tangible Equity
RWA	Risk-Weighted Assets / Exposure Amounts
TCR	Total Capital Requirement
TIM	Total Income Margin
TMS	The Money Solicitor
TNAV	Tangible Net Asset Value
Vanquis	Vanquis Banking Group plc
VF	Vehicle Finance (Group's Moneybarn entity)
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	Cost: income ratio is calculated as operating costs as a percentage of total income for the 6 months ended 30 June and 31 December.
4	ROTE is calculated as annualised statutory profit after tax 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, less intangible assets and goodwill.
5	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.
6	Number of people working for the Group under contracts of employment (employee numbers).
7	The presentation of the income statement and selected key metrics in this report is consistent with that in the Annual Report and Accounts for 31 December 2024, with the exception of the impact of the sale of the Personal Loans portfolio, which is now recognised as a discontinued operation and the re-segmentation of interest income, interest expense and operating costs by product. Further details are included in the 2024 re-presentation document at the following link: Vanquis-Banking-Group-2024-Re-presentation-Document.pdf.
8	Net receivables are gross receivables less allowance account (ECL) provision.
9	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.
10	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.
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	Risk-adjusted margin is defined 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.
13	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 in issue.

14	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.
15	Liquid assets (HQLA) are unencumbered assets, that are liquid in markets during a time of stress.
16	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.
17	Retail funding is calculated as total retail savings and deposit balances, excluding accrued interest, as a percentage of total committed funding.
18	TNAV per share is calculated as closing tangible net asset value, divided by the period end number of shares in issue. Tangible net asset value is stated as equity after deducting the Group's pension asset, net of deferred tax, less intangible assets and goodwill.
19	Includes interest income from balances held on deposit including at the BoE, interest on UK gilts and net fair value gains on derivative financial instruments.
20	Average gross customer interest earning balances is based on the average of 7 months of gross customer interest earning balances.
21	Average customer deposits is based on the average of 7 months of customer deposit balances.
22	Gross receivables on a statutory basis includes all balances outstanding from customers, including directly attributable acquisition costs and post charge off assets.
23	Originations relate to the ECL amounts in the first month after customer acquisition.
24	Coverage ratio is calculated as expected credit loss allowance divided by gross receivables, including directly attributable acquisition costs and post charge off assets.
25	Staff and outsourced people costs include all costs in relation to employees and outsourced/resource, including wages, pensions, benefits, training and recruitment.
26	Administrative costs include, amongst other items: complaints, fraud, marketing, IT, property, legal, FCA and PRA levies, and customer management related costs.
27	Complaints resource expenses are not split by complaint type.
28	Distribution of balance on book by banded APR.
29	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.

Footnotes

30	Excludes accrued interest, arrangement fees, overdrafts and fair value adjustments for hedged risk.
31	Cost of funds is calculated as interest expense as a percentage of weighted average volume of funding drawn (excl. fees, IFRS16 and swaps), on an annualised basis.
32	2-year swap is taken from UK OIS spot curve data published by the BoE.
33	Total customer numbers are presented net of cross product holding. Customer numbers by product are presented on a gross holding basis.
34	Retail deposits on the balance sheet include principal and accrued interest.
35	Amounts receivables from customers are presented net of fair value adjustment for portfolio hedged risk.
36	Bank and other borrowing are presented net of fair value adjustment for hedged risk.
37	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.
38	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.

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Investor Relations contact

James Cranstoun

Phone: +44 7766 937 406

Email: james.cranstoun@vanquis.com

Website: www.vanquis.com