

Pillar 3 disclosures

31 December 2025



Contents

ABBREVIATIONS	3
INTRODUCTION	4
KEY METRICS AND OVERVIEW OF RISK-WEIGHTED EXPOSURE AMOUNTS	6
RISK MANAGEMENT	9
REMUNERATION POLICIES AND PRACTICES	9

Abbreviations

ASA	–	Alternative standardised approach
AT1	–	Additional Tier 1
Bank	–	Vanquis Bank Limited
BCBS	–	Basel Committee on Banking Supervision
CCR	–	Counterparty credit risk
CET1	–	Common Equity Tier 1
Company	–	Vanquis Banking Group plc
CRD	–	Capital Requirements Directive
CRR	–	Capital Requirements Regulation
C-SREP	–	Capital supervisory review and evaluation process
CVA	–	Credit valuation adjustment
EU	–	European Union
FCA	–	Financial Conduct Authority
Group	–	Vanquis Banking Group plc and its subsidiaries
HQLA	–	High-quality liquid assets
ICAAP	–	Internal capital adequacy assessment process
ILAAP	–	Internal liquidity adequacy assessment process
LREQ	–	Leverage ratio requirements
NSFR	–	Net stable funding ratio
PRA	–	Prudential Regulation Authority
RMF	–	Risk Management and Internal Control Framework
RWEA	–	Risk-weighted exposure amount
SA	–	Standardised approach
T2	–	Tier 2
VBG	–	Vanquis Banking Group plc
VBL	–	Vanquis Bank Limited

Introduction

Vanquis Banking Group plc (the 'Company') is a UK specialist banking group, sourcing funds in the retail deposit market and lending to consumers and must publicly report on risk and governance matters for each financial year. This expands on the disclosures already required to be given in an entity's Annual Report and Accounts.

This document sets out the consolidated Vanquis Banking Group Pillar 3 disclosures (together with its subsidiaries the 'Group') at 31 December 2025 in accordance with the requirements of the UK Capital Requirements Regulation (CRR).

The Group

On 31 December 2025, the Group had two principal trading entities – Vanquis Bank Limited (the 'Bank') and Moneybarn No.1 Limited ('Moneybarn').

The core products of the Group comprise:

- Credit Cards – via the Vanquis brand.
- Vehicle Finance – via the Moneybarn brand.
- Second Charge Mortgages – via forward flow agreements with Interbridge Mortgages and Selina Finance.
- savings – fixed-term products, notice accounts, cash ISAs, and easy-access accounts – via the Vanquis and Snoop brands; and
- budgeting and money management – via Snoop

The Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA). The PRA sets requirements for the Bank relating to capital and liquidity adequacy and large exposures.

The Group, incorporating the Bank and Moneybarn, is the subject of consolidated supervision by the PRA by virtue of Vanquis Banking Group plc being the parent company of the Bank. The PRA sets requirements for the consolidated Group in respect of capital and liquidity adequacy and large exposures.

Disclosure framework

The Basel 3 regime, the international regime governing capital maintenance in banks, which is supervised by the Basel Committee on Banking Supervision ('BCBS') sets out regulation for prudential capital purposes. The regime is enforced in the UK through the PRA Rulebook (the Rulebook), following the implementation of the Financial Services Act 2021 on 1 January 2022.

The framework consists of three 'pillars,' as summarised below:

- **Pillar 1** is the calculation of minimum regulatory capital requirements that firms are required to hold against risk, the most significant elements for the Group being credit risk and operational risk.
- **Pillar 2** aims to enhance the link between an institution's risk profile, its risk management and risk mitigation systems, and its capital planning. The Group performs an internal capital adequacy assessment process (ICAAP) to assess the risk management processes in place and whether additional regulatory capital over and above Pillar 1 should be held based on the risks faced by the Group. The amount of any proposed additional capital requirement is also assessed by the PRA during its capital supervisory review and evaluation process (C-SREP), which also aims to ensure that institutions have adequate arrangements, strategies, processes, mechanisms, capital, and liquidity to ensure sound management and coverage of their risks.

- **Pillar 3** complements Pillars 1 and 2 and aims to encourage market discipline by developing a set of disclosure requirements which allow market participants to assess key pieces of information on a firm's capital, risk exposures, risk management processes, leverage, and remuneration.

Since 2022 the regulatory approach to Pillar 3 includes standardised templates for all disclosure items which are set out in the Rulebook. This report comprises these templates, all of which are labelled in accordance with the Rulebook. Where full compliance with the disclosure objectives of the Rulebook might not be achieved through the templates alone, additional information has been provided.

The Group has adopted the standardised approach (SA) for credit risk and the alternative standardised approach (ASA) for operational risk.

Disclosure policy

The Group's approved Pillar 3 Disclosure Policy is as follows:

The Company's Disclosure Policy for Pillar 3 is based on the interpretation of the requirements of the Disclosure (CRR) part of the Rulebook.

The Group meets the criteria for status as a Small Domestic Deposit Taker ('SDDT') consolidation entity, and a waiver confirming as such was issued by the PRA in March 2024. The Group's disclosure requirements are therefore set out in Article 433b of the Rulebook. This requires that the Group produces an annual Pillar 3 Report and discloses key metrics on a half yearly basis.

There are certain disclosures that are only required by the Rulebook where an institution is large or an LREQ firm, as defined by the PRA Rulebook. The Group's balance sheet size is too small to be classified as large or to fall within the LREQ rules on leverage. Therefore, these have not been presented for the Group.

The level of disclosure on remuneration matters is subject to proportionality rules set out in PRA SS2/17 'Remuneration' (updated October 2025). Institutions are divided between level one, level two, or level three based on their total assets, which determines the amount of detail required in these disclosures. The Group is a proportionality level three bank as its average total assets do not exceed £20bn. Several templates in the PRA Rulebook apply only to proportionality level one or two banks and therefore are not applicable to the Group.

The Company's Pillar 3 disclosures cover the Group as a whole, comprising the Company and all its subsidiary undertakings. They are therefore prepared on the same basis as the Group's consolidated accounts. References to the Group in this document therefore include the Group's banking subsidiary, Vanquis Bank Limited.

Pillar 3 disclosures will be made on an annual basis with the key metrics disclosed semi-annually in accordance with Article 433b of the Rulebook. The disclosures will be published in line with the publication of the Group's Annual Report and financial statements (the 'Annual Report') or the Group's Interim Report and financial statements (the 'Interim Report'). More frequent disclosures will be made if there is a material change in the nature of the Group's risk profile during any particular year.

Article 432 of the CRR states that institutions may omit one or more of the Pillar 3 disclosures if the information is not regarded as material. Information in disclosures shall be regarded as not material if the Group does not expect that its omission or misstatement would change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. No disclosures required by Article 433b have been omitted on the grounds of materiality from this document.

These Pillar 3 disclosures will be published on the Group's corporate website, www.vanquis.com, alongside other disclosures made in the Annual Report, which is published in the same location. Both documents are published on the website at the same time, in accordance with the requirement in Article 433 of the Rulebook.

Review and challenge

The Board Audit and Risk Committees review the Pillar 3 disclosures on behalf of the Board. Separately, the Remuneration Committee review remuneration disclosures on behalf of the Board.

The Committees considered the disclosures document alongside (i) the Annual Report; (ii) the internal capital adequacy assessment ('ICAAP') and its input; (iii) the internal liquidity adequacy assessment process ('ILAAP') and its input; and (iv) its overall understanding of the Group's risk profile.

The Annual Report includes audited and unaudited disclosures addressing the Group's risk exposure, mitigation and appetites referred to in this document. In approving the Annual Report, the directors consider the appropriateness of those disclosures and the overall adequacy of the Risk Management and Internal Control Framework.

Key metrics and overview of risk-weighted exposure amounts

Included in this section are tables which set out the Group's key capital and liquidity metrics and the calculation of its total Risk Weighted Exposure Amount ('RWEA'). The key metrics table (UK KM1) summarises information covered in more detail in subsequent sections. The RWEA table (UK OV1) summarises the individual elements of RWEA. These are fixed format templates; therefore, cells not required are blank or indicated as not applicable.

Capital resources included in this report are in line with UK Capital Requirements Directive V (UK CRD) on a fully loaded basis with IFRS 9 transitional arrangements applied. The Group has no IFRS 9 transitional arrangements remaining on a Group basis in the current or comparative periods.

On 1 October 2025, the Group issued Additional Tier 1 (AT1) capital securities with a nominal value of £60million (£58.6million net of directly attributable issuance costs). These instruments are perpetual, subordinated, and classified as equity in accordance with IAS 32 as they do not contain any contractual obligation to deliver cash or another financial asset. Concurrently with the AT1 issuance, the Group repurchased £58.5million of its Tier 2 capital securities, which settled on 2 October 2025. The impact on total capital resulting from these two transactions in isolation was an increase of £0.1m. Reconciliation between regulatory own funds to the balance sheet in the audited financial statements is not required by Article 433b; however, a reconciliation is set out in the financial and capital risk management section of the Annual Report.

With effect from 1 July 2024, paragraph 447(g) of the Rulebook is disapplied for SDDTs and SDDT consolidation entities by Chapter 5 of the Liquidity (CRR). As a result, the Group is not required to report the Net Stable Funding Ratio ('NSFR') from the 30 June 2024 reporting date onwards – no average metrics are therefore disclosed.

UK KM1 – Key metrics template

		a	c	e
€m		31 Dec 25	30 Jun 25	31 Dec 24
Available own funds (amounts)¹				
1	Common Equity Tier 1 (CET1) capital	341.3	348.0	344.3
2	Tier 1 capital	400.0	348.0	344.3
3	Total capital	541.5	548.0	544.3
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	2,073.2	1,882.7	1,834.8
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	16.5	18.5	18.8
6	Tier 1 ratio (%)	19.3	18.5	18.8
7	Total capital ratio (%)	26.1	29.1	29.7
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)				
UK 7a	Additional CET1 SREP requirements (%)	2.3	2.2	2.2
UK 7b	Additional AT1 SREP requirements (%)	0.8	0.7	0.7
UK 7c	Additional T2 SREP requirements (%)	1.0	1.0	1.0
UK 7d	Total SREP own funds requirements (%)	12.1	11.9	11.9
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.5	2.5	2.5
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a member state (%)	-	-	-
9	Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0
UK 9a	Systemic risk buffer (%)	-	-	-
10	Global systemically important Institution buffer (%)	-	-	-
UK 10a	Other systemically important Institution buffer	-	-	-
11	Combined buffer requirement (%)	4.5	4.5	4.5
UK 11a	Overall capital requirements (%)	16.6	16.4	16.4
12	CET1 available after meeting the total SREP own funds requirements (%)	9.7	12.1	13.1
Leverage ratio²				
13	Total exposure measure excluding claims on central banks	3,299.2	2,779.1	2,482.6
14	Leverage ratio excluding claims on central banks (%)	12.1	12.5	13.9
Liquidity coverage ratio				
15	Total high-quality liquid assets (HQLA) (weighted value - average)	930.0	879.6	802.0
UK 16a	Cash outflows – total weighted value	322.1	249.1	194.8
UK 16b	Cash inflows – total weighted value	72.7	71.0	78.3
16	Total net cash outflows (adjusted value)	249.4	178.1	116.4
17	Liquidity coverage ratio (%) ³	391.6	563.8	1,001.2

1 Own funds amounts are stated on an accrued basis, including any gains not yet verified (net of any foreseeable dividends/distributions, if applicable).

2 In line with the UK KM1 template instructions only LREQ firms shall disclose values in rows 14a to 14e – as neither the Group nor Bank are subject to LREQ, these rows are not included.

3 These measures are based on a 12-month rolling average of month-end positions; therefore, it cannot be directly calculated from the values given above.

UK OV1 – Overview of risk weighted exposure amounts

		Risk-weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
31 December (£m)		2025	2024	2025
1	Credit risk (excluding CCR)	1,931.5	1,696.8	154.1
2	Of which the standardised approach	1,931.5	1,696.8	154.5
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which the slotting approach	-	-	-
UK 4a	Of which equities under the simple risk-weighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
6	Counterparty credit risk (CCR)	3.0	3.8	0.2
7	Of which the standardised approach	1.4	2.4	0.1
8	Of which internal model method (IMM)	-	-	-
UK 8a	Of which exposures to a CCP	-	-	-
UK 8b	Of which credit valuation adjustment (CVA)	1.6	1.4	0.1
9	Of which other CCR	-	-	-
10	Empty set in the UK	-	-	-
11	Empty set in the UK	-	-	-
12	Empty set in the UK	-	-	-
13	Empty set in the UK	-	-	-
14	Empty set in the UK	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which the SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which the SEC-SA approach	-	-	-
UK 19a	Of which 1,250%/deduction	-	-	-
20	Position, foreign exchange and commodities risks (market risk)	-	-	-
21	Of which the standardised approach	-	-	-
22	Of which IMA	-	-	-
UK 22a	Large exposures	-	-	-
23	Operational risk	138.7	134.2	11.1
UK 23a	Of which the basic indicator approach	-	-	-
UK 23b	Of which the standardised approach	138.7	134.2	11.1
UK 23c	Of which the advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	40.2	46.5	3.3
25	Empty set in the UK	-	-	-
26	Empty set in the UK	-	-	-
27	Empty set in the UK	-	-	-
28	Empty set in the UK	-	-	-
29	Total	2,073.2	1,834.8	165.9

Risk management

Risk management is an integral component of good management and governance. In the context of the Group, it is critical to enable the Group to minimise losses while maximising business opportunities and positive outcomes for all key stakeholders including shareholders, customers, colleagues, and regulators.

The Risk Management and Internal Control Framework (RMF) plays a significant role in supporting the Group in implementing an integrated business strategy as well as collaboration of activities. The framework is based around an 'enterprise' approach enabling a 'single view of all risks and managing those risks in a consistent way up, down and across the enterprise' (as defined by the Institute of Risk Management).

The RMF allows:

- risk to play a central and value-added role in the context of business strategy.
- greater focus on critical and strategic risks.
- entity-wide risk management.
- improved identification and definition of risk responsibilities.
- monitoring, measuring and calibration of risk in the context of risk appetite; and
- trade-off between upside and downside risk as well as uncertainty.

A comprehensive overview of the Group's risk management objectives, policies and governance arrangements is set out in the Governance section of the Annual Report. Replication of this disclosure has not been included in this document. The Annual Report is published on the Group's corporate website, www.vanquis.com. The Pillar 3 document and the Annual Report are included in the same directory of the website and thus are delivered in the same medium.

Remuneration policies and practices

The Group is required to prepare Remuneration Code Pillar 3 disclosures in addition to the regulatory capital disclosures. These disclosures are set out below.

Introduction

The following disclosure is made in accordance with the requirements of Article 450 of the Capital Requirements Regulation (CRR) and provides information regarding the remuneration policies and practices for staff identified in accordance with the PRA Rulebook and fifth iteration of the Capital Requirements Directive (CRD V) which collectively establishes qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on the firm's risk profile.

SDDTs are not required by Article 433b to disclose information in templates UK REM2, UK REM3, UK REM4 or UK REM5 and therefore has not done so in this document.

UK REMA – Remuneration Policy

Governance

The Board of directors of Vanquis Banking Group plc (VBG) has delegated the responsibility for oversight of VBG's Remuneration Policy and the remuneration decision making process to its Remuneration Committee (RemCo).

The RemCo is comprised of three wholly independent non-executive directors, including the RemCo Chairman. The RemCo meets at least three times a year. The terms of reference for the RemCo have been approved by the VBG Board of directors.

The RemCo's mandate is to:

1. Determine Remuneration Policy in relation to fixed and variable pay for all employees (including executive directors, senior management function holders, material risk takers and control function staff);
2. Provide oversight for the design and implementation of the Group's remuneration policy, which is subject to annual review by the Committees as well as an annual review by Internal Audit;
3. Ensure that remuneration outcomes appropriately reflect long-term performance and support effective risk management;
4. Determine which employees are material risk takers (Group Code Staff) for the purposes of the Remuneration Code. VBG operates criteria aligned to the PRA Rulebook and CRD V criteria:
 - i. Group Executive Directors and Non-Executive Directors;
 - ii. Members of the Group's Executive Committee;
5. Heads of EBA-identified functions and identified control function senior managers; and
6. Selected roles which have a significant influence on the Group's risk profile including selected control functions.
7. Determine levels of fixed and variable pay for individual Group Code Staff and control functions;
8. Oversee the setting of bonus pools and the application of any ex-ante or ex-post risk adjustments;
9. Ensure that its decisions are consistent with an assessment of VBG's financial condition, future prospects and shareholder outcomes; and
10. Monitor that VBG's remuneration policies and practices remain fully compliant with the requirements of the PRA/FCA's Remuneration Code (CRD V) and EBA remuneration requirements.

The RemCo's remit covers the Group's dual regulated banking division, Vanquis Bank Limited.

The Directors' Remuneration Report, which can be found in the 2025 Annual Report and Accounts, provides more information about the RemCo and the pay policy for VBG Group Directors.

Since June 2020, the RemCo has received advice on regulatory matters and executive remuneration from PricewaterhouseCoopers LLP ('PwC'), assisting in the determination of the Remuneration Policy.

Link between pay and performance

As a performance driven organisation VBG's Remuneration Policy ensures that the appropriate elements of fixed and variable reward are applicable to all roles across the Group. Variable remuneration for all annual bonus eligible colleagues is determined by an independently assessed balanced scorecard of financial, non-financial and risk objectives.

VBG operates a rigorous performance appraisal process that includes assessment of both delivery and behaviour objectives, ensuring positive risk culture and risk management outcomes are underpinned by remuneration outcomes. As a PRA/FCA level three firm, the Group has the ability to disapply the use of deferral and instruments in variable pay however, subject to affordability, Group Code Staff will receive a portion of variable remuneration in long-term incentives, using deferred restricted stock (Restricted Share Plan – RSP), to ensure a value at risk and the alignment of interests with shareholders. The RSP is not subject to formal performance criteria to qualify for vesting, however the RemCo performs a qualitative performance underpin review to ensure the vesting of awards is consistent with key performance considerations and the shareholder outcomes. The Directors' Remuneration Report, which can be found in the 2025 Annual Report and Accounts, provides more information on the deferred RSP.

VBG operates an independent variable pay risk adjustment assessments both during the review of bonus funding and at the point of vesting of any deferred awards. These assessments form part of the Group's Variable Pay Risk Adjustment Framework which maintains the integrity between effective risk management outcomes and executive pay awards. These assessments consider whether variable pay funding should be reduced, or granted awards reduced or recouped, based on the profile of risk control and risk events

experienced over the performance period the variable pay relates to. The Group’s Malus and Clawback policy, which is applicable to the Group, operates in conjunction with these assessments and ensures that the Company has a legal capability to enforce the reduction or repayment of historical awards. Control functions are managed independently from the business units they oversee, and while the business area may provide feedback on performance as part of the normal performance management process, variable pay outcomes are weighted towards non-financial and individual performance objectives. Control functions are also responsible for the Group Code Staff identification criteria and annually reviews the Group remuneration policy.

Both fixed and variable remuneration for Group Code Staff across VBG are reviewed annually to ensure levels of reward are aligned with long-term business performance measures (including non-financial measures aligned to drive the right behaviours within the Group including Company values, compliance, ethics, behaviour towards customers and risk management). The review considers individual performance and market competitiveness.

The RemCo maintains a malus and clawback policy applicable to all Group Code Staff consistent with FCA and PRA rulebook expectations.

UK REM1 – Remuneration awarded for the financial year

The following table sets out aggregate quantitative information on remuneration of Group Code Staff. Rows 1–16 of the UK REM1 table only apply to proportionality level 1 or 2 banks and are not presented.

		a	b	c	d
		MB ¹ supervisory function	MB ¹ management function	Other senior management	Other identified staff
£m					
17	Total remuneration	4.01	4.24	1.52	0.27

¹ MB refers to the management body: in the Group’s case, its Board of directors. MB Management function refers to the Executive Committee.