



Vanquis Banking Group results for the year ended 31 December 2025
Returned to profitable growth

London – 26 February 2026 - Vanquis Banking Group plc ('the Group' or 'Vanquis') today published its results for the twelve months to the end of December 2025.

Ian McLaughlin, Chief Executive Officer, commented: "In 2025 we accelerated growth in interest earning balances, maintained strong credit performance, carefully controlled our margins and costs and returned the Group to statutory profitability.

This performance demonstrates the progress we are making to build a scalable, efficient and resilient bank. Credit quality remained strong as the portfolio grew, reflecting our responsible approach to risk management and customer affordability. Cost discipline was maintained throughout the year with transformation savings ahead of plan, improved operational efficiency and a meaningful reduction in complaint costs.

We also made significant progress on our technology transformation, Gateway, which is substantively delivered and will complete in 2026. Gateway is already improving decisioning, speed and consistency, and will be a key enabler of scale, efficiency and enhanced customer experience in the years ahead.

Our focus remains on supporting customers who are underserved by the mainstream lenders, helping them borrow responsibly, manage their money confidently and build financial resilience. As our transformation progresses and Gateway delivers increasing benefits, we see a clear opportunity for sustainable and profitable growth, underpinned by deeper customer engagement and a more efficient operating model.

Although there is more to do, the momentum we achieved in 2025, combined with our strategy to *Serve More, Serve Responsibly and Scale Profitably*, gives us confidence to deliver a double digit return on tangible equity in 2026 and a mid-teens return in 2027."

Executive Summary

- **Delivered a return to profitability:** The Group returned to profitability in 2025, reporting statutory profit before tax from continuing operations of £8.3m (FY24: loss of £138.0m) and a statutory ROTE of 2.3%, in line with guidance for a low single-digit return.
- **Strengthened our capital position:** The Group optimised its capital structure through a successful Additional Tier 1 (AT1) issuance, which enabled greater capital deployment to support accelerated growth. The Common Equity Tier 1 (CET1) ratio ended the year at 16.5% (December 2024: 18.8%) and provides the necessary headroom to support the Group's strategy and growth plans.
- **Accelerated balance growth:** Gross customer interest-earning balances increased 22% to £2,824m, which is ahead of prior guidance. Strong performance in Second Charge Mortgages and renewed growth in Credit Cards supported the increase. Vehicle Finance balances reduced as planned ahead of the new IT platform launch in 2026.
- **Improved risk adjusted performance:** Cost of risk reduced to 7.3% (FY24: 8.4%), supporting 5% growth in risk adjusted income to £273.8m and a risk adjusted margin of 11.0% (FY24: 11.8%). The improvement reflected continued enhancements in underwriting and model performance, movements in the macro-economic outlook, and the changing portfolio mix. Customers demonstrated financial resilience, including improved payment behaviour.
- **Reduced operating costs:** Statutory operating costs fell to £265.5m (FY24: £399.1m), driven by transformation savings of £28.8m, £20.8m lower complaint costs and the non-repeat of prior year notable items. The cost: income ratio improved to 58.4% (FY24: 89.4%), consistent with guidance.
- **Lowered complaint volumes and FOS fees:** Complaint costs within operating costs decreased 44% to £26.6m. This was supported by a significant reduction in unmerited Claims Management Company (CMC) claims following the revised Financial Ombudsman Service (FOS) fee structure introduced in 2Q25.
- **Limited exposure to the Financial Conduct Authority (FCA) motor finance compensation scheme:** The Group's lending practices did not involve discretionary commission arrangements (DCAs) or tied arrangements, resulting in only a small number of agreements potentially within scope of the proposed scheme. While the final scope of the scheme remains subject to change, the Group has recognised a £3.0m (FY24: £nil) provision based on probability-weighted scenarios.
- **Maintained robust liquidity and funding:** Liquidity remained strong, with a Liquidity Coverage Ratio (LCR) of 306% (December 2024: 359%). A core strength of the Group is our retail deposits franchise, which continued to underpin the Group's stable funding base, representing 89.7% of total funding (December 2024: 85.6%).
- **Established the strategic direction for 2026 and beyond:** During the year, the Group defined a clear strategic framework aligned with the priorities of *Serve More, Serve Responsibly and Scale Profitably*. This framework guides sustainable growth, capital allocation, risk management and operational efficiency to deliver attractive returns.

Group financial results

	FY25	FY24 (Re-presented ¹)	YoY Change %
Income Statement (£m)			
Interest income	567.2	549.9	3
Interest expense	(148.8)	(142.0)	5
Net interest income	418.4	407.9	3
Non-interest income	36.5	38.5	(5)
Total income	454.9	446.4	2
Impairment charges	(181.1)	(185.3)	(2)
Risk-adjusted income	273.8	261.1	5
Operating costs	(265.5)	(399.1)	(33)
Profit/(loss) before tax from continuing operations	8.3	(138.0)	
Tax (charge)/credit	(0.3)	17.4	
Profit/(loss) after tax from continuing operations	8.0	(120.6)	
Profit after tax from discontinued operations	0.7	1.3	(46)
Statutory profit/(loss) after tax	8.7	(119.3)	
AT1 distributions (gross of tax)	(0.5)	-	100
Statutory profit/(loss) attributable to shareholders	8.2	(119.3)	
Balance Sheet (£m)			
	DEC25	DEC24	YoY Change %
Gross customer interest-earning balances	2,824	2,308	22
Average gross customer interest-earning balances (excluding Personal Loans)	2,495	2,207	13
Gross receivables	2,935	2,416	21
Net receivables	2,691	2,155	25
Closing tangible net asset value (TNAV) ¹⁰	358	358	-
Average tangible equity ⁸	360	372	(3)
Selected key metrics (%)			
	FY25	FY24 (Re-presented ¹)	YoY Change
Asset yield ²	21.0	22.8	(1.8)
Net interest margin (NIM) ³	16.8	18.5	(1.7)
Total income margin (TIM) ⁴	18.2	20.2	(2.0)
Cost of risk ⁵	(7.3)	(8.4)	(1.1)
Risk-adjusted margin (RAM) ⁶	11.0	11.8	(0.8)
Cost: income ratio ⁷	58.4	89.4	(31.0)
Statutory ROTÉ ⁸	2.3	(32.1)	34.4
Selected per share metrics (p)			
			YoY Change %
Basic earnings per share (EPS) ⁹	3.2	(46.7)	
Dividend per share (DPS)	-	-	-
TNAV per share ¹⁰	143	140	2

Notable items (£m)	Account line	DEC25	DEC24
Provision for motor finance compensation	Operating costs	(3.0)	-
Goodwill write-off	Operating costs	-	(71.2)
Transformation and other exceptional costs	Operating costs	-	(24.1)
Amortisation of acquisition intangibles	Operating costs	-	(6.2)
Vehicle Finance receivables review	Income	-	(4.5)
	Impairment	-	(15.1)
Other one-off cost items	Operating costs	-	(10.2)
Total notable items		(3.0)	(131.3)

FY25 Financial Highlights

Income Statement

All commentary relates to year-on-year performance unless otherwise stated.

Income

- **Total income increased 2% to £454.9m** and net interest income increased 3% to £418.4m, reflecting balance growth and a disciplined approach to pricing.
 - **Interest income rose 3% to £567.2m**, driven by a 13% increase in average gross customer interest-earning balances to £2,495m. This was partly offset by the mix effect of higher growth in lower-risk, lower-margin Second Charge Mortgages.
 - **Asset yield decreased 1.8% to 21.0%**, reflecting the lower yield on Second Charge Mortgages. Credit Cards yield reduced marginally due to growth in 0% balance transfer and promotional products, while Vehicle Finance yield improved.
 - **Interest expense increased 5% to £148.8m**, reflecting increased funding requirements for balance growth, partially offset by the lower Bank of England (BoE) base rate, reduced rate outlook and maturing fixed-term deposits being refinanced with lower interest rate savings products.
 - **NIM reduced to 16.8%** (FY24: 18.5%). Excluding Second Charge Mortgages, NIM increased 0.5% to 19.4%, evidencing continued pricing discipline.
 - **Non-interest income decreased 5% to £36.5m**, reflecting lower late-fee income on Credit Cards.

Impairment

- **Impairment charges decreased 2% to £181.1m**, driven by the non-repeat of the prior-year £15.1m Vehicle Finance receivables review, partially offset by increased impairment due to the 22% increase in gross customer interest-earning balances. Credit quality remained strong, with gross charge-offs reducing 5% to £253.2m.
 - **Net charge-offs post recoveries decreased 5% to £203.2m.**
 - **Net risk movements¹¹ resulted in a net impairment increase of £171.4m**, compared with £200.0m in FY24. The improvement reflected continued enhancements in underwriting and model performance, movements in the macro-economic outlook and the changing portfolio mix. **Releases from write-offs and debt sales reduced impairment by £183.5m** (FY24: £224.2m).
 - **Cost of risk reduced 1.1% to 7.3%.**
- **Risk-adjusted income increased 5% to £273.8m**, with risk-adjusted margin reducing 0.8% to 11.0%.

Operating costs

- **Operating costs decreased 33% to £265.5m.**

- The reduction reflected the non-repeat of £111.7m of prior-year notable items, including a £71.2m goodwill write-off, £24.1m of transformation and other exceptional costs, and £10.2m relating largely to the legacy mobile app write-off. The only notable item in 2025 was the £3.0m provision for motor finance compensation.
- **Operating costs excluding notable items reduced 9% to £262.5m**, driven by transformation savings of £28.8m and £20.8m lower complaint costs. These efficiencies more than offset growth- and inflation-related cost increases and higher discretionary staff costs, having not paid bonuses to staff in 2023 or 2024.
- **The cost-to-income ratio improved to 58.4%** (FY24: 89.4%).

Profits

- **Profit before tax from continuing operations was £8.3m** (FY24: loss of £138.0m).
- **Tax charge was £(0.3)m** (FY24: credit of £17.4m).
- **Profit after tax from continuing operations was £8.0m** (FY24: loss of £120.6m).
- **Profit after tax from discontinued operations was £0.7m** (FY24: £1.3m), reflecting the performance of the Personal Loans portfolio in 1Q25 and a small gain on sale. The sale completed at the end of 1Q25.
- **Statutory profit after tax was £8.7m** (FY24: loss of £119.3m).
- **Statutory profit after tax attributable to shareholders was £8.2m** (FY24: loss of £119.3m), after £0.5m of AT1 distributions (FY24: nil), resulting in a statutory ROTE of 2.3% (FY24: (32.1)%).

Balance Sheet

£m	DEC25	DEC24	YoY Change %
Assets			
Cash and cash equivalents	805	1,004	(20)
Investment securities	255	-	100
Amounts receivable from customers (net receivables) ¹²	2,692	2,154	25
Pension asset	6	28	(79)
Goodwill and other intangibles	66	63	5
Other assets	118	126	(6)
Total assets	3,942	3,375	17
Liabilities			
Retail deposits	3,020	2,428	24
Bank and other borrowings ¹³	348	410	(15)
Trade and other payables	52	46	13
Other liabilities	34	50	(32)
Total liabilities	3,454	2,934	18

All commentary is relative to the December 2024 balance sheet, unless otherwise stated.

- **Total assets increased 17% to £3,942m**, reflecting the 25% increase in net receivables.
 - **Cash and cash equivalents decreased 20% to £805m**, reflecting the reduction in BoE deposits and replacement with purchases of UK Government securities within the Liquid Asset Buffer, as part of the strategy to diversify High Quality Liquid Assets (HQLA). This drove the increase in investment securities to £255m (2024: £nil).
 - **Net receivables increased 25% to £2,692m**, driven by growth in gross customer interest-earning balances and a 7% reduction in expected credit losses (ECL) to £244m.
 - **Gross customer interest-earning balances increased 22% to £2,824m, comprising:**

- **Credit Cards:** Balances increased 19% to £1,518m, reflecting credit line increases for existing customers and new customer growth supported through the launch of new product variants.
- **Vehicle Finance:** Balances declined 8% to £706m, reflecting the proactive management of new business growth ahead of the 2026 launch of the new onboarding and servicing platform under the Gateway transformation.
- **Second Charge Mortgages:** Balances grew to £599m (December 2024: £217m), driven by forward-flow origination agreements with partners.
- **Personal Loans:** Balances reduced to £nil (December 2024: £49m) following the sale of the portfolio at the end of 1Q25.
 - o **The pension asset reduced to £6m** (December 2024: £28m), reflecting the results of the latest scheme valuation and updated market assumptions.
- **Liabilities increased 18% to £3,454m**, driven by a 24% increase in retail deposits (inclusive of accrued interest) to £3,020m, supported by continued optimisation of the retail funding mix, broader product range including Individual Savings Accounts (ISAs), and increased distribution through the Snoop brand.
 - o **Bank and other borrowings decreased 15% to £348m** following the redemption of £58.5m of Tier 2 capital securities.

Capital, Liquidity and Funding

	DEC25	DEC24	YoY Change
Common Equity Tier 1 (CET1) capital ratio (%) ¹⁴	16.5	18.8	(2.3)
Risk weighted assets (RWAs) (£m)	2,073	1,835	13
High quality liquid assets (HQLA) (£m)	998	947	5
Liquidity coverage ratio (LCR) (%)	306	359	(53)
Retail deposits (£m)	2,984	2,399	24
Retail funding (% of all funding) ¹⁵	89.7	85.6	4.1

All commentary is relative to the December 2024 capital liquidity and funding positions, unless otherwise stated.

Capital

- **The CET1 capital ratio decreased 2.3% to 16.5%**, reflecting capital deployed to support accelerated balance growth following the optimisation of the Group's capital structure through the successful issuance of £60m of AT1 securities. Capital accretion from statutory profit attributable to shareholders, together with a 40bps benefit from the sale of the Personal Loans portfolio, was more than offset by a 13% increase in RWAs to £2,073m.
- **The Tier 1 capital ratio increased 0.5% to 19.3%**, reflecting the £60m AT1 issuance, partially offset by the movement in the CET1 ratio.
- **The total capital ratio decreased 3.6% to 26.1%**, mainly due to the reduction in the CET1 ratio, as the AT1 issuance was largely offset by the redemption of £58.5m of Tier 2 capital.
- **The Group's leverage ratio was 12.1%** (December 2024: 13.9%), remaining comfortably above the minimum requirement.

Liquidity

- **The liquidity buffer totalled £998m** (December 2024: £947m), including approximately £250m invested in UK gilts, with the remainder held in the BoE reserve account. This resulted in excess liquidity of £653m above the 100% LCR minimum (December 2024: £667m) and an LCR of 306% (December 2024: 359%).

Funding

- **Retail deposits increased 24% to £2,984m**, providing a stable source of funding at an attractive cost relative to wholesale alternatives, supported by a broader product range designed to optimise the cost of funds.
- **The Group remains primarily funded by retail deposits**, representing 89.7% of total funding including Tier 2 capital (December 2024: 85.6%).
- **Funding diversification** continues to be supported by Tier 2 capital, modest levels of private securitisation secured by Vehicle Finance assets, and access to Central Bank facilities collateralised by Credit Card receivables.

Outlook and Guidance

- As announced with FY24 results, the Group has transitioned to reporting solely on a statutory basis. Accordingly, the guidance outlined below is on a statutory basis.

	2026 Statutory Guidance	2027 Statutory Guidance
Gross customer interest-earning balances	>£3.3bn	>£3.7bn
NIM	c.15.5%	c.14.5%
RAM	>9.5%	>9.0%
Cost: income ratio	High 40s	Mid 40s
ROTE	Low double digits	Mid-teens
CET1 ratio	>14.5%	

- Gross customer interest-earning balances for 2026 are now expected to exceed £3.3bn, compared with the previous expectation of approximately £3.0bn, reflecting accelerated balance growth within risk appetite delivered in 2025. Going forward, the Group intends to balance growth with profitability improvement, driving increased returns in 2026 and 2027.
- The higher balance base in 2026 and the deliberate change in mix of balances by product, including a greater proportion of lower-margin, lower-risk Second Charge Mortgages, resulted in a reduction to NIM guidance to c.15.5%, from >16% previously.
- Given the Group now has greater clarity on the cost of risk across products, RAM guidance has been introduced. Both NIM and RAM are expected to reduce in 2026 and 2027, driven by continued growth in Second Charge Mortgages, which carry lower RWAs and therefore remain accretive to the Group's ROTE guidance.
- The cost: income ratio guidance has reduced from "low 50s" in 2026 and "49% or lower" in 2027 to high-40s and mid-40s, respectively. This improvement is expected to be delivered by both income growth and cost reductions. Cost reductions will be driven by ongoing transformation savings, including £23 – 28m from the completion of Gateway, as well as a continued focus on driving operational efficiencies across the Group.
- The ROTE guidance of low double-digits for 2026 and mid-teens for 2027 remains unchanged. However, profitability in 2H26 is expected to be higher than 1H26, as balances mature and interest income builds.
- Following the Group's capital optimisation actions in 2025 and its reduced regulatory requirements, capital guidance of >14.5% is now set on a CET1 ratio basis, compared with the previous >17.5% Tier 1 ratio guidance. This guidance remains subject to regulatory change, including from the finalisation of the

Basel 3.1 rule set and the Small Domestic Deposit Takers (SDDT) regime, as it applies to Vanquis. Implementation is expected on 1 January 2027.

Capital Management and Dividend

- With the priority in 2025 being capital deployment to support balance growth, the Board has decided not to declare a dividend for FY25 (FY24: no dividend), as previously guided.
- The Board expects to continue deploying capital for growth in the near term and intends to reset the capital allocation framework and distribution policy following full delivery of the strategy in 2026.

FY25 Operational Highlights

Customer Proposition and Insightful Risk Management

- **Credit Cards:** Launched new product variants, including credit builder, balance transfers and other promotional products such as travel cards, to meet customers' diverse financial needs.
- **Vehicle Finance:** Enhanced credit decisioning, improving the speed, accuracy and consistency of lending decisions.
- **Second Charge Mortgages:** Delivered strong growth supported by forward-flow arrangements with Interbridge Mortgages and Selina Finance.
- **Savings:** Expanded the retail product suite, including ISAs and the Snoop-branded easy-access account, strengthening cost-efficient funding.
- **Snoop:** Increased active users by 12% to 328k, including 43k Vanquis customers, further establishing Snoop as a money-management and engagement platform.
- **Fair Finance:** Supported 20k people to identify £34m in entitlements and access £307k in affordable loans through the "Not Yet" referral programme.
- **Vanquis Benefits Checker:** Launched ahead of the Government's Financial Inclusion Strategy, helping customers maximise income and reduce reliance on borrowing.
- **Customer experience:** Introduced a new service platform, enabling faster, more personalised support and improving overall customer satisfaction.
- **Brand:** Launched the refreshed brand – Vanquis: *the bank that's got your back* – reinforcing our purpose and customer focus.
- **Credit decisioning:** Developed a new credit decisioning platform in Vehicle Finance, and enhanced credit risk scorecards and affordability assessments in Credit Cards.

Technology Transformation, Operational Efficiency and People

- **Gateway on track for 2026 completion:** Most development has now been delivered, enabling a digital-led operating model, faster feature deployment and a structurally lower cost base.
- **Integrated IT platform delivered:** c.30 billion rows of customer, product and decisioning data were migrated into a unified platform, significantly enhancing analytics and decisioning capability.
- **New digital customer journeys launched:** A new mobile app went live, deepening engagement, improving conversion and supporting retention.
- **Vehicle Finance platform modernisation:** A transformed onboarding and servicing platform is on track to go live in 2026, expanding market access, and improving broker integration, operational efficiency and customer experience.
- **Operational efficiency gains:** Enhanced fraud controls, more efficient debt sales processes and improved complaints handling, supported by expanded use of digital tools, AI and self-service, alongside continued property footprint rationalisation.
- **Future cost savings:** On track to deliver an additional £23–28m of cost savings from Gateway across Operations and Technology.

- **Strengthened colleague engagement:** 73% trust score (2024: 60%), reflecting progress on culture and engagement, and meaning Vanquis has been certified as a Great Place to Work.

[Update on External Factors](#)

Complaints update

- **Complaint costs reduced to £26.6m** (FY24: £47.4m), of which FOS fees were £6.4m (FY24: £24.8m), with a lower run rate from 2Q25 following the implementation of the revised FOS fee structure.
- Since the revised FOS fee structure was implemented on 1 April 2025, Vanquis related CMC complaints referred to the FOS have been negligible.
 - CMCs are charged an upfront fee of £250 for each claim submitted, reducing to £75 for upheld cases.
 - Lender fees have reduced from £650 per case to £475 for each case not upheld.
- Vanquis continues to engage with regulators to address complaints issues on an industry-wide basis.
- The Group supports the Government's planned changes to reform the FOS.
- Following the successful strike out hearing outcome in the court case against The Money Solicitor (TMS Legal Ltd.), the CMC responsible for the most unmerited claims in recent years, legal proceedings are now progressing to trial.
- 2025 complaint costs include a £3.0m provision for the FCA motor finance compensation scheme.

FCA motor finance compensation scheme

- Vanquis did not participate in discretionary commission arrangements (DCAs) and did not operate tied arrangements.
- The Group has a limited number of credit agreements potentially subject to the FCA motor finance compensation scheme. The vast majority (c.98%) of commissions paid were not above 35% of the total cost of credit and 10% of the loan amount.
- The FCA comments in the consultation that non-prime lenders, which include Moneybarn (Vanquis' Vehicle Finance business), may rebut the presumption of customer loss by demonstrating that the customer would not have secured a better deal elsewhere. In such cases, no redress would be due. The Group believes a significant number of its agreements may meet this test and is collating the required supporting evidence.
- While the final scope of the scheme remains subject to change, the Group has recognised a £3.0m provision based on a number of probability weighted scenarios. If the scheme proposals and assumptions included in the consultation are to be fully implemented, an additional liability of £4.0m may arise, primarily due to increased operating costs associated with customer outreach.
- This provision will be reviewed and refined once the FCA publishes the final scheme rules.
- Vanquis remains committed to ensuring customers receive appropriate redress where loss has occurred. Based on our current understanding, we believe the proposed scheme may not reflect the actual financial impact on customers or align with the principle of proportionate and reasonable compensation where harm is demonstrated. The Group also note that the scheme's approach to assessing unfairness differs from the fact-specific methodology outlined in the Supreme Court's *Johnson* judgment, which considered a range of factors. The Group engaged constructively with the FCA during the consultation to share its perspective.

[Results webcast](#)

Ian McLaughlin, CEO, and Dave Watts, CFO, will host a results webcast at 09:00 today. To register your attendance, please use this link: <https://webcast.openbriefing.com/vanquis-fy25/>

Materials for the results presentation have been published at: <https://www.vanquis.com/investors/results-reports-presentations/>

Enquiries

Investors and analysts

James Cranstoun, Head of Investor Relations

james.cranstoun@vanquis.com

+44 (0) 7766 937 406

Media

Scott Mowbray, Head of External Communications

scott.mowbray@vanquis.com

+44 (0) 7834 843 384

Victoria Ainsworth, Senior Director (Hawthorn Advisors)

vanquis@hawthornadvisors.com

+44 (0) 7894 995 886

Footnotes

1. *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](#).*
2. *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 12 months ended 31 December using a 13 point month end average.*
3. *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 12 months ended 31 December using a 13 point month end average.*
4. *Total income margin is calculated as total income for the period as a percentage of average gross customer interest-earning balances for the 12 months ended 31 December using a 13 point month end average.*
5. *Cost of risk is calculated as impairment charges for the period as a percentage of average gross customer interest-earning balances for the 12 months ended 31 December using a 13 point month end average.*
6. *Risk-adjusted margin is calculated as risk-adjusted income for the period as a percentage of average gross customer interest-earning balances for the 12 months ended 31 December using a 13 point month end average.*
7. *Cost: income ratio is calculated as operating costs as a percentage of total income for the 12 months ended 31 December.*
8. *ROTE is calculated as annualised statutory profit after tax for the 12 months ended 31 December as a percentage of average tangible equity for the 12 months ended 31 December. Tangible equity is stated as equity after deducting average AT1 notes and the Group's pension asset, net of deferred tax, less intangible assets and goodwill.*
9. *Basic earnings per share is calculated as statutory profit after tax for the 12 months ended 31 December, divided by the weighted average number of shares in issue.*
10. *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 AT1 notes and the Group's pension asset, net of deferred tax, less intangible assets and goodwill.*
11. *Net risk movements reflect stage migrations and changes in post model adjustments (PMAs).*
12. *Amounts receivable from customers are presented net of £0.2m (2024: £(0.9)m) fair value adjustment for portfolio hedged risk. Underlying net receivables were £2,691.3m (2024: £2,154.6m).*
13. *Bank and other borrowings in 2024 are presented net of £0.2m (2024: £2.5m) fair value adjustment for hedged risk. Underlying bank and other borrowings were £347.7m (2024: £412.5m).*
14. *The CET1 ratio is calculated as the ratio of the Group's CET1 capital as a percentage of the Group's risk-weighted assets measured in accordance with the CRR.*
15. *Retail funding as a percentage of all funding has been restated to include Tier 2 capital within the total on-balance sheet funding of the Group.*

Forward looking statements

This report may contain certain "forward looking statements" regarding the financial position, business strategy or plans for future operations of Vanquis Banking Group. All statements other than statements of historical fact included in this document may be forward looking statements. Forward looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond Vanquis Banking Group's ability to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this report. Vanquis Banking Group does not assume any obligation to, and does not intend to, revise or update these forward-looking statements, except as required pursuant to applicable law or regulation. No statement in this announcement is intended as a profit forecast or estimate for any period. No statement in this announcement should be interpreted to indicate a particular level of profit and, as a consequence, it should not be possible to derive a profit figure for any future period from this report.

Operating review

Segmental product performance

FY25 £m	Credit Cards	Vehicle Finance	Second Charge Mortgages	Corporate Centre	Total
Interest income	370.8	123.9	28.4	44.1	567.2
Interest expense	(51.6)	(28.2)	(17.8)	(51.2)	(148.8)
Net interest income	319.2	95.7	10.6	(7.1)	418.4
Non-interest income	33.3	-	1.0	2.2	36.5
Total income	352.5	95.7	11.6	(4.9)	454.9
Impairment charges	(139.6)	(41.5)	(0.7)	0.7	(181.1)
Risk-adjusted income	212.9	54.2	10.9	(4.2)	273.8
Operating costs	(174.7)	(66.9)	(5.5)	(18.4)	(265.5)
Profit/(loss) before tax from continuing operations	38.2	(12.7)	5.4	(22.6)	8.3

FY24 (Re-presented ¹) £m	Credit Cards	Vehicle Finance	Second Charge Mortgages	Corporate Centre	Total
Interest income	365.7	133.1	4.8	46.3	549.9
Interest expense	(53.2)	(31.4)	(3.4)	(54.0)	(142.0)
Net interest income	312.5	101.7	1.4	(7.7)	407.9
Non-interest income	35.0	-	-	3.5	38.5
Total income	347.5	101.7	1.4	(4.2)	446.4
Impairment charges	(123.9)	(60.4)	(0.2)	(0.8)	(185.3)
Risk-adjusted income	223.6	41.3	1.2	(5.0)	261.1
Operating costs	(193.5)	(80.1)	(0.6)	(124.9)	(399.1)
Profit/(loss) before tax from continuing operations	30.1	(38.8)	0.6	(129.9)	(138.0)

1. 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](#).

Credit Cards – Balances returned to above 2023 levels, having improved the quality of the portfolio

Twelve months ended (£m)	2025	2024 (Re-presented ¹)	YoY Change %
Total customer numbers ('000)	1,339	1,267	6
Gross customer interest-earning balances	1,518	1,278	19
Average gross customer interest-earning balances ²	1,367	1,313	4
Gross receivables	1,554	1,310	19
Net receivables	1,384	1,150	20
Interest income	370.8	365.7	1
Interest expense	(51.6)	(53.2)	(3)
Net interest income	319.2	312.5	2
Non-interest income	33.3	35.0	(5)
Total income	352.5	347.5	1
Impairment charges	(139.6)	(123.9)	13
Risk adjusted income	212.9	223.6	(5)
Operating costs	(174.7)	(193.5)	(10)
Profit before tax contribution	38.2	30.1	27
Asset yield (%) ³	27.1	27.9	(0.8)
Net interest margin (%) ⁴	23.3	23.8	(0.5)
Total income margin (%) ⁵	25.8	26.5	(0.7)
Cost of risk (%) ⁶	(10.2)	(9.4)	(0.8)
Risk adjusted margin (%) ⁷	15.6	17.0	(1.4)
Cost: income ratio (%) ⁸	49.6	55.7	(6.1)

2. Average of gross customer interest-earning balances for the 12 months ended 31 December using a 13 point month end average.
3. Interest income from customer receivables for the 12 months ended 31 December as a percentage of average gross customer interest-earning balances.
4. Net interest income for the 12 months ended 31 December as a percentage of average gross customer interest-earning balances.
5. Total income for the 12 months ended 31 December as a percentage of average gross customer interest-earning balances.
6. Impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest-earning balances.
7. Total income less impairment charges for the 12 months ended 31 December as a percentage of average gross customer interest-earning balances.
8. Operating costs as a percentage of total income for the 12 months ended 31 December.

All commentary relates to year-on-year performance unless otherwise stated.

Total customer numbers increased 6% to 1,339k, reflecting a return to growth from 2Q25 following a comprehensive review of customer cohorts by risk profile, vintage and acquisition channel to ensure the future sustainable profitability of the portfolio.

Gross customer interest-earning balances increased 19% to £1,518m, reflecting both credit line increases of existing customers, and new customer growth following the release of new product variants.

Net receivables increased 20% to £1,384m, reflecting the growth in gross customer interest-earning balances and a smaller 6% increase in ECL to £170m, driven by a better quality portfolio, with increased balances in Stage 1 and 2 and a reduction in Stage 3 balances.

Total income increased 1% to £352.5m. Net interest income rose 2% to £319.2m, with non-interest income decreasing 5% to £33.3m. Net interest margin decreased 0.5% to 23.3% and total income margin decreased 0.7% to 25.8%.

Interest income increased 1% to £370.8m, relative to a 4% rise in average gross customer interest-earning balances to £1,367m. Asset yield reduced 0.8% to 27.1%, driven by growth in 0% balance transfers (BTs) and promotional products, partially offset by risk-based repricing initiatives.

Interest expense decreased 3% to £51.6m, driven by lower cost of funds as the reduced rate outlook and maturing fixed-term deposits were refinanced with lower interest rate savings products.

Non-interest income decreased 5% to £33.3m, reflecting lower late-fee income.

Impairment charges increased 13% to £139.6m, driven by the 19% growth in gross customer interest-earning balances. Gross charge-offs reduced 19% to £174.2m and net charge-offs post recoveries reduced 20% to £132.3m, reflecting the better quality of the portfolio. Cost of risk increased 0.8% to 10.2%.

Risk adjusted income decreased 5% to £212.9m and risk adjusted margin reduced 1.4% to 15.6%.

Operating costs decreased 10% to £174.7m, driven by transformation cost savings and lower complaint costs, more than offsetting growth and inflation driven cost increases and an accrual for discretionary staff costs.

Profit before tax contribution increased 27% to £38.2m.

Vehicle Finance – Proactively managed new business growth in 2025 while we build the new onboarding and serving platform

Twelve months ended (£m)	2025	2024 (Re-presented ¹)	YoY Change %
Total customer numbers ('000)	103	110	(6)
Gross customer interest-earning balances	706	765	(8)
Average gross customer interest-earning balances ²	737	825	(11)
Gross receivables	762	832	(8)
Net receivables	689	735	(6)
Interest income	123.9	133.1	(7)
Interest expense	(28.2)	(31.4)	(10)
Net interest income	95.7	101.7	(6)
Total income	95.7	101.7	(6)
Impairment charges	(41.5)	(60.4)	(31)
Risk adjusted income	54.2	41.3	31
Operating costs	(66.9)	(80.1)	(17)
Loss before tax contribution	(12.7)	(38.8)	(67)
Asset yield (%) ³	16.8	16.1	0.7
Net interest margin (%) ⁴	13.0	12.3	0.7
Total income margin (%) ⁵	13.0	12.3	0.7
Cost of risk (%) ⁶	(5.6)	(7.3)	1.7
Risk adjusted margin (%) ⁷	7.4	5.0	2.4
Cost: income ratio (%) ⁸	69.9	78.8	(8.9)

All commentary relates to year-on-year performance unless otherwise stated.

Total customer numbers decreased 6% to 103k, reflecting proactively managed new business growth in the near-term in advance of the new onboarding and servicing platform being delivered in 2026 as part of the Gateway technology transformation programme. A new lending decision engine was introduced in 2025, enabling a more granular level of portfolio segmentation and delivered a stronger platform to optimise higher-margin customer segments.

Gross customer interest-earning balances decreased 8% to £706m, driven by the proactive management of new business growth.

Net receivables decreased 6% to £689m, reflecting the reduction in interest earning balances and a 25% reduction in ECL to £73m. ECL reduced across stages given the reduction in balances.

Total income decreased 6% to £95.7m, which represented all net interest income. Net interest margin and total income margin increased 0.7% respectively to 13.0%.

Interest income decreased 7% to £123.9m, consistent with an 11% reduction in average gross customer interest-earning balances to £737m. The asset yield increased 0.7% to 16.8%, driven by repricing initiatives.

Interest expense reduced 10% to £28.2m, driven by the lower funding need and lower cost of funds, as the reduced rate outlook and maturing fixed-term deposits were refinanced with lower interest rate savings products.

Impairment charges decreased 31% to £41.5m, reflecting the non-repeat of the £15.1m prior year impact of the Vehicle Finance receivables review and reduced impairment from the 8% reduction in gross customer interest-earning balances. Cost of risk reduced 1.7% to 5.6%.

Risk adjusted income increased 31% to £54.2m and risk adjusted margin improved 2.4% to 7.4%.

Operating costs decreased 17% to £66.9m, driven by transformation cost savings, more than offsetting growth and inflation driven cost increases and an accrual for discretionary staff costs.

Loss before tax contribution was £12.7m (FY24: £38.8m).

Second Charge Mortgages – Continued strong growth in a growing market in 2025

Twelve months ended (£m)	2025	2024 (Re-presented ¹)	YoY Change %
Total customer numbers ('000)	9.9	3.7	
Gross customer interest-earning balances	599	217	
Average gross customer interest-earning balances ²	391	69	
Gross receivables	619	226	
Net receivables	619	225	
Interest income	28.4	4.8	
Interest expense	(17.8)	(3.4)	
Net interest income	10.6	1.4	
Non-interest income	1.0	-	
Total income	11.6	1.4	
Impairment charges	(0.7)	(0.2)	
Risk adjusted income	10.9	1.2	
Operating costs	(5.5)	(0.6)	
Profit before tax contribution	5.4	0.6	
Asset yield (%) ³	7.3	7.0	0.3
Net interest margin (%) ⁴	2.7	2.0	0.7
Total income margin (%) ⁵	3.0	2.0	1.0
Cost of risk (%) ⁶	(0.2)	(0.3)	0.1
Risk adjusted margin (%) ⁷	2.8	1.7	1.1
Cost: income ratio (%) ⁸	47.4	42.9	4.5

All commentary relates to year-on-year performance unless otherwise stated.

Total customer numbers increased to 9.9k (December 2024: 3.7k) following the successful growth of the forward flow agreement with Interbridge Mortgages and expanded partnership with Selina Finance.

Gross customer interest-earning balances increased to £599m (December 2024: £217m) and net receivables increased to £619m (December 2024: £225m), which includes deferred acquisition costs.

Total income increased to £11.6m (FY24: £1.4m). Net interest margin was 2.7% and total income margin was 3.0%.

Interest income increased to £28.4m (FY24: £4.8m) with an asset yield of 7.3%. Interest expense was £17.8m (FY24: £3.4m).

Risk adjusted income increased to £10.9m (FY24: £1.2m), including impairment charges of £0.7m (FY24: £0.2m). Cost of risk was 0.2% and risk adjusted margin was 2.8%.

Operating costs were £5.5m (FY24: £0.6m), reflecting the limited fixed costs associated with the business given the origination partnership arrangements in place.

Profit before tax contribution was £5.4m (FY24: £0.6m).

Corporate Centre

Twelve months ended (£m)	2025	2024 (Re-presented ¹)	YoY Change %
Interest income	44.1	46.3	(5)
Interest expense	(51.2)	(54.0)	(5)
Net interest income	(7.1)	(7.7)	(8)
Non-interest income	2.2	3.5	(37)
Total income	(4.9)	(4.2)	(17)
Impairment charges	0.7	(0.8)	(188)
Risk adjusted income	(4.2)	(5.0)	(16)
Operating costs	(18.4)	(124.9)	(85)
Loss before tax contribution	(22.6)	(129.9)	(83)

Corporate Centre includes the retail savings business, including related costs, unallocated Treasury result after product allocations, Snoop income and costs and other immaterial or central items.

All commentary relates to year-on-year performance unless otherwise stated.

Total income was a net expense of £(4.9)m (FY24: £(4.2)m), with net interest income being a net expense of £(7.1)m (FY24: £(7.7)m) and non-interest income decreasing to £2.2m (FY24: £3.5m).

Interest income of £44.1m (FY24: £46.3m) represented returns from the Liquid Asset Buffer (LAB), including UK gilts and interest on cash reserves in the BoE reserve account.

Interest expense of £51.2m (FY24: £54.0m) represented residual funding costs not allocated to the respective businesses, including unallocated Tier 2 capital.

Operating costs reduced to £18.4m (FY24: £124.9m), reflecting the non-repeat of £111.7m of prior year notable items. The only notable item in 2025 was the £3.0m provision for motor finance compensation.

Loss before tax contribution was £(22.6)m (FY24: £(129.9)m).

Notable items

Twelve months ended (£m)	Account line	Segment	DEC25	DEC24
Provision for motor finance compensation	Operating costs	Corporate Centre	(3.0)	-
Goodwill write-off	Operating costs	Corporate Centre	-	(71.2)
Transformation and other exceptional costs	Operating costs	Corporate Centre	-	(24.1)
Amortisation of acquisition intangibles	Operating costs	Corporate Centre	-	(6.2)
Vehicle Finance receivables review	Income	Vehicle Finance	-	(4.5)
	Impairment	Vehicle Finance	-	(15.1)
Other one-off cost items	Operating costs	Corporate Centre	-	(10.2)
Total notable items			(3.0)	(131.3)

Half-yearly financial results

Group

£m	2H25	1H25	2H24 (Re-presented ¹)	1H24 (Re-presented ¹)
Interest income	292.3	274.9	273.9	276.0
Interest expense	(76.1)	(72.7)	(73.3)	(68.7)
Net interest income	216.2	202.2	200.6	207.3
Non-interest income	19.0	17.5	19.0	19.5
Total income	235.2	219.7	219.6	226.8
Impairment charges	(105.0)	(76.1)	(92.3)	(93.0)
Risk-adjusted income	130.2	143.6	127.3	133.8
Operating costs	(128.1)	(137.4)	(219.2)	(179.9)
Profit/(loss) before tax from continuing operations	2.1	6.2	(91.9)	(46.1)
Tax (charge)/credit	1.0	(1.3)	6.8	10.6
Profit/(loss) after tax from continuing operations	3.1	4.9	(85.1)	(35.5)
Profit after tax from discontinued operations	-	0.7	1.6	(0.3)
Statutory profit/(loss) after tax	3.1	5.6	(83.5)	(35.8)
AT1 distributions (gross of tax)	(0.5)	-	-	-
Statutory profit/(loss) attributable to shareholders	2.6	5.6	(83.5)	(35.8)
Balance Sheet	DEC25	JUN25	DEC24	JUN24
Gross customer interest-earning balances	2,824	2,459	2,308	2,252
Average gross customer interest-earning balances (excluding Personal Loans)	2,647	2,339	2,208	2,201
Gross receivables	2,935	2,570	2,416	2,361
Net receivables	2,691	2,325	2,155	2,010
Closing tangible net asset value (TNAV)	358	362	358	371
Average tangible equity	360	361	362	382
Selected key metrics	2H25	1H25	2H24 (Re-presented¹)	1H24 (Re-presented¹)
Asset yield	20.3	21.8	22.4	23.2
Net interest margin (NIM)	16.2	17.4	18.1	18.9
Total income margin (TIM)	17.6	18.9	19.8	20.7
Cost of risk	(7.9)	(6.6)	(8.3)	(8.5)
Risk-adjusted margin (RAM)	9.8	12.4	11.5	12.2
Cost: income ratio	54.5	62.5	99.8	79.3
Statutory ROTE	1.7	3.1	(45.9)	(18.9)
Selected per share metrics	2H25	1H25	2H24	1H24
Basic earnings per share (EPS) (p)	1.0	2.2	(32.6)	(14.1)
Dividend per share (DPS) (p)	-	-	-	-
TNAV per share (p)	142	142	140	146
Capital, liquidity and funding metrics	DEC25	JUN25	DEC24	JUN24
Common Equity Tier 1 (CET1) capital ratio (%)	16.5	18.5	18.8	19.8
Risk weighted assets (RWAs) (£m)	2,073	1,883	1,835	1,813
High quality liquid assets (HQLA) (£m)	998	873	947	717
Liquidity Coverage ratio (LCR) (%)	306	366	359	557
Retail deposits (£m)	2,984	2,424	2,399	1,912
Retail funding (% of all funding)	89.7	84.6	85.6	79.3

Credit Cards

Six months ended (£m)	DEC25	JUN25	DEC24 (Re-presented ¹)	JUN24 (Re-presented ¹)
Total customer numbers ('000)	1,339	1,290	1,267	1,321
Gross customer interest-earning balances	1,518	1,355	1,278	1,295
Average gross customer interest-earning balances	1,437	1,296	1,284	1,339
Gross receivables	1,554	1,390	1,310	1,331
Net receivables	1,384	1,232	1,150	1,151
Interest income	191.8	179.0	182.1	183.6
Interest expense	(26.9)	(24.7)	(26.3)	(26.9)
Net interest income	164.9	154.3	155.8	156.7
Non-interest income	17.3	16.0	16.4	18.6
Total income	182.2	170.3	172.2	175.3
Impairment charges	(75.6)	(64.0)	(60.4)	(63.5)
Risk adjusted income	106.6	106.3	111.8	111.8
Operating costs	(81.0)	(93.7)	(93.0)	(100.5)
Profit/(loss) before tax contribution	25.6	12.6	18.8	11.3
Asset yield (%)	26.5	27.8	28.2	27.6
Net interest margin (%)	22.8	24.0	24.1	23.5
Total income margin (%)	25.2	26.5	26.7	26.3
Cost of risk (%)	(10.4)	(10.0)	(9.4)	(9.5)
Risk adjusted margin (%)	14.7	16.5	17.3	16.8

Vehicle Finance

Six months ended (£m)	DEC25	JUN25	DEC24 (Re-presented ¹)	JUN24 (Re-presented ¹)
Total customer numbers ('000)	103	106	110	110
Gross customer interest-earning balances	706	733	765	850
Average gross customer interest-earning balances	724	750	803	851
Gross receivables	762	795	832	921
Net receivables	688	709	735	760
Interest income	61.0	62.9	63.4	69.7
Interest expense	(13.9)	(14.3)	(15.7)	(15.7)
Net interest income	47.1	48.6	47.7	54.0
Non-interest income	-	-	-	-
Total income	47.1	48.6	47.7	54.0
Impairment charges	(28.8)	(12.7)	(30.9)	(29.5)
Risk adjusted income	18.3	35.9	16.8	24.5
Operating costs	(32.4)	(34.5)	(37.3)	(42.8)
(Loss)/profit before tax contribution	(14.1)	1.4	(20.5)	18.3
Asset yield (%)	16.7	16.9	15.7	16.5
Net interest margin (%)	12.9	13.1	11.8	12.8
Total income margin (%)	12.9	13.1	11.8	12.8
Cost of risk (%)	(7.9)	(3.4)	(7.7)	(7.0)
Risk adjusted margin (%)	5.0	9.7	4.2	5.8

Second Charge Mortgages

Six months ended (£m)	DEC25	JUN25	DEC24 (Re-presented ¹)	JUN24 (Re-presented ¹)
Total customer numbers ('000)	9.9	6.3	3.7	0.6
Gross customer interest-earning balances	599	371	217	30
Average gross customer interest-earning balances	486	293	121	11
Gross receivables	619	385	226	32
Net receivables	619	385	225	32
Interest income	17.4	11.0	4.6	0.2
Interest expense	(11.1)	(6.7)	(3.1)	(0.3)
Net interest income	6.3	4.3	1.5	(0.1)
Non-interest income	0.8	0.2		
Total income	7.1	4.5	1.5	(0.1)
Impairment charges	(0.5)	(0.2)	(0.2)	-
Risk adjusted income	6.6	4.3	1.3	(0.1)
Operating costs	(3.6)	(1.9)	(0.4)	(0.2)
Profit/(loss) before tax contribution	3.0	2.4	0.9	(0.3)
Asset yield (%) ⁴	7.1	7.6	7.6	-
Net interest margin (%)	2.6	3.0	2.5	-
Total income margin (%)	2.9	3.1	2.5	-
Cost of risk (%) ⁵	(0.2)	(0.1)	(0.3)	-
Risk adjusted margin (%) ⁶	2.7	3.0	2.1	-

Corporate Centre

Six months ended (£m)	DEC25	JUN25	DEC24 (Re-presented ¹)	JUN24 (Re-presented ¹)
Interest income	22.1	22.0	23.8	22.5
Interest expense	(24.2)	(27.0)	(28.2)	(25.8)
Net interest income	(2.1)	(5.0)	(4.4)	(3.3)
Non-interest income	0.9	1.3	2.6	0.9
Total income	(1.2)	(3.7)	(1.8)	(2.4)
Impairment charges	(0.1)	0.8	(0.8)	-
Risk adjusted income	(1.3)	(2.9)	(2.6)	(2.4)
Operating costs	(11.1)	(7.3)	(88.5)	(36.4)
Loss before tax contribution	(12.4)	(10.2)	(91.1)	(38.8)

Notable items

Six months ended (£m)	DEC25	JUN25	DEC24	JUN24
Income (Vehicle Finance)				
Vehicle Finance receivables review	-	-	(1.4)	(3.1)
Impairment (Vehicle Finance)				
Vehicle Finance receivables review	-	-	(5.4)	(9.7)
Operating costs (Corporate Centre)				
Provision for motor finance compensation	(3.0)	-	-	-
Goodwill write-off	-	-	(71.2)	-
Transformation and 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	(3.0)	-	(88.6)	(42.7)

Principal Risks and Uncertainties

The Group's principal risks are those most critical to the alignment and delivery of its Strategy. Principal risk categories and associated risk appetite statements, metrics and thresholds are reviewed and approved by the Board on an annual basis, effectively defining the Group's overall risk appetite. The Risk Management and Internal Control Framework defines how risk is comprehensively and consistently identified, managed and reported across the Group, enabling effective aggregation, escalation and oversight by the Executive and Board.

Customer Risk

This is defined as the risk that failing to understand or address customer needs could lead to dissatisfaction, poor customer outcomes, reduced loyalty and reputational damage, impacting revenue and long-term business sustainability. The Group closely monitors customer outcomes to ensure the fair treatment of customers, particularly for customers requiring early intervention strategies or those with vulnerable characteristics, and address customer detriment. Complaints related to responsible lending have declined since the implementation of the FOS fee-charging structure. However, following the recent Supreme Court ruling, the Group continues to await the outcome of the FCA's consultation on a proposed compensation scheme for motor finance customers.

Regulatory Risk

This is defined as the risk that non-compliance with all regulatory and legal requirements and expectations could lead to financial penalties, legal action, operational disruptions and long-term damage to reputation. Strong and proactive regulatory relationships are in place with the FCA and PRA, who remain up to date with the Group's strategic initiatives, key risk management activities and responses to regulatory developments and consultations. The Senior Managers and Certification Regime framework creates a consistent approach to the allocation of Senior Management Functions and responsibilities, strengthening risk ownership and accountability.

Financial Crime Risk

This is defined as the risk that failure to detect and prevent financial crime and fraud could result in customer detriment, regulatory fines, reputational damage and financial loss. The Group has dedicated fraud and financial crime strategic and operational teams, which monitor, investigate and report suspicious activity to meet regulatory obligations, remain vigilant of evolving external emerging threats and protect the Group and our customers from financial crime and fraud. The Group continues to strengthen its financial and fraud control environment through the delivery of the new financial crime risk management system, as part of Gateway.

Capital Risk

This is defined as the risk that inadequate capital resources or poor capital planning could result in an inability to meet financial obligations, regulatory breaches and financial instability, potentially threatening the long-term viability of the Group. The Group and Bank operate within a defined capital risk appetite, with performance and capital position reported to and closely monitored by the Risk Committee and Board. Sufficient capital resources, both in terms of amount and quality, are maintained to support the business strategy and meet the stressed scenarios identified in the Internal Capital Adequacy Assessment Process (ICAAP). The Group and Bank have remained above regulatory buffer requirements throughout 2025.

Funding and Liquidity Risk

This is defined as the risk that the Group has insufficient financial resources to meet its obligations (cash or collateral requirements) as they fall due, resulting in the failure to meet regulatory liquidity requirements, or is only able to secure such resources at excessive cost. Funding and liquidity metrics are monitored through daily liquidity reporting and reported to the Risk Committee and Board. The Group's current funding strategy seeks to maintain a secure and diverse funding structure by maintaining access to the liquid retail deposits market and committed facilities to meet the Group's liquidity and funding requirements. Throughout 2025, the Group and Bank have maintained funding and liquidity ratios in excess of regulatory requirements.

Market Risk

This is defined as the risk that fluctuations in market prices, such as interest rates, could negatively impact the Group's financial performance, resulting in losses or disruptions. The Group and Bank are primarily exposed to Interest Rate Risk in the Banking Book (IRRBB) and do not take significant unmatched positions or operate trading books. The Group and Bank have remained within risk appetite throughout 2025. Market risk appetite metrics include the risk under different interest rate risk scenarios, as prescribed by regulation, which are reported to the Risk Committee and Board.

Credit Risk

This is defined as the risk that customers may default on their obligations, leading to financial losses, impaired asset quality and reputational damage. The credit risk programme, initiated during 2024 to optimise the Group's credit decisioning capability and enhance its credit and affordability strategies, is progressing to plan, ensuring credit risk is at the forefront of business decisioning and keeps pace with changing market and economic conditions. The Credit Risk Committee meets monthly to oversee the programme and monitor portfolio performance against key credit risk metrics.

People Risk

This is defined as the risk that poor recruitment practices, insufficient employee training or low engagement levels caused by poor culture and compliance could lead to operational inefficiencies and reputational damage. The Colleague Survey completed in October saw the engagement score rise to 73% from 60% in 2024, earning Great Place to Work® certification. The Group's operating model is regularly reviewed to ensure it has the appropriate capacity and capability to meet the Group's financial, customer and regulatory responsibilities.

Technology, Information Security and Data Risk

This is defined as the risk that inadequate technological, security and data infrastructure and failure to upgrade systems could lead to operational inefficiencies, data breaches, service disruptions, a lack of scalability and reputational damage. Additional focus has been placed on technological advancements, such as artificial intelligence and machine learning, of which supporting governance structures are maturing. The Group's technology, information security and data risk is being significantly strengthened through the delivery of the Gateway technology, and data and analytics transformation programmes, which are progressing to plan.

Operational Risk

This is defined as the risk that failures in processes, systems or human error could result in business disruptions, financial loss, regulatory action, poor customer outcomes and reputational damage. Operational risk is inherent to our Group's activities and heightened as we deliver our activities, utilising in-house capability, and third-party and outsourced business support, and deliver transformation programmes. The application of the integrated assurance framework, inclusive of the Group's material controls and delivery of key strategic programmes, seeks to complement the assurance activities of each the three lines of defence.

Model Risk

This is defined as the risk that incorrect assumptions, poor design or outdated data within models used for decision making could lead to unintended outcomes, financial loss or operational inefficiencies. All models and covered tools are required to be added and managed through the model inventory, which is reviewed monthly for completeness and accuracy. The model risk policy is in place, reflecting the PRA's Model Risk Management Principles with clear delineation of responsibilities across the three lines of defence, inclusive of second line independent validation, and governance and oversight from the Model Risk Committee and supporting formal sub-working groups.

Business Performance Risk

This is defined as the risk that poor performance of key business processes, such as financial planning, operations or customer service, could lead to financial losses, reduced market share, threat to the Group's long-term viability and reputational damage. The Group continues to deliver against its strategic priorities, grow the business and maintain its existing commitments in a safe and controlled way, adopting an effective risk management framework, strong risk culture and awareness of emerging external threats.

Consolidated financial statements

Consolidated income statement for the year ended 31 December

	Note	2025 £m	2024 ¹ £m
Interest income	3	567.2	549.9
Interest expense		(148.8)	(142.0)
Net interest income		418.4	407.9
Fee and commission income		38.3	38.3
Fee and commission expense		(2.5)	(1.9)
Net fee and commission income		35.8	36.4
Other income		0.7	2.1
Total income		454.9	446.4
Impairment charges	9	(181.1)	(185.3)
Risk-adjusted income		273.8	261.1
Operating costs		(265.5)	(399.1)
Statutory profit/(loss) before taxation from continuing operations	4	8.3	(138.0)
Tax (charge)/credit from continuing operations	6	(0.3)	17.4
Statutory profit/(loss) after taxation from continuing operations		8.0	(120.6)
Profit after taxation from discontinued operations	5	0.7	1.3
Statutory profit/(loss)		8.7	(119.3)
Statutory profit/(loss) attributable to ordinary shareholders		8.2	(119.3)
Statutory profit attributable to other equity holders		0.5	-

Consolidated statement of comprehensive income for the year ended 31 December

	Note	2025 £m	2024 £m
Profit/(loss) for the year attributable to equity shareholders		8.2	(119.3)
Items that will not be reclassified subsequently to the income statement:			
– actuarial movements on retirement benefit asset	12	(22.1)	(11.6)
– tax on items taken directly to other comprehensive income	6	5.5	2.9
Other comprehensive expense for the year		(16.6)	(8.7)
Total comprehensive expense for the year		(8.4)	(128.0)

Earnings per share

	Note	2025 pence	2024 pence
Basic	7	3.2	(46.7)
Diluted	7	3.1	(46.7)

Dividends per share

	Note	2025 pence	2024 pence
Interim dividend	8	-	-
Final dividend	8	-	-

The total cost of dividends paid in the year was £nil (2024: £2.5m).

¹ Refer to material accounting policy information for details of representation

Consolidated balance sheet

	Note	2025 £m	2024 £m
ASSETS			
Cash and cash equivalents		804.5	1,003.9
Investment securities		254.6	-
Amounts receivable from customers	9	2,691.5	2,153.7
Trade and other receivables		61.2	72.5
Investments held at fair value through profit and loss		2.4	2.3
Current tax asset		0.9	3.9
Property, plant and equipment		8.0	7.1
Right of use assets		12.1	16.4
Goodwill	10	1.2	1.2
Other intangible assets	11	65.0	61.5
Retirement benefit asset	12	6.4	27.8
Derivative financial instruments		3.9	-
Deferred tax assets	6	30.0	25.0
TOTAL ASSETS	4	3,941.7	3,375.3
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables		51.8	46.1
Provisions	14	7.9	15.5
Lease liabilities		21.2	32.5
Retail deposits		3,019.9	2,428.2
Bank and other borrowings		347.5	410.0
Derivative financial instruments		6.1	1.8
Total liabilities		3,454.4	2,934.1
Equity attributable to owners of the parent			
Share capital		53.2	53.2
Share premium		276.3	276.3
Merger reserve		278.2	278.2
Other reserves		9.2	10.8
Retained earnings		(188.2)	(177.3)
Other equity instruments		58.6	-
Total equity	4	487.3	441.2
TOTAL LIABILITIES AND EQUITY		3,941.7	3,375.3

Consolidated statement of changes in shareholders' equity

Group	Note	Attributable to ordinary shareholders									
		Share capital £m	Share premium £m	Merger reserve ¹ £m	Other reserves				Retained earnings £m	Other equity Total instruments £m	Total £m
					Profit retained by subsidiary £m	Capital redemption reserve £m	Share-based payment reserve £m	Share-based payment reserve £m			
At 1 January 2024		53.2	276.3	278.2	0.8	3.6	7.7	(50.7)	569.1	-	569.1
Loss for the year		-	-	-	-	-	-	(119.3)	(119.3)	-	(119.3)
Other comprehensive income/(expense):											
- actuarial movements on retirement benefit asset	12	-	-	-	-	-	-	(11.6)	(11.6)	-	(11.6)
- tax on items taken directly to other comprehensive income	6	-	-	-	-	-	-	2.9	2.9	-	2.9
Other comprehensive expense for the year		-	-	-	-	-	-	(8.7)	(8.7)	-	(8.7)
Total comprehensive expense for the year		-	-	-	-	-	-	(128.0)	(128.0)	-	(128.0)
Dividends	8	-	-	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Share-based payment charge		-	-	-	-	-	2.7	-	2.7	-	2.7
Transfer of share-based payment reserve on vesting of share awards		-	-	-	-	-	(4.0)	4.0	-	-	-
Purchase of shares for share awards		-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
At 31 December 2024		53.2	276.3	278.2	0.8	3.6	6.4	(177.3)	441.2	-	441.2
At 1 January 2025		53.2	276.3	278.2	0.8	3.6	6.4	(177.3)	441.2	-	441.2
Profit for the year		-	-	-	-	-	-	8.2	8.2	0.5	8.7
Other comprehensive income/(expense):											
- actuarial movements on retirement benefit asset	12	-	-	-	-	-	-	(22.1)	(22.1)	-	(22.1)
- tax on items taken directly to other comprehensive income	6	-	-	-	-	-	-	5.5	5.5	-	5.5
Other comprehensive expense for the year		-	-	-	-	-	-	(16.6)	(16.6)	-	(16.6)
Total comprehensive (expense)/income for the year		-	-	-	-	-	-	(8.4)	(8.4)	0.5	(7.9)
Dividends	8	-	-	-	-	-	-	-	-	-	-
Share-based payment charge		-	-	-	-	-	2.2	-	2.2	-	2.2
Transfer of share-based payment reserve on vesting of share awards		-	-	-	-	-	(3.8)	3.8	-	-	-
Purchase of shares for share awards		-	-	-	-	-	-	(6.3)	(6.3)	-	(6.3)
Issuance of other equity instruments		-	-	-	-	-	-	-	-	58.6	58.6
Distributions of other equity instruments		-	-	-	-	-	-	-	-	(0.5)	(0.5)
At 31 December 2025		53.2	276.3	278.2	0.8	3.6	4.8	(188.2)	428.7	58.6	487.3

¹The full merger reserve is considered distributable.

Consolidated statement of cash flows for the year ended 31 December

	Note	2025 £m	2024 (restated) ¹ £m
Cash flows from operating activities			
Cash generated from operations	15	89.0	444.5
Tax received		4.0	8.2
Net cash generated from operating activities		93.0	452.7
Cash flows from investing activities			
Purchase of intangible assets	11	(15.2)	(12.5)
Purchase of property, plant and equipment		(3.3)	(2.2)
Proceeds from sale of available for sale investment		-	4.3
Purchase of investment securities		(291.8)	-
Proceeds from sale of investment securities		40.0	-
Net cash used in investing activities		(270.3)	(10.4)
Cash flows from financing activities			
Proceeds from bank and other borrowings		-	5.0
Repayment of bank and other borrowings		(63.7)	(174.0)
Payment of lease liabilities		(10.0)	(9.7)
Dividends paid to Company shareholders		-	(2.5)
Distributions on other equity instruments		(0.5)	-
Proceeds from issue of other equity instruments		58.6	-
Purchase of own shares for share awards		(6.3)	(0.1)
Net cash generated used in financing activities		(21.9)	(181.3)
Net (decrease)/increase in cash, cash equivalents and overdrafts		(199.2)	261.0
Cash, cash equivalents and overdrafts at beginning of period		1,002.8	741.8
Cash, cash equivalents and overdrafts at end of year		803.6	1,002.8
Cash, cash equivalents and overdrafts at end of period comprise:			
Cash at bank and in hand		804.5	1,003.9
Overdrafts (held in bank and other borrowings)		(0.9)	(1.1)
Total cash, cash equivalents and overdrafts		803.6	1,002.8

¹Refer to note 15 for details on restatement

In the Group, interest received was £619.2m (2024: £637.8m) and interest paid was £94.6m (2024: £103.0m). This is all included within cash generated from operations.

Cash at bank and in hand includes £746.8m (2024: £948.7m) in respect of the liquid asset buffer, including other liquidity resources, held by Vanquis Bank Limited in accordance with the PRA's liquidity regime.

Notes to the financial information

1. Basis of preparation

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is Fairburn House, 5 Godwin Street, Bradford, England BD1 2AH. The Company is listed on the London Stock Exchange.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 31 December 2025 or the year ended 31 December 2024 but is derived from those accounts. Statutory accounts for the year ended 31 December 2024 have been delivered to the Registrar of Companies, and those for the year ended 31 December 2025 will be delivered to the Registrar of Companies before the Company's annual general meeting. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006.

The statutory financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of derivative financial instruments and investments held at fair value through profit and loss.

In assessing whether the Group is a going concern, the directors' review has been made on the basis that the Group continues to operate for the 12 months from the date of the approval of the financial statements. The directors considered the appropriateness of the going concern basis, the period of assessment, any reporting requirements, and solvency and liquidity risks, and included a variety of factors – forecasts and budgets, timing of cash flows and funding, the Group's primary market and any contingent liabilities. When considering the appropriateness of going concern, the directors have also considered the Group's ability to meet its regulatory requirements (both capital and liquidity) at all times and not just a positive net asset measure.

The assessment of going concern for the Group for the purposes of the Annual Report and financial statements considered the following factors:

- The Group's corporate plan as approved in January 2026, which sets out financial, capital, liquidity and funding projections, together with an overview of relevant risks.
- The principal and emerging risks, which could impact the performance of the Group, with a focus on capital and liquidity.
- The severe but plausible downside scenario, which is designed to assess the potential impact of certain underlying risks on the Group's capital and funding resources, together with the availability and effectiveness of mitigating actions.
- Reverse stress testing analysis, which is designed to assess the point at which the Group is no longer a going concern.

Having considered the Group's forecasts, the regulatory capital and liquidity of the Group and the regulatory outlook, the directors have a reasonable expectation that the Group will continue as a going concern for a period of at least 12 months from the date of approving these financial statements. Accordingly, the financial statements of the Group have been prepared on the going concern basis.

2. Material accounting policy information

Group principal accounting policies under IFRS have been consistently applied to all the years presented, except where set out below.

Change in accounting policies

Exceptional items

The Group has transitioned to reporting solely on a statutory basis, removing adjustments for goodwill write-offs, transformation and other exceptional costs, and amortisation of acquisition intangibles.

This follows actions taken in 2024 that resulted in a cleaner, lower-risk balance sheet and improved transparency at both Group and product levels. Adjusted performance is now expected to closely align with statutory results.

The accounting policy for exceptional items is therefore no longer in place. As this is a change in accounting policy the comparatives have been represented however there is no impact on recognition, measurement or total profit and loss in any period presented in this report. The change reflects a change in presentation of the income statement and associated metrics.

Representation of items

Discontinued operations

The Group sold its Loan portfolio in 1H25. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' this business segment is now presented as discontinued operations. See note 5.

Segmental reporting

Following the sale of the Personal Loans business, the Group now comprises four segments: the three core lending products – Credit Cards, Vehicle Finance, and Second Charge Mortgages – and the Corporate Centre. The Corporate Centre includes the residual performance of the Retail Savings business, Treasury results after product allocations, Snoop, and other immaterial or central items. As a result, all previous periods have been represented on a consistent basis. These changes do not constitute a change in accounting policy and there is no impact on recognition, measurement or profit and loss in any period presented in this report. See note 4.

Cash flow statement

The Group and Company cash flow statements have been restated. Refer to note 15 for details.

Critical accounting judgements and key sources of estimation uncertainty

In applying the accounting policies, the Group makes judgements (other than those involving estimates) that have a significant impact on the amounts recognised and make estimates and assumptions that affect the reported amounts of assets and liabilities.

The estimates and judgements are based on historical experience; actual results may differ from these estimates.

In preparing the Group's financial statements, the Group has considered the impact of the results of our scenario analysis and climate-related risks on our financial performance, and while the effects of climate change represent a source of uncertainty, there has not been a material impact on our financial judgements and estimates due to the physical and transition climate-related risks in the short to medium term.

Due to the impact of any estimates in relation to Goodwill no longer being considered material, it is no longer included as critical source of estimation uncertainty. Investment in subsidiaries is also no longer considered to be a critical source of estimation uncertainty for the Company.

Amounts receivable from customers (note 9)

Critical accounting judgements

The Group reviews amounts receivable from customers for impairment at each balance sheet date. For the purposes of assessing the impairment, customers are categorised into IFRS 9 stages and cohorts which are considered to be the most reliable indication of future payment performance. The determination of expected credit losses involves complex modelling techniques and requires management to apply significant judgements to calculate expected credit losses. The most critical judgements are outlined below.

2. Material accounting policy information (continued)

The Group reviews amounts receivable from customers for impairment at each balance sheet date. For the purposes of assessing the impairment, customers are categorised into IFRS 9 stages and cohorts which are considered to be the most reliable indication of future payment performance. The determination of expected credit losses involves complex modelling techniques and requires management to apply significant judgements to calculate expected credit losses. The most critical judgements are outlined below.

The determination of the Significant Increase in Credit Risk (SICR) thresholds to be used in the models requires management judgement to optimise the performance and therefore effectiveness of the staging methodology. Assessments are made to determine whether there is objective evidence of a SICR, which indicates whether there has been an adverse effect on Probability of Default (PD). A SICR for customers is when there has been a significant increase in behavioural score, other qualitative triggers, or when one contractual monthly payment has been missed.

For the purpose of IFRS 9, default is assumed when three contractual repayments have been missed.

The Group's impairment models are subject to periodic monitoring, independent validation and back testing performed on model components (where appropriate), including PD, EAD and LGD to ensure management judgements remain appropriate.

Limitations in the Group's impairment models or data inputs may be identified through the ongoing assessment and validation of the output of the models. In these circumstances, management makes appropriate adjustments to the Group's allowance for impairment losses to ensure that the overall provision adequately reflects all material credit risks. These adjustments are determined by considering the particular attributes of exposures that have not been adequately captured by the impairment models, and range from changes to model inputs and parameters, at account level, through to more qualitative post-model overlays. Those changes applied to model inputs and parameters are deemed to be in-model overlays; more qualitative changes that have a higher degree of management judgement are deemed to be post-model overlays. All adjustments are reviewed quarterly and are subject to internal review and challenge to ensure that amounts are appropriately calculated. A breakdown of the in-model and post-model overlays is included within note 14. Credit performance across the Group remains stable and internal analysis shows no obvious signs of credit quality deterioration.

Macroeconomic impairment provision adjustments are recognised in the core model to reflect an increased PD, based on future macroeconomic scenarios.

The macroeconomic models have been redeveloped in 2025. The models use the following variables: hazard rate, debt to income ratio, real earnings and for Cards only real base rate.

Management judgement was required to determine the appropriate macroeconomic indicators to be used in the model by assessing their correlation with credit losses incurred by the business. Unemployment, linked to hazard rate and debt to income ratio are judged to be a key macroeconomic indicator as analysis has clearly evidenced a correlation between these metrics and credit losses incurred by the business.

In 2024, a model overlay of £5.4m was recognised that looked at Credit Card write-off rates, utilising data from a third party, Oxford Economics (OE). The OE model predicted industry level write-off rates using a combination of interest rates on Credit Cards, unemployment rate, debt to income ratio and a measure of macroeconomic volatility. The outputs from the OE model was calibrated to the Company's entry to default rate, which was in turn used to derive the scalars applied to the lifetime Probability of Default model.

Key sources of estimation uncertainty

The level of impairment recognised is calculated using models that utilise historical payment performance to generate the estimated amount and timing of future cash flows from each cohort of customers in each arrears stage. The models are regularly monitored to ensure they retain sufficient accuracy.

2. Material accounting policy information (continued)

Vehicle Finance Stage 3 review in 2024

During 2024, a review was undertaken of the Vehicle Finance Stage 3 assets. Vehicle Finance had been exhibiting an ever-growing Stage 3 gross receivable balance, with a corresponding large and increasing ECL provision being held. As part of that review, receivables eligible for a potential debt sale were fully charged off, resulting in a post-charge-off asset (PCOA) being recognised. The charge-off process led to a partial write-off, with a reduction in gross receivables of c.£261m and a release of impairment provision of £237m. This resulted in a net charge of £24m, which was recognised in the income statement within impairment charges.

Macroeconomic assumptions

The macroeconomic forecasts and scenarios used are provided by Oxford Economics. The base case, upside, downside and severe scenarios are utilised in the model calculate a Multiple Economic Scenario weighted ECL provision.

The table below shows the scenario five-year peak and average unemployment assumptions adopted and the weightings applied to each.

	2025				2024			
	Base	Upside	Downside	Severe	Base	Upside	Downside	Severe
Weighting	60%	20%	15%	5%	60%	15%	20%	5%
2026	5.0%	4.6%	5.8%	6.0%	4.4%	4.0%	5.0%	5.5%
2027	4.8%	3.9%	6.5%	7.0%	4.5%	4.1%	6.3%	7.6%
2028	4.5%	3.6%	6.9%	7.4%	4.5%	4.2%	5.9%	7.9%
2029	4.4%	3.6%	6.7%	7.2%	4.5%	4.2%	5.3%	6.8%
2030	4.2%	3.6%	6.4%	6.9%	4.5%	4.2%	5.1%	6.4%
Five year peak	5.1%	4.8%	6.9%	7.4%	4.5%	4.3%	6.5%	8.3%

The debt to income variables, across all scenarios, ranged from 12.5% at the start of 2026 to 13.7% at the end of 2030.

Weightings applied to the macroeconomic assumptions were approved at the December 2025 Assumptions Committee meeting. Following review of the inputs into the newly implemented macroeconomic model, the weightings were updated to increase the upside from 15% to 20% with a corresponding reduction in the downside.

Sensitivity analysis has been performed on the weightings, which shows that applying a 100% weighting to the severe scenario would increase the ECL provision by £18.5m.

Provision: Vehicle Finance Compensation (note 14)

Critical accounting judgement

The FCA are consulting on an industry-wide scheme to compensate motor finance customers who were treated unfairly between 2007 and 2024. The scheme would cover regulated motor finance agreements taken out between 6 April 2007 and 1 November 2024 where commission was payable by the lender to the broker.

The FCA has defined these as cases involving an undisclosed contractual tie and commission equal to, or greater than, 50% of the total cost of credit and 22.5% of the loan.

For all other cases, the FCA propose consumers are compensated the average of what the FCA estimate the consumer has overpaid, or lost, and the commission paid, plus interest.

The FCA's consultation outlines a presumption of unfairness for motor finance agreements between 6 April 2007 and 1 November 2024 where:

- discretionary commission arrangements (DCAs) were used;
- high commission (where the commission is equal to or greater than 35% of the total cost of credit and 10% of the loan) was paid; and
- there was an exclusive or tied broker-lender relationship.

2. Material accounting policy information (continued)

The Group did not participate in DCAs, nor did it enter into any exclusive or tied broker-lender relationships (from initial review). The Group would therefore not be in scope for these elements of the proposed FCA motor finance compensation scheme.

Key sources of estimation uncertainty

Significant challenge is expected to the consultation; therefore, a number of scenarios have been included in the provision calculation and these have been probability weighted to determine an appropriate provision to be recognised.

The estimated provision represents management's best estimate of the potential redress based on current information available and using a range of potential scenarios. The final calculation may vary due to the need to perform a detailed calculation once the final outcome of the scheme is known.

If the scheme proposals and assumptions included in the consultation are to be fully implemented, an additional liability of £4.0m may arise, primarily due to increased operating costs associated with customer outreach.

The provision assessment also excludes any potential costs in relation to FOS referrals. At this stage it is not possible to reliably determine the number of customers that would go to FOS or the approach FOS will take in applying their fees.

Other accounting judgements:

EIR on loans and advances to customers - interest free or promotional periods

In accordance with IFRS 9, interest income is recognised in the income statement using the EIR method for loans and advances to customers, including throughout interest-free promotional periods when these are offered to customers.

The EIR is determined on inception as management's best estimate of future cash flows based on historical information, where available, and considers the repayment activity and the retention of the customer interest-free balance after the end of the promotional period. As such, the EIR method introduces estimation uncertainty, which, if the actual cash flows differ from that estimate, could result in an adjustment to the carrying value of the asset that reflects the value of interest recorded.

The Group's best estimate of the future cash flows is a profile running off over a period of seven years. The interest-free promotional period is the most sensitive element of the total EIR methodology.

As at 31 December 2025, the Group reported an EIR adjustment in relation to Credit Cards loans and advances to customers in respect of interest-free periods and upfront fees of £10.0m (2024: £2.1).

Intangibles (note 11)

All intangible assets have been reviewed for impairment under IAS 36.

Following the sale of the Personal Loans business in 1H25, the assets associated with that product were reviewed for impairment and subsequently written off. A charge of £1.2m has therefore been recognised within discontinued operations.

In 2024, the Credit Cards mobile app was written off in full following a decision to rebuild this functionality using a more efficient design and build approach leading to an overall better customer experience. This resulted in a cost of £8.5m being recognised in 1H24 results.

In addition, assets expected to be replaced by the Gateway platform in 2026 were reviewed – a small number of these assets were written off, and the useful economic lives of other assets were reassessed in light of their expected retirement by the Gateway platform. The impact of these in FY24 results was not material.

No impairment was recognised in continuing operations in FY25.

2. Material accounting policy information (continued)

Provisions: Customer remediation complaints (note 14)

Over the past two years the Group has experienced elevated levels of customer compensation claims from claims management companies. The majority of these claims were speculative in nature, primarily driven by unmerited CMC activity, and related to a wide range of different matters primarily in respect of the lending process, but with no common theme or systemic issue. During 2024, the increase in costs and provision resulted from higher than expected FOS fees for cases not upheld by us, which were expected to subsequently be submitted to FOS for adjudication.

Since the change in the FOS fee charging structure from 1 April 2025, the Group has seen negligible CMC referrals to the FOS. This element of the provision has therefore been reduced, in the year.

The total cost to the Group of customer remediation costs, including resource, which relate to a wide range of different matters, amounts to £26.9m in 2025 (2024: £47.4m), with FOS fees reducing £24.8m to £6.4m.

A provision of £1.8m (2024: £7.4m) is held at the balance sheet date for: (i) customer compensation claims received where compensation may be paid but that have not yet been assessed, upheld or compensation amounts agreed (£1.1m) (2024: £5.1m) ; and (ii) expected FOS fees for future claims that may be referred (£0.7m) (2024: £2.3m).

The provision is determined based on the complaints volume pipeline at the period end, estimated uphold complaint rates, and average compensation amounts for each complaint type based on historical data.

3. Interest income

Interest receivable from:

	2025	2024 ¹
	£m	£m
Customer receivables	523.0	502.8
Cash balances held on deposit and other	37.9	44.8
Investment securities	5.8	-
Net fair value gains on derivative financial instruments	0.5	2.3
Total income from continuing operations	567.2	549.9
Total income from discontinued operations	1.4	15.5
Total interest income	568.6	565.4

¹ Refer to material accounting policy information for details of representation

Interest income from; (i) Credit Cards and Second Charge Mortgage customer receivables; (ii) cash balances held on deposit and other; (iii) investment securities income; and (iv) income from discontinued operations is calculated using the EIR method.

Interest income from Credit Cards and Second Charge Mortgage customer receivables is recognised by applying the effective interest rate (EIR) to the carrying value of a loan. The EIR is calculated at inception and represents the rate that exactly discounts the

future contractual cash receipts from a loan to the amount of cash advanced under that loan, plus directly attributable issue costs (e.g. aggregator/broker fees).

Vehicle Finance interest income from customer receivables of £123.9m (2024: £133.1m) is recognised in line with IFRS 16.

4. Segment reporting

During 1H25 the Group reviewed and reallocated interest income, interest expense and costs to different product segments as reported under IFRS 8. As a result, all previous periods have been represented onto a consistent basis. These changes do not constitute a change in accounting policy and there is no impact on recognition, measurement or profit and loss in any period presented in this report. This re-presentation is a further step in Vanquis' on-going commitment to enhance disclosures and to provide a more transparent reporting of the Group's continuing operations by product.

Following the sale of the Personal Loans business, the Group now comprises four segments: the three core lending products - Credit Cards, Vehicle Finance, and Second Charge Mortgages - and the Corporate Centre. The Corporate Centre includes the residual performance of the Retail Savings business, Treasury results after product allocations, Snoop, and other immaterial or central items.

To more accurately reflect the interest income and funding costs of each lending product, the Group has updated the following:

- Interest income from non-product Treasury items has been moved from Credit Cards to the Corporate Centre.
- Interest expense reallocation to better represent the cost of funding across products using funds transfer pricing, allowing for duration matching of assets and natural hedging across exposures. Interest expense related to Tier 2 capital, previously reported entirely in Corporate Centre, has been partially reallocated to individual products and the cost of the Vehicle Finance securitisation, previously allocated solely to Vehicle Finance, has been spread across all products, reflecting shared benefit from the funding structure.
- Operating costs that were not directly attributable to a product and previously held in the Corporate Centre have been reallocated, based on either business size using a blended average of Credit risk-weighted assets (RWAs), to reflect capital consumption or Total income, to reflect revenue contribution, or service usage.

The Group has transitioned to reporting solely on a statutory basis. This follows actions taken in 2024 that resulted in a cleaner, lower-risk balance sheet and improved transparency at both Group and product levels. Adjusted performance is now expected to closely align with statutory results.

Accordingly, the 2024 income statement and key metrics have been re-presented on a statutory basis, removing adjustments for goodwill write-offs, transformation and other exceptional costs, and amortisation of acquisition intangibles. The 2024 adjusting items comprising the goodwill write-off, transformation and other exceptional costs, and amortisation of acquisition intangibles, in addition to other one off cost items, have remained within the Corporate Centre.

The impact of the 2024 Vehicle Finance receivables review, affecting both income and impairment, has remained within the Vehicle Finance segment.

4. Segment reporting (continued)

	2025				Total £m
	Credit Cards	Vehicle Finance	Second Charge Mortgages	Corporate Centre	
	£m	£m	£m	£m	
Interest income	370.8	123.9	28.4	44.1	567.2
Interest expense	(51.6)	(28.2)	(17.8)	(51.2)	(148.8)
Net interest income	319.2	95.7	10.6	(7.1)	418.4
Fee and commission income	35.6	-	1.0	1.7	38.3
Fee and commission expense	(2.3)	-	-	(0.2)	(2.5)
Net fee and commission income	33.3	-	1.0	1.5	35.8
Other income	-	-	-	0.7	0.7
Total income	352.5	95.7	11.6	(4.9)	454.9
Impairment charges	(139.6)	(41.5)	(0.7)	0.7	(181.1)
Risk-adjusted income	212.9	54.2	10.9	(4.2)	273.8
Operating costs	(174.7)	(66.9)	(5.5)	(18.4)	(265.5)
Statutory profit before taxation from continuing operations	38.2	(12.7)	5.4	(22.6)	8.3
Taxation					(0.3)
Statutory profit after taxation from continuing operations					8.0
Statutory profit after taxation from discontinued operations					0.7
Statutory profit after taxation					8.7

	2024 ¹				Total £m
	Credit Cards	Vehicle Finance	Second Charge Mortgages	Corporate Centre	
	£m	£m	£m	£m	
Interest income	365.7	133.1	4.8	46.3	549.9
Interest expense	(53.2)	(31.4)	(3.4)	(54.0)	(142.0)
Net interest income	312.5	101.7	1.4	(7.7)	407.9
Fee and commission income	36.7	-	-	1.6	38.3
Fee and commission expense	(1.7)	-	-	(0.2)	(1.9)
Net fee and commission income	35.0	-	-	1.4	36.4
Other income	-	-	-	2.1	2.1
Total income	347.5	101.7	1.4	(4.2)	446.4
Impairment charges	(123.9)	(60.4)	(0.2)	(0.8)	(185.3)
Risk-adjusted income	223.6	41.3	1.2	(5.0)	261.1
Operating costs	(193.5)	(80.1)	(0.6)	(124.9)	(399.1)
Statutory profit before taxation from continuing operations	30.1	(38.8)	0.6	(129.9)	(138.0)
Taxation					17.4
Statutory profit after taxation from continuing operations					(120.6)
Statutory profit after taxation from discontinued operations					1.3
Statutory loss after taxation					(119.3)

¹ Refer to material accounting policy information for details of representation

Revenue between business segments is not material.

4. Segment reporting (continued)

Group	Segment assets		Segment liabilities		Net assets/(liabilities)	
	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m
Credit Cards, Personal Loans and Second Charge Mortgages	3,165.4	2,514.8	(2,727.4)	(2,161.8)	438.0	353.0
Vehicle Finance	728.8	775.5	(615.4)	(646.4)	113.4	129.1
Corporate Centre	(41.2)	(2.6)	(22.9)	(38.3)	(64.1)	(40.9)
Total before intra-group elimination	3,853.0	3,287.7	(3,365.7)	(2,846.5)	487.3	441.2
Intra-group elimination	88.7	87.6	(88.7)	(87.6)	—	—
Total Group	3,941.7	3,375.3	(3,454.4)	(2,934.1)	487.3	441.2

The presentation of segment net assets reflects the statutory assets, liabilities and net assets of each of the Group's divisions. This results in an intra-group elimination reflecting the difference between the central intercompany funding provided to the divisions and the external funding raised centrally. Credit cards, personal loans and second charge mortgages are recognised within Vanquis Bank Limited and are therefore combined for balance sheet reporting purposes.

The Group's businesses operate principally in the UK.

5. Discontinued operations

The Group sold its Personal Loans portfolio in March 2025, in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' this business segment is now presented as discontinued operations.

The results from discontinued operations, which are included in the Group income statement, are set out below.

	2025	2024
	£m	£m
Interest income	1.4	15.5
Interest expense	(0.3)	(3.4)
Net interest income	1.1	12.1
Total income	1.1	12.1
Impairment (credit)/charges	3.1	(5.7)
Risk-adjusted income	4.2	6.4
Operating costs	(3.3)	(4.7)
Statutory profit before taxation	0.9	1.7
Tax charge	(0.2)	(0.4)
Statutory profit after taxation	0.7	1.3

The impairment credit in 2025 includes the proceeds received in respect of the portfolio sale.

Following the Group's strategy update in March 2024, management announced that the Personal Loans business was under review and the loan portfolio was placed into run-off. The Group completed the sale of the Personal Loans portfolio in March 2025. On completion, the net receivables disposed of totalled £34.8m, and the Company received net consideration of £37.8m.

A gain on disposal of £0.5m has been recognised, reflecting the difference between the consideration received, the carrying amount of the net assets derecognised and disposal costs of £2.5m, including a write down of associated intangible assets of £1.2m. The gain is presented within impairment credits, partly offset by operating costs in the income statement for discontinued operations.

Cash generated from operations includes £9.1m (2024: £60.4m) from discontinued operations, reflecting net cash generated from customer receivables and associated costs, and £37.8m of consideration received on completion of the sale of the Personal Loans portfolio in March 2025. There were no investing or financing cash flows relating to discontinued operations.

6. Tax

The tax (charge)/credit in the income statement is as follows:

	2025 £m	2024 £m
Continuing operations:		
Current Tax - UK	0.2	3.7
Deferred Tax - UK	(0.5)	13.7
Total tax (charge)/credit in relation to continuing operations	(0.3)	17.4
Discontinued operations:		
Current Tax - UK	(0.2)	(0.4)
Deferred Tax - UK	-	-
Total tax charge in relation to discontinued operations	(0.2)	(0.4)
Total tax (charge)/credit	(0.5)	17.0

	2025			2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	£m	£m	£m	£m	£m	£m
Profit/(loss) on ordinary activities before tax	8.3	0.9	9.2	(138.0)	1.7	(136.3)
Loss before tax multiplied by standard rate of corporation tax in the UK of 25%	(2.1)	(0.2)	(2.3)	34.5	(0.4)	34.1
Effect of:						
– impairment of deferred tax assets (note (a))	0.8	-	0.8	(0.3)	-	(0.3)
– adjustments in respect of prior years (note (b))	0.3	-	0.3	1.3	-	1.3
– amounts recognised in equity (note (c))	0.5	-	0.5	-	-	-
– non-taxable income (note (d))	0.5	-	0.5	-	-	-
– non-deductible general expenses (note (e))	(0.3)	-	(0.3)	(18.4)	-	(18.4)
– benefit of capital losses (note (f))	-	-	-	1.1	-	1.1
– non-deductible asset write-off (note (g))	-	-	-	(0.8)	-	(0.8)
Total tax credit	(0.3)	(0.2)	(0.5)	17.4	(0.4)	17.0

(a) Impairment of deferred tax assets

In 2024, the tax charge in respect of the impairment of deferred tax assets of £0.3m related to share scheme awards where future deductions were expected to be lower than previously anticipated and other deferred tax assets that were not recognised. In 2025, the tax credit of £0.8m relates to the reversal of previous impairments of deferred tax assets in respect of share scheme awards where future deductions are now expected to be greater than previously anticipated.

(b) Adjustment in respect of prior years

In 2025, the tax credit of £0.3m (2024: tax credit of £1.3m) in respect of prior years comprises: (a) a tax charge of £0.8m due to a lower share price on vesting of share awards than originally anticipated, net of (b) a tax credit of £1.1m relating to non-taxable releases of unrepresented cheque accruals in respect of the Repayment Option Plan remediation programme for which tax deductions were previously not available due to the application of the bank compensation provisions.

In 2024, the tax credit of £1.3m in respect of prior years comprises: (a) a £0.9m reinstatement of deferred tax assets in respect of tax losses of discontinued operations previously written off that have now been used to shelter prior year tax liabilities; (b) a £0.8m tax credit from claiming capital allowances super deductions in prior years; (c) a tax charge of £0.8m due to lower tax deductions in respect of share scheme awards as a result of a lower than anticipated share price on vesting; and (d) a tax credit of £0.4m related to the finalisation of tax liabilities for prior periods.

6. Tax (continued)

(c) Amounts recognised in equity

The tax credit of £0.5m (2024: £nil) in respect of amounts recognised in equity represents the tax benefit of interest on the AT1 notes and associated issue costs that have been recognised in equity but that are deductible for tax purposes.

(d) Non-taxable income

The tax credit of £0.5m (2024: £nil) relates to non-taxable releases of unrepresented cheque accruals in respect of the Repayment Option Plan remediation programme for which tax deductions were previously not available due to the application of the bank compensation provisions.

(e) Non-deductible general expenses

In 2025, these relate primarily to depreciation of assets that do not qualify for capital allowances and other non-deductible costs. In 2024, they primarily relate to the write-off of goodwill on consolidation and the adjustment to the consideration in respect of the acquisition of Snoop, neither of which are deductible for tax purposes.

(f) Benefit of capital losses

The conversion and subsequent sale in 2024 of a further tranche of the preferred stock in *Visa* Inc gave rise to capital gains, which were significantly offset by brought-forward capital losses in respect of which a deferred tax asset was not previously recognised. This gave rise to a beneficial impact on the tax charge in 2024 of £1.1m.

(g) Non-deductible asset write-offs

In 2024, a tax charge of £0.8m arose in respect of some of the write-offs of various assets and legacy balance sheet items which are non-deductible for tax purposes.

The tax credit on items taken directly to other comprehensive income is as follows:

	2025	2024
	£m	£m
Deferred tax credit on actuarial movements on retirement benefit asset	5.5	2.9
Total tax credit on items taken directly to other comprehensive income	5.5	2.9

The movement in the deferred tax balance during the year can be analysed as follows:

Asset	2025	2024
	£m	£m
At 1 January	25.0	8.4
(Charge)/credit to the income statement	(0.5)	13.7
Credit to other comprehensive income	5.5	2.9
At 31 December	30.0	25.0

7. Earnings/(Loss) per share

Basic earnings/(loss) per share EPS/(LPS) is calculated by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of ordinary shares outstanding during the year less the number of shares held by the Employee Benefit Trust which are used to satisfy the Groups share awards.

Diluted EPS/(LPS) calculates the effect on EPS/(LPS) assuming conversion of all dilutive potential ordinary shares. Dilutive potential ordinary shares are calculated as follows:

7. Earnings/(Loss) per share (continued)

(i) For share awards outstanding under performance-related share incentive schemes such as the Deferred Bonus Plan (DBP), the Long Term Incentive Scheme (LTIS), the Restricted Share Plan (RSP) and the Company Share Option Plan (CSOP), the number of dilutive potential ordinary shares is calculated based on the number of shares which would be issuable if: (i) the end of the reporting period is assumed to be the end of the schemes' performance period; and (ii) the performance targets have been met as at that date.

(ii) For share options outstanding under non-performance-related schemes such as the Save As You Earn scheme (SAYE), a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of share options outstanding, with the difference being the dilutive potential ordinary shares.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

Reconciliations of basic and diluted EPS/(LPS) for the continuing operations and the Group are set out below:

	2025			2024		
	Earnings	Weighted average number of shares	Per share amount	Loss	Weighted average number of shares	Per share amount
	£m	m	pence	£m	m	pence
Continuing operations						
Basic earnings/(loss) per share	7.5	254.0	3.0	(120.6)	255.5	(47.2)
Dilutive effect of share options and awards		12.4			-	
Diluted earnings/(loss) per share	7.5	266.4	2.8	(120.6)	255.5	(47.2)

	2025			2024		
	Earnings	Weighted average number of shares	Per share amount	Loss	Weighted average number of shares	Per share amount
	£m	m	pence	£m	m	pence
Group						
Basic earnings/(loss) per share	8.2	254.0	3.2	(119.3)	255.5	(46.7)
Dilutive effect of share options and awards		12.4			-	
Diluted earnings/(loss) per share	8.2	266.4	3.1	(119.3)	255.5	(46.7)

The EPS for discontinued operations in 2025 was 0.3p (2024: 0.5p) and diluted EPS was 0.3p (2024:0.5p).

8. Dividends

	2025	2024
	£m	£m
2023 final – 1.0p per share	-	2.5
Total dividends paid	-	2.5

The directors are not recommending a final dividend in respect of the financial year ended 31 December 2025.

9. Amounts receivable from customers

	2025			2024		
	Due within one year £m	Due in more than one year £m	Total £m	Due within one year £m	Due in more than one year £m	Total £m
Credit Cards	1,384.3	-	1,384.3	1,149.9	-	1,149.9
Vehicle Finance	213.4	475.1	688.5	227.5	507.9	735.4
Second Charge Mortgages	-	618.5	618.5	-	225.3	225.3
Total	1,597.7	1,093.6	2,691.3	1,377.4	733.2	2,110.6
Discontinued operations	-	-	-	9.7	34.3	44.0
Fair value adjustment for portfolio hedged risk	(0.2)	0.4	0.2	(0.8)	(0.1)	(0.9)
Total reported amounts receivable from customers	1,597.5	1,094.0	2,691.5	1,386.3	767.4	2,153.7

The fair value adjustment for the portfolio hedge risk relates to the unamortised hedged accounting adjustment in relation to the balance guaranteed swap, where hedge accounting has been discontinued and Second Charge Mortgages hedging.

The gross amounts receivable from customers and allowance account which form the net amounts receivable from customers are as follows:

	2025						2024					
	Credit Cards £m	Vehicle Finance £m	Second Charge Mortgages £m	Total continuing operations £m	Discontinued operations £m	Group £m	Credit Cards £m	Vehicle Finance £m	Second Charge Mortgages £m	Total continuing operations £m	Discontinued operations £m	Group £m
Gross amounts receivable from customers	1,553.8	761.6	619.4	2,934.8	-	2,934.8	1,309.9	831.9	225.5	2,367.3	49.1	2,416.4
Allowance account	(169.5)	(73.1)	(0.9)	(243.5)	-	(243.5)	(160.0)	(96.5)	(0.2)	(256.7)	(5.1)	(261.8)
Reported amounts receivable from customers	1,384.3	688.5	618.5	2,691.3	-	2,691.3	1,149.9	735.4	225.3	2,110.6	44.0	2,154.6

	2025			
	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Gross receivables				
Credit cards	1,351.5	139.1	63.2	1,553.8
Vehicle finance	556.4	129.4	75.8	761.6
Second charge mortgages	611.6	6.5	1.3	619.4
Total	2,519.5	275.0	140.2	2,943.8
Allowance account				
Credit cards	(87.7)	(47.2)	(34.6)	(169.5)
Vehicle finance	(13.6)	(19.7)	(39.8)	(73.1)
Second charge mortgages	(0.3)	(0.5)	(0.1)	(0.9)
Total	101.6	66.9	74.4	243.5
Net receivables				
Credit cards	1,263.8	91.9	28.6	1,384.3
Vehicle finance	542.8	109.7	36.0	688.5
Second charge mortgages	611.3	6.0	1.2	618.5
Total	2,417.9	207.6	65.8	2,691.3

9. Amounts receivable from customers (continued)

	2024			Total £m
	Stage 1 £m	Stage 2 £m	Stage 3 £m	
Gross receivables				
Credit cards	1,136.6	99.8	73.5	1,309.9
Vehicle finance	606.3	120.1	105.5	831.9
Second charge mortgages	224.2	1.2	0.1	225.5
Personal loans (discontinued operation)	44.2	2.4	2.5	49.1
Total	2,011.3	223.5	181.6	2,416.4
Allowance account				
Credit cards	(73.3)	(44.7)	(42.0)	(160.0)
Vehicle finance	(18.2)	(21.5)	(56.8)	(96.5)
Second charge mortgages	(0.1)	(0.1)	-	(0.2)
Personal loans (discontinued operation)	(2.8)	(0.9)	(1.4)	(5.1)
Total	(94.4)	(67.2)	(100.2)	(261.8)
Net receivables				
Credit cards	1,063.3	55.1	31.5	1,149.9
Vehicle finance	588.1	98.6	48.7	735.4
Second charge mortgages	224.1	1.1	0.1	225.3
Personal loans (discontinued operation)	41.4	1.5	1.1	44.0
Total	1,916.9	156.3	81.4	2,154.6

An analysis of continuing operations receivables by IFRS 9 stages is set out below:

A breakdown of the post-model overlays for Credit Cards is shown below:

Credit Cards	2025 £m	2024 £m
Core model	173.2	155.6
Post Model (under)/overlays	(3.6)	4.4
Total allowance account	169.5	160.0
Post model overlays:		
Persistent debt (note (a))	(2.8)	-
Balance transfer new originations (note (b))	(2.3)	-
Loss given default calibration (note (c))	1.4	-
Macroeconomic model redevelopment (note (d))	-	4.0
Other	-	0.4
Total post model overlays	(3.7)	4.4

9. Amounts receivable from customers (continued)

a) Persistent debt

As part of ongoing model enhancements, a review of persistent debt accounts at 36 months was undertaken. The exposure at default (EAD) framework was recalibrated to better reflect expected balance and utilisation at default for these accounts.

b) Balance transfer (BT) new originations

A calibration was required for newer lower-risk BT accounts as the observed default rates were lower than the model was predicting. The overlay adjust the 12-month probability of default for these accounts in Stage 1.

c) Loss given default (LGD) calibration

A LGD refresh was performed to calibrate expected cash recoveries to latest available data.

d) Macroeconomic model redevelopment

The macroeconomic model has been redeveloped and the model overlay released.

A breakdown of the in-model and post-model overlays for Vehicle Finance is shown below:

Vehicle Finance	2025	2024
	£m	£m
Core model	73.2	93.3
Post Model overlays	(0.2)	3.2
Total allowance account	73.0	96.5
	2025	2024
	£m	£m
Post model overlays:		
LGD recalibration (note (a))	2.3	(0.6)
Forced sale discount model calibration (note (b))	(1.1)	-
Stage 2 SICR recalibration (note (c))	(1.0)	-
12-month PD recalibration (note (d))	-	2.8
Macroeconomic LGD implementation (note (e))	-	(0.9)
Macroeconomic model redevelopment (note (f))	-	1.4
Other	(0.4)	0.5
Total post model overlays	(0.2)	3.2

9. Amounts receivable from customers (continued)

(a) LGD recalibration

Following the introduction of the charge-off process and the revised definition of default during 2024, calibrations were required to components of the LGD model. A PMA has been recognised until the model can be updated.

(b) Forced sale discount (FSD) model calibration

The external car valuations used in the FSD model were revised at the end of 2025. The input data used in the model therefore needs to be calibrated to the revised valuations. A PMA has been recognised until the model can be updated.

(c) Stage 2 SICR recalibration

A new acquisition scorecard was implemented during the year, the SICR threshold therefore need to be calibrated to appropriately move accounts into stage 2 when then breach the SICR thresholds. A PMA has been recognised until the model can be updated.

(d) 12-month PD recalibration

Monitoring of the 12-month PD model indicated a recalibration was required for the 'up-to-date' segment. The PMA was removed as the changes were reflected into the models.

(e) Macroeconomic LGD implementation

Refinements were made to the macroeconomic LGD model implementation to: (i) reflect an upside scenario; (ii) refine the shape of the scenarios; and (iii) enhance how the scenarios were being applied. The PMA was removed as the changes were reflected into the models.

(f) Macroeconomic model redevelopment

The macroeconomic model has been redeveloped and the model overlay released.

There are no post-model overlays for Second Charge Mortgages in the current or prior year.

The impairment charge in respect of amounts receivable from customers can be analysed as follows:

	2025	2024 ¹
	£m	£m
Credit cards	139.6	123.9
Vehicle finance	41.5	60.0
Second Charge Mortgages	0.7	0.2
Total impairment charge from continuing operations	181.8	184.1
Total impairment charge from discontinued operations	(3.1)	5.7
Total impairment charge	178.7	189.8

¹ Refer to material accounting policy information for details of representation

The impairment in the income statement of £181.1m (2024: £185.3m) includes a credit of £0.7m credit (2024: £0.8m charge) in relation to loans held within trade and other receivables.

9. Amounts receivable from customers (continued)

The movement in directly attributable acquisition costs included within continuing operations amounts receivable from customers can be analysed as follows:

	Credit Cards £m	Vehicle Finance £m	Second Charge Mortgages £m	Total Continuing £m	Credit Cards £m	Vehicle Finance £m	Second Charge Mortgages £m	Total continuing £m
Brought forward	25.5	49.7	8.4	83.6	32.3	56.0	0.1	88.4
Capitalised	11.6	28.1	16.2	55.9	5.8	31.6	9.2	46.6
Amortised	(8.6)	(28.5)	(4.6)	(41.7)	(12.6)	(31.4)	(0.9)	(44.9)
Written off	—	(3.9)	—	(3.8)	—	(6.5)	—	(6.5)
Carried forward	28.5	45.4	20.0	94.0	25.5	49.7	8.4	83.6
DAC asset (discontinued operations)				—				0.4
Total DAC asset				94.0				84.0

10. Goodwill

	2025 £m	2024 £m
Cost		
At 1 January	3.3	74.5
Additions	-	-
Write off	(2.1)	(71.2)
At 31 December	1.2	3.3
Accumulated impairment		
At 1 January	2.1	2.1
Write off	(2.1)	-
At 31 December	-	2.1
Net book value at 31 December	1.2	1.2
Net book value at 1 January	1.2	72.4

Goodwill with a net book value of £1.2m in 2025 relates to the acquisition of USnoop Limited in 2023.

Goodwill is tested annually for impairment, or more frequently if there are any indications that goodwill might be impaired. The recoverable amount is determined from a value in use calculation. The key assumptions used in the value in use calculation relate to the cash flows of the cash-generating unit, discount rates and growth rates adopted.

Management adopts pre-tax discount rates that reflect the time value of money and the risks specific to the business.

The cash flow forecasts are based on the most recent financial budgets approved by the Group Board for the next five years and extrapolate cash flows for the following five years using a terminal growth rate of 1.5% (2024: 2%). The rate used to discount the forecast cash flows is 13.1% (2024: 13.5%); this represents the Company's risk-adjusted cost of capital.

Moneybarn goodwill was impaired in full in 2024 due to lower cash flows in the latest budget as the Group prioritises capital deployment for growth into Second Charge Mortgages and Credit Cards in the near term.

During 2025 the £2.1m of cost and accumulated impairment in relation to Cheque Exchange Limited was written off following the decision to close the business.

11. Other intangible assets

	2025			2024		
	Acquisition intangibles £m	Computer Software £m	Total £m	Acquisition intangibles £m	Computer Software £m	Total £m
Cost						
At 1 January	86.1	82.1	168.2	86.1	85.1	171.2
Additions	-	15.2	15.2	-	12.5	12.5
Adjustment	-	(0.6)	(0.6)	-	-	-
Disposals	-	(5.7)	(5.7)	-	(15.5)	(15.5)
At 31 December	86.1	91.0	177.1	86.1	82.1	168.2
Accumulated amortisation & impairment						
At 1 January	76.6	30.1	106.7	70.4	26.4	96.8
Charged to the income statement - Amortisation	1.3	9.2	10.5	6.2	10.7	16.9
Charged to the income statement - impairment	-	-	-	-	8.5	8.5
Adjustment	-	(0.6)	(0.6)	-	-	-
Disposals	-	(4.5)	(4.5)	-	(15.5)	(15.5)
At 31 December	77.9	34.2	112.1	76.6	30.1	106.7
Net book value at 31 December	8.2	56.8	65.0	9.5	52.0	61.5
Net book value at 1 January	9.5	52.0	61.5	15.7	58.7	74.4

Acquisition intangibles represent the fair value of the broker relationships arising on the acquisition of Moneybarn in August 2014 and the platform, technology and brand name in relation to Snoop in 2023.

The Moneybarn acquisition intangible asset was being amortised over an estimated useful life of 10 years; the asset was fully amortised in 2024.

The Snoop intangible asset comprised £10.1m of internally generated core platform and technology, and £1.0m in relation to the 'Snoop' brand name arising on the acquisition of Snoop in 2023. These are being amortised over nine and five years respectively.

Research and development expenditure recognised within operating costs during 2025 was £0.7m (2024: £0.7m). Additions to computer software in the year of £15.2m (2024: £12.5m) comprise £15.2m (2024: £12.5m) of internally generated assets and £nil (2024: £nil) of externally purchased software.

Computer software amortisation charges of £9.2m (2024: £10.7m) include £0.2m (2024: £1.4m) which relate to the discontinued Personal Loans portfolio.

The computer software loss on disposal of £1.2m (2024: £nil) related entirely to the discontinued Personal Loans portfolio where the assets were written off in full and disposed of. The loss comprised proceeds received of £nil (2024: £nil) less the net book value of disposals of £1.2m (2024: £nil).

The £15.2m (2024: £12.5m) of internally generated assets predominantly relates to the development of the Gateway platform. The net book value of this asset is £50.7m as at 31 December 2025 and it is being amortised over an estimated useful life of 10 years from the date each component is available for use.

A review of costs and accumulated amortisation as part of a transfer of assets within the Group led to an adjustment of £0.6m between costs and accumulated amortisation. These changes did not affect total other intangible balance presented on the balance sheet in both 2025 and 2024.

12. Retirement benefit asset

The Group operates a defined benefit scheme: the Provident Financial Staff Pension Scheme. The scheme is of the funded, defined benefit type. It is now also closed to future accrual.

The scheme provides pension benefits which were accrued on a final salary and, more recently, on a cash balance basis. With effect from 1 August 2021, it was fully closed to future accrual and benefits are no longer linked to final salary, although accrued benefits are subject to statutory inflationary increases.

The scheme is a UK registered pension scheme under UK legislation. The scheme is governed by a Trust Deed and Rules, with trustees responsible for the operation and governance of the scheme. The trustees work closely with the Group on funding and investment strategy decisions. The most recent actuarial valuation of the scheme was carried out as at 1 June 2024 by a qualified independent actuary. The valuation used for the purposes of IAS 19 Employee Benefits has been based on the results of the 2024 valuation to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme at the balance sheet date. Scheme assets are stated at fair value as at the balance sheet date.

The Group is entitled to a refund of any surplus, subject to tax, if the scheme winds up after all benefits have been paid. As a result, the Group recognises surplus assets under IAS 19.

The Group is exposed to a number of risks, the most significant of which are as follows:

- Investment risk – the liabilities for IAS 19 purposes are calculated using a discount rate set with reference to corporate bond yields. If the assets underperform this yield a deficit will arise. The scheme has a long-term objective to reduce the level of investment risk by investing in assets that better match liabilities.
- Change in bond yields – a decrease in corporate bond yields will increase the liabilities, although this will be partly offset by an increase in matching assets.
- Inflation risk – some of the liabilities are linked to inflation. If inflation increases then liabilities will increase, although this will be partly offset by an increase in assets. As part of a long-term de-risking strategy, the scheme has increased its portfolio in inflation matched assets.
- Life expectancies – the scheme's final salary benefits provide pensions for the rest of members' lives (and for their spouses' lives). If members live longer than assumed, then the liabilities in respect of final salary benefits increase.

The net retirement benefit asset recognised in the balance sheet of the Group is as follows:

	2025 £m	2024 £m
Fair value of scheme assets	446.0	453.7
Present value of defined benefit obligation	(439.6)	(425.9)
Net retirement benefit asset recognised in the balance sheet	6.4	27.8

The amounts recognised in the income statement were as follows:

	2025 £m	2024 £m
Administration costs and taxes	(1.6)	(1.3)
Interest on scheme liabilities	(23.0)	(21.7)
Interest on scheme assets	24.5	23.4
(Charge)/credit recognised in the income statement	(0.1)	0.4

The (charge)/credit recognised in the income statement has been included within operating costs.

12. Retirement benefit asset (continued)

Movements in the fair value of scheme assets were as follows:

	2025 £m	2024 £m
Fair value of scheme assets at 1 January	453.7	512.9
Interest on scheme assets	24.5	23.4
Actuarial movements on scheme assets	(5.5)	(54.6)
Contributions by the Group	0.8	0.8
Net benefits paid out	(27.5)	(28.8)
Fair value of scheme assets at 31 December	446.0	453.7

Movements in the present value of the defined benefit obligation were as follows:

	2025 £m	2024 £m
Present value of defined benefit obligation at 1 January	(425.9)	(474.7)
Current service cost	(1.6)	(1.3)
Interest on scheme liabilities	(23.0)	(21.7)
Actuarial movement – experience	(11.5)	0.2
Actuarial movement – demographic assumptions	(9.2)	(0.9)
Actuarial movement – financial assumptions	4.1	43.7
Net benefits paid out	27.5	28.8
Present value of defined benefit obligation at 31 December	(439.6)	(425.9)

The principal actuarial assumptions used at the balance sheet date were as follows:

	2025 %	2024 %
Price inflation – RPI	2.85	3.20
Price inflation – CPI	2.30	2.75
Rate of increase to pensions in payment	2.80	3.00
Inflationary increases to pensions in deferment	2.20	2.75
Discount rate	5.50	5.55

The pension increase assumption shown above applies to pensions increasing in payment each year in line with RPI up to 5%. Pensions accrued prior to 2000 are substantially subject to fixed 5% increases each year. In deferment increases prior to retirement are linked to CPI.

The mortality assumptions are based on the self-administered pension scheme (SAPS) series 4 tables (2024: SAPS series 3 tables):

- female non-pensioners: 110% of the 'All' table (2024: 105% of the 'Middle' table);
- male non-pensioners: 113% of the 'All' table (2024: 105% of the 'Middle' table);
- female pensioners: 110% of the 'All' table (2024: 102% of the 'Middle' table); and
- male pensioners: 99% of the 'All' table (2024: 99% of the 'All' table).

12. Retirement benefit asset (continued)

The above multipliers and table types were chosen following a study of the scheme's membership. Where the multiplier is greater than 100%, this reflects a shorter life expectancy within the scheme compared to average pension schemes, with the opposite being true where the multiplier is less than 100%.

Future improvements in mortality are based on the Continuous Mortality Investigation (CMI) 2024 model with a long-term trend of 1.00% pa, the core parameters for the initial addition and smoothing parameter. All other available parameters for the mortality improvements model were adopted at the default (core) level.

Under these mortality assumptions, the life expectancies of members are as follows:

	Male		Female	
	2025 Years	2024 Years	2025 Years	2024 Years
Current pensioner aged 65	21.5	21.2	23.0	23.0
Current member aged 45 from age 65	21.5	21.2	24.2	24.0

An analysis of amounts recognised in the statement of comprehensive income is set out below:

	2025 £m	2024 £m
Actuarial movements on scheme assets	(5.5)	(54.6)
Actuarial movements on scheme liabilities	(16.6)	43.0
Total movement recognised in other comprehensive income in the year	(22.1)	(11.6)
Cumulative movement recognised in other comprehensive income	(182.0)	(159.9)

13. Fair value disclosures

The Group holds the following financial instruments at fair value:

	2025 £m	2024 £m
Financial assets		
Derivatives	3.9	-
Visa Inc. shares	2.4	2.3
	6.3	2.3
Financial liabilities		
Derivatives	(6.1)	(1.8)

The Group is counterparty to twenty four (2024: ten) derivative financial instruments.

13. Fair value disclosures (continued)

The securitisation balance guarantee swap (front BGS) of £2.7m liability (2024: £0.3m liability) manages the market risk associated with movements in interest rates in the accounts of the securitisation. The front BGS is a bespoke over-the-counter interest rate swap that resizes in line with changes to the size and expected maturity profile of the loans in the securitisation. Only the interest rate risk on the portfolio is hedged; other risks such as credit risk are managed but not hedged.

The Group balance guarantee swap (back BGS) of £2.1m asset (2024: £0.2m liability) eliminates the front BGS on consolidation in the Group accounts. The front BGS manages a risk that exists in the SPV accounts, but does not exist upon consolidation. The back BGS was transacted at historical rates and in compensation the Group received cash consideration for taking on a liability.

The front and back BGS naturally hedge and no hedge accounting is applied. Hedge accounting was discontinued on the front BGS in September 2022 with the hedging adjustment amortising over the remaining life of the receivables. Until termination, the hedging arrangement was accounted for under IAS 39 under the portfolio hedging rules.

The Tier 2 swap of £1.1m asset (2024: £1.3m liability) is a vanilla unamortising swap that manages the Group's sensitivity to changes in interest rates arising from long-dated fixed-rate Tier 2 capital and short-dated Bank of England reserves. The Tier 2 swap pays annually a floating rate of daily compounded SONIA and receives a fixed annual rate of 3.521% bi-annually. The swap matures in October 2026.

In FY25, the Group entered into three new categories of interest rate swaps, all of which are designated in hedge accounting relationships.

- To diversify excess liquidity investments, the Group began purchasing UK Gilts. Interest rate risk arising from these holdings was managed through par-to-par interest rate swaps of £2.5m liability with terms aligned to the underlying Gilts. As at year-end, 12 such swaps were in place.
- Following growth in the second charge mortgage portfolio, the Group entered into six interest rate swaps of £0.5m liability to manage the associated interest rate risk.
- The Group also transacted two external deposit swaps of £0.2m asset to manage interest rate risk arising from retail customer deposit balances.

During the period, all Internal retail deposit swaps were fully settled. All externally facing derivatives held by Vanquis Banking Group plc were novated to Vanquis Bank Limited in December 2025 at the prevailing market value on the date of transfer, resulting in no impact to the profit and loss statement.

The Group has elected to apply fair value hedge accounting in the consolidated accounts under IAS 39. The effectiveness of the hedge is assessed prospectively using matched terms with a single scenario analysis. The (Tier 2) swap has been specifically designed to match the underlying liability. Retrospectively, the swap only experiences ineffectiveness from different interpolation bases.

Except as detailed in the following table, the directors consider that the carrying value of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values:

	Book Value		Fair Value	
	2025 £m	2024 £m	2025 £m	2024 £m
Financial assets				
Amounts receivable from customers	2,691.5	2,153.7	2,808.0	2,488.5
Investment Securities	254.6	-	254.3	-
Total	2,946.1	2,153.7	3,062.3	2,488.5
Financial liabilities				
Retail deposits	(3,019.9)	(2,428.2)	(2,986.3)	(2,400.4)
Bank and other borrowings	(347.5)	(410.0)	(353.6)	(373.2)
Total	(3,367.4)	(2,838.2)	(3,339.9)	(2,773.6)

14. Provisions

Provisions	2025						
	Vehicle Finance redress	Customer compliance	Dilapidations	Redundancy	Others	Total	
	£m	£m	£m	£m	£m	£m	
At 1 January	-	7.4	6.4	1.3	0.4	15.5	
Created in the year	3.0	12.7	0.2	-	-	15.9	
Reclassified in the year	-	0.4	-	-	(0.4)	-	
Utilised in the year	-	(15.8)	(1.0)	(1.0)	-	(17.8)	
Released in the year	-	(2.9)	(2.6)	(0.2)	-	(5.7)	
At 31 December	3.0	1.8	3.0	0.1	-	7.9	

Provisions	2024						
	Customer compliance	Dilapidations	Redundancy Scheme	Legal settlement	Others	Total	
	£m	£m	£m	£m	£m	£m	
At 1 January	3.5	0.2	-	1.0	-	1.1	5.8
Created in the year	16.0	6.2	6.2	-	1.5	0.1	30.0
Reclassified in the year	-	-	-	-	(1.4)	-	(1.4)
Utilised in the year	(12.1)	-	(4.9)	-	-	(0.6)	(17.6)
Released in the year	-	-	-	(1.0)	(0.1)	(0.2)	(1.3)
At 31 December	7.4	6.4	1.3	-	-	0.4	15.5

Vehicle Finance redress: £3.0m (2024: £nil)

The Group Vehicle Finance redress provision relates to the FCA consultation on a motor finance compensation scheme announced in October 2025. This provision is the result of several probability weighted scenarios and includes the operational cost of outreach, implementation and execution of the scheme. Assuming the proposed base case redress calculation within the consultation, including an estimate of 85% of eligible consumers taking part in the scheme and simple interest applied at 1% above the base rate, the estimated costs would be £7.0m.

Customer compliance: £1.8m (2024: £7.4m)

The customer remediation provision reflects expected costs associated with general customer compliance matters, encompassing both customer redress obligations and related FOS fees. The provision increased temporarily during 2024 due to a rise in unmerited claims submitted by CMCs however, the implementation of the revised FOS charging structure in 2025 has resulted in a material reduction in such claims and associated costs.

Dilapidations: £3.0m (2024: £6.4m)

Dilapidations provisions being held for all properties. The £2.6m (2024 £nil) release relates to the cessation of the No1 Godwin Street lease where lower expected costs were incurred when the property was vacated.

Redundancy £0.1m (2024: £1.3m)

Costs expected to be paid out as part of redundancy programmes during the year.

Other: £nil (2024: £0.4m)

This predominantly relates to smaller provisions held.

Legal settlement £nil (2024: £nil)

Amounts were recognised in 2024 for an expected settlement with a third party. The amount was agreed and the provision transferred to accruals in advance of being settled in early 2025.

The Scheme of Arrangement (the Scheme): Group: £nil (2024: £nil)

Customer settlements in relation to the Scheme of Arrangement commenced in 2022. All remaining provision was released in 2024 and the Scheme closed

15. Reconciliation of profit/loss after tax to cash generated from operations

		2025	2024 (restated) ¹
	Note	£m	£m
Profit/(loss) after taxation		8.7	(119.3)
Adjusted for:			
– tax charge/(credit)	6	0.5	(17.0)
– share-based payment charge		2.2	2.7
– retirement benefit charge/(credit)	12	0.1	(0.4)
– amortisation of intangible assets		10.5	16.9
– impairment of intangible assets		-	8.5
– provisions created in the year	14	15.9	30.0
– provisions released in the year	14	(5.6)	(1.3)
– provisions utilised in the year	14	(17.9)	(17.6)
– depreciation of property, plant and equipment and right of use assets		6.4	7.5
– impairment of right of use asset		-	3.5
– loss on disposal of property, plant and equipment		0.3	0.3
– loss on disposal of intangible assets		1.2	-
– non-cash interest expense		(4.0)	(1.8)
– derivatives and hedging movements		0.4	(2.5)
– fair value movements on Visa shares		(0.1)	(1.2)
– contributions into the retirement benefit scheme		(0.8)	(0.8)
– goodwill write-off		-	71.2
Changes in operating assets and liabilities:			
– amounts receivable from customers		(536.6)	4.4
– trade and other receivables		10.6	(16.9)
– trade and other payables		5.7	0.6
– movement in retail deposits		591.5	477.7
Cash generated from operations		89.0	444.5

¹ Detail on restatement set out below.

The following changes have been made to the line items presented in the statement of cash flows, with corresponding restatement of the cash flows for the comparative period:

- Finance income and finance costs are no longer separately disclosed within operating cash flows. The total amount of interest received (2024: £637.8m) and interest paid (2024: £103.0m) in the year is now disclosed as a memo item underneath the statement of cash flows. The Group's 2024 disclosed total interest received has increased significantly as it now includes £588.9m of interest received on amounts receivable from customers; £2.3m has also been removed from this disclosure as it related to non-cash items.
- As part of this re-presentation, any non-cash interest is now presented as a separate reconciling item between loss after tax and cash generated from operations. In addition, capitalised interest on retail deposits is now included as part of the movement in retail deposits line within this reconciliation.
- The derivatives and hedging movements line within the reconciliation between loss after tax and cash generated from operations now solely represents the non-cash movement in the year on derivatives and hedge accounting adjustments.
- Group cash outflows in relation to internally generated intangibles have been re-presented from operating cash flows to investing cash flows, in line with the nature of the expenditure.

15. Reconciliation of profit/loss after tax to cash generated from operations (continued)

The affected financial statement line items are as follows:

	As previously presented £m	Adjustment £m	Restated £m
Reconciliation of profit/(loss) after tax			
Finance costs	145.4	(145.4)	-
Finance income	(47.2)	47.2	-
Internally generated intangible additions	(12.5)	12.5	-
Non-cash interest expense	-	(1.8)	(1.8)
Derivatives and hedging movement	1.2	(3.7)	(2.5)
Movement in retail deposits	425.8	51.9	477.7
Statement of cash flows			
Cash flow from operating activities			
Cash generated from operations	483.8	(39.3)	444.5
Finance costs paid	(103.0)	103.0	-
Finance income received	51.2	(51.2)	-
Cash flows from investing activities			
Purchase of intangible assets	-	(12.5)	(12.5)

There is no impact on the income statement, statement of comprehensive income, earnings per share or balance sheet as a result of these changes.

The above changes were identified following an enquiry from the Corporate Reporting Review Team of the FRC, as part of its regular review and assessment of the quality of corporate reporting in the UK. The FRC has confirmed that its enquiries have now been closed.

When reviewing the 2024 Annual Report and Accounts, the FRC has made clear the limitations of its review as follows:

- its review is based on the 2024 Annual Report and Accounts and does not benefit from detailed knowledge of the Group's business or an understanding of the underlying transactions entered into;
- communications from the FRC provide no assurance that the Group's 2024 Annual Report and Accounts are correct in all material respects and are written on the basis that the FRC (including its officers, employees and agents) accepts no liability for reliance on them by the Group or any third party, including but not limited to investors and shareholders; and
- the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements.

16. Contingent liabilities

During the ordinary course of business the Group is subject to other complaints and threatened or actual legal proceedings (including class or group action claims) brought by or on behalf of current or former employees, customers, investors or third parties. This extends to legal and regulatory reviews, challenges, investigations and enforcement actions combined with tax authorities taking a view that is different to the view the Group has taken on the tax treatment in its tax returns. It also extends to tax authorities taking the view that VAT-exempt supplies received by the Group from UK-based suppliers should be subject to VAT.

All such material matters are periodically assessed, with the assistance of external professional advisors, where appropriate, to determine the likelihood of the Group incurring a liability.

In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established for management's best estimate of the amount required at the relevant balance sheet date.

16. Contingent liabilities (continued)

In some cases it may not be possible to form a view, for example because the facts are unclear or because further time is needed to properly assess the merits of the case, and no provisions are held in relation to such matters. However, the Group does not currently expect the final outcome of any such case to have a material adverse effect on its financial position, operations or cash flows.

17. Post Balance Sheet events

There are no post balance sheet events to disclose.

Directors' responsibility statement

The directors confirm that, to the best of their knowledge that:

- the group financial statements which have been prepared in accordance with IFRS as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit of the group, the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report contained in the 2025 Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the company and group, and the undertakings included in the consolidation taken as a whole, and a description of the principal risks and uncertainties they face.

A list of current directors is maintained on the Vanquis Banking Group plc website: www.vanquis.com. All directors were present throughout the twelve months ended 31 December 2025.

The maintenance and integrity of the Vanquis Banking Group website is the responsibility of the directors. The work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accept no responsibility for any changes that may have occurred to the group financial statements since they were initially presented on the website.

Information for shareholders

1. The 2025 Annual Report and Financial Statements together with the notice of the annual general meeting will be posted to shareholders on or around 11 March 2026.
2. The 2026 AGM will be held at Vanquis head office, Fairburn House, 5 Godwin Street, Bradford BD1 2AH on Wednesday 6th May at 10:00 am.

By order of the board

Ian McLaughlin – Chief Executive Officer Dave Watts – Chief Financial Officer
25 February 2026