Vanquis Banking Group HY 2026 Results

Analyst and Investor Conference Call Speech

Ian McLaughlin, Chief Executive Officer

Dave Watts, Chief Executive Officer

Ian McLaughlin, Chief Executive Officer

Good morning everyone. Thanks for joining us for our 2026 half year results webcast and conference call.

I'm Ian McLaughlin, the Chief Executive Officer of Vanquis, and I'm joined, as usual, by our Chief Financial Officer, Dave Watts.

Dave, good morning and welcome.

Dave Watts, Chief Financial Officer

Good morning, Ian.

Agenda

1H26 Performance Summary and Outlook	Ian McLaughlin
1H26 Performance and Guidance Detail	Dave Watts
Conclusion	Ian McLaughlin
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Ian McLaughlin, Chief Executive Officer

I'll start with an overview of our performance and the updates to our outlook we have announced this morning.

Dave will then take you through some more detail on our numbers and guidance.

I'll come back to summarise and then we'll be happy to take your questions.

So, if I can take you straight to slide 4.

1H26 Performance Summary and Outlook

Ian McLaughlin
Chief Executive Officer

Profitable growth continued in 1H26

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

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

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The first half of 2026 represented another period of significant progress for Vanquis. We continued to lay the foundations for sustainable, profitable growth and attractive returns over the medium term.

Let me draw out a couple of key points here.

Firstly, we delivered a further two quarters of profitable growth.

Statutory profit before tax increased by 44% year on year to £8.9 million, so exceeding the profit that we delivered for the whole of 2025.

Secondly, gross customer interest earning balances increased by 24% year on year to more than £3 billion, principally reflecting growth in Second Charge Mortgages and in Credit Cards. And, this supported an 8% increase in income.

Importantly, that growth was delivered while maintaining stable credit quality, reflecting our disciplined underwriting and the continued financial resilience of our customers.

We also continued to improve our operational efficiency while still investing in the capabilities needed to support the future scalability of the business.

Dave will take you through the key financial metrics and our capital position in more detail shortly.

But at the bottom of the slide, you can see that our progress in transforming Vanquis and serving customers who are underserved by mainstream banks was recognised through two Euromoney

Awards for Excellence: Best Bank Transformation in Europe and Best for Consumer Lending in the UK.

On behalf of all our colleagues, we were very pleased with that recognition. We have more to do, but we are growing with discipline, improving efficiency and building a stronger foundation for sustainable profitability.

Continued operational delivery against our three priorities

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

Serve More

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

Serve Responsibly

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

Scale Profitably

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

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

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* Accreditation from the Institute of Customer Service

Let me now turn to some of the specifics that we delivered during the first half to support the medium term success of the business.

We have made significant progress operationally, delivering tangible improvements across all three pillars of our strategy: To Serve More, Serve Responsibly and Scale Profitably.

I won't cover every initiative on the slide, but I will talk to four areas that we believe are particularly important.

Firstly, under Serve More, we are broadening our proposition by developing an instalment lending solution to reflect customer demand, and the introduction of regulation in the Buy Now Pay Later market.

We are also delivering an enhanced Prime Upgrade Credit Card proposition for customers whose financial resilience we have helped to improve over time, and who may otherwise be in a position to move away from us to a prime lender.

These initiatives will allow us to build deeper and longer lasting customer relationships.

Secondly, under Serve Responsibly, we continued to see strong evidence that the improvements we are making are translating into a better customer experiences.

Our Customer Satisfaction Index score increased to 83.2, extending our outperformance against the industry benchmark which now stands at 82. And, for the first time, we achieved ServiceMark accreditation from the Institute of Customer Service.

This external recognition is particularly important because it reflects not only the service customers receive today, which has been through a period of significant change, but also shows the standards, culture and processes that we are embedding across the organisation are working.

Thirdly, and perhaps the most significant operational milestone in the half, we successfully migrated all our existing Credit Card customers to our new mobile banking app, which was built in-house and led by our Snoop engineering team as part of our Gateway technology transformation programme.

This was a large and complex build and migration, completed while not just maintaining but improving our customer service experience, as I have just described. The app has also received external recognition as the market's best mobile app redesign, as you can see on the slide.

The importance of this goes well beyond completing just a technology build and migration. This new app is one of the most important deliverables in Gateway it gives us a single, modern tech platform through which we can deepen customer engagement, increase self-service, launch new functionality more quickly and therefore reduce our cost to serve. This will help us build the operating leverage needed to reduce our cost to income ratio over time.

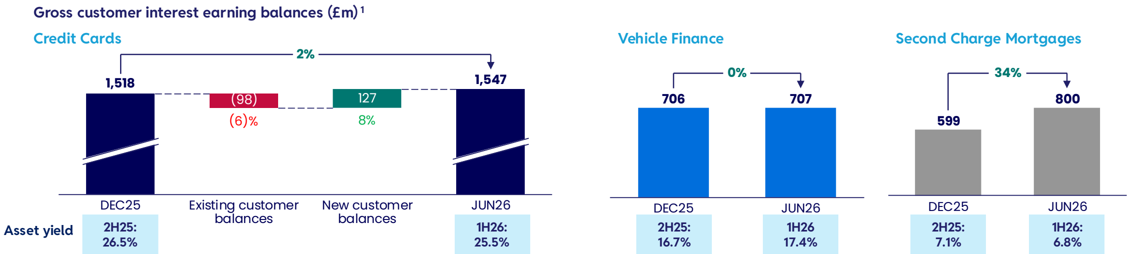
Finally, we continue to evolve and scale our use of AI across customer service, analytics, decisioning and colleague productivity. Another milestone was when our first customer facing Agent went live in June helping us to improve customer outcomes, make faster and more consistent decisions, and operate more efficiently.

Taken together, everything on this slide shows that we are translating our strategic goals into tangible operational delivery: broadening our propositions, improving our customer experience and leveraging technology to build the modern, scalable infrastructure needed to support sustainable growth and stronger returns.

Impacts from increased macroeconomic uncertainty emerging in 2Q26

Two main headwinds:

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



1. **Lower than expected higher yielding existing customer balances**
   - More cautious customer behaviour, with reduced spending driving lower utilisation in higher yielding back book.
   - Trend consistent with the non-prime credit card market (industry spend down c.1% YoY)*.
   - Benefits from back book stimulation initiatives only partially mitigated impact (prize draws and Vanquis Rewards cashback).
2. **Absorbed £8.5m increase in IFRS9 macroeconomic impairment provision.**
   - Forecast that UK unemployment increases to a peak of 5.7% (DEC25 forecast: 5.1%).

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

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

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

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* Source: Visa Analytics

Everything I have described so far provides an important foundation for the future success of the business. We are continuing to make progress, however, we have had to adapt to two emerging headwinds, as we began to see the impact of increasing economic uncertainty emerge particularly during the second quarter.

The first of these was lower than expected utilisation by existing Credit Card customers and, secondly, an increased IFRS 9 impairment provision related to forecast UK unemployment.

Taking each in turn, macro uncertainty has led to more cautious customer behaviour, with spending lower than we had anticipated.

Customers are still increasing spending, just not by as much as we had originally planned. To illustrate this, our spend per active customer has increased by 10% year on year, but the initiatives we had launched to support this carried an expectation of more than a 15% uplift. We do know that, on the same basis, spending among relevant competitors actually declined by 1% over the same period.

So, our customers are spending more on our cards, and we are outperforming the market, just not by as much as we had originally planned for, as you would expect.

This resulted in Credit Card income in the first half being around £7 million lower than we expected, so we are taking action to address that as you would expect.

The second headwind was the additional impairment provision taken to reflect a forecast increase in UK unemployment.

As you all know, IFRS 9 requires us to recognise potential impairment using forward looking assumptions. We therefore have increased our provision by £8.5 million.

The provision was based on the latest forecast, published at the end of June, which assumed that UK unemployment would rise to a peak of 5.7%, from a forecast peak of 5.1% at the start of the year.

Together, these two factors reduced first half profitability by approximately £15 million relative to our expectations.

However, Credit Cards balances did increase by 2% during the half, to £1.55 billion.

But this growth was driven more by new customers, including through 0% balance transfers and other promotional products, which balances are initially lower yielding than those of existing customers.

And this change in mix shows in the reduction in asset yield from 26.5% in the second half of last year to 25.5% in the first half of this year.

In total, new customer balances added £127 million, but partly offset by a £98 million, or 6%, reduction in balances held by our existing customers.

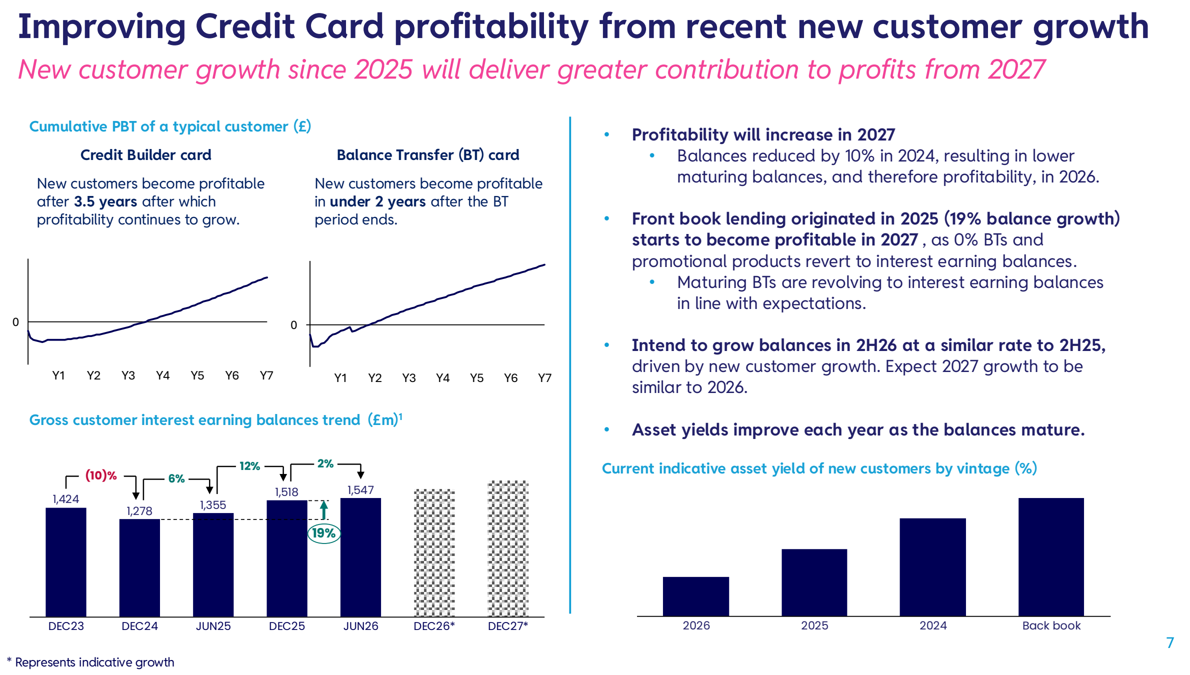
So, the benefits from our back book stimulation initiatives, including prize draws and Vanquis Rewards cashback, helped to mitigate, but did not fully offset, the lower utilisation by existing customers.

Then when we look at our other product lines:

Vehicle finance balances were in line with our expectations and Second Charge Mortgages continued to deliver strong growth, as you can see on the slide.

I will provide some more product detail in a moment because this is important, but our overall message is that balance growth has remained resilient across the Group, though mix is moving.

The two headwinds were therefore clear: lower than expected balances among higher yielding existing Credit Card customers and the additional macroeconomic impairment provision for unemployment. We are obviously keeping these under very close review and will update on any further changes.



Let me now take you through that further product detail to show why we remain confident in our outlook.

You can see the Credit Card detail on slide 7.

The point at which new lending begins to contribute to earnings is central to understanding our medium term outlook for Cards.

Back in 2024, Credit Card balances reduced by 10%, as we restructured the business, meaning there are fewer balances reaching maturity and then contributing to profitability in 2026 and beyond than would ordinarily be the case.

In contrast, in 2025, we grew Credit Card balances by 19%.

The income contribution from that 2025 growth builds over time.

As balance transfers mature and promotional periods end, customers move onto representative APRs, driving our interest earning balances. This is all progressing in line with our expectations.

As a result, the 2025 front book is expected to make a meaningful contribution to profitability from 2027.

We intend to grow balances during the second half of this year at a similar rate to the second half of 2025, primarily through new customer acquisition. We then plan to deliver a similar full year rate of balance growth through 2027.

We continue to price appropriately for risk, and in line with Consumer Duty. You can see on this slide how these balances translate into profitability, through the cumulative profit before tax generated by a typical Credit Builder customer and a typical Balance Transfer customer.

New Credit Builder customers typically become profitable after around three and a half years, whereas Balance Transfer customers become profitable in under two years, once the promotional period has ended. In both cases, profitability then continues to build as the relationship develops.

The chart on the right demonstrates the same effect across the portfolio. Newer vintages initially have lower asset yields, but those yields then improve progressively.

We are planning on the basis that the more cautious spending behaviour that we've seen in the second quarter of this year continues. We will therefore focus on acquiring more new customers and building sustainable returns as those balances become interest earning over time.

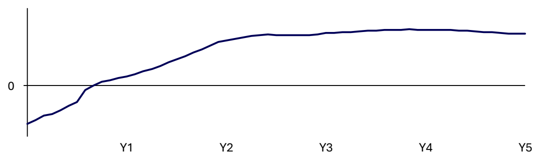
This gives us confidence that the customer growth delivered since 2025 will make a more meaningful contribution to our profitability from 2027.

Vehicle Finance growth to resume from 2027

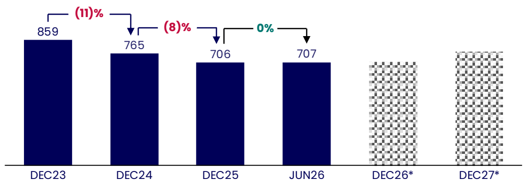
Improved profitability from 2027 post launch of the new onboarding and servicing platform, with new customers becoming profitable within the first year

Cumulative PBT of a typical customer (£)

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



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



* Represents indicative growth

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

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Moving to slide 8 and Vehicle Finance. This product was profitable in the first half and performed in line with our expectations.

Our priority during 2026, as you know, is to complete the build of the new onboarding and servicing technology platform for Vehicle Finance.

We will maintain profitable lending in the meantime.

And balances remained broadly stable, as planned, at £707 million at the end of June.

As previously guided, we will increase balance growth in Vehicle Finance from 2027, supported by the new tech platform. That platform will provide better connectivity with our broker network, enhanced underwriting and pricing, and faster service for brokers and customers.

And these improvements will support higher profitability from 2027.

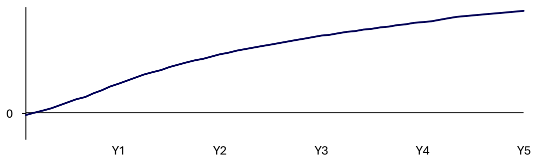
As the slide shows, Vehicle Finance customers become profitable relatively quickly, meaning that the growth we expect to originate from 2027 will begin contributing to earnings within the first year.

Strong 2CM growth continues, though competitor activity increasing

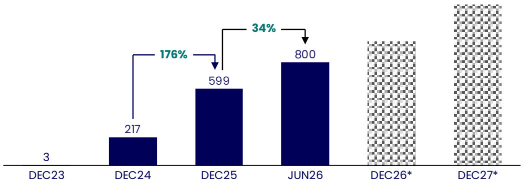
Growth via forward flow partners to continue at a similar rate, driving increased profitability despite competitive pressures, with new customers profitable from month one

Cumulative PBT of a typical customer (£)

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



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



* Represents indicative growth

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

9

If I turn to Second Charge Mortgages on slide 9.

The business continued to deliver strong growth.

Balances increased by 34% during the first half, reaching £800 million, and this growth contributed to increased profitability.

We expect balances here to continue growing at a similar rate, at approximately £30 million per month.

While competitive pressures are resulting in some yield compression, new lending continues to exceed our ROTE hurdle and will support further profit growth.

As the chart shows, Second Charge Mortgages contribute to profitability from the outset, making them an important driver of the Group’s medium term earnings as balances continue to build.

Updated financial guidance for 2026 and 2027

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

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

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

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

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Okay, so, as a result of the second quarter headwinds that we have described, we have updated our financial guidance through to 2027. And you can see this on slide 10.

The guidance assumes that the more cautious spending behaviour seen in the second quarter continues at those current levels, and that balance growth is therefore increasingly driven by new customer acquisition. Doing this does moderate our returns in the near term as I have just shown on the previous slides, but it strengthens the future earnings base as new balances begin to contribute more income.

We continue to expect gross customer interest earning balances to exceed £3.3 billion by the end of 2026 and exceed £3.7 billion by the end of 2027.

Reflecting that lower than expected Credit Card utilisation by existing customers and the greater proportion of newly originated balances, we now expect net interest margin to be approximately 14.5% in 2026 and more than 13% in 2027.

Risk adjusted margin is also expected to exceed 8.5% in 2026 and 8% in 2027.

And it is important to note that our revised margin guidance principally reflects the product and customer mix of our growth, rather than any change in underlying credit quality.

The lower near term income outlook also affects our operating leverage. We therefore expect the cost to income ratio to be in the low 50s in 2026 and the mid to high 40s in 2027, as those recently originated balances mature and contribute more income and further transformation savings are delivered.

Taken together, these factors mean that we now expect statutory return on tangible equity to be single digit in 2026, compared with our previous expectation of low double digits. It is worth noting that the additional IFRS 9 impairment provision alone, accounts for approximately 2.4 percentage points of this change in our ROTE guidance.

This change also reflects the lower, near term, income contribution from existing Credit Card customers and our increased lending to new customers to build future earnings.

We did consider all of the options available to us as these headwinds emerged. Constraining new lending volumes could protect short term profitability, but it would just weaken the future earnings base and limit our ability to deliver sustainable returns over the medium and longer term. We therefore rejected that option.

We now expect the growing earnings contribution from the 2025 and 2026 Credit Card vintages, continued balance growth and further operating efficiencies to support low double digit return on tangible equity in 2027, with mid-teens return on tangible equity now expected in 2028.

On capital, our position remains strong and supports our growth plans. Dave will cover this in more detail shortly.

The Board's confidence in our medium term outlook, together with the strength of our capital position, supports our intention to re-establish a modest dividend with our full year 2026 results, alongside the outline of our wider capital allocation framework and distribution policy.

We will therefore continue to grow this business while delivering the transformation benefits and operating efficiencies needed to materially improve returns in 2027 and achieve mid-teens ROTE in 2028.

That approach is designed to create stronger, more sustainable profitability and long term shareholder value.

Continuing to build a higher quality, more profitable business

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

Confidence in the outlook supported by:

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

11

While the timing of profitability improvement has changed as a result of the headwinds I have described, the fundamentals of our medium term investment case remain intact.

This confidence is underpinned by the points that you can see on slide 11.

We continue to see significant growth potential in the large, underserved UK retail market. Our plans are supported by the completion of our technology transformation in 2026, lower operating costs, increased capital capacity from 2027 and through continued delivery against our balance growth ambitions.

These strengths reinforce our confidence in the strategy and in our ability to build a higher-quality, more profitable business.

Our objective remains clear: to deliver better outcomes for the customers we serve and stronger, more sustainable returns for our shareholders.

With that, I will now pause and hand you over to Dave to run you through the detail of the financials.

1H26 Financial Performance and Guidance Detail

Dave Watts
Chief Financial Officer

Dave Watts, Chief Financial Officer

Thank you, Ian.

1H26 Group performance

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

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

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

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

13

Let me start with a summary of the Group's financial headlines for the first half of 2026, as set out on slide 13.

As Ian highlighted, we generated a profit before tax of £8.9 million, up 44% year-on-year.

Balances grew 8% in the six months to June, and 24% year-on-year. Average balances grew at a similar rate, up 25% year-on-year.

However, the mix of this balance growth, in Credit Cards, and in lower-risk, lower-margin Second Charge Mortgages, has reduced net interest margin to 15%.

Impairment charges increased 35% year-on-year, driven by the growth in balances, and the £8.5 million increase in the IFRS9 provision for macroeconomic uncertainty.

Despite this, impairment charges reduced 2% when compared to the second half of last year, reflecting the stable credit quality of our portfolio.

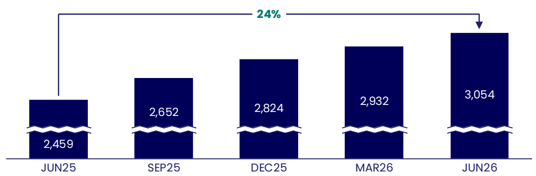
Operating costs decreased 8% year-on-year, generating 16% positive cost-to-income JAWS, and reducing the cost-to-income ratio by 9.4 percentage points to 53.1%.

This delivered a ROTE of 2.5%.

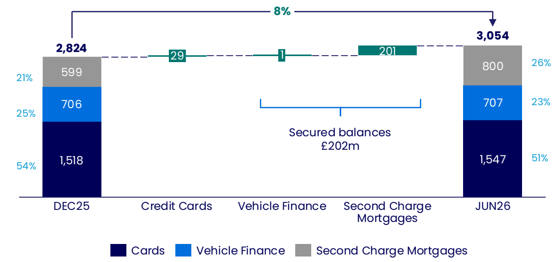
Gross customer interest-earning balances

Strong new customer balance growth in Credit Cards and 2CM

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



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



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

14

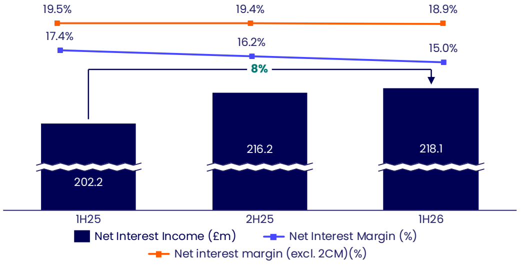
Slide 14 summarises the drivers of our growth in gross customer interest earning balances, which reached over £3 billion at the end of June.

Ian went through the drivers of the balance movements by product earlier, so I will not cover this again.

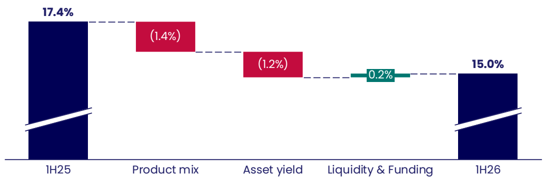
Net Interest Margin

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

Net interest income trend (£m)



NIM drivers (%)[2]



Product mix

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

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

15

Our pricing discipline ensures that all new lending, hurdles our mid-teens ROTE target. However, the mix of growth has had a meaningful impact on NIM, as can be seen on slide 15.

1.4% of the Group NIM reduction was driven by product mix.

Second Charge Mortgages grew from 13% of average balances in 1H25 to 24% of average balances in 1H26, contributing a lower asset yield of 6.8%.

At the same time, the proportion of Credit Card and Vehicle Finance average balances reduced 3%, and 8%, respectively. This has a dilutive effect on NIM, given their asset yields were 25.5% and 17.4% respectively in 1H26.

1.2% of the Group NIM reduction was driven by asset yield.

Credit Card asset yield reduced 2.3% to 25.5%, as growth was skewed towards initially lower yielding new business coupled with a reduction in higher yielding existing customer balances, for the reasons described earlier.

Second Charge Mortgages yield reduced 0.8% to 6.8%, reflecting pricing pressure from increased competition.

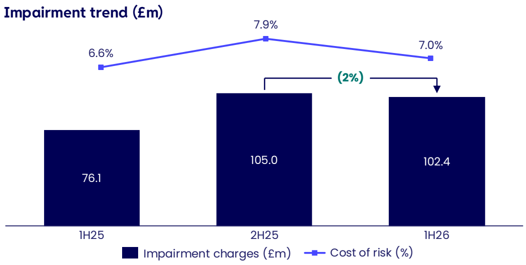
Conversely, Vehicle Finance asset yield increased 0.5% to 17.4%, driven by repricing initiatives.

The combined Credit Card and Vehicle Finance NIM remains strong at 18.9%.

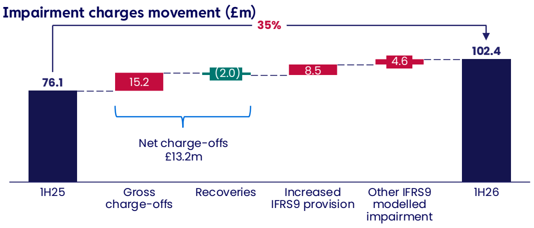
Impairment charges

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

Impairment trend (£m)



Impairment charges movement (£m)



Impairment charges (£m)

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

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

16

Slide 16 summarises the impairment charge which increased 35% year-on-year. However, the charge reduced 2% half-on-half despite an 8% growth in balances.

Group gross charge-offs increased 12%, and within this, Credit Card gross charge-offs increased 17%. This was in line with expectations, given the increase in average balances year-on-year, and the maturity of new customer business written in 2025.

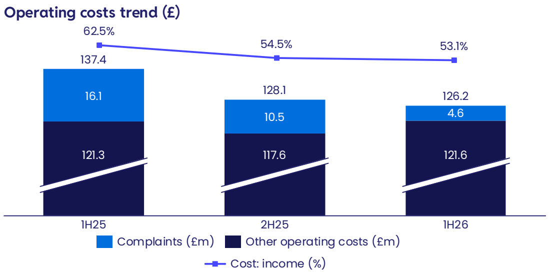
Importantly, the Credit Card gross charge off rate remained stable at 13.7%. This is a key performance indicator which we monitor in our Credit Cards business.

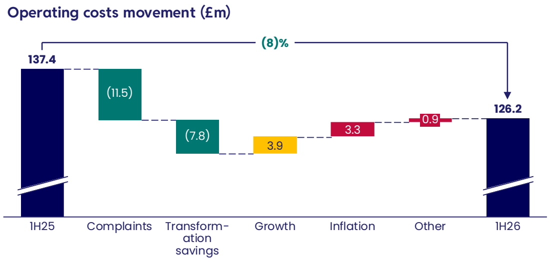
This increase in gross charge-offs, was partly offset by a small reduction in IFRS9 modelled impairment.

In summary, the underlying credit quality of our portfolio remains stable, with a Group cost of risk of 7%.

Operating costs

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





** Does not include outsourced resource.*

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

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

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

17

As shown on Slide 17, total operating costs reduced 8% year-on-year, driven by the £11.5 million reduction in complaint costs. This reduction reflects the positive impact, of the FOS commencing charging CMCs, to submit claims, from 1st April 2025.

Transformation cost savings of £7.8 million has facilitated additional investment for growth in the business and has helped to offset inflation.

This investment includes the expanded use of AI across the business. This will be a key part of continuous IT improvement once the Gateway programme concludes later this year.

This investment will pay back in increased transformation savings, which we now expect to be £30 to £35 million out to 2028, compared to the previous guidance of £23 to £28 million out to 2027.

Investment in Credit Card and Credit Risk expertise drove the 2% increase in headcount.

Product contribution

Improved profitability across all lending products in 1H26

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

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

Slide 18 summarises the segmental performance of the Group by product.

The key message here is that all three lending products were profitable in the first half, with improving operational efficiency.

Credit Cards

Continued profitable growth; margins impacted by the macroeconomic environment

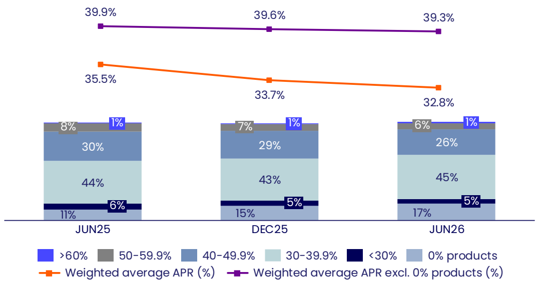
Gross Customer Interest Earning Balances[1]	Asset Yield[10]	Net Interest Margin[2]
£1,547m	25.5%	22.0%
(DEC25: £1,518m) 2% ↑	(1H25: 27.8%) (2.3)% ↓	(1H25: 24.0%) (2.0)% ↓

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

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

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

Portfolio mix (APR %)



- **Gross customer interest-earning balances increased 14% YoY and 2% HoH,** driven by new customer growth, including via 0% BTs and promotional products.
  - Existing customer balances reduced, as customers acted cautiously, by moderating spending given increased macroeconomic uncertainty.
- **Asset yield and NIM reduced (2.3) percentage points and (2.0) percentage points** YoY due to further growth in 0% products driving a reduction in weighted average APR to 32.8% (JUN 25: 35.5%).
  - Weighted average APR excl. 0% products decreased (0.6) percentage points to 39.3%, driven by lower than expected utilisation from existing customers with higher APRs.
- **RAM decreased (3.3) percentage points, including a (1.0) percentage points increase in cost of risk**, at the lower end of the guided range, of 10-13%, despite the increase in the IFRS9 macroeconomic impairment provision.

19

Let me now touch upon the performance of each of the lending products in turn, starting with Credit Cards on Slide 19.

The business delivered a profit before tax of £12.8 million, marginally up year-on-year.

This was driven by the 18% increase in average gross customer interest earning balances, which more than offset the decrease in asset yield and NIM that we have already talked about.

A further increase in 0% balance transfer and promotional products to 17% of the portfolio, driven by the new customer growth, reduced the weighted average APR from 35.5% in June 2025, to 32.8% in June 2026.

The cost of risk was 11% in the first half, at the lower end of the guided range, despite the majority of the increased macroeconomic impairment provision being attributed to Credit Cards.

Vehicle Finance (VF)

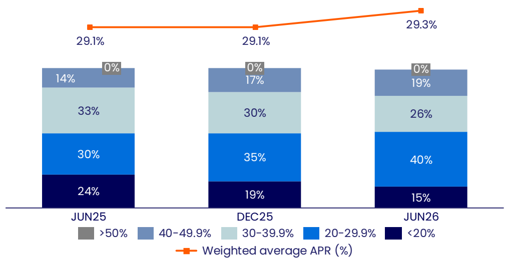
Continued to proactively manage new business growth, while improving product profitability, in advance of the new onboarding and servicing platform being built as part of Gateway

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

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

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

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



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

20

Slide 20 covers Vehicle Finance.

While balances remained stable, repricing initiatives improved the weighted average APR by 20 basis points, to 29.3%.

The 5.1% cost of risk was at the lower end of the guided range.

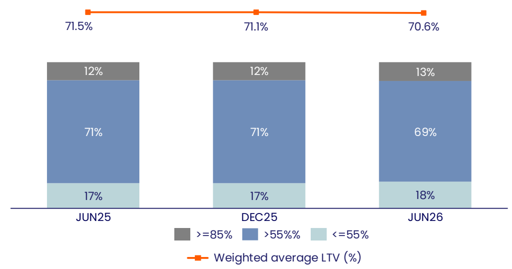
The cost: income ratio improved 12 percentage points to 59%. However, the operational efficiency of the business still needs to improve. This will be delivered by both income growth and cost efficiency, once we are using the new platform across our broker network in 2027. This will enable us to build both scale and to automate processes.

Second Charge Mortgages (2CM)

Continued strong growth in a growing market

Gross Customer Interest Earning Balances[1] £800m (DEC25: £599m) 34%↑	Asset Yield[10] 6.8% (1H25: 7.6%) (0.8)%↓	Net Interest Margin[2] 2.5% (1H25: 3.0%) (0.5)%↓
Cost of Risk[11] (0.2)% (1H25: (0.1)%) (0.1)%↑	Risk Adjusted Margin[3] 2.7% (1H25: 3.0%) (0.3)%↓	Cost: Income Ratio[4] 20.8% (1H25: (42.2)%) (21.4)%↓
Profit Before Tax Contribution £7.1m (1H25: £2.4m) 196%↑	Customers[16] 12.9k (DEC25: 9.9k) 30%↑	Average loan value at origination (£'000) £67.5k (DEC25: £63.4k) 6%↑

Loan to value (LTV) (%)



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

21

As you can see on slide 21, and as Ian has mentioned, Second Charge Mortgages continued their strong growth, with Profit Before Tax increasing to £7.1 million.

The cost of risk remained low at 0.2%, with only one customer having defaulted in the last two years.

Our portfolio has a weighted average Loan to Value, of the combined first and second charge mortgages in the low 70s. This underpins our confidence in guiding to a cost of risk below 1%.

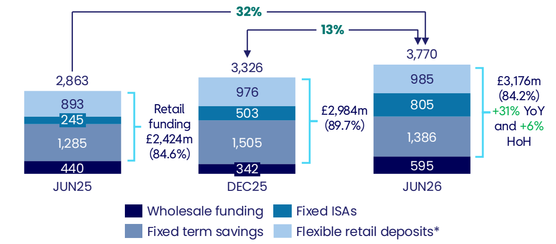
In addition, as the product is secured, the growth is capital efficient, as it attracts a lower risk weighting than Credit Cards and Vehicle Finance.

Liquidity & Funding optimisation

Successful Credit Card ABS issuance while broadening our deposits product range

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

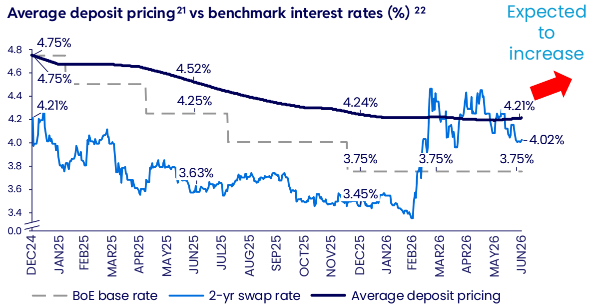
Funding mix[20]



Liquidity

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

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



Funding

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

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

Liquidity and funding remain core strengths, as shown on slide 22.

High Quality Liquid Assets increased 22% in the first half to over £1.2 billion. This was driven by our first Credit Card Asset Backed Security public issuance in June.

We have also been more proactive in the investment of our HQLA, with 34% now invested in higher returning assets, including UK gilts, T-bills and other sovereign equivalent instruments.

The Liquidity Coverage Ratio reduced to 221%, well above the 100% regulatory minimum. This reduction was driven by upcoming fixed-term savings maturities, and increased ISA balances.

Total funding increased 32% year-on-year, and 13% in the first half, reflecting the increased funding requirement for higher lending balances.

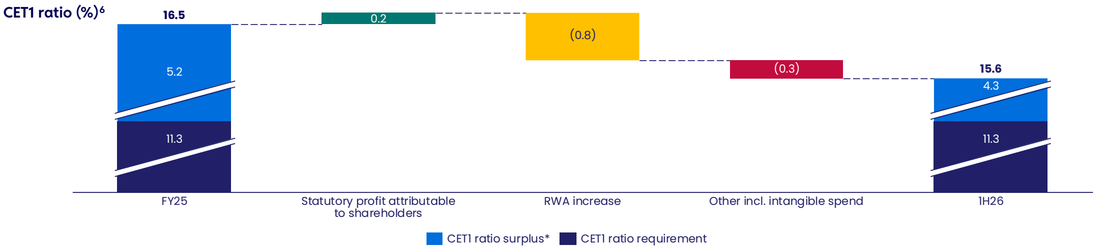
The increase in retail deposits, which represent circa 84% of the Group's funding, was driven by the growth in ISAs, as we broadened the product range.

ISAs are generally 'sticky' balances, which now account for over £1 billion of the nearly £3.2 billion of retail deposits that we now hold.

Average deposit rates reduced year-on-year. However, given the increase in swap rates in recent months, we would expect industry deposit pricing to increase, creating a potential headwind for our future funding costs. We have factored this into our updated guidance.

CET1 capital

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



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

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

23

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

We continued to deploy capital for growth as set out on slide 23.

As expected, the Group's CET1 capital ratio reduced by 90 basis points to 15.6% in the first half. A 9% growth in net receivables translated into £108 million of RWA growth, accounting for 80 basis points of the ratio's reduction.

Continued investment in the technology transformation of the business, via Gateway, drove increased intangible spend, which also consumes capital.

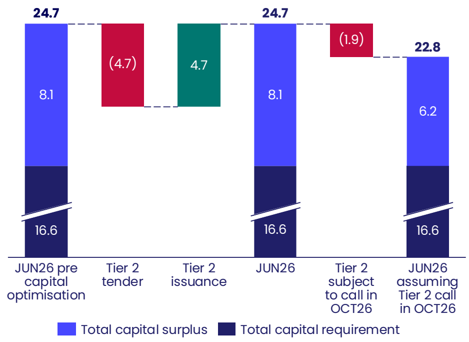
This was partially offset by the £4.4 million of statutory profit.

The Group continues to maintain significant surplus CET1 capital, currently £93 million above the 11.3% disclosed regulatory minimum.

Further capital optimisation

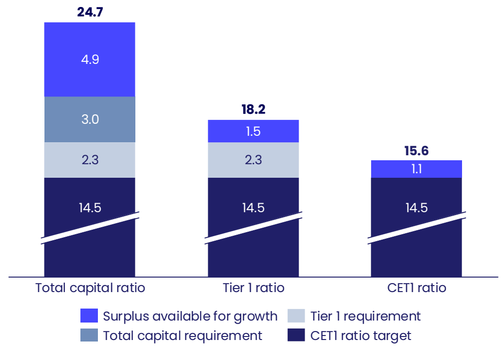
Additional capital stack optimisation following existing Tier 2 tender and new issuance in 2Q26

Total capital ratio (%) [23]



	JUN26 pre capital optimisation	Tier 2 tender	Tier 2 issuance	JUN26	Tier 2 subject to call in OCT26	JUN26 assuming Tier 2 call in OCT26
Total Capital (£m)	539	(100)	100	539	(41.5)	498
RWAs (£m)	2,181			2,181		2,181
Surplus Total Capital (£m)	178			178		136

Capital ratio requirements and surplus capital to target (%)



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

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

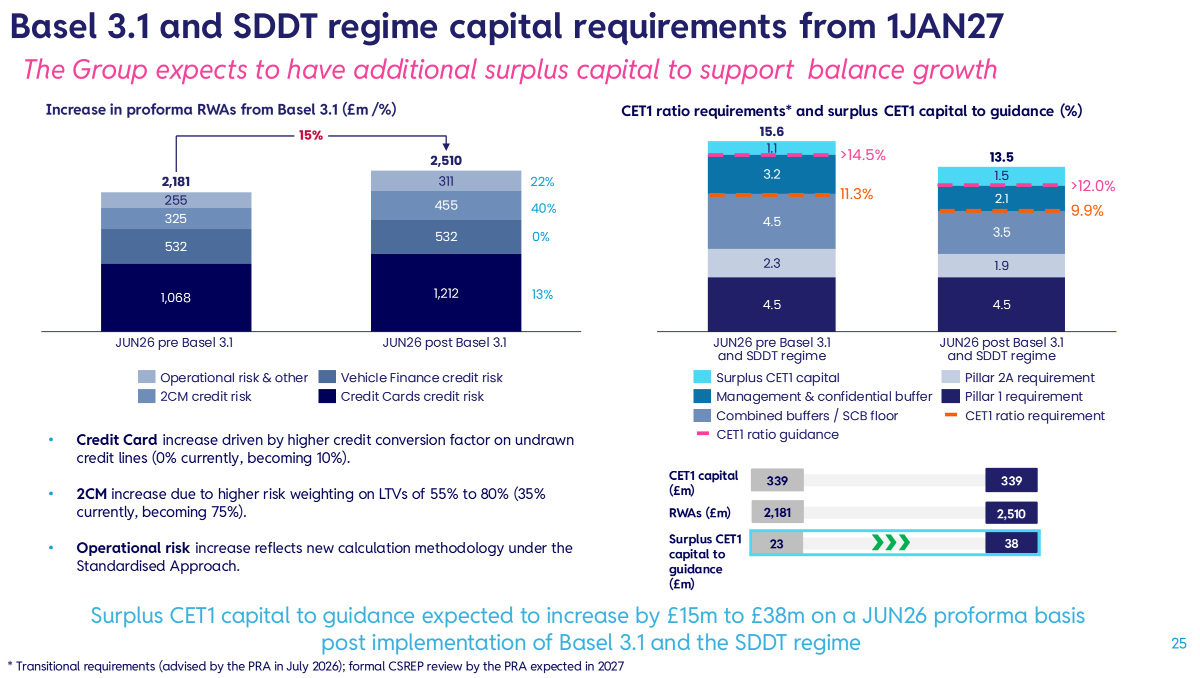
24

We further optimised our capital stack in 2Q26, as set out on slide 24.

We tendered £100 million of outstanding Tier 2 capital, while concurrently issuing the equivalent amount via a new issuance at tighter spreads. This transaction had no impact on the total capital ratio.

However, we have an additional £41.5 million, of the original Tier 2 instrument, which is not effective for capital purposes based on our current business plans. This is subject for call in October of this year, which if called would reduce the total capital ratio by 1.9%.

Importantly, we have surplus capital at each of the CET1, Tier 1 and Total Capital levels to deliver our growth plans.



As you will be aware, the Group will be subject to a new regulatory capital framework from the start of next year, when the Basel 3.1 rules come into effect and the Group adopts the Small Domestic Deposit Takers, or SDDT, regime. The impacts of this regulatory change are set out on slide 25.

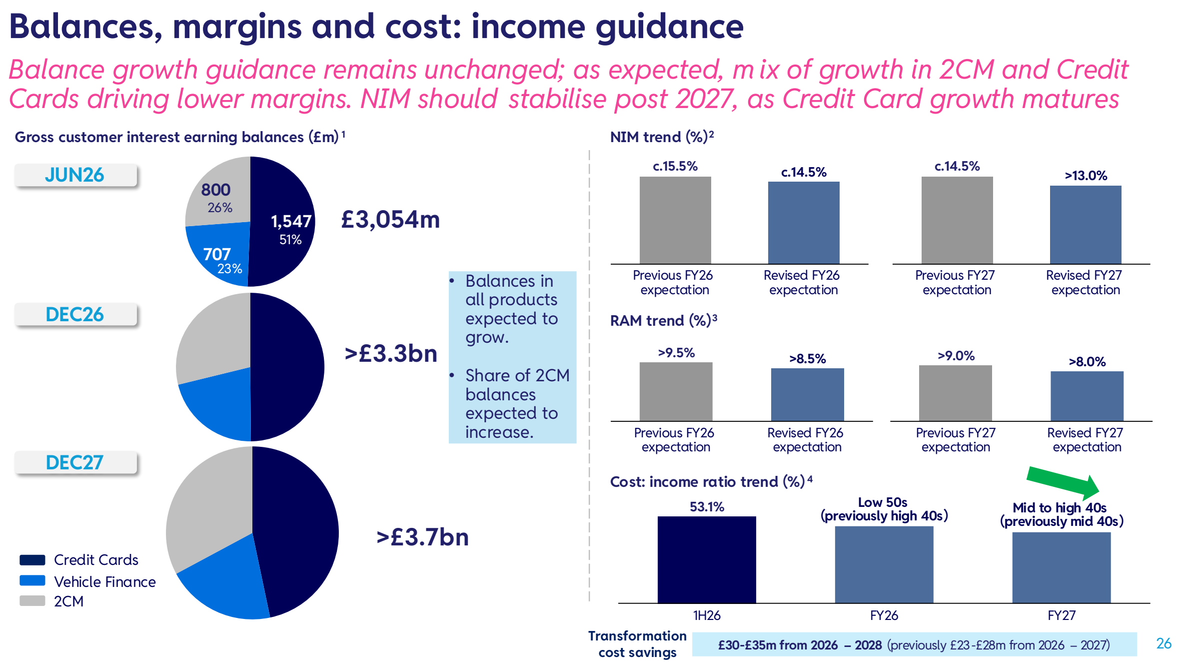
Under Basel 3.1, we expect RWAs to increase by around 15%. This is driven by a 10% risk weighting on undrawn Credit Card balances and an increased risk weighting on higher 'loan to value' Second Charge Mortgages. There is also a new calculation method for Operational Risk that drives RWA inflation.

Importantly, these regulatory changes also drive lower CET1 ratio requirements, with the disclosed requirement reducing from 11.3% to 9.9% on a proforma basis.

These are transitional capital requirements. A formal CSREP review, of our final capital requirements, is expected in 2027.

However, given the clarity now provided by the PRA, the Board are confident to reduce the target CET1 ratio, from 'greater than 14.5%', to 'greater than 12%', from the start of 2027.

This effectively creates £15 million of additional CET1 capital to support our balance growth plans.



Slide 26 provides further detail on the updated financial guidance that Ian summarised earlier.

We remain confident in our balance growth guidance and all products are expected to grow by the end of next year, with the proportion of Second Charge Mortgages continuing to increase.

As previously guided, the continued mix shift towards this lower-risk, lower-margin product is a key driver of our reducing net interest margin guidance.

However, the main reason for the revision downwards from the previous NIM guidance is the source of growth in Credit Cards. We are now assuming that this growth continues to be driven by the initially lower yielding new customer business, rather than higher yielding back-book growth.

This dynamic also drives the reduction in our risk adjusted margin expectations.

Note that our cost of risk guidance for all three lending products, which underpins our Risk Adjusted Margin guidance, remains unchanged.

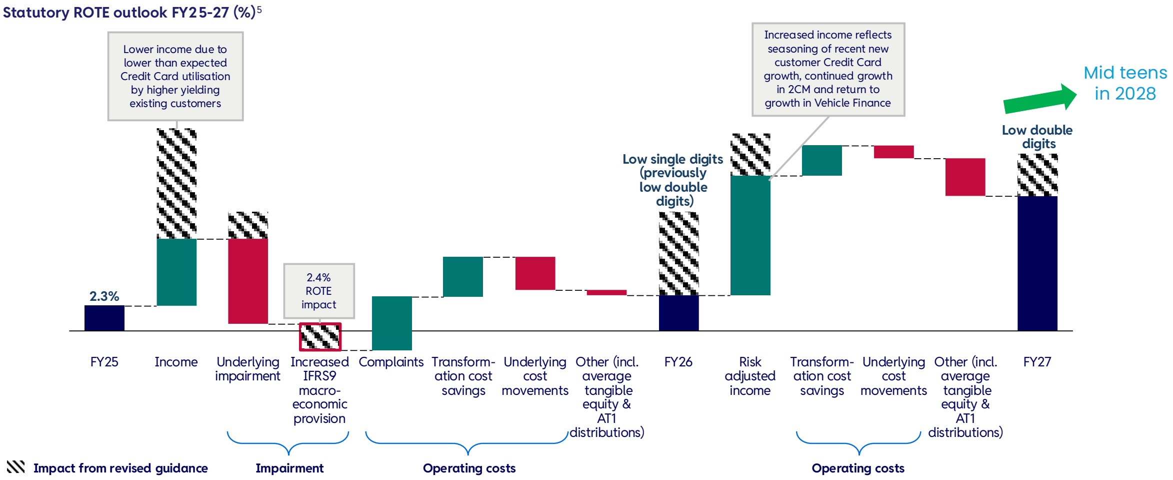
As a result of the reduced income expectation from the lower NIM, we have marginally increased our cost: income ratio guidance.

Note that this reducing trend will be driven by both higher income and lower costs, with the expectation that year-on-year costs will be lower in each of 2026 and 2027.

Statutory ROTE guidance (illustrative walk)

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

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



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

Finally, before I hand you back to Ian, slide 27 lays out an illustrative updated statutory ROTE bridge for 2026 and 2027.

The reduced income expectation in both years is driven by the lower-than-expected Credit Card utilization by higher yielding existing customers.

This drives some off-setting reduction in impairment on back-book Credit Card customers. However, in 2026 this is expected to be broadly offset by the increase in the IFRS9 impairment provision.

The income growth next year, although lower than originally expected, will be driven by maturing new Credit Card customer balances, alongside continued growth in Second Charge Mortgages and Vehicle Finance, which has a faster profitability pay back.

With that, I will hand you back to Ian.

vanquis

Conclusion

Ian McLaughlin

Ian McLaughlin, Chief Executive Officer

Thanks, Dave.

Progress continues despite macroeconomic headwinds

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

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

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

* Assuming no significant deterioration in the UK economy.

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So to conclude, we demonstrated continued progress in the first half although more cautious Credit Card spending than planned for, and the additional IFRS 9 provision on unemployment has affected our near term performance and outlook.

We are having to adapt to those headwinds but must not lose sight of the progress being made:

Our profitability is increasing - our first half PBT exceeding the profit delivered for the whole of 2025.

We grew balances by 8% during the half.

We maintained stable credit quality across the portfolio.

Our net interest margin and risk adjusted margin reflect the changing mix of growth in Second Charge Mortgages and Credit Cards.

And we maintained a clear focus on cost discipline, delivering transformation savings, while continuing to invest in the business and to complete the Gateway technology transformation.

And as Dave just said, our capital, funding and liquidity position also remain strong, providing capacity to support growth.

The headwinds we have described today will slow returns in the near term, assuming they persist. But we have made an active decision to drive more new Credit Card lending to compensate and this will contribute more income over time. Together with continued balance growth and further efficiency benefits, this gives us confidence in a material improvement in profitability from 2027.

That confidence, together with our strong capital position, supports the Board's intention to re-establish a modest dividend with our full year 2026 results, assuming no further significant changes in the UK economy.

In the meantime, we remain focused on delivering our strategy, serving more customers and building a more efficient and sustainably profitable Vanquis.

Thank you.

We will now be happy to take your questions.