**Vanquis Banking Group interim results for the six months ended 30 June 2026**

**This announcement contains inside information.**

London – 30 July 2026 - Vanquis Banking Group plc ('the Group' or 'Vanquis') today published its interim results for the six months to 30 June 2026.

**"Profitable growth continued in the first half. Strong credit quality performance, and technology transformation on track, though macroeconomic uncertainty drives more cautious consumer behaviour"**

**Ian McLaughlin, Chief Executive Officer, commented:** "Vanquis made further significant progress in the first half of 2026, delivering profitable balance growth of 8%, while maintaining credit quality through disciplined underwriting, reflecting the continued financial resilience of our customers. Profit before tax increased 44%, exceeding our profit for all of 2025, despite absorbing a significant increase in macroeconomic impairment provision.

Our transformation reached another important milestone. We successfully migrated all Credit Card customers to our new, award-winning, mobile app. This provides a stronger platform for customer engagement, improved operational efficiency and future scalability. The build of our technology transformation programme, Gateway, remains on track for completion in 2026. We continue to invest in a disciplined way, driving further automation and the expanded use of AI. We now expect to deliver approximately £30-35 million of transformation cost savings, ahead of our previous guidance of £23-28 million.

While new lending volumes remained resilient overall, with particularly strong growth in Second Charge Mortgages, an uncertain macroeconomic backdrop resulted in more cautious consumer behaviour leading to lower than expected spending and utilisation from existing Credit Card customers. This meant a greater proportion of our growth came from new customer acquisition than anticipated, which reduced asset yields in the near term. While uncertain, for now we are assuming this spending caution persists and we therefore intend to continue to drive greater volume of high quality balance growth through new customer acquisition. This will moderate returns in 2026 and 2027, but position the Group for stronger profitability beyond the near term impact. We now expect a low single digit return on tangible equity in 2026, a low double digit return in 2027 and a mid-teens return in 2028.

We remain focused on building scale and creating a higher quality, more profitable business that delivers sustainable long term value for shareholders, achieved while staying true to our purpose of delivering caring banking and serving the borrowing needs of the underserved UK adult population. The Group's capital position and the greater clarity we now have on our regulatory requirements support our growth plans. We remain on track to deliver gross customer interest-earning balances in line with expectations.

Given our 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 full year 2026 results."

## Executive Summary

- **Improved profitability:** The Group delivered a 44% increase in statutory profit before tax from continuing operations of £8.9m (1H25: £6.2m). This exceeded the Group's full-year 2025 profit before tax from continuing operations of £8.3m, despite recognising an £(8.5)m increase in the IFRS9 macroeconomic impairment provision, reflecting a forecast that peak UK unemployment will increase to 5.7% (December 2025 forecast: 5.1%).
- **Continued balance growth:** Gross customer interest-earning balances increased 8% to £3,054m in the six months to June 2026. Growth was driven by Second Charge Mortgages and Credit Cards, while Vehicle Finance balances remained stable ahead of the launch of the new onboarding and servicing platform later this year.
- **Increased net interest income:** A 25% year-on-year increase in average gross customer interest-earning balances drove an 8% increase in net interest income to £218.1m. Net interest margin remained strong at 15.0% (1H25: 17.4%). The reduction reflected the £429m year-on-year growth in lower-risk, lower-margin Second Charge Mortgages, together with lower Credit Card asset yield driven by growth in new customers, including through 0% balance transfers and promotional products, and lower than expected utilisation by existing customers. Excluding Second Charge Mortgages, net interest margin remained resilient at 18.9% (1H25: 19.5%), reflecting improved Vehicle Finance margins.
- **Stable credit quality:** Impairment charges increased 35% year-on-year to £(102.4)m, reflecting balance growth of 24%, but reduced (2)% compared with 2H25, despite the impact of the £(8.5)m IFRS9 macroeconomic impairment provision. Cost of risk remained well controlled at (7.0)% (1H25: (6.6)% and 2H25: (7.9)%). This reflects the stable portfolio quality, with each product performing at the lower end of its guided cost of risk range.
- **Lower operating costs:** Operating costs reduced (8)% to £(126.2)m, driven by £11.5m lower complaint costs, with £7.8m of transformation savings facilitating growth and offsetting inflation related cost increases. The cost: income ratio improved to 53.1% (1H25: 62.5%).
- **Significant operational delivery against priorities:** Successfully migrated all Credit Card customers to the new award-winning mobile app, providing a stronger platform for customer engagement, operational efficiency and future growth. Gateway build remains on track for completion in 2026. The Group is making targeted, disciplined investment to support successful delivery and position the platform for continuous improvement, including further automation and the expanded use of AI. This enhances the Group's future efficiency potential, with overall transformation cost savings now expected to be £30-35m over 2026 to 2028, ahead of previous guidance of £23-28m over 2026 to 2027.
- **Robust liquidity and funding:** Liquidity remained strong, with High Quality Liquid Assets (HQLA) increasing 22% to £1,215m. Retail deposits increased 6% over the six months to £3,176m and represented 84.2% of total funding (December 2025: 89.7%), underpinning a stable funding base that remains a core strength of the Group.
- **Capital supporting growth:** The Common Equity Tier 1 (CET1) ratio was 15.6% at 30 June 2026 (December 2025: 16.5%), providing capacity to support the Group's continued growth ambitions.
    - **Optimised capital structure:** During the second quarter, the Group successfully tendered and refinanced £100m of Tier 2 capital, ensuring adequate surplus CET1, Tier 1 and Total Capital to support future growth.
    - **Increased capital capacity expected from 2027:** Following implementation of Basel 3.1 and the Small Domestic Deposit Takers (SDDT) regime from 1 January 2027, the Group expects to have increased surplus capital, providing additional capacity to support future lending growth.
- **Near term outlook moderated:** Higher new customer growth in Credit Cards resulted in a greater proportion of growth coming from new customer acquisition than anticipated, which is lower yielding in its early years, as new credit card balances start to become profitable after two years. This was combined with lower than expected Credit Card spending and utilisation from existing customers due to a more uncertain macroeconomic backdrop. The Group are assuming this trend persists, and intend to continue to drive greater volumes of high quality balance growth from new customers. While this will moderate returns in 2026 and 2027, it positions the Group for stronger profitability beyond the near term impact. The Group now expects a return on tangible equity of low single digits in 2026, low double digits in 2027 and mid-teens in 2028.
- **Dividend:** 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.

## Group financial results

| Income Statement (£m) | 1H26 | 2H25 | 1H25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Interest income | **297.5** | 292.3 | 274.9 | 2 | 8 |
| Interest expense | **(79.4)** | (76.1) | (72.7) | 4 | 9 |
| **Net interest income** | **218.1** | 216.2 | 202.2 | 1 | 8 |
| Non-interest income | **19.4** | 19.0 | 17.5 | 2 | 11 |
| **Total income** | **237.5** | 235.2 | 219.7 | 1 | 8 |
| Impairment charges | **(102.4)** | (105.0) | (76.1) | (2) | 35 |
| **Risk-adjusted income** | **135.1** | 130.2 | 143.6 | 4 | (6) |
| Operating costs | **(126.2)** | (128.1) | (137.4) | (1) | (8) |
| **Profit before tax from continuing operations** | **8.9** | 2.1 | 6.2 | 324 | 44 |
| Tax (charge)/credit | **(1.2)** | 1.0 | (1.3) | (220) | (8) |
| **Profit after tax from continuing operations** | **7.7** | 3.1 | 4.9 | 148 | 57 |
| Profit after tax from discontinued operations | **–** | – | 0.7 | – | (100) |
| **Statutory profit after tax** | **7.7** | 3.1 | 5.6 | 148 | 38 |
| AT1 distributions (gross of tax) | **(3.3)** | (0.5) | – | 560 | – |
| **Statutory profit attributable to shareholders** | **4.4** | 2.6 | 5.6 | 69 | (21) |

| Balance Sheet (£m) | Jun-26 | Dec-25 | Jun-25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Gross customer interest-earning balances | **3,054** | 2,824 | 2,459 | 8 | 24 |
| Average gross customer interest-earning balances | **2,933** | 2,647 | 2,339 | 11 | 25 |
| Gross receivables | **3,176** | 2,935 | 2,570 | 8 | 24 |
| Net receivables | **2,932** | 2,691 | 2,325 | 9 | 26 |
| Average retail deposits | **3,091** | 2,781 | 2,447 | 11 | 26 |
| Closing tangible net asset value (TNAV)[9] | **357** | 358 | 362 | – | (1) |
| Average tangible equity[7] | **356** | 360 | 361 | (1) | (1) |

| Selected key metrics (%) | 1H26 | 2H25 | 1H25 | HoH Change | YoY Change |
|---|---|---|---|---|---|
| Asset yield[1] | **19.1** | 20.3 | 21.8 | (1.2) | (2.7) |
| Net interest margin (NIM)[2] | **15.0** | 16.2 | 17.4 | (1.2) | (2.4) |
| Total income margin (TIM)[3] | **16.3** | 17.6 | 18.9 | (1.3) | (2.6) |
| Cost of risk[4] | **(7.0)** | (7.9) | (6.6) | 0.9 | (0.4) |
| Risk-adjusted margin (RAM)[5] | **9.3** | 9.8 | 12.4 | (0.5) | (3.1) |
| Cost: income ratio[6] | **53.1** | 54.5 | 62.5 | (1.4) | (9.4) |
| Statutory ROTE[7] | **2.5** | 1.7 | 3.1 | 0.8 | (0.6) |

| Selected per share metrics (p) | | | | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Basic earnings per share (EPS)[8] | **1.8** | 1.0 | 2.2 | 80 | (18) |
| Dividend per share | **–** | – | – | – | – |
| TNAV per share[9] | **143** | 143 | 142 | – | 1 |

| Notable items (£m) | Account line | Jun-26 | Dec-25 | Jun-25 |
|---|---|---|---|---|
| Provision for motor finance provision | Operating costs | – | (3.0) | – |
| **Total notable items** | | **–** | **(3.0)** | **–** |

## 1H26 Financial Highlights

### Income Statement

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

### Income

- **Total income increased 8% to £237.5m and net interest income increased 8% to £218.1m**, reflecting balance growth, although the mix of growth in Credit Cards and Second Charge Mortgages impacted asset yield and NIM.
    - **Interest income increased 8% to £297.5m**, driven by a 25% increase in average gross customer interest-earning balances to £2,933m offset by the mix effect of growing lower-risk, lower-margin Second Charge Mortgages and lower asset yield in Credit Cards.
        - **Asset yield decreased (2.7) percentage points to 19.1%**, reflecting the mix effect from the lower Second Charge Mortgage yield and lower Credit Cards yield.
            - Credit Cards yield reduced (2.3) percentage points to 25.5%, reflecting 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.
            - Second Charge Mortgages asset yield decreased (0.8) percentage points to 6.8%, reflecting pricing pressure from increased competition.
            - Vehicle Finance asset yield improved 0.5 percentage points to 17.4% due to repricing initiatives.
- **Interest expense increased 9% to £(79.4)m**, reflecting the increased funding requirement to support lending growth and a resulting increase in retail deposits. Average retail deposits increased 26% to £3,091m**.** Average deposit rates reduced year-on-year, driven by the lower Bank of England (BoE) base rate. However, given the increase in swap rates in 2Q26, this is expected to increase going forward.
- **NIM reduced to 15.0% (1H25: 17.4%).** Excluding Second Charge Mortgages, NIM reduced marginally to 18.9% (1H25: 19.5%).
- **Non-interest income increased 11% to £19.4m**, reflecting higher fee and commission income on greater balances.

### Impairment

- **Impairment charges increased 35% to £(102.4)m**, driven by the growth in gross customer interest earning balances and an £(8.5)m increase in the IFRS9 provision for macroeconomic uncertainty driven by the expectation peak UK unemployment increases to 5.7%. Credit quality of the portfolio remained stable, with the cost of risk across products at the lower end of guided ranges.
    - **Gross charge-offs increased 12% to £(137.3)m**, in line with expectations, reflecting the maturity of balance growth in 2025.
    - **Net charge-offs post recoveries, increased 14% to £(106.7)m.**
    - IFRS9 modelled impairment[10] resulted in a net reduction in impairment of £4.3m (1H25: £17.4m), partially offsetting the increase in net charge-offs and included the £(8.5)m IFRS9 macroeconomic provision.
    - **Cost of risk increased (0.4) percentage points to (7.0)% reflecting the increased IFRS9 macroeconomic provision.**
        - Credit Cards cost of risk was (11.0)% (1H25: (10.0)%), at the lower end of FY26 guidance of (10.0) to (13.0)%.
        - Vehicle Finance cost of risk was (5.1)% (1H25: (3.4)%), at the lower end of FY26 guidance of (5.0) to (7.0)%.
        - Second Charge Mortgages cost of risk was (0.2)% (1H25: (0.1)%), at the lower end of FY26 guidance of less than (1.0)%.

- **Risk adjusted income reduced (6)% to £135.1m, with risk adjusted margin reducing (3.1) percentage points to 9.3%.**

### Operating costs

- **Operating costs decreased (8)% to £(126.2)m**, driven by £11.5m lower complaint costs, with continued transformation savings of £7.8m 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 program to ensure the platform supports the next phase of continuous IT improvement, including the expanded use of AI. This will result in increased savings in the coming years.
- Investment was also made to improve Credit Card and Credit Risk capabilities.

### Profits

- **Profit before tax from continuing operations increased 44% to £8.9m.**
- **The tax charge of £(1.2)m** (1H25: £(1.3)m) broadly reflected the mainstream UK corporation tax rate of 25.0% on the profit before tax from continuing operations, partially offset by the tax credit on AT1 distributions.
- **Statutory profit after tax from continuing operations increased 57% to £7.7m.**
- **Statutory profit attributable to shareholders reduced (21)% to £4.4m**, reflecting Additional Tier 1 (AT1) distributions gross of tax of £(3.3)m (1H25: nil) following the AT1 capital issuance in 2H25.
- **ROTE reduced to 2.5% (1H25: 3.1%).**

### Balance Sheet

| £m | Jun-26 | Dec-25 | Jun-25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | **859** | 805 | 805 | 7 | 7 |
| Investment securities | **404** | 255 | 117 | 58 | 245 |
| Amounts receivable from customers (net receivables)[11] | **2,932** | 2,692 | 2,325 | 9 | 26 |
| Pension asset | **10** | 6 | 13 | 67 | (23) |
| Goodwill and other intangibles | **71** | 66 | 64 | 8 | 11 |
| Other assets | **121** | 118 | 123 | 3 | (2) |
| Total assets | **4,397** | 3,942 | 3,447 | 12 | 28 |
| **Liabilities** | | | | | |
| Retail deposits | **3,219** | 3,020 | 2,464 | 7 | 31 |
| Bank and other borrowings[12] | **595** | 348 | 448 | 71 | 33 |
| Trade and other payables | **51** | 52 | 56 | (2) | (9) |
| Other liabilities | **37** | 34 | 44 | 9 | (16) |
| Total liabilities | **3,902** | 3,454 | 3,012 | 13 | 30 |

All commentary is relative to the December 2025 balance sheet, unless otherwise stated.

- **Total assets increased 12% to £4,397m**, driven by the 9% increase in net receivables and a 58% increase in investment securities.
  - **Cash and balances at central banks increased 7% to £859m**, reflecting increased cash placed with the BoE and driven by the 22% increase in HQLA following the Credit Card securitisation completed in June 2026.
  - **Investment securities increased 58% to £404m**, due to increased purchases of higher yielding securities, as part of the strategy to diversify the Group's HQLA beyond BoE deposits.

- **Net receivables increased 9% to £2,932m**, driven by growth in gross customer interest-earning balances. Despite the growth in balances, expected credit losses (ECL) remained stable at £(243)m (December 2025: £(244)m), reflecting the stable credit quality of the portfolio.
- **Gross customer interest-earning balances increased 8% to £3,054m**, comprising:
  - **Credit Cards**: Balances increased 2% to £1,547m (December 2025: £1,518m), driven by new customer growth, including via 0% BTs and promotional products. This growth was despite a more uncertain macroeconomic backdrop, which resulted in existing customers acting cautiously by moderating spending.
  - **Vehicle Finance**: Balances were stable at £707m (December 2025: £706m), 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 to £800m (December 2025: £599m), driven by long term forward flow origination agreements with partners.

- **Liabilities increased 13% to £3,902m**, as retail deposits, inclusive of accrued interest, increased 7% to £3,219m, reflecting the increased funding requirement for higher balances. This increase included continued optimisation of the retail funding mix through a broader product range, including Individual Savings Accounts (ISAs).
  - **Bank and other borrowings increased 71% to £595m** driven by the public issuance of £268m of Credit Card Asset Backed Securities (ABS), partially offset by the redemption of £40m of Vehicle Finance ABS. These securitisation programmes provide contingent liquidity and funding for the Group.

## Capital, Liquidity and Funding

| | **Jun-26** | Dec-25 | Jun-25 | HoH Change | YoY Change |
|---|---|---|---|---|---|
| CET1 ratio (%)[13] | **15.6** | 16.5 | 18.5 | (0.9) | (2.9) |
| Risk weighted assets (RWAs) (£m) | **2,181** | 2,073 | 1,883 | 5% | 16% |
| High quality liquid assets (HQLA) (£m) | **1,215** | 998 | 873 | 22% | 39% |
| Liquidity coverage ratio (LCR) (%) | **221** | 306 | 366 | (85) | (145) |
| Retail deposits (£m) | **3,176** | 2,984 | 2,424 | 6% | 31% |
| Retail funding (% of all funding) | **84.2** | 89.7 | 84.6 | (5.5) | (0.4) |

All commentary is relative to the December 2025 capital liquidity and funding positions, unless otherwise stated.

## Capital

- **The CET1 ratio reduced (0.9) percentage points to 15.6%.**
  - CET1 capital reduced slightly to £339m (December 2025: £341m), reflecting the statutory profit attributable to shareholders of £4.4m, resulting in 0.2 percentage points of CET1 ratio accretion and investment driving increased intangibles spend of £(7.0)m, reducing the ratio by (0.3) percentage points.
  - Capital deployment for growth, driving a 5% increase in RWAs to £2,181m, reduced the ratio by (0.8) percentage points.
  - Surplus CET1 capital above the Group's disclosed CET1 capital requirement and regulatory combined buffers of 11.3% was £93m (December 2025: £107m).
- **The Tier 1 ratio reduced (1.1) percentage points to 18.2% and the total capital ratio reduced (1.4) percentage points to 24.7%**, reflecting the movement in the CET1 ratio.
  - The Group successfully tendered and re-issued £100m of Tier 2 capital in 2Q26, which means Vanquis now has adequate surplus CET1, Tier 1 and total capital to deliver on its growth plans in the coming years.
  - £41.5m of the original Tier 2 instrument remains outstanding, which is callable in October 2026.
- **The leverage ratio was 10.7%** (December 2025: 12.1%), remaining comfortably above the minimum requirement.

### Liquidity

- **HQLA increased 22% to £1,215m,** driven by the public issuance of £268m of Credit Card ABS in June 2026. £804m was held in the BoE reserve account, with the remaining £411m invested in higher returning assets, including UK gilts, Treasury bills and other Sovereigns, Supranationals and Agencies (SSAs). This resulted in excess liquidity over the LCR 100% minimum of £648m (December 2025: £653m), reflecting an LCR of 221% (December 2025: 306%).

### Funding

- **Retail deposits increased 6% to £3,176m**, delivering funding at an attractive cost of funds compared to wholesale alternatives.
    - The Group remains primarily funded by retail deposits, representing 84.2% (December 2025: 89.7%) of total funding including Tier 2 capital.
    - Within the retail deposit base, 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.
- Funding diversification improved following the issuance of £268m of Credit Card ABS in June 2026, partially offset by the reduction of Vehicle Finance ABS by £40m to £160m. Additional funding is provided by Tier 2 capital and access to Central Bank facilities.

## Outlook and Guidance

- Based on current macroeconomic assumptions, the Group expects:
    - **Gross customer interest earning balances to exceed £3.3bn at the end of 2026 and £3.7bn by the end of 2027**. This assumes continued strong, but still disciplined, new business growth in Credit Cards and Second Charge Mortgages in the second half of 2026 and through 2027, and Vehicle Finance performance benefiting from the launch of the new onboarding and servicing platform from 2027.
    - **NIM to be approximately 14.5% in 2026 and exceed 13.0% in 2027, with RAM expected to exceed 8.5% in 2026 and 8.0% in 2027**. This reflects the revised mix of Credit Card growth resulting in lower asset yields in Credit Cards, lower yields on Second Charge Mortgages given competitive pressures and higher funding costs.
    - **A reducing trend in operating costs in both 2026 and 2027**, despite targeted additional investment in the Gateway programme, including to support the expanded use of AI. The Group now expects to deliver **overall transformation cost savings of £30-35m over 2026 to 2028**, ahead of previous guidance of £23m to £28m over 2026 to 2027.
    - Its **cost:income ratio to reduce to the low 50% range in FY26 and the mid-to-high 40% range in 2027**.
    - **A low single digit RoTE in 2026, low double digit RoTE in 2027 and mid-teens RoTE in 2028.** This reflects the revised mix of Credit Card balance growth into the second half of 2026 and through 2027, with the benefits of recent new customer growth expected to be more fully reflected from 2027. It also reflects a disciplined approach to growth and capital deployment, prioritising sustainable returns over the timing of delivery.
    - Its **CET1 ratio to remain above 14.5% in 2026**, providing capital capacity to support disciplined growth in the second half of the year. Following the implementation of Basel 3.1 and the SDDT regime from 1 January 2027, Group RWAs are expected to increase by approximately 15% on a June 2026 pro forma basis. However, given the expected change in capital requirements, the Group is now guiding to a **CET1 ratio of greater than 12.0% in 2027.** This should result in increased surplus capital, providing additional capacity to support future lending growth.

| | 2026 Statutory Guidance | 2027 Statutory Guidance |
|---|---|---|
| Gross customer interest-earning balances | >£3.3bn (unchanged) | >£3.7bn (unchanged) |
| NIM | c.14.5% (c.15.5% previously) | >13.0% (c.14.5% previously) |
| RAM | >8.5% (>9.5% previously) | >8.0% (>9.0% previously) |
| Cost: income ratio | Low 50s (high 40s previously) | Mid to high 40s (mid 40s previously) |
| ROTE | Low single digits (low double digits previously) | Low double digits (mid-teens now expected in 2028) |
| CET1 ratio | >14.5% (unchanged) | >12% post Basel 3.1 and SDDT regime implementation from 1 January 2027 |

- Management and the Board remain confident in the medium term outlook for the business. This is underpinned by the growth opportunity within the large and underserved target addressable market.
  - The profitability improvement from the recent growth in Credit Cards is expected to be realised more fully from 2027 and beyond.
  - Vehicle Finance is expected to return to growth in 2027, following the completion of the new technology platform build via Gateway in 2026.
  - The growth opportunity within the growing Second Charge Mortgage market remains attractive.
  - The Group also expects to realise further operational efficiencies and cost savings beyond 2027 as the benefits of its transformation programme continue to be delivered.
- The Group's outlook is supported by resilient credit performance, strong capital, liquidity and funding, continued technology transformation, and a clear focus on building a higher quality, more scalable and more profitable business.

## Capital Management and Dividend

- With the priority in 2026 remaining capital deployment to support balance growth, the Board has decided not to declare a dividend for 1H26 (1H25: no dividend), as previously guided.
- 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.
- The Board intends to reset the capital allocation framework and distribution policy following full delivery of the strategy in 2026.

## 1H26 Operational Highlights - Serve More, Serve Responsibly, Scale Profitably

The Group continued to make progress against its strategy to Serve More, Serve Responsibly and Scale Profitably, supported by balance growth, product development, digital transformation and continued investment in the customer proposition. This was recognised as part of the Euromoney Awards for Excellence where Vanquis won awards for both Europe's Best Bank Transformation and United Kingdom's Best for Consumer Lending.

**Serve More**

- **Credit Cards:** The business continued to strengthen the customer proposition through the new Vanquis app. This included:
  - Behaviour linked prize draws, which over 700k customers engaged with.
  - The launch of Vanquis Rewards, where over 250k customers have registered and over £100k cashback has been awarded.

  - Developing instalment lending alternatives and a Prime Upgrade proposition to existing customers, to retain high quality customers as they build financial resilience.
- **Vehicle Finance:** Additional pricing points introduced, helping more customers receive a rate that accurately reflects their circumstances. Moneybarn also won the Company Award for Diversity & Inclusion at the Car Finance Awards 2026, recognising its inclusive products and accessible communications that support better outcomes for customers.
- **Second Charge Mortgages:** Customers increased 30% to 12.9k, reflecting strong growth via forward flow partners.
- **Snoop:** Active users increased by 7% to 335k year-on-year, including 44k Vanquis customers.
- **Savings:** Snoop launched a new Savings dashboard, helping customers track balances, activity and savings goals over time, supporting engagement and financial resilience.

**Serve Responsibly**

- **Customer satisfaction:** The Group's UK Customer Satisfaction Index score has increased to 83.2, relative to an industry benchmark of 82.0. The result shows strong performance across our products and customer satisfaction measures.
- **Customer experience:** The Group received ServiceMark accreditation from the Institute of Customer Service, reflecting progress in customer experience and service quality. The new customer service platform is enabling faster, more personalised support.
- **Accessibility and inclusion:** The new Vanquis app has been designed to improve customer experience, increase self-service adoption and reduce customer effort, while strengthening accessibility through improved navigation, clearer journeys and enhanced functionality.
- **Customer support:** Launched a new credit card repayment calculator, helping customers understand how changes to their monthly payments can help clear balances sooner. The tool also signposts financial support options, providing practical help for people who may need additional support.
- **Fair Finance:** The decline referral programme continued to support "Not Yet" customers. The partnership helps customers access affordable credit and has identified more than £57m in annualised unclaimed government benefits for over 35k customers since January 2025.

**Scale Profitably**

- **New Vanquis app:** Migrated all Credit Card customers to the new app, marking a major milestone in the Group's digital transformation. The app replaces legacy infrastructure with a modern, scalable platform designed to increase self-service, reduce servicing friction and support lower cost to serve over time. It is the primary digital channel for customer relationships, connecting servicing, rewards, fraud protection, in-app agentic chat and future money management capabilities.
- **New onboarding journey:** Launched a new credit card onboarding journey as part of the Gateway technology transformation, combining a simpler and more accessible customer experience with modern decisioning, enhanced fraud controls and improved data insight. The new journey enables instant spend, access to the Vanquis app and enables a scalable foundation for future product launches, including Vehicle Finance.
- **AI and automation:** AI is becoming an important enabler of the Group's strategy, with activity focused on colleague tools, AI supported customer service pilots, machine learning in analytics and decisioning, and customer facing capabilities through Snoop. An example is the recent launch of the Group's first customer facing Agentic AI tool to help manage customer queries through the new app. The Group's approach remains focused and responsible, with governance and human oversight central to delivery.

## Update on External Factors

- Vanquis did not participate in DCAs and did not operate tied selling arrangements. Therefore, the Group is not in scope for these elements of the possible FCA motor finance compensation schemes.
- The FCA has published two industry-wide schemes. Vanquis is only exposed to potential redress under Scheme 2, which covers agreements entered into between 1 April 2014 and 1 November 2024.
- The Group has 4,338 credit agreements where commissions paid were above 39% of the total charge for credit and 10% of the total amount of credit.
- The Group recognised provision of £3.0m in respect of this matter in 3Q25, which has been reviewed and remains unchanged.

- While the implementation of the scheme is uncertain due to legal challenges from other interested parties, Vanquis remains committed to ensuring customers receive appropriate redress where detriment has occurred. In the meantime, the Group is working through the elements of the scheme not subject to the pause and will begin contacting customers who are not due redress shortly.
- Of the related complaints received to date, 97% have been from CMCs, and of the 4,338 credit agreements potentially in scope for the scheme, less than 30% of these customers have complained.

**Results webcast**

Ian McLaughlin, CEO, and Dave Watts, CFO, will host a results webcast at 08:30 today. To register your attendance, please use this link: https://webcast.openbriefing.com/vanquis-1h26/

To register your attendance for the conference call, please use this link: https://www.netroadshow.com/events/login/1PeTHmoj9tWqK66dS8LzDs5LKPgi65hgA2O14

Materials for the results presentation have been published at: Results, Reports and Presentations | Vanquis

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## Footnotes

1. *Asset yield is calculated as interest income received from customers for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.*
2. *Net interest margin is calculated as interest income less interest expense for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.*
3. *Total income margin is calculated as total income for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.*
4. *Cost of risk is calculated as impairment charges for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.*
5. *Risk-adjusted margin is defined as risk-adjusted income for the period as a percentage of average gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.*
6. *Cost: income ratio is calculated as operating costs as a percentage of total income for the 6 months ended 30 June and 31 December.*
7. *ROTE is calculated as annualised statutory profit attributable to shareholders for the 6 months ended 30 June and 31 December as a percentage of average tangible equity for the 6 months ended 30 June and 31 December. Tangible equity is stated as equity after deducting average AT1 notes, the Group's pension asset, net of deferred tax, less intangible assets and goodwill.*
8. *Basic earnings per share is calculated as statutory profit after tax for the 6 months ended 30 June and 31 December, divided by the weighted average number of shares outstanding less the weighted average number of shares held by the Employee Benefit Trust.*
9. *TNAV per share is calculated as closing tangible net asset value, divided by the period end number of shares in issue, less shares held by the Employee Benefit Trust. Tangible net asset value is stated as equity after deducting the Group's pension asset, net of deferred tax, intangible assets and goodwill and AT1 notes.*
10. *IFRS9 modelled impairment represents net risk movements from stage migrations and changes in post model adjustments (PMAs).*
11. *Amounts receivable from customers are presented net of £(1.0)m (December 2025: £0.2m) fair value adjustment for portfolio hedged risk. Underlying net receivables were £2,933m (December 2025: £2,691m).*
12. *Bank and other borrowings are presented net of £1.2m (December 2025: £(0.2)m) fair value adjustment for hedged risk. Underlying bank and other borrowings were £594m (December 2025: £348m).*
13. *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.*

## 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

| **1H26 £m** | **Credit Cards** | **Vehicle Finance** | **Second Charge Mortgages** | **Corporate Centre** | **Total** |
|---|---|---|---|---|---|
| Interest income | **194.1** | **61.3** | **23.1** | **19.0** | **297.5** |
| Interest expense | **(27.1)** | **(13.1)** | **(14.6)** | **(24.6)** | **(79.4)** |
| **Net interest income** | **167.0** | **48.2** | **8.5** | **(5.6)** | **218.1** |
| Non-interest income | **17.4** | **–** | **1.2** | **0.8** | **19.4** |
| **Total income** | **184.4** | **48.2** | **9.7** | **(4.8)** | **237.5** |
| Impairment charges | **(83.7)** | **(18.1)** | **(0.6)** | **–** | **(102.4)** |
| **Risk-adjusted income** | **100.7** | **30.1** | **9.1** | **(4.8)** | **135.1** |
| Operating costs | **(87.9)** | **(28.4)** | **(2.0)** | **(7.9)** | **(126.2)** |
| **Profit/(loss) before tax from continuing operations** | **12.8** | **1.7** | **7.1** | **(12.7)** | **8.9** |

| 2H25 £m | Credit Cards | Vehicle Finance | Second Charge Mortgages | Corporate Centre | Total |
|---|---|---|---|---|---|
| Interest income | 191.8 | 61.0 | 17.4 | 22.1 | 292.3 |
| Interest expense | (26.9) | (13.9) | (11.1) | (24.2) | (76.1) |
| **Net interest income** | 164.9 | 47.1 | 6.3 | (2.1) | 216.2 |
| Non-interest income | 17.3 | – | 0.8 | 0.9 | 19.0 |
| **Total income** | 182.2 | 47.1 | 7.1 | (1.2) | 235.2 |
| Impairment charges | (75.6) | (28.8) | (0.5) | (0.1) | (105.0) |
| **Risk-adjusted income** | 106.6 | 18.3 | 6.6 | (1.3) | 130.2 |
| Operating costs | (81.0) | (32.4) | (3.6) | (11.1) | (128.1) |
| **Profit/(loss) before tax from continuing operations** | 25.6 | (14.1) | 3.0 | (12.4) | 2.1 |

| 1H25 £m | Credit Cards | Vehicle Finance | Second Charge Mortgages | Corporate Centre | Total |
|---|---|---|---|---|---|
| Interest income | 179.0 | 62.9 | 11.0 | 22.0 | 274.9 |
| Interest expense | (24.7) | (14.3) | (6.7) | (27.0) | (72.7) |
| **Net interest income** | 154.3 | 48.6 | 4.3 | (5.0) | 202.2 |
| Non-interest income | 16.0 | – | 0.2 | 1.3 | 17.5 |
| **Total income** | 170.3 | 48.6 | 4.5 | (3.7) | 219.7 |
| Impairment charges | (64.0) | (12.7) | (0.2) | 0.8 | (76.1) |
| **Risk-adjusted income** | 106.3 | 35.9 | 4.3 | (2.9) | 143.6 |
| Operating costs | (93.7) | (34.5) | (1.9) | (7.3) | (137.4) |
| **Profit/(loss) before tax from continuing operations** | 12.6 | 1.4 | 2.4 | (10.2) | 6.2 |

## Credit Cards – Continued profitable growth; margins impacted by the macroeconomic environment

| Six months ended (£m) | **Jun-26** | Dec-25 | Jun-25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Total customer numbers ('000) | **1,354** | 1,339 | 1,290 | 1 | 5 |
| Gross customer interest-earning balances | **1,547** | 1,518 | 1,355 | 2 | 14 |
| Average gross customer interest-earning balances[1] | **1,534** | 1,437 | 1,296 | 7 | 18 |
| Gross receivables | **1,587** | 1,554 | 1,390 | 2 | 14 |
| Net receivables | **1,414** | 1,384 | 1,232 | 2 | 15 |
| | | | | | |
| Interest income | **194.1** | 191.8 | 179.0 | 1 | 8 |
| Interest expense | **(27.1)** | (26.9) | (24.7) | 1 | 10 |
| **Net interest income** | **167.0** | 164.9 | 154.3 | 1 | 8 |
| Non-interest income | **17.4** | 17.3 | 16.0 | 1 | 9 |
| **Total income** | **184.4** | 182.2 | 170.3 | 1 | 8 |
| Impairment charges | **(83.7)** | (75.6) | (64.0) | 11 | 31 |
| **Risk adjusted income** | **100.7** | 106.6 | 106.3 | (6) | (5) |
| Operating costs | **(87.9)** | (81.0) | (93.7) | 9 | (6) |
| **Profit before tax contribution** | **12.8** | 25.6 | 12.6 | (50) | 2 |
| | | | | | |
| Asset yield (%)[2] | **25.5** | 26.5 | 27.8 | (1.0) | (2.3) |
| Net interest margin (%)[3] | **22.0** | 22.8 | 24.0 | (0.8) | (2.0) |
| Total income margin (%)[4] | **24.2** | 25.2 | 26.5 | (1.0) | (2.3) |
| Cost of risk (%)[5] | **(11.0)** | (10.4) | (10.0) | (0.6) | (1.0) |
| Risk adjusted margin (%)[6] | **13.2** | 14.7 | 16.5 | (1.5) | (3.3) |
| Cost: income ratio (%)[7] | **47.7** | 44.4 | 55.0 | 3.3 | (7.3) |

*[1] Average of gross customer interest-earning balances for the 6 months ended 30 June and 31 December using a 7 point month end average.*
*[2] Interest income from customer receivables for the 6 months ended 30 June and 31 December as a percentage of average gross customer interest-earning balances.*
*[3] Net interest income for the 6 months ended 30 June and 31 December as a percentage of average gross customer interest-earning balances.*
*[4] Total income for the 6 months ended 30 June and 31 December as a percentage of average gross customer interest-earning balances.*
*[5] Impairment charges for the 6 months ended 30 June and 31 December as a percentage of average gross customer interest-earning balances.*
*[6] Total income less impairment charges for the 6 months ended 30 June and 31 December as a percentage of average gross customer interest-earning balances.*
*[7] Operating costs as a percentage of total income for the 6 months ended 30 June and 31 December.*

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

Total customer numbers increased 5% year-on-year and 1% half-on-half to 1,354k, driven by new business growth, including via 0% BTs and promotional products. Balances of existing customers reduced, as customers acted cautiously, by moderating spending given increased macroeconomic uncertainty.

Gross customer interest-earning balances increased 14% year-on-year and 2% half-on-half to £1,547m, reflecting the new customer growth.

Net receivables increased 15% year-on-year and 2% half-on-half to £1,414m, driven by the growth in gross customer interest-earning balances. ECL increased to £(174)m (December 2025: £(170)m) including recognising an increase in the IFRS9 provision for macroeconomic uncertainty. This reflects the improving credit quality of the portfolio.

Interest income increased 8% to £194.1m, driven by an 18% increase in average gross customer interest-earning balances to £1,534m. This growth was offset by a (2.3) percentage point reduction in asset yield to 25.5%, reflecting new customer growth, including via 0% BTs and promotional products, and a reduction in balances of existing customers, as they moderated spending in the second quarter in the face of increased macroeconomic uncertainty.

Interest expense increased 10% to £(27.1)m, reflecting the increased funding requirement for higher balances.

Net interest income and total income all increased 8% to £167m and £184.4m respectively. Net interest margin reduced (2.0) percentage points to 22.0% and total income margin reduced (2.3) percentage points to 24.2%.

Impairment charges increased 31% to £(83.7)m and cost of risk increased (1.0) percentage points to (11.0)%, including an increase in the IFRS9 provision for macroeconomic uncertainty driven by the expectation peak UK unemployment increases to 5.7%. Excluding this impairment charges were broadly inline with 2H25, with the year-on-year increase driven by the growth in balances. The cost of risk remained at the lower end of the guided range of (10.0) to (13.0)%.

Risk adjusted income decreased (5)% to £100.7m, driving a (3.3) percentage point reduction in risk adjusted margin to 13.2%.

Operating costs decreased (6)% to £(87.9)m, driven by lower complaint costs, with transformation cost savings facilitating growth and offsetting inflation related cost increases. The cost: income ratio improved (7.3) percentage points to 47.7%.

Profit before tax contribution increased 2% to £12.8m.

## Vehicle Finance – Continued moderation of new business growth, while product profitability improved

| Six months ended (£m) | **Jun-26** | Dec-25 | Jun-25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Total customer numbers (‘000) | **101** | 103 | 106 | (2) | (5) |
| Gross customer interest-earning balances | **707** | 706 | 733 | – | (4) |
| Average gross customer interest-earning balances[1] | **709** | 724 | 750 | (2) | (5) |
| Gross receivables | **765** | 762 | 795 | – | (4) |
| Net receivables | **697** | 689 | 709 | 1 | (2) |
| | | | | | |
| Interest income | **61.3** | 61.0 | 62.9 | – | (3) |
| Interest expense | **(13.1)** | (13.9) | (14.3) | (6) | (8) |
| **Net interest income** | **48.2** | 47.1 | 48.6 | 2 | (1) |
| **Total income** | **48.2** | 47.1 | 48.6 | 2 | (1) |
| Impairment charges | **(18.1)** | (28.8) | (12.7) | (37) | 43 |
| **Risk adjusted income** | **30.1** | 18.3 | 35.9 | 64 | (16) |
| Operating costs | **(28.4)** | (32.4) | (34.5) | (12) | (18) |
| **Profit/(loss) before tax contribution** | **1.7** | (14.1) | 1.4 | (112) | 21 |
| | | | | | |
| Asset yield (%)[2] | **17.4** | 16.7 | 16.9 | 0.7 | 0.5 |
| Net interest margin (%)[3] | **13.7** | 12.9 | 13.1 | 0.8 | 0.6 |
| Total income margin (%)[4] | **13.7** | 12.9 | 13.1 | 0.8 | 0.6 |
| Cost of risk (%)[5] | **(5.1)** | (7.9) | (3.4) | 2.8 | (1.7) |
| Risk adjusted margin (%)[6] | **8.6** | 5.0 | 9.7 | 3.6 | (1.1) |
| Cost: income ratio (%)[7] | **59.0** | 68.6 | 71.0 | (9.6) | (12.0) |

Total customer numbers decreased (5)% year-on-year and (2)% half-on-half to 101k, reflecting moderated new business growth in the near term in advance of the new onboarding and servicing platform build being delivered at the end of 2026 as part of the Gateway technology transformation.

Gross customer interest-earning balances decreased (4)% year-on-year and was stable half-on-half at £707m, driven by the moderating of new business growth.

Net receivables decreased (2)% year-on-year, reflecting the reduction in gross customer interest-earning balances. ECL reduced to £(68)m (December 2025: £(73)m), reflecting the improving credit quality of the portfolio.

Interest income decreased (3)% to £61m, driven by a (5)% reduction in average gross customer interest-earning balances to £709m. This was partially offset by a 0.5 percentage point improvement in asset yield to 17.4%, driven by repricing initiatives. 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 in 1H26.

Interest expense decreased (8)% to £(13)m, driven by the reduced funding requirement for lower balances and lower cost of funds.

Total income decreased (1)% to £48.2m, which represented total income and net interest income. Net interest margin and total income margin increased 0.6 percentage points to 13.7%.

Impairment charges increased 43% year-on-year, but reduced (37)% half-on-half to £(18.1)m, reflecting the non-repeat of the prior year IFRS9 modelled impairment benefit. Cost of risk was (5.1)% (1H25: (3.4)%), at the lower end of the guided range of (5.0) to (7.0)%.

Risk adjusted income decreased (16)% to £30.1m and risk adjusted margin reduced (1.1) to 8.6%.

Operating costs decreased (18)% to £(28.4)m, driven by transformation cost savings, more than offsetting growth and inflation driven cost increases. The cost: income ratio improved (12.0) percentage points to 59.0%.

Profit before tax contribution improved to £1.7m (1H25: £1.4m).

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

| Six months ended (£m) | **Jun-26** | Dec-25 | Jun-25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Total customer numbers ('000) | **12.9** | **9.9** | **6.3** | 30 | 105 |
| Gross customer interest-earning balances | **800** | **599** | **371** | 34 | 116 |
| Average gross customer interest-earning balances[1] | **690** | **486** | **293** | 42 | 135 |
| Gross receivables | **824** | **619** | **385** | 33 | 114 |
| Net receivables | **823** | **618** | **384** | 33 | 114 |
| | | | | | |
| Interest income | **23.1** | 17.4 | 11.0 | 33 | 110 |
| Interest expense | **(14.6)** | (11.1) | (6.7) | 32 | 118 |
| **Net interest income** | **8.5** | 6.3 | 4.3 | 35 | 98 |
| Non-interest income | **1.2** | 0.8 | 0.2 | 50 | 500 |
| **Total income** | **9.7** | 7.1 | 4.5 | 37 | 116 |
| Impairment charges | **(0.6)** | (0.5) | (0.2) | 20 | 200 |
| **Risk adjusted income** | **9.1** | 6.6 | 4.3 | 38 | 112 |
| Operating costs | **(2.0)** | (3.6) | (1.9) | (44) | 5 |
| **Profit before tax contribution** | **7.1** | 3.0 | 2.4 | 137 | 196 |
| | | | | | |
| Asset yield (%)[2] | **6.8** | 7.1 | 7.6 | (0.3) | (0.8) |
| Net interest margin (%)[3] | **2.5** | 2.6 | 3.0 | (0.1) | (0.5) |
| Total income margin (%)[4] | **2.8** | 2.9 | 3.1 | (0.1) | (0.3) |
| Cost of risk (%)[5] | **(0.2)** | (0.2) | (0.1) | – | (0.1) |
| Risk adjusted margin (%)[6] | **2.7** | 2.7 | 3.0 | – | (0.3) |
| Cost: income ratio (%)[7] | **20.8** | 49.6 | 42.2 | (28.8) | (21.4) |

Total customer numbers increased to 12.9k (1H25: 6.3k) following the successful growth of the forward flow agreements with Interbridge Mortgages and Selina Finance.

Gross customer interest-earning balances increased to £800m (1H25: £371m) and net receivables increased to £823m (June 2025: £384m), which includes deferred acquisition costs.

Interest income increased to £23.1 (1H25: £11.0m), with an asset yield of 6.8% (1H25: 7.6%). The reduced asset yield reflected pricing pressure from increased competition.

Interest expense increased to £(14.6)m (1H25: £(6.7)m), reflecting the increased funding requirement for higher balances.

Net interest income increased to £8.5m (1H25: £4.3m), non-interest income increased to £1.2m (1H25: £0.2m) and total income increased to £9.7m (1H25: £4.5m). Net interest margin reduced (0.5) percentage points to 2.5% and total income margin reduced (0.3) percentage points to 2.8%.

Risk adjusted income increased to £9.1m (1H25: £4.3m), including impairment charges of £(0.6)m (1H25: £(0.2)m). Cost of risk was (0.2)% (1H25: (0.1)% and risk adjusted margin reduced (0.3) percentage points to 2.7%.

Operating costs were £(2.0)m (1H25: £(1.9)m), reflecting the limited fixed costs associated with the business given the origination partnership arrangements in place. The cost: income ratio improved 21.4 percentage points to 20.8%.

Profit before tax contribution increased to £7.1m (1H25: £2.4m).

## Corporate Centre

| Six months ended (£m) | **Jun-26** | Dec-25 | Jun-25 | HoH Change % | YoY Change % |
|---|---|---|---|---|---|
| Interest income | **19.0** | 22.1 | 22.0 | (14) | (14) |
| Interest expense | **(24.6)** | (24.2) | (27.0) | 2 | (9) |
| **Net interest income** | **(5.6)** | (2.1) | (5.0) | 167 | 12 |
| Non-interest income | **0.8** | 0.9 | 1.3 | (11) | (38) |
| **Total income** | **(4.8)** | (1.2) | (3.7) | 300 | 30 |
| Impairment charges | **–** | (0.1) | 0.8 | (100) | (100) |
| **Risk adjusted income** | **(4.8)** | (1.3) | (2.9) | 269 | 66 |
| Operating costs | **(7.9)** | (11.1) | (7.3) | (29) | 8 |
| **Loss before tax contribution** | **(12.7)** | (12.4) | (10.2) | 2 | 25 |

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

Interest income of £19.0m (1H25: £22.0m) represented returns from the HQLA portfolio, including investment securities and interest on cash reserves in the BoE reserve account.

Interest expense of £(24.6)m (1H25: £(27.0)m) represented residual funding costs not allocated to the respective businesses, including unallocated Tier 2 capital.

Total income was a net expense of £(4.8)m (1H25: £(3.7)m), with net interest income being a net expense of £(5.6)m (1H25: £(5.0)m) and non-interest income decreasing to £0.8m (1H25: £1.3m), reflecting fees and commissions income from Snoop.

Operating costs were £(7.9)m (1H25: £(7.3)m).

Loss before tax contribution was £(12.7)m (1H25: £(10.2)m).

## Notable items

| Six months ended (£m) | Account line | Segment | **Jun-26** | Dec-25 | Jun-25 |
|---|---|---|---|---|---|
| Provision for motor finance compensation | Operating costs | Corporate Centre | – | (3.0) | – |
| **Total notable items** | | | **–** | (3.0) | **–** |

## Principal Risks and Uncertainties

The Group's principal risks are those considered most significant to the delivery of its strategic objectives and long term sustainable growth. 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. During the six months to 30 June 2026, the Board saw no significant change in the principal risks and uncertainties as disclosed on pages 54 to 61 of the 2025 Annual Report and Accounts.

### 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 continues to embed Consumer Duty requirements across the business and maintains a strong focus on delivering good customer outcomes consistently across the customer lifecycle. The 2026 Consumer Duty Board Report highlights continued progress in product governance, customer support strategies and customer communication design.

### 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. Open and constructive regulatory relationships are in place with the FCA and PRA, who remain informed of strategic initiatives, key risk management activities and regulatory developments. The Group continues to monitor regulatory developments closely, including the FCA's motor finance commission scheme, and assesses the potential impact of emerging regulatory requirements on its operations and customers.

### 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. Progress continues on the implementation of the Group's new financial crime risk management platform as part of the Gateway transformation programme.

### 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 maintain sufficient capital resources, both in terms of amount and quality, to support the business strategy and meet the stressed scenarios identified in the Internal Capital Adequacy Assessment Process. 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. The Group and Bank have remained above regulatory buffer requirements throughout 2026.

### 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. The Group and the Bank maintain sufficient liquid assets, both in terms of amount and quality, to meet daily cash flow needs and stressed scenarios driven by the Group's own risk assessment and regulatory requirements. 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 deposit markets and committed facilities to meet the Group's liquidity and funding requirements. Throughout 2026, 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 2026.

## Principal Risks and Uncertainties (continued)

### 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 continues to progress in line with expectations to optimise lending and support responsible growth across the portfolio. During the period, the programme was expanded to include additional collections and recoveries initiatives, further enhancing the Group's ability to manage changing economic and customer conditions. Performance and programme delivery continue to be overseen by the Risk Committee.

### 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 Group remains focused on attracting, developing and retaining talented colleagues while maintaining a strong risk aware culture. Results from the June 2026 Pulse Survey were consistent with the positive engagement outcome reported in the October 2025 Colleague Survey. The Group's recognition as one of the **UK's Best Workplaces for Wellbeing™** by Great Place to Work® reflects ongoing investment in colleague wellbeing, engagement and organisational culture.

### Technology and Information Security 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. The Group continues to invest in technology resilience, cyber security and data capabilities. Particular focus has been placed on the responsible adoption of emerging technologies, including artificial intelligence, ensuring appropriate governance and controls are maintained. The Gateway technology and data transformation programme continue to progress, supporting strategic delivery, improving operational efficiency and enhancing the Group's data architecture.

### 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 resilience remains a key area of focus as the Group executes its strategic and transformation plans. The Group maintains a robust third party risk management framework and continues to oversee key outsourcing arrangements and third-party relationships through established governance, performance monitoring and resilience testing processes. Particular attention is given to suppliers supporting Important Business Services to ensure continuity of service and compliance with regulatory expectations.

### 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. The Group has an established model risk management framework, which is in line with the PRA's model risk management principles. Models are classified according to their quantitative and qualitative impact to inform governance, with Tier 1 models prioritised for independent validation given their significant business impact. Governance arrangements remain supported by the Model Risk Committee and supporting sub-working groups, with clear accountability across the three lines of defence.

### Business Performance Risk

This is defined as the risk that poor performance of key business processes, such as financial management, 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 make progress against its strategic priorities while maintaining a disciplined approach to growth and risk management. Management remains focused on balancing business performance with prudent risk taking, maintaining a strong control environment and monitoring emerging external risks that could impact the delivery of the Group's objectives.

# Consolidated financial statements

## Consolidated income statement for the six months ended 30 June

| | Note | 2026 unaudited £m | 2025 unaudited £m |
|---|---|---|---|
| Interest income | 3 | 297.5 | 274.9 |
| Interest expense | 4 | (79.4) | (72.7) |
| **Net interest income** | | **218.1** | **202.2** |
| Fee and commission income | | 21.2 | 18.4 |
| Fee and commission expense | | (1.9) | (1.5) |
| **Net fee and commission income** | | **19.3** | **16.9** |
| Other income and net fair value gains | | 0.1 | 0.6 |
| **Total income** | | **237.5** | **219.7** |
| Impairment charges | 10 | (102.4) | (76.1) |
| **Risk-adjusted income** | | **135.1** | **143.6** |
| Operating costs | | (126.2) | (137.4) |
| **Profit before taxation from continuing operations** | 5 | **8.9** | **6.2** |
| Tax charge | 7 | (1.2) | (1.3) |
| **Profit for the period from continuing operations** | | **7.7** | **4.9** |
| Profit after tax for the period from discontinued operations | 6 | – | 0.7 |
| **Statutory profit for the period attributable to ordinary shareholders** | | **4.4** | **5.6** |
| **Statutory profit for the period attributable to other equity holders** | | **3.3** | **–** |

## Consolidated statement of comprehensive income for the six months ended 30 June

| | Note | 2026 unaudited £m | 2025 unaudited £m |
|---|---|---|---|
| **Statutory profit for the period attributable to ordinary shareholders** | | **4.4** | **5.6** |
| Items that will not be reclassified subsequently to the income statement: | | | |
| – actuarial movements on retirement benefit asset | 12 | **4.2** | (15.4) |
| – tax on items taken directly to other comprehensive income | | **(1.0)** | 3.9 |
| Other comprehensive income/(expense) for the period | | **3.2** | (11.5) |
| **Total comprehensive income/(expense) for the period** | | **7.6** | (5.9) |

## Earnings per share

| | Note | 2026 unaudited pence | 2025 unaudited pence |
|---|---|---|---|
| Basic – continuing operations | 8 | **1.8** | 1.9 |
| Diluted - continuing operations | 8 | **1.7** | 1.9 |
| Basic – Group | 8 | **1.8** | 2.2 |
| Diluted - Group | 8 | **1.7** | 2.1 |

## Dividends per share

The directors are not recommending an interim dividend in respect of the period ended 30 June 2026 (1H25: nil). There were no dividends paid in the six months ending 30 June 2026 and 30 June 2025.

## Consolidated balance sheets

| | Note | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|---|
| | | **£m** | £m | £m |
| **Assets** | | | | |
| Cash and cash equivalents | | **859.4** | 804.5 | 805.3 |
| Investment securities | 9 | **404.0** | 254.6 | 116.5 |
| Amounts receivable from customers | 10 | **2,932.1** | 2,691.5 | 2,325.1 |
| Trade and other receivables | | **58.3** | 61.2 | 67.0 |
| Investments held at fair value through profit and loss | | **1.4** | 2.4 | 2.3 |
| Current tax asset | | **2.6** | 0.9 | 3.7 |
| Property, plant and equipment | | **6.8** | 8.0 | 6.7 |
| Right of use assets | | **18.0** | 12.1 | 14.2 |
| Goodwill | | **1.2** | 1.2 | 1.2 |
| Other intangible assets | 11 | **69.8** | 65.0 | 62.5 |
| Retirement benefit asset | 12 | **10.4** | 6.4 | 12.7 |
| Derivative financial instruments | 13 | **4.2** | 3.9 | 2.0 |
| Deferred tax assets | | **28.7** | 30.0 | 27.5 |
| **Total Assets** | 5 | **4,396.9** | 3,941.7 | 3,446.7 |
| **Liabilities and equity** | | | | |
| **Liabilities** | | | | |
| Trade and other payables | | **51.4** | 51.8 | 56.0 |
| Provisions | 14 | **8.2** | 7.9 | 9.2 |
| Lease liabilities | | **26.1** | 21.2 | 28.3 |
| Retail deposits | | **3,219.0** | 3,019.9 | 2,463.8 |
| Bank and other borrowings | 15 | **594.7** | 347.5 | 447.7 |
| Derivative financial instruments | 13 | **2.6** | 6.1 | 7.0 |
| **Total liabilities** | | **3,902.0** | 3,454.4 | 3,012.0 |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | | **53.2** | 53.2 | 53.2 |
| Share premium | | **276.3** | 276.3 | 276.3 |
| Merger reserve | | **278.2** | 278.2 | 278.2 |
| Other reserves | | **8.7** | 9.2 | 8.6 |
| Retained earnings | | **(180.1)** | (188.2) | (181.6) |
| Other equity instruments | | **58.6** | 58.6 | – |
| **Total equity** | 5 | **494.9** | 487.3 | 434.7 |
| **Total liabilities and equity** | | **4,396.9** | 3,941.7 | 3,446.7 |

## Consolidated statement of changes in shareholders' equity

| | Share capital | Share premium | Merger reserve | Other reserves | Retained earnings | Other equity instruments | Total |
|---|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m | £m |
| **At 1 January 2025 (audited)** | **53.2** | **276.3** | **278.2** | **10.8** | **(177.3)** | **–** | **441.2** |
| Profit for the period | – | – | – | – | 5.6 | – | 5.6 |
| Other comprehensive (expense)/income: | | | | | | | – |
| - Actuarial movement on retirement benefit asset | – | – | – | – | (15.4) | – | (15.4) |
| - Tax on other comprehensive expense | – | – | – | – | 3.9 | – | 3.9 |
| Other comprehensive expense for the year | – | – | – | – | (11.5) | – | (11.5) |
| Total comprehensive expense for the year | – | – | – | – | (5.9) | – | (5.9) |
| Employee Benefit Schemes | | | | | | | |
| - Share-based payment charge | – | – | – | 0.7 | – | – | 0.7 |
| - Share-based payment reserve transfer | – | – | – | (2.9) | 2.9 | – | – |
| - Purchase of shares for share awards | – | – | – | – | (1.3) | – | (1.3) |
| **At 30 June 2025 and 1 July 2025 (unaudited)** | **53.2** | **276.3** | **278.2** | **8.6** | **(181.6)** | **–** | **434.7** |
| Profit for the period | – | – | – | – | 2.6 | 0.5 | 3.1 |
| Other comprehensive (expense)/ income: | | | | | | | |
| - Actuarial movement on retirement benefit asset | – | – | – | – | (6.7) | – | (6.7) |
| - Tax on other comprehensive expense | – | – | – | – | 1.6 | – | 1.6 |
| Other comprehensive expense for the year | – | – | – | – | (5.1) | – | (5.1) |
| Total comprehensive (expense)/ income for the year | – | – | – | – | (2.5) | 0.5 | (2.0) |
| Employee Benefit Schemes | | | | | | | |
| - Share-based payment charge | – | – | – | 1.5 | – | – | 1.5 |
| - Share-based payment reserve transfer | – | – | – | (0.9) | 0.9 | – | – |
| - Purchase of shares for share awards | – | – | – | – | (5.0) | – | (5.0) |
| Issuance of other equity instruments | – | – | – | – | – | 58.6 | 58.6 |
| Distributions on other equity instruments | – | – | – | – | – | (0.5) | (0.5) |
| **At 31 December 2025 (audited)** | **53.2** | **276.3** | **278.2** | **9.2** | **(188.2)** | **58.6** | **487.3** |
| **At 1 January 2026 (audited)** | **53.2** | **276.3** | **278.2** | **9.2** | **(188.2)** | **58.6** | **487.3** |
| Profit for the period | **–** | **–** | **–** | **–** | **4.4** | **3.3** | **7.7** |
| Other comprehensive income: | | | | | | | |
| - Actuarial movement on retirement benefit asset | **–** | **–** | **–** | **–** | **4.2** | **–** | **4.2** |
| - Tax on other comprehensive income | **–** | **–** | **–** | **–** | **(1.0)** | **–** | **(1.0)** |
| Other comprehensive income for the year | **–** | **–** | **–** | **–** | **3.2** | **–** | **3.2** |
| Total comprehensive income for the year | **–** | **–** | **–** | **–** | **7.6** | **3.3** | **10.9** |
| Employee Benefit Schemes | | | | | | | |
| - Share-based payment charge | **–** | **–** | **–** | **1.0** | **–** | **–** | **1.0** |
| - Share-based payment reserve transfer | **–** | **–** | **–** | **(1.5)** | **1.5** | **–** | **–** |
| - Purchase of shares for share awards | **–** | **–** | **–** | **–** | **(1.2)** | **–** | **(1.2)** |
| - Share awards | **–** | **–** | **–** | **–** | **(0.5)** | **–** | **(0.5)** |
| - Deferred tax on share awards | **–** | **–** | **–** | **–** | **0.7** | **–** | **0.7** |
| Distributions on other equity instruments | **–** | **–** | **–** | **–** | **–** | **(3.3)** | **(3.3)** |
| **At 30 June 2026** | **53.2** | **276.3** | **278.2** | **8.7** | **(180.1)** | **58.6** | **494.9** |

The full merger reserve is considered distributable.

## Consolidated statement of cash flows for the period ended 30 June

| | Note | 2026 unaudited £m | 2025 unaudited (restated)[1] £m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | 16 | **(22.1)** | (105.0) |
| Tax (paid)/received | | **(1.8)** | 0.1 |
| **Net cash used in operating activities** | | **(23.9)** | (104.9) |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | 11 | **(9.3)** | (7.3) |
| Purchase of property, plant and equipment | | **(0.1)** | (0.9) |
| Purchase of investment securities | | **(151.9)** | (114.8) |
| Proceeds from sale of investments held at fair value through profit and loss | | **0.8** | – |
| **Net cash used in investing activities** | | **(160.5)** | (123.0) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from bank and other borrowings | | **389.8** | 35.0 |
| Repayment of bank and other borrowings | | **(142.2)** | – |
| Payment of lease liabilities | | **(2.9)** | (4.2) |
| Coupon payments to AT1 shareholders | | **(3.3)** | – |
| Purchase of own shares for share awards | | **(1.2)** | (1.3) |
| **Net cash generated from financing activities** | | **240.2** | 29.5 |
| | | | |
| **Net increase/(decrease) in cash, cash equivalents and overdrafts** | | **55.8** | (198.4) |
| Cash, cash equivalents and overdrafts at beginning of period | | **803.6** | 1,002.8 |
| **Cash, cash equivalents and overdrafts at end of period** | | **859.4** | 804.4 |
| | | | |
| **Cash, cash equivalents and overdrafts at end of period comprise:** | | | |
| Cash at bank and in hand | | **859.4** | 805.3 |
| Overdrafts (held in bank and other borrowings) | | **–** | (0.9) |
| **Total cash, cash equivalents and overdrafts** | | **859.4** | 804.4 |

1 Refer to note 16 for details on restatement

Interest received was £321.8m (1H25: £306.8m) and Interest paid was £48.8m (1H25: £41.4m). This is all included within cash used in operations.

Cash at bank and in hand includes £805.4m (1H25: £758.4m) in respect of the liquidity 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, No. 5 Godwin Street, Bradford, BD1 2AH. The company is listed on the London Stock Exchange.

The unaudited condensed interim financial statements do not constitute the statutory financial statements of the Group within the meaning of section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2025 were approved by the board of directors on 25 February 2026 and have been delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

The unaudited condensed interim financial statements for the six months ended 30 June 2026 have been reviewed, not audited, and were approved by the board of directors on 29 July 2026.

The unaudited condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the UK. The unaudited condensed interim financial statements should be read in conjunction with the statutory financial statements for the year ended 31 December 2025.

The interim 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 twelve 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 cashflows 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 meets 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 considered the following factors:

- The Group's corporate plan as approved in January 2026, and the latest 18 months forecast approved in July 26 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; and
- 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.

**Representation of items**

Cash flow statement
The cash flow statement has been restated. Refer to note 16 for details.

**The impact of new standards not yet effective and not adopted by the Group from 1 January 2026**

IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on Management-Defined Performance Measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Group's detailed assessment is ongoing and anticipates that the application of these amendments may have an impact on the presentation of its consolidated financial statements in future periods.

There are no other new standards not yet effective and not adopted by the Group from 1 January 2026 that are expected to have a material impact on the Group.

**Critical accounting judgements and key sources of estimation uncertainty**

The Vehicle Finance Redress Scheme is no longer considered a material judgement and has therefore been removed as a critical accounting judgement and key source of estimation uncertainty. Whilst there remains some uncertainty regarding the final rules of any motor finance redress scheme or if a different approach to redress will be required, any movement on the provision recognised is not expected to be material.

Consistent with the statutory financial statements for the year ended 31 December 2025, amounts receivable from customers is still considered to be a significant accounting judgements exercised by management and key sources of estimation uncertainty in the interim financial statements.

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.

Amounts receivable from customers (note 10)
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 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 since origination, 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 10.

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

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.

The macroeconomic models were redeveloped in 2H25. The models now use the following variables: hazard rate, debt to income ratio, real earnings and for Cards only real base rate.

During 1H25 a third party model was incorporated in the core model. This third party model predicts 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 this model are calibrated to the VBG entry to default rate which is 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.

The models are regularly monitored to ensure they retain sufficient accuracy. Sensitivity analysis has been performed in note 10 which shows the impact of a 1% movement of gross exposure into Stage 2 from Stage 1 on the allowance accounts.

Macroeconomic assumptions

At 30 June 2026 and 31 December 2025, the macroeconomic forecasts and scenarios used were provided by Oxford Economics. These estimates are used to derive base case, upside, downside and severe scenarios.

The base case, upside, downside and severe scenarios are utilised in the model calculate a Multiple Economic Scenario weighted ECL provision.

## 2. Material accounting policy information (continued)

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

| | 30 June 2026 | | | | 31 December 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Base** | **Upside** | **Downside** | **Severe** | Base | Upside | Downside | Severe |
| Weighting | **60 %** | **20 %** | **15 %** | **5 %** | 60 % | 20 % | 15 % | 5 % |
| 2026 | **5.4 %** | **5.2 %** | **5.6 %** | **5.7 %** | 5.0 % | 4.6 % | 5.8 % | 6.0 % |
| 2027 | **5.6 %** | **4.9 %** | **6.8 %** | **7.1 %** | 4.8 % | 3.9 % | 6.5 % | 7.0 % |
| 2028 | **5.1 %** | **3.9 %** | **7.1 %** | **7.6 %** | 4.5 % | 3.6 % | 6.9 % | 7.4 % |
| 2029 | **4.7 %** | **3.6 %** | **6.8 %** | **7.4 %** | 4.4 % | 3.6 % | 6.7 % | 7.2 % |
| 2030 | **4.5 %** | **3.7 %** | **6.5 %** | **7.0 %** | 4.2 % | 3.6 % | 6.4 % | 6.9 % |
| Five year peak | **5.7 %** | **5.3 %** | **7.1 %** | **7.6 %** | 5.1 % | 4.8 % | 6.9 % | 7.4 % |

The debt to income variables, across all scenarios, ranged from 12.6% at the start of 2026 to 13.8% at the end of 2030 (31 December 2025: 12.5% at the start of 2026 to 13.7% at the end of 2030).

The following table shows the scenario five-year peak and average third party model Credit Card write off rates used at 1H25. These estimates are used to derive base case, upside, downside and severe scenarios.

| | 30 June 2025 | | | |
|---|---|---|---|---|
| | **Base** | **Upside** | **Downside** | **Severe** |
| Weighting | **60 %** | **15 %** | **20 %** | **5 %** |
| 2025 | 0.5 % | 0.4 % | 0.5 % | 0.5 % |
| 2026 | 0.5 % | 0.3 % | 0.6 % | 0.7 % |
| 2027 | 0.5 % | 0.2 % | 0.7 % | 0.8 % |
| 2028 | 0.5 % | 0.2 % | 0.8 % | 0.8 % |
| 2029 | 0.4 % | 0.2 % | 0.7 % | 0.8 % |
| Five year peak | 0.5 % | 0.5 % | 0.8 % | 0.8 % |

Weightings applied to the macroeconomic assumptions were approved at the June 2026 Assumptions Committee meeting. There was no change to the weightings adopted at 31 December 2025 where 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.

Weightings at 30 June 2025 were Base 60%, Upside 15%, Downside 20% and Severe 5%.

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 £14.2m (31 December 2025: £18.5m).

Other accounting judgements:

Due to the materiality of the customer remediation provision it is no longer considered an other accounting judgement.

Provision: Vehicle Finance Commission (note 14)

As at FY25 the Group recognised a £3.0m motor finance redress provision based on a range of probability weighted scenarios. This provision reflected management's assessment of the FCA consultation proposals published in October 2025.

On 30 March 2026, the FCA then published Policy Statement 26/3 (PS26/3, the Scheme), setting out the rules governing a motor finance redress scheme and conclusions from the consultation.

## 2. Material accounting policy information (continued)

Subsequently, on 2 July 2026, the FCA announced a partial suspension to the scheme following the Upper Tribunal confirming it will hear the legal challenges to the scheme on 14 to 18 December 2026 or 16 to 26 February 2027. The final dates depend on whether any of those involved in the case apply for further expert opinion or disclosure of information, and whether any such application is successful. It is expected for a decision to be published a few months following the hearing at which point the scheme will be upheld and proceed (subject to appeal) or be overturned in full or in part with the FCA then deciding next steps. Vanquis are not involved in the legal proceedings of the case.

The Tribunal has also made an order suspending parts of the scheme on terms agreed by the FCA with the four commercial parties that have challenged.

The partial suspension enables firms to keep preparing for the scheme and progress complaints as far as possible, while avoiding work that may need to be repeated if the challenges succeed. It also provides certainty for some consumers sooner, by requiring firms to tell complainants who are not owed compensation, subject to limited exceptions.

The partial suspension confirms that firms are not required to calculate or pay redress, or send communications about compensation owed under the scheme, until the Upper Tribunal process concludes.

The probability-weighted scenarios were updated following the FCA announcement in July, no change in provision was required. Based on the analysis, the £3.0m provision remains appropriate for 1H26.

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 customers 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.

During the 6 months ended 30 June 2026, the Group reported an income statement EIR adjustment in relation to Credit Cards loans and advances to customers in respect of interest-free periods and upfront fees of £8.7m (2H25: £6.0m, 1H25: £4.0m).

Intangibles (note 11)
All intangible assets have been reviewed for impairment under IAS 36.

Assets expected to be replaced by the Gateway platform in 2026 were reviewed. No impairment was recognised in continuing operations in 1H26 or 2025.

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 was therefore recognised within discontinued operations in 1H25.

## 3. Interest income

| | Six months ended 30 June | |
|---|---|---|
| | **2026 unaudited** | **2025 unaudited** |
| Interest receivable from: | **£m** | £m |
| Customer receivables | **278.5** | 252.9 |
| Cash balances held on deposit and other interest | **12.8** | 20.4 |
| Investment securities | **6.5** | 1.9 |
| Net fair value gains on derivative financial instruments | **(0.3)** | (0.3) |
| **Total income – continuing operations** | **297.5** | 274.9 |
| Discontinued operations | **–** | 1.4 |
| **Total income - Group** | **297.5** | 276.3 |

## 4. Interest expense

| | Six months ended 30 June | |
|---|---|---|
| | **2026 unaudited** | **2025 unaudited** |
| Interest payable on: | **£m** | £m |
| Retail deposits | **63.8** | 55.3 |
| Tier 2 | **8.5** | 10.0 |
| Securitisation | **6.5** | 6.5 |
| Central bank facilities | **0.1** | 0.4 |
| Lease liabilities finance costs | **0.5** | 0.5 |
| **Total interest expense from continuing operations** | **79.4** | 72.7 |
| Total interest expense from discontinued operations | – | 0.3 |
| **Total interest expense** | **79.4** | 73.0 |

## 5. Segment reporting

The Group 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.

The Personal Loans business was sold in 1H25 and is therefore presented as a discontinued operation.

| | **Six months ended 30 June 2026 unaudited** | | | | |
|---|---|---|---|---|---|
| | Credit Cards | Vehicle Finance | Second Charge Mortgages | Corporate Centre | Total |
| | £m | £m | £m | £m | £m |
| Interest income | **194.1** | **61.3** | **23.1** | **19.0** | **297.5** |
| Interest expense | **(27.1)** | **(13.1)** | **(14.6)** | **(24.6)** | **(79.4)** |
| **Net interest income** | **167.0** | **48.2** | **8.5** | **(5.6)** | **218.1** |
| Fee and commission income | **19.2** | **–** | **1.2** | **0.8** | **21.2** |
| Fee and commission expense | **(1.8)** | **–** | **–** | **(0.1)** | **(1.9)** |
| **Net fee and commission income** | **17.4** | **–** | **1.2** | **0.7** | **19.3** |
| Other income | **–** | **–** | **–** | **0.1** | **0.1** |
| **Total income** | **184.4** | **48.2** | **9.7** | **(4.8)** | **237.5** |
| Impairment charges | **(83.7)** | **(18.1)** | **(0.6)** | **–** | **(102.4)** |
| **Risk-adjusted income** | **100.7** | **30.1** | **9.1** | **(4.8)** | **135.1** |
| Operating costs | **(87.9)** | **(28.4)** | **(2.0)** | **(7.9)** | **(126.2)** |
| **PBT/(LBT) from continuing operations** | **12.8** | **1.7** | **7.1** | **(12.7)** | **8.9** |

## 5. Segment reporting (continued)

| | Six months ended 30 June 2025 unaudited | | | | |
|---|---|---|---|---|---|
| | Credit Cards | Vehicle Finance | Second Charge Mortgages | Corporate Centre | Total |
| | £m | £m | £m | £m | £m |
| Interest income | 179.0 | 62.9 | 11.0 | 22.0 | 274.9 |
| Interest expense | (24.7) | (14.3) | (6.7) | (27.0) | (72.7) |
| **Net interest income** | **154.3** | **48.6** | **4.3** | **(5.0)** | **202.2** |
| Fee and commission income | 17.4 | – | 0.2 | 0.8 | 18.4 |
| Fee and commission expense | (1.4) | – | – | (0.1) | (1.5) |
| **Net fee and commission income** | **16.0** | **–** | **0.2** | **0.7** | **16.9** |
| Other income | – | – | – | 0.6 | 0.6 |
| **Total income** | **170.3** | **48.6** | **4.5** | **(3.7)** | **219.7** |
| Impairment charges | (64.0) | (12.7) | (0.2) | 0.8 | (76.1) |
| **Risk-adjusted income** | **106.3** | **35.9** | **4.3** | **(2.9)** | **143.6** |
| Operating costs | (93.7) | (34.5) | (1.9) | (7.3) | (137.4) |
| **PBT/(LBT) from continuing operations** | **12.6** | **1.4** | **2.4** | **(10.2)** | **6.2** |

Revenue between business segments is not material.

| | Segment assets | | | Net assets/(liabilities) | | |
|---|---|---|---|---|---|---|
| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
| | **£m** | £m | £m | **£m** | £m | £m |
| Credit cards and second charge mortgages | **3,616.1** | 3,165.4 | 2,628.2 | **453.1** | 438.0 | 358.6 |
| Vehicle finance | **729.6** | 728.8 | 749.3 | **116.3** | 113.4 | 128.0 |
| Central | **28.3** | (41.2) | (54.2) | **(74.5)** | (64.1) | (51.9) |
| Intra-group elimination | **22.9** | 88.7 | 123.4 | **–** | – | – |
| **Total Group** | **4,396.9** | 3,941.7 | 3,446.7 | **494.9** | 487.3 | 434.7 |

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 and second charge mortgages are recognised within Vanquis Bank Limited and are therefore combined for balance sheet reporting purposes.

## 6. Discontinued operations

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

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026 unaudited £m** | 2025 unaudited £m |
| Interest income | – | 1.4 |
| Interest expense | – | (0.3) |
| **Net interest income** | – | 1.1 |
| **Total income** | – | 1.1 |
| Impairment | – | 3.1 |
| **Risk-adjusted income** | – | 4.2 |
| Operating costs | – | (3.3) |
| **Profit before taxation** | – | 0.9 |
| Tax charge | – | (0.2) |
| **Profit from discontinued operations** | – | 0.7 |
| **Basic earnings per share (p)** | – | 0.3 |
| **Diluted earnings per share (p)** | – | 0.3 |

## 7. Tax charge

The tax charge in the income statement is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026 unaudited £m** | 2025 unaudited £m |
| Tax charge on profit from continuing operations | **(1.2)** | (1.3) |
| Tax charge on profit from discontinued operations | – | (0.2) |
| **Total tax charge** | **(1.2)** | (1.5) |

The tax charge on profit before tax has been calculated by:

- calculating the best estimate of the effective tax rate for each business for the financial year, excluding the tax effect of interest on the AT1 notes which is recognised in equity and other items which are specific to the period;
- applying this to the profit before tax for the relevant business for the period and aggregating the resultant amount; and
- adjusting for the tax effect of interest paid on the AT1 notes in 1H26 which is reflected in equity and other items specific to the period.

The tax charge reflects:

- the beneficial impact of interest paid on the AT1 notes in 1H26 which is reflected in equity but which is tax deductible;
- the beneficial impact of offsetting brought forward capital losses on which deferred tax assets have not been recognised against capital gains arising on the conversion and, in 1H26, the subsequent sale of VISA preference shares;
- the recognition of deferred tax assets in respect of carried forward tax losses, apart from pre-acquisition losses in Snoop, and other temporary differences on the basis the Group expects to have sufficient taxable profits in the future to enable such deferred tax assets to be recovered.

## 8. Earnings per share

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

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

(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 expected to vest, after taking account of expected lapses and forfeitures, assuming that: (i) the end of the reporting period is the end of the schemes' performance period; and (ii) performance conditions 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 for the continuing operations and the Group are set out below:

| | Six months ended 30 June unaudited | | | | | |
|---|---|---|---|---|---|---|
| | **2026** | | | 2025 | | |
| **Continuing operations** | **Earnings £m** | **Weighted average number of shares m** | **Per share amount pence** | Earnings £m | Weighted a verage number of shares m | Per share amount pence |
| **Basic earnings per share** | **4.4** | **249.7** | **1.8** | 4.9 | 254.5 | 1.9 |
| Dilutive effect of share options and awards | **–** | **13.7** | **(0.1)** | – | 7.7 | – |
| **Diluted earnings per share** | **4.4** | **263.4** | **1.7** | 4.9 | 262.2 | 1.9 |

| | Six months ended 30 June unaudited | | | | | |
|---|---|---|---|---|---|---|
| | **2026** | | | 2025 | | |
| **Group** | **Earnings £m** | **Weighted average number of shares m** | **Per share amount pence** | Earnings £m | Weighted a verage number of shares m | Per share amount pence |
| **Basic earnings per share** | **4.4** | **249.7** | **1.8** | 5.6 | 254.5 | 2.2 |
| Dilutive effect of share options and awards | **–** | **13.7** | **(0.1)** | – | 7.7 | (0.1) |
| **Diluted earnings per share** | **4.4** | **263.4** | **1.7** | 5.6 | 262.2 | 2.1 |

## 9. Investment Securities

The Group's investment securities comprise UK Government securities and other debt securities, which are held as part of Vanquis Bank's liquidity buffer.

| | Principal amount | | | Carrying value | | |
|---|---|---|---|---|---|---|
| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
| | **£m** | £m | £m | **£m** | £m | £m |
| UK Government securities | **357.0** | 250.0 | 115.0 | **360.6** | 253.3 | 116.0 |
| Other Debt securities | **44.9** | – | – | **45.2** | – | – |
| Fair value adjustment for portfolio hedged risk | **–** | – | – | **(1.8)** | 1.3 | 0.5 |
| | **401.9** | **250.0** | **115.0** | **404.0** | **254.6** | **116.5** |

The portfolio continues to be of high credit quality, with all exposures rated investment grade. No assets were credit impaired during the period.

## 10. Amounts receivable from customers

| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|
| | **£m** | £m | £m |
| Credit cards | **1,413.6** | 1,384.3 | 1,231.9 |
| Vehicle finance | **696.9** | 688.5 | 709.0 |
| Second charge mortgages | **822.7** | 618.5 | 384.5 |
| **Total** | **2,933.2** | **2,691.3** | 2,325.4 |
| Fair value adjustment for portfolio hedged risk | **(1.1)** | 0.2 | (0.3) |
| **Total amounts receivable from customers** | **2,932.1** | **2,691.5** | **2,325.1** |

The fair value adjustment for the portfolio hedge risk relates to the unamortised hedge accounting adjustment in relation to the balance guaranteed swap, where hedge accounting has been discontinued and the hedge accounting adjustment in relation to second charge mortgages.

## 10. Amounts receivable from customers (continued)

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

| | 30 June 2026 unaudited | | | |
|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | £m | £m | £m | £m |
| **Gross receivables** | | | | |
| Credit cards | 1,369.5 | 145.3 | 72.3 | 1,587.1 |
| Vehicle finance | 576.4 | 112.8 | 75.4 | 764.6 |
| Second charge mortgages | 812.7 | 7.8 | 3.7 | 824.2 |
| **Total** | 2,758.6 | 265.9 | 151.4 | 3,175.9 |
| | | | | |
| **Allowance account** | | | | |
| Credit cards | (83.8) | (49.9) | (39.8) | (173.5) |
| Vehicle finance | (13.0) | (16.6) | (38.1) | (67.7) |
| Second charge mortgages | (0.4) | (0.6) | (0.5) | (1.5) |
| **Total** | (97.2) | (67.1) | (78.4) | (242.7) |
| | | | | |
| **Net receivables** | | | | |
| Credit cards | 1,285.7 | 95.4 | 32.5 | 1,413.6 |
| Vehicle finance | 563.4 | 96.2 | 37.3 | 696.9 |
| Second charge mortgages | 812.3 | 7.2 | 3.2 | 822.7 |
| **Total** | 2,661.4 | 198.8 | 73.0 | 2,933.2 |

## 10. Amounts receivable from customers (continued)

| | 31 December 2025 audited | | | |
|---|---|---|---|---|
| | 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 | 140.3 | 2,934.8 |
| **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) | (67.4) | (74.5) | (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 |

| | 30 June 2025 unaudited | | | |
|---|---|---|---|---|
| | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
| **Gross receivables** | | | | |
| Credit cards | 1,219.2 | 109.5 | 61.6 | 1,390.3 |
| Vehicle finance | 579.0 | 117.1 | 98.8 | 794.9 |
| Second charge mortgages | 381.5 | 2.9 | 0.5 | 384.9 |
| **Total** | 2,179.7 | 229.5 | 160.9 | 2,570.1 |
| **Allowance account** | | | | |
| Credit cards | (81.9) | (41.8) | (34.7) | (158.4) |
| Vehicle finance | (14.3) | (18.7) | (52.9) | (85.9) |
| Second charge mortgages | (0.2) | (0.2) | – | (0.4) |
| **Total** | (96.4) | (60.7) | (87.6) | (244.7) |
| **Net receivables** | | | | |
| Credit cards | 1,137.3 | 67.7 | 26.9 | 1,231.9 |
| Vehicle finance | 564.7 | 98.4 | 45.9 | 709.0 |
| Second charge mortgages | 381.3 | 2.7 | 0.5 | 384.5 |
| **Total** | 2,083.3 | 168.8 | 73.3 | 2,325.4 |

## 10. Amounts receivable from customers (continued)

An increase of 1% of the gross exposure into stage 2 from stage 1 would result in an increase in the allowance account of £5.2m (FY25: £4.9m; 1H25: £4.9m) based on applying the difference between the coverage ratios from stage 1 to stage 2 to the movement in gross exposure.

A breakdown of the post-model (underlays)/overlays for Credit Cards is shown below:

| Credit Cards | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m |
|---|---|---|---|
| Core model | **176.6** | 173.2 | 158.5 |
| Post model underlays | **(3.1)** | (3.7) | (0.1) |
| **Total allowance account** | **173.5** | **169.5** | **158.4** |

| Post model (underlays)/overlays: | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m |
|---|---|---|---|
| PD recalibration (note (a)) | **(3.0)** | (2.3) | – |
| Persistent debt (note (b)) | **–** | (2.8) | – |
| Loss given default calibration (note (c)) | **–** | 1.4 | – |
| Other | **(0.1)** | – | (0.1) |
| **Total post model underlays** | **(3.1)** | **(3.7)** | **(0.1)** |

**a) Probability of default (PD) recalibration (including Balance Transfers)**
Observed default rates for Balance Transfer accounts originated since 2024 have remained below modelled expectations, reflecting the absence of a portfolio-specific calibration within the impairment model. A recalibration of the 12-month PD assumptions for the Balance Transfer, Inactive and Transactor segments was developed during 2026 to align modelled outcomes with observed performance. Pending formal model approval and implementation, the impact of this recalibration has been recognised through a Post-Model Adjustment (PMA) to the expected credit loss provision.

**b) 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. The PMA was implemented into the model in January 2026.

**c) Loss given default (LGD) calibration**
A LGD refresh was performed to calibrate expected cash recoveries to latest available data. The PMA was implemented into the model in January 2026.

## 10. Amounts receivable from customers (continued)

A breakdown of the post-model (underlays)/overlays for vehicle finance is shown below:

| Vehicle Finance | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m |
|---|---|---|---|
| Core model | **68.3** | 73.3 | 87.6 |
| Post model underlays | **(0.6)** | (0.2) | (1.7) |
| **Total allowance account** | **67.7** | 73.1 | 85.9 |

| | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m |
|---|---|---|---|
| **Post-model (underlays)/overlays:** | | | |
| Forced sale discount model calibration (note (a)) | **3.7** | (1.1) | – |
| Stage 2 SICR recalibration (note (b)) | **(0.8)** | (1.0) | – |
| EAD recalibration (note (c)) | **(4.2)** | – | – |
| Origination PD (note (d)) | **–** | – | (3.0) |
| LGD recalibration (note (e)) | **–** | 2.3 | 1.0 |
| Other | **0.7** | (0.4) | 0.3 |
| Total post-model underlays | **(0.6)** | (0.2) | (1.7) |

**(a) Forced sale discount (FSD)**
The external car valuations used in the FSD model were revised at the end of 2025 and an updated valuation used in 1H26. The model therefore needed to be calibrated to the revised valuations. A PMA has been recognised until the model can be recalibrated using the revised valuations.

**(b) Stage 2 significant increase in credit risk (SICR) recalibration**
A new acquisition scorecard was implemented during 2025, the SICR threshold therefore need to be calibrated to appropriately move accounts into Stage 2 when they breach the SICR thresholds. A PMA has been recognised until the model can be updated.

**(c) Exposure at default (EAD) recalibration**
Monitoring of the EAD model during 1H26 indicated a recalibration was required. A post model underlay was recognised during 1H26 until the model can be updated.

**(d) Origination probability of default (PD) recalibration**
Monitoring of the origination 12-month Probability of Default indicated a recalibration was required. A post model overlay was recognised during 1H25 and updated in the core model in 2H25.

**(e) Loss given default (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 was recognised during 2025 and updated in the core model in 1H26.

## 10. Amounts receivable from customers (continued)

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026 unaudited** | 2025 unaudited |
| | **£m** | £m |
| Credit cards | **83.7** | 64.0 |
| Vehicle finance | **18.1** | 12.7 |
| Second Charge Mortgages | **0.6** | 0.2 |
| **Total impairment charge – continuing operations** | **102.4** | 76.9 |
| Discontinued operations | **–** | (3.1) |
| **Total impairment charge** | **102.4** | 73.8 |

The 1H25 impairment charge in the income statement of £(76.1)m includes a credit of £0.8m in relation to loans held within trade and other receivables. One of the loans was repaid in 1H25 and the impairment provision released.

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

| | Credit Cards | Vehicle Finance | Second Charge Mortgages | Total |
|---|---|---|---|---|
| | £m | £m | £m | £m |
| Brought forward 1 January 2025 (audited) | 25.5 | 49.7 | 8.4 | 83.6 |
| Capitalised | 5.5 | 13.4 | 7.1 | 26.0 |
| Amortised | (4.1) | (14.4) | (1.7) | (20.2) |
| Written off | – | (1.9) | – | (1.9) |
| Carried forward 30 June 2025 (unaudited) | 26.9 | 46.8 | 13.8 | 87.5 |
| Brought forward 1 July 2025 | 26.9 | 46.8 | 13.8 | 87.5 |
| Capitalised | 6.1 | 14.7 | 9.1 | 29.9 |
| Amortised | (4.5) | (14.1) | (2.9) | (21.5) |
| Written off | – | (1.9) | – | (1.9) |
| Carried forward 31 December 2025 (audited) | 28.5 | 45.5 | 20.0 | 94.0 |
| **Brought forward 1 January 2026 (audited)** | **28.5** | **45.5** | **20.0** | **94.0** |
| Capitalised | **5.2** | **15.6** | **8.1** | **28.9** |
| Amortised | **(5.0)** | **(14.5)** | **(3.8)** | **(23.3)** |
| Written off | **–** | **(1.8)** | **–** | **(1.8)** |
| **Carried forward 30 June 2026 (unaudited)** | **28.7** | **44.8** | **24.3** | **97.8** |

## 11. Other intangible assets

| | 30 June 2026 unaudited | | | 31 December 2025 audited | | |
|---|---|---|---|---|---|---|
| | **Acquisition intangibles** | **Computer Software** | **Total** | Acquisition intangibles | Computer Software | Total |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| **Cost** | | | | | | |
| At 1 January | **86.1** | **91.0** | **177.1** | 86.1 | 82.1 | 168.2 |
| Additions | **–** | **9.2** | **9.2** | – | 15.2 | 15.2 |
| Adjustment | **–** | **–** | **–** | – | (0.6) | (0.6) |
| Disposals | **–** | **–** | **–** | – | (5.7) | (5.7) |
| At 30 June/31 December | **86.1** | **100.2** | **186.3** | 86.1 | 91.0 | 177.1 |
| **Accumulated amortisation and impairment** | | | | | | |
| At 1 January | **77.9** | **34.2** | **112.1** | 76.6 | 30.1 | 106.7 |
| Charged to the income statement - amortisation | **0.7** | **3.7** | **4.4** | 1.3 | 9.2 | 10.5 |
| Adjustment | **–** | **–** | **–** | – | (0.6) | (0.6) |
| Disposals | **–** | **–** | **–** | – | (4.5) | (4.5) |
| At 30 June/31 December | **78.6** | **37.9** | **116.5** | 77.9 | 34.2 | 112.1 |
| **Net book value** | | | | | | |
| At 30 June/31 December | **7.5** | **62.3** | **69.8** | 8.2 | 56.8 | 65.0 |
| At 1 January | **8.2** | **56.8** | **65.0** | 9.5 | 52.0 | 61.5 |

| | 30 June 2025 unaudited | | |
|---|---|---|---|
| | Acquisition intangibles | Computer software | Total |
| | £m | £m | £m |
| **Cost** | | | |
| At 1 January | 86.1 | 82.1 | 168.2 |
| Additions | – | 7.3 | 7.3 |
| Disposals | – | (5.7) | (5.7) |
| **At 30 June** | 86.1 | 83.7 | 169.8 |
| **Accumulated amortisation and impairment** | | | |
| At 1 January | 76.6 | 30.1 | 106.7 |
| Charged to the income statement - amortisation | 0.6 | 4.5 | 5.1 |
| Disposals | – | (4.5) | (4.5) |
| **At 30 June** | 77.2 | 30.1 | 107.3 |
| **Net book value** | | | |
| At 30 June | 8.9 | 53.6 | 62.5 |
| At 1 January | 9.5 | 52.0 | 61.5 |

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 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 9 and 5 years respectively.

Additions to computer software of £9.2m (FY25: £15.2m; 1H25: £7.3m) predominantly comprise costs associated with the Gateway platform development.

Included within discontinued operations in 1H25 and FY25 is amortisation of £0.2m and a loss on disposal of £1.2m. The disposal related to the write down of redundant IT systems used to support the loans business.

## 12. Retirement benefit asset

The retirement benefit asset reflects the difference between the present value of the Group's obligation to current and past employees to provide a defined benefit pension and the fair value of assets held to meet that obligation. As at 30 June 2026, the fair value of the assets exceeded the obligation and hence a net pension asset has been recorded.

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 most recent actuarial valuation of the scheme was carried out as at 1 June 2024 by a qualified independent actuary.

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

| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|
| | **£m** | £m | £m |
| Fair value of scheme assets | **437.4** | 446.0 | 447.5 |
| Present value of defined benefit obligation | **(427.0)** | (439.6) | (434.8) |
| **Net retirement benefit asset recognised in the balance sheet** | **10.4** | 6.4 | 12.7 |

The valuation of the retirement benefit asset has increased from £6.4m at 31 December 2025 to £10.4m at 30 June 2026. A high-level reconciliation of the movement is as follows:

| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|
| | **£m** | £m | £m |
| Retirement benefit asset as at 1 January | **6.4** | 27.8 | 27.8 |
| Cash contributions made by the Group | **0.4** | 0.8 | 0.4 |
| Return on assets being held to meet pension obligations in excess of discount rate | **(8.0)** | (5.5) | (6.8) |
| Actuarial movement – demographic assumptions | **(2.1)** | (9.2) | (5.1) |
| Actuarial movement – financial assumptions | **15.6** | 4.1 | 7.6 |
| Actuarial - membership experience | **(1.3)** | (11.5) | (11.1) |
| Other | **(0.6)** | (0.1) | (0.1) |
| **Closing retirement benefit asset** | **10.4** | 6.4 | 12.7 |

The amounts recognised in the income statement were as follows:

| | 6 months ended 30 June | |
|---|---|---|
| | **2026 unaudited** | 2025 unaudited |
| | **£m** | £m |
| Administration costs and taxes | **(0.7)** | (0.9) |
| Interest on scheme liabilities | **(11.8)** | (11.5) |
| Interest on scheme assets | **11.9** | 12.3 |
| Net charge recognised in the income statement | **(0.6)** | (0.1) |

The net charge recognised in the income statement has been included within operating costs.

## 12. Retirement benefit asset (continued)

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

| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|
| Price inflation – RPI | **3.00** | 2.85 | 2.95 |
| Price inflation – CPI | **2.50** | 2.30 | 2.45 |
| Rate of increase to pensions in payment | **2.90** | 2.80 | 2.90 |
| Inflationary increases to pensions in deferment | **2.50** | 2.20 | 2.45 |
| Discount rate | **5.95** | 5.50 | 5.65 |

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

| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|
| | **£m** | £m | £m |
| Actuarial movements on scheme assets | **(8.0)** | (5.5) | (6.8) |
| Actuarial movements on scheme liabilities | **12.2** | (16.6) | (8.6) |
| **Total movement recognised in other comprehensive income** | **4.2** | (22.1) | (15.4) |
| **Cumulative movement recognised in other comprehensive income** | **(177.8)** | (182.0) | (175.3) |

## 13. Fair value disclosures

The Group holds the following financial instruments at fair value:

| | **30 June 2026 unaudited** | 31 December 2025 audited | 30 June 2025 unaudited |
|---|---|---|---|
| | **£m** | £m | £m |
| **Financial assets** | | | |
| | **4.2** | 3.9 | 2.0 |
| Visa Inc. shares | **1.4** | 2.4 | 2.3 |
| | **5.6** | 6.3 | 4.3 |
| **Financial liabilities** | | | |
| Derivatives | **2.6** | 6.1 | 7.0 |

The Group enters derivative financial instruments solely for risk management purposes. These instruments are primarily interest rate swaps used to mitigate identified interest rate risks arising from recognised assets and liabilities. The Group does not undertake derivative trading activities.

At 30 June 2026, the Group was party to 46 derivative financial instruments (FY25: 24; 1H25: 10). The Group's derivative portfolio comprises the following categories:

**Balance Guarantee Swaps – £0.4m (FY25: £2.1m; 1H25: £2.0m) asset and £0.9m (FY25: £2.7m; 1H25: £2.5m) liability**
The Group is party to two Balance Guarantee Swaps (BGS) with a combined notional amount of £587.0m. The Front BGS manages interest rate risk within the securitisation special purpose vehicle (SPV), while the Back BGS offsets the Front BGS at Group level upon consolidation.

The Front and Back BGS economically offset one another and therefore no hedge accounting is currently applied. Hedge accounting on the Front BGS was discontinued in September 2022, with the resulting hedge adjustment being amortised over the remaining life of the underlying receivables. Prior to discontinuation, the hedging relationship was designated as a fair value hedge under IAS 39 portfolio hedge accounting requirements.

## 13. Fair value disclosures (continued)

**Tier 2 swaps – £1.4m (FY25: £1.5m; 1H25: £nil) asset and £0.5m (FY25: £0.4m; 1H25: £3.7m) liability**
The Group is party to two Tier 2 interest rate swaps with a combined notional amount of £141.5m. These swaps are used to manage exposure to changes in interest rates arising from fixed-rate Tier 2 capital instruments.

The first swap was executed in 2022 in conjunction with the initial Tier 2 issuance, with the notional amount subsequently reduced during 2H25 and 1H26 following partial repayment of the underlying capital. The second swap was executed in 1H26 in connection with the issuance of £100.0m of new Tier 2 capital.

Both swaps are designated in fair value hedge relationships under IAS 39 micro hedge accounting.

**Second charge mortgage swaps - £0.9m (FY25: £nil; 1H25: £nil) asset and £0.1m (FY25: £0.4m; 1H25: £0.1m) liability**
The Group is party to 12 second charge mortgage swaps with a combined notional amount of £204.0m. These swaps are used to manage interest rate risk arising from the second charge mortgage portfolio and are designated within fair value hedge relationships under IAS 39 portfolio hedge accounting.

**Deposit swaps - £0.5m (FY25: £nil; 1H25: £nil) liability and £nil (FY25 £0.2m; 1H25 £nil) asset**
The Group is party to four deposit swaps with a combined notional amount of £205.0m. These swaps are used to manage interest rate risk associated with customer deposits and are designated within fair value hedge relationships under IAS 39 portfolio hedge accounting.

**Gilt Swaps - £1.2m (FY25 £0.1m; 1H25 £nil) asset and £0.5m liability (FY25 £2.6m; 1H25 £0.7m)**
The Group is party to nineteen gilt swaps with a combined notional amount of £307.0m. These swaps are used to manage interest rate risk associated with UK Government gilt securities and are designated within fair value hedge relationships under IAS 39 micro hedge accounting.

**Sovereign, supranational and agency (SSA) Swaps - £0.3m asset and £0.1m liability (FY25: £nil; 1H25: £nil)**
The Group is party to five SSA swaps with a combined notional amount of £18.9m. These swaps are used to manage interest rate risk associated with investments in SSA securities and are designated within fair value hedge relationships under IAS 39 micro hedge accounting.

**Treasury Bill Swaps - £nil (FY25 £nil; 1H25 £nil)**
The Group is party to two Treasury Bill swaps with a combined notional amount of £50.0m. These swaps are used to manage interest rate risk associated with UK Treasury Bill investments and are designated within fair value hedge relationships under IAS 39 micro hedge accounting.

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:

| | Carrying value | | | Fair value | | |
|---|---|---|---|---|---|---|
| | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m |
| **Financial assets** | | | | | | |
| Investment securities | **404.0** | 254.6 | 116.5 | **404.9** | 254.3 | 116.6 |
| Amounts receivable from customers | **2,932.1** | 2,691.5 | 2,325.1 | **3,076.4** | 2,808.0 | 2,738.4 |
| | **3,336.1** | 2,946.1 | 2,441.6 | **3,481.3** | 3,062.3 | 2,855.0 |
| **Financial liabilities** | | | | | | |
| Retail deposits | **3,219.0** | 3,019.9 | 2,463.8 | **3,170.0** | 2,986.3 | 2,424.6 |
| Bank and other borrowings | **594.7** | 347.5 | 447.7 | **600.2** | 353.6 | 431.1 |
| | **3,813.7** | 3,367.4 | 2,911.5 | **3,770.2** | 3,339.9 | 2,855.7 |

## 14. Provisions

| | Vehicle Finance redress | Customer compliance | Dilapidations | Others | Total |
|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m |
| At 1 January 2025 | – | 7.4 | 6.4 | 1.7 | 15.5 |
| Created in the period | – | 4.7 | – | – | 4.7 |
| Reclassified in the period | – | – | – | (0.5) | (0.5) |
| Utilised in the period | – | (6.7) | – | (0.9) | (7.6) |
| Released in the period | – | (2.9) | – | – | (2.9) |
| At 30 June 2025 (unaudited) | – | 2.5 | 6.4 | 0.3 | 9.2 |
| At 1 July 2025 | – | 2.5 | 6.4 | 0.3 | 9.2 |
| Created in the period | 3.0 | 8.0 | 0.2 | – | 11.2 |
| Reclassified in the period | – | 0.4 | – | 0.1 | 0.5 |
| Utilised in the period | – | (9.1) | (1.0) | (0.1) | (10.2) |
| Released in the period | – | – | (2.6) | (0.2) | (2.8) |
| At 31 December 2025 (audited) | 3.0 | 1.8 | 3.0 | 0.1 | 7.9 |
| **At 1 January 2026** | **3.0** | **1.8** | **3.0** | **0.1** | **7.9** |
| Created in the period | **–** | **1.6** | **0.2** | **0.5** | **2.3** |
| Utilised in the period | **–** | **(1.8)** | **–** | **(0.1)** | **(1.9)** |
| Released in the period | **–** | **–** | **–** | **(0.1)** | **(0.1)** |
| **At 30 June 2026 (unaudited)** | **3.0** | **1.6** | **3.2** | **0.4** | **8.2** |

**Vehicle Finance redress: £3.0m (FY25: £3.0m; 1H25: £nil)**
As at FY25 the Group recognised a £3.0m motor finance redress provision based on a range of probability weighted scenarios. This provision reflected management's assessment of the FCA consultation proposals published in October 2025.

On 30 March 2026, the FCA then published Policy Statement 26/3 (the Scheme), setting out the rules governing a motor finance redress scheme and conclusions from the consultation.

Subsequently, on 2 July 2026, the FCA announced a partial suspension to the Scheme following the Upper Tribunal confirming it will hear the legal challenges to the scheme. The Tribunal has also made an order suspending parts of the scheme on terms agreed by the FCA with the four commercial parties that have challenged.

The partial suspension enables firms to keep preparing for the scheme and progress complaints as far as possible, while avoiding work that may need to be repeated if the challenges succeed. The partial suspension confirms that firms are not required to calculate or pay redress, or send communications about compensation owed under the scheme, until the Upper Tribunal process concludes.

The probability-weighted scenarios were updated following the FCA announcement in July, no change in provision was required.

**Customer compliance: £1.6m (FY25: £1.8m; 1H25: £2.5m)**
The customer remediation provision relates to general customer compliance matters. This included the costs of processing a temporary uplift in unmerited customer claims from CMCs up until the revised FOS fee structure was implemented in 2Q25. An amount for expected FOS fees is also included in the provision.

**Dilapidations: £3.2m (FY25: £3.0m; 1H25: £6.4m)**
Dilapidations provisions are held for all properties. Following the Head Office relocation during 2025 in Bradford, £1.0m of the provision was utilised and the remaining £2.6m released.

**Other: £0.4m (FY25: £0.1m; 1H25: £0.3m)**
This predominantly relates to redundancy and other smaller provisions held.

## 15. Bank and other borrowings

| | **30 June 2026 unaudited £m** | 31 December 2025 audited £m | 30 June 2025 unaudited £m |
|---|---|---|---|
| Credit Cards securitisation | **267.6** | – | – |
| Vehicle Finance securitisation | **160.0** | 200.0 | 200.0 |
| Tier 2 | **141.5** | 141.5 | 200.0 |
| Central bank facilities | **25.0** | – | 40.0 |
| Bank overdrafts | **–** | 0.9 | 0.9 |
| Accrued interest | **2.7** | 5.9 | 8.6 |
| Arrangement fees | **(3.3)** | (0.6) | (1.4) |
| Fair value adjustment for hedged risk | **1.2** | (0.2) | (0.4) |
| **Total bank and other borrowings** | **594.7** | 347.5 | 447.7 |

**Credit Cards securitisation**
On 22 June 2026 the Group, via a special purpose entity (Oban Cards 2026-1 plc), issued a series of asset backed floating rate notes as part of the securitisation of Credit Card receivables. The bonds are listed on the London Stock Exchange.

**Vehicle Finance securitisation**
The Group refinanced the facility in June 2026, including the repayment of £40m. The facility has a 12-month amortisation period.

**Tier 2**
On 21 May 2026 following a tender offer, £100m of the Tier 2 subordinated bonds were purchased by the Group for cash and subsequently cancelled leaving a total remaining in aggregate principal amount of £41.5m outstanding. Simultaneously on 21 May 2026, the Group issued further Tier 2 subordinated bonds for a total amount of £100m, which pay a coupon of 8.25%. The bonds have a maturity date of 21 November 2037 and are callable at the Group's discretion between 21 August 2032 and 21 November 2032.

**Central bank facilities**
The Group makes drawings under the Indexed Long Term Repo (ILTR) programme from time to time for liquidity purposes. Drawings under the ILTR have a maturity of six months on drawdown and a rate of interest set in an auction process.

## 16. Reconciliation of profit after tax to cash used in operations

| | Note | Six months ended 30 June 2026 unaudited £m | 2025 unaudited (restated)[1] £m |
|---|---|---|---|
| **Profit after taxation** | | **7.7** | 5.6 |
| Adjusted for: | | | |
| – tax charge | 7 | **1.2** | 1.5 |
| – share-based payment charge | | **1.1** | 0.7 |
| – retirement benefit charge | 12 | **0.6** | 0.1 |
| – provisions created in the year | 14 | **2.3** | 4.7 |
| – provisions released in the year | 14 | **(1.9)** | (2.9) |
| – provisions utilised in the year | 14 | **(0.1)** | (7.6) |
| – depreciation of property, plant and equipment and right of use assets | | **2.6** | 3.3 |
| – loss on disposal of property, plant and equipment | | **0.2** | 0.2 |
| – amortisation of intangible assets | 11 | **4.4** | 5.1 |
| – loss on disposal of intangible assets | 11 | **–** | 1.2 |
| – non cash interest expense | | **1.1** | (0.9) |
| – net fair value movement on derivative financial instruments | | **(1.0)** | 5.0 |
| – fair value movements on Visa shares | | **0.2** | – |
| – contributions into the retirement benefit scheme | 12 | **(0.4)** | (0.4) |
| Changes in operating assets and liabilities: | | | |
| – amounts receivable from customers | 10 | **(241.9)** | (171.1) |
| – trade and other receivables | | **2.9** | 5.5 |
| – trade and other payables | | **(0.6)** | 9.4 |
| – retail deposits | | **199.5** | 35.6 |
| **Cash used in operations** | | **(22.1)** | (105.0) |

1 Detail on restatement set out below

Consistent with the restatement set out in the Group FY25 Annual Report and Accounts, 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 (1H25: £306.8m) and interest paid (1H25: £41.4m) in the period is now disclosed as a memo item underneath the statement of cash flows. Disclosed total interest received for 1H25 has increased significantly as it now includes £282.3m of interest received on amounts receivable from customers.
- As part of this re-presentation, any non-cash interest is now presented as a separate reconciling item between profit 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 profit after tax and cash generated from operations now solely represents the non-cash movement in the year on derivatives and hedge accounting adjustments.

## 16. Reconciliation of profit after tax to cash (used in)/generated from operations (continued)

The affected financial statement line items are as follows:

| | Six months ended 30 June 2025 unaudited | | |
|---|---|---|---|
| | **Reported** | **Adjustment** | **Restated** |
| | **£m** | **£m** | **£m** |
| **Reconciliation of profit after tax** | | | |
| Finance costs | 73.0 | (73.0) | – |
| Finance income | (21.7) | 21.7 | – |
| Non-cash interest expense | – | (0.9) | (0.9) |
| Derivatives and hedging movement | 2.2 | 2.8 | 5.0 |
| Movement in retail deposits | 10.2 | 25.4 | 35.6 |
| | | | |
| **Statement of cash flows** | | | |
| *Cash flow from operating activities:* | | | |
| Cash (used in)/generated from operations | (81.0) | (24.0) | (105.0) |
| Finance costs paid | (46.8) | 46.8 | – |
| Finance income received | 22.8 | (22.8) | – |

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

## 17. 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. 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.

## 18. Post Balance Sheet events

There have been no significant events since the balance sheet date that require disclosure in these interim financial statements.

## Directors’ responsibility statement

The directors confirm that, to the best of their knowledge, the unaudited condensed interim financial statements have been prepared in accordance with IAS 34 as contained in UK adopted IFRS, and that the interim report includes a fair review of the information required by DTR 4.2.4R, DTR 4.2.7R and DTR 4.2.8R, namely:

- An indication of important events that have occurred during the first six months of the financial year and their impact on the unaudited condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions that have occurred in the first six months of the financial year and any material changes in the related party transactions described in the last annual report and financial statements.

A list of current directors is maintained on the Vanquis Banking Group plc website: www.vanquis.com. All directors were present throughout the six months ended 30 June 2026.

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 unaudited condensed interim financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of unaudited condensed interim financial statements may differ from legislation in other jurisdictions.

By order of the board

Ian McLaughlin – Chief Executive Officer
29 July 2026

Dave Watts – Chief Financial Officer