



Vanquis Banking Group plc
Update on capital requirements from the PRA
8 March 2023

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Vanquis Banking Group plc ('the Group'), a leading specialist banking group with a focus on customers in the mid-cost and near-prime credit markets, today publishes an update regarding its capital requirements.

The Prudential Regulation Authority (PRA) has concluded its Capital Supervisory Review and Evaluation Process (CSREP) of the Group's capital requirements, based on the Internal Capital Adequacy Assessment Process (ICAAP) undertaken during 2022.

The outcome is that the Group's Total Capital Requirement (TCR) has reduced by more than a third, from 18.3% to 11.9%. Including the current regulatory combined buffers of 3.5% (capital conservation buffer of 2.5% and countercyclical buffer of 1.0%), the Group's overall capital requirement has reduced by 6.4% from 21.8% to 15.4%*.

The reduction in capital requirements will support the Group's focus on organic loan book growth, which is further supported by the receipt of a large limit waiver from the PRA in November 2022, providing access to retail deposit funding for the Group's vehicle finance business.

As previously announced, the Group has been repositioned as a specialist banking group focused on lower risk customers and has also undertaken a significant amount of work to strengthen the Group-wide risk management framework. The Group will provide a further update on its capital management framework with its FY'22 results on 31 March, 2023.

**Excludes confidential and management buffers.*

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