

Vanquis Bank

Sustainable growth and high returns

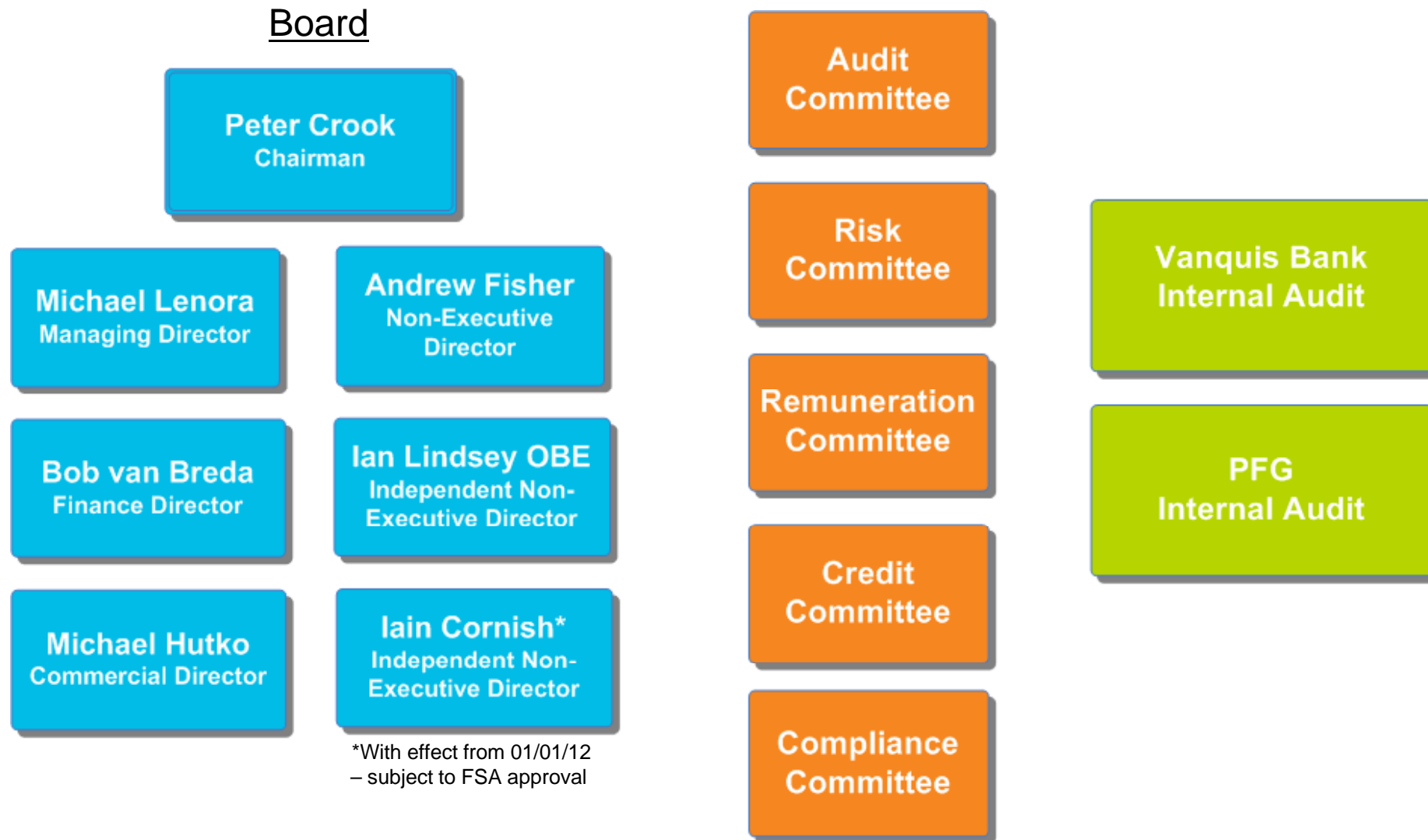
Investor Day – 14 November 2011

Welcome to Vanquis and to Chatham Maritime

Peter Crook – Chairman, Vanquis Bank



Strong corporate governance



How Vanquis is regulated

Vanquis is the subject of close regulation, and maintains high regulatory standards

- FSA regulated bank
 - Submission of regular returns
 - Capital and liquidity requirements
 - Requirements to adhere with BIPRU and GENPRU
 - ARROW visits
 - Treating Customers Fairly
- Holds a Consumer Credit licence and is regulated by the OFT
- FSA regulation in the future to be split between:
 - Prudential Regulation Authority (PRA)
 - Financial Conduct Authority (FCA)

Excellent progress

- Significant progress made over the last 5 years
 - New management team
 - Re-pricing of the receivables book
 - Underwriting tightened in advance of the downturn
 - Collections processes improved
 - Systems and operational capability enhanced
 - Deposit taking secured
- All medium-term targets have been met
- Business has been transformed from loss making in 2006 to a highly profitable, growing business
- Excellent performance achieved during the worst economic conditions in the UK for a long period

Welcome and Introduction

Michael Lenora – Managing Director

Structure of the day

11.15 – 11.25	Welcome & Introduction	<i>Michael Lenora</i>
11.25 – 11.45	How the Contact Centre Works	<i>David Underwood</i>
11.45 – 13.00	Contact Centre Tour <ul style="list-style-type: none">• New Accounts• Customer Services• Collections• Fraud	<i>Hosts Vanessa Farmer Josephine Kelly James Appleby Mark Evans</i>
13.00 – 14.00	Lunch	
14.00 – 15.00	Acquiring and Managing Returns from Customers	<i>Michael Hutko</i>
15.00 – 15.30	Collections	<i>David Underwood</i>
15.30 – 16.00	Coffee break	
16.00 – 16.45	Financial Results & Funding	<i>Bob van Breda</i>
16.45 – 17.00	Summary	<i>Michael Lenora</i>
17.00 – 17.15	Concluding Remarks	<i>Peter Crook</i>
17.15 – 20.00	Drinks & Canapes	<i>Maritime Museum</i>

Sustainable growth and high returns

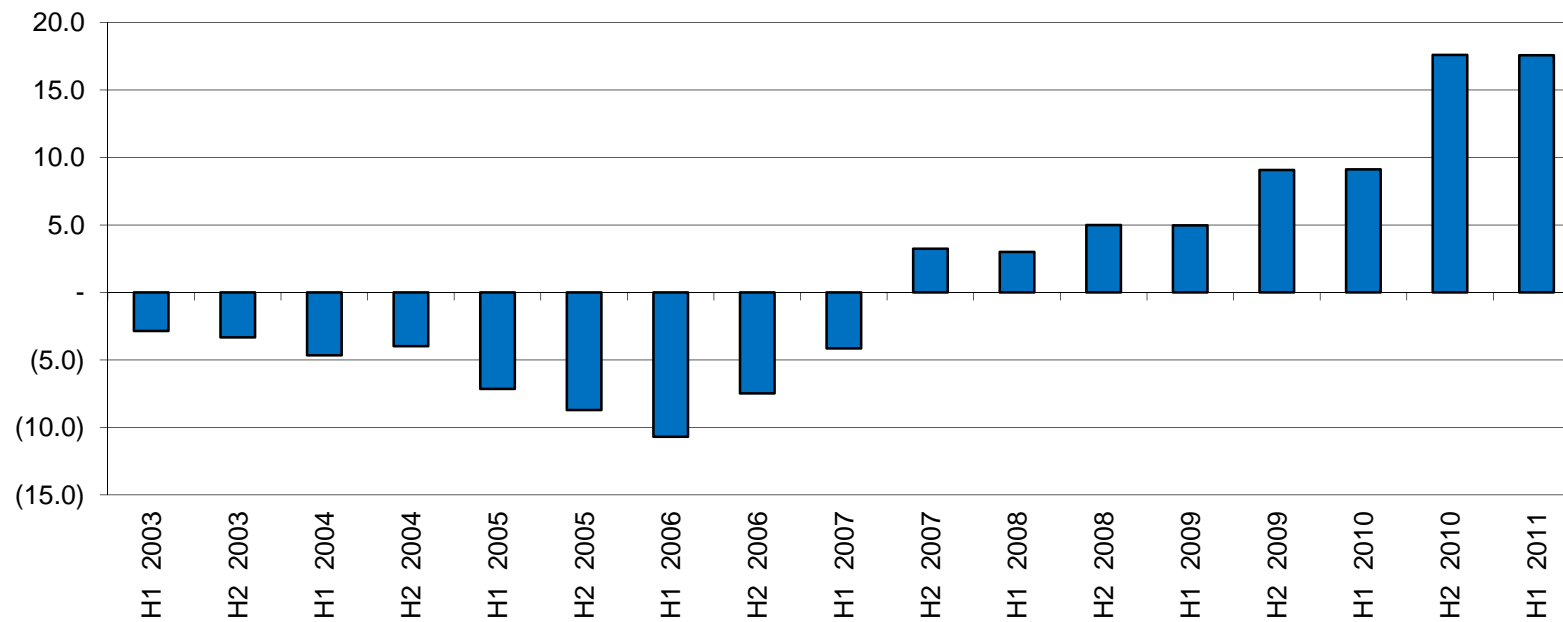
To deliver minimum 30% risk-adjusted margin and 30% post-tax ROE

- Significant growth opportunity
 - Focused on our target customers and segment
- Business model that delivers high, sustainable ROE
 - Clear credit management objectives
 - High contact through the acquisitions process and welcome call
 - Credit limit assignment and utilisation key to delivering returns
 - Profitable sustainable assets
 - Lifecycle plays to our advantage over time
 - Stability of impairment
- Funded through retail deposits

Background

- First issued cards in 2003 aimed at under-served market
- Broke even in 2007

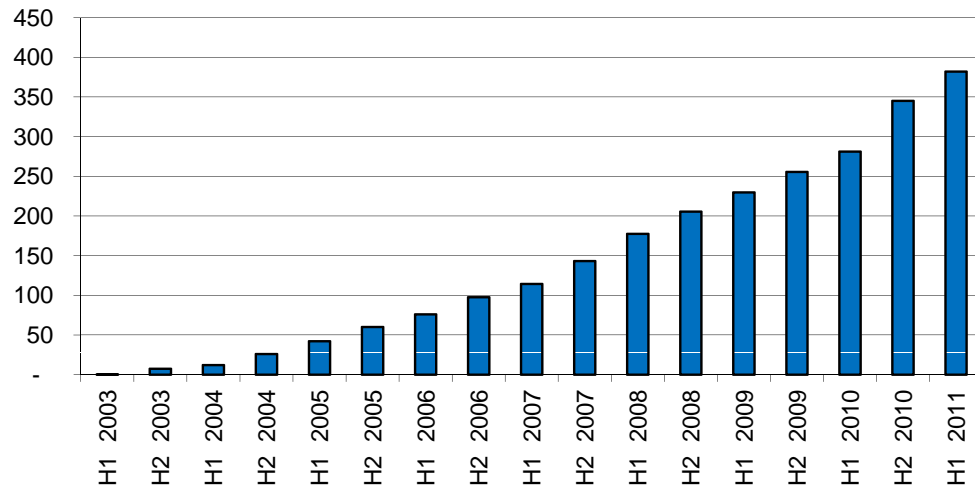
Profit before tax (£m)



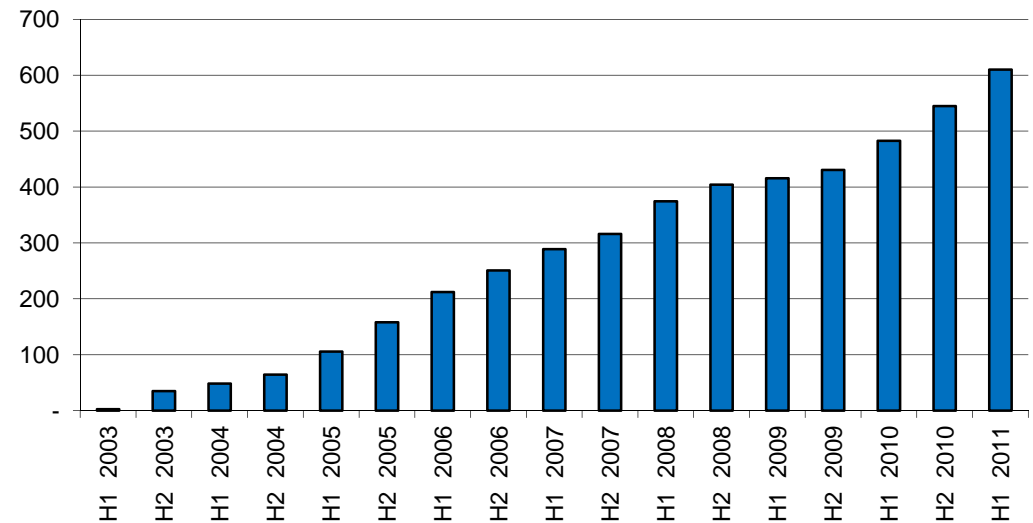
Background

- Now over 600,000 accounts and over £400m receivables
- Achieved 30% post-tax ROE in H2 2010

Receivables (£m)



Open accounts ('000)



What is Vanquis Bank?

In many ways it looks and acts like any other credit card provider

- Contact Centre operations
- Internet sales and servicing
- Visa branded
- Operates like any other card
- Accepted at 15m locations
- Standard payments and statements



What is Vanquis Bank?

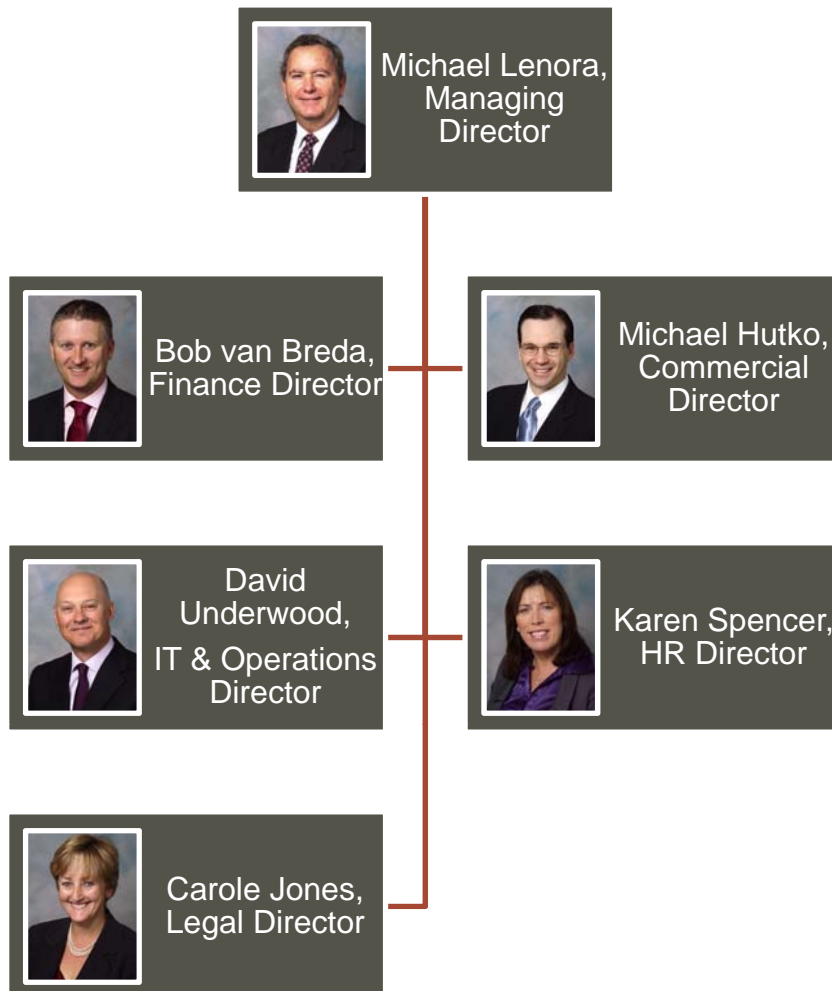
But today we are going to focus on why our business model makes us different and successful

- Right people, right culture
- Logical approach, analytical and decision expertise
- Robust 'low & grow' strategy
- Solely focused on customer segment
- High level of customer contact
- Granular and timely data
- High sustainable financial returns



The right team

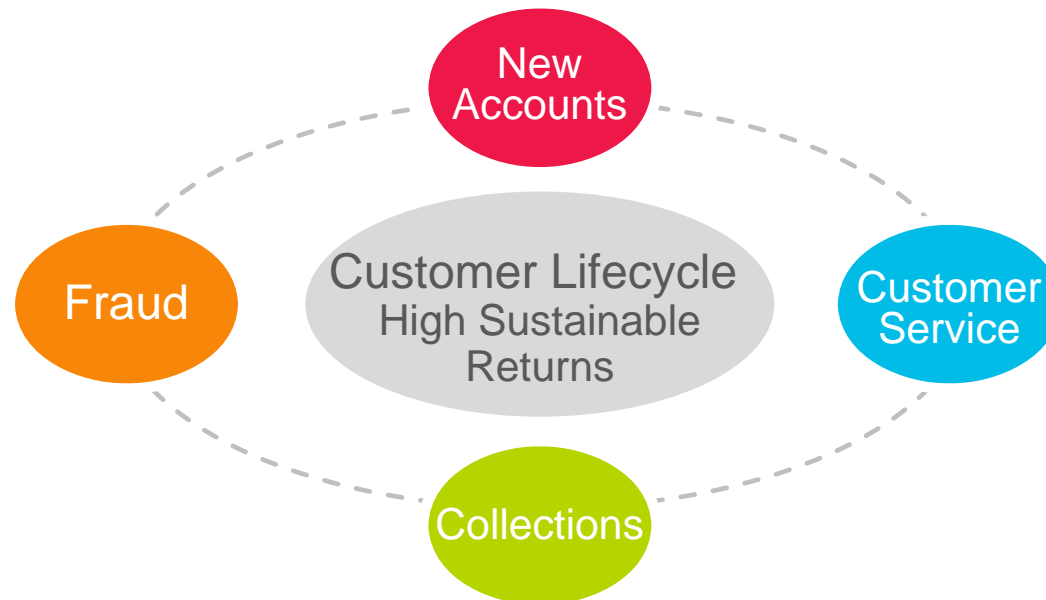
Team of specialists with over 80 years of credit card and 160 years of financial services experience



- More importantly, expertise has depth throughout the organisation
- Strong performance culture

Your journey today.....

Starts this morning in the front line of the contact centre



Your journey today.....

Then looks behind the scenes
this afternoon



Your journey today.....

Illustrating how it all ties together



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How the Contact Centre Works

David Underwood, IT & Operations Director

Our locations



Chatham 420 seats



London HO 80 staff



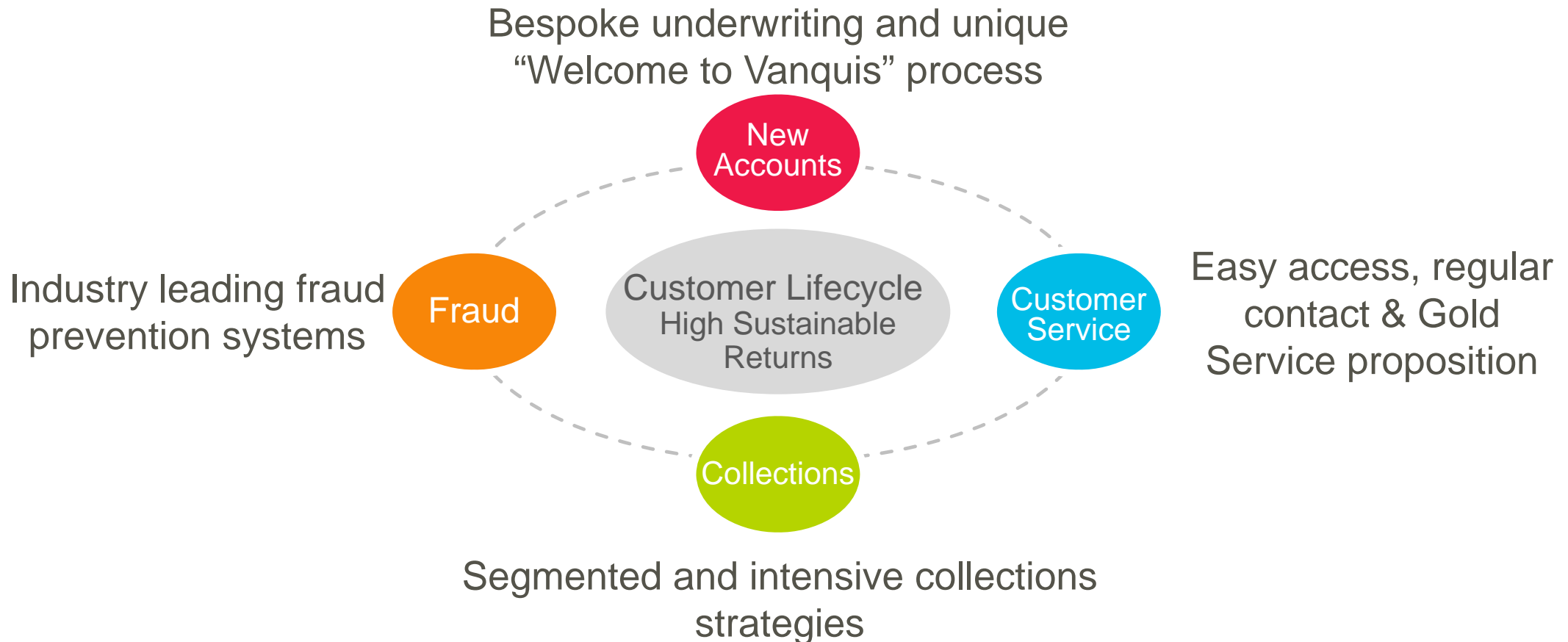
Bradford 230 seats (new)



London Data Centre

Our contact centre

The contact centre has four key customer facing departments



New Accounts

New
Accounts

Bespoke underwriting and unique “Welcome to Vanquis” process

- Main channels are Internet, Direct Mail and Partner referrals
- 100 staff:
 - Processing 90,000 to 100,000 applications per month
 - Booking 20,000 to 25,000 accounts per month
 - **An acceptance rate of less than 20%**
- Application processing and decisioning via Experian’s Transact system with bespoke underwriting
- Successful applications loaded to an outbound dialler
- Using an automated dialler all applicants are called before final decision is made – this welcome call is a **unique component of our process**
- Champion/Challenger on sales performance

Customer Services

Customer
Service

Regular contact and Gold Service propositions, our customers call us more frequently than other card providers

- High customer satisfaction – 9 out of 10 customers would recommend us
- Customer contact mainly via telephone
 - Inbound 300,000 calls per month (60% Interactive Voice Response (IVR), 40% Agents)
 - Gold Service Team focused on most valuable customers (20% of book)
- Over 200,000 customers on e-Vanquis
- Payments - Debit Card (38%) Direct Debit (33%), Internet (15%) and Cheque/Giro (11%)
- % of complaints where Ombudsman finds in our favour is 91% (in 6 months to June 2011) – best in the industry

Collections and Recoveries

Collections

Segmented and intensive collections strategies

- 180 staff in Collections & Recoveries
- Combination of letter, telephone, SMS and email
- Pre delinquent activity – past due date or overlimit
- “Vanquis” collections for early delinquency - up to 1 month in arrears
- “IMPACT” (internal) collections for later stage delinquency – up to 4 months in arrears
- External DCA panel from 4 months in arrears – DCA performance is closely measured and controlled

Fraud

Fraud

Industry leading fraud prevention systems

- 30 staff dealing with 1st and 3rd party fraud, financial crime and disputed transactions
- Fraud losses among lowest in industry – <£0.50/card/year and <0.1% of turnover – <£300,000 this year
- 86% of cases are Card Not Present Fraud (Internet and mail order) – some Application, Counterfeit, Lost and Stolen and Intercept
- Use CIFAS to share industry information
- Use FICO's Falcon system to identify and block unusual transaction patterns
- Anti Money Laundering and Staff Fraud – monitoring systems in place
- Financial Crime – Regulatory requirements (Police requests and Benefit Claims)

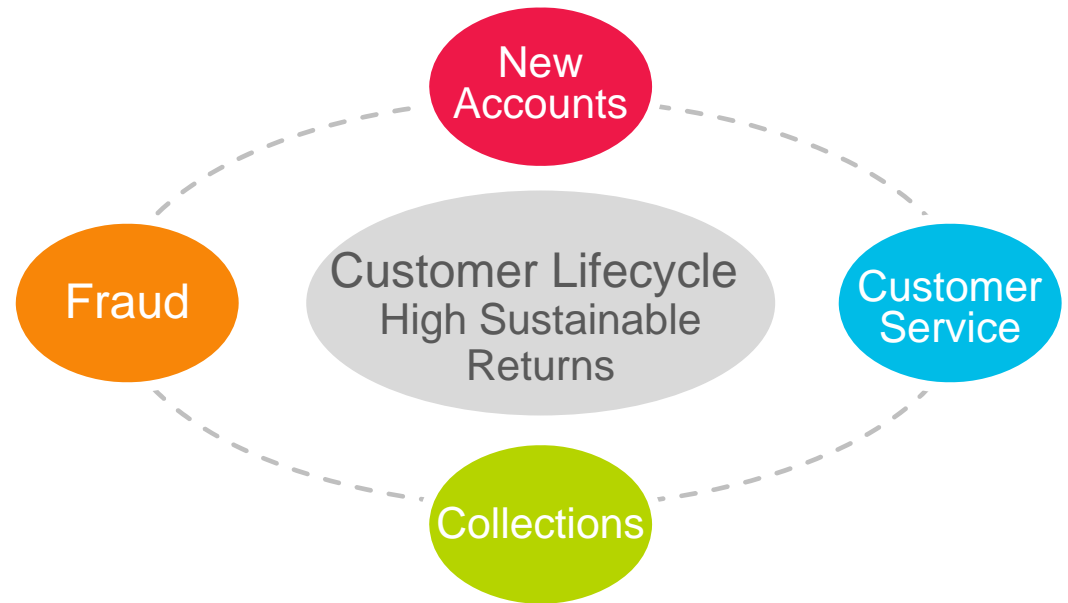
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Contact centre

Several key factors are common to all areas

- Right people, right culture
- High level of customer contact
- Technical support
- Granular and timely data



Please follow your host

Questions?

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Acquiring and Managing Returns from Customers

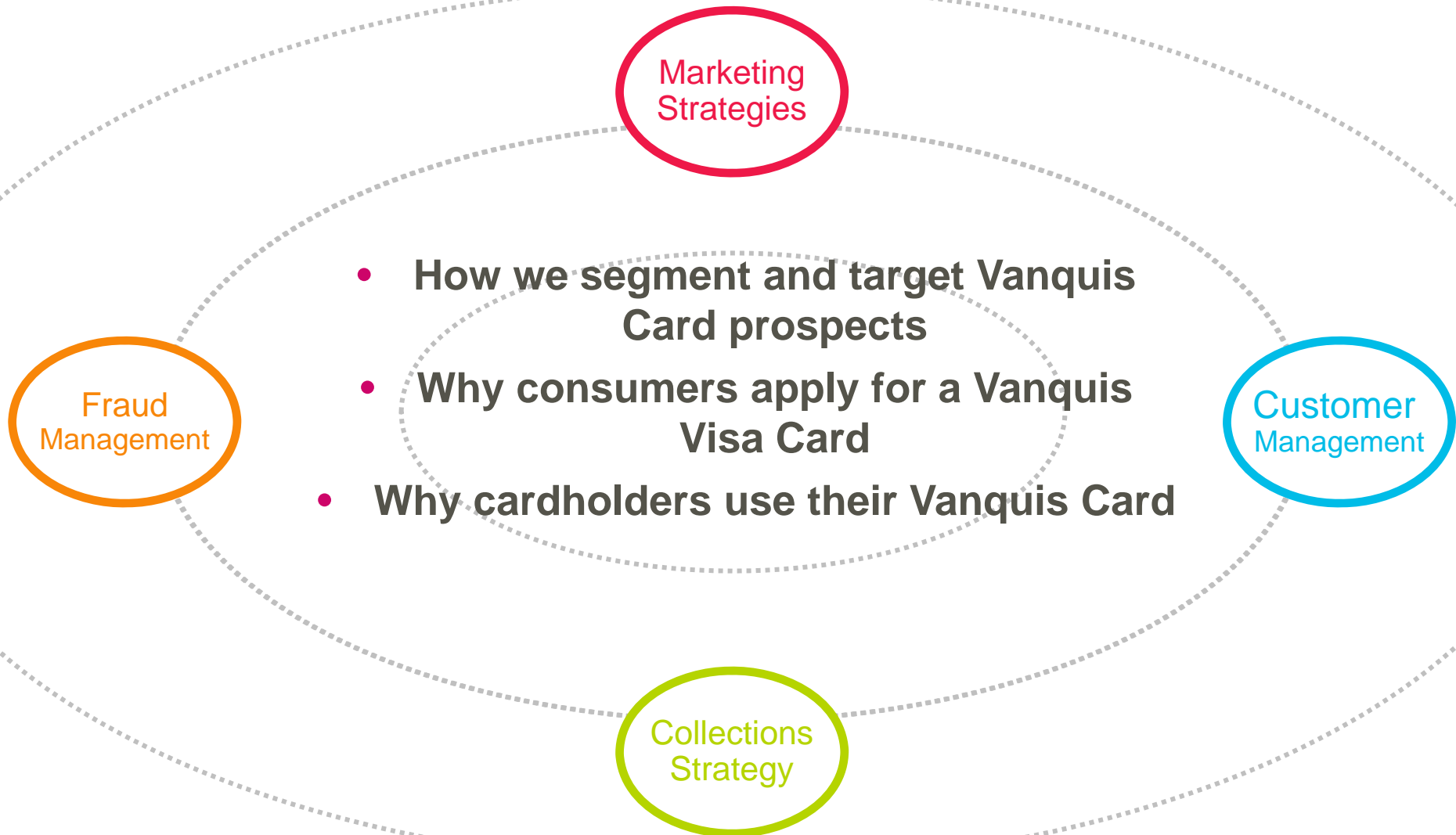
Michael Hutko – Commercial Director

Agenda

- Marketing strategies
- Credit and customer management decisions
 - Initial underwriting
 - Line increase (low and grow)
 - Other customer management techniques
- Inherently robust business model

Acquiring Customers

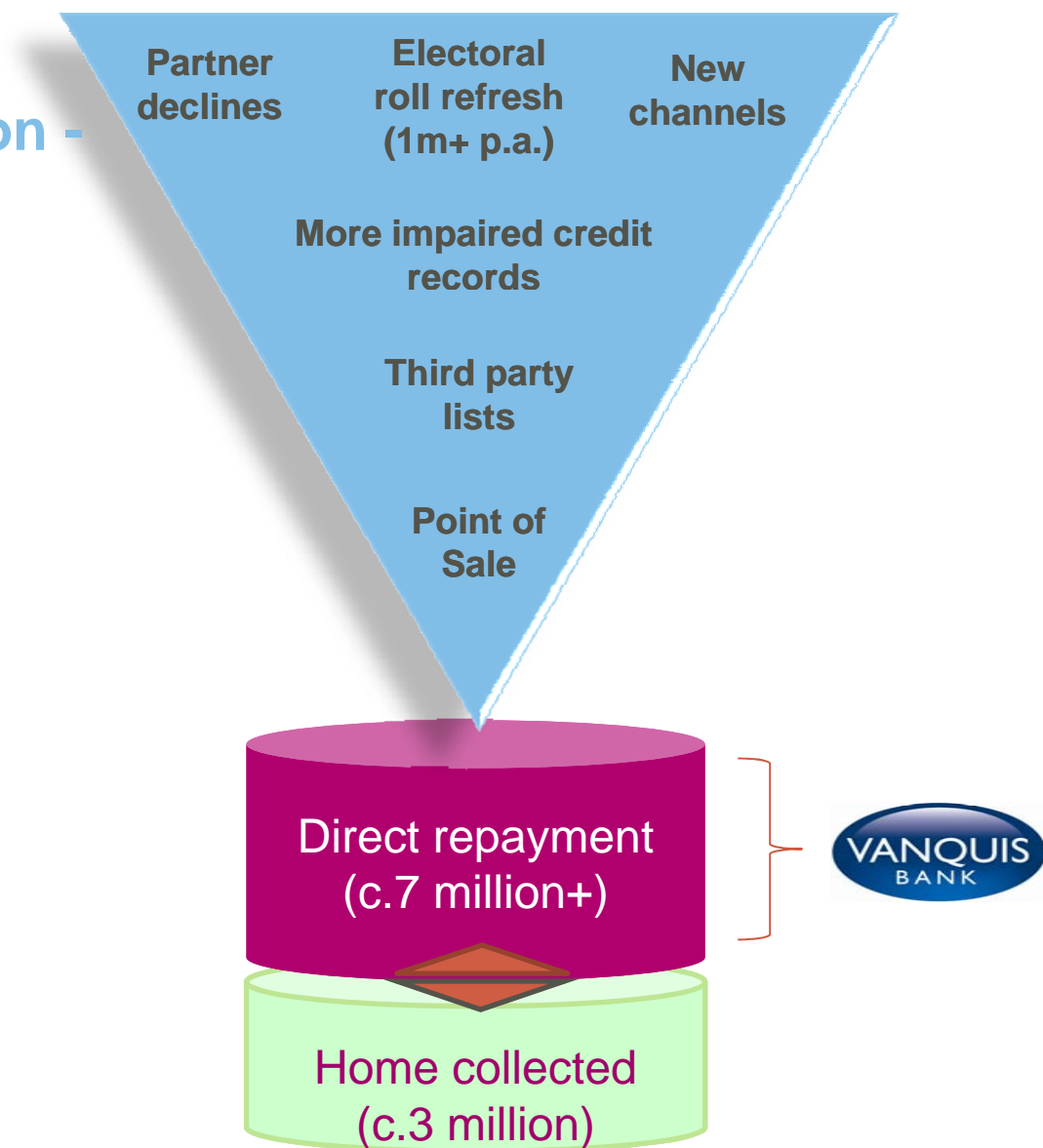
Marketing strategies



Target market

Vanquis' target market is over 7 million - mostly C1/2/D

- Diverse routes to market
- Current penetration less than 10%
- Significant room to grow
- Few direct competitors



Target customer

Our target customers have a materially different profile to that of prime credit cardholders

- Customer status

	Prime issuer	Vanquis Bank
Employment status	Employed	Employed
Annual income	£25k+ p.a.	£15 – 30k p.a.
Residential status	House-owner/mortgaged	Tenant (75%)
Use of other credit cards	High	Low
Use of other borrowings	Medium	Very low

- Card features

	Prime issuer	Vanquis Bank
Credit line	£5,000+	£900
Line utilisation	25%	75+%
Typical APR	15-20%	39.9%
Primary purpose of card	Transactor/Revolver	Revolver

Customer profile

Total Portfolio	
Gender	48% female, 52% male
Average Age	36
Typical Income	£15,000 to £30,000
Residency	75% tenants, 25% owners
Employment	72% employed, 11% self-employed, 5% home-maker
Top 5 Merchants	1. Tesco
	2. Asda
	3. Sainsbury's
	4. Argos
	5. Paypal
Average Credit Limit	£900
Average balance	£650
Average repayment	£50

Core customer proposition

A normal credit card for normal spending.



- No annual fee
- 56 days interest free period
- Minimum payment = fees + 1.5%
- Cash advances = 3%/£3
- Late/overlimit fee = £12

Why do customers choose Vanquis?

Our customers understand that Vanquis is taking a risk by issuing a card to them

- Access to the utility of a credit card when other issuers may have declined them
- Build their credit history (if no credit history in the UK)
- Rebuild their credit history (if poor credit history)
- Focus group research indicates that our customers:
 - Are realistic about their situation
 - Know that they will have to work to remedy it

Customer Satisfaction

9 out of 10 cardholders would recommend Vanquis to others

- Cardholders declined by Prime issuers appreciate a “second chance” from Vanquis
- Our UK Customer Service call centres provide a higher level of help and support than those of Prime issuers
- We conduct a ‘Welcome Call’ with all new cardholders before they receive their card
- We provide ongoing education and support for all customers:

Credit Today Awards Credit Card Provider of the Year



2009 Shortlist

- Vanquis Bank
- M&S Money



2010 Shortlist

- Vanquis Bank
- Clydesdale



2011 Shortlist

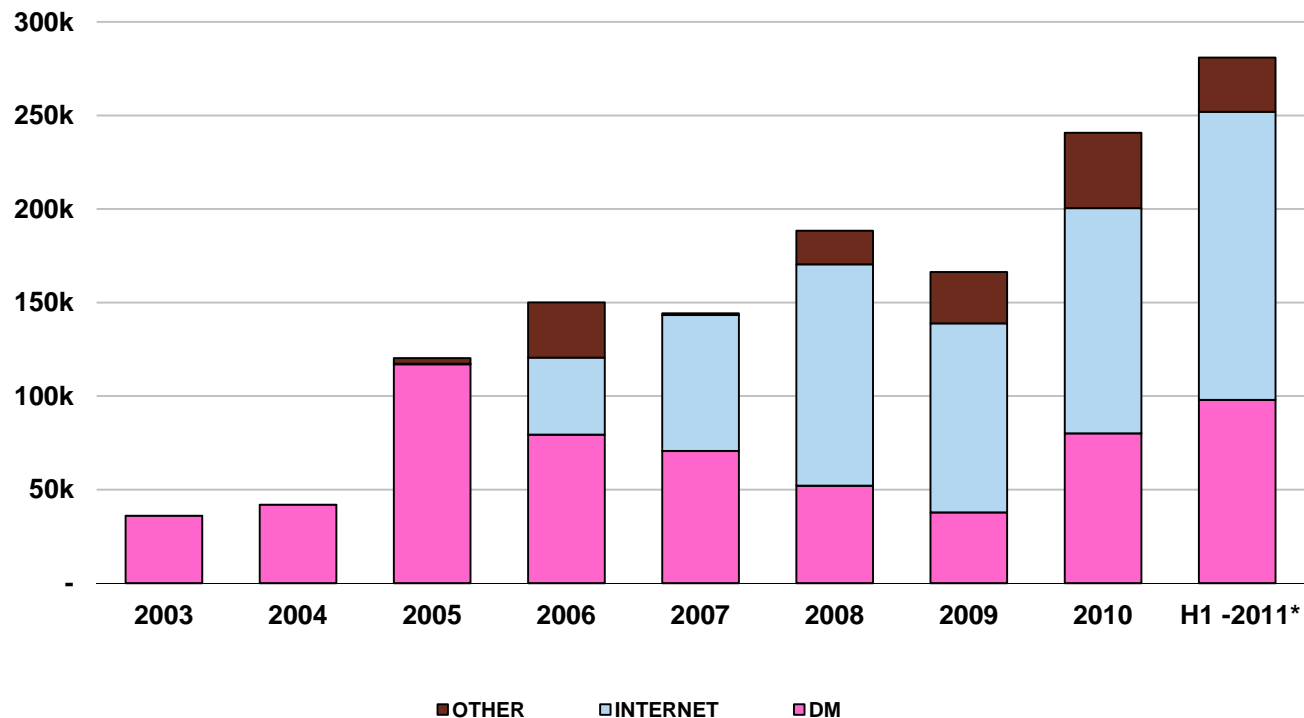
- Vanquis Bank
- Barclaycard

Acquisition channels

Multi-channel acquisition strategy is increasingly internet based

- Initially focused on direct mail
- Internet now the largest channel

Booked accounts by channel



*Annualised based on H1 2011 actuals

Direct mail expertise

Rigorous test and learn approach

- Over a dozen different consumer data list sources used
- Statistical modelling and targeting used extensively
- Creative rotation mitigates response degradation
- Optimum mailing intensity identified for each sub population through testing
- All targets assessed for marginal economic value and Cost Per Account (“CPA”)
- In moving from 150,000 new accounts in 2007 to between 250,000 and 300,000 new accounts this year, the CPAs have remained flat

Vanquis Direct Mail

Special Invitation For:

Mr Chris Sample
123 Any Road
New Town
Surrey
KT1 1TK



Mr Sample,
You Can Choose Your Own
Card Design



Congratulations Mr Sample, you are specially invited to apply for the Vanquis Bank Visa Card with a starting Credit Limit of up to £1,000 and a great choice of card design.

SUMMARY OF BENEFITS FOR CHRIS SAMPLE

- 1 You'll start with a **manageable** Credit Limit from **£150 to £1000**
- 2 You could get a **Credit Limit Increase** after your **4th statement** and further increases **every 4 months**, up to **£3,000***
- 3 A **UK Customer Service Centre** - giving you the help and support you need
- 4 **24/7 Fraud Watch** - We'll monitor your account 24 hours a day, 7 days a week, giving you real peace of mind when you shop
- 5 **PLUS**, your choice of our **New Card Designs** - Silver, Blueberry, Lime and Plum

Chris Sample, you have been **PRE-SELECTED** to apply for the Vanquis Bank Visa Card. This card is a great way to build or rebuild your credit. Apply online at www.vanquis.co.uk/card/lead or complete and return the attached Special Invitation in the pre-paid envelope provided.

Don't delay - please accept this special invitation today. We look forward to welcoming you to Vanquis Bank very soon.



Representative **39.9% APR** (variable)

* As a responsible lender, Vanquis Bank will seek to provide you with a Credit Limit that reflects your needs and your ability to manage your account. To be considered for a Credit Limit Increase, you should make use of your Credit Limit without going overlimit and make your payments on time. By using your Credit Limit and keeping your account in order, you demonstrate to us that you can manage your account well and can handle the monthly repayments. Please also keep your other accounts such as credit cards, loans, catalogues, mobile phone and mortgages in order and don't take on too much debt elsewhere. Please remember this is just a guide and meeting these criteria does not guarantee you a Credit Limit Increase.

Important: Credit is subject to status; telephone contact; confirmation of name and address; not already holding a credit card issued by or loan from Vanquis Bank; no reasonable suspicion of fraud, and is only available to UK residents who are at least 18 years of age and are not legally restricted from obtaining credit e.g. because of bankruptcy. Please read the enclosed Summary Box and Terms and Conditions for full financial details. Vanquis Bank Visa Card is issued by Vanquis Bank Limited, Vanquis Bank can be contacted at its registered office, which is at Colonnade, Sunningdale Road, Brackley BDD 2UG. Registered number 2586509 England. Vanquis Bank Limited is authorised and regulated by the Financial Services Authority.

MAY11_LS_LEAD



PRE-SELECTION FOR:

Mr Chris Smith
1 Any Street
New Town
Surrey
IQW 2PO

Mr Chris Smith
We've pre-selected you.
Apply today.



Dear Mr C Smith,

This is a great time to apply for a Visa card from Vanquis Bank. We've pre-selected you to speed up your application and give you earlier access to the benefits of a Visa card from Vanquis Bank.

Here's how we'll help you:

- ✓ We'll give you a **manageable starting Credit Limit up to £1,000**
- ✓ You could receive a **Credit Limit increase** after your **4th statement***
- ✓ And further **increases every four months**, up to **£3,000***
- ✓ Our **UK Customer Service Centre** is on hand to give you the help and support you need
- ✓ **24/7 Fraud Watch**. We'll keep an eye on your account to help to protect you

The Visa card from Vanquis Bank is a great way to build or re-build your credit. We'll work with you to help you manage your finances and to give you the credit you deserve.

You can apply online at www.vanquis.co.uk/card/invitation or complete and return the Special Invitation in the prepaid envelope provided.

It's a great opportunity. Apply today!

Yours Sincerely,

Jane Farmer, Customer Service, Vanquis Bank



Representative **39.9% APR** (variable)

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PI FASF DETACH HFRF

PI FASF DETACH HFRF



Internet expertise

Heavy and active participants in:

- Natural search
 - Paid search
 - Affiliates
 - Aggregators
 - Alternative brand marketing (Granite)
 - Display advertising
- All channels (and sub-channels) are closely monitored and actively managed based on effectiveness and value
 - A rapidly evolving marketplace, the internet is our primary focus for acquisition

Vanquis in the market – vanquis.co.uk

The screenshot shows the Vanquis Bank website homepage. At the top, there is a navigation bar with links for Home, Credit Cards, About Vanquis, Credit Advice, Credit News, My Vanquis, and High Yield Savings. A prominent green 'Apply Now >' button is on the right. The main content area is divided into several sections:

- Build your credit with a Vanquis Bank Card:** This section features a list of benefits with green checkmarks, a callout box stating 'We've already ACCEPTED over 1 MILLION people. We could help you too!', and images of various Vanquis credit cards. A representative APR of 39.9% (variable) is displayed. 'More Info' and 'Apply Now' buttons are present.
- Credit Advice:** A section with a blue header and a list of links: 'The right credit card for you', 'Your guide to credit cards', 'Improve your credit rating', 'How credit is calculated', 'Financial management', and 'Card security'. A 'Find Out More >' button and a 'Credit Cards' signpost icon are also included.
- Vanquis Bank - friendly and helpful:** A section with a blue header and a list of five bullet points describing the bank's services and history. A map of the UK highlights the locations of Bradford, London, and Chatham.
- Charity work:** A section with a blue header and text explaining the bank's commitment to supporting community projects in the UK and Africa. An illustration of three alphabet blocks (A, B, C) is shown at the bottom.

At the top right of the website, there are links for 'Contact Us | FAQ' and an 'Online Servicing' section with buttons for 'Pay my card >', 'eVanquis log in >', and a link to 'Find out more and register >'.


Other channels

Small but expanding component of our marketing effort

- Decline referral programmes
- Partnership/white labelling/multi-brand
- Partner cross-selling
- Test channels e.g. Face to Face and Door Drops
- Represents about 20% of our new account volumes, with material opportunities to grow

Vanquis in the market - Partners

Card benefits | Questions | Terms & conditions



Thank You

Thank you for applying for a Virgin Credit Card.

We're sorry, but we are unable to give you a card on this occasion. We can however suggest another option which you may prefer. We can offer you a Vanquis Bank, one of the credit card providers with whom we have a partnership.

To apply or find out more, simply click on the link below:


[Vanquis Card](#)

The Vanquis Visa Card offers some great benefits in addition to the standard Visa benefits:

- No annual fee
- A credit limit assigned at a fixed amount to help you manage your spending
- Up to 56 days interest free on purchases when you pay by instalment
- Free additional cardholders
- Free fraud monitoring
- Chip & PIN technology for added security
- Visa which is accepted in the UK and abroad
- Convenient for paying online and over the phone
- Friendly UK call centre

Applying for a Vanquis Visa Card is quick and simple. We'll give you a response online in approximately 1-2 working days.

Typical **39.9%APR** (variable)



We'd like to introduce you to the Vanquis Bank Visa Card

Dear (Title) (Surname),

You recently applied for a Virgin Credit Card. We would like to meet you and discuss how we can help you with your credit needs. With that in mind, we are delighted to offer you a Priority Invitation to apply for a Vanquis Bank Visa Card, one of the credit card providers with whom we have a partnership.

Simply [click here](#) to apply online now.

You are just a few steps away from enjoying all these benefits:

- You'll start with a manageable Credit Limit from £150 to £1000
- You could get a Credit Limit Increase on your 4th statement and further increases every 4 months, up to £3000*
- A UK Call Centre - giving you great customer service
- 24/7 Fraud Watch - We'll monitor your account 24 hours a day giving you real peace of mind when you shop
- PLUS, your choice of our New Card Designs - Silver, Gold, Platinum, Black or Blue

Don't delay – please accept this Special Invitation today. Simply click on the link below to apply for the Vanquis Bank Visa Card. You have a Priority Invitation to apply for the Vanquis Bank Visa Card. Simply click on the link below to apply for the Vanquis Bank Visa Card.


Cherry **Lime** **Blueberry** **Silver**

PRIORITY INVITATION

Choose Your Card Design

Please complete in Black or Blue pen

1. Date of birth: [] / [] / []




Priority Invitation For:

Title (2) First Name/Initial (3) Surname (5)
Flat (6)
House Name (7)
House Number (8) Street Name (9)
District (10)
Post Town (11) Finder Number (16)
Postcode (12) Mailsort (14)
CBC Barcode (13)

First Name/Initial (3) Surname (5), you have a Priority Invitation to apply for the NEW Vanquis Bank Visa Card!

- You'll start with manageable Credit Limit from £150 to £1000
- You could also get a Credit Limit Increase on your 4th statement and further increases every 4 months, up to £3000*
- 24/7 Fraud Watch to protect you
- A UK Customer Service Call Centre to help and support you
- PLUS No Annual Fee

First Name/Initial (3) Surname (5), you have been PRE-SELECTED to apply for the Vanquis Bank Visa Card. Simply click on the link below to apply for the Vanquis Bank Visa Card.



Priority Invitation For:

Title (2) First Name/Initial (3) Surname (5)
Flat (6)
House Name (7)
House Number (8) Street Name (9)
District (10)
Post Town (11) Finder Number (16)
Postcode (12) Mailsort (14)
CBC Barcode (13)

First Name/Initial (3) Surname (5), Argos is delighted to offer you a Priority Invitation to apply for the NEW Vanquis Bank Visa Card!

- You'll start with manageable Credit Limit from £150 to £1000
- You could also get a Credit Limit Increase on your 4th statement and further increases every 4 months, up to £3000*
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Typical **39.9% APR** variable

Managing Returns from Customers



Credit Management Objective

Maximise profitability subject to risk-adjusted rate of return hurdles

- Focused on the marginal decision – **NOT** the average performance
- Priority is credit limit management – **NOT** new account underwriting
- Drive sustained profitability – **NOT** short-term

These principles hold across all key decision points



Underwriting



How do we decide which applications to approve?

Getting the marginal account booking right is our focus

- The “last” booked account must achieve:
 - A projected steady state net loss rate of less than an approved threshold
 - A post-tax ROE consistent with our corporate objectives

How do we apply our risk and value principles?

Accounts must deliver sustained returns over the medium and long term

- We consider projected returns over an account's lifetime and for each specific year. Accounts must:
 - Pass the risk and value hurdles in year 2, and
 - Provide average returns in excess of the hurdles over a 5-year outcome period ("lifetime" value)
- Returns derived on a Net Present Value basis (discounted at the bank's cost of funds)

How do we process the applications?

Our system provides control while allowing enough flexibility to test and learn

- We use a state-of-the-art automated system which takes the application from data entry through to the ultimate accept/decline decision
 - Fully customised acquisitions process
 - Allows use of multiple scorecards and decision points
 - Full Champion-Challenger testing functionality

What makes our acquisitions process different?

The welcome call is a critical component of our underwriting strategy

- The use of a pre-acquisition welcome call is unique in the market
- This helps validate customer contact details (important for future marketing and collections efforts)
- Provides an opportunity to ask further questions specific to the customer's application
- Customer responses during the call form part of final underwriting decision

How do we optimise the accept/decline decision?

Keeping expertise in-house allows us to build on our experience and evolve over time

- All analytical tools are built and maintained in-house
- Our Decision Science team owns a full complement of acquisition scorecards
 - Channel-specific scorecards
 - Thin/thick credit bureau file segmentation
 - Built on 9 years experience of our unique market

How do we optimise the accept/decline decision?

We have a clear view of how we expect our “last” accepted account to perform

- Lifetime value models are used to project ROE and long-term loss rates
 - Forecast income and cost lines based on past experience
 - Build marginal income statements and balance sheets
 - Optimise cut-offs for each marginal decision point

What APRs do successful applicants receive?

Risk-based pricing allows us to offer more products to more customers

- Unlike some issuers, we price for risk at all stages of the customer lifecycle (subject to meeting required hurdles at given price point)
- Lowest risk applicants booked on a 39.9% APR product
- Higher risk applicants booked on a 59.9% APR product
- Accounts failing to meet risk and return hurdles declined

How do we assign credit limits?

Low initial line is the other factor that differentiates us from the prime market

- The majority of accounts are booked on an initial credit line of £250 or less, underpinning the bank's "Low and Grow" strategy
- Robust underwriting standards mean only 18% of applicants are approved

Distribution of initial credit limit by channel				
Credit Limit	DM	INT	OTH	Total
£150	7%	5%	4%	6%
£250	49%	52%	37%	48%
£500	38%	43%	51%	42%
£1,000	7%	0%	7%	4%

Note: based on accounts booked in 2011

Existing Customer Management

How do we manage customer accounts?

The risk and value hurdles that underpin acquisitions strategy carry forward into our three key existing customer management strategies

- **Credit Limit Increases** – responsible credit line growth is essential in delivering the “Low and Grow” strategy
- **Risk-Based Re-Pricing** – the interest yield is carefully managed, with pricing reassessed based on performance against ROE expectations
- **Authorisations and Exposure Management** – overuse of a customer’s credit limit is carefully controlled, and under-utilised credit lines are proactively reduced

Which customers receive a credit limit increase?

Granting line increases to low risk, active customers allows us to grow balances quickly and responsibly

- Additional credit lines are only extended to lower risk segments
- Particular attention is paid to the marginal utilisation (i.e. the amount that the customer will use) of the additional credit line as granting limit that is unlikely to be used is both non-value adding to the bottom line and potentially risky in managing future losses
- Execution complies with to all regulatory requirements around selection and communications
- Accounts with recent missed payments are not eligible for a line increase

How do we identify low risk accounts?

Our scoring tools give us the ability to accurately identify lower risk segments

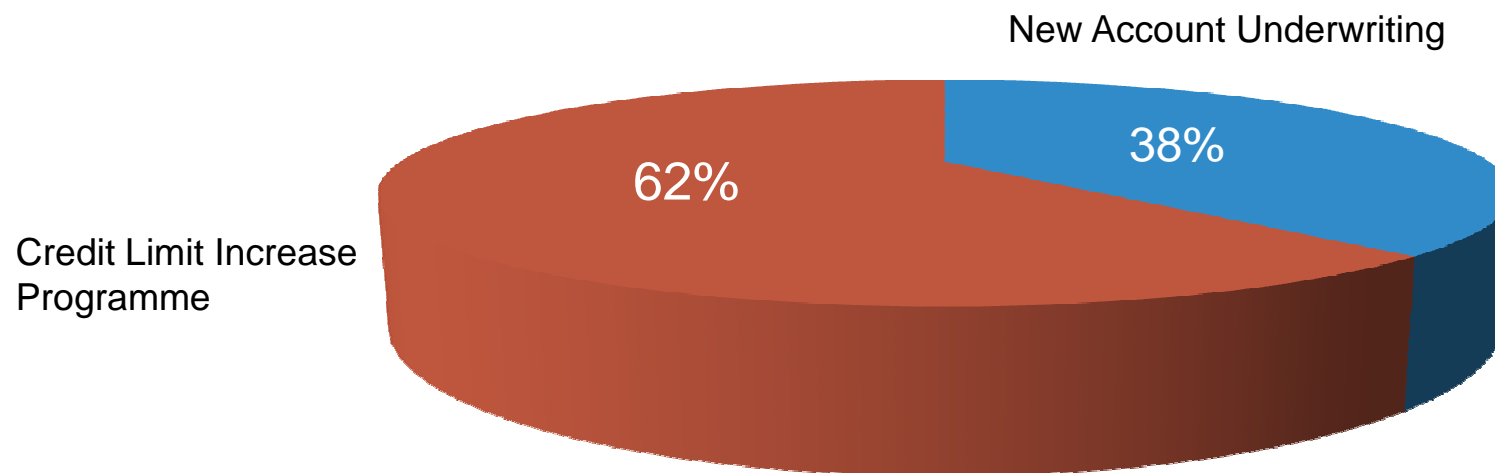
Our in-house Decision Science function builds scoring models that reassess risk monthly at an account level

- The models use both internal behavioural and external credit reference agency data
- Internal behavioural data is particularly powerful in predicting future loss
- The use of credit bureau data ensures that customers are continuing to manage their external lending facilities
- All data is refreshed monthly

What does “Low and Grow” look like in practice?

The success of our credit limit increase programme is fundamental to our business strategy

- More credit is granted each month via the credit limit increase programme than at new account underwriting, underlining the importance of the account management strategy

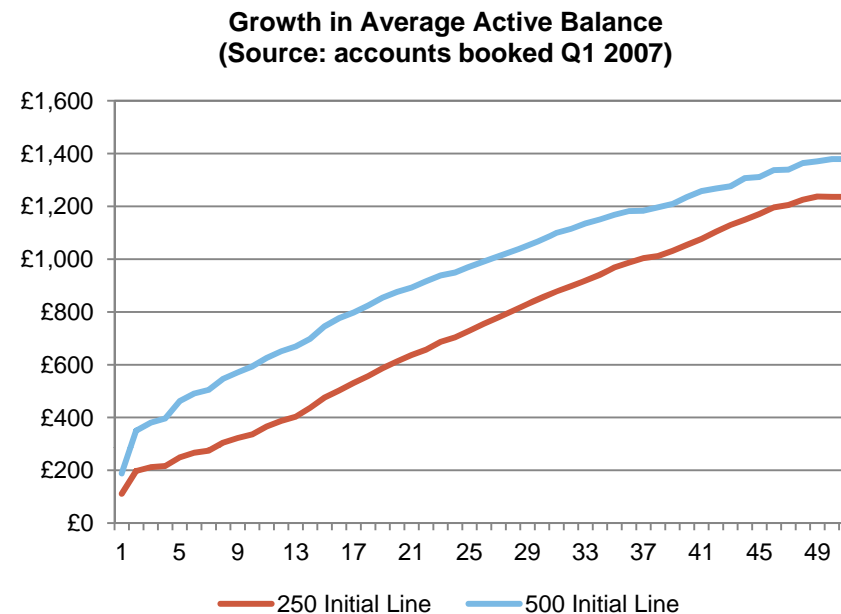


- 2/3 of credit is advanced to existing customers who have established a good track record

How does “Low and Grow” impact individual accounts?

Our account management strategy allows us to grant conservative initial lines and grow them cautiously as our understanding of the individual customer improves

- The chart below shows the impact of the “Low and Grow” strategy on account balances, which delivers growth over a 4 year period



- The CLI programme maximises at between £2,000 and £3,000

How do we manage interest yield?

Carefully controlling our interest yield drives stable returns as accounts age

- As with the credit line strategy, account pricing is reassessed monthly
 - Driven by account-level risk assessment
 - Pricing decision based on performance against ROE hurdles
- Execution complies with all regulatory requirements around selection and communications

How do we decide the appropriate price point for each customer?

Our re-pricing strategy ensures we price for risk throughout the account's lifecycle

- Accounts are re-priced upwards when the ROE hurdle is not met
- Downward re-pricing occurs when:
 - Sustained positive performance is observed, and
 - ROEs are achieved at lower price points

How do we manage our exposure?

Carefully managing inactive accounts reduces costs and minimises unused credit line

- Inactive accounts are reviewed monthly and closed where necessary
 - Outbound marketing programmes attempt to stimulate card usage
 - Accounts are closed after sustained period of inactivity
- As a result, on average, our active accounts use more than 75% of their total credit limit

How do we control future losses?

Reducing exposure on high risk accounts helps drive down ultimate write-offs

- The credit line decrease strategy reduces exposure on poor performing segments
 - Highest risk accounts have their outstanding headroom removed
 - Minimises potential bad balances in the event of further repayment issues

How do we prevent over-exposure?

Preventing transactions when a customer is in financial difficulty is in the customer's best interest and makes it easier to collect overdue and over-limit balances

- Over-limit transactions are rarely authorised
- No transactions are authorised when an account is in arrears
- All delinquent and over-limit accounts are contacted immediately

Why utilisation matters

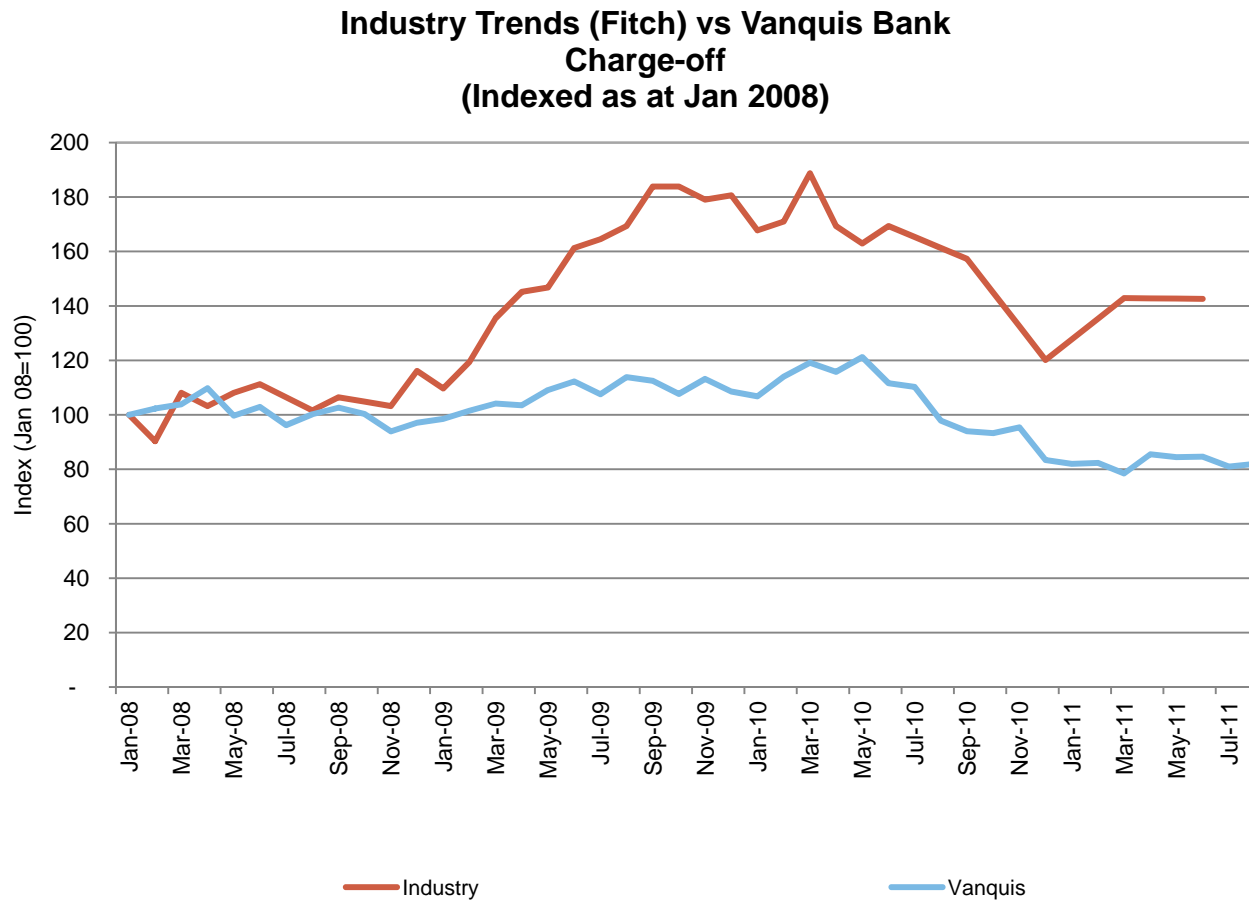
A prime portfolio requires a much larger number of good customers to cover the losses incurred from a single bad customer

	Typical Prime Card Customer	Typical Vanquis Customer
Average Credit Limit	£10,000	£1,000
Average Utilisation	25%	75%
“Good” Account Balance	£2,500	£750
“Bad” Account Balance ¹	£9,000	£900
Revenue Yield	20%	50%
Revenue per Good Customer	£500	£375
# of “Good” Customers to Offset One “Bad”	18	2.4

¹ Typically, the average bad balance is 90% of the credit limit

And the result...

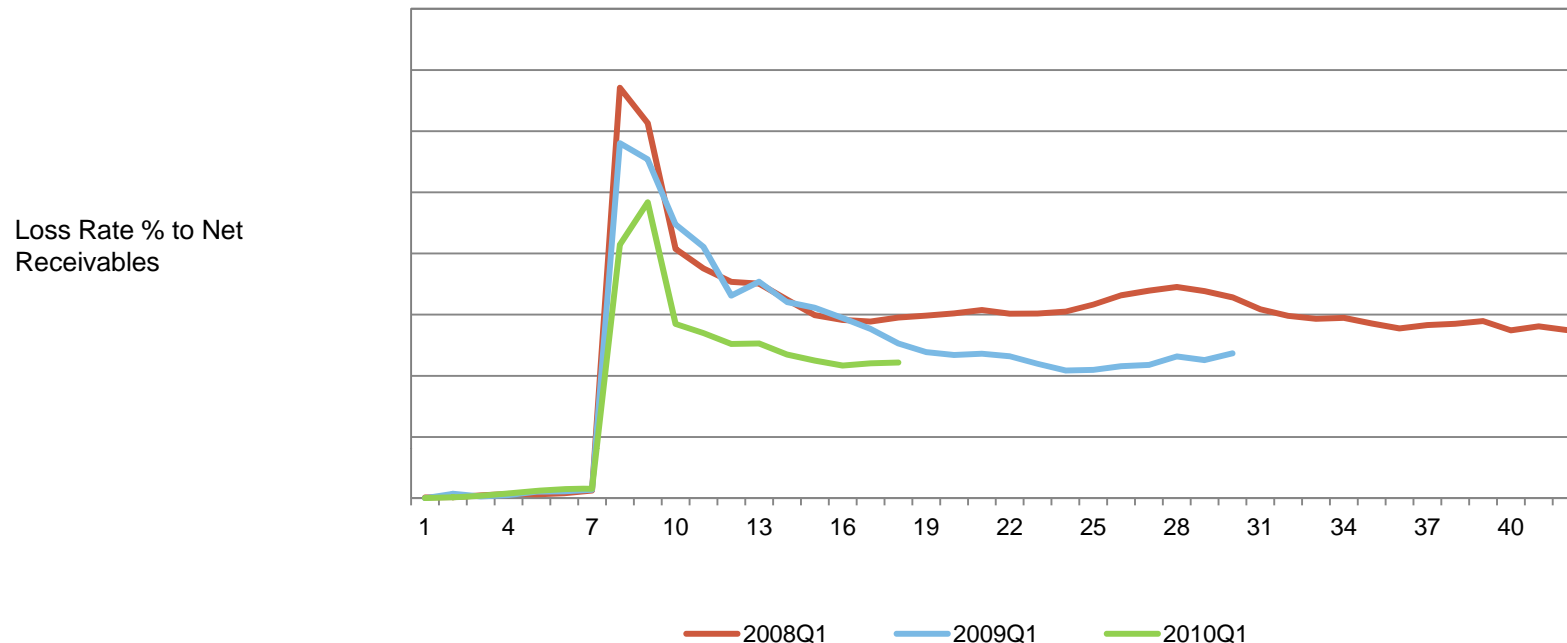
Much greater impairment volatility in a prime portfolio



We are left with a sustainable, long-term asset

Loss rates stabilise ~18 months after booking, with more recent vintages showing the effects of ongoing improvements in the customer management strategy throughout 2010 and 2011

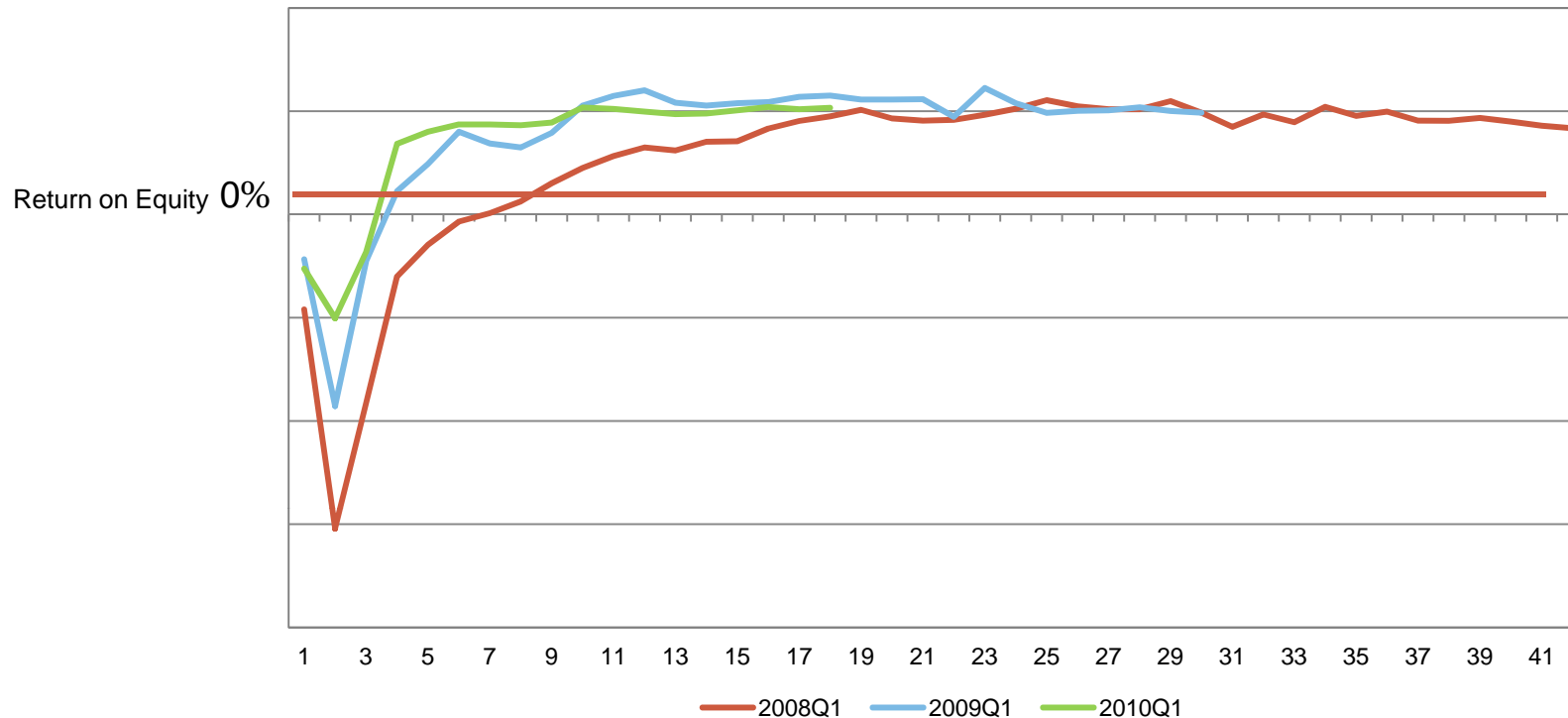
New Account Vintage Performance
(Source: 2008Q1, 2009Q1, 2010Q1 recruitment)



Returns are robust throughout the accounts lifecycle

New accounts quickly start to return value to the business, with returns stabilising 18 months after the account is booked

Post-Tax ROE over time
(Source: 2008 Q1, 2009Q1, 2010Q1 recruitment)



Summary

- A diverse set of marketing channels driving strong organic growth within the business
- State-of-the-art systems and non-standard credit card expertise provide robust control of all key credit decisions across the business
- Accounts are actively managed to ensure appropriate returns are maintained
- This culminates in superior growth and stable returns throughout the economic cycle

Structure of the day

11.15 – 11.25	Welcome & Introduction	<i>Michael Lenora</i>
11.25 – 11.45	How the Contact Centre Works	<i>David Underwood</i>
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Collections

**David Underwood – IT & Operations
Director**

Collections Overview

Management has a blend of Credit Card and Collections specialists, which drives new thinking in this area


- 180 staff working across the collections and recovery cycle
- Roll rates severity drives urgency and focus unique to non-standard lending
- Continuous and intensive focus on innovation required to compete

Collections Process

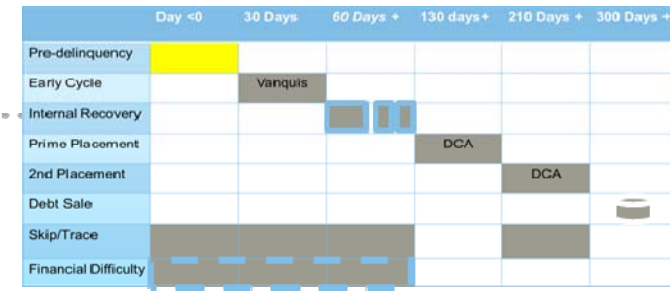
Our kept promise rate is 70 to 75% which we believe is industry leading

- 1st priority is to make contact with a customer
- Get an immediate payment – preferably via debit card
- If that is not possible:
 - Negotiate a realistic **promise to pay**
 - i.e. A specific amount to be paid on a specific date
- Skill of a Collector is to negotiate a **promise to pay** that:
 - Clears the account's delinquency
 - Has a high likelihood of being kept
- Our **kept promise** rate is 70 to 75% which we believe is 'best in class'

Collections Work Flow

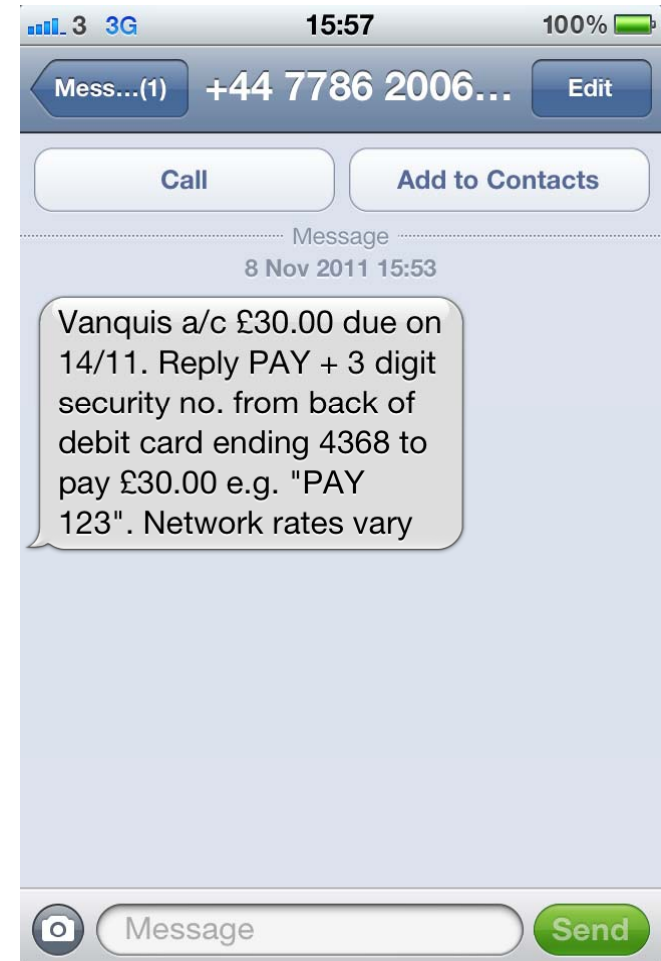
	Day <0	30 Days	60 Days +	130 Days+	210 Days +	300 Days +
Pre-delinquency						
Early Cycle		Vanquis				
Internal Recovery			IMPACT			
Prime Placement				DCA		
2nd Placement					DCA	
Debt Sale						
Trace						
Financial Difficulty						

Pre-delinquency

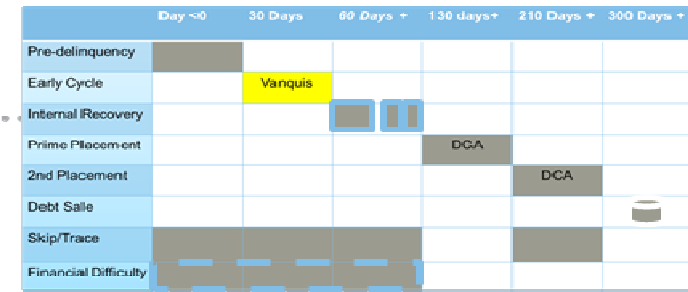


Behavioural triggers are used to segment and identify pre-delinquent population

- Triggers:
 - Cancelled Direct Debit
 - Missed payment due but yet to cycle
 - Overlimit accounts
- Activity is 'light' touch but immediate
 - PaySMS (now 6% of all promises)
 - Email Collections
 - Segmented Telephony Contact (20 FTE)



Early Cycle Arrears



**Comprehensive approach to collections activity across all channels.
Use of letter, SMS, email and telephony – account treatments
segmented by risk**

- Good to 30 rate of c.10% creates a sharp focus on early arrears
- Collections effort starts on day 1 of delinquency
- A dialler file is delivered to Vanquis overnight and our first call is made at 8am the next day

Early Cycle Arrears - Innovation

We see our dialler management as a competitive advantage

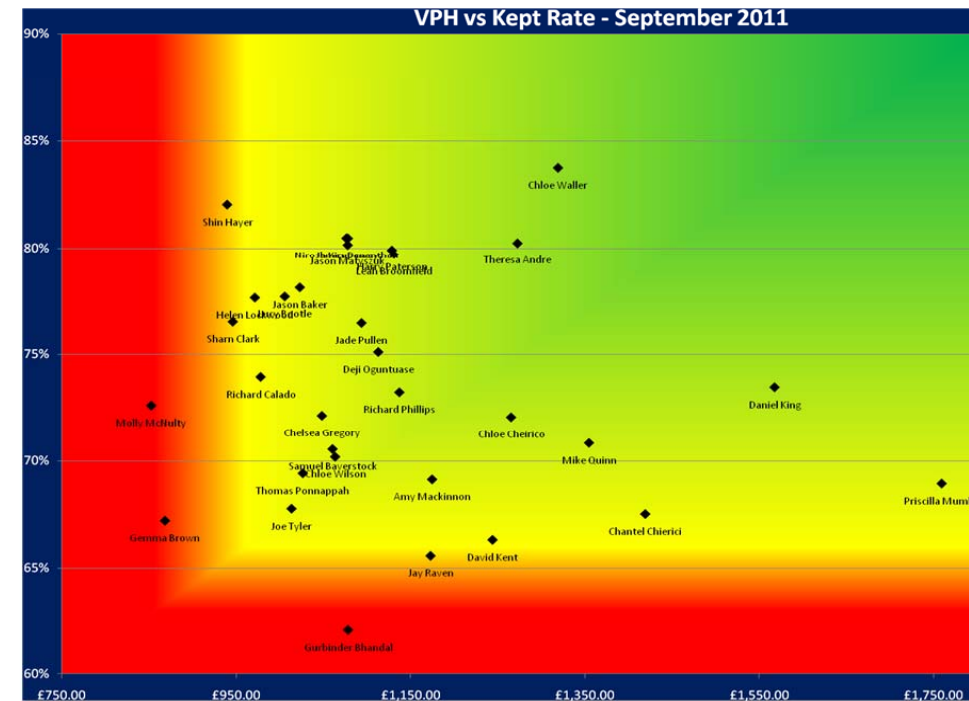
- Some recent development examples:
 - Use of Geographic Call IDs - contact rate increased >10%
 - Using random Call IDs >10% increase in contact rates
 - Best time to dial algorithms drives a 30% uplift in contact rates
 - Removal of contacts with high propensity to be answer machines

Early Cycle Arrears - Analytics

Agent performance is tracked through live MI released to the Agent desk top real time – best in class

- Examples:
 - Agent incentive driven from actual provision release that they personally deliver
 - Promises Kept rate / arrangement volume set up and break rate and non commitment calls all track at Agent level
- Traditional metrics (talk time etc) watched but not prioritised
- All calls are recorded for compliance purposes and to maintain TCF

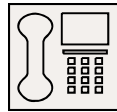
Provision Release Vs. Kept rate per Agent the critical measure



Typical 1 Down Account Level Example

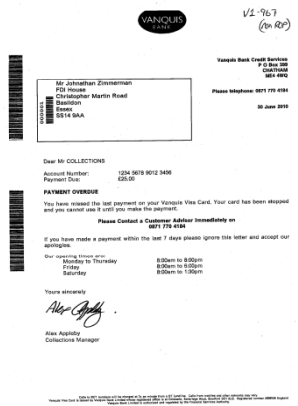
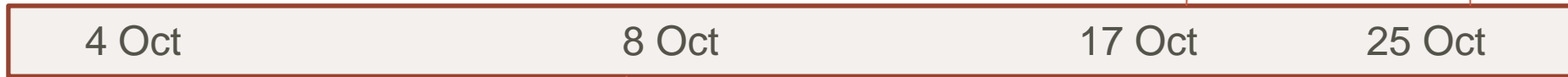
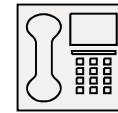
Account Holder	Mrs T
Payment Due Date	October 2nd
Entered Collections	October 8 th
Cured account	October 25 th

*Promise to pay via
outbound call made
on Home # at 12:30*



*on the 8th Promise breaks
on day 12, re-
enters Collections
on day 13*

*Daily contact
attempted on two
valid #'s across 11
different contact
hours*



***Customer cured
account on day 17 in
response to an
automated SMS
message***

Internal Recoveries Unit (IRU) - Overview



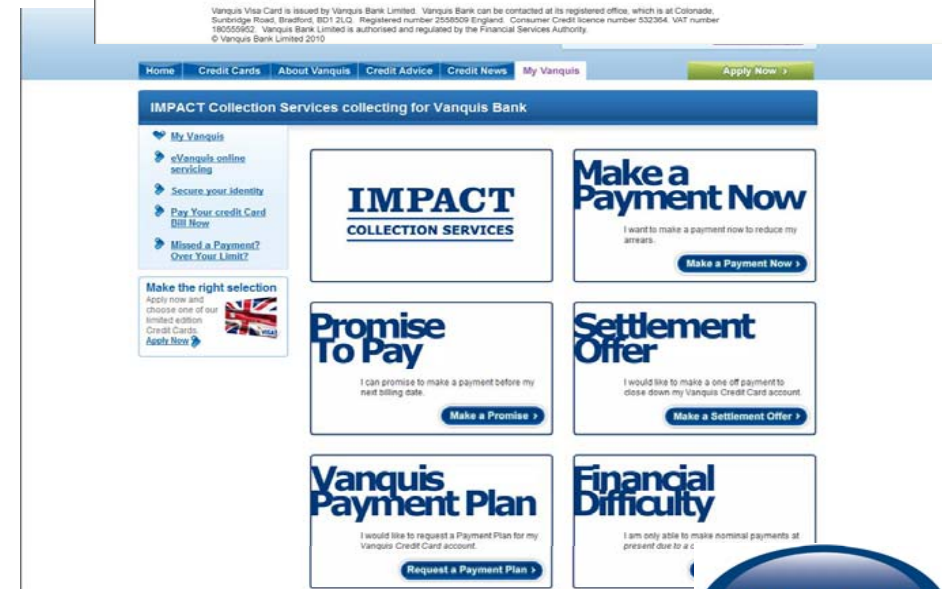
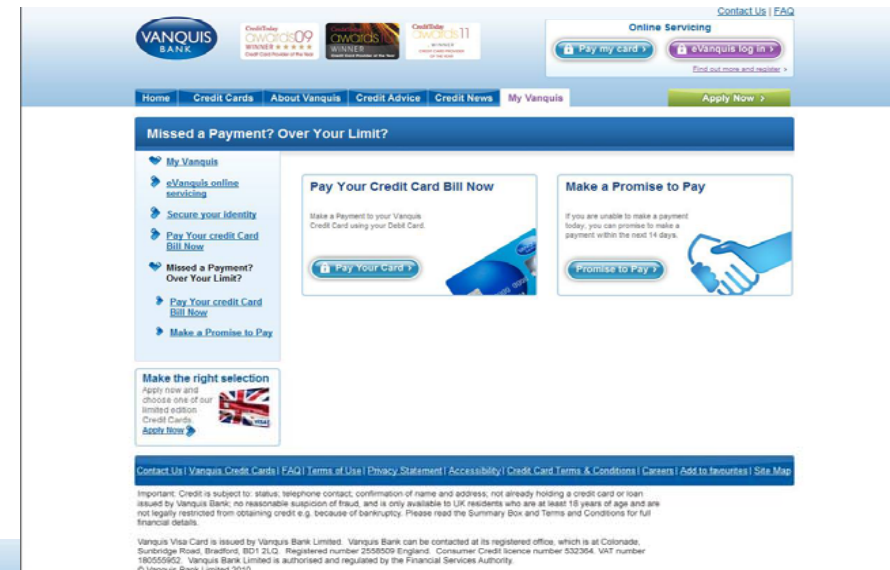
Focus designed to support the customer in bringing the account back in order

- Internal Recovery Unit (IRU) branded IMPACT Collections, staffed by the 45 best performing Agents
- Designed to reproduce, internally, the uplift seen from external DCA activity
- 20,000+ payment promises each month - accounts worked through automated diallers/manual Case Management work flows
- Accounts settling past 130 days undergo root cause analysis by senior management

Internal Recoveries Unit (IRU) – e-channel

Vanquis has developed an internal e-collections solution

- e-engagement is effective and less stressful for some customers
- e-tools are accessed through the website or email links
- Customers can make a promise, a payment, a settlement offer or trigger a financial difficulty discussion
- Response rates up to 3% and growing - a highly effective tool



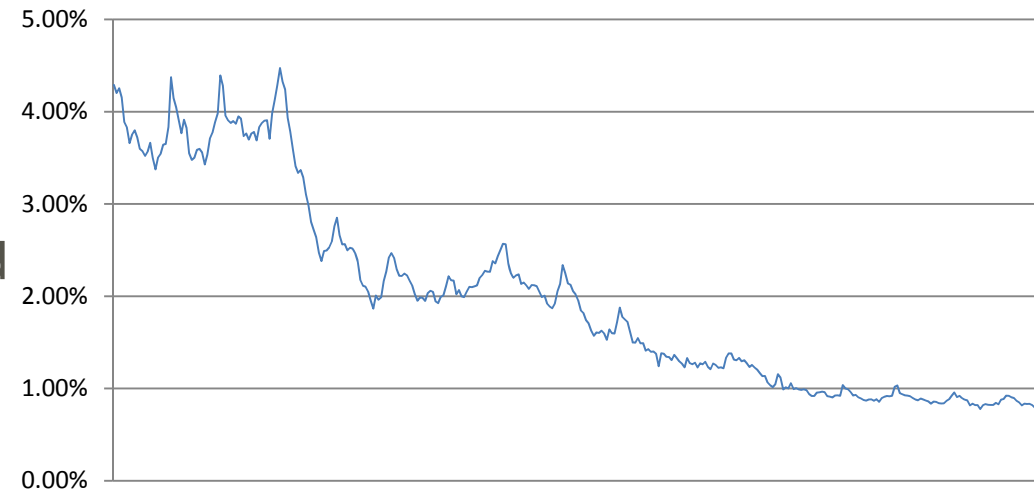
Recoveries - Overview

Longstanding partnerships with Champion Agencies which focus on partnership rather than typical DCA panel management

- Relationship examples:
 - High quality data file –108 data elements co-designed with the DCA's
 - Strong joint focus on rapid prototyping and test and learn to drive innovation
 - Weekly file transfers and analytics to smooth workflow and drive results



Missing Numbers On the DCA File over the last 18 months



Trace

Industry leading capability using all available data to locate cardholders



- Focus on accounts where contact cannot be established (returned mail, dead numbers, 3rd party information)
- Test results have led focus on internal data sources. Including:
 - Application form data
 - Inbound historic Call ID capture
 - Historic account notes
 - Agent level referrals from 3rd parties driven from an automated tool
- Tracing 3,500 to 4,000 customers per month
- Unit cost of £3.00 vs external bureau of £20 to £80
- 40% of customers traced make a payment within 28 days

Financial Difficulties

Policies in line with industry expectations and best practice

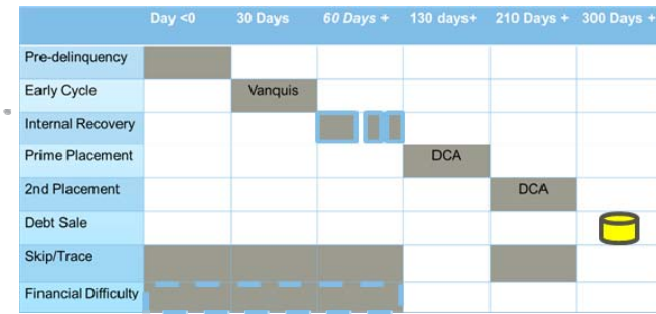
- Range of products available for customers in financial difficulties
- Internal payment arrangement options for short-term difficulties
- Longer-term arrangements available for later stage delinquency
- Strict controls in place – tracking at agent and portfolio levels
- Ratio of arrangements as percentage of net receivables is steady and less than 2%
- Strong links to Core Debt Management companies (covering 80% of volume)



Debt Sale

Asset sale forms a structured and controlled part of the Collections cycle

- Vanquis has developed and maintained long term relationships and effective strategies with debt purchasers (“DPs”). Examples:
 - Complete transparency of asset quality and collections activity prior to sale
 - Quality data file - 94 data elements, co-designed with DP’s
 - Sales split across DP’s - this enables buyers to maintain longer term insight into asset quality



Summary

- Blend of credit card and collections specialists are driving new bespoke thinking in this area
- Comprehensive and intensive collections strategies
 - which start even before an account is in arrears
 - our customers know we won't go away
- Real-time performance information available to managers and agents is driving improvement
- Strong relationship with DCAs and debt purchasers is leveraging value

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Financial Results & Funding

Bob van Breda – Finance Director

Agenda

Sustainability of growth and returns

- Financial model
- Profitability
 - Overall business performance
 - Impairment stability
 - Impact of low and grow strategy on cohorts
- Balance sheet strength
 - Provisioning
 - Funding - Deposits
 - Capital generation and returns
- Monitoring and MI

Financial model

Our financial model and targets are clear

- Manage to a minimum risk-adjusted margin of 30%
- Generate operating leverage between revenue and cost growth
- Manage to an equity base of 22% to align with regulatory capital requirements and group gearing targets
- Deliver a post-tax ROE of at least 30%

Income statement

Breakeven in 2007 and continued profit growth against difficult economic environment

	2007	2008	2009	2010
	£m	£m	£m	£m
Customer numbers ('000)	316	404	426	544
Period-end receivables	143.1	205.4	255.5	345.0
Average receivables	120.3	177.5	231.1	289.2
Revenue	63.5	94.6	131.3	162.0
Impairment	(25.2)	(38.2)	(61.7)	(63.9)
Revenue less impairment	38.3	56.4	69.6	98.1
Risk-adjusted margin	31.8%	31.8%	30.1%	33.9%
Costs	(33.2)	(39.4)	(43.3)	(52.9)
Interest	(6.0)	(9.0)	(12.2)	(18.5)
Profit before tax	(0.9)	8.0	14.1	26.7

Income statement returns

Revenue margins have been managed within a tight band to deliver a risk-adjusted margin of 30%

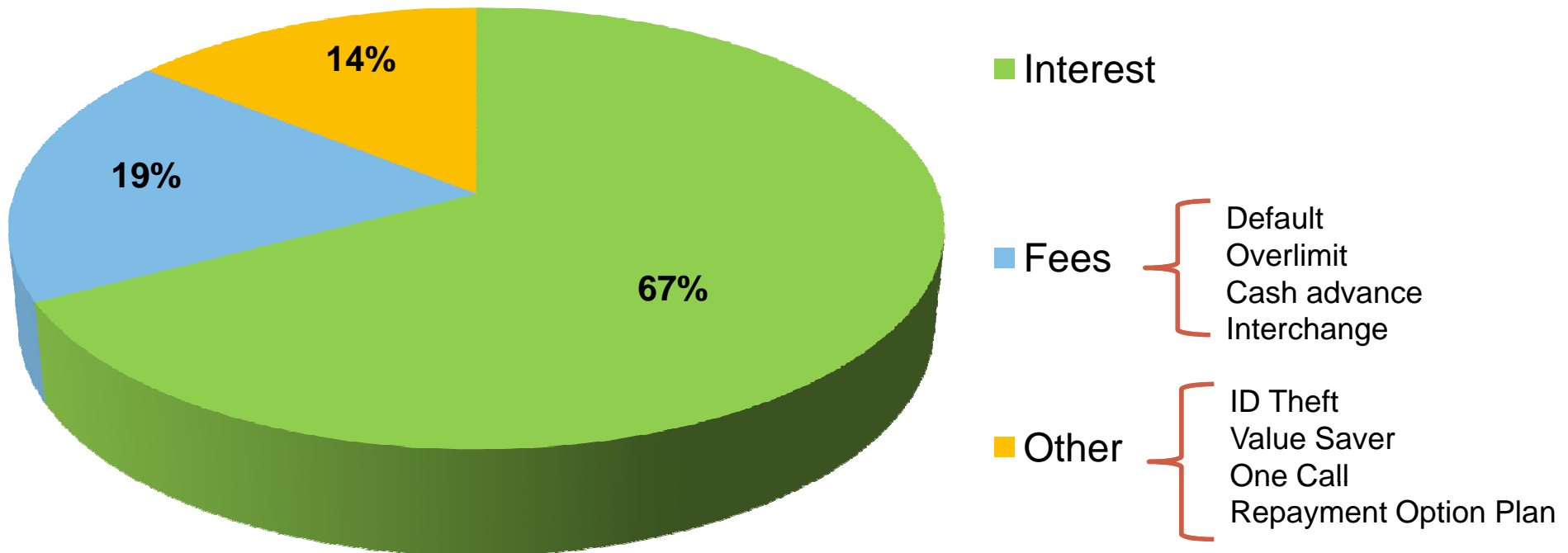
	2007	2008	2009	2010
% average receivables	%	%	%	%
Revenue	52.8	53.3	56.8	56.0
Impairment	(20.9)	(21.5)	(26.7)	(22.1)
Revenue less impairment	31.8	31.8	30.1	33.9
Costs	(27.6)	(22.2)	(18.7)	(18.3)
Interest	(5.0)	(5.1)	(5.3)	(6.4)
Profit before tax	(0.7)	4.5	6.1	9.2

- Appropriate risk based pricing principles applied
- Support from risk based re-pricing and fees as impairment rose in 2008/2009
- Now moderating as impairment improves

Revenue composition

Revenue is predominately interest revenue

2010 Revenue



Income statement returns

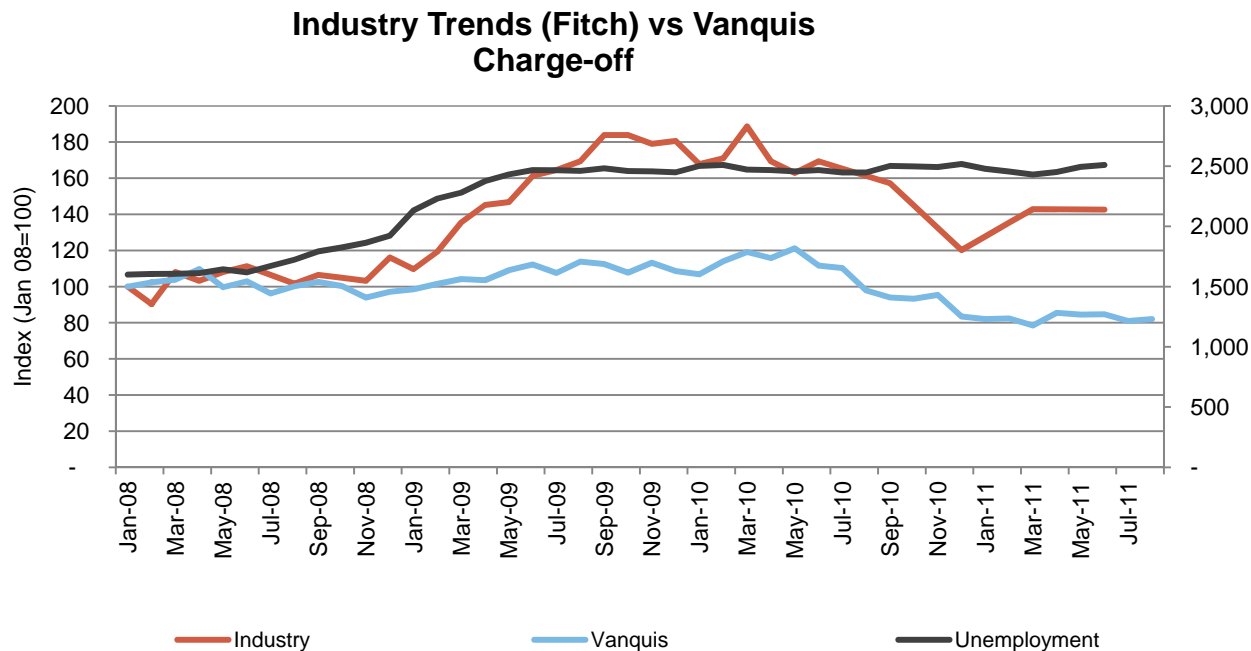
Impairment measured within a relatively narrow band through the cycle as economic conditions deteriorated and unemployment rose but has reduced as levels of unemployment stabilised

	2007	2008	2009	2010
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Profit before tax	(0.7)	4.5	6.1	9.2

- Underwriting tightened between 2007-2009
- Consistently tight since 2009
- Improving quality of book from tight underwriting and continued improvement in collections processes

Impairment stability

Reminder!....impairment volatility is lower than seen in the prime market



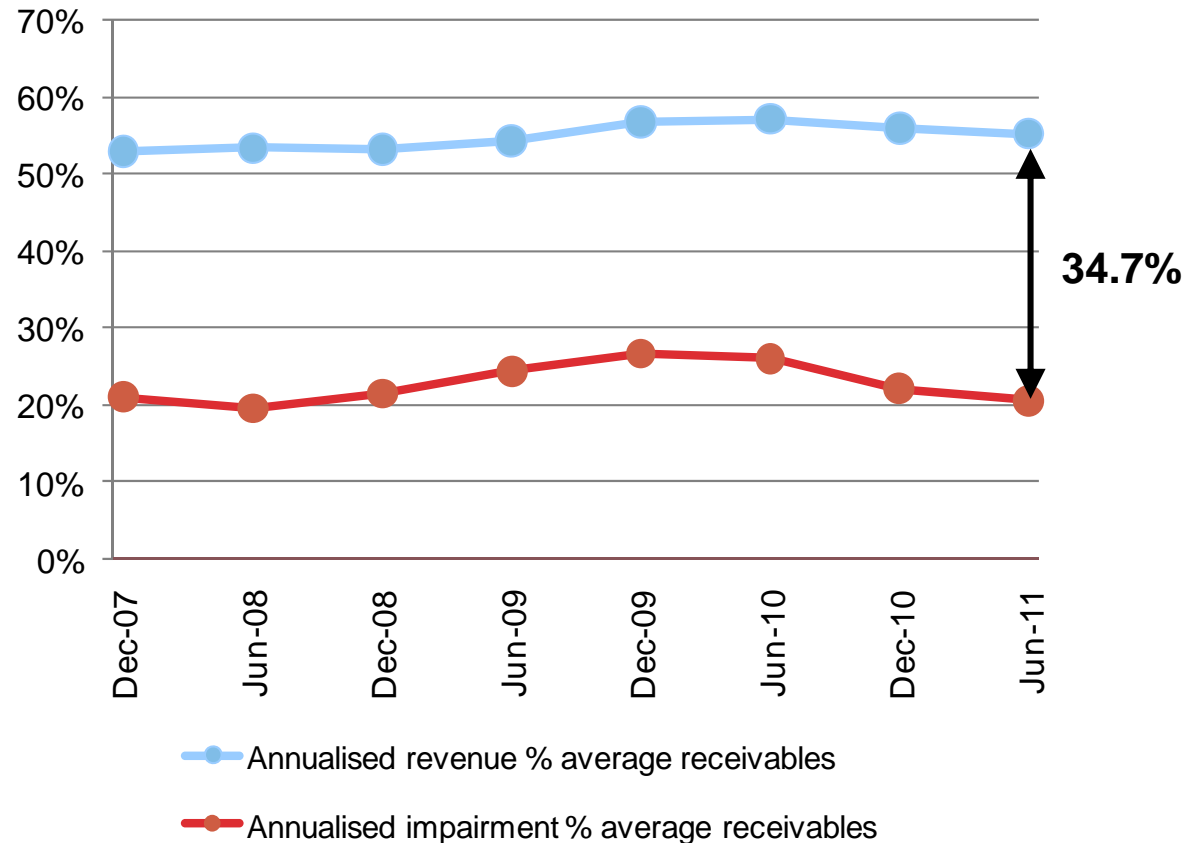
- Impairment levels are protected by
 - The low levels of contingent liability
 - Inherent robustness of customer population
 - Blending of improved underwriting and maturing book

Income statement returns

As a consequence the risk-adjusted margin has remained within a tight band

% of average receivables	2007 %	2008 %	2009 %	2010 %
Revenue	52.8	53.3	56.8	56.0
Impairment	(20.9)	(21.5)	(26.7)	(22.1)
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Risk-adjusted margin



- Minimum risk-adjusted margin target of 30% delivered during period of rising unemployment in 2008 and 2009
- Margin expansion in 2010 and 2011 as unemployment stabilised and tight underwriting standards maintained

Income statement returns

Fixed costs are being leveraged as the business grows

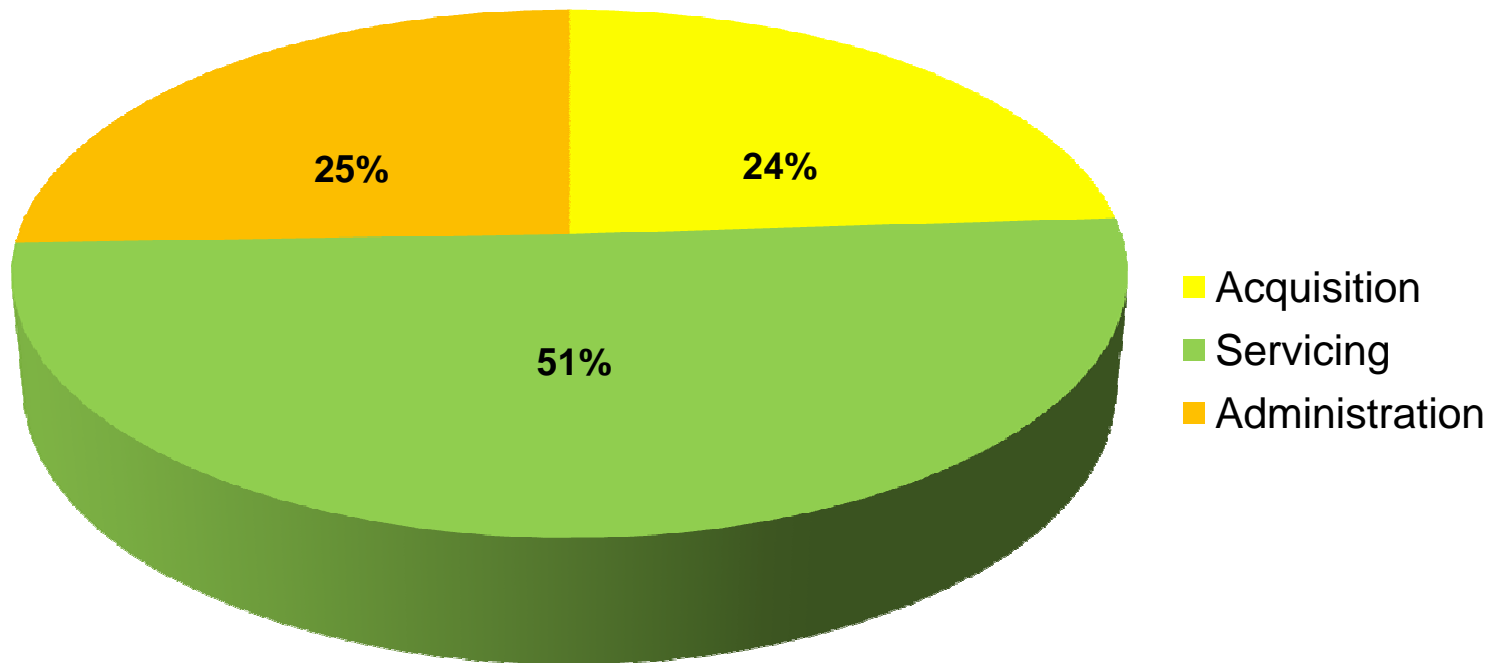
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Interest	(5.0)	(5.1)	(5.3)	(6.4)
Profit before tax	(0.7)	4.5	6.1	9.2

- High early infrastructure costs now shared i.e. underwriting engine, data centre and head office resource
- Significant proportion of costs are variable at front line
- Major back office provider provides scalability and variable cost model

Cost breakdown

Administration and acquisition costs are around half of cost base and falling as growth is leveraged

2010 Costs



Income statement returns

Funding costs will be reduced by deposit taking...more later

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Interest	(5.0)	(5.1)	(5.3)	(6.4)
Profit before tax	(0.7)	4.5	6.1	9.2

Income statement returns

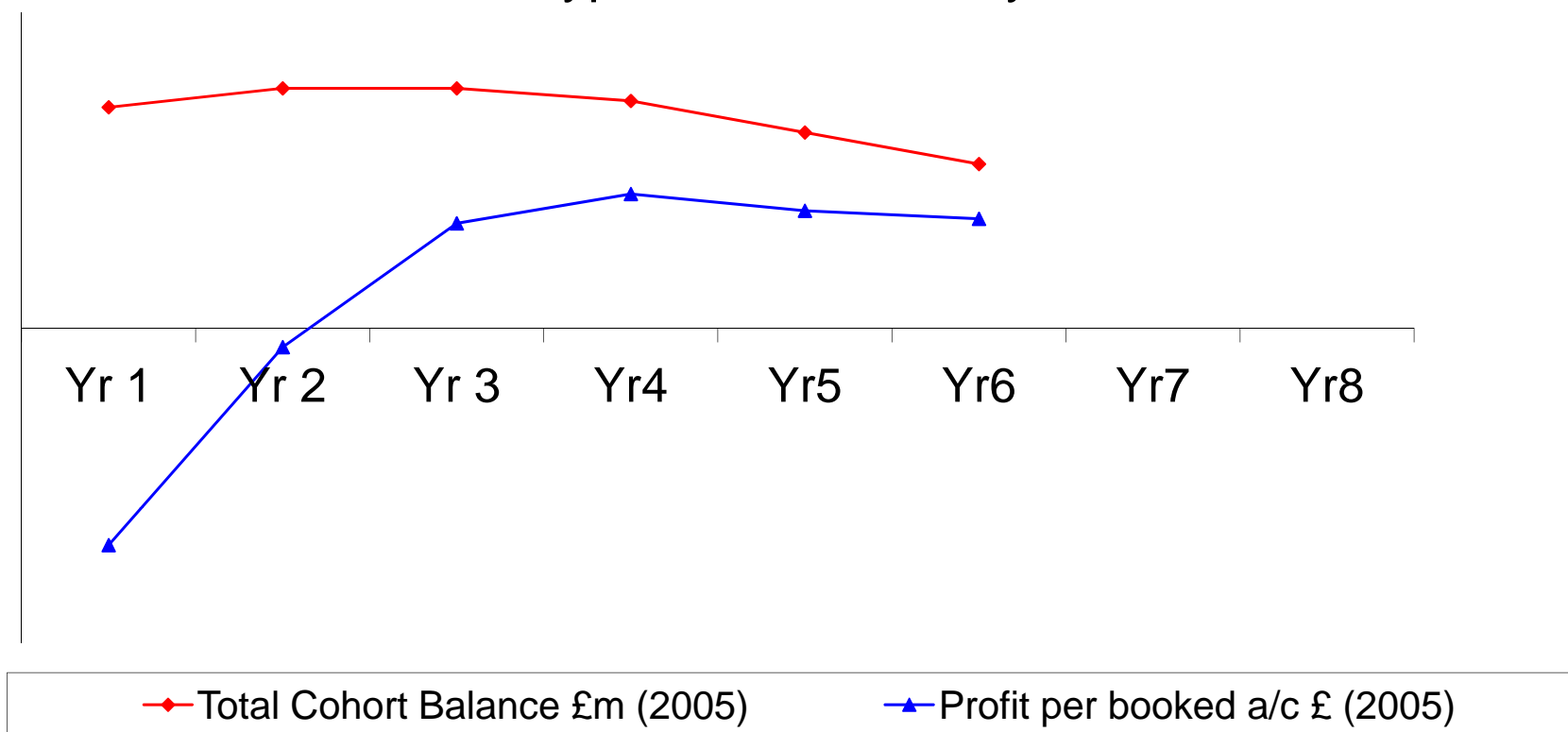
Asset returns show good growth but more importantly are manageable given the ability to control the risk adjusted return

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Revenue	52.8	53.3	56.8	56.0
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Costs	(27.6)	(22.2)	(18.7)	(18.3)
Interest	(5.0)	(5.1)	(5.3)	(6.4)
Profit before tax	(0.7)	4.5	6.1	9.2

Cohort analysis

Balances of a group of accounts remain high as rising average balance offsets loss of accounts due to voluntary attrition or bad debt, creating a long tail of revenue following early credit losses and acquisition costs

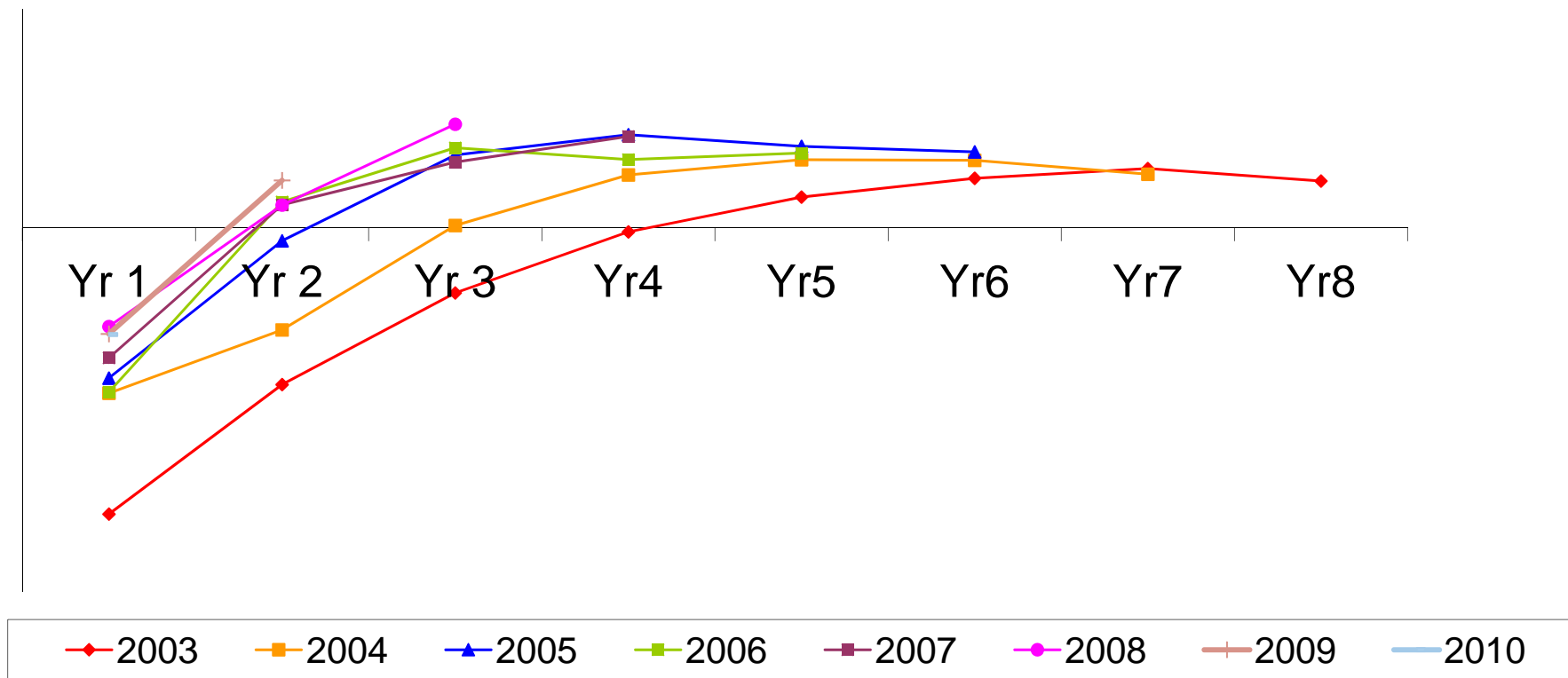
Typical Cohort Analysis



Cohort profitability per account

Continuous improvement in returns due to development of credit techniques, pricing decisions and leveraging the fixed cost base

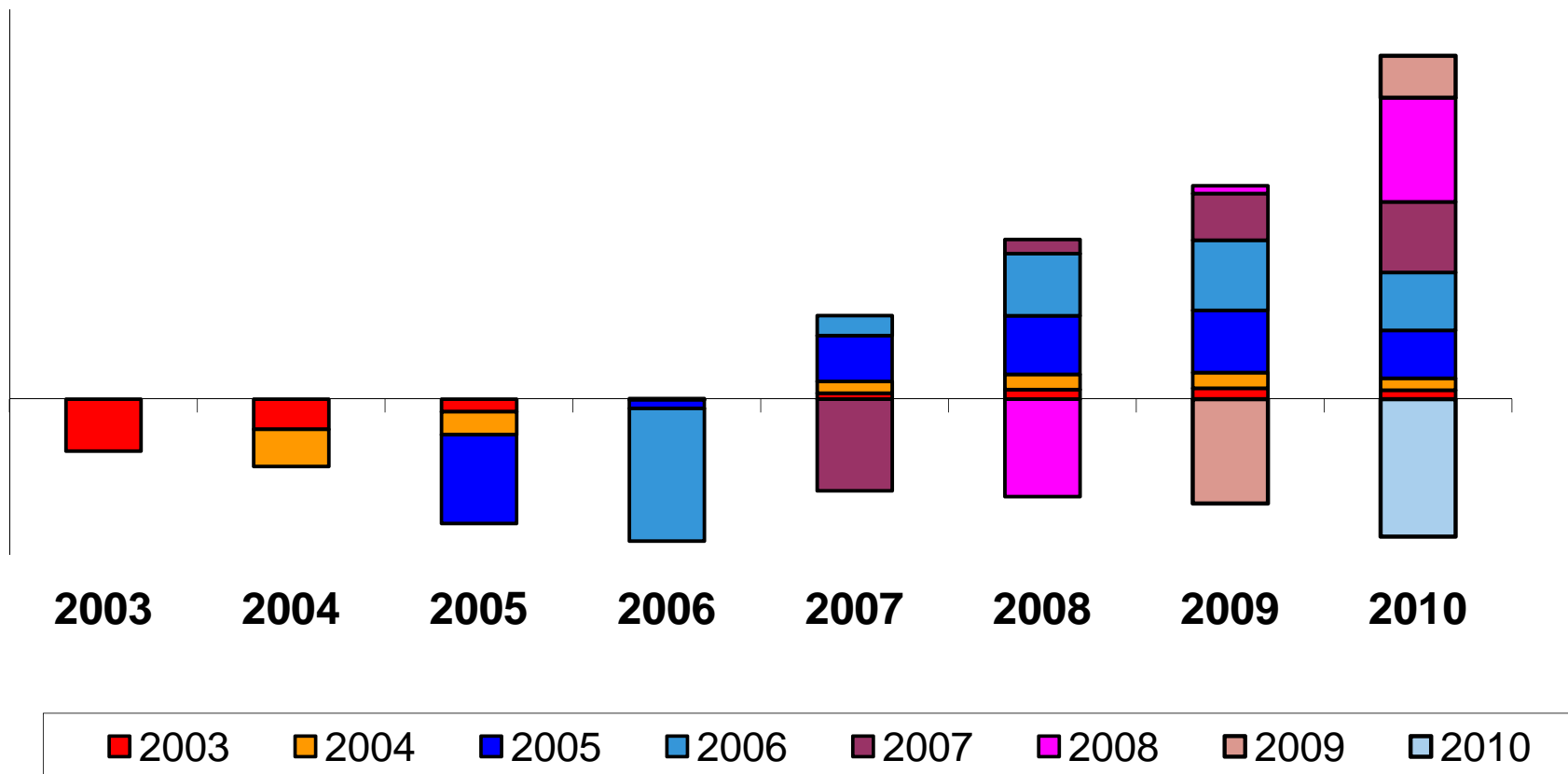
Profit per original booked account £



Cohort profitability (overall)

Stability of the cohort profile driven by the business model underlines the potential for sustainable future growth

Profit of accounts booked during year £m



Provisioning

Realistic accounting policy applied consistently which is prudent when benchmarked against other card issuers

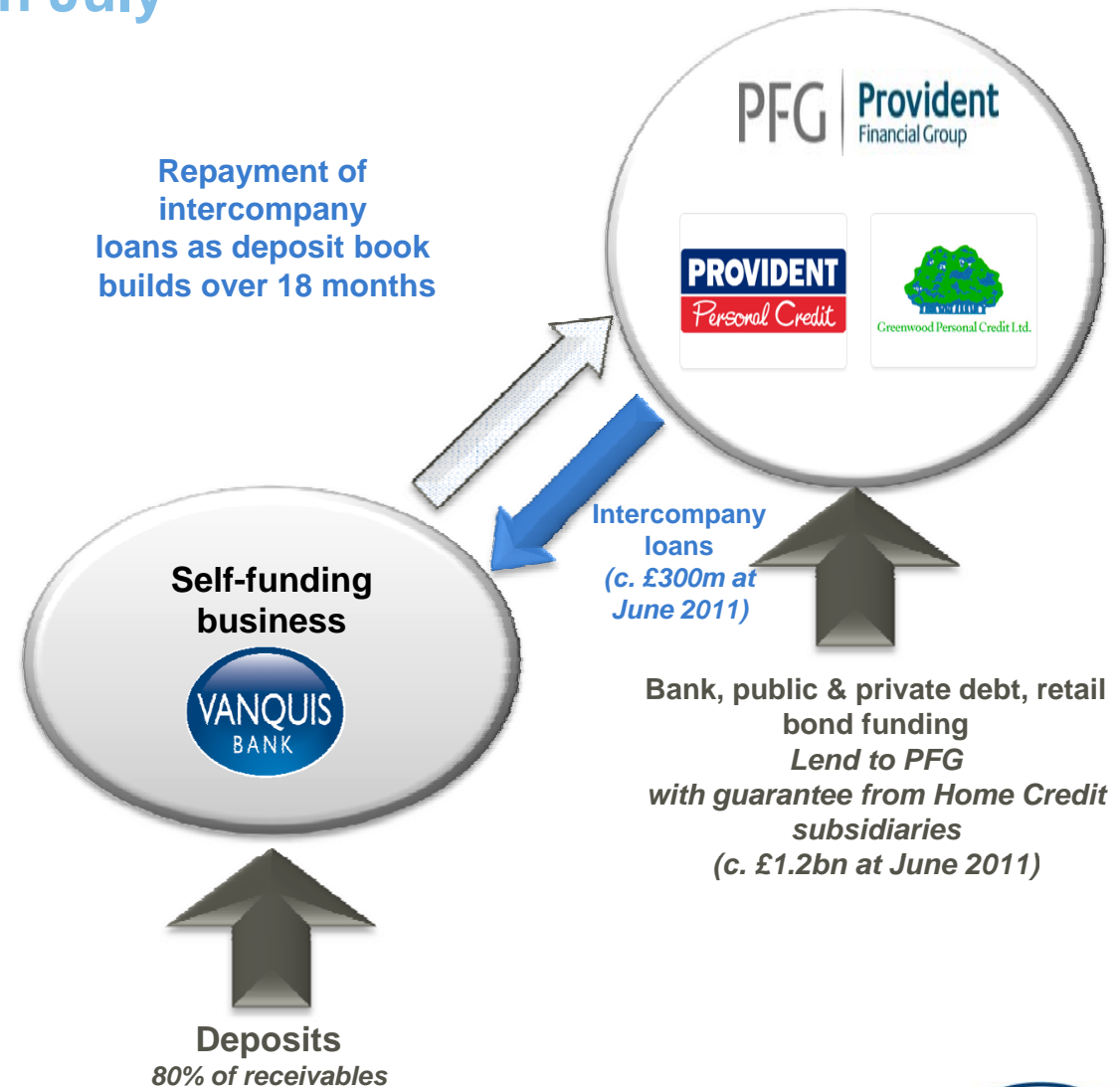
- Loans deemed to be impaired as soon as 1 contractual monthly payment is missed
- Provision of over 80% made against accounts that are 90 days in arrears*
- Policy ensures that impairment charges are recognised early
- Very little lag between growth and impairment

* Subject to estimated realisations from central/third party debt recovery processes

Funding - Deposits

Deposit taking activities launched in July

- Funding of £100m - £125m by year end
- Expect to fund 80% of receivables by end of next year
- Targeting average period to maturity of 2 years
- Implementation:
 - Successful, no operational issues
 - Well developed relationship with Newcastle Building Society



Deposits

Product is designed to be straightforward

- 1, 2, 3 and 5 year fixed-rate bonds
- First £85,000 covered by FSCS
- No right to withdraw, excluding death or bankruptcy
- Internet based
- Outsourced back office to provide scale efficiencies (Newcastle Building Society)

The screenshot displays the Vanquis Bank website for High Yield Fixed Rate Bonds. At the top, the Vanquis Bank logo is shown above a purple banner with the text 'HIGH YIELD'. Below this is a navigation menu with links for Home, 1 Year Bond, 2 Year Bond, 3 Year Bond, 5 Year Bond, FAQ, About Us, and Contact Us. The main heading is 'High Yield Fixed Rate Bonds' with a sub-heading 'interest rates up to 5.00% gross AER'. Below this, it lists '1, 2, 3 and 5 year terms', 'Guaranteed return on your savings', 'Invest from £10,000 to £250,000', and 'First £85,000 protected by the FSCS'. To the right of the main text are four buttons for each bond term, each with a play icon and the text: '1 Year Bond up to 3.45% gross AER*', '2 Year Bond up to 3.70% gross AER*', '3 Year Bond up to 4.00% gross AER*', and '5 Year Bond up to 5.00% gross AER*'. Below the main text is an 'About Us' section with a map of the UK showing branch locations in London, Chatham, Bradford, and Newcastle. The text describes Vanquis Bank as a UK bank with operations and call centres in these locations, part of the Provident Financial Group, a FTSE 250 company founded over 130 years ago, regulated by the UK Financial Services Authority. It states that the first £85,000 of savings (or £170,000 for a joint account) is protected by the FSCS. A 'Find out more' link is provided. To the right of the 'About Us' section is a box with the FSCS logo and the text: 'Check with us what protection the Financial Services Compensation Scheme offers you www.fscs.org.uk'. At the bottom of the page, there is a footer with links for Terms of Use, Privacy Statement, Accessibility, Terms & Conditions, and Site Map.

Deposits

Only a small market share is required

- Market size of between £60bn - £140bn including renewals
- Marketing through well known internet best buy tables
- Market is very rate sensitive - £30m raised in a single week in September

Bank	Product	AER	Amount	Term	Operations	Notes
Santander	Santander 1 Year Fixed Rate Bond	3.20%	£25,000	01/11/2012	Online, Telephone, Branch, Post, Cash-point	<ul style="list-style-type: none"> + Choose monthly or annual interest + If you haven't got £25,000 you can earn 2.50% from £1 and 3.00% from £5,000 + Choose from monthly or annual interest + Available to new and existing Santander customers - No additional deposits, withdrawals or closure allowed during the fixed term
Vanquis	Vanquis Bank 1 Year Fixed Rate Bond	3.20%	£1,000	1 Year	Online, Telephone, Branch, Post, Cash-point	<ul style="list-style-type: none"> + Choose monthly or annual interest + Minimum investment £1,000, maximum investment £250,000 - No additional deposits, withdrawals or closure allowed during the fixed term
Northern Rock	Northern Rock E-Bond Issue 18	3.00%	£1	20/10/2012	Online, Telephone, Branch, Post, Cash-point	<ul style="list-style-type: none"> + Invest from £1 to £500,000 + Choose monthly or annual interest - Early closure or withdrawals are not permitted during the fixed rate period

Depositor profile

High quality, sustainable depositor base

- Typical for this market
- Not brand sensitive
- Home counties bias
- Most aged over 50
- Average balance £30,000
- Very few balances above FSCS limit of £85,000

Age	%
< 50	17%
>= 50	83%

Product	%
Interest Monthly	24%
Interest Annually	76%

Gender	%
Male	48
Female	52

Deposits

Benefits accrue to both Vanquis and the group

- Liquidity
 - Stable source of funding
 - Consistent with FSA guidance and Vickers report
- Diversified funding base for Vanquis and Group
- Lower all-in funding costs
 - Headline rate c.4% depending on duration
 - Operating costs around 1-2% but will reduce with scale
 - Liquidity buffer required (between 10-20% dependent on duration)

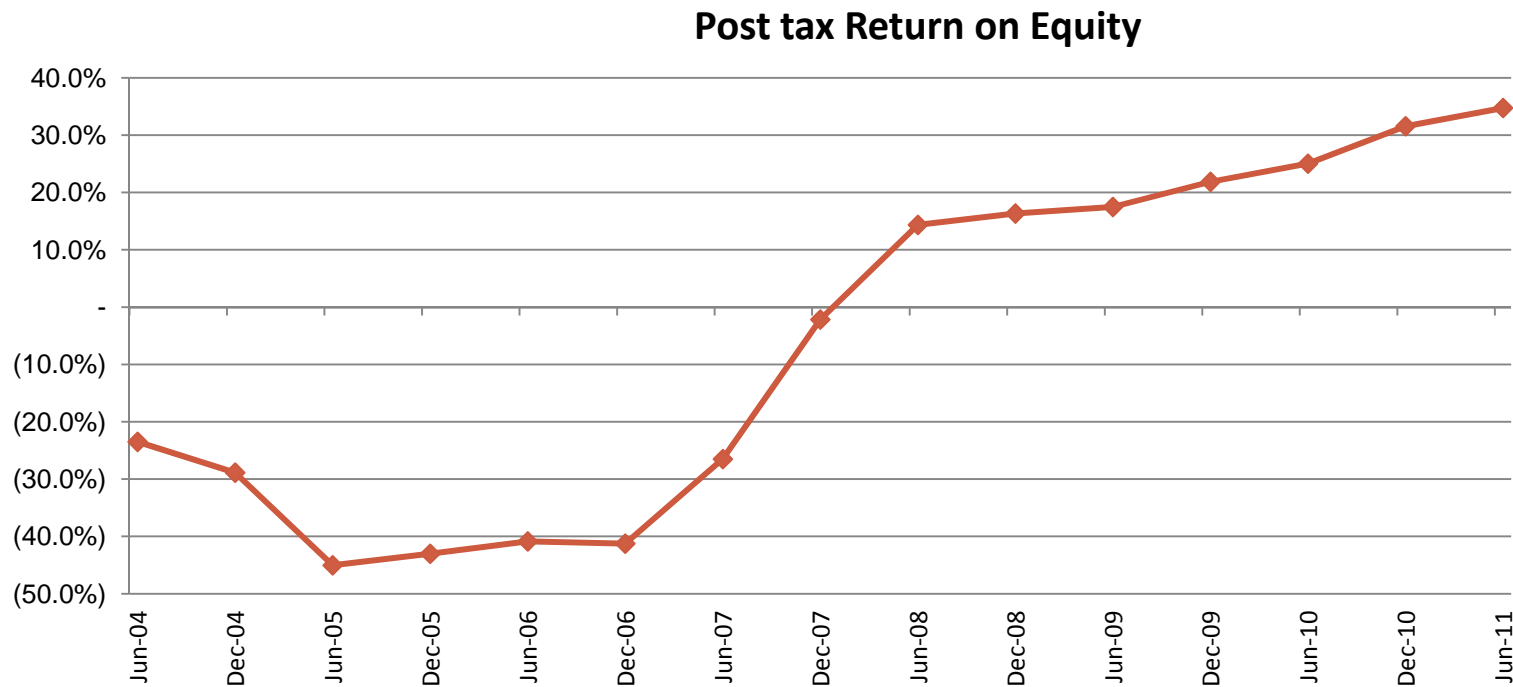
Capital generation – H1 2011

Vanquis paid its first dividend to the group in H1 2011

	Capital generation £m	Equity £m	Receivables £m	Equity to receivables %
At 31 December 2010		76.5	345.0	22.2
Profit after tax	12.9	12.9		
Other capital movements	(0.7)			
	12.2			
Growth in receivables (20% x £35.1m)	(7.0)			
Surplus capital generated	5.2			
Dividend	(5.0)	(5.0)		
At 30 June 2011	0.2	84.4	380.1	22.2

Return on Equity

Returns have grown strongly and target 30% ROE was achieved in H2 2010



Monitoring and MI

Monitoring and control is a key business competency

- Necessary to monitor:
 - Credit and overall business performance for chosen segments
 - Acquisition channel (internet, direct mail and other)
 - Customer segment (Gold vs other)
 - Operational performance
 - Credit decisions

Monthly MI

Available day 2 for management review on “day 3”

- Comprehensive pack (over 200 pages) covering all key business KPIs
- Clear executive level responsibility

Monthly MI

Based around a structured scorecard approach



Note: only a small sample of KPI's shown

Other MI

Comprehensive supplementary analysis

- Full financial forecast of month end on day “T-5”
- Daily MI
 - 30 pages, multiple KPIs covering portfolio and operation performance
 - Published 9.30am
 - Based on previous day close
- Ad hoc analysis
 - Data warehouse holding customer lifetime transaction level data

Summary

Our returns are high and sustainable

- Business model and low and grow strategy creates:
 - Cohort profitability with long tails
 - Low impairment volatility and a manageable risk-adjusted margin
 - High returns
 - Future growth potential
- Balance sheet strength
 - Prudent provisioning
 - Funding diversification for Vanquis and group
- Monitoring and controls are key

Structure of the day

11.15 – 11.25	Welcome & Introduction	<i>Michael Lenora</i>
11.25 – 11.45	How the Contact Centre Works	<i>David Underwood</i>
11.45 – 13.00	Contact Centre Tour <ul style="list-style-type: none">• New Accounts• Customer Services• Collections• Fraud	<i>Hosts Vanessa Farmer Josephine Kelly James Appleby Mark Evans</i>
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17.15 – 20.00	Drinks & Canapes	<i>Maritime Museum</i>

Summary

Michael Lenora

Sustainable growth and high returns

To deliver minimum 30% risk-adjusted margin and 30% post-tax ROE

- Significant growth opportunity
 - Focused on our target customers and segment
- Business model that delivers high, sustainable ROE
 - Clear credit management objectives
 - High contact through the acquisitions process and welcome call
 - Credit limit assignment and utilisation key to delivering returns
 - Profitable sustainable assets
 - Lifecycle plays to our advantage over time
 - Stability of impairment
- Funded through retail deposits

Target customer

Our target customers have a materially different profile to standard issuers

- Customer status

	Prime issuer	Vanquis Bank
Employment status	Employed	Employed
Annual income	£25k+ p.a.	£15-30k p.a.
Residential status	House-owner/mortgaged	Tenant (75%)
Use of other credit cards	High	Low
Use of other borrowings	Medium	Very low

- Card features

	Prime issuer	Vanquis Bank
Credit line	£5,000+	£900
Line utilisation	25%	75+%
Typical APR	15-20%	39.9%
Primary purpose of card	Transactor/revolver	Revolver

Credit Management Objective

Maximise profitability subject to risk-adjusted rate of return hurdles

- Focused on the marginal decision – **NOT** the average performance
- Priority is credit limit management – **NOT** new account underwriting
- Drive sustained profitability – **NOT** short-term

These principles hold across all key decision points



What makes our acquisitions process different?

The welcome call is a critical component of our underwriting strategy

- The use of a pre-acquisition welcome call is unique in the market
 - This helps validate customer contact details (important for future Marketing and Collections)
 - Provides an opportunity to ask further questions specific to the customer's application
 - Customer responses during the call form part of final underwriting decision

How do we assign credit limits?

Low initial line is the other factor that differentiates us from the prime market

- The majority of accounts are booked on an initial credit line of £250 or less, underpinning the bank's "Low and Grow" strategy
- Robust underwriting standards mean only 18% of applicants are approved

Distribution of initial credit limit by channel				
Credit Limit	DM	INT	OTH	Total
£150	7%	5%	4%	6%
£250	49%	52%	37%	48%
£500	38%	43%	51%	42%
£1,000	7%	0%	7%	4%

Note: based on accounts booked in 2011

Why utilisation matters

A prime portfolio requires a much larger number of good customers to cover the losses incurred from a single bad customer

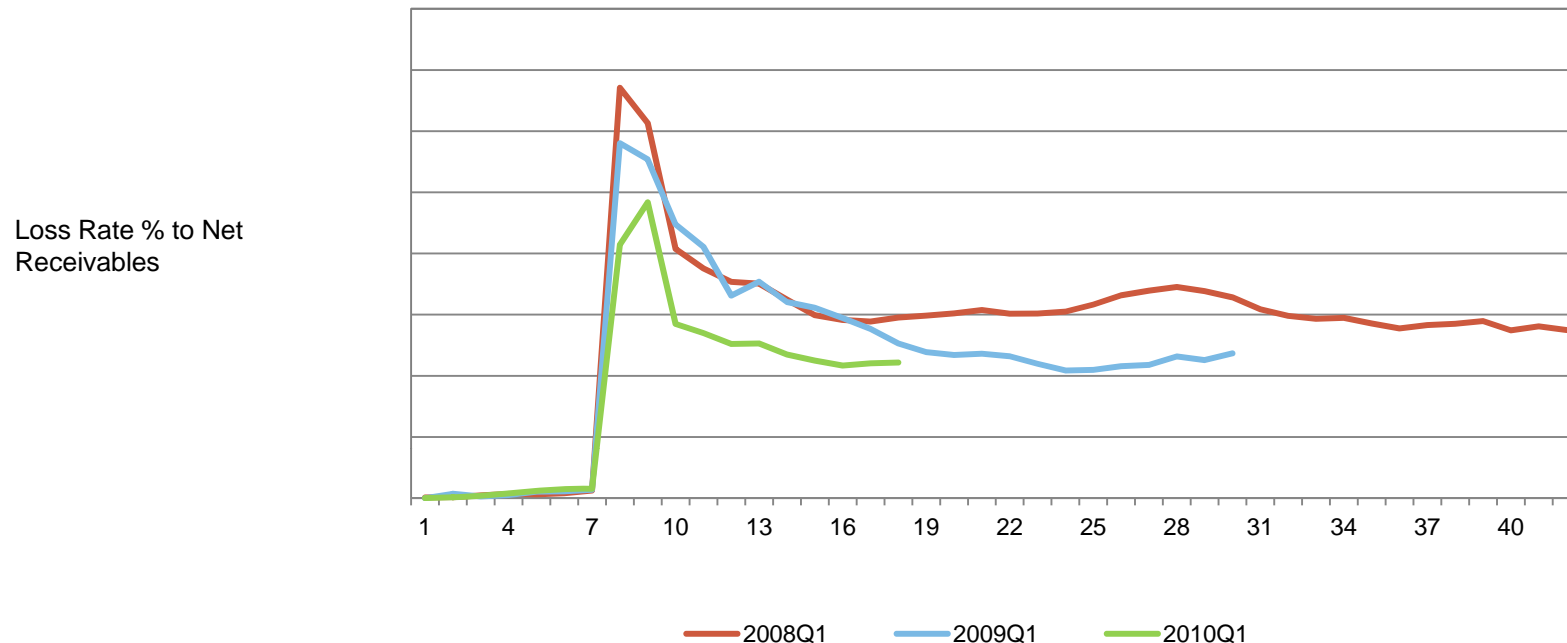
	Typical Prime Card Customer	Typical Vanquis Customer
Average Credit Limit	£10,000	£1,000
Average Utilisation	25%	75%
“Good” Account Balance	£2,500	£750
“Bad” Account Balance ¹	£9,000	£900
Revenue Yield	20%	50%
Revenue per Good Customer	£500	£375
# of “Good” Customers to Offset One “Bad”	18	2.4

¹ Typically, the average bad balance is 90% of the credit limit

We are left with a sustainable, long-term asset

Loss rates stabilise ~18 months after booking, with more recent vintages showing the effects of ongoing improvements in the customer management strategy throughout 2010 and 2011

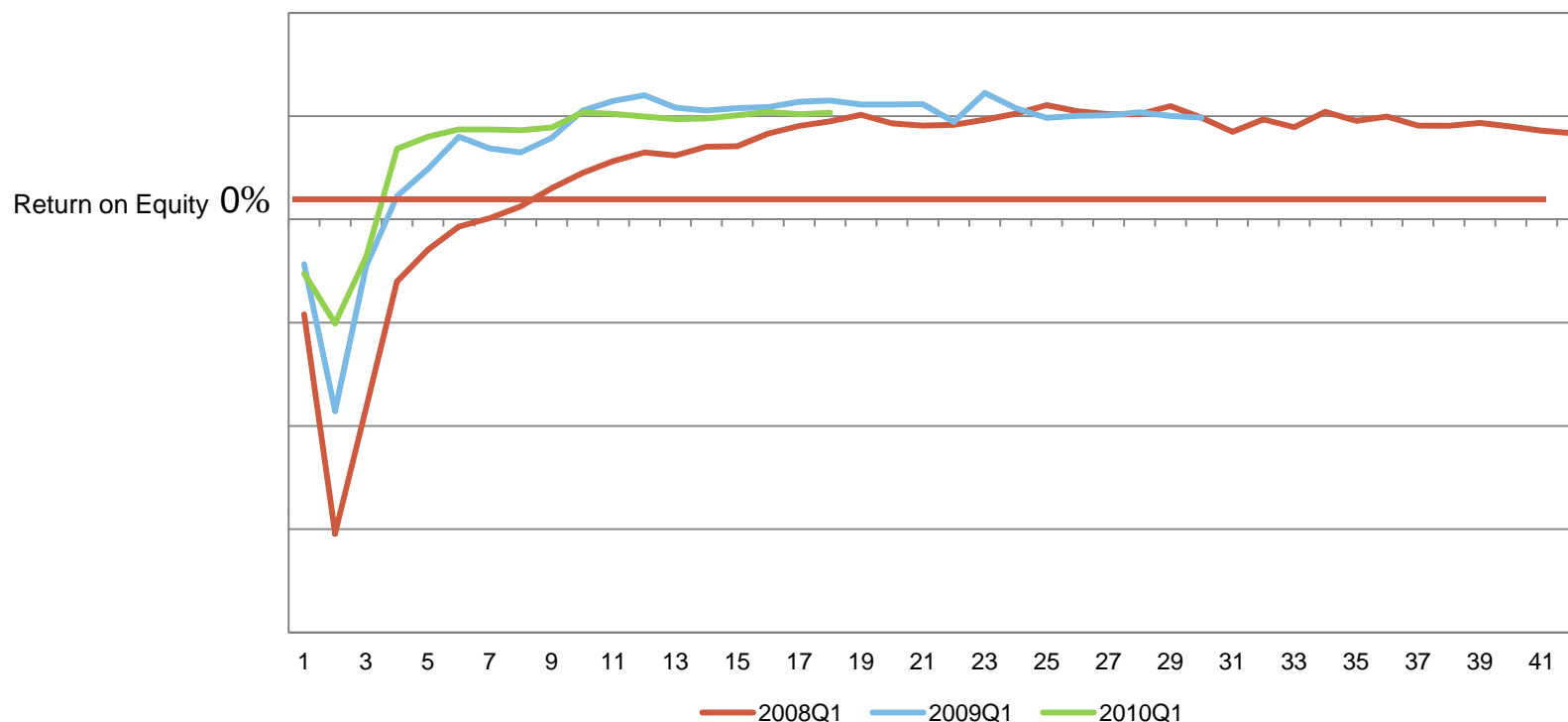
New Account Vintage Performance
(Source: 2008Q1, 2009Q1, 2010Q1 recruitment)



Returns are robust throughout the accounts lifecycle

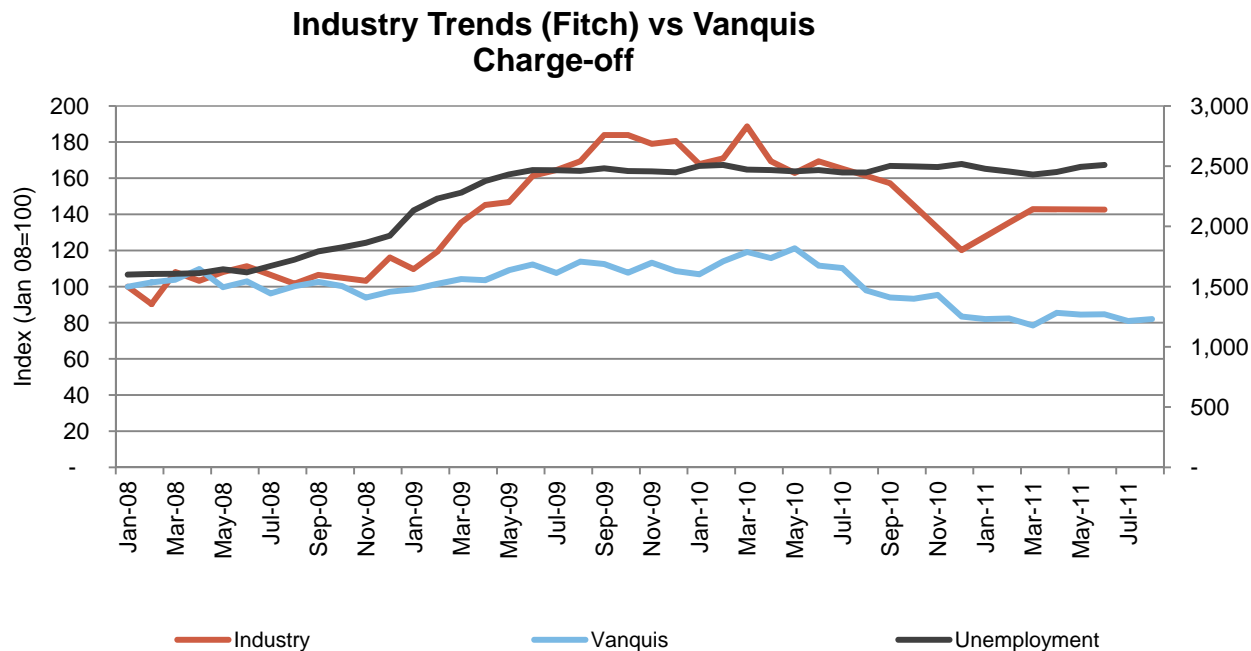
New accounts quickly start to return value to the business, with returns stabilising 18 months after the account is booked

Post-Tax ROE over time
(Source: 2008 Q1, 2009Q1, 2010Q1 recruitment)



Impairment stability

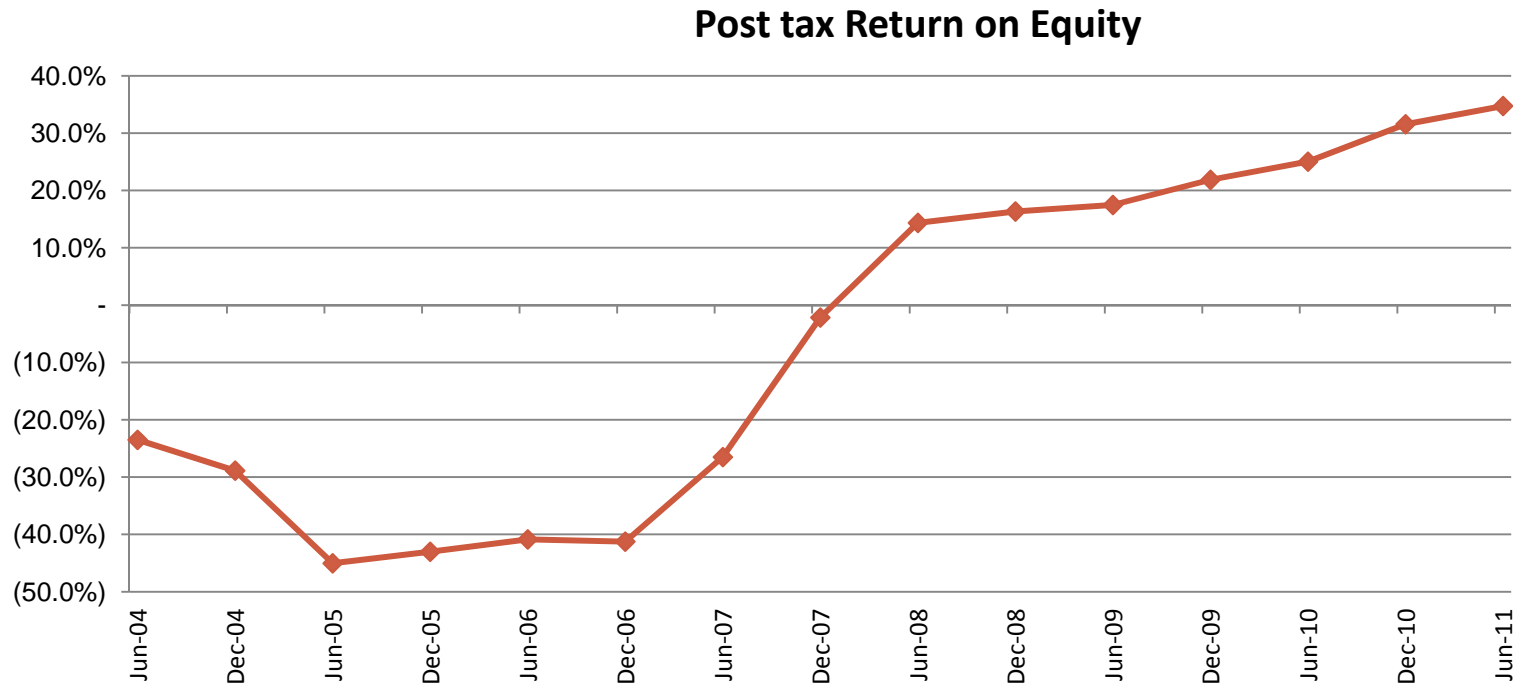
Reminder!....impairment volatility is lower than seen in the prime market



- Impairment levels are protected by
 - The low levels of contingent liability
 - Inherent robustness of customer population
 - Blending of improved underwriting and maturing book

Return on Equity

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Concluding remarks

Peter Crook – Chairman, Vanquis Bank

Where can Vanquis get to?

Vanquis has the potential to accrue significant value for shareholders

- Strong investment in developing the customer base:
 - Should support continuing receivables growth at a similar level to recent years (c.£75m p.a.)
 - Whilst maintaining tight underwriting and a post-tax ROE of 30-35%
- We believe that Vanquis has the potential for:
 - 1.0 to 1.2 million customers with
 - An average balance of between £800-£1,000
 - Generating £1bn of receivables
- Progress will be dictated by:
 - Economic conditions
 - Emergence of competition
 - Maintaining targeted return on equity of at least 30%

Questions?

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Appendix

- Vanquis Bank Executive Team Biographies

Michael Lenora – Managing Director

- Graduated with a B.S. in Finance, M.A. in Applied Economics and an M.B.A. in Economics. Michael held a number of senior positions from 1980 to 2004 including Vice President, Credit Card Operations and later Senior Executive VP – International Operations, Associates First Capital Corporation. Following this Michael joined Barclaycard International in 2004 as Commercial Director, Rest of World and Auriemma Consulting Group as Managing Director in 2006.
- Michael joined Vanquis Bank in June 2007 as Managing Director.



David Underwood – Operations and IT Director

- David originally qualified and worked for a number of years as a mechanical engineer before moving into Financial Services. He now has more than 30 years of experience in the Financial industry, most of it gained with the Lloyds Banking Group, including 8 years as Operations Director for their Card Business and 3 years as Credit Operations Director for their Retail Bank. In this role he was responsible for the collection and recovery of Credit Card, Personal Loan, Mortgage and Current Account delinquency.
- David joined Vanquis in 2006.



Michael Hutko – Commercial Director

- Graduated with a science degree. Between 1993 and 2001 held a number of positions in the financial services industry in America including with the First USA Bank and Associates Financial Services. In 2001 Michael joined Barclays Bank, UK becoming Director of Customer Management in 2004.
- Michael joined Vanquis Bank in 2007 as the Marketing Director and a member of the Board and now holds the position of Commercial Director.



Bob van Breda – Finance Director

- Graduated in Economics and is a Chartered Banker and Management Accountant. Between 1990 and 1998, Bob held a number of positions in NatWest including Corporate Banking and Group Finance roles. He joined Providian in 2001 becoming Head of Finance.
- Bob joined Vanquis Bank in 2002 as Head of Finance before becoming Finance Director and a member of the Vanquis Bank Board in 2004.



Carole Jones – Legal Director

- Graduated with an Honours Degree in Legal Studies and qualified as a solicitor in 1984. Carole has over 20 years experience within the retail banking sector and has held a number of senior legal management positions in companies including Abbey plc and Kensington Mortgages.
- Carole joined Vanquis Bank as Legal Director and Company Secretary in June 2010 having previously held the position in 2008.



Karen Spencer – HR Director

- As a Fellow of the Chartered Institute of Personnel & Development, Karen has held a number of senior Human Resources positions across the financial sector since 1982. In 1999 she joined Providian National Bank as the Human Resources Director and was part of the UK start up team, remaining with the business until it was ultimately sold to Barclaycard.
- On leaving Providian in 2002 Karen joined Vanquis Bank as part of the start up team.

