

H1 2023 Trading Update



Today, Zopa Bank provided an update on its performance in H1 2023.

Highlights

- Proposition centered around fairly priced credit and attractive returns to savers continues to drive strong growth and financial performance
- Nearly 1m customers now using Zopa across all products with an NPS of 82
- Annualised revenue run rate (ARR) is £250m, representing 53% YoY growth
- Focus on responsible lending and use of advanced AI models for underwriting is delivering stable credit performance despite challenging economic environment
- Operating profitably YTD under IFRS9, and expect to achieve first full year of profitability in 2023
- Raised £75m in CET1 to support further growth
- Continued to deliver innovative new products:
 - Launched Smart ISA, a new Easy Access and a Fixed Term ISA proposition providing tax free returns for savers
 - Developed a fully regulated version of BNPL through the recent acquisition of the DivideBuy platform

Jaidev Janardana, Chief Executive Officer, commented:

“As people in the UK navigate through the cost-of-living crisis and rising interest rates, Zopa’s proposition becomes ever more relevant. For borrowers seeking fairly priced and responsible credit or savers seeking to find the right balance between returns and access, Zopa Bank offers a superior alternative to the incumbents. These products are backed by award-winning customer service and proprietary technology.

As a result, Zopa Bank continues to deliver strong growth, with almost a million customers using Zopa products generating an annualised revenue run rate of £250m.

Our technology enables us to achieve this growth efficiently, thus bringing our cost to income ratio down to 40%. Our best-in-class underwriting models use cutting edge AI and machine learning algorithms that have been optimised over the last 8 years delivering stable and better than expected credit performance.

And we continue to innovate on behalf of our customers: we developed and launched a BNPL product which offers a responsible alternative to existing providers and the Smart ISA which will allow savers to keep more of their hard-earned returns.

Our focus continues to be on building Britain’s best bank, delivering great outcomes for our customers and best-in-class profitability.

22 August 2023

We have made significant progress against that vision this year.

In H1, we maintained our industry-leading net promoter score of 82. Our profitability demonstrates the strength of our business model: a digitally native bank that has outstanding lending capabilities and a growing loyal base of savers.”

About Zopa Bank

Launched in 2020, Zopa Bank is the tech Unicorn that raised over \$500 million from the early investors of Uber, Slack, and Alibaba to build Britain’s best bank. Its unique P2P heritage rooted in fintech brings 18 years of lending experience to its operations as well as £8 billion funds in personal loans approved.

As a fully licensed bank, Zopa offers a wide range of products including unsecured personal loans, point-of-sale, car finance, credit cards as well as fixed term, notice and easy access savings. It also provides money management and financial health tools that help its users better understand and control their financial positions.

Contact

Press Office: pr@zopa.com

Investor Relations: ir@zopa.com

Important Disclaimer

The information and opinions in this update are provided as at the date it was made and will not be updated to reflect developments that may occur after its release. None of the Company, any member of its group or any of such persons’ respective directors, officers, employees, agents, affiliates or advisers accepts any responsibility or liability for any loss arising (whether in negligence or otherwise) from any use of or reliance on this update or its contents.

The financial data in this update has not been audited. Neither the Company, any member of its group nor any of their respective officers, employees, agents or professional advisers makes any representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information contained in this update, and no duty of care is owed by any of them in respect of such information.

Any forward-looking statements included in this update describe the Company’s current expectations and projections in respect of the performance of its group and/or the markets. Such forward-looking statements reflect various assumptions by the management of the Company’s group as of the date of this update, and are subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are unknown and beyond the control of the Company. Accordingly, there can be no assurance that such forward-looking statements will be realized. The actual results may vary from the anticipated results and such variations may be material. The Company, any member of its group and any of such persons’ respective directors, officers, employees, agents, affiliates or advisers expressly disclaim responsibility for the accuracy of the opinions expressed in this update or the underlying assumptions, and any obligations or undertaking to release any update of, or additions or revisions to, any forward-looking statements in this update or any events, conditions or circumstances on which any such statement is based.

22 August 2023

This update does not constitute or form part of a prospectus for or an offer to sell or an invitation to acquire shares or any other securities, assets or property in the Company or any member of its group whatsoever, in any jurisdiction. Neither the update nor any of its contents shall form the basis of or be relied upon in connection with any agreement which may at any time be entered into by the recipient or any other person. Any liability arising from this update will be governed by English law.