



Vida Group Holdings Limited Pillar 3 Disclosures

31 December 2024

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1. Overview

1.1. Background

This document contains the annual Pillar 3 disclosures of Vida Group Holdings Limited and its subsidiaries (the “Group” or “Vida”) for the year ended 31 December 2024, as required under the rules of the Prudential Regulation Authority (“PRA”) prescribed in the Disclosure part of the PRA Rulebook for Capital Requirements Regulation (“CRR”) firms.

This is VGHL’s first Pillar 3 report following authorisation as a bank on 19 November 2024.

1.2. Basis of Disclosure

As the Group meets the criteria to be a “small and non-complex institution” set out in UK CRR Article 4 (145), the Group has followed the reduced Pillar 3 qualitative and quantitative disclosure requirements for small non-complex and non-listed institutions set out in Article 433b of the Disclosure part of the PRA Rulebook for CRR firms.

The purpose of these disclosures is to provide information on the management of risks faced by the Group and the basis of calculating capital requirements. The disclosures in this report have been prepared as at 31 December 2024. They should be read in conjunction with the Group’s 2024 Annual Report and Accounts approved by the Board on [insert date] 2025.

Regulatory ratios are presented on a Group-basis only. This document is prepared in pounds sterling which is the functional and reporting currency of the Group. Amounts are rounded to the nearest thousand. Specific rows and columns in the tables prescribed by the PRA have been omitted where these are not applicable to the Group.

As this is VGHL’s first Pillar 3 report following authorisation as a bank, prior year comparatives are not provided.

1.3. Scope

VGHL is a financial holding company and it is a CRR consolidation entity. This Pillar 3 report is prepared on a consolidated basis. Vida Bank Limited (“VBL”) is the principal regulated subsidiary of the Group. The same basis of consolidation is used for the preparation of the Group’s Annual Report and Accounts as is used for regulatory reporting.

1.4. Review and Approval

Pillar 3 disclosures are not subject to external audit. This Pillar 3 report has been prepared in line with the Vida’s internal controls framework which govern financial and regulatory reporting processes. The disclosures have been reviewed at senior and executive level, with ultimate oversight at the Board Audit Committee and approval by the Board.

1.5. Publication

Pillar 3 disclosures are published in line with the publication of the Annual Report and Accounts. The Group’s Pillar 3 disclosures are made available through the corporate website www.vidabank.co.uk.

2. Risk Management and Corporate Governance

Vida's risk management and corporate governance practices are fully disclosed in the 2024 VGHL Annual Report and Accounts. Disclosures made cover the following:

Risk Management	Corporate Governance
<ul style="list-style-type: none">• Risk strategy• Risk culture• Risk management framework• Risk appetite• Principal risks• Risk governance and oversight• Three lines of defence• Key and emerging risks	<ul style="list-style-type: none">• The Board• Senior Leadership Team• The Board's activities in the year• Governance framework• Board and Committee structure• Board and Committee effectiveness

3. Capital and Other Disclosures

3.1 Key Metrics

The key metrics table (KM1) covering capital, leverage and liquidity is set out below.

	31 Dec 2024
Available own funds (£'000)	
Common Equity Tier 1 (CET1) capital	160,316
Tier 1 capital	160,316
Total capital	160,316
Risk-weighted exposure (£'000)	
Total risk-weighted exposure amount	986,809
Capital ratios	
Common Equity Tier 1 ratio (%)	16.2%
Tier 1 ratio (%)	16.2%
Total capital ratio (%)	16.2%
Additional own funds requirements	
Additional own funds requirements (%)	1.2%
Total own funds requirements (%)	9.2%
Combined buffer requirement	
Capital conservation buffer (%)	2.5%
Institution specific countercyclical capital buffer (%)	1.9%
Combined buffer requirement (%)	4.4%
Overall capital requirements (%)	13.6%
Leverage ratio	
Total exposure measure excluding claims on central banks (£'000)	2,331,835
Leverage ratio excluding claims on central banks (%)	6.9%
Liquidity coverage ratio	
Total high-quality liquid assets (HQLA) (weighted value - average) (£'000)	167,705
Cash outflows - total weighted value (£'000)	64,182
Cash inflows - total weighted value (£'000)	205,580
Total net cash outflows (adjusted value) (£'000)	16,046
Liquidity coverage ratio (%)	1,045%
Net stable funding ratio	
Total available stable funding (£'000)	2,016,146
Total required stable funding (£'000)	1,830,180
Net stable funding ratio (%)	110%

Following authorisation as a bank on 19 November 2024, the Group has maintained its capital ratios above the regulatory minima. The CET1 ratio and total capital ratio at 31 December 2024 were 16.2% compared to regulatory requirements of 9.6% and 13.6% respectively.

The Group's liquidity coverage ratio of 1,045% was considerably higher than the regulatory minimum of 100% and reflected the build-up of liquid assets immediately post-authorisation. The net stable funding ratio of 110% was also above the regulatory minimum of 100%.

3.2 Risk-Weighted Exposures

The Group adopts the Standardised Approach for calculating its Pillar 1 own funds requirements for credit risk, operational risk and counterparty credit risk (“CCR”) including credit valuation adjustment (“CVA”). The Pillar 1 capital own funds requirements set a minimum capital resource requirement of 8% of Risk-weighted exposure amounts (“RWEAs) for credit, counterparty, operational and CVA risks.

The table (OV1) below sets out RWEAs and total own funds requirements by risk type.

	31 Dec 2024	
	Risk-weighted exposure amounts (£'000)	Total own funds requirements (£'000)
Credit risk (excluding CCR)	766,886	61,351
Of which the standardised approach	766,886	61,351
Counterparty credit risk - CCR	155,027	12,402
Of which the standardised approach	52,932	4,235
Of which credit valuation adjustment - CVA	102,096	8,168
Operational risk	64,896	5,192
Of which basic indicator approach	64,896	5,192
Total	986,809	78,945

Total RWEAs were £986.9m at 31 December 2024 and the capital requirement at 8% was £78.9m. The CCR exposure arises principally from the Group’s SPV structures for its pre-authorisation wholesale funding model. The exposures are derived from the use of derivative hedging contracts to manage interest rate risk.

The Group holds capital against operational risk under the Basic Indicator Approach, which is based upon the average of the Group’s income over the past three years.

4. Remuneration

This remuneration disclosure is a requirement of the Disclosure part of the PRA Rulebook for CRR firms, as amended by Article 433b, such that only sections (a)-(d), (h) and (i) of Article 450(1) are required.

The disclosure covers remuneration policies and practices for categories of staff whose professional activities have a material impact on the risk profile of the Group. This includes those employees whose roles have been designated as Senior Manager Functions under the SMCR.

4.1 Remuneration Policy

The Remuneration and Nominations Committee (“RemNom”) assists the Board in fulfilling its oversight and governance responsibilities in relation to remuneration and nominations related activity.

RemNom develops and recommends for Board approval Vida’s Remuneration Policy and any material changes to Vida’s benefits and incentive plans. RemNom is responsible for setting the level of remuneration for Independent Non-Executive Directors, Executive Directors and Senior Management. It reviews and challenges proposals for employee bonus payments as well as ensuring that Vida attracts, selects and retains suitably qualified and experienced employees.

RemNom comprises three Non-Executive Directors, two of whom, including the Chair, are independent, and one shareholder Non-Executive Director.

RemNom convenes every quarter with additional meetings scheduled when required.

4.2 Performance-Related Remuneration

VBL believes there is a clear link between pay and performance. This ensures that VBL can:

- achieve the appropriate balance between fixed and performance-related remuneration;
- reward strong individual performance through integrated performance-management processes that measure employee performance against robust objectives that are prioritised to avoid conflicts of interests and to deliver and support good customer outcomes;
- reward the achievement of the overall business objectives;
- strike an appropriate balance between risk-taking and reward and be consistent with Vida’s risk policies and systems to guard against inappropriate risk-taking; and
- adhere to and respond to the regulatory framework for the financial services sector and ensure that our remuneration practices encourage appropriate behaviours and conduct across Vida.

4.3 Remuneration Structures

Fixed pay

To attract, retain and motivate employees to achieve the objectives of Vida within its stated risk appetite and risk management framework, employees are paid fixed base salaries and receive competitive benefits such as pension contribution, holiday allowance and health insurance benefits. Base salary is reviewed annually with a percentage increase usually applied to all qualifying roles. Higher increases may be awarded in exceptional circumstances to bring salaries in line with market.

Bonus scheme

The payment of an annual cash bonus is discretionary and performance based. The bonus pool is approved by RemNom taking into account corporate performance against financial and non-financial measures, including customer outcomes and risk management.

Allocation of bonus awards to individuals is determined following an annual performance review process which considers achievement of personal objectives as well as demonstration of behaviours aligned to Vida's values, conduct and risk culture. RemNom approves the individual bonus allocations to members of the Senior Leadership Team. The bonus scheme is open to all qualifying staff and is capped between 20% and 70% of annual salary depending on seniority.

Long-term management incentive scheme

Key senior staff participate in Vida's long-term incentive scheme. This is a management equity scheme in the form of B and C class shares in VGHL. Participants in the scheme may receive an award following an exit event if certain financial thresholds have been met. The scheme is under review as part of Vida's commitment to the PRA to further simplify its share structure.

4.4 Remuneration Awarded for the Financial Year

Material Risk Takers ("MRTs")

MRTs are Vida's employees whose professional activities could have a material impact on the Group's risk profile. A total of 18 individuals were identified as MRTs for the year ended 31 December 2024. The table below sets out the remuneration disclosures for MRTs.

£'000		MB Supervisory function	MB Managem't function	Other senior managem't	Other identified staff
Fixed remuneration	Number of identified staff	4	5	9	-
	Total fixed remuneration	295	1,946	1,478	-
	Of which: cash-based	295	1,946	1,478	-
Variable remuneration	Number of identified staff	-	5	9	-
	Total variable remuneration	-	817	297	-
	Of which: cash-based	-	817	297	-
Total remuneration		295	2,763	1,775	-

Special Payments

No special payments have been made for the year ended 31 December 2024 to Material Risk Takers.

Deferred remuneration

No individual received any deferred remuneration for the year ended 31 December 2024.

Remuneration of €1m or more per year

No individual received remuneration of the sterling equivalent of €1m or more during the year ended 31 December 2024.