



# **Vida Group Holdings Limited Pillar 3 Disclosures**

**31 December 2025**

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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 2025, 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.

### **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 2025. They should be read in conjunction with the Group’s 2025 Annual Report and Accounts approved by the Board on 13<sup>th</sup> March 2026.

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.

### **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](http://www.vidabank.co.uk).

## **2. Risk Management and Corporate Governance**

Vida’s risk management and corporate governance practices are fully disclosed in the 2025 VGHL Annual Report and Accounts. Disclosures made cover the following:

**Risk Management**

- Risk strategy
- Risk culture
- Risk management framework
- Risk appetite
- Principal risks
- Risk governance and oversight
- Three lines of defence
- Key and emerging risks

**Corporate Governance**

- 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	31 Dec 2025
<b>Available own funds (£'000)</b>		
Common Equity Tier 1 (CET1) capital	160,316	168,319
Tier 1 capital	160,316	168,319
Total capital	160,316	202,429
<b>Risk-weighted exposure (£'000)</b>		
Total risk-weighted exposure amount	986,809	1,105,780
<b>Capital ratios</b>		
Common Equity Tier 1 ratio (%)	16.2%	15.2%
Tier 1 ratio (%)	16.2%	15.2%
Total capital ratio (%)	16.2%	18.3%
<b>Additional own funds requirements</b>		
Additional own funds requirements (%)	1.2%	1.2%
Total own funds requirements (%)	9.2%	9.2%
<b>Combined buffer requirement</b>		
Capital conservation buffer (%)	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	1.9%	1.9%
Combined buffer requirement (%)	4.4%	4.4%
Overall capital requirements (%)	13.6%	13.6%
<b>Leverage ratio</b>		
Total exposure measure excluding claims on central banks (£'000)	2,331,835	3,440,332
Leverage ratio excluding claims on central banks (%)	6.9%	4.9%
<b>Liquidity coverage ratio</b>		
Total high-quality liquid assets (HQLA) (weighted value - average) (£'000)	167,705	1,073,005
Cash outflows - total weighted value (£'000)	64,182	747,252
Cash inflows - total weighted value (£'000)	205,580	77,815
Total net cash outflows (adjusted value) (£'000)	16,046	669,438
Liquidity coverage ratio (%)	1,045%	163%
<b>Net stable funding ratio</b>		
Total available stable funding (£'000)	2,016,146	2,377,496
Total required stable funding (£'000)	1,830,180	1,719,626
Net stable funding ratio (%)	110%	138%

The CET1 ratio was 15.2% at 31 December 2025 (2024: 16.2%). The decrease in the ratio was driven by the significant growth in Risk-weighted exposure amounts (RWEAs) during the period from loan book growth, partly offset by the increase in CET1 from retained earnings.

During the year, the Group issued qualifying Tier 2 capital with a notional value of £35m to support the planned balance sheet expansion. As a result, the Total Capital Ratio increased to 18.3% (2024: 16.2%).

The Group's liquidity coverage ratio reduced to 163% (2024: 1,045%) which reflects the gradual shift to a normalised liquidity profile based on sourcing retail deposit volumes following successful application for a banking licence gained in November 2024.

The net stable funding ratio increased to 138% (2024: 110%) driven by the diversification of the funding base since obtaining a banking licence.

### 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 RWEAs for credit, counterparty, operational and CVA risks.

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

	Risk-weighted exposure amounts		Total own funds requirements	
	31 Dec 2025 (£'000)	31 Dec 2024 (£'000)	31 Dec 2025 (£'000)	31 Dec 2024 (£'000)
Credit risk (excluding CCR)	936,924	766,886	74,954	61,351
Of which the standardised approach	936,924	766,886	74,954	61,351
Counterparty credit risk - CCR	83,044	155,027	6,644	12,402
Of which the standardised approach	34,770	52,932	2,782	4,235
Of which credit valuation adjustment - CVA	48,274	102,096	3,862	8,168
Securitisation exposures in the non-trading book (after the cap)	6,391	-	511	-
Of which SEC-SA	1,603	-	128	-
Of which SEC-ERBA	4,788	-	383	-
Operational risk	79,420	64,896	6,354	5,192
Of which basic indicator approach	79,420	64,896	6,354	5,192
<b>Total</b>	<b>1,105,780</b>	<b>986,809</b>	<b>88,462</b>	<b>78,945</b>

Total RWEAs were £1,105.8m at 31 December 2025 (2024: £986.8m). The increase was primarily driven by the planned growth in mortgage related RWEAs, partially offset by a reduction in RWEAs for CCR due to more favourable margining terms.

RWEAs for operational risk increased to £79.4m (2024: £64.9m) under the basic indicator approach due to an increase in the Group's income.

## **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 four Non-Executive Directors, three 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 are eligible to participate in Vida's long-term incentive scheme. During 2025, the Management Equity scheme in the form of B and C class shares in VGHL was reviewed as part of Vida's commitment to the PRA to simplify its share structure. The scheme was wound up and a new scheme will be put in place during 2026.

### 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. For the year ended 31 December 2025, a total of 20 individuals were identified as MRTs during the reporting period. As at 31 December 2025, the MRT population comprised of 17 individuals. This reduction was due to the Chair and one Independent Non-Executive Director completing their third 3-year term and the departure of one senior manager during the year.

The table below sets out the remuneration disclosures for all MRTs, including those who left during the period.

£'000		MB Supervisory function	MB Managem't function	Other senior managem't	Other identified staff
Fixed remuneration	Number of identified staff	6	5	9	-
	Total fixed remuneration	495	2,024	1,639	-
	Of which: cash-based	495	2,024	1,639	-
Variable remuneration	Number of identified staff	-	5	9	-
	Total variable remuneration	-	743	302	-

	Of which: cash-based	-	743	302	-
Total remuneration		495	2,767	1,941	-

### **Special Payments**

One severance payment was made to an individual during the year ended 31 December 2025.

### **Deferred remuneration**

No individual received any deferred remuneration for the year ended 31 December 2025.

### **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 2025.