



**DF Capital**

Distribution Finance Capital Holdings plc

---

# Pillar 3 Disclosures at 31 December 2024



Contents

1.	Overview	3
2.	Key Metrics (UK KM1)	4
3.	Overview of risk weighted exposure amounts (UK OV1)	5
4.	Remuneration Policy (UK REMA)	5
5.	Remuneration Awarded for the Financial Year (UK REM1)	6

# 1. Overview

## 1.1 Purpose

This document presents the annual Pillar 3 disclosures of DF Capital Holdings Plc and its subsidiaries (the 'Group') for the year ended 31 December 2024 pursuant to the rules of the Prudential Regulation Authority ('PRA') prescribed in the Disclosure (CRR) part of the PRA Rulebook for Capital Requirements Regulation ('CRR') firms.

## 1.2 Scope and basis of disclosure

The Group comprises of DF Capital Holdings Plc (PRA approved financial holding company) which has no operations of its own and its 100% owned and controlled subsidiary, DF Capital Bank Limited (the 'Bank') which is authorised by the PRA and regulated by the PRA and FCA. The Bank has two subsidiaries being DF Capital Financial Solutions Limited and DF Capital Retail Finance Limited.

The Group is supervised on a consolidated basis in the UK by the PRA and therefore, these disclosures are prepared on a consolidated basis and should be read in conjunction with the Annual Report and Financial Statements, for the year ended 31 December 2024. There are no differences between the basis of consolidation of the Group for accounting and regulatory purposes. It should be noted that both the Group and the Bank on a standalone basis complied with all supervisory requirements to which they are subject during the year.

The Group has opted into the Small Domestic Deposit Takers ('SDDT') regime at both Consolidated and Bank levels. Having received PRA approval, disclosures are prepared in accordance with the regime's reduced disclosure requirements as prescribed by Article 433b.

Other than restrictions due to the capital requirements that apply to a Bank, there are no current or foreseen material practical or legal impediments to the prompt transfer of capital resources or repayment of liabilities between Group companies.

Article 432 (CRR) allows the Group to exclude certain disclosures if they contain proprietary or confidential information, or if the information is not material. The Group has not excluded any information on the grounds of being proprietary or confidential.

## 1.3 Frequency and location of disclosures

The Group's policy is to publish the Pillar 3 disclosures on an annual basis. The disclosures will be updated should there be a material change in any approach used for the calculation of capital, business structure or regulatory requirements.

This document is published alongside the Annual Report and Financial Statements on the Group's website [www.dfcapital-investors.com/reports-and-information/reports](http://www.dfcapital-investors.com/reports-and-information/reports)

## 1.4 Verification

The Group's Pillar 3 disclosures have been reviewed and approved by the Board who are satisfied that the disclosures meet requirements under the SDDT regime. The disclosures are not required to be, and have not been, subject to external audit.

## 2. Key Metrics (UK KM1)

The table below presents the key metrics for the Group in accordance with Article 447 of the Disclosure (CRR) part PRA Rulebook:

		Dec-24	Jun-24	Dec-23
		£000's	£000's	£000's
<b>Available own funds (amounts)</b>				
1	Common Equity Tier 1 (CET1) capital	98,780	81,142	79,269
2	Tier 1 capital	98,780	81,142	79,269
3	Total capital	109,010	91,368	89,538
<b>Risk-weighted exposure amounts</b>				
4	Total risk-weighted exposure amount	457,565	386,669	347,034
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>				
5	Common Equity Tier 1 ratio (%)	21.6%	21.0%	22.8%
6	Tier 1 ratio (%)	21.6%	21.0%	22.8%
7	Total capital ratio (%)	23.8%	23.6%	25.8%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>				
UK 7a	Additional CET1 SREP requirements (%)	2.4%	2.9%	2.9%
UK 7b	Additional AT1 SREP requirements (%)	0.8%	1.0%	1.0%
UK 7c	Additional T2 SREP requirements (%)	1.1%	1.3%	1.3%
UK 7d	Total SREP own funds requirements (%)	12.3%	13.1%	13.1%
<b>Combined buffer requirement (as a percentage of RWAs)</b>				
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	2.0%	2.0%	2.0%
11	Combined buffer requirement (%)	4.5%	4.5%	4.5%
UK 11a	Overall capital requirements (%)	16.8%	17.6%	17.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	22.4%	15.9%	22.8%
<b>Leverage ratio</b>				
13	Total exposure measure excluding claims on central banks	681,053	625,424	608,644
14	Leverage ratio excluding claims on central banks (%)	14.5%	13.0%	13.0%
<b>Liquidity Coverage Ratio (LCR)</b>				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	87,857	99,485	97,757
UK 16a	Cash outflows - Total weighted value	34,088	33,142	32,754
UK 16b	Cash inflows - Total weighted value	25,895	19,509	15,535
16	Total net cash outflows (adjusted value)	10,567	14,286	17,219
17	Liquidity coverage ratio (%)	836.6%	735.7%	618.2%

### 3. Overview of risk weighted exposure amounts (UK OV1)

The table below presents the Group's total RWAs and the corresponding Own Funds requirements in accordance with Article 448(d) of the Disclosure (CRR) part PRA Rulebook:

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		Dec-24	Dec-23	Dec-24
		£000's	£000's	£000's
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>388,533</b>	<b>323,338</b>	<b>31,083</b>
2	Of which the standardised approach	388,533	323,338	31,083
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>4,006</b>	<b>2,402</b>	<b>320</b>
7	Of which the standardised approach	1,635	1,651	130
UK 8b	Of which credit valuation adjustment - CVA	2,371	751	190
<b>23</b>	<b>Operational risk</b>	<b>65,026</b>	<b>21,294</b>	<b>5,202</b>
UK 23a	Of which basic indicator approach	65,026	21,294	5,202
<b>29</b>	<b>Total</b>	<b>457,565</b>	<b>347,034</b>	<b>36,605</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>			
UK 19a	Of which deduction from CET1 capital	10,095	11,281	n/a

### 4. Remuneration Policy (UK REMA)

Remuneration Policy Disclosures for the Group are made in accordance with Article 450(1a-1d) of the Disclosure (CRR) part PRA Rulebook.

Our remuneration objectives remain to promote the long-term success of the firm and delivery of its strategic plan by attracting, motivating, and retaining high calibre and talented employees, through a market competitive set of benefits. We ensure that our policies and approach align to the relevant remuneration codes and policy statements of the PRA and FCA. We want to ensure our approach to remuneration encourages the delivery of sustainable performance, appropriate and effective management of the firm's risk profile, strong customer outcomes and the creation of an inclusive and engaging environment for our employees. We remain firm in our view that having an engaged, motivated and well incentivised workforce unlocks the delivery of the Group's strategic ambitions.

Looking after our employees also stretches well beyond basic salary, supporting their personal and financial wellbeing. Further details of our remuneration arrangements, including how our employees share in our success, are laid out in the 2024 Annual Report and Financial Statements Remuneration Committee Report.

#### Decision Making – Remuneration Committee

The Remuneration Committee is appointed by the Board and is responsible for considering and recommending an overall remuneration strategy and policies that align to its long-term objectives and risk appetite. The Remuneration Policy is applicable to all employees of the Group, including the Executive Directors and ensures that remuneration decisions compensate directors, executives, and other employees fairly and responsibly.

The Board Risk Committee has a key role in advising the Remuneration Committee regarding the design of variable pay to ensure that any incentivisation does not encourage the taking of undue risk.

Key responsibilities and topics covered by the Remuneration Committee can be found in the 2024 Annual Report and Financial Statements Remuneration Committee Report. During the year, the Remuneration Committee held 4 meetings, and Individual Director attendance of these meetings can be found in the Corporate Governance Section of the 2024 Annual Report and Financial Statements.

## Remuneration components

The Group's compensation and benefit arrangements remain broadly in line with previous years. The key components of the Group's remuneration, including details on fixed pay, benefits, AIP and PSP ratios, salary, and incentive plans can be found in the 2024 Annual Report and Financial Statements Remuneration Committee Report.

## Identified Staff

The Group maintains a record of its identified staff (being those staff whose professional activities have a material impact on the firm's risk profile pursuant to Article 92 of the Directive 2013/36/EU Delegated Regulation on identified staff) and take reasonable steps to ensure identified staff understand the implications of their status.

The remuneration for these employees is governed under the Group Remuneration Policy. The remuneration policy was last reviewed by the Remuneration Committee in 2024. There have been no material changes since this review. Long term incentives are awarded as share options and subject to vesting conditions or as deferred cash awards which were implemented during 2024. The Group's long term incentivisation is set out in the Remuneration Committee Report, and details of the share awards granted and specifically those made to the executive directors are available in the Remuneration Committee Report and Note 10 to the consolidated Financial Statements of the 2024 Annual Report and Financial Statements.

During the disclosure year ended 31 December 2024, the Group employed a total of 20 individuals who were identified staff under the remuneration disclosure requirements. Of these, 7 individuals were Executive and Non-Executive Directors, and 4 individuals were classified as other staff. The template included in section 5 discloses remuneration for those identified staff under the prescribed PRA template.

## 5. Remuneration Awarded for the Financial Year (UK REM1)

The table below details the remuneration for identified staff during the year in accordance with points (i) and (ii) of Article 450(1h) of the Disclosure (CRR) part PRA Rulebook:

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
			£'000s	£'000s	£'000s	£'000s
1	Fixed remuneration	Number of identified staff #	5	2	9	4
2		Total fixed remuneration £	405	930	1,780	560
3		Of which: cash-based	405	930	1,780	560
9	Variable remuneration	Number of identified staff #	5	2	9	4
10		Total variable remuneration £	-	987	1,690	185
11		Of which: cash-based	-	597	1,361	174
UK-13a		Of which: shares or equivalent ownership interests	-	390	329	11
17	Total remuneration (2+10)		405	1,917	3,470	745

DF Capital is a trading name of Distribution Finance Capital Holdings plc. Registered Office: St James' Building,  
61-95 Oxford Street, Manchester M1 6EJ. VAT GB 337 4014 21. Company No. 11911574 (Registered in England and Wales).

