



**DF Capital**

Distribution Finance Capital Holdings plc

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# Pillar 3 Disclosures at 31 December 2025



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## 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 2025 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 2025. 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:  
<https://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:

		Consolidated Group		
		Dec-25	Jun-25	Dec-24
		£000's	£000's	£000's
1	Common Equity Tier 1 (CET1) capital	112,443	93,171	98,780
2	Tier 1 capital	112,443	93,171	98,780
3	Total capital	127,745	103,405	109,010
<b>Risk-weighted exposure amounts</b>				
4	Total risk-weighted exposure amount	623,607	516,748	457,565
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>				
5	Common Equity Tier 1 ratio (%)	18.0%	18.0%	21.6%
6	Tier 1 ratio (%)	18.0%	18.0%	21.6%
7	Total capital ratio (%)	20.5%	20.0%	23.8%
<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%	2.4%	2.4%
UK 7b	Additional AT1 SREP requirements (%)	0.8%	0.8%	0.8%
UK 7c	Additional T2 SREP requirements (%)	1.1%	1.1%	1.1%
UK 7d	Total SREP own funds requirements (%)	12.3%	12.3%	12.3%
<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%	16.8%	16.8%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.1%	7.1%	22.4%
<b>Leverage ratio</b>				
13	Total exposure measure excluding claims on central banks	878,704	762,133	681,053
14	Leverage ratio excluding claims on central banks (%)	12.8%	12.2%	14.5%
<b>Liquidity Coverage Ratio (LCR)</b>				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	106,821	93,510	87,857
UK 16a	Cash outflows - Total weighted value	47,835	41,675	34,088
UK 16b	Cash inflows - Total weighted value	32,440	30,735	25,895
16	Total net cash outflows (adjusted value)	15,424	12,690	10,567
17	Liquidity coverage ratio (%)	704.0%	765.4%	836.6%

### 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 :

		Consolidated Group		
		Risk weighted exposure amounts (RWAs)		Total own funds requirements
		Dec-25	Dec-24	Dec-25
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>533,039</b>	<b>388,533</b>	<b>42,643</b>
2	Of which the standardised approach	533,039	388,533	42,643
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>3,286</b>	<b>4,006</b>	<b>263</b>
7	Of which the standardised approach	2,259	1,635	181
UK 8b	Of which credit valuation adjustment - CVA	1,027	2,371	82
<b>23</b>	<b>Operational risk</b>	<b>87,281</b>	<b>65,026</b>	<b>6,983</b>
UK 23a	Of which basic indicator approach	87,281	65,026	6,983
<b>29</b>	<b>Total</b>	<b>623,607</b>	<b>457,565</b>	<b>49,889</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>10,942</b>	<b>10,095</b>	<b>n/a</b>
UK 19a	Of which deduction from CET1 capital	10,942	10,095	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.

The Group's 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. Our aim is to ensure our approach to remuneration encourages the continued development of the Group, 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. As has been proven to date, 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 2025 Annual Report and Financial Statements Remuneration Committee Report.

#### Decision Making – Remuneration and Nomination Committee

The Remuneration and Nomination 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 and Nomination 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 and Nomination Committee can be found in the 2025 Annual Report and Financial Statements Remuneration and Nomination Committee Report. During the year, the Remuneration and Nomination Committee held four meetings, and Individual Director attendance of these meetings can be found in the Corporate Governance Section of the 2025 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, Annual Incentive Plan and Performance Share Plan can be found in the 2025 Annual Report and Financial Statements Remuneration and Nomination 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 takes 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 2025. There have been no material changes since this review. Long term incentives were awarded as share options and subject to vesting conditions or as deferred cash awards during 2025. The Group's long term incentivisation is set out in the Remuneration and Nomination Committee Report, and details of the share awards granted and specifically those made to the executive directors are available in the Remuneration Report and Note 10 to the Consolidated Financial Statements of the 2025 Annual Report and Financial Statements.

During the disclosure year ended 31 December 2025, the Group employed a total of 19 individuals who were identified staff under the remuneration disclosure requirements. Of these, 7 individuals were Executive and Non-Executive Directors, and 12 individuals were classified as other senior management or identified 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		Number of identified staff #	5	2	9	3
2	<b>Fixed remuneration</b>	<b>Total fixed remuneration £</b>	<b>465</b>	<b>1,072</b>	<b>1,939</b>	<b>433</b>
3		Of which: cash-based	465	1,072	1,939	433
9		Number of identified staff #	5	2	9	3
10	<b>Variable remuneration</b>	<b>Total variable remuneration £</b>	<b>-</b>	<b>1,493</b>	<b>1,034</b>	<b>67</b>
11		Of which: cash-based	-	1,274	917	67
12		Of which: deferred	-	425	-	-
UK-13a		Of which: shares or equivalent ownership interests	-	219	117	-
UK-14a		Of which: deferred	-	219	117	-
<b>17</b>	<b>Total remuneration (2+10)</b>		<b>465</b>	<b>2,565</b>	<b>2,973</b>	<b>501</b>

DF Capital is a trading name of Distribution Finance Capital Holdings plc. Registered Office: Express Building, 9 Great Ancoats Street, Manchester M4 5AD. VAT GB 337 4014 21. Company No. 11911574 (Registered in England and Wales).

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