Aldermore Group PLC

Pillar 3 Disclosures

2026

Aldermore

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Introduction

This document comprises Aldermore Group PLC's ("the Group") and Aldermore Bank PLC's ("the Bank") Pillar 3 disclosures on capital, risk management and remuneration as at 30 June 2026. It has two principal purposes:

- To provide useful information on the capital and risk profile of the Group and Bank; and
- To meet the regulatory disclosure requirements set out by the Prudential Regulation Authority ("PRA") in the Disclosure section of the PRA Rulebook.

The Group consists of two operating companies, Aldermore Bank PLC and MotoNovo Finance Limited. Aldermore Bank PLC provides finance to business owners, homeowners and landlords, and supports savers. It operates exclusively online, by phone and through brokers and intermediaries. MotoNovo Finance Limited provides motor finance solutions to customers across the UK through a nationwide network of dealers and introducers, helping people buy their next car, van or motorcycle.

Aldermore Group is part of the FirstRand Group, one of the largest financial services groups in Africa by market capitalisation.

This Pillar 3 disclosure is intended to be read as a standalone document and constitutes the Bank's single medium for prudential disclosures in accordance with Article 434 of the UK Capital Requirements Regulation ("UK CRR"). Pillar 3 disclosures are published on the Group's website: www.aldermore.co.uk and are maintained in accordance with the requirements of Article 434.

Basis of preparation

In October 2025, the Group issued a £300 million Tier 2 subordinated debt instrument which qualifies as a listed debt security. As a result, the Group's regulatory classification for Pillar 3 purposes changed from an "other non-listed institution" to an "other listed institution" in accordance with Article 433c of the UK Capital Requirements Regulation ("CRR").

Prior to this issuance, the Group was able to apply the proportionality provisions available to non-listed institutions under Article 433c, which permitted a reduced scope and frequency of Pillar 3 disclosures. Following the change in classification, these provisions are no longer applicable and the Group is therefore required to comply with the disclosure requirements applicable to listed institutions under Article 433c.

This change affects the scope and reporting frequency of Pillar 3 disclosures, with key metrics and other applicable disclosures being published on a half yearly basis. It does not impact the Group's business model, risk profile, or prudential capital requirements. The disclosures contained within this report have been prepared in accordance with the requirements applicable to a listed institution. No material disclosures have been omitted from this document for confidentiality purposes.

Frequency and scope

The Group is required to publish full Pillar 3 disclosures annually, based on a 30 June year end, and these are released in conjunction with the Annual Report and Accounts. In addition, the Group publishes a half yearly Pillar 3 disclosure containing a summary of key metrics and other information required under the applicable regulatory reporting framework.

The frequency of disclosure will be reviewed should there be a material change in any approach used for the calculation of capital, business structure or regulatory requirements. There are no differences between the basis of consolidation of the Group for accounting and regulatory purposes. All of the Group's subsidiary undertakings are included in the data provided in the Pillar 3 disclosures.

Aldermore Group PLC is subject to consolidated supervision, with Aldermore Bank PLC also subject to solo regulatory supervision by the PRA.

Disclosure framework

The Group is subject to prudential capital requirements under the Basel framework, the international regulatory regime for bank capital and risk management developed by the Basel Committee on Banking Supervision ("BCBS"). In the UK, these requirements are implemented through the PRA Rulebook following the transfer of responsibility from the retained EU framework under the Financial Services Act 2021. While the UK has established its own prudential framework, certain provisions originating from EU capital legislation continue to apply.

The Group has operated within the Basel framework since 2014 and has subsequently adopted regulatory developments as they have been implemented. The Group remains on track to achieve full compliance with the Basel 3.1 framework from 1 January 2027.

The Basel framework is structured around three pillars, which together form the foundation of prudential regulation:

Pillar 1	Pillar 1 establishes the minimum regulatory capital requirements that firms must maintain. These requirements are calculated using a risk-based approach and primarily cover credit risk, operational risk and market risk. The minimum capital requirement is expressed as a percentage of risk-weighted assets ("RWEAs"), with firms generally required to hold total capital equal to at least 8% of RWEAs.
Pillar 2	Pillar 2 requires firms to assess the adequacy of their capital through an Internal Capital Adequacy Assessment Process ("ICAAP"), which is subject to review by the PRA as part of its Supervisory Review and Evaluation Process ("SREP"). Through the ICAAP, the Board assesses the key risks facing the Group, including those not fully captured under Pillar 1, and determines whether additional capital should be held to support the Group's risk profile. The PRA uses this assessment, together with its supervisory review, to determine the firm's specific capital requirements and expectations.
Pillar 3	Pillar 3 complements Pillars 1 and 2 by promoting market discipline through public disclosure. It requires firms to provide information on their capital position, risk exposures, risk management framework and remuneration practices, enabling stakeholders to assess the Group's risk profile and capital adequacy. The Group's Pillar 3 disclosures are prepared in accordance with the Disclosure (CRR) Part of the PRA Rulebook.

The Group has adopted the standardised approach ("SA") for credit risk, the securitisation external ratings based approach ("SEC-ERBA") for relevant securitisation exposures and the basic indicator approach ("BIA") for operational risk. The methodologies applied determine the calculation of regulatory capital requirements and influence the scope and nature of the Pillar 3 disclosures required under the PRA Rulebook.

Verification

We confirm that the 2026 Pillar 3 disclosure complies with the applicable Pillar 3 disclosure requirements and has been prepared in accordance with the internal control framework approved by the Board Audit Committee ("BAC").

In addition, the remuneration disclosures have been reviewed and approved by the Remuneration Committee. The disclosures are not subject to an external audit.

The 2026 Pillar 3 disclosure was approved by the BAC, with the CEO and CFO authorised to sign the report on behalf of the Committee.

Raj Makanjee
Chief Executive Officer

9 September 2026

Registered number: 6764335

Louise Britnell
Chief Financial Officer

9 September 2026

Key metrics and overview of risk-weighted exposure amounts

The table below shows the key metrics for both the Group and the Bank.

UK KM1 - Key metrics template

		Group			Bank		
		a	b	c	a	b	c
		30-Jun-26	31-Dec-25	30-Jun-25	30-Jun-26	31-Dec-25	30-Jun-25
Available own funds amounts (£m)							
1	Common Equity Tier 1 (CET1) capital	1,632.5	1,598.3	1,605.3	1,450.9	1,342.5	1,337.8
2	Tier 1 capital	1,782.5	1,748.3	1,755.3	1,500.9	1,392.5	1,387.8
3	Total capital	2,082.5	2,048.3	1,855.3	1,800.9	1,692.5	1,487.8
Risk-weighted exposure amounts (£m)							
4	Total risk-weighted exposure amount	11,959.8	10,874.2	10,738.5	8,203.7	7,352.0	7,271.6
Capital ratios (as a percentage of risk-weighted exposure amount)							
5	Common Equity Tier 1 ratio (%)	13.6	14.7	14.9	17.7	18.3	18.4
6	Tier 1 ratio (%)	14.9	16.1	16.3	18.3	18.9	19.1
7	Total capital ratio (%)	17.4	18.8	17.3	22.0	23.0	20.5
Additional own funds requirements based on SREP [1] (as a percentage of risk-weighted exposure amount)							
UK 7a	Additional CET1 SREP requirements (%)	0.7	0.7	0.9	0.7	0.7	1.2
UK 7b	Additional AT1 SREP requirements (%)	0.3	0.3	0.3	0.2	0.2	0.4
UK 7c	Additional T2 SREP requirements (%)	0.3	0.3	0.4	0.4	0.4	0.5
UK 7d	Total SREP own funds requirements (%)	9.3	9.3	9.6	9.3	9.3	10.1
Combined buffer requirement (as a percentage of risk-weighted exposure amount)							
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5	4.5
UK 11a	Overall capital requirements (%)	13.8	13.8	14.1	13.8	13.8	14.6
12	CET1 available after meeting the total SREP own funds requirements (%)	8.4	9.5	9.4	12.5	13.1	12.8
Leverage ratio [2]							
13	Total exposure measure excluding claims on central banks (£m)	21,370.3	19,716.9	19,747.8	16,715.1	15,369.1	15,526.0
14	Leverage ratio excluding claims on central banks (%)	8.3	8.9	8.9	9.0	9.1	8.9
Liquidity Coverage Ratio [3]							
15	Total high-quality liquid assets (HQLA) (Weighted value - average) (£m)	3,717.3	3,512.9	3,721.7	3,725.9	3,518.6	3,723.1
UK 16a	Cash outflows - Total weighted value (£m)	2,489.7	2,164.0	2,057.1	2,554.3	2,225.3	2,194.3
UK 16b	Cash inflows - Total weighted value (£m)	299.5	260.6	219.7	291.2	260.5	226.0
16	Total net cash outflows (adjusted value) (£m)	2,190.2	1,903.4	1,837.4	2,263.1	1,964.8	1,968.3
17	Liquidity coverage ratio (%)	169.7	184.6	202.5	164.6	179.1	189.2
Net Stable Funding Ratio [4]							
18	Total available stable funding (£m)	17,375.7	16,938.7	16,813.8	16,701.9	16,221.9	15,972.4
19	Total required stable funding (£m)	13,478.0	12,829.2	12,436.1	13,318.4	12,699.7	12,166.9
20	NSFR ratio (%)	128.9	132.0	135.2	125.4	127.7	131.3

1 The outcome of the Group and Bank SREP received in September 2025 has been presented.
2 The Group does not meet the criteria set out in the PRA rulebook for a binding minimum leverage ratio; however, the Group has disclosed the ratio in accordance with the PRA's requirements.
3 Figures presented are for the 12 month average to the period end.
4 Figures presented are for the 4 quarter average to the period end.

Summary of key metrics

The Group’s CET1 ratio has decreased by 1.3 percentage points (ppt) to 13.6% (30 June 2025: 14.9%) over the year, reflecting the impact of the historical motor finance provision on capital resources. The provision represents management’s best estimate of the expenditure required to settle obligations arising from the FCA’s Motor Finance Consumer Redress Scheme, including compensatory interest and incremental costs to administer the scheme. Despite this, the Group maintained a strong capital position, supporting continued lending growth and the strategic acquisition of a portfolio of bridging finance loan assets and associated capabilities from Octane Capital, which has built a strong track record in the bridging finance market since its launch in 2017.

The Group’s total capital resources increased by £227.2 million to £2,082.5 million (30 June 2025: £1,855.4 million). This primarily reflects a £300 million external Tier 2 subordinated debt issuance partially offset by a £100 million Tier 2 redemption in October 2025.

The total capital ratio has increased to 17.4% (30 June 2025: 17.3%) due to the increase in capital resources offset by significant growth in lending assets.

Additional information on the Group's key performance indicators, including CET1, is available in the Key Performance Indicators section of the Group's Annual Report and Accounts.

UK OV1 - Overview of risk-weighted exposure amounts

The table below details risk-weighted exposure amounts and the respective own funds requirements.

		Group			Bank		
		Risk weighted exposure amounts ("RWEAs")		Total own funds requirements	Risk weighted exposure amounts ("RWEAs")		Total own funds requirements
		a	b	c	a	b	c
£m		30-Jun-26	30-Jun-25	30-Jun-26	30-Jun-26	30-Jun-25	30-Jun-26
1	Credit risk (excluding CCR)*	10,763.0	9,565.3	861.0	7,291.1	6,405.2	583.3
2	Of which the standardised approach	10,763.0	9,565.3	861.0	7,291.1	6,405.2	583.3
6	Counterparty credit risk - CCR	10.2	7.5	0.8	4.7	4.8	0.4
7	Of which the standardised approach	10.2	7.5	0.8	4.7	4.8	0.4
10	Credit valuation adjustments risk - CVA risk	7.6	7.1	0.6	2.8	5.6	0.2
16	Securitisation exposures in the non-trading book	22.5	25.5	1.8	22.5	25.5	1.8
18	Of which SEC-ERBA (including IAA)	22.5	25.5	1.8	22.5	25.5	1.8
23	Operational risk	1,156.5	1,133.1	92.5	882.6	830.5	70.6
UK 23a	Of which basic indicator approach	1,156.5	1,133.1	92.5	882.6	830.5	70.6
29	**Total**	**11,959.8**	**10,738.5**	**956.7**	**8,203.7**	**7,271.6**	**656.3**

*As at June 2025, 'Credit risk (excluding CCR)' includes £11.3m of risk exposure items relating to IFRS 9 transitional provisions. The transitional arrangements under CRR Article 473a expired in June 2025 following the end of the prescribed regulatory phase-in period and, accordingly, there are no IFRS 9 transitional provisions as at June 2026. Consequently, amounts reported in this disclosure are not directly comparable to those presented in Template CR4.

IFRS 9 transitional arrangements

IFRS 9 transitional arrangements in accordance with CRR Article 473a expired in June 2025 following the end of the prescribed regulatory phase-in period for mitigating the capital impact of IFRS 9 implementation.

UK Own view of capital ("OVC") - ICAAP information

(a) Approach to assessing the adequacy of the internal capital

The ICAAP sets out how the Group ensures that it maintains sufficient capital resources to support its strategic objectives, taking account of the full range of risks to which it is exposed. The ICAAP also demonstrates that the Group holds adequate capital to withstand a range of adverse scenarios, including a severe economic downturn, through the application of appropriate management actions where required.

In developing the Group's five-year plan, the Board considers its overarching strategic objectives and assesses them against the Board's stated risk appetite. The ICAAP is underpinned by a number of component assessments, each of which is subject to robust challenge at the relevant executive and non-executive committees. These elements are then consolidated into a single ICAAP document, which is reviewed and formally approved by the Board.

The PRA considers the ICAAP as part of its SREP when determining the firm-specific capital requirements of both Aldermore Group and Aldermore Bank.

Under the CRR, Pillar 1 defines the minimum regulatory capital requirements for credit, market and operational risks. Pillar 2A captures firm-specific risks that are not adequately addressed under Pillar 1, while Pillar 2B assesses the additional capital required to withstand stressed conditions.

The capital plan forms the baseline for the Group's stress testing programme, which evaluates the impact of alternative stress scenarios on capital resources and requirements, together with the management actions available to preserve capital adequacy during periods of stress.

(b) Result of the Group's internal capital adequacy assessment process

The Group is ordinarily subject to the PRA's SREP on a periodic basis and the outcome was last received in 2025.

In accordance with the PRA Rulebook, this information shall only be disclosed by institutions when required by the relevant competent authority. No request has been made.

Risk management

(a) Risk statement

The Board is ultimately responsible for establishing and ensuring maintenance of a sound system of risk management and internal controls and approving the Group's overall risk appetite. Effective risk management enables the Group to fulfil its purpose of backing more people to go for it in life and business. The Group takes risks it understands and can manage, to support customers in achieving their goals. The Group needs to be adaptive to the changing landscape of threats and opportunities and take the right risks, with a strong emphasis on customer outcomes, resilience, security and safety.

The Group Risk Management Framework ("GRMF") is founded on a three lines of defence model, and supports decision-making across the Group, facilitating the achievement of strategic objectives in a controlled and risk aware manner. The GRMF defines Aldermore Group's overall approach to risk management across the organisation including roles and responsibilities for risk activities, and outlines the approach to each material risk to which it is exposed. The GRMF also articulates the Group's principal risks, i.e. the risks that are most significant given the business model and operating environment.

The risk management and internal control systems are designed to identify, evaluate, respond, monitor and report on material risks to which the Group is exposed. The effectiveness of the risk management processes and internal controls is regularly reviewed by the Board, BAC and Board Risk Committee ("BRC") during the year, which consider reports from management. The BAC monitors the integrity of the financial statements of the Group, extending to disclosures regarding material risks. This includes a responsibility, in conjunction with the BRC, to review the statements to be included in the Group's annual report and accounts concerning internal controls and risk management and recommend their approval to the Board. In addition, the BAC monitors the strength of the internal control environment and annually assesses the role and effectiveness of the Group's Internal Audit function.

Risk appetite is expressed in both qualitative and quantitative form in a risk appetite statement for each principal risk, supported by quantitative metrics with defined thresholds (trigger and limit). The trigger represents an 'early warning' indicator that the metric is nearing the limit and actions might need to be taken to avoid a breach of limit. The limit represents the level of risk for which the Group has appetite, after which the risk appetite is breached. Risk appetite statements are subject to Board review and approval annually.

The Group is committed to fostering and maintaining a strong risk culture as a core component of its overall corporate culture. This culture underpins effective, consistent and proportionate risk management aligned to the nature, scale and complexity of the business. A strong risk culture is recognised as a critical enabler for the successful embedding of the GRMF.

Risk management is embedded at all levels of the organisation, with every employee expected to understand and take ownership of the risks associated with their role.

Principal risks

The following section summarises the Group's principal risks, including the approach to their mitigation.

Principal Risk	Our Response	Risk Position
Credit Risk The risk of financial loss arising from a borrower or a counterparty failing to meet financial obligations to the Group according to agreed terms.	• The Group aims to operate in markets and segments where lending can generate shareholder value, within the risk appetite constraints set by the Board, in both normal and stress conditions. • Credit risk is managed to ensure that: ◦ The variability in the target range for impairment losses resulting from the economic cycle is kept to acceptable levels. ◦ Credit concentration and portfolio structure remain at appropriate levels. • Origination is supported by a strong focus on counterparty quality, debt-serviceability and robust post-completion credit stewardship and in-life management of the credit portfolio. • Where appropriate, physical or financial collateral is obtained. • The credit risk profile is monitored and reported systematically against appetite through a set of credit risk limits.	The credit profile remains stable and performing in line with expectations at this point in the macro-economic cycle, and is within the stated risk appetite. The underlying performance of originations in the last few years is strong. Affordability stresses are no longer easing; however, the portfolio remains strongly collateralised across all lines of business.
Capital Risk The risk that a firm has insufficient capital resources or composition of capital to meet regulatory requirements and internal risk appetite, or to support its strategic plans under normal operating environments and stress conditions.	• Robust controls for Pillar 1 reporting; ◦ A comprehensive annual ICAAP assessment of all material capital risks. ◦ A forward-looking capital plan, formally assessing confirmed and potential changes in regulatory rules. ◦ Regular sensitivity analysis. • An appropriately sized internal capital buffer over and above regulatory requirements applied both at a point in time and on a forward-looking basis to protect against unexpected losses or risk-weighted asset growth.	The Group has maintained a strong capital position over the period, with capital ratios remaining well above regulatory minimums and internal risk appetite. Capital risk ratios are shown within the 'Own funds' section of this report.
Liquidity Risk The risk that the firm, although solvent, does not have sufficient available financial resources to enable it to meet its obligations as they fall due.	• Retain a sufficient portfolio of cash and high-quality liquid assets ("HQLA") to absorb liquidity shocks. • Maintain further overall contingent liquidity resources to absorb longer term liquidity stresses. • Perform a comprehensive annual ILAAP assessment of all material liquidity risks and meet internal buffers on an ongoing basis. • Monitor the Group's liquidity position on a daily and forward-looking basis, with intra-month escalation of material risks as appropriate.	The Group has maintained a strong liquidity position over the period, remaining well above regulatory minimums and within internal risk appetite. Liquidity risk ratios are shown within the 'Liquidity risk' section of this report.

Market Risk The risk of losses resulting from adverse changes in the value of positions arising from movements in market prices across commodity, credit, equity, foreign exchange and interest rate risk factors.	• Seek to match the interest rate structure of assets and liabilities, creating a natural hedge. • Where a natural hedge is not possible or desirable, hedge any material market risk exposure by using financial instruments as outlined in the Treasury Counterparty Credit Risk Limits and Policy. • Perform a comprehensive assessment of market risk drivers as part of the ICAAP and assess new/emerging risks on an ongoing basis. • Maintain a strong control framework to ensure exposures are managed in line with risk appetite. • Daily monitoring of the Group's market risk exposure, with intra-month escalations as appropriate.	The Group's approach remains prudent in response to any external economic uncertainty and underlying risks remain unchanged.
Operational Risk The risk of loss resulting from inadequate, ineffective or failed internal processes, people and systems or from external events.	The Group operates an ORMF, within which operational risks are identified, assessed, and managed. The ORMF applies to all entities in the Aldermore Group and aims to: • Ensure the Group's ORMF is proportionate, and in line with industry and regulatory expectations. • Ensure a sound control environment and risk-aware culture. • Proactively manage operational risk within the business units with independent oversight. • Ensure that appropriate capabilities are in place to support the achievement of business strategies and plans whilst remaining within risk appetite. • Embed simple, efficient and effective operational risk management tools. • Provide risk management training and information that is used in business decision-making. • Calculate and allocate appropriate levels of operational risk capital.	The operational risk profile has improved since the prior year reflecting a maturing of the control, governance and risk management arrangements across the underlying Level 1 risks. The Group is undertaking a significant transformation, including offshoring of operational processes which will deliver efficiency and cost benefits, and associated people and change risks are being carefully managed.
Compliance and Regulatory Risk The risk of legal or regulatory sanctions, material financial loss, or loss to reputation as a result of a failure to comply with applicable laws and regulations, codes of conduct and standards of good practice.	• Maintain a well-defined and embedded process for regulatory and legislative horizon scanning, and preparation for confirmed and potential changes. • Maintain processes that focus on good customer outcomes and the delivery of Consumer Duty requirements, including oversight of a range of metrics such as staff performance, training, customer feedback, complaints and outcome testing. • Ensure that recruitment and training processes have a clear conduct risk focus, including the use of mandatory training modules. • Ensure the approach to remuneration helps to drive good customer outcomes and prudent decision-making within risk appetite. • Where any instance of non-compliance is identified, the immediate focus is to remediate where appropriate, whilst ensuring that lessons are learnt and solutions are implemented to address root causes.	Regulatory risk remains steady, albeit elevated, reflecting open issues, the regulatory environment, and macroeconomic factors. In addition to ongoing compliance with all applicable laws and regulations, significant focus remains on embedding Consumer Duty, including the management of vulnerable customers, to ensure the Group's products and services support the consistent delivery of good customer outcomes. Focus also remains on delivering actions designed to improve the Financial Crime control environment.

Model Risk The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Consequences can include poor business decisions, financial loss or the misstatement of financial and/or regulatory reports.	The Model Risk Management ("MRM") function is responsible for the independent oversight of model risk throughout the model lifecycle. Model risk is managed through a robust Model Risk Management Framework that includes: • Maintaining a central model inventory and documentation repository. • Assigning a model risk tier based on materiality and inherent risk to the Group. The tier drives the frequency of performance monitoring and independent validation. • Second line chairing of the Model Governance Forum and Model Risk Committee to provide appropriate oversight of the Group's model risk. • Performing independent model validations to assess the model compliance against the model risk framework requirements. • Applying model risk mitigants, by means of Post Model Adjustments ("PMAs") where model limitations have been identified.	Model performance has been acceptable. Models have been assessed via regular monitoring, annual reviews, and independent validations. Suitable mitigants are applied where model limitations are identified and mitigation is required. Enhancing the control environment around models and other complex calculations continues to be a priority area of focus and investment for the Group.
Strategic Risk The risks to the Group's current or prospective financial condition and resilience arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the banking industry and business environment. Strategic risks exclude risks that are captured in other principal risk frameworks.	Strategic risks are inherently cross-cutting, multi-faceted and dynamic. They interact with the other principal risks of the Group by increasing their likelihood and/or potential severity. As such, they are primarily addressed through proportionate integration into the frameworks governing other principal or Level 1 risks. During the financial year, the Group approved its first Strategic Risk Management Framework. The framework covers Business Model and Strategy Execution Risk (including emerging risks), Artificial Intelligence Risk, Climate Risk, ESG Risk, Reputational and Corporate Ethics Risk, and Lookback Risk. The Group: • Defined a new qualitative risk appetite statement and overall approach to strategic risk. • Manages business model and Strategy Execution risks through its strategy development and periodic review process. • Identifies, reviews, and monitors emerging risks. • Monitors and manages climate risks in its portfolios. • Oversees the implementation of its ESG strategy and action plan. • Manages reputational risks in line with the provisions of its reputational risk policy.	Strategic risks for the Group reflect internal drivers such as the deployment of new technologies and artificial intelligence, and external factors including heightened geopolitical uncertainty, persistent margin pressure arising from competitive, regulatory and macroeconomic conditions, and increased PRA scrutiny of climate-related risks. Margin pressure may affect earnings resilience, the viability of certain business lines and the Group's ability to deliver its strategic objectives, and is therefore considered within the assessment of Business Model and Strategy Execution Risk. These cross-cutting risks are managed well within appetite through the Group's Strategic Risk Management Framework and their appropriate consideration within other principal risks. The Group is now focused on the continued development and operationalisation of its framework, with particular emphasis on ensuring compliance with the new expectations on climate risk management of the PRA and continuing to evolve its approach to Artificial Intelligence-related risks.

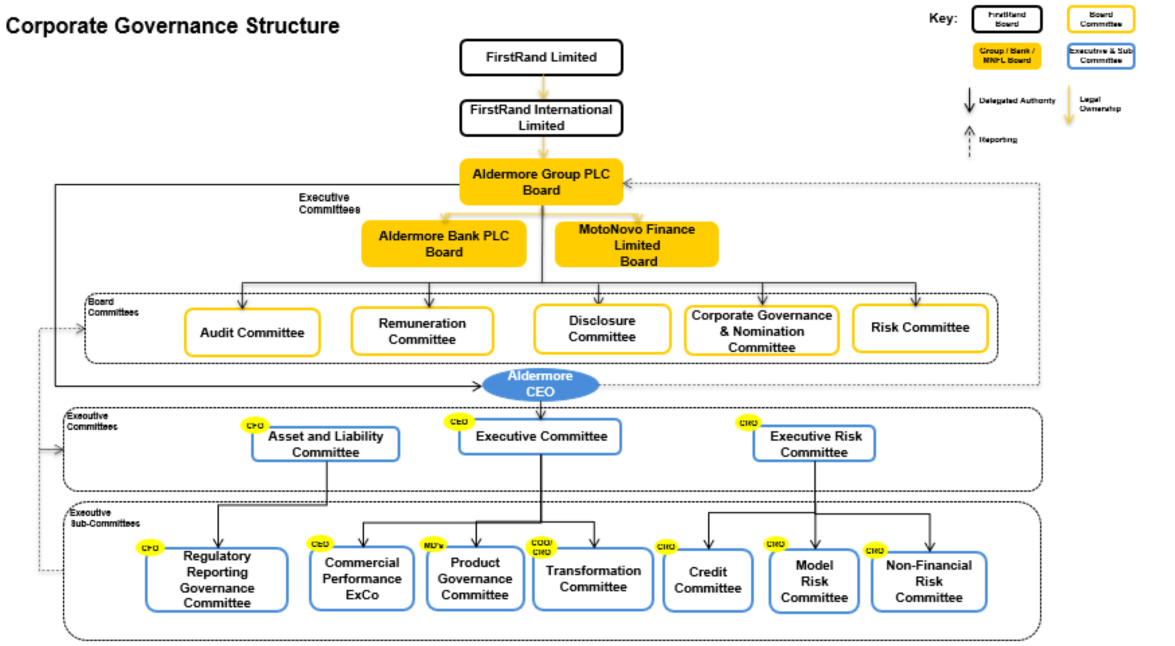
(b) Risk governance structure

Aldermore Group's risk governance structure is designed to ensure effective oversight, management, and control of all principal risks, in alignment with the Group's strategic objectives and regulatory requirements.

The Group operates a recognised three lines of defence ("3LoD") model to clearly define risk management roles and responsibilities.

Line of Defence	Responsibilities
First Line of Defence (own and manage risks)	The first line of defence comprises all employees from the Business lines and centralised / support functions (except for the Risk Function and Internal Audit). The first line of defence is responsible for: • Identifying and managing risk within appetite as part of their accountability for achieving objectives; • Building the necessary knowledge, skills and information under appropriate authority to operate the relevant frameworks, policies and standards to effectively control the risk; and • Ensuring that risk controls and associated processes are designed, implemented, remediated, monitored and tested via an effective control environment, escalating instances of control failures and incidents accordingly.
Second Line of Defence (oversee or specialise in the management of risk)	The Risk Function operates as the second line of defence and exists to provide insight, oversight and challenge to support delivery of strategy within risk appetite. When risks are owned by the Second Line, assurance over the risk is enabled by a combination of an independent Second Line (not under the line management of the Risk Owner) control testing, targeted reviews by the independent Second Line or the parent Group, and/or independent assurance provided by Group Internal Audit. In some cases, assurance may be provided by third parties. Furthermore, the Second Line: • Define frameworks, policies, standards, tools and techniques that enable risk to be identified and managed in the first line; • Provide education and advice to the first line on managing risks, guiding them in decision-making and providing options/solutions to support decision-making processes within risk parameters; • Interpret regulatory rules and determine the applicability to the Group, in partnership with first line; • Conduct monitoring and assurance activities to determine how effectively risk is being managed; and • Help ensure consistency of definitions and measurement of risk.
Third Line of Defence (provide Independent Assurance)	The independent third line of defence comprises all employees in the Internal Audit function. Internal Audit sits outside the risk management processes of the first two lines of defence. Its main roles are to: • Provide reasonable assurance over the effectiveness of governance, risk and controls operated by the first two lines; • Develop actions in collaboration with audit recipients to address any improvements identified; and • Report the outcomes of audits and progress on closure of actions to the BAC.

Committee responsibilities and oversight



Underpinned by a strong governance framework, the Board and its committees facilitate escalation and flow of risk information, strategic direction, and guidance. The Board Committees provide support and advice on business operations, risk appetite, and emerging risks. Sub-committees focus on specific risk types, ensuring oversight and management in line with approved appetite and frameworks.

Committee Responsibilities	
Board	The Board sets the overall strategy of the Group and maintains oversight of Senior Management's implementation thereof. It is ultimately responsible for determining the level of risk that will be taken and is accountable for ensuring the Group operates with appropriate risk management controls and governance in adherence to applicable regulations.
Board Risk Committee ("BRC")	Under delegated authority of the Board, the BRC is responsible for reviewing the overall risk appetite, risk limits and risk strategy of the Group and reviewing the effectiveness of the GRMF in managing risk within the agreed appetite. The Committee also reviews and oversees key prudential requirements in relation to capital adequacy, solvency, liquidity and recovery and resolution, and the implementation of requirements and recommendations from regulatory supervision.
Board Audit Committee ("BAC")	The BAC monitors the integrity of the financial statements of the Group, extending to disclosures regarding material risks. This includes a responsibility, in conjunction with the BRC, to review the statements to be included in the Group's annual report and accounts concerning internal controls and risk management and recommend their approval to the Board. In addition, the BAC monitors the strength of the internal control environment and at least annually assesses the role and effectiveness of the Group's Internal Audit function.

Board Remuneration Committee (“RemCo”)	The RemCo is responsible for developing and implementing remuneration policies and practices, ensuring that these promote sound, effective risk management, having regard to the risk appetite of the Group. In addition, RemCo will receive advice from key individuals (e.g. Chair of BRC, Internal Audit, CRO) on any risk management and control issues that have arisen that they believe should be considered when determining executive remuneration payments as well as reviewing the design of senior executive annual and long-term incentive plans to ensure they do not encourage excessive risk taking.
Board Corporate Governance and Nomination Committee	The Corporate Governance & Nomination Committee oversees and makes recommendations to the Board on Corporate Governance matters which will affect the way risk is governed by the Group. For instance, chairmanship and membership composition of the risk committees, Board policies and practices under the Group’s Corporate Governance Framework, including the Group Risk Management Framework, succession planning for key risk roles and the SM&CR regime.
Executive Committee (“ExCo”)	ExCo provides support and advice to the CEO on the performance of their responsibilities for the day-to-day operations of the Group as delegated to them by the Board, including but not limited to the implementation and delivery against the Board approved strategic plan and risk appetite, and the monitoring of Group financial and non-financial performance metrics.
Executive Risk Committee (“ERC”)	ERC supports the CRO in the clear articulation of the Group’s Board approved risk appetite across categories of risk, reviewing existing risks and identifying emerging risks. The Committee has oversight of enterprise-wide matters of Group-level significance and is responsible for approval and review of action plans for Group material risks and risk events.
Asset and Liability Committee (“ALCO”)	ALCO is responsible for supporting the CFO in the management and control of the balance sheet, capital, funding, market and liquidity risks. The Committee monitors, reviews and challenges the Group’s risk appetite, risk exposure and risk management in respect of these principal risks. In addition, ALCO also reviews and challenges stress and scenario testing of the Group’s capital and liquidity plans and adequacy assessments (ICAAP and ILAAP).
ERC Sub-Committee Responsibilities	
Non-Financial Risk Committee	Non-Financial Risk Committee is responsible for reviewing the Non-Financial Risk (“NFR”) profile of the Group and ensuring that risks are managed in line with approved risk appetite and the GRMF. It oversees any proposed changes to NFR frameworks, policies and risk appetite, and delivers recommendations to the ERC / notification to the BRC.
Model Risk Committee	Model Risk Committee is responsible for oversight of the overall Model Risk profile of the Aldermore Group and the most material model applications within the Group.
Executive Credit Committee (“ECC”)	ECC has two main roles: • Portfolio Risk: ECC reviews the credit risk profile of the Group to ensure that credit risk is managed in line with the approved credit risk appetite limits via the Credit Risk Management Framework. This includes overseeing any proposed changes to credit risk frameworks, policies and risk limits and delivering recommendations / notifications through to the ERC / BRC. • Risk Measurement: The ECC approves the monthly impairment charge and provides Second Line oversight of the balance sheet coverage position and adequacy, and credit risk-weighted assets.

(c) Declaration approved by the management body on the adequacy of the risk management arrangements

As set out in the risk statement above and in more detail within the Risk management section of the Group's Annual Report and Accounts, the effectiveness of the risk management processes and internal controls is regularly reviewed by the Board, BAC and BRC during the year.

Based on the review undertaken during the period and the monitoring and oversight activities performed, the BAC, in conjunction with the BRC, concluded that the Group's risk management and internal control systems were effective. The BAC recommended a statement to this effect to the Board.

Based on this assessment, the Board is satisfied with the effectiveness of the Group's risk management and internal control systems.

(d) Scope and nature of risk disclosure and/or measurement systems

The statement set out above in (c) is reviewed and approved by the BRC, in accordance with its Terms of Reference, and approved by the Board.

(e) Main features of risk disclosure and measurement systems

The annual review of effectiveness of the risk management processes and systems of internal control is supported by the work of the committee structure outlined in (b). This assessment is across all principal risk categories, with inputs from sources including, but not limited to, risk profiles, risk management effectiveness assessments, key control testing, audit reports and external reviews.

(f) Strategies and processes to manage risks

The Group operates a three lines of defence model, as described in the Risk governance structure section on page 14. The model provides a clear allocation of responsibility for risk ownership, oversight and independent assurance, supporting effective risk management across all principal risk categories.

Risk culture

The Board has a fundamental role in defining and monitoring the successful embedding of an effective risk culture. The Group has defined risk culture as:

"A culture where colleagues consistently demonstrate sound risk awareness and exercise good judgement, underpinned by skill, knowledge, and a clear tone from the top which embraces diverse perspectives that encourage concerns to be raised. Through creating this environment, we help to protect our business, people, customers, and the broader financial system from harm, whilst enabling sustainable growth."

Risk culture is embedded throughout the business model, strategy, performance management and remuneration decisions, and the Group's behaviours to ensure this resonates with colleagues.

Stress testing

Stress testing is an important risk management tool, with specific approaches documented for the Group's key annual assessments including the ICAAP, Individual Liquidity Adequacy Assessment Process ("ILAAP") and the Recovery Plan, including Reverse Stress Testing ("RST").

The Group maintains a Stress Testing policy ("STP") which is updated on an annual basis, or more frequently if required. This sets the approach and rules for analysis of the key risks, scenarios and sensitivities that may adversely impact the financial or operational position of the Group. The STP sits under the Capital, Liquidity and market risk

Management Framework ("CLMRMF"), which is reserved for BRC approval. The BRC reviews the ICAAP, ILAAP and the Recovery Plan ensuring the processes are in accordance with regulatory rules and makes recommendations to the Board for approval.

More detail on our stress testing scenarios can be found in the Liquidity risk and UK OVC - ICAAP sections of this document.

(g) Information on strategies and processes to manage, hedge and mitigate risks

To deliver the requirements set out in the GRMF, the Group utilises a number of risk management processes to ensure adequate coverage of risk identification, monitoring, evaluation and reporting.

Risk Profile and Risk Management Effectiveness Assessment

Each principal risk is broken down into subcategories of Level 1 and Level 2 risks, to ensure that the risk is assessed at a sufficient level of granularity to support business decision-making. The GRMF requires a Risk Profile ("RP") assessment of each Level 1 risk to be undertaken at least annually on a group wide basis and to be approved by the Board. The RP outlines the level of risk the Group is currently exposed to and is based on a collective assessment of the Group's Level 1 risks. The RP is a top-down risk assessment, looking at risk exposure across the Group as a whole.

In addition, the GRMF requires that a Risk Management Effectiveness Assessment ("RMEA") is performed alongside each RP and is an assessment of the effectiveness of our risk management processes.

The output from the RP and the RMEA allows the Level 1 risk owners to set an appropriate risk appetite as detailed in the Risk Appetite Framework ("RAF"). The risk appetite provides the appropriate guardrails for each risk across the Group. The Board retains overall responsibility for approving the risk appetite.

Risk and Control Self Assessments

Risk and Control Self-Assessment ("RCSA") is a structured process used to identify, assess, and mitigate risks, while also evaluating the effectiveness of existing controls. It is a key component of the Group's ORMF and ensures risks are understood and managed at the point where they occur, alongside the RP and RMEA assessments.

RCSA provides key information on the extent to which the risks identified and assessed in the RP are present in each business unit or function. It provides assurance that risks are appropriately mitigated and facilitates the identification and implementation of action plans to ensure risks are managed within the Group's risk appetite.

Key control testing and assurance

Key control testing supports the business in proactively managing and monitoring its key risks in pursuit of its business strategy. Key controls are assessed and tested for design and operating effectiveness at least annually.

Accountability for the effective delivery of control assessment is allocated to the first line control owner. Control testing and assessment is monitored by the Group and reported through the RCSA process and/or Non-Financial Risk Committee ("NFRC") reporting.

Assurance performed by the second line provides an assessment of the effectiveness of the business' risk management.

Risk appetite monitoring

Risk appetite is defined as the amount of risk the Board is prepared to accept in pursuit of the Group's strategy and business objectives. More detail is set out in the risk statement above.

The RAF is subject to Board approval annually and sets the principles for the setting of risk appetite in alignment with the Board approved strategy, outlines roles and responsibilities and sets governance and monitoring requirements.

The responsibilities in relation to the RAF include:

- The Board is responsible for approving the Group's risk appetite annually. Elements can be dynamically updated and approved as required.
- The BRC considers the approach to risk appetite and recommends a risk appetite statement to the Board.
- The Chief Risk Officer ("CRO") is the Accountable Executive for the Risk Appetite Framework and is responsible for recommending updates to the Board, following endorsement from the Executive Risk Committee and the BRC.

Disclosure on governance arrangements

Directorships held by members of the Board

The number of external directorships and partnerships, including their roles within the Group, held by the Executive and Non-Executive Directors who served on the Board as at 30 June 2026 is detailed below:

Name	Position	Directorships
Pat Butler	Chairman	2 (Non-Executive)
Raj Makanjee[2]	Executive Director	1 (Executive)
Markos Davias[1]	Non-Executive Shareholder Director	3 (1 Executive, 2 Non-Executive)
Mary Vilakazi[1]	Non-Executive Shareholder Director	2 (1 Executive, 1 Non-Executive)
Alasdair Lenman	Independent Non-Executive Director	1 (Non-Executive)
Paul Lawrence[2]	Independent Non-Executive Director	2 (Non-Executive)
Desmond Crowley	Independent Non-Executive Director	3 (Non-Executive)
Romy Murray	Independent Non-Executive Director	3 (Non-Executive)
Ruth Handcock[3]	Independent Non-Executive Director	2 (Non-Executive)
Louise Britnell[2]	Executive Director	1 (Executive)
Adrian Sainsbury[2]	Independent Non-Executive Director	1 (Non-Executive)

CRD V sets a limit on the number of directorships which may be held by a member of the management body in an institution that is "significant" in terms of its size, internal organisation and the nature, scope and complexity of its activities.
Directorships within the same group count as one and directorships of organisations which do not pursue commercial objectives do not count.

1. Holds a non-executive directorship and an executive directorship position within the same group.
2. Louise Britnell joined the Board on 15 September 2025, Raj Makanjee joined the Board on 3 November 2025, Paul Lawrence joined the Board on 1 December 2025 and Adrian Sainsbury joined the Board on 9 April 2026.
3. Ruth Handcock was also appointed as a Director of the British Business Bank with effect from 1 July 2026.

Knowledge, skills and expertise of the Board

Pat Butler – Chair

Pat brings extensive expertise in banking, financial services, governance, investment management and strategic leadership. His experience spans executive and non-executive roles across regulated financial institutions, including Bank of Ireland Group PLC and Bank of Ireland (UK) PLC.

Raj Makanjee – Executive Director

Raj has over 30 years of experience across banking, insurance, capital markets, technology and consulting. He brings extensive expertise in digital transformation, platform modernisation, customer-focused innovation and executive leadership. He spent 17 years at FirstRand, where he served as Chief Digital Officer and CEO of FNB Retail and Private Banking and held several other senior leadership roles at FNB, including CEO of Core Banking Solutions, CEO of FNB Wealth and Premium Segment, and Chief Information Officer. His experience spans retail and private banking, core banking, wealth management and information technology, as well as leading enterprise-wide digital transformation and customer-focused innovation initiatives.

Louise Britnell – Executive Director

Louise contributes significant expertise in finance, treasury, legal and corporate governance. She has extensive experience within banking, pensions and financial services, including executive leadership as Chief Financial Officer. Her background in professional services and financial management provides strong knowledge of financial reporting, audit, regulatory oversight and financial controls. Louise is a Fellow of the Institute of Chartered Accountants in England and Wales.

Desmond Crowley – Senior Independent Director

Des brings more than 30 years of financial services experience across retail banking, commercial banking, SME banking, wealth management, insurance and technology. He has extensive executive leadership experience, including serving as Chief Executive Officer of Bank of Ireland UK PLC and as a member of the Bank of Ireland Group Executive Committee. His expertise includes banking operations, strategy, governance, risk oversight, audit and cross-border financial services.

Ruth Handcock – Independent Non-Executive Director

Ruth has extensive experience in investments, wealth management, digital banking and customer strategy. Her executive leadership roles have included Chief Executive positions within investment and financial services businesses, together with senior customer and operational leadership responsibilities within challenger banking. She brings expertise in customer outcomes, investment management, business growth, innovation and financial services governance.

Mary Vilakazi – Non-Executive Director

Mary brings substantial expertise in banking, insurance, investment management, finance and corporate strategy. As Chief Executive Officer of FirstRand Group and former Group Chief Operating Officer, she has extensive experience overseeing diversified financial services operations, strategic growth initiatives and group functions. Her background as a Chief Financial Officer and former audit partner provides strong financial and governance expertise.

Markos Davias – Non-Executive Director

Markos contributes significant experience in finance, accounting, banking and executive leadership. His career includes senior finance leadership positions within FirstRand, FNB and Rand Merchant Bank. He has expertise in financial management, capital allocation, performance management, financial reporting, banking operations and strategic decision-making. His professional background also includes audit and assurance experience.

Romy Murray – Independent Non-Executive Director

Romy has over 40 years of experience across financial services and the energy sector. She brings deep expertise in risk management, corporate affairs, governance, remuneration, operational leadership and international banking. Her executive career included senior leadership roles at Standard Chartered PLC, complemented by extensive non-executive board experience. Romy also contributes expertise in leadership development and organisational culture.

Alasdair Lenman – Independent Non-Executive Director

Alasdair has extensive banking and financial services experience with particular expertise in finance, audit, retail banking, mortgages, savings, insurance and corporate partnerships. His executive career includes serving as Chief Financial Officer and Interim Chief Executive at Yorkshire Building Society, together with senior leadership roles within

Lloyds Banking Group and BGL Group. He also brings valuable experience from non-executive board appointments within the mutual and banking sectors.

Paul Lawrence – Independent Non-Executive Director

Paul brings more than 30 years of banking experience gained through senior leadership positions within HSBC Group across Asia, the United States and the United Kingdom. His expertise includes banking operations, risk management, internal audit, governance and board oversight. Since retiring from executive roles, Paul has developed significant non-executive experience, including chairing board risk committees within regulated financial institutions.

Adrian Sainsbury – Independent Non-Executive Director

Adrian has over 35 years of experience in UK and international banking and financial services. His expertise spans commercial banking, asset finance, executive leadership, strategy and governance. As a former Group Chief Executive of Close Brothers Group PLC, he brings significant knowledge of regulated banking operations, business growth and board leadership. His previous executive and non-executive roles across major financial institutions and industry bodies provide additional strengths in governance, risk oversight and sector representation.

Board recruitment

The Board has delegated specific powers and authority to the Corporate Governance and Nomination Committee to lead the process for Board appointments. It is also responsible for keeping the size, structure and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary. The Corporate Governance and Nomination Committee also reviews succession plans for the Chair, Non-Executive Directors and the Executive Directors and considers succession planning for the wider senior leadership population.

All Board appointments are subject to a formal, rigorous and transparent procedure. Before an appointment is made to the Board, the Corporate Governance and Nomination Committee evaluates the balance of skills, knowledge and experience on the Board and in the light of this evaluation, prepares a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee will:

- Use open advertising or the services of external advisers to facilitate the search;
- Have regard to the balance of skills, experience and knowledge on the Board appropriate for the business and the cognitive skills, personal strengths and, where relevant, the independence of the candidate, as well as assessing the impact individual candidates will have on overall Board diversity;
- Consider candidates on merit and against defined job specifications and criteria, taking care that appointees have enough time to devote to the position; and
- Have due regard to regulatory approval criteria.

The Board has delegated specific powers and authority to the Remuneration Committee for determining the total individual remuneration package of each of the Group's Executive Directors and the Chairman. The remuneration of Non-Executive Directors is set by the Board. No Director or senior manager is involved in any decisions as to their own remuneration.

Board diversity

The Board believes that diversity is an important ingredient of board effectiveness, and that a diverse board will bring richer and more broad-based perspectives to governance and decision-making. The Board adopted the targets of the Hampton-Alexander Review (33% female representation on the Board) and the Parker Review (at least one director from an ethnic minority background) in February 2021. As at the date of this report, the representation of women on the Board stands at 36% (30 June 2025: 30%). The Board's membership includes two directors from an ethnic minority background. The Board does not currently maintain specific quantitative targets relating to age diversity, educational background, professional background or geographical provenance. However, diversity in the broadest sense is considered as part of Board succession planning.

Risk Committee structure and meeting frequency

The BRC is chaired by Paul Lawrence, an Independent Non-Executive Director, supported by a membership comprising executive and non-executive leaders.

There were six scheduled meetings of the BRC during the year. A Risk Committee report detailing the committee's full activities is available from page 61 of the Group's Annual Report and Accounts.

The BRC will request the attendance of other subject matter experts, colleagues or external advisers as required to discharge its duties, set out in the BRC Terms of Reference.

The Chair of the BRC meets frequently with the Chief Risk Officer and the Group leadership team to keep informed of the business operations and management and to keep track of emerging risks, threats and external pressures as they arise.

Risk information reporting to the management body

The Risk Governance Framework is structured around delegated authorities cascading from the Board, encompassing both individual mandates and those exercised through the Group's risk committees.

Collectively, these committees enable the efficient transmission of critical risk information and underpin robust risk management throughout each phase of the risk process lifecycle. They also serve as escalation pathways for risks or issues, reinforcing a strong risk culture across the organisation.

A full breakdown of the risk governance structure is detailed earlier in this disclosure, in the Risk management section.

Scope of application

UK LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Group		a	c	d	e	f	g
			Carrying values of items				
£m		Carrying values as reported in published financial statements	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset class according to the statement of financial position in the published financial statements							
1	Cash and balances at central banks	2,153.5	2,153.5	-	-	-	-
2	Loans and advances to banks	312.4	206.2	106.2	-	-	-
3	Investment securities	1,966.6	1,741.5	-	225.1	-	-
4	Derivatives held for risk management	135.6	-	135.6	-	-	-
5	Loans and advances to customers	18,798.9	18,798.9	-	-	-	-
6	Fair value adjustment for portfolio hedged risk	(22.8)	-	-	-	-	(22.8)
7	Other assets	25.7	25.7	-	-	-	-
8	Prepayments and accrued income	33.4	33.4	-	-	-	-
9	Current tax assets	36.5	36.5	-	-	-	-
10	Deferred tax assets	1.0	1.0	-	-	-	-
12	Investment in associates	6.3	6.3	-	-	-	-
13	Property, plant and equipment	21.2	21.2	-	-	-	-
14	Intangible assets	15.4	-	-	-	-	15.4
15	**Total assets**	**23,483.7**	**23,024.2**	**241.8**	**225.1**	-	**(7.4)**
Breakdown by liability classes according to the statement of financial position in the published financial statements							
1	Amounts due to banks	585.1	-	-	-	-	585.1
2	Customers' accounts	19,110.9	-	-	-	-	19,110.9
3	Derivatives held for risk management	64.4	-	64.4	-	-	-
4	Fair value adjustment for portfolio hedged risk	1.7	-	-	-	-	1.7
5	Other liabilities, accruals and deferred income	182.4	-	-	-	-	182.4
6	Deferred tax liabilities	0.1	-	-	-	-	0.1
7	Provisions	247.8	-	-	-	-	247.8
8	Debt securities in issue	1,190.9	-	-	-	-	1,190.9
9	Subordinated notes	300.4	-	-	-	-	300.4
10	**Total liabilities**	**21,683.7**	**-**	**64.4**	**-**	-	**21,619.3**

Bank		a	c	d	e	f	g
			Carrying values of items				
£m		Carrying values as reported in published financial statements	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset class according to the statement of financial position in the published financial statements							
1	Cash and balances at central banks	2,153.5	2,153.5	-	-	-	-
2	Loans and advances to banks	188.3	82.1	106.2	-	-	-
3	Amounts owed by other Group undertakings	3,773.4	3,773.4	-	-	-	-
4	Investment securities	1,966.6	1,741.5	-	225.1	-	-
5	Derivatives held for risk management	129.5	-	129.5	-	-	-
6	Loans and advances to customers	14,315.4	14,315.4	-	-	-	-
7	Fair value adjustment for portfolio hedged risk	(23.6)	-	-	-	-	(23.6)
8	Other assets	11.9	11.9	-	-	-	-
9	Prepayments and accrued income	30.3	30.3	-	-	-	-
10	Current tax assets	28.5	28.5	-	-	-	-
11	Deferred tax assets	1.0	1.0	-	-	-	-
12	Investment in associates	-	-	-	-	-	-
13	Property, plant and equipment	11.7	11.7	-	-	-	-
14	Intangible assets	11.1		-	-	-	11.1
15	**Total assets**	**22,597.6**	**22,149.3**	**235.7**	**225.1**	-	**(12.5)**
Breakdown by liability classes according to the statement of financial position in the published financial statements							
1	Amounts due to banks	585.1	-	-	-	-	585.1
2	Customers' accounts	19,110.9	-	-	-	-	19,110.9
3	Derivatives held for risk management	62.1	-	62.1	-	-	-
4	Fair value adjustment for portfolio hedged risk	1.7	-	-	-	-	1.7
5	Amounts owed to other Group undertakings	862.6	-	-	-	-	862.6
6	Other liabilities, accruals and deferred income	138.9	-	-	-	-	138.9
7	Deferred tax liabilities	-	-	-	-	-	-
8	Provisions	20.0	-	-	-	-	20.0
9	Debt securities in issue	-	-	-	-	-	-
10	Subordinated notes	302.2	-	-	-	-	302.2
11	**Total liabilities**	**21,083.5**	**-**	**62.1**	**-**	-	**21,021.4**

UK LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

There are no differences between the regulatory exposure amounts and the carrying values as reported in the published financial statements.

UK LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

There are no entities derecognised from the accounting balance sheet for regulatory purposes.

UK LIA - Explanation of differences between accounting and regulatory exposure amounts

There are no differences between accounting and regulatory exposure amounts.

UK LIB - Other qualitative information on the scope of application

(a) Impediment to the prompt transfer of own funds or to the repayment of liabilities within the Group

There are no current legal or practical impediments to the prompt transfer of own funds or payment of liabilities from Aldermore Group PLC to its subsidiaries, and from Aldermore Bank PLC to its immediate parent company (or sister company). Following the increased provision for potential redress for historical Motor Finance commission arrangements in the financial year, MotoNovo Finance Limited does not currently have sufficient distributable reserves to make equity distributions to its immediate parent company.

(b) Subsidiaries not included in the consolidation with own funds less than required

No subsidiaries are excluded from the consolidation.

(c) Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR

The Group is required to calculate and maintain regulatory capital on both a Group basis and on an individual consolidation basis. There are no differences between the basis of consolidation of the Group for accounting and regulatory purposes.

(d) Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation

No subsidiaries are excluded from the consolidation.

Prudent valuation adjustment (“PVA”)

Template UK PV1 has not been presented, as it is only applicable to those institutions applying the Core Approach for the determination of the additional valuation adjustment for prudent valuation in accordance with Chapter III of the PRA rulebook, Trading Book (CRR) Part, Section 4, whereas the Group utilises the Simplified Approach.

Under this approach PVA is calculated as 0.1% of the sum of the absolute value of fair-valued assets and liabilities.

In accordance with Article 436(e) the breakdown of the Group’s PVA has been presented below:

	Group		Bank	
£m	**Year ended 30 June 2026**	**Year ended 30 June 2025**	**Year ended 30 June 2026**	**Year ended 30 June 2025**
Fair value swap assets	2,033.5	2,575.0	2,026.6	2,563.9
Fair value swap liabilities	66.1	114.9	63.8	110.5
Total	**2,099.6**	**2,689.9**	**2,090.4**	**2,674.4**
Prudent Valuation Adjustment (0.1%)	2.1	2.7	2.1	2.7

Own funds

The composition of regulatory capital, RWEA and capital requirements are shown in the tables below for the Group and Bank. References identify balance sheet components within UK CC2 that are used in the calculation of regulatory capital.

Certain rows within the UK CC1 template have been omitted where they are not applicable to the Group. These include rows relating to regulatory adjustments, deductions, prudential filters and capital instruments that do not arise within the Group's capital structure, including where the Group has no holdings of the relevant instruments, no associated deductions, or no applicable prudential filters. All own funds components, regulatory adjustments and deductions applicable to the Group are disclosed within the template.

UK CC1 – Composition of regulatory own funds

		Group		Bank	
		(a)	(b)	(a)	(b)
£m		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves					
1	Capital instruments and the related share premium accounts	318.3		310.8	
1a	of which: share capital	243.9	(c)	3.3	(c)
1b	of which: share premium	74.4	(d)	307.5	(d)
2	Retained earnings	1,322.0	(f) [1]	1,143.8	(f) [1]
3	Accumulated other comprehensive income (and other reserves)	9.7		9.5	
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-		-	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,650.0		1,464.1	
Common Equity Tier 1 (CET1) capital: regulatory adjustments					
7	Additional value adjustments (negative amount)	(2.1)		(2.1)	
8	Intangible assets (net of related tax liability) (negative amount)	(15.4)	(a)	(11.1)	(a)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-		-	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(17.5)		(13.2)	

29	Common Equity Tier 1 (CET1) capital	1,632.5		1,450.9	
Additional Tier 1 (AT1) capital: instruments					
30	Capital instruments and the related share premium accounts	150.0	(e)	50.0	(e)
31	of which: classified as equity under applicable accounting standards	150.0	(e)	50.0	(e)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	150.0		50.0	
Additional Tier 1 (AT1) capital: regulatory adjustments					
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-		-	
44	Additional Tier 1 (AT1) capital	150.0		50.0	
45	Tier 1 capital (T1 = CET1 + AT1)	1,782.5		1,500.9	
Tier 2 (T2) capital: instruments					
46	Capital instruments and the related share premium accounts	300.0	(b) [2]	300.0	(b) [2]
51	Tier 2 (T2) capital before regulatory adjustments	300.0		300.0	
Tier 2 (T2) capital: regulatory adjustments					
57	Total regulatory adjustments to Tier 2 (T2) capital	-		-	
58	Tier 2 (T2) capital	300.0		300.0	
59	Total capital (TC = T1 + T2)	2,082.5		1,800.9	
60	Total risk exposure amount	11,959.8		8,203.7	
Capital ratios and buffers					
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	13.6%		17.7%	
62	Tier 1 (as a percentage of total risk exposure amount)	14.9%		18.3%	
63	Total capital (as a percentage of total risk exposure amount)	17.4%		22.0%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.7%		9.7%	
65	of which: capital conservation buffer requirement	2.5%		2.5%	
66	of which: countercyclical buffer requirement	2.0%		2.0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8.4%		12.5%	

Amounts below the thresholds for deduction (before risk weighting)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-		-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	6.3		-	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	1.0		1.0	
Applicable caps on the inclusion of provisions in Tier 2					
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	134.7		91.2	

1 Includes brought-forward retained earnings, year-to-date pre tax profits and dividends paid and foreseen.
2 Includes the nominal amount of the subordinated note eligible as tier 2 capital. Balance sheet value in UK CC2 includes accrued interest. See UK CCA for further details on the issued tier 2 capital.

UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		Group		Bank	
		a[3]	c	a[3]	c
		Balance sheet as in published financial statements	Reference to UK CC1	Balance sheet as in published financial statements	Reference to UK CC1
£m		As at period end		As at period end	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements					
1	Cash and balances at central banks	2,153.5		2,153.5	
2	Loans and advances to banks	312.4		188.3	
3	Amounts owed by other Group undertakings	-		3,773.4	
4	Investment securities	1,966.6		1,966.6	
5	Derivatives held for risk management	135.6		129.5	
6	Loans and advances to customers	18,798.9		14,315.4	
7	Fair value adjustment for portfolio hedged risk	(22.8)		(23.6)	
8	Other assets	25.7		11.9	
9	Prepayments and accrued income	33.4		30.3	
10	Current tax assets	36.5		28.5	
11	Deferred tax assets	1.0		1.0	

12	Investment in associates	6.3		-	
13	Property, plant and equipment	21.2		11.7	
14	Intangible assets	15.4	(a)	11.1	(a)
15	**Total assets**	**23,483.7**		**22,597.6**	
Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements					
1	Amounts due to banks	585.1		585.1	
2	Customers' accounts	19,110.9		19,110.9	
3	Derivatives held for risk management	64.4		62.1	
4	Fair value adjustment for portfolio hedged risk	1.7		1.7	
5	Amounts owed to other Group undertakings	-		862.6	
6	Other liabilities, accruals and deferred income	182.4		138.9	
7	Deferred tax liabilities	0.1		-	
8	Provisions	247.8		20.0	
9	Debt securities in issue	1,190.9		-	
10	Subordinated notes	300.4	(b)[2]	302.2	(b)[2]
11	**Total liabilities**	**21,683.7**		**21,083.5**	
Shareholders' Equity					
1	Share capital	243.9	(c)	3.3	(c)
2	Share premium account	74.4	(d)	307.5	(d)
3	Additional tier 1 capital	150.0	(e)	50.0	(e)
4	Capital redemption reserve	0.2		-	
5	Fair value through other comprehensive income	9.5		9.5	
6	Retained earnings	1,322.0	(f)[1]	1,143.8	(f)[1]
7	**Total shareholders' equity**	**1,800.0**		**1,514.1**	

1 Includes brought-forward retained earnings, year-to-date pre tax profits and dividends paid and foreseen.
2 Includes the nominal amount of the subordinated note eligible as tier 2 capital. Balance sheet value in UK CC2 includes accrued interest. See UK CCA for further details on the issued Tier 2 capital.
3 The Group has the same statutory and regulatory scopes of consolidation and so columns a and b have been merged.

UK CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

The table below shows the main features of the CET1, Additional Tier 1 and Tier 2 instruments issued by Aldermore Group.

		a	b	c	d	e
		Common Equity Tier 1 Instrument	Common Equity Tier 1 Instrument	Additional Tier 1 Instrument	Additional Tier 1 Instrument	Tier 2 Instrument
1	Issuer	Aldermore Group PLC	Aldermore Group PLC	Aldermore Group PLC	Aldermore Group PLC	Aldermore Group PLC
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	n/a - not listed	n/a - not listed	n/a - not listed	n/a - not listed	XS3191631079
2a	Public or private placement	Private	Private	Private	Private	Public
3	Governing law(s) of the instrument	English	English	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	n/a	n/a	Yes	Yes	Yes
	Regulatory treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	CET 1	CET 1	Additional Tier 1	Additional Tier 1	Tier 2
5	Post-transitional CRR rules	CET 1	CET 1	Additional Tier 1	Additional Tier 1	Tier 2
6	Eligible at solo / (sub-) consolidated / solo & (sub-) consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Ordinary Shares	Additional Tier 1	Additional Tier 1	Tier 2
8	Amount recognised in regulatory capital or eligible liabilities (£m)	34.9	209.0	100.0	50.0	300.0
9	Nominal amount of instrument (£m)	34.9	209.0	100.0	50.0	300.0
UK-9a	Issue price	Various	Par	Par	Par	Par
UK-9b	Redemption price	n/a	n/a	Par	Par	Par, subject to any purchase, cancellation or early redemption
10	Accounting classification	Equity	Equity	Equity	Equity	Liability
11	Original date of issuance	Various	3 May 2019	27 June 2024	29 April 2025	1 October 2025
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated
13	Original maturity date	n/a	n/a	Perpetual	Perpetual	1 October 2035
14	Issuer call subject to prior supervisory approval	n/a	n/a	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	27 September 2029	29 April 2030	1 October 2030
16	Subsequent call dates, if applicable	n/a	n/a	27 March 2030, then every 6 months thereafter	29 Oct 2030, then every 6 months thereafter	n/a
	Coupons / dividends					
17	Fixed or floating dividend/coupon	Floating	Floating	Fixed	Fixed	Fixed

18	Coupon rate and any related index	n/a	n/a	8.18%	7.63%	6.00%
19	Existence of a dividend stopper	No	No	No	No	No
UK-20 a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory
UK-20 b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a
30	Write-down features	No	No	Yes (Statutory / Bail in only)	Yes (Statutory / Bail in only)	Yes (Statutory / Bail in only)
31	If write-down, write-down trigger(s)	n/a	n/a	Statutory write-down or bail-in by the UK Resolution Authority	Statutory write-down or bail-in by the UK Resolution Authority	Statutory write-down or bail-in by the UK Resolution Authority
32	If write-down, full or partial	n/a	n/a	n/a	n/a	n/a
33	If write-down, permanent or temporary	n/a	n/a	n/a	n/a	n/a
34	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a	n/a	n/a
34a	Type of subordination (only for eligible liabilities)	n/a	n/a	n/a	n/a	Structural
UK-34 b	Ranking of the instrument in normal insolvency proceedings	Ranks behind all other forms of capital	Ranks behind all other forms of capital	Subordinated debt qualifying as AT1 ranks below Tier 2 capital but above CET1	Subordinated debt qualifying as AT1 ranks below Tier 2 capital but above CET1	Ranks in priority to all other forms of capital
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	n/a
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	n/a	n/a	n/a	n/a	n/a
37a	Link to the full terms and conditions of the instrument (signposting)	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed	www.aldermore.co.uk/media/wtspzzmz/final-terms-tier-2-capital-notes.pdf

Countercyclical capital buffer

The countercyclical capital buffer ("CCyB") applies according to the geographic location of a firm's credit exposures. In each jurisdiction the relevant authority (the Bank of England in the UK) sets an individual CCyB rate based on their assessment of systemic risks in that jurisdiction.

UK CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

Group	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
£m	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
United Kingdom	19,153.9	-	-	-	225.1	19,379.0	854.8	-	1.8	856.6	10,707.3	99.86%	2.00%
Canada	36.8	-	-	-	-	36.8	0.3	-	-	0.3	3.7	0.04%	—%
Belgium	32.6	-	-	-	-	32.6	0.5	-	-	0.5	6.5	0.06%	—%
United States	22.1	-	-	-	-	22.1	0.4	-	-	0.4	4.4	0.04%	—%
Total	**19,245.4**	**-**	**-**	**-**	**225.1**	**19,470.5**	**856.0**	**-**	**1.8**	**857.8**	**10,721.9**	**100.00%**	

Bank	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
£m	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:													
United Kingdom	18,399.3	-	-	-	225.1	18,624.4	579.0	-	1.8	580.8	7,260.5	99.80%	2.00%
Canada	36.8	-	-	-	-	36.8	0.3	-	-	0.3	3.7	0.05%	—%
Belgium	32.6	-	-	-	-	32.6	0.5	-	-	0.5	6.5	0.09%	—%
United States	22.1	-	-	-	-	22.1	0.4	-	-	0.4	4.4	0.06%	—%
Total	**18,490.8**	**-**	**-**	**-**	**225.1**	**18,715.9**	**580.2**	**-**	**1.8**	**582.0**	**7,275.1**	**100.00%**	

UK CCyB2 - Amount of institution-specific countercyclical capital buffer

		Group	Bank
		Jun-26	Jun-26
£m		a	a
1	Total risk exposure amount	11,959.8	8,203.7
2	Institution specific countercyclical capital buffer rate	2.0%	2.0%
3	Institution specific countercyclical capital buffer requirement	238.9	163.8

Leverage ratio

The leverage ratio measures the relationship between the capital resources of the Group and its total assets. The leverage ratio is calculated by dividing Tier 1 capital resources by a defined measure of on and off-balance sheet items.

UK LR1 - LRSum - Summary reconciliation of accounting assets and leverage ratio exposures

		Group	Bank
		a	a
£m		Applicable amount	Applicable amount
1	Total assets as per published financial statements	23,483.7	22,597.6
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
4	(Adjustment for exemption of exposures to central banks)	(2,151.0)	(2,151.0)
8	Adjustment for derivative financial instruments	(55.4)	(61.1)
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	191.0	187.9
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(17.5)	(13.2)
UK-11 a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	(3,765.3)
12	Other adjustments	(80.5)	(79.8)
13	**Total exposure measure**	**21,370.3**	**16,715.1**

UK LR2 - LRCom - Leverage ratio common disclosure

		Group		Bank	
		Leverage ratio exposures		Leverage ratio exposures	
£m		30-Jun-26	30-Jun-25	30-Jun-26	30-Jun-25
On-balance sheet exposures (excluding derivatives and SFTs)					
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	23,267.6	20,731.4	22,388.4	20,281.8
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(17.5)	(11.2)	(13.2)	(6.9)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	23,250.1	20,720.2	22,375.2	20,274.9
Derivative exposures					
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	36.5	12.1	29.3	2.3
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	43.7	40.5	39.1	44.7
13	Total derivatives exposures	80.2	52.6	68.4	47.0
Securities financing transaction (SFT) exposures					
16	Counterparty credit risk exposure for SFT assets	-	0.8	-	0.8

18	Total securities financing transaction exposures	-	0.8	-	0.8
Other off-balance sheet exposures					
19	Off-balance sheet exposures at gross notional amount	947.6	814.5	941.9	793.6
20	(Adjustments for conversion to credit equivalent amounts)	(756.6)	(657.9)	(754.0)	(642.2)
22	Off-balance sheet exposures	191.0	156.6	187.9	151.4
Excluded exposures					
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-	(3,765.3)	(3,765.8)
UK-22k	(Total exempted exposures)	-	-	(3,765.3)	(3,765.8)
Capital and total exposure measure					
23	Tier 1 capital (leverage)	1,782.5	1,755.3	1,500.9	1,387.8
24	Total exposure measure including claims on central banks	23,521.3	20,930.1	18,866.2	16,708.3
UK-24a	(-) Claims on central banks excluded	(2,151.0)	(1,182.3)	(2,151.0)	(1,182.3)
UK-24b	Total exposure measure excluding claims on central banks	21,370.3	19,747.8	16,715.1	15,526.0
Leverage ratio					
25	Leverage ratio excluding claims on central banks (%)	8.3%	8.9%	9.0%	8.9%
UK-25c	Leverage ratio including claims on central banks (%)	7.6%	8.4%	8.0%	8.3%

UK LR3 - LRSpl - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

£m		Group Leverage ratio exposures	Bank Leverage ratio exposures
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	23,267.6	18,623.1
UK-3	Banking book exposures, of which:	23,267.6	18,623.1
UK-4	Covered bonds	207.2	207.2
UK-5	Exposures treated as sovereigns	3,334.8	3,334.8
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	157.8	157.8
UK-7	Institutions	444.3	318.8
UK-8	Secured by mortgages of immovable properties	11,101.8	11,101.8
UK-9	Retail exposures	5,497.1	1,308.3
UK-10	Corporates	1,214.0	1,187.0
UK-11	Exposures in default	440.4	390.8
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	870.2	616.6

UK LRA - Qualitative disclosures on the leverage ratio

(a) Processes used to manage the risk of excessive leverage

The UK leverage ratio is a UK specific regulatory requirement that applies only to financial institutions with deposits of £75 billion or more. Consequently, the requirement is not currently binding for the Group. However, the PRA does expect firms not in scope to continue managing leverage risk prudently and maintain a ratio above 3.25%. Accordingly, the Group continues to monitor its leverage ratio in line with the PRA's supervisory expectations and broader risk management framework.

Capital adequacy is monitored monthly against a range of key metrics, including the UK leverage ratio, to ensure continued alignment with the Board's risk appetite and compliance with regulatory minimum requirements. The Group also projects leverage ratios over a five-year horizon through its annual planning and re-forecasting processes, as well as under a range of stress scenarios, to assess the sufficiency of leverage resources under both normal and stressed economic conditions.

The Group has a range of timely actions available to manage the leverage ratio should it approach or fall below the approved risk appetite, which are set out in the ICAAP and Recovery Plan. Any action would be assessed on a case-by-case basis, taking account of the Group's capital position, strategic objectives, regulatory expectations, and prevailing market conditions.

Maturity mismatches and asset encumbrance are not incorporated into a dedicated leverage risk framework given it is not a specific regulatory requirement that applies to the Group. However, they are considered within the Group's overall risk management and capital planning processes to ensure that balance sheet growth and funding structures remain prudent and aligned with the Group's risk appetite.

(b) Factors that had an impact on the leverage ratio during the period

The Group's UK Leverage ratio has decreased during the year from 8.9% as at 30 June 2025 to 8.3% as at 30 June 2026. A £1.6 billion increase in leverage exposure was the main driver, primarily due to asset growth from lending activity.

Liquidity risk

UK LIQA - Liquidity risk management

(a) Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding

Liquidity risk is managed to ensure that the Group can meet its obligations as they fall due under both business-as-usual and stressed conditions, in line with the overall liquidity adequacy rule ("OLAR") and the Board approved liquidity risk appetite. The Group's funding and liquidity strategy is based on maintaining a prudent stock of HQLA, a diversified and stable funding base, and reliable access to contingent liquidity sources.

The Group's funding is primarily deposit-led, via Personal, SME, Corporate and Deposit Aggregator channels. This is supplemented by diversified wholesale funding, including securitisations, private warehouse arrangements and access to the Bank of England's Sterling Monetary Framework. Diversification is actively managed across funding sources, product types, counterparties and tenors, with quantitative limits in place to manage concentration and refinancing risks.

(b) Structure and organisation of the liquidity risk management function

Liquidity risk management operates within the Group's three lines of defence model described in the Risk management section of this report.

Treasury is responsible for day-to-day liquidity risk management and the ILAAP. The second line of defence (the Treasury Risk function) provides independent oversight and challenge, and the third line of defence (Internal Audit) provides independent assurance.

(c) A description of the degree of centralisation of liquidity management and interaction between the Group's units

Liquidity is managed on a centralised basis by Group Treasury, with a single consolidated pool of HQLA held to support all Group entities, reflecting the regulatory permissions and operating model in place. Treasury is also responsible for the execution of wholesale funding activities, including contingent funding arrangements.

(d) Scope and nature of liquidity risk reporting and measurement systems

The Group operates a comprehensive suite of liquidity risk measurement, monitoring and reporting systems designed to identify, assess and manage liquidity and funding risks.

Core liquidity and funding metrics include the liquidity coverage ratio ("LCR"), net stable funding ratio ("NSFR") and internally-defined ILAAP stress test metrics. These are actively used to manage liquidity risk within the Board approved risk appetite framework, and to support ongoing compliance with regulatory liquidity requirements. These are complemented by a suite of supporting metrics and concentration limits aligned to the Risk Appetite Framework. Liquidity stress testing is a central component of the measurement framework and assesses the adequacy of liquidity resources under a range of severe but plausible scenarios and time horizons.

Liquidity risk reporting is produced at frequencies appropriate to the nature of each metric, with key metrics monitored daily, reports provided monthly to senior management committees, and updates submitted periodically to the Board in accordance with the governance calendar. Reporting comprises both quantitative metrics and qualitative commentary, to support effective oversight, escalation and decision-making. Liquidity risk measurement and reporting systems are subject to ongoing governance, review and challenge to ensure data quality, consistency and continued relevance.

Liquidity forecasting is also performed at appropriate frequencies and is central to the management of liquidity and funding risks. Forecasting ensures an appropriate balance between planned lending growth, maintenance of a prudent liquidity buffer, diversification of funding sources, and access to contingent funding. Sensitivity and scenario analysis are also performed at appropriate frequencies, with reporting to senior management committees to ensure that developing risks are identified, escalated and effectively managed.

(e) Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring their effectiveness

Liquidity risk is mitigated via maintaining a prudent stock of HQLA, a diversified and stable funding base, and reliable access to contingent liquidity sources.

The Group's CLMRMF sets out the governance principles and guidelines to assess, measure, monitor and report on Liquidity risks across the Group.

The Liquidity and Funding Risk Policy is owned by Treasury and operates under the CLMRMF. It details the expectations in support of the Board approved liquidity and funding risk appetite, including risk identification and assessment, roles and responsibilities, risk limits, monitoring and reporting.

Liquidity risks are monitored through a comprehensive suite of Risk Appetite Framework ("RAF") metrics, recovery indicators and supporting early warning indicators, with regular reporting to ALCO, the BRC and the Board. Regular testing of HQLA monetisation and contingency arrangements is undertaken to ensure operational readiness.

(f) An outline of contingency funding plans

Aldermore Group maintains its Liquidity Contingency Plan ("LCP") as an integral component of its Recovery Plan. The speed and acute nature of a liquidity stress may require an accelerated decision-making process, which the LCP facilitates. The LCP sets out governance arrangements, escalation processes and a range of recovery options designed to restore liquidity under severe stress conditions. Recovery options are evaluated with regard to their impact on the Group and key stakeholders, their expected deployment timelines, associated risks and limitations, and are subject to defined constraints and assumptions.

The Liquidity Contingency Plan is reviewed at least annually as part of the Recovery Plan.

(g) An explanation of how stress testing is used

Liquidity stress testing is a key part of the Group's liquidity risk management activities, and is used to determine the size and composition of the liquidity buffer. The Group assesses a range of severe but plausible scenarios, including idiosyncratic, market-wide and combined stresses, across multiple time horizons.

Stress testing assumptions are derived using combinations of empirical analysis and expert judgement and are reviewed as part of the ILAAP.

In addition to ILAAP stress testing, the Group performs sensitivity and scenario analysis alongside its liquidity forecasting processes, with reporting to senior management committees to ensure that developing risks are identified, escalated and effectively managed.

Scenario analysis is performed as part of the Recovery Plan to test access to a broad range of capital and liquidity recovery options under severe financial stress. Board-level fire drill exercises are also conducted to gain insights and assess the effectiveness of the Recovery Plan and associated governance arrangements. Reverse stress testing is performed to explore extreme shocks and identify vulnerabilities that could lead to the Group's point of failure.

(h) A declaration approved by the management body on the adequacy of liquidity risk management arrangements

The ILAAP represents the primary mechanism through which the Group assesses the adequacy of its liquidity risk management arrangements. The most recent ILAAP has been reviewed and approved by the Board and concludes that, over the forecast horizon, the Group will maintain liquidity resources that are adequate, in both amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due.

The review further confirms that the governance and risk management structures supporting liquidity and funding risk remain appropriate and that liquidity and funding risk is being managed effectively within the Board approved risk appetite and in compliance with regulatory requirements.

(i) A concise liquidity risk statement approved by the management body

The Group manages liquidity risk within the Board approved risk appetite, and maintains a stable and diverse funding structure and holds sufficient cash and high-quality liquid resources to support the business under a range of time horizons and severe stress scenarios, including those defined by regulatory requirements.

UK LIQ1 – Quantitative information of LCR

The LIQ1 data in the table below is calculated on a rolling twelve-month average basis.

Group		a	b	c	d	e	f	g	h
		Total unweighted value (average) £m				Total weighted value (average) £m			
	Quarter ending on	30 June 2026	31 March 2026	31 December 2025	30 September 2025	30 June 2026	31 March 2026	31 December 2025	30 September 2025
£m	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					3,717.3	3,603.9	3,512.9	3,618.0
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	13,618.2	13,584.7	13,525.7	13,468.8	1,495.9	1,459.8	1,415.1	1,395.4
3	*Stable deposits*	*533.8*	*265.8*	*63.9*	*-*	*26.7*	*13.3*	*3.2*	*-*
4	*Less stable deposits*	*8,541.7*	*8,242.4*	*7,868.1*	*7,707.6*	*1,469.2*	*1,446.5*	*1,411.9*	*1,395.4*
5	Unsecured wholesale funding	1,395.2	994.0	729.8	664.5	408.9	320.1	266.2	256.7
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*					*-*	*-*	*-*	*-*
7	*Non-operational deposits (all counterparties)*	*1,385.7*	*982.4*	*716.2*	*648.0*	*399.4*	*308.5*	*252.6*	*240.2*
8	*Unsecured debt*	*9.5*	*11.6*	*13.6*	*16.5*	*9.5*	*11.6*	*13.6*	*16.5*
9	Secured wholesale funding					2.1	1.0	0.3	-
10	Additional requirements	204.3	188.6	184.3	169.6	171.5	166.1	172.4	163.8
11	*Outflows related to derivative exposures and other collateral requirements*	*146.0*	*142.9*	*153.7*	*157.5*	*146.0*	*142.9*	*153.7*	*157.5*
12	*Outflows related to loss of funding on debt products*	*22.0*	*20.7*	*17.4*	*5.7*	*22.0*	*20.7*	*17.4*	*5.7*
13	*Credit and liquidity facilities*	*36.3*	*25.0*	*13.2*	*6.4*	*3.5*	*2.5*	*1.3*	*0.6*
14	Other contractual funding obligations	68.1	68.1	28.5	28.7	39.8	39.8	0.6	0.6
15	Other contingent funding obligations	1,017.5	1,018.6	994.8	1,048.0	371.5	342.9	309.4	283.5
16	**TOTAL CASH OUTFLOWS**					**2,489.7**	**2,329.7**	**2,164.0**	**2,100.0**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	3.8	2.9	2.1	2.1	3.8	2.9	2.0	2.1
18	Inflows from fully performing exposures	362.7	341.7	317.2	305.2	270.7	253.6	233.6	223.7
19	Other cash inflows	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0

UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**391.5**	**369.6**	**344.3**	**332.3**	**299.5**	**281.5**	**260.6**	**250.8**
UK-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
UK-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
UK-20c	*Inflows subject to 75% cap*	*391.5*	*369.6*	*344.3*	*332.3*	*299.5*	*281.5*	*260.6*	*250.8*
TOTAL ADJUSTED VALUE									
UK-21	**LIQUIDITY BUFFER**					**3,717.3**	**3,603.9**	**3,512.9**	**3,618.0**
22	**TOTAL NET CASH OUTFLOWS**					**2,190.2**	**2,048.2**	**1,903.4**	**1,849.2**
23	**LIQUIDITY COVERAGE RATIO**					**169.7%**	**176.0%**	**184.6%**	**195.7%**

Bank		a	b	c	d	e	f	g	h
		Total unweighted value (average) £m				Total weighted value (average) £m			
	Quarter ending on	30 June 2026	31 March 2026	31 December 2025	30 September 2025	30 June 2026	31 March 2026	31 December 2025	30 September 2025
£m	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					3,725.9	3,611.7	3,518.6	3,621.6
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	13,618.2	13,584.7	13,525.7	13,468.8	1,495.9	1,459.8	1,415.1	1,395.4
3	*Stable deposits*	*533.8*	*265.8*	*63.9*	-	*26.7*	*13.3*	*3.2*	-
4	*Less stable deposits*	*8,541.7*	*8,242.4*	*7,868.1*	*7,707.6*	*1,469.2*	*1,446.5*	*1,411.9*	*1,395.4*
5	Unsecured wholesale funding	1,445.9	1,042.9	776.5	708.6	459.5	368.9	312.8	300.8
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*					-	-	-	-
7	*Non-operational deposits (all counterparties)*	*1,436.4*	*1,032.9*	*766.6*	*698.2*	*450.0*	*358.9*	*302.9*	*290.4*
8	*Unsecured debt*	*9.5*	*10.0*	*9.9*	*10.4*	*9.5*	*10.0*	*9.9*	*10.4*
9	Secured wholesale funding					2.1	1.4	1.4	1.6
10	Additional requirements	241.3	225.2	222.0	208.7	208.5	202.7	210.1	202.9
11	*Outflows related to derivative exposures and other collateral requirements*	*146.0*	*142.9*	*153.7*	*157.5*	*146.0*	*142.9*	*153.7*	*157.5*
12	*Outflows related to loss of funding on debt products*	*20.9*	*20.1*	*17.0*	*5.7*	*20.9*	*20.1*	*17.0*	*5.7*
13	*Credit and liquidity facilities*	*74.4*	*62.2*	*51.3*	*45.5*	*41.6*	*39.7*	*39.4*	*39.7*
14	Other contractual funding obligations	59.4	59.5	19.7	19.8	39.8	39.8	0.2	0.2
15	Other contingent funding obligations	994.4	993.9	966.8	1,015.6	348.5	318.3	285.7	263.3
16	**TOTAL CASH OUTFLOWS**					**2,554.3**	**2,390.9**	**2,225.3**	**2,164.2**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	3.8	2.9	2.1	2.1	3.8	2.9	2.1	2.1
18	Inflows from fully performing exposures	312.8	297.2	272.2	260.7	262.4	251.7	233.4	224.1
19	Other cash inflows	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-

UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**341.6**	**325.1**	**299.3**	**287.8**	**291.2**	**279.6**	**260.5**	**251.2**
UK-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
UK-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
UK-20c	*Inflows subject to 75% cap*	*341.6*	*325.1*	*299.3*	*287.8*	*291.2*	*279.6*	*260.5*	*251.2*
TOTAL ADJUSTED VALUE									
UK-21	**LIQUIDITY BUFFER**					**3,725.9**	**3,611.7**	**3,518.6**	**3,621.6**
22	**TOTAL NET CASH OUTFLOWS**					**2,263.1**	**2,111.3**	**1,964.8**	**1,913.0**
23	**LIQUIDITY COVERAGE RATIO**					**164.6%**	**171.1%**	**179.1%**	**189.3%**

UK LIQB - Qualitative disclosures on the liquidity coverage ratio

(a) Main drivers of LCR results

The Group continues to assess and maintain the appropriate level and composition of HQLA to ensure compliance with the LCR requirements under a range of business-as-usual and stressed conditions. The Group's LCR net cash outflow requirement is primarily driven by expected deposit outflows and committed pipeline lending facilities, partially offset by contractual lending repayments. HQLA holdings are regularly reviewed to ensure they remain appropriate in light of the Group's liquidity risk profile, funding strategy and regulatory requirements.

(b) Explanations on the changes in the LCR over time

The gradual reduction in the twelve-month average LCR reflects the continued refinement of the Group's liquidity management framework and the planned deployment of liquidity to support lending growth, including the Octane Capital acquisition, and repayments of borrowings over the past two years, most notably the repayment of Term Funding Scheme with additional incentives for SMEs ("TFSME") funding. The final TFSME repayment of £265.7 million was completed in October 2025.

Average HQLA balances have remained broadly stable over the period. Average net cash outflows have increased during the year, primarily reflecting growth in Easy Access deposits, resulting in higher modelled deposit outflows under the LCR framework.

The Group's LCR remains comfortably above the minimum regulatory requirement and within Board approved risk appetite.

(c) Explanations on the actual concentration of funding sources

The Group's funding model is primarily deposit-led, via Personal, SME, Corporate and Deposit Aggregator funding channels. This is complemented by diversified wholesale funding comprising owner-occupied residential mortgage-backed securitisations (Oak No.4 PLC and Oak No.5 PLC), the MotoMore private auto warehouse, access to the Bank of England's Sterling Monetary Framework ("SMF"), and the Euro Medium Term Note ("EMTN") programme established in 2025, under which a £300 million Tier 2 issuance was successfully completed in October 2025.

The Group also maintains access to significant contingent funding sources, via the SMF, FirstRand liquidity facilities, and the MotoMore private warehouse facility.

Funding diversification is actively managed across funding sources, product types, counterparties and tenors, with quantitative limits in place to manage concentration and refinancing risks.

(d) High-level description of the composition of the institution's liquidity buffer

The Group's liquidity buffer is primarily composed of Level 1 assets, consisting of withdrawable cash in the Bank of England reserve account, UK Gilts and Treasury Bills, extremely high-quality covered bonds, and other Sovereign and Supranational Bonds. This is supplemented by a much smaller stock of Level 2A and 2B assets, consisting primarily of asset backed securities.

(e) Derivative exposures and potential collateral calls

The Group does not operate a trading book. The Group uses derivatives as part of its management of market risks, giving rise to margin requirements. LCR outflows include the impact of an adverse market scenario on derivatives transactions, in line with the LCR reporting framework.

(f) Currency mismatch in the LCR

The Group's exposures are primarily denominated in UK pounds sterling, resulting in immaterial currency mismatch. The Group does not meet the criteria requiring LCR reporting by significant currency and, accordingly, is not required to calculate or report the LCR separately for individual currencies.

(g) Other items in the LCR calculation that are not captured in the LCR disclosure template

There are no other relevant items to note.

UK LIQ2 – Net Stable Funding Ratio ("NSFR")

Group		a	b	c	d	e
£m		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	1,828.5	31.0	-	221.1	2,049.6
2	*Own funds*	*1,828.5*	*31.0*	-	*221.1*	*2,049.6*
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		10,949.1	1,316.7	1,402.6	12,476.3
5	*Stable deposits*		*689.8*	-	-	*655.3*
6	*Less stable deposits*		*10,259.4*	*1,316.7*	*1,402.6*	*11,821.0*
7	Wholesale funding:		4,261.0	1,202.6	813.9	2,849.8
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		*4,261.0*	*1,202.6*	*813.9*	*2,849.8*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	271.6	-	-	-
12	*NSFR derivative liabilities*	-				-
13	*All other liabilities and capital instruments not included in the above categories*		*271.6*	-	-	-
14	**Total available stable funding (ASF)**					**17,375.7**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					113.7
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		1,713.5	1,129.0	14,511.5	12,432.8
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*220.1*	*25.8*	*50.4*	*85.3*

20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*1,237.4*	*1,008.7*	*12,333.5*	*12,179.6*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*162.2*	*126.8*	*9,425.4*	*6,903.6*
22	*Performing residential mortgages, of which:*		*31.2*	*29.1*	*2,047.9*	*-*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*31.2*	*29.0*	*2,044.8*	*-*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*224.8*	*65.3*	*79.7*	*167.9*
25	Interdependent assets		-	-	-	-
26	Other assets:	-	133.6	40.2	611.3	749.9
27	*Physical traded commodities*				*-*	*-*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*-*	*-*	*110.2*	*93.7*
29	*NSFR derivative assets*		*12.9*	*-*	*-*	*12.9*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*-*	*-*	*-*	*-*
31	*All other assets not included in the above categories*		*120.7*	*40.2*	*501.1*	*643.3*
32	Off-balance sheet items		1,054.7	-	-	181.6
33	**Total RSF**					**13,478.0**
34	**Net Stable Funding Ratio (%)**					**128.9%**

Bank		a	b	c	d	e
£m		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	1,466.5	31.0	-	223.2	1,689.7
2	*Own funds*	*1,466.5*	*31.0*	-	*223.2*	*1,689.7*
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		10,949.1	1,316.7	1,402.6	12,476.3
5	*Stable deposits*		*689.8*	-	-	*655.3*
6	*Less stable deposits*		*10,259.4*	*1,316.7*	*1,402.6*	*11,821.0*
7	Wholesale funding:		4,661.0	1,023.6	589.5	2,535.9
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		*4,661.0*	*1,023.6*	*589.5*	*2,535.9*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	120.5	-	-	-
12	*NSFR derivative liabilities*	-				-
13	*All other liabilities and capital instruments not included in the above categories*		*120.5*	-	-	-
14	**Total available stable funding (ASF)**					**16,701.9**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					113.7
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		1,556.5	1,070.3	14,425.9	12,437.6
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*691.1*	*527.1*	*2,906.8*	*3,239.5*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*609.4*	*448.8*	*9,394.1*	*9,030.2*

21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*162.2*	*126.8*	*9,425.4*	*6,903.6*
22	*Performing residential mortgages, of which:*		*31.2*	*29.1*	*2,045.3*	*-*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*31.1*	*29.0*	*2,042.2*	*-*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*224.8*	*65.3*	*79.7*	*167.9*
25	Interdependent assets		-	-	-	-
26	Other assets:	-	65.3	11.6	535.2	585.5
27	*Physical traded commodities*				*-*	*-*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*-*	*-*	*110.2*	*93.7*
29	*NSFR derivative assets*		*9.0*	*-*	*-*	*9.0*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*-*	*-*	*-*	*-*
31	*All other assets not included in the above categories*		*56.3*	*11.6*	*425.0*	*482.8*
32	Off-balance sheet items		1,054.7	-	-	181.6
33	**Total RSF**					**13,318.4**
34	**Net Stable Funding Ratio (%)**					**125.4%**

Exposures to credit risk and credit quality

UK CRA - Qualitative disclosures on credit risk

(a) Risk statement in accordance with how the business model translates into the components of the Group's credit risk profile

The Group's Risk Taxonomy, as set out in the Risk management section of this report, defines the principal risks arising from the conduct of its activities. Credit risk is defined as the risk of loss arising where customers are unable to meet their contractual repayment obligations. Credit risk arises primarily from the Group's lending activities to businesses and consumers across Property, Business Finance and Motor Finance, as well as Treasury activities.

(b) Strategies and processes to manage credit risk and the policies for hedging and mitigating that risk, including the criteria and approach used for defining the credit risk management policy and for setting credit risk limits

Credit risk is one of the principal risks arising from the pursuit of the Group's business objective to "Back more people to go for it, in life and business" and represents the Group's most significant risk type in terms of both regulatory and economic capital requirements. The Group has clearly defined credit risk management practices that underpin an established strategy to manage this risk, alongside the promotion of a strong risk culture in which colleagues demonstrate sound risk awareness and exercise appropriate judgement. This culture is supported by a clear tone from the top and is underpinned by appropriate skills, knowledge and openness to diverse perspectives, enabling concerns to be raised and addressed effectively.

The Group's business model focuses on lending to creditworthy customers through a defined range of core, parameterised products. These products predominantly comprise amortising credit facilities provided on an asset-backed basis, secured against physical assets and, where relevant, accounts or debt receivables. Robust assessment of borrower affordability and the ongoing serviceability of facilities is a fundamental requirement throughout the life of each credit exposure.

The collateral supporting the Group's lending activities is typically realisable, with established secondary markets and more predictable valuations, and is diversified across a range of asset classes and established sectors. This reflects the Group's strategic focus on managing loss severity while maintaining appropriate levels of risk-adjusted return.

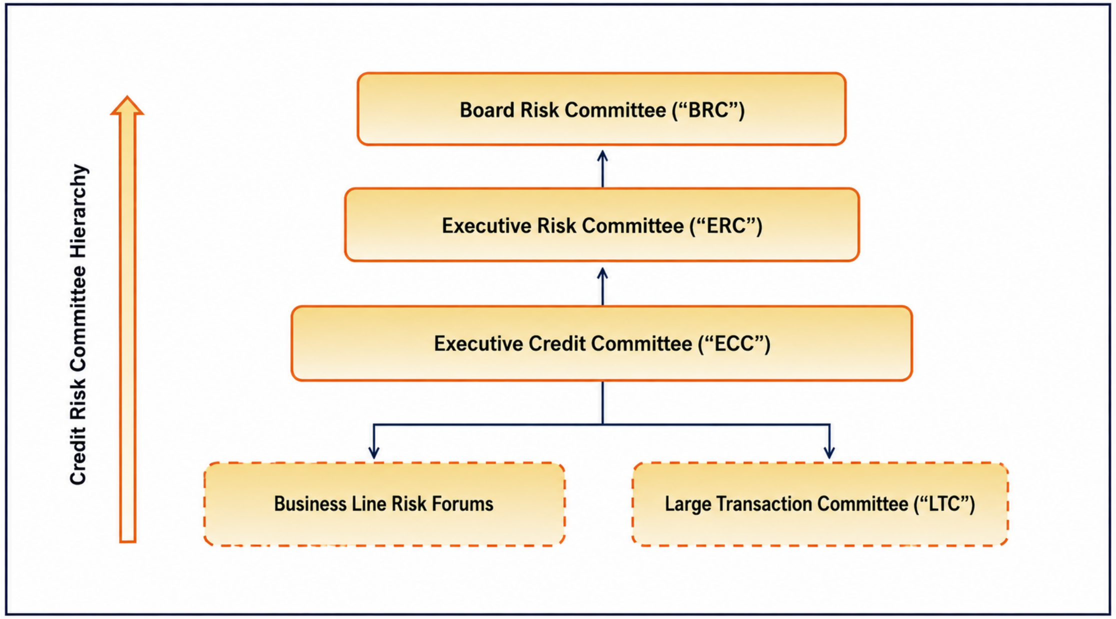
The Group uses a range of credit risk mitigation techniques to manage and mitigate credit risk exposures. Historically, limited credit insurance arrangements were used on certain parts of the legacy property lending portfolio; however, credit insurance is not currently utilised. Credit risk is further managed through prudent underwriting standards, collateralisation, the use of guarantees where applicable, and active portfolio monitoring and management. This combined approach is considered appropriate given the nature, scale and complexity of the Group's lending activities.

Risk appetite is a core component of the GRMF and is set out in more detail in the Risk management section of this report.

(c) The structure and organisation of the credit risk management and control function

The Group has a formal risk governance structure designed to ensure that the Board and senior management retain clear accountability for the overall management of risk, supported by effective reporting and escalation mechanisms. Within this structure (depicted below), the Group operates a comprehensive credit risk governance committee framework responsible for approving, monitoring and overseeing the management of credit risk and credit risk exposures across the Group, ensuring that credit risk is managed in line with the Board approved risk appetite and established credit policies.

Credit Risk Governance Framework



Each risk committee is responsible for overseeing the Group-wide risk position within its delegated remit. The governance structure is designed to facilitate the effective flow of key risk information, providing clear escalation routes for material risks and issues arising from business areas, while ensuring that strategic direction, risk appetite and guidance from the Board are appropriately cascaded throughout the organisation.

The roles and responsibilities of the BRC, ERC and ECC are set out in the Risk management section of this report.

(d) The relationships between credit risk management, risk control, compliance and internal audit functions

The credit risk framework is consistent with the Group's broader three lines of defence approach, as set out in the Risk management section of this report.

Credit risk management supports the Group's business model through experienced specialist underwriting and active risk management across the full credit lifecycle, including origination, in-life monitoring, remediation and recoveries.

Quality Control and Credit Assurance functions provide independent validation of the quality and consistency of underwriting decisions, both at origination and throughout the life of each facility. Underwriting authorities are granted through a structured framework of delegated mandates, calibrated to individual skills, experience and competency levels.

These underwriting and assurance processes are supported by proactive collections and arrears management activities, which focus on early engagement with customers to achieve appropriate outcomes for both customers and the Group. This local delivery model is supported by central oversight and control, with an independent Group Credit Risk function providing ongoing monitoring of material credit risks through regular reviews of credit risk appetite, policy compliance and portfolio performance.

■ UK CRB - Additional disclosures on asset credit quality

(a) The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes

Where specific conditions are met, such as the occurrence of a credit default event or identification of an unlikeliness to pay indicator, the financial asset is classified as stage 3. Additionally, all financial assets 90 days or more past due are considered to be credit impaired/treated as in default and transferred to stage 3.

Days past due are calculated where any principal amount, interest or fee has not been paid by its contractual due date and the amount outstanding exceeds the materiality threshold applicable to each of the Group's business lines.

(b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this

All financial assets 90 days past due or more are considered to be credit impaired.

(c) Description of methods used for determining general and specific credit risk adjustments

All provisions are considered specific credit risk adjustments that are allocated against individual loans.

(d) Definition of a restructured exposure

The Group identifies distressed restructures in accordance with the definition of forbearance in Article 47b of the CRR.

UK CR1 - Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Group		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
£m			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
5	Cash balances at central banks and other demand deposits	2,361.1	2,361.1	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	18,576.9	17,388.6	1,188.3	576.9	24.4	552.5	(116.0)	(71.8)	(44.2)	(131.5)	(2.0)	(129.5)	-	14,873.8	481.7
20	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	*General governments*	*64.5*	*62.1*	*2.4*	*0.8*	-	*0.8*	*(0.5)*	*(0.3)*	*(0.2)*	*(0.2)*	-	*(0.2)*	-	-	-
40	*Credit institutions*	*106.2*	*106.2*	-	-	-	-	-	-	-	-	-	-	-	-	-
50	*Other financial corporations*	*328.2*	*300.3*	*27.9*	*0.1*	-	*0.1*	*(1.8)*	*(1.5)*	*(0.3)*	-	-	-	-	*7.1*	-
60	*Non-financial corporations*	*8,043.4*	*7,545.2*	*498.2*	*139.3*	*2.1*	*137.2*	*(41.6)*	*(24.8)*	*(16.8)*	*(27.6)*	*(0.2)*	*(27.4)*	-	*6,216.3*	*101.5*
70	*Of which SMEs*	*7,550.2*	*7,092.7*	*457.5*	*137.3*	*2.1*	*135.2*	*(35.7)*	*(21.8)*	*(13.9)*	*(26.3)*	*(0.2)*	*(26.1)*	-	*6,214.9*	*101.5*
80	*Households*	*10,034.6*	*9,374.8*	*659.8*	*436.7*	*22.3*	*414.4*	*(72.1)*	*(45.2)*	*(26.9)*	*(103.7)*	*(1.8)*	*(101.9)*	-	*8,650.4*	*380.2*
90	Debt securities	1,966.6	1,966.6	-	-	-	-	-	-	-	-	-	-	-	322.9	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*1,030.4*	*1,030.4*	-	-	-	-	-	-	-	-	-	-	-	*93.0*	-
120	*Credit institutions*	*689.0*	*689.0*	-	-	-	-	-	-	-	-	-	-	-	*229.9*	-
130	*Other financial corporations*	*225.1*	*225.1*	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	*22.1*	*22.1*	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	946.0	921.8	24.2	-	-	-	1.2	1.1	0.1	-	-	-		-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	*11.0*	*11.0*	-	-	-	-	-	-	-	-	-	-		-	-
200	*Non-financial corporations*	*464.6*	*440.6*	*24.0*	-	-	-	*0.7*	*0.6*	*0.1*	-	-	-		-	-
210	*Households*	*470.4*	*470.2*	*0.2*	-	-	-	*0.5*	*0.5*	-	-	-	-		-	-
220	**Total**	**23,850.6**	**22,638.1**	**1,212.5**	**576.9**	**24.4**	**552.5**	**(114.8)**	**(70.7)**	**(44.1)**	**(131.5)**	**(2.0)**	**(129.5)**	**-**	**15,196.7**	**481.7**

	Bank	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
£m			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	2,235.6	2,235.6	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	14,079.3	13,210.6	868.7	445.1	14.1	431.0	(49.5)	(27.7)	(21.8)	(52.1)	(0.5)	(51.6)	-	11,324.1	398.3
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	*64.5*	*62.1*	*2.4*	*0.8*	-	*0.8*	*(0.5)*	*(0.3)*	*(0.2)*	*(0.2)*	-	*(0.2)*	-	-	-
040	*Credit institutions*	*106.2*	*106.2*	-	-	-	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	*328.2*	*300.3*	*27.9*	*0.1*	-	*0.1*	*(1.8)*	*(1.5)*	*(0.3)*	-	-	-	-	*7.1*	-
060	*Non-financial corporations*	*7,776.0*	*7,288.1*	*487.9*	*135.2*	*1.7*	*133.5*	*(36.1)*	*(20.2)*	*(15.9)*	*(25.0)*	*(0.3)*	*(24.7)*	-	*6,060.3*	*98.1*
070	*Of which SMEs*	*7,284.8*	*6,837.6*	*447.2*	*133.2*	*1.7*	*131.5*	*(31.0)*	*(18.0)*	*(13.0)*	*(23.7)*	*(0.2)*	*(23.5)*	-	*6,059.6*	*98.1*
080	*Households*	*5,804.4*	*5,453.9*	*350.5*	*309.0*	*12.4*	*296.6*	*(11.1)*	*(5.7)*	*(5.4)*	*(26.9)*	*(0.2)*	*(26.7)*	-	*5,256.7*	*300.2*
090	Debt securities	1,966.6	1,966.6	-	-	-	-	-	-	-	-	-	-	-	322.9	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*1,030.4*	*1,030.4*	-	-	-	-	-	-	-	-	-	-	-	*93.0*	-
120	*Credit institutions*	*689.0*	*689.0*	-	-	-	-	-	-	-	-	-	-	-	*229.9*	-
130	*Other financial corporations*	*225.1*	*225.1*	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	*22.1*	*22.1*	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	940.2	916.0	24.2	-	-	-	1.2	1.1	0.1	-	-	-		-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	*31.0*	*31.0*	-	-	-	-	-	-	-	-	-	-		-	-
200	*Non-financial corporations*	*438.8*	*414.8*	*24.0*	-	-	-	*0.7*	*0.6*	*0.1*	-	-	-		-	-
210	*Households*	*470.4*	*470.2*	*0.2*	-	-	-	*0.5*	*0.5*	-	-	-	-		-	-
220	**Total**	**19,221.7**	**18,328.8**	**892.9**	**445.1**	**14.1**	**431.0**	**(48.3)**	**(26.6)**	**(21.7)**	**(52.1)**	**(0.5)**	**(51.6)**	**-**	**11,647.0**	**398.3**

UK CR1-A - Maturity of exposures

Group		a	b	c	d	e	f
		Net exposure value					
£m		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	497.7	1,027.5	7,153.8	10,227.3	-	18,906.3
2	Debt securities	-	863.4	583.9	519.3	-	1,966.6
3	**Total**	**497.7**	**1,890.9**	**7,737.7**	**10,746.6**	**-**	**20,872.9**

Bank		a	b	c	d	e	f
		Net exposure value					
£m		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	416.4	784.5	3,020.3	10,201.6	-	14,422.8
2	Debt securities	-	863.4	583.9	519.3	-	1,966.6
3	**Total**	**416.4**	**1,647.9**	**3,604.2**	**10,720.9**	**-**	**16,389.4**

UK CR2 - Changes in the stock of non-performing loans and advances

	Group	Bank
	a	a
£m	Gross carrying amount	Gross carrying amount
Initial stock of non-performing loans and advances	569.8	422.2
Inflows to non-performing portfolios	253.5	172.8
Outflows from non-performing portfolios	(45.7)	(38.4)
Outflows due to write-offs	(78.8)	(15.3)
Outflow due to other situations	(121.9)	(96.2)
Final stock of non-performing loans and advances	576.9	445.1

UK CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries

Template CR2a is applicable to large institutions only. The Group does not qualify as large; therefore, this template has not been presented.

UK CQ1 - Credit quality of forborne exposures

Group		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
£m				Of which defaulted	Of which impaired				
5	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
10	Loans and advances	26.7	151.0	151.0	151.0	0.8	12.1	286.5	234.0
20	*Central banks*	-	-	-	-	-	-	-	-
30	*General governments*	-	-	-	-	-	-	-	-
40	*Credit institutions*	-	-	-	-	-	-	-	-
50	*Other financial corporations*	-	-	-	-	-	-	-	-
60	*Non-financial corporations*	*3.2*	*43.6*	*43.6*	*43.6*	*0.1*	*0.9*	*72.2*	*63.2*
70	*Households*	*23.5*	*107.4*	*107.4*	*107.4*	*0.7*	*11.2*	*214.3*	*170.8*
80	Debt Securities	-	-	-	-	-	-	-	-
90	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**26.7**	**151.0**	**151.0**	**151.0**	**0.8**	**12.1**	**286.5**	**234.0**

Bank		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
£m				Of which defaulted	Of which impaired				
5	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
10	Loans and advances	22.9	135.6	135.6	135.6	0.2	3.8	271.4	222.1
20	*Central banks*	-	-	-	-	-	-	-	-
30	*General governments*	-	-	-	-	-	-	-	-
40	*Credit institutions*	-	-	-	-	-	-	-	-
50	*Other financial corporations*	-	-	-	-	-	-	-	-
60	*Non-financial corporations*	*3.2*	*43.5*	*43.5*	*43.5*	*0.1*	*0.8*	*72.1*	*63.2*
70	*Households*	*19.7*	*92.1*	*92.1*	*92.1*	*0.1*	*3.0*	*199.3*	*158.9*
80	Debt Securities	-	-	-	-	-	-	-	-
90	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**22.9**	**135.6**	**135.6**	**135.6**	**0.2**	**3.8**	**271.4**	**222.1**

UK CQ2 - Quality of forbearance

Template CQ2 is applicable to large institutions only. The Group does not qualify as large; therefore, this template has not been presented.

UK CQ3 - Credit quality of performing and non-performing exposures by past due days

Group		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
£m			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
5	Cash balances at central banks and other demand deposits	2,361.1	2,361.1	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	18,576.9	18,493.6	83.3	576.9	229.5	94.5	82.4	85.7	77.8	6.0	1.0	442.1
20	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
30	*General governments*	*64.5*	*64.4*	*0.1*	*0.8*	*0.5*	*0.2*	*0.1*	-	-	-	-	*0.8*
40	*Credit institutions*	*106.2*	*106.2*	-	-	-	-	-	-	-	-	-	-
50	*Other financial corporations*	*328.2*	*327.8*	*0.4*	*0.1*	-	*0.1*	-	-	-	-	-	*0.1*
60	*Non-financial corporations*	*8,043.4*	*8,008.2*	*35.2*	*139.3*	*80.6*	*21.9*	*15.6*	*11.8*	*8.5*	*0.9*	-	*131.3*
70	*Of which SMEs*	*7,550.2*	*7,515.0*	*35.2*	*137.3*	*78.8*	*21.8*	*15.5*	*11.8*	*8.5*	*0.9*	-	*129.2*
80	*Households*	*10,034.6*	*9,987.0*	*47.6*	*436.7*	*148.4*	*72.3*	*66.7*	*73.9*	*69.3*	*5.1*	*1.0*	*309.9*
90	Debt securities	1,966.6	1,966.6	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*1,030.4*	*1,030.4*	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	*689.0*	*689.0*	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	*225.1*	*225.1*	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	*22.1*	*22.1*	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	946.0			-								-
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	*11.0*			-								-

200	*Non-financial corporations*	*464.5*			*-*								*-*
210	*Households*	*470.4*			*-*								*-*
220	**Total**	**23,850.6**	**22,821.3**	**83.3**	**576.9**	**229.5**	**94.5**	**82.4**	**85.7**	**77.8**	**6.0**	**1.0**	**442.1**

Bank		**a**	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**
		Gross carrying amount/nominal amount											
		Performing exposures			**Non-performing exposures**								
£m			**Not past due or past due ≤ 30 days**	**Past due > 30 days ≤ 90 days**		**Unlikely to pay that are not past due or are past due ≤ 90 days**	**Past due > 90 days ≤ 180 days**	**Past due > 180 days ≤ 1 year**	**Past due > 1 year ≤ 2 years**	**Past due > 2 years ≤ 5 years**	**Past due > 5 years ≤ 7 years**	**Past due > 7 years**	**Of which defaulted**
5	Cash balances at central banks and other demand deposits	2,235.6	2,235.6	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	14,079.3	14,011.5	67.8	445.1	193.7	71.9	62.4	61.8	48.6	5.8	0.9	420.5
20	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
30	*General governments*	*64.5*	*64.4*	*0.1*	*0.8*	*0.5*	*0.2*	*0.1*	-	-	-	-	*0.8*
40	*Credit institutions*	*106.2*	*106.2*	-	-	-	-	-	-	-	-	-	-
50	*Other financial corporations*	*328.2*	*327.8*	*0.4*	*0.1*	-	*0.1*	-	-	-	-	-	*0.1*
60	*Non-financial corporations*	*7,776.0*	*7,741.4*	*34.6*	*135.2*	*80.6*	*20.9*	*14.5*	*10.5*	*7.8*	*0.9*	-	*131.3*
70	*Of which SMEs*	*7,284.8*	*7,250.2*	*34.6*	*133.2*	*78.8*	*20.9*	*14.3*	*10.5*	*7.8*	*0.9*	-	*129.2*
80	*Households*	*5,804.4*	*5,771.7*	*32.7*	*309.0*	*112.6*	*50.7*	*47.8*	*51.3*	*40.8*	*4.9*	*0.9*	*288.3*
90	Debt securities	1,966.6	1,966.6	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*1,030.4*	*1,030.4*	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	*689.0*	*689.0*	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	*225.1*	*225.1*	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	*22.1*	*22.1*	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	940.2			-								-
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-

190	*Other financial corporations*	*31.0*			-								-
200	*Non-financial corporations*	*438.8*			-								-
210	*Households*	*470.4*			-								-
220	**Total**	**19,221.7**	**18,213.7**	**67.8**	**445.1**	**193.7**	**71.9**	**62.4**	**61.8**	**48.6**	**5.8**	**0.9**	**420.5**

UK CQ4 - Quality of non-performing exposures by geography

The Group does not hold any non-domestic exposures that are equal to or higher than 10% of total exposures; therefore, this template has not been presented.

UK CQ5 - Credit quality of loans and advances to non-financial corporations by industry

Group		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
£m				Of which defaulted			
10	Agriculture, forestry and fishing	21.7	0.9	0.9	21.7	(0.6)	-
20	Mining and quarrying	8.0	-	-	8.0	-	-
30	Manufacturing	152.2	4.8	4.8	152.2	(3.6)	-
40	Electricity, gas, steam and air conditioning supply	30.5	0.1	0.1	30.5	(1.1)	-
50	Water supply	31.6	0.5	0.5	31.6	(0.8)	-
60	Construction	409.7	17.0	16.3	409.7	(7.4)	-
70	Wholesale and retail trade	459.9	7.2	3.1	459.9	(12.2)	-
80	Transport and storage	248.8	3.1	3.1	248.8	(5.5)	-
90	Accommodation and food service activities	25.5	1.5	1.5	25.5	(1.1)	-
100	Information and communication	47.1	0.7	0.6	47.1	(0.7)	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	5,857.4	89.7	87.3	5,857.4	(23.4)	-
130	Professional, scientific and technical activities	194.6	6.9	6.2	194.6	(3.4)	-
140	Administrative and support service activities	384.8	5.7	5.7	384.8	(6.8)	-
150	Public administration and defence, compulsory social security	0.1	-	-	0.1	-	-
160	Education	9.0	-	-	9.0	(0.1)	-
170	Human health services and social work activities	21.3	0.3	0.3	21.3	(0.4)	-
180	Arts, entertainment and recreation	264.8	0.1	0.1	264.8	(1.5)	-
190	Other services	15.7	0.8	0.8	15.7	(0.6)	-
200	**Total**	**8,182.7**	**139.3**	**131.3**	**8,182.7**	**(69.2)**	**-**

Bank		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
£m				Of which defaulted			
10	Agriculture, forestry and fishing	21.7	0.9	0.9	21.7	(0.6)	-
20	Mining and quarrying	8.0	-	-	8.0	-	-
30	Manufacturing	152.2	4.8	4.8	152.2	(3.6)	-
40	Electricity, gas, steam and air conditioning supply	30.5	0.1	0.1	30.5	(1.1)	-
50	Water supply	31.6	0.5	0.5	31.6	(0.8)	-
60	Construction	409.7	17.0	16.3	409.7	(7.4)	-
70	Wholesale and retail trade	188.4	3.1	3.1	188.4	(4.2)	-
80	Transport and storage	248.8	3.1	3.1	248.8	(5.5)	-
90	Accommodation and food service activities	25.5	1.5	1.5	25.5	(1.1)	-
100	Information and communication	47.1	0.7	0.6	47.1	(0.7)	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	5,857.4	89.7	87.3	5,857.4	(23.4)	-
130	Professional, scientific and technical activities	194.6	6.9	6.2	194.6	(3.4)	-
140	Administrative and support service activities	384.8	5.7	5.7	384.8	(6.8)	-
150	Public administration and defence, compulsory social security	0.1	-	-	0.1	-	-
160	Education	9.0	-	-	9.0	(0.1)	-
170	Human health services and social work activities	21.3	0.3	0.3	21.3	(0.4)	-
180	Arts, entertainment and recreation	264.8	0.1	0.1	264.8	(1.5)	-
190	Other services	15.7	0.8	0.8	15.7	(0.6)	-
200	**Total**	**7,911.2**	**135.2**	**131.3**	**7,911.2**	**(61.2)**	**-**

■ UK CQ6 - Collateral valuation - loans and advances

Template CQ6 is applicable to large institutions only. The Group does not qualify as large; therefore, this template has not been presented.

UK CQ7 - Collateral obtained by taking possession and execution processes

No collateral taken into possession meets the criteria for balance sheet recognition; therefore, this template has not been presented.

UK CQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown

Template CQ8 is applicable to large institutions only. The Group does not qualify as large; therefore, this template has not been presented.

Credit risk mitigation

UK CRC - Qualitative disclosures on credit risk mitigation techniques

(a) Core policies and processes for on- and off-balance sheet netting and the extent to which they are used

The Group uses credit risk mitigation ("CRM") techniques to reduce the potential losses if a customer or counterparty becomes unable to meet its obligations. This may include taking financial or physical security (collateral), the assignment of receivables or the use of guarantees, credit insurance or netting arrangements for derivative contracts and securities financing transactions by counterparty.

Off-balance-sheet netting is used for derivatives and securities financing transactions where:

- A valid master netting agreement is in place (e.g. International Swaps and Derivatives Association ("ISDA")).
- Legal opinions confirm enforceability.

Netting is reflected in both exposure measurement and regulatory capital calculations.

(b) The core features of policies and processes for eligible collateral evaluation and management

Property

The Group employs a range of methods to mitigate the credit risk associated with its mortgage lending activities. New lending is subject to controls that assess both the borrower's overall credit risk profile and their capacity to service mortgage repayments under higher interest rate conditions. These controls include a comprehensive lending policy, application-level credit scoring, income verification, and the use of affordability models.

The borrower's property represents the primary source of collateral and the ultimate form of credit risk mitigation in the event of borrower default. The degree of mitigation is determined by the original and current loan-to-value ("LTV") ratios, based on property valuations undertaken by suitably qualified professional firms or using automatic valuation models or desktop valuation processes, subject to conditions set out in the lending policy.

For all loans secured by mortgages on commercial immovable property, valuations are undertaken prior to inception of the loan by suitably qualified professionals with relevant expertise in commercial properties. The Group re-values commercial properties over £1 million every three years and may seek subsequent valuations as deemed appropriate.

Motor

The Group employs a range of methods to mitigate the credit risk associated with its Motor Finance lending activities. New lending is subject to controls that assess both the customer's overall credit risk profile and their ability to maintain repayments throughout the agreement term. These controls include a comprehensive lending policy, lending standards, application-level credit scoring, income and expenditure assessments, fraud prevention checks, and the use of affordability models.

The financed vehicle represents the primary source of collateral and the ultimate form of credit risk mitigation in the event of customer default. The degree of mitigation is influenced by factors including the original and current LTV position, vehicle age and condition, expected depreciation profiles, and vehicle valuations obtained through recognised industry guides and valuation processes, in accordance with the Group's lending policy.

Business Finance

The Group employs a range of methods to mitigate the credit risk associated with its Business Finance activities. New lending is subject to assessments of both the borrower's overall credit risk profile and their capacity to service repayments. There are comprehensive lending policies, application scorecards, and serviceability and affordability assessments.

The borrower's collateral could be in the form of vehicles, property, invoices or other business-related assets which provide credit risk mitigation in the event of borrower default. The degree of mitigation is determined by the original and current valuations, using a range of internal and external methods and tools.

Commercial Real Estate ("CRE") valuations are undertaken by suitably qualified professional firms with relevant expertise. Valuations for CRE are undertaken prior to inception of the loan with revaluations undertaken at least every three years (using valuers, Automatic Valuation Models or desktop valuation processes where appropriate).

Treasury

CRM techniques employed by the Group Treasury function are determined by the characteristics of the underlying instrument. The majority of the Group's derivative transactions are centrally cleared through qualifying central counterparties ("CCPs"), reducing the Group's counterparty credit risk. For derivative transactions, ISDA documentation provides the contractual right to apply eligible collateral against derivative credit exposures in the event of counterparty default. Derivative positions and associated collateral are valued daily and reconciled against counterparty valuations. Regular collateral rebalancing mitigates the potential increase in future credit exposure.

For collateralised exposures, the posting of collateral limits current credit exposure to the net difference between the market value of the derivative and the applicable minimum transfer amounts, which are designed to avoid the operational burden of transferring immaterial collateral amounts. Any valuation disputes are monitored and escalated in accordance with established dispute resolution procedures.

The Group's Treasury Policy further restricts securitisation investments to securities that meet the HQLA eligibility criteria prescribed within the PRA Rulebook and LCR framework. In addition, securitisation exposures must be rated credit quality step 1 ("CQS1"), ensuring that only high-quality and highly liquid assets are eligible for investment.

(c) Main types of collateral taken to mitigate credit risk

Collateral across the Group is primarily derived from the underlying assets or legal rights associated with each lending activity. For property lending, including residential, commercial, and property development, the primary source of collateral is the land or property against which the loan is secured.

In motor, collateral is provided through the Group's rights and/or title to the underlying financed assets.

Within Business Finance, collateral arrangements vary by product type. For Invoice Finance, the primary security is the underlying receivables (such as trade invoices). In addition, the Group seeks to enhance its security position by obtaining supplementary collateral where possible, including limited personal guarantees from major shareholders, charges over personal or business property, cross guarantees from associated companies, and unlimited warranties covering fraud or certain other breaches. For Asset Finance, collateral is similarly based on the Group's rights to the financed assets, with additional support such as parent company or personal guarantees obtained where appropriate.

For treasury activities, collateral arrangements arise under derivative margining agreements. Where the Group has a net asset position with a counterparty, the counterparty typically provides collateral, usually in the form of cash, to cover the exposure. Conversely, the Group will place collateral with the counterparty where it has a net liability position.

(d) Guarantees and credit derivatives used as credit protection

The Group applies unfunded credit risk mitigation ("CRM") techniques, as prescribed under Chapter 4, Title III of the UK CRR, in the calculation and regulatory reporting of credit risk exposures under the standardised approach. These CRM techniques comprise unfunded guarantees held by Aldermore Group. Credit protection recognised includes guarantees provided by the UK Government in respect of lending under the Coronavirus Business Interruption Loan Scheme ("CBILS") and the Recovery Loan Scheme ("RLS"), as well as the recognition of eligible state and sovereign guarantees associated with certain bond exposures to non-UK counterparties.

The Group does not utilise credit derivatives.

(e) Information about market or credit risk concentrations within the credit mitigation taken

The Group monitors credit concentration risk by segment, geography, sector and size of loan.

Aldermore Group has in place a Concentration Risk Policy (including single name concentration) and an Exposure Aggregation Policy, which are designed to enable the Group to manage concentration risk within the established risk appetite and risk limits. In addition, where relevant lending policies have specific parameters and product strategies developed with concentration risk in mind. Product changes such as pricing or criteria amendments allow the Group to steer the portfolios appropriately.

Group wide concentrations are monitored as well as select areas within business lines; each area manages its own concentrations in the absence of Group limits.

The adherence of the Group's activities to the risk appetite set for concentration risk is monitored via credit concentration risk appetite metrics which are subject to annual review and are reported monthly to the Credit Committee, the ERC and to the BRC at each scheduled meeting.

UK CR3 – CRM techniques overview - Disclosure of the use of credit risk mitigation techniques

Group		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
£m		a	b	c	d	e
1	Loans and advances	13.3	18,785.6	18,785.6	-	-
2	Debt securities	1,643.7	322.9	-	322.9	
3	**Total**	**1,657.0**	**19,108.5**	**18,785.6**	**322.9**	**-**
4	*Of which non-performing exposures*	*0.1*	*445.3*	*445.3*	-	-
5	*Of which defaulted*	*0.1*	*445.3*			

Bank		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
£m		a	b	c	d	e
1	Loans and advances	13.3	14,302.1	14,302.1	-	-
2	Debt securities	1,643.7	322.9	-	322.9	
3	**Total**	**1,657.0**	**14,625.0**	**14,302.1**	**322.9**	**-**
4	*Of which non-performing exposures*	*0.1*	*392.9*	*392.9*	-	-
5	*Of which defaulted*	*0.1*	*392.9*			

Standardised approach to credit risk

UK CRD - Qualitative disclosures on the standardised approach

(a) Names of the external credit assessment institutions (“ECAIs”) and export credit agencies (“ECAs”)

The Group uses Standard & Poor’s and Moody’s as its designated ECAIs, with no changes made during the disclosure period. The Group has not utilised ECAs.

(b) The exposure classes for which each ECAI or ECA is used

ECAI ratings are used for central governments and central banks, multilateral development banks, institutions, covered bonds, securitisation and corporate exposures.

(c) The process used to transfer the issuer and issue credit ratings onto comparable asset items not included in the trading book

The Group does not have a trading book; therefore, this requirement is not applicable. The narrative in points (a) and (b) relates to non-trading book items.

(d) The association of the external rating of each nominated ECAI or ECA with the risk weights that correspond with the credit quality steps

Credit ratings provided by the ECAIs are mapped to the corresponding credit quality steps in the UK CRR using the PRA’s prescribed mapping methodology.

UK CR4 – Standardised approach - Credit risk exposure and CRM effects

Group	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWEAs	RWEAs density (%)
£m		a	b	c	d	e	f
1	Central governments or central banks	3,090.3	-	3,419.1	-	-	—%
2	Regional government or local authorities	71.3	-	21.4	-	4.4	21%
3	Public sector entities	86.5	-	43.5	-	8.9	20%
4	Multilateral development banks	244.5	-	244.5	-	-	—%
5	International organisations	-	-	-	-	-	—%
6	Institutions	444.3	-	214.3	-	42.9	20%

7	Corporates	1,214.1	132.9	1,211.0	21.4	1,087.7	88%
8	Retail	5,497.1	186.8	5,494.6	4.4	3,946.0	72%
9	Secured by mortgages on immovable property	11,101.8	579.5	11,101.8	121.7	4,402.7	39%
10	Exposures in default	440.4	1.6	440.0	0.2	468.3	106%
11	Exposures associated with particularly high risk	219.8	45.7	219.8	18.0	356.8	150%
12	Covered bonds	207.2	-	207.2	-	24.3	12%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	—%
14	Collective investment undertakings	-	-	-	-	-	—%
15	Equity	6.3	-	6.3	-	15.7	249%
16	Other items	403.7	-	403.7	-	405.3	100%
17	**Total**	**23,027.2**	**946.5**	**23,027.2**	**165.7**	**10,763.0**	**46%**

Bank	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWEAs	RWEAs density (%)
£m		a	b	c	d	e	f
1	Central governments or central banks	3,090.3	-	3,419.1	-	-	—%
2	Regional government or local authorities	71.3	-	21.4	-	4.4	21%
3	Public sector entities	86.5	-	43.5	-	8.9	20%
4	Multilateral development banks	244.5	-	244.5	-	-	—%
5	International organisations	-	-	-	-	-	—%
6	Institutions	318.8	-	88.8	-	17.8	20%
7	Corporates	4,952.3	147.9	4,949.4	20.4	1,059.2	21%
8	Retail	1,308.3	166.1	1,305.8	0.3	841.1	64%
9	Secured by mortgages on immovable property	11,101.8	579.5	11,101.8	121.7	4,402.8	39%
10	Exposures in default	390.9	1.6	390.4	0.2	413.7	106%
11	Exposures associated with particularly high risk	219.8	45.7	219.8	18.0	356.8	150%
12	Covered bonds	207.2	-	207.2	-	24.3	12%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	—%
14	Collective investment undertakings	-	-	-	-	-	—%
15	Equity	-	-	-	-	-	—%
16	Other items	160.6	-	160.6	-	162.1	101%
17	**Total**	**22,152.3**	**940.8**	**22,152.3**	**160.6**	**7,291.1**	**33%**

UK CR5 – Standardised approach

Group		Risk weight																
£m	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250 %	Othe rs	Total	Of which unrated
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	3,419.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,419.1	3,419.1
2	Regional government or local authorities	-	-	-	-	20.9	-	0.5	-	-	-	-	-	-	-	-	21.4	-
3	Public sector entities	-	-	-	-	42.7	-	0.8	-	-	-	-	-	-	-	-	43.5	43.5
4	Multilateral development banks	244.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	244.5	244.5
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	214.3	-	-	-	-	-	-	-	-	-	-	214.3	-
7	Corporates	-	-	-	-	22.1	-	-	-	-	1,210.3	-	-	-	-	-	1,232.4	1,232.4
8	Retail exposures	-	-	-	-	-	-	-	-	5,491.2	7.8	-	-	-	-	-	5,499.0	5,499.0
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	10,236.2	-	-	-	987.3	-	-	-	-	-	11,223.5	11,223.5
10	Exposures in default	-	-	-	-	-	-	-	-	-	383.9	56.3	-	-	-	-	440.2	440.2
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	237.8	-	-	-	-	237.8	237.8
12	Covered bonds	-	-	-	171.3	35.9	-	-	-	-	-	-	-	-	-	-	207.2	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	6.3	-	-	-	6.3	6.3
16	Other items	-	-	-	-	-	-	-	-	-	402.7	-	1.0	-	-	-	403.7	403.7
17	**Total**	**3,663.6**	**-**	**-**	**171.3**	**335.9**	**10,236.2**	**1.3**	**-**	**5,491.2**	**2,992.0**	**294.1**	**7.3**	**-**	**-**	**-**	**23,192.9**	**22,750.0**

Bank		Risk weight															Total	Of which unrated
£m	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250 %	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	3,419.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,419.1	3,419.1
2	Regional government or local authorities	-	-	-	-	20.9	-	0.5	-	-	-	-	-	-	-	-	21.4	-
3	Public sector entities	-	-	-	-	42.7	-	0.8	-	-	-	-	-	-	-	-	43.5	43.5
4	Multilateral development banks	244.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	244.5	244.5
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	88.8	-	-	-	-	-	-	-	-	-	-	88.8	-
7	Corporates	3,765.3	-	-	-	30.3	-	-	-	-	1,174.2	-	-	-	-	-	4,969.8	4,969.8
8	Retail exposures	-	-	-	-	-	-	-	-	1,298.3	7.8	-	-	-	-	-	1,306.1	1,306.1
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	10,236.2	-	-	-	987.3	-	-	-	-	-	11,223.5	11,223.4
10	Exposures in default	-	-	-	-	-	-	-	-	-	344.5	46.1	-	-	-	-	390.6	390.5
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	237.8	-	-	-	-	237.8	237.9
12	Covered bonds	-	-	-	171.3	35.9	-	-	-	-	-	-	-	-	-	-	207.2	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-	-	-	159.6	-	1.0	-	-	-	160.6	160.6
17	**Total**	**7,428.9**	**-**	**-**	**171.3**	**218.6**	**10,236.2**	**1.3**	**-**	**1,298.3**	**2,673.4**	**283.9**	**1.0**	**-**	**-**	**-**	**22,312.9**	**21,995.4**

Exposures to counterparty credit risk

UK CCRA - Qualitative disclosure on CCR

(a) Methodology used to assign internal capital and credit limits for counterparty credit exposures

Counterparty credit risk ("CCR") represents the risk of loss arising from a counterparty's failure to meet its contractual obligations prior to the final settlement of cash flows. The Group's CCR exposures arise primarily through holdings of debt securities, the use of derivative instruments for hedging purposes, and the placement of cash balances and collateral with financial institutions and corporate counterparties as part of its treasury management activities. In addition, the Group maintains the majority of its liquidity in sterling-denominated balances held with the Bank of England and a limited range of externally rated, high credit quality liquid assets.

Treasury investment activity is restricted to high-quality liquid assets and other low credit risk instruments, with wholesale counterparty credit limits set to support prudent balance sheet management, maintain liquidity and funding flexibility, and ensure exposures remain in line with the Group's risk appetite and internal credit risk policies.

The credit exposure of cash and debt securities is determined using fair values in accordance with applicable accounting valuation methodologies. Fair values are either defined by market values when there is a liquid market, or by the average values of counterparty prices (excluding outliers) when the market is less liquid. Exposures to derivative counterparties are calculated using the standardised approach for Counterparty Credit Risk ("SA-CCR"), including exposures to CCPs. The majority of derivatives are cleared through CCPs, namely London Clearing House Limited ("LCH Limited").

Under SA-CCR, both fair value and collateral are considered in the calculation of replacement cost. The resulting exposure value is multiplied by a counterparty risk weight based on its external credit assessment (Section 11.1, UK CRD) to determine the total risk-weighted exposure amount ("RWEA"), which drives the capital requirement for CCR.

The large exposures regime, as implemented in the UK under PRA rules aligned with Basel III, limits concentration risk by capping exposures to a single counterparty or group of connected clients at 25% of eligible capital (Tier 1). This requires the Group to identify and aggregate connected counterparties, including both on- and off-balance sheet exposures, monitor concentrations, and report positions against regulatory thresholds as part of the Common Reporting framework ("COREP") on a quarterly basis. Concentration risk is managed through maintaining a diversified counterparty base, with single-name exposures aggregated across the Group to support effective limit management and provide an adequate buffer to regulatory limits.

Credit risk limits are determined based on a combination of factors, including the counterparty's credit rating and balance sheet strength. Limits are reviewed at least annually, with changes in credit ratings or outlook monitored on an ongoing basis through formal governance and oversight processes. Minimum credit rating requirements apply to wholesale counterparty exposures.

In relation to Article 439(a), the Group does not allocate internal capital separately to counterparty credit risk exposures; therefore, the methodology for assigning internal capital is not applicable.

(b) Policies related to guarantees and other credit risk mitigants

The Group uses derivatives to reduce exposure to market risk, which creates counterparty credit risk. These instruments are transacted with institutions which meet minimum credit rating criteria and are subject to collateral provisions under market standard documentation.

The majority of new derivatives are centrally cleared through LCH Limited, with the Group posting initial and variation margin. Uncleared derivatives, primarily linked to securitisation transactions, are documented under ISDA Master Agreements and supported by credit support annexes ("CSAs") to mitigate counterparty credit risk.

Collateralisation reduces exposure by limiting losses to the net market value of the derivative less collateral held, subject to thresholds and minimum transfer amounts. In certain structured transactions, collateral is required only where counterparties fail to meet minimum credit rating criteria.

Derivative positions and collateral are valued daily and reconciled with counterparties for settlement purposes. Eligible collateral under market-standard CSAs includes GBP cash and UK government securities (gilts).

The Group does not use guarantees as a credit risk mitigation technique.

(c) Description of policies with respect to wrong-way risk

"Wrong-way risk" is defined by CRR Article 291 and may occur when:

(a) the likelihood of default by a counterparty is positively correlated with general market risk factors; or

(b) future exposure to a specific counterparty is positively correlated with the counterparty's probability of default.

The structure of the relationships with the Group's counterparties does not generate material wrong-way risk.

(d) Any other risk management objectives and relevant policies related to CCR

The Group enters into repurchase agreements under the terms of the Global Master Repurchase Agreement with its counterparties. These transactions demonstrate the Group's ability to raise additional funding or monetise the liquid asset buffer.

(e) The amount of collateral the Group would have to provide if its credit rating was downgraded

The Group would not be subject to any additional collateral requirements following a downgrade of its credit rating.

UK CCR1 – Analysis of CCR exposure by approach

Group		a	b	c	d	e	f	g	h
£m		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
UK 1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK 2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	26.4	30.6		1.4	248.9	79.8	79.8	10.2
4	Financial collateral comprehensive method (for SFTs)					525.0	92.8	92.8	-
6	**Total**					**773.9**	**172.6**	**172.6**	**10.2**

Bank		a	b	c	d	e	f	g	h
£m		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
UK 1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK 2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	21.2	27.9		1.4	233.3	68.8	68.8	4.7
4	Financial collateral comprehensive method (for SFTs)					525.0	92.8	92.8	-
6	**Total**					**758.3**	**161.6**	**161.6**	**4.7**

UK CCR2 – Transactions subject to own funds requirements for CVA risk

		Group		Bank	
		a	b	a	b
£m		Exposure value	RWEA	Exposure value	RWEA
4	Transactions subject to the Standardised method	15.5	7.6	4.5	2.8
5	Total transactions subject to own funds requirements for CVA risk	15.5	7.6	4.5	2.8

UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Template CCR3 is applicable to large institutions only. The Group does not qualify as large; therefore, this template has not been presented.

UK CCR4 – IRB approach – CCR exposures by exposure class and PD scale

Template CCR4 applies to institutions that calculate their risk-weighted exposure amounts under the IRB approach. The Group does not use the IRB approach; therefore, this template has not been presented.

UK CCR5 – Composition of collateral for CCR exposures

Template CCR5 is applicable to large institutions only. The Group does not qualify as large; therefore, this template has not been presented.

UK CCR6 – Credit derivatives exposures

The Group does not use credit derivatives to mitigate credit risk; therefore, this template has not been presented.

UK CCR7 – RWEA flow statements of CCR exposures under the IMM

The Group does not use the internal model method ("IMM") for CCR exposures; therefore, this template has not been presented.

UK CCR8 – Exposures to CCPs

Group		a	b
£m		Exposure value	RWEA
1	Exposures to QCCPs (total)		2.6
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	64.3	2.6
3	(i) OTC derivatives	64.3	2.6
7	Segregated initial margin	100.5	

Bank		a	b
£m		Exposure value	RWEA
1	Exposures to QCCPs (total)		2.6
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	64.3	2.6
3	(i) OTC derivatives	64.3	2.6
7	Segregated initial margin	100.5	

Exposures to securitisation positions

UK SECA - Qualitative disclosures on securitisation exposures

(a) Description of securitisation and re-securitisation activities

Aldermore Group engages in securitisation activities as both an originator and an investor. The Group does not engage in re-securitisation activity and had no re-securitisation exposures during the reporting period. The Group also does not undertake synthetic securitisation transactions or significant risk transfer (“SRT”) transactions. The Group uses securitisation primarily as a means of funding diversification and balance sheet funding optimisation.

The Group’s originated securitisation activity comprises the Oak No.4 PLC and Oak No.5 PLC residential mortgage-backed public securitisations (“RMBS”), together with the MotoMore Limited motor finance loan-backed private warehouse facility. These transactions are traditional securitisations and are designated as Simple, Transparent and Standardised (“STS”) securitisations in accordance with the applicable UK securitisation framework. Securitisation programmes are governed and overseen by the Treasury and Risk functions to ensure ongoing alignment with the Group's funding strategy and risk appetite. All new issuances require approval from both ALCO and the Board.

For regulatory capital purposes, the securitisation transactions where the Group acts as originator do not meet the threshold for significant risk transfer. Accordingly, RWEAs continue to be calculated on the underlying assets under the applicable credit risk framework rather than under the securitisation framework.

In addition to its originated transactions, the Group also holds asset-backed securities (“ABS”) in an investor capacity. These investments form part of a diversified HQLA portfolio to support liquidity management and regulatory liquidity requirements, and are made for liquidity and balance sheet management purposes. Eligible holdings are restricted to high-credit-quality, liquid securities (in each case being CQS 1 with a minimum ECAI rating of AAA) and are subject to defined risk appetite limits, concentration thresholds, and regulatory eligibility criteria. Securitisation positions are overseen and routinely monitored by Treasury, Credit and Risk functions, with periodic reporting to senior management committees ensuring that exposures remain aligned with the Bank's liquidity strategy and risk appetite. They are also subject to annual stress testing through the ICAAP to determine Pillar 2A and Pillar 2B requirements.

(b) The type of risk the Group is exposed to in securitisation and re-securitisation activities

i) risk retained in own-originated transactions.

The Group’s own-originated securitisation transactions do not give rise to risk beyond that inherent in the underlying assets.

ii) risk incurred in relation to transactions originated by third parties

All ABS investments are held in the senior (AAA-rated) tranches of prime UK RMBS securitisations from established programmes. These exposures are GBP denominated, floating rate instruments that comply with the STS criteria. All ABS investments must meet the constraints and governance processes set out in the Group's internal policies.

(c) Approaches to calculating the risk-weighted exposure amounts

For transactions originated by the Group, substantially all credit risks and rewards associated with the securitised exposures are retained. As a result, these exposures continue to be recognised within loans and advances to customers on the Group's consolidated balance sheet. The risk-weighted exposure amounts for the underlying assets are calculated under the applicable credit risk framework rather than under the securitisation framework.

For ABS, the Group reports the full outstanding amount at the reporting date for all securitisation exposures, regardless of who holds the positions. This includes:

- On-balance sheet exposures (e.g. bonds, subordinated loans).
- Off-balance sheet exposures and derivatives (e.g. credit lines, liquidity facilities, interest rate swaps).

(d) A list of securitisation special purpose entities ('SSPEs') related to the Group

(i) SSPEs which acquire exposures originated by the Group

The Group maintains three SSPEs: MotoMore Limited, Oak No.4 PLC and Oak No.5 PLC. The underlying assets within these SSPEs were originated by Group entities, specifically MotoNovo Finance Limited and Aldermore Bank PLC. For regulatory reporting purposes, all three SSPEs are included within the Group's prudential scope of consolidation.

(ii) SSPEs sponsored by the Group

The Group does not act as sponsor in any securitisation transaction.

(iii) SSPEs and other legal entities for which the Group provides securitisation-related services

The Group provides securitisation-related services to the SSPEs associated with the Oak No.4 PLC and Oak No.5 PLC residential mortgage-backed securitisations and the MotoMore motor finance warehouse facility.

Aldermore Bank PLC provides cash management and servicing activities in relation to Oak No.4 PLC and Oak No.5 PLC securitisations, and MotoNovo Finance Limited provides servicing in relation to the MotoMore motor finance warehouse facility.

(iv) SSPEs included in the Group's regulatory scope of consolidation

The Group includes three SSPEs within its regulatory scope of consolidation: MotoMore Limited, Oak No.4 PLC and Oak No.5 PLC.

(e) Legal entities that the Group has disclosed that it has provided support in accordance with Chapter 5 of Title II of Part Three

There are no legal entities outside of the Group where the Group has disclosed that it has provided support in accordance with Chapter 5 of Title II of Part Three.

(f) A list of legal entities affiliated with the Group that invest in securitisations originated by the Group

There are no other legal entities affiliated with the Group that invest in securitisation positions issued by the Group or SSPEs sponsored by the Group.

(g) A summary of the Group's accounting policies for securitisation activity

The Group has securitised certain loans and advances to customers through the transfer of the beneficial interest in such loans to securitisation vehicles. The securitisation vehicles are consolidated into the Group's accounts as the Group meets the relevant criteria for control.

The transfer of the beneficial interest in these loans to the securitisation vehicles does not result in derecognition under the relevant accounting requirements. The Group continues to recognise the underlying loans and advances on its Statement of Financial Position as it retains substantially all of the risks and rewards of ownership.

(h) The names of the ECAIs used for securitisations and the types of exposure for which each agency is used

The Group uses the following ECAIs to obtain external credit ratings on its securitisations: Standard & Poor's and Moody's.

(i) A description of any Internal Assessment Approach used

Not applicable, as the Group has not adopted the internal assessment approach and has no securitisation exposures to which it would apply.

UK-SEC1 - Securitisation exposures in the non-trading book

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Group		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS												
£m			of which SRT		of which SRT		of which SRT		STS	Non-STS			STS	Non-STS		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	225.1	-	-	225.1
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	225.1	-	-	225.1
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	225.1	-	-	225.1
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Bank		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS												
£m			of which SRT		of which SRT		of which SRT		STS	Non-STS			STS	Non-STS		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	225.1	-	-	225.1
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	225.1	-	-	225.1
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	225.1	-	-	225.1
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

UK-SEC2 - Securitisation exposures in the trading book

The Group does not have a trading book; therefore, this template has not been presented.

UK-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

The Group does not have any exposures when acting as originator; therefore, this template has not been presented.

UK-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

Group		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/ deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
£m		≤20% RW	>20 % to 50% RW	>50 % to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
1	Total exposures	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
2	Traditional securitisation	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
3	Securitisation	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
4	Retail underlying	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
5	Of which STS	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Bank		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/ deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
£m		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% / deductions
1	Total exposures	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
2	Traditional securitisation	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
3	Securitisation	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
4	Retail underlying	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
5	Of which STS	225.1	-	-	-	-	-	225.1	-	-	-	22.5	-	-	-	1.8	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

UK-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

The Group does not have any exposures when acting as originator; therefore, this template has not been presented.

Exposures to interest rate risk on positions not held in the trading book

UK IRRBBA - IRRBB risk management objectives and policies

(a) A description of how the Group defines, measures, mitigates and controls IRRBB for the purposes of risk control and measurement

Interest Rate Risk in the Banking Book ("IRRBB") is defined as the risk to the Group's capital and earnings arising from adverse movements in interest rates affecting positions held in the Banking Book. The Group does not operate a trading book and does not seek to generate profits from movements in interest rates. All interest rate risk therefore arises within the Banking Book and is managed conservatively in line with the Board-approved risk appetite.

The Group's IRRBB exposure primarily arises from:

- Repricing (gap) risk, reflecting mismatches in the timing of interest rate resets across assets, liabilities and off-balance sheet items under both parallel and non-parallel yield curve movements;
- Basis risk, arising from imperfect correlation between different reference interest rates applied to products with otherwise similar repricing characteristics; and
- Optionality risk, resulting from behavioural options granted to customers, particularly loan prepayment risk and pipeline risk, where customers may choose not to draw down or may refinance when it is economically advantageous for them to do so.

The Group measures IRRBB using a combination of economic value-based and earnings-based metrics, including PV01, Economic Value of Equity ("EVE") sensitivity and Net Interest Income ("NII") sensitivity. These measures capture exposure to the key IRRBB risk drivers and provide insight into both short-term earnings volatility and longer-term economic value impacts. All IRRBB measures are assessed against Board-approved risk appetite limits and form an integral part of day-to-day balance sheet management.

IRRBB is mitigated primarily through natural balance sheet offsets and, where appropriate, through the use of derivative financial instruments such as interest rate swaps. Hedging activity is undertaken solely for risk management purposes, within clearly defined governance arrangements and limits, and is not conducted for trading or speculative purposes.

A comprehensive governance framework supports the control of IRRBB. This includes clearly defined roles and responsibilities across the three lines of defence, regular monitoring and reporting to the ALCO, BRC and the Board, independent oversight by the second-line Risk function, and independent assurance provided by Internal Audit. IRRBB exposures, limits and key modelling assumptions are reviewed regularly to ensure they remain appropriate given the Group's business model, balance sheet profile and prevailing market conditions.

IRRBB is managed centrally by Group Treasury. The Group's CLMRMF sets out the governance principles and guidelines to assess, measure, monitor and report on these core Treasury risks across the Group. The Market Risk Policy is owned by Treasury and operates under the CLMRMF. It details the expectations in support of the IRRBB risk appetite, including risk identification and assessment, roles and responsibilities, risk limits, monitoring and reporting.

(b) A description of the Group's overall IRRBB management and mitigation strategies

IRRBB is managed centrally by Group Treasury within a Board-approved risk appetite and governance framework.

IRRBB is managed and mitigated through a combination of:

- Netting and offsetting of asset and liability exposures where practicable;
- The use of plain-vanilla interest rate swaps to manage residual repricing risk;
- Hedging of pipeline exposures to mitigate interest rate movements between product offer and completion;
- Structural hedging of reserves to stabilise earnings over the interest rate cycle; and
- Product design features, including early repayment charges, to mitigate behavioural optionality risk.

(c) The periodicity of the calculation of the Group's IRRBB measures, and a description of the specific risk measures that the institution uses to gauge its sensitivity to IRRBB

IRRBB metrics are calculated at a frequency proportionate to the nature and materiality of the exposure and are reported regularly to ALCO, the BRC and the Board.

- PV01 is calculated and monitored daily and measures the sensitivity of economic value to a one basis point increase in interest rates. Sensitivities to both parallel and non-parallel yield curve movements are monitored to capture duration and curve risk.
- EVE sensitivity is calculated at least monthly through the Supervisory Outlier Test ("SOT"), applying the six PRA-prescribed standard interest rate shock scenarios. Optionality risk arising from prepayments and pipeline behaviour is incorporated within the EVE measure.
- NII sensitivity is calculated monthly by assessing the impact of a ±100 basis point parallel interest rate shock over a 12-month horizon.

In addition, specific early warning indicators, including those relating to basis risk, are monitored daily and monthly. Together, these metrics provide a comprehensive view of the Group's exposure to IRRBB across both earnings volatility and longer-term economic value dimensions.

(d) A description of the interest rate shock and stress scenarios that the Group uses to estimate changes in its economic value and in earnings

NII sensitivity is assessed using a ±100 basis point parallel interest rate shock applied to a constant balance sheet, with prepayment behaviour modelled to be sensitive to the direction of the interest rate movement.

EVE sensitivity is assessed using the six PRA-prescribed Supervisory Outlier Test shock scenarios: parallel up, parallel down, short-rate up, short-rate down, steepener and flattener. In addition to these regulatory scenarios, the Group also monitors EVE sensitivity to a ±100 basis point shock for internal risk management purposes. Prepayment assumptions within the EVE framework are directionally sensitive to changes in interest rates.

(e) A high-level description of key modelling and parametric assumptions used in calculating change in economic value of equity (ΔEVE) and change in net interest income (ΔNII) in Template UK IRRBB1, which includes:

EVE

Key assumptions applied in the calculation of EVE include:

- The balance sheet is modelled on a run-off basis;
- Equity is excluded from the calculation;
- The duration of equity which determines the shape of the equity structural hedge;
- Behavioural assumptions are applied to model prepayment risk and pipeline risk, using scalar adjustments to expected run-off and conversion profiles;
- Cash flows are discounted using risk-free interest rate curves; and
- Non-maturing deposits ("NMDs") are assumed to reprice overnight for disclosure purposes.

NII

Key assumptions applied in the calculation of NII include:

- Instantaneous parallel interest rate shocks are applied;
- A static balance sheet is assumed over a one-year horizon, with maturing positions reinvested into like-for-like products;
- No change in front book margins is assumed;
- Appropriate repricing lags are applied to administered savings products;
- Changes in interest rates are assumed to be fully passed through to retail products, including managed variable rate products; and
- No management actions are assumed in response to changes in interest rates.

(f) A description of significant modelling assumptions used in the Group's internal measurement systems ("IMS")

Modelling assumptions are applied consistently across internal and regulatory assessments. The nature of any differences in the internal and regulatory assessment results is well understood.

(g) A high-level description of how the Group hedges its IRRBB, as well as the associated accounting treatment

IRRBB is managed primarily through the matching of assets and liabilities with similar repricing characteristics. Any residual interest rate risk is managed using interest rate swaps.

The Group applies fair value hedge accounting where appropriate to reflect the economic substance of interest rate swaps used to hedge IRRBB exposures. Further details on the accounting treatment for hedge accounting can be found within the Material accounting policies section of the Group's Annual Report and Accounts.

(h) Other qualitative information

The EVE sensitivity has increased year-on-year, primarily reflecting an increase in the size of the Group's equity structural hedge. The target duration of this portfolio is set by the BRC, balancing the stabilisation of earnings against the generation of additional economic value sensitivity.

The NII sensitivity has decreased year-on-year, primarily reflecting changes in balance sheet composition and hedging activity.

(i) Average repricing maturity assigned to non-maturing deposits ('NMDs')

The average repricing maturity assigned to NMDs is 1 day.

(j) Longest repricing maturity assigned to NMDs

The longest repricing maturity assigned to NMDs is 1 day.

UK IRRBB1 - Quantitative information on IRRBB

Table IRRBB1 is presented on a Group basis only, in line with how Group Treasury manages IRRBB.

Group		a	b	c	d	e	f
£m		ΔEVE		ΔNII		Tier 1 capital	
		30-Jun-26	30-Jun-25	30-Jun-26	30-Jun-25	30-Jun-26	30-Jun-25
10	Parallel shock up	(117.7)	(83.9)	19.9	23.0		
20	Parallel shock down	78.6	40.1	(29.0)	(32.2)		
30	Steepener shock	(3.5)	(2.7)				
40	Flattener shock	(12.5)	(7.7)				
50	Short rates shock up	(56.2)	(39.8)				
60	Short rates shock down	36.8	20.2				
70	Maximum	(117.7)	(83.9)	(29.0)	(32.2)		
80	Tier 1 capital					1,782.5	1,755.3

Standardised approach and internal model approach for market risk

UK MRA - Qualitative market risk disclosures

(a) Strategies and processes to monitor, manage, control and hedge market risk

The Group does not undertake trading activities and does not have a trading book. Market risk arises from movements in interest rates, foreign exchange rates and credit spreads affecting banking book positions. The Group maintains a low and prudently controlled level of interest rate and currency risk which only arises as a result of core business and related hedging activities in the banking book, avoiding excessive earnings or accounting volatility whilst supporting operational efficiency.

The Group identifies and measures IRRBB using a combination of value-based and earnings-based risk measures, supplemented by stress testing and scenario analysis. These measures are designed to capture exposure to key IRRBB risk drivers, including gap risk, basis risk and optionality risk, and to assess both short-term earnings sensitivity and longer-term economic value impacts.

IRRBB is mitigated primarily by internal netting of assets and liabilities of similar risk characteristics, product design, and, where appropriate, the use of interest rate derivatives. Hedging activity is undertaken solely for risk management purposes, within defined governance arrangements and risk appetite limits, and is not conducted for trading or speculative purposes. Structural interest rate risk, including that arising from reserves, is managed in accordance with approved internal policies.

Foreign Exchange Risk ("FX Risk") refers to the risk of losses arising from movements in foreign exchange rates. The Group is not exposed to significant FX Risk. Gross and net FX exposures are monitored daily via metrics under the Risk Appetite Framework. Exposures are managed in accordance with approved internal policies and where appropriate, the use of foreign exchange derivatives.

Credit Spread Risk in the Banking Book ("CSRBB") refers to the risk of losses arising from the market perception about the price of credit risk, liquidity premium and potentially other components of credit risk bearing instruments, which is not explained by IRRBB or expected credit default risk. CSRBB arises primarily in the portfolio of HQLA held for liquidity risk management purposes. This risk is mitigated through concentration risk limits by asset class and time to maturity, to manage potential exposure. Treasury measures CSRBB using a VaR methodology to consider relative movements in the value of securities over a suitable time horizon. Pillar 2A capital is held for CSRBB as determined through the ICAAP.

The control of market risk is supported by a comprehensive governance framework comprising clearly defined roles and responsibilities, regular reporting to ALCO, BRC and the Board, independent second-line Risk oversight, and independent assurance by Internal Audit. Market risk exposures, limits and key assumptions are reviewed regularly to ensure they remain appropriate to the Group's business model, balance sheet profile and prevailing market conditions.

Market risk is managed centrally by Group Treasury. The Group's CLMRMF sets out the governance principles and guidelines to assess, measure, monitor and report on these core Treasury risks across the Group. The Market Risk Policy is owned by Treasury and operates under the CLMRMF. It details the expectations in support of the IRRBB risk appetite.

(b) Structure and organisation of the market risk management function

Market risk management operates within the Group's three lines of defence model described in the Risk management section of this report.

Treasury is responsible for day-to-day market risk management, Treasury Risk provides independent oversight and challenge, and Internal Audit provides independent assurance.

(c) Scope and nature of market risk reporting and measurement systems

Aldermore Group operates a comprehensive suite of market risk measurement, monitoring and reporting systems designed to identify, assess and manage market risks across the Group.

Market risk reporting is produced at frequencies appropriate to the nature of each metric, ranging from daily monitoring to monthly and quarterly reporting to senior management committees, BRC and the Board. Reporting comprises both quantitative metrics and qualitative commentary, to support effective oversight, escalation and decision-making. Market risk measurement and reporting systems are subject to ongoing governance, review and challenge to ensure data quality, consistency and continued relevance.

■ UK MR1 – Market risk under the standardised approach

Not applicable - The Group is not required to calculate an exposure amount for market risk under the standardised approach.

■ UK MRB – Qualitative disclosure requirements for institutions using internal market risk models

Not applicable - The Group does not utilise an internal market risk model for market risk.

■ UK MR2-A – Market risk under the internal model approach (“IMA”)

Not applicable - The Group does not apply an internal model approach for market risk.

■ UK MR2-B – RWEA flow statements of market risk exposures under the IMA

Not applicable - The Group does not use an internal model approach for market risk.

■ UK MR3 – IMA values for trading portfolios

Not applicable - The Group does not maintain any trading portfolios.

■ UK MR4 – Comparison of VaR estimates with gains/losses

Not applicable - The Group does not use an internal model approach for market risk.

Operational risk

UK ORA - Qualitative operational risk disclosures

(a) Risk management objectives and policies

Strategies and processes

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. This risk is inherent to all business activities and cannot be eliminated entirely. The Group's ORMF sets out minimum requirements for managing operational risks, aligned with the Group's risk appetite as set by the Board of Directors.

Operational risk is a key element within the GRMF, providing valuable insight into risks within the operations to customers, people, reputation, regulatory standing and financial performance. The ORMF sets out in full the responsibilities of each line of defence within the business in respect of managing operational risk. There are supporting standards to the ORMF with key focus areas, such as for risk event management, issues management and control testing.

Operational risk is considered a principal risk to the Group, and is further broken down into subcategories (Level 1 risks) to enable more granular assessment, monitoring and reporting activity.

Operational Risk - Level 1 Risk	Risk Description
Business Continuity & Resilience	Lack of continuity and/or resiliency of critical business processes as a result of a man-made or natural disaster which includes IT system recovery capability and lack of business continuity arrangements.
Change & Delivery	Inability to execute business process change effectively resulting in non-delivery of the business requirements.
Financial Reporting	The risk of loss due to a failure of, or inaccuracies in, financial reporting.
Tax	The risk of loss due to a failure of, or inaccuracies in, tax positions.
Regulatory Reporting	The risk of loss or damage to the company's reputation due to incorrect, untimely or missed prudential or non-prudential regulatory reporting.
Cyber	The risk of inadvertent or malicious processing/disclosure/loss/amendment/corruption, or unavailability, of confidential customer, business or employee data. This includes threats arising from cyber-attacks and failure to implement/follow security and data management processes in line with agreed policies and standards.
Technology	The risk of losses due to failure of integrity, performance and/or availability of the IT infrastructure, databases and critical systems.
Legal	The risk of losses, penalties, reputational damage or restrictions on trade arising from unenforceable legal instruments (e.g. contracts) or failing to interpret, implement or comply with relevant legislation or case law within the Group.
People	Risk of non-compliance with UK employment legislation and ethical standards, inadequately resourcing the organisation in terms of capacity and capabilities, and failing to foster and embed a culture that enhances employee engagement and retention. This includes risks related to organisational development not being effectively aligned to deliver the business strategy, potentially impacting the Group's ability to maintain a motivated and productive workforce.
Processing & Payments	The risk of failed, inaccurate and/or untimely execution of processes relating to customers and products and/or payment instructions.
Third Party Management	The risk of loss arising from failing to successfully onboard, set up and manage third parties or intercompany arrangements and/or meeting agreed target levels.
Data	Data risk is the risk of poor data quality, inadequate frameworks and governance, and poor data architecture.

These Level 1 risks are subject to a Risk Profile and Risk Management Effectiveness Assessment, as detailed in the Risk management section of this disclosure.

Each of these risks is further categorised into Level 2 risks, and subject to Risk and Control Self-Assessment.

Structure and organisation of the risk management function for operational risk

The Aldermore Group's approach to operational risk management is underpinned by a robust governance structure and a clearly defined organisational model. This ensures that operational risks are identified, assessed, managed, and reported in a manner that is consistent with regulatory expectations and industry best practice. The framework is designed to support the Group's strategic objectives, safeguard its reputation, and deliver positive outcomes for customers and stakeholders.

Three lines of defence Model

The Group employs a formal three lines of defence model, which establishes clear accountability and segregation of duties across the organisation. This has been set out in the Risk management section of this report.

Governance committees and forums

Oversight of operational risk management is further reinforced by a suite of governance committees and forums including the BRC, ERC, NFRC and Business Risk Forums. The roles and responsibilities of these committees and forums are set out in the Risk management section of this report. Operational risk matters are reviewed regularly to ensure exposures remain within the Board approved risk appetite.

Roles and responsibilities

Chief Risk Officer ("CRO")	The CRO is the Senior Management Function ("SMF") accountable for the creation, maintenance, and implementation of the ORMF. The CRO ensures the framework is embedded across the Group and that risk appetite metrics are established and monitored.
Risk Owners	Risk owners are responsible for ensuring that operational risks are identified, assessed, and managed within their areas of responsibility. They are also accountable for implementing changes arising from regulatory developments and for maintaining effective controls.
Business Unit and Functional Managing Directors	These individuals are responsible for managing risks within their respective areas, ensuring that controls are implemented and operated effectively, and that risks are managed within the Group's risk appetite.

Operational risk management processes

The Group's operational risk management processes are comprehensive and standardised, encompassing:

- Continuous identification and assessment of operational risks, with clear ownership and impact assessment.
- A structured Risk and Control Self-Assessment ("RCSA") process to identify, assess, and mitigate risks, and to evaluate the effectiveness of controls at the point of risk occurrence.
- Controls are defined, implemented, and tested in accordance with relevant policies, with key controls maintained in the Group's Governance, Risk and Compliance ("GRC") system.
- Issue and Action Management is standardised across the Group, with deficiencies or gaps in controls identified, recorded, and remediated through structured action plans.
- Monitoring and Reporting: Ongoing monitoring of risk levels, with outcomes reported to relevant forums and escalated as appropriate.
- Assurance: Independent assessment by the second line and Internal Audit to ensure that risks are managed effectively and in accordance with the ORMF.

Measurement and reporting

Operational risk is measured and monitored through a combination of risk and control assessments, scenario analysis, loss event data, key risk indicators and management reporting. The outputs from these processes support the assessment of operational risk exposures, inform risk appetite monitoring and contribute to the Group's ICAAP. Further information on the ICAAP is provided in the UK OVC section of this report.

Hedging and mitigating operational risk

Risk management within the Group is underpinned by a continued focus on strengthening the organisation's capability to identify, manage and mitigate risk. This includes the ongoing development of proportionate processes, supporting systems, and the skills and experience of colleagues to ensure risks are managed consistently and effectively across the Group.

In pursuing its strategic objectives, the Group operates with a defined tolerance for operational risk, recognising that a degree of exposure is inherent in its business activities. Such exposure is managed within Board-approved appetite and limits. Where operational risks result in material residual exposure, the Group expects these to be addressed through appropriate and timely mitigating actions, or, where further mitigation is not feasible, through formal escalation and risk acceptance in line with established governance.

Consistent with a prudent and conservative approach to risk management, controls are implemented with the aim of reducing the impact and/or likelihood of severe operational risk events should they occur. In addition, the Group monitors operational risk outcomes and loss experience, using this insight to inform decision-making and to constrain overall risk exposure over time.

UK OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

Group		a	b	c	d	e
£m	Banking activities	Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	664.2	585.8	600.4	92.5	1,156.5

Bank		a	b	c	d	e
£m	Banking activities	Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	476.2	462.8	473.4	70.6	882.6

Encumbered and unencumbered assets

UK AE4 - Quantitative disclosure on asset encumbrance

In line with the regulatory definition, asset encumbrance occurs when an asset is pledged or is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn. Assets pledged that are subject to any restrictions in withdrawal, for instance assets that require prior approval before withdrawal or replacement by other assets, shall be considered encumbered.

Tables AE1, AE2 and AE3 are presented on a Group consolidated basis, as well as on an Aldermore Bank basis. These templates use accounting values, and reflect the median of the four quarterly end-of-period values over the previous 12 months.

The Board is ultimately responsible for determining the overall risk appetite for the Group. The Liquidity and Funding Risk Policy details the expectations in support of the Board approved liquidity and funding risk appetite, including risk identification and assessment, roles and responsibilities, risk limits, monitoring and reporting. Accordingly, the level of asset encumbrance is managed in line with a risk appetite limit and trigger, and is monitored daily, with regular reporting to ALCO, the BRC and the Board.

The Group's funding and liquidity strategy is based on maintaining a prudent stock of HQLA, a diversified and stable funding base, and reliable access to contingent liquidity sources.

The Group's funding is primarily deposit-led, via Personal, SME, Corporate and Deposit Aggregator channels. This is supplemented by diversified wholesale funding, including securitisations, private warehouse arrangements and access to the Bank of England's Sterling Monetary Framework.

The mortgage-backed Oak public securitisation programmes and the auto-backed MotoMore private warehouse are collateralised by assets in line with the contractual arrangements of those transactions, including credit enhancement. The corresponding assets are disclosed as encumbered. Cash may also be held in bank accounts corresponding to the vehicles supporting these transactions, which gives rise to encumbrance.

The Group has issued notes via Oak where some rated notes are retained, in order to be used as security in other funding transactions. These notes are not shown as liabilities on the Group balance sheet; however, the underlying assets are disclosed as encumbered.

The Group regularly uses the ILTR and STR facilities via access to the BoE's Sterling Monetary Framework, as part of its day-to-day funding and liquidity management activities. Collateral supporting the use of these facilities includes mortgage lending assets and HQLA that are disclosed as encumbered.

The Group may also enter into repurchase agreements ("repos") as part of day-to-day liquidity management. Securities lent in such transactions are disclosed as encumbered.

Initial and variation margin paid in relation to derivative transactions gives rise to asset encumbrance.

In the normal course of business, the Group would only encumber lending assets, HQLA, and cash balances supporting the securitisation and private warehouse structures. Other assets reported in column 060 of template AE1 would typically not be deemed as available for encumbrance in the normal course of business.

UK AE1 - Encumbered and unencumbered assets

Group		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
£m		010	030	040	050	060	080	090	100
10	Assets of the reporting institution	2,935.9	354.3			19,527.9	3,837.8		
30	Equity instruments	-	-	-	-	-	-	-	-
40	Debt securities	354.3	354.3	359.1	359.1	2,246.9	2,246.9	2,246.9	2,246.9
50	of which: covered bonds	57.6	57.6	59.7	59.7	631.6	631.6	631.6	631.6
60	of which: securitisations	-	-	-	-	274.7	274.7	274.7	274.7
70	of which: issued by general governments	296.7	296.7	299.4	299.4	1,567.9	1,567.9	1,567.9	1,567.9
80	of which: issued by financial corporations	-	-	-	-	-	-	-	-
90	of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	2,667.8	-			17,374.5	1,543.0		

Bank		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
£m		010	030	040	050	060	080	090	100
10	Assets of the reporting institution	2,457.8	354.3			19,589.0	3,837.8		
30	Equity instruments	-	-	-	-	-	-	-	-
40	Debt securities	354.3	354.3	359.1	359.1	2,246.9	2,246.9	2,246.9	2,246.9
50	of which: covered bonds	57.6	57.6	59.7	59.7	537.1	537.1	537.1	537.1
60	of which: securitisations	-	-	-	-	274.7	274.7	274.7	274.7
70	of which: issued by general governments	296.7	296.7	299.4	299.4	1,567.9	1,567.9	1,567.9	1,567.9
80	of which: issued by financial corporations	-	-	-	-	-	-	-	-
90	of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	2,064.0	-			17,438.0	1,543.0		

UK AE2 - Collateral received and own debt securities issued

Group		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
£m		010	030	040	060
130	Collateral received by the reporting institution	-	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged			-	-
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**2,935.9**	**-**		

Bank		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
£m		010	030	040	060
130	Collateral received by the reporting institution	-	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-

241	Own covered bonds and asset-backed securities issued and not yet pledged			-	-
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**2,457.8**	**-**		

UK AE3 - Sources of encumbrance

Group		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
£m		**010**	**030**
10	Carrying amount of selected financial liabilities	1,719.9	2,840.2

Bank		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
£m		**010**	**030**
10	Carrying amount of selected financial liabilities	1,225.8	2,457.8

Remuneration

This section contains disclosures which are required in accordance with UK regulatory requirements and the Basel Committee on Banking Supervision Pillar 3 disclosure requirements. They also take into account the European Banking Authority ("EBA") guidelines on sound remuneration policies. This section should be read in conjunction with the Remuneration Committee Report starting on page 66 of the Group's 2026 Annual Report and Accounts.

UK REMA - Information relating to the bodies that oversee remuneration

Remuneration governance

The ultimate responsibility in remuneration matters is held by the Board. The Board delegates authority to the Remuneration Committee (the "Committee"), which is tasked with supporting the Board in all remuneration-related matters and operates under formal terms of reference that are reviewed by the Board on an annual basis. The Committee monitors implementation of the Remuneration Policy and reviews the content at least annually. Any changes to the Policy are approved by the Committee, with substantial changes also requiring Board approval. The governance and decision-making processes are designed to ensure an appropriate level of independent scrutiny of the application of the Remuneration Policy.

The Committee exercises oversight of remuneration for all staff with particular emphasis on those holding material risk taker ("MRT") roles. In addition to oversight from the Group's Remuneration Committee, all variable pay schemes are overseen by the Group's parent FirstRand Limited's Remuneration Committee.

The Committee consists of a majority of independent non-executive Directors, one of whom is the Chair of the Committee. To represent the Group's parent company, the FirstRand Group CFO (a shareholder appointed non-executive Director) is a member of the Committee. In accordance with the Committee's terms of reference (last reviewed and updated in October 2025), the Committee meets at least four times a year, although it can meet more frequently as required. For 2026, the number of meetings held by the Committee was seven over the course of the performance year.

Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the CEO, Chief People and Communications Officer, HR Director, CFO and CRO) are invited to attend meetings when appropriate or necessary but are excluded from discussions relating to their own remuneration arrangements. The Committee is supported by the CRO on risk-related matters including the design of performance-related pay structures (ensuring incentivisation does not encourage undue risk), assessment of specific performance measures, identification of MRTs, and wider discussions related to risk management.

The Committee may take external professional advice as appropriate. During this financial year, Deloitte LLP acted as the Committee's independent remuneration advisers, providing advice throughout the year relating to remuneration practices and trends in the wider market, as well as expert regulatory advice tailored to the Group's specific requirements.

The Committee also continued to measure and benchmark against comparative remuneration packages within the financial sector.

Remuneration Policy

The Remuneration Policy ("the Policy") applies to all colleagues (including employees and contractors) of the Group (including the Bank and MotoNovo Finance Limited). For the sake of clarity, the Policy does not include any other entities within the FirstRand Group which have their own remuneration policies.

Material risk takers

In accordance with regulatory requirements, the Group must maintain a record of its MRTs (being those staff whose professional activities have a material impact on the firm's risk profile) and take reasonable steps to ensure MRTs understand the implications of their status.

MRTs are identified in accordance with the criteria issued by the PRA, which include those staff whose activities have a material influence over the Group's performance or risk profile. These criteria are both qualitative (based on the nature of the role) and quantitative (based on the amount a colleague is paid). The qualitative criteria can be summarised as: staff within the management body; senior management; other staff with key functional or managerial responsibilities including for risk management; and staff who individually, or as part of a Committee, have authority to approve new business products or to commit to credit risk exposures and market risk transactions above certain levels. The quantitative criteria include individuals who are the highest earners in the Group.

During the year, the Group employed a total of 44 individuals who were classified as MRTs (FY25: 29 individuals). Of these, 20 individuals (FY25: 16 individuals) were categorised as senior management (being the Executive and Non-Executive Directors and members of the Executive Committee), as well as 24 individuals (FY25: 13 individuals) categorised as other MRTs or identified staff. These figures include colleagues who left the Group prior to the end of the year. The increase in the MRT population during the year was primarily driven by a higher number of Credit Risk employees meeting the regulatory criteria for classification as material risk takers.

The structure of remuneration and key features of the remuneration policy

The PRA and FCA have defined certain requirements relating to remuneration, referred to as the Remuneration Code ("the Code"). The Group is within the scope of the Code and as such, must establish, implement, and maintain remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management.

The Policy is designed to comply with the Code and the Group is committed to adherence to its practices and guidelines in respect of MRTs. The Group seeks to pay all of its staff competitively and fairly for the roles they undertake and applies similar principles for remuneration across the workforce (including MRTs) to those which apply to the Executive Directors.

The overall aim of the Policy is to attract, motivate and retain individuals of a high calibre who can deliver sustained performance consistent with the Group's strategic goals, appropriate risk management and to reward them for enhancing value. The Group's policies are based on key principles which reflect the Group's values and recognise the need to be competitive within the UK banking market.

The Group's pay philosophy is underpinned by the following key principles:

- Clear and simple: The Group's approach to pay and bonus is easy to understand and to explain to others.
- Fair: The Group is committed to ensuring that all employees receive equal pay for equal work.
- Consistent: Transparent frameworks are in place to support clear, objective, and consistent pay decisions across the organisation.
- Motivating: The Group's compensation approach drives and rewards high performance and the right behaviours, while fostering teamwork and collaboration across the organisation.
- Market competitive: The Group seeks to provide remuneration that is competitive within the market, while reflecting the organisation's size and brand.

There are three main elements of remuneration available to the Group's colleagues, including MRTs:

- Fixed pay (which includes base salary and market allowances);
- Variable awards (which include awards made under the Annual Incentive Plan ("AIP"), Sales Incentive Scheme (for front line colleagues who are responsible for driving revenue) and, in the case of Executive Committee members, Long-Term Incentive Plan ("LTIP")); and
- Benefits (which include a car allowance, pension, and insurance).

The AIP is a one-year scheme to motivate colleagues, including Executive Directors and other MRTs, during the period to which the performance relates. Dependent on role categorisation and remuneration value, a portion of the variable pay award is deferred to promote prudent risk-taking, aligned to the long-term interests of the Group. For MRTs, deferrals align to applicable remuneration regulations. At least half of the award for MRTs is delivered in instruments linked to the value of the FirstRand share price, with a one-year holding period post vesting for upfront instruments.

Executive Committee members and other senior colleagues (by exception) are eligible to receive awards under the LTIP. These are three-year performance-based awards designed to motivate and incentivise delivery of performance over the long term. Awards are granted to individuals based on prior year performance, with vesting then based on long-term measures and targets which are determined at the beginning of the performance period, together with risk and individual performance underpins. Awards are delivered in instruments linked to the value of FirstRand Limited's share price with additional deferral periods applied in line with regulatory requirements.

In practice, all key remuneration decisions are approved by relevant senior leaders and go through internal reward governance before implementation. The Group's Risk function provides input around risk measurement and performance. For MRTs, the remuneration decisions are reviewed and approved by the Committee. No individual in the Group is involved in determining their own compensation arrangements.

The Remuneration Policy is owned by the HR Director who presents it to the Committee for review should there be any material changes. The Policy is subject to a review at least annually. The Committee reviews and provides a recommendation to the Board for approval if there are material changes to the Policy.

Performance measurement and risk adjustment

All variable remuneration is linked to Group, team and individual performance. This means that performance is assessed against financial and non-financial criteria, taking into account not only the individual's performance but also the performance of the wider organisation. This helps align employees to strategic priorities and supports a collaborative culture. Performance measures are reviewed annually.

The Committee ensures performance measures reflect the Group's objectives and align with the Board's defined risk tolerances concerning risk appetite and management. The Committee collaborates closely with the Chair of the BRC and the CRO to ensure that variable remuneration is assessed holistically against all relevant factors, including effective risk management within the established risk appetite. This includes ensuring the reward structures are consistent with and promote sound and effective risk management and ensuring that the remuneration outcomes appropriately reflect the risk profile and behaviours of the Group as well as the individual.

In line with regulatory requirements, in determining variable pay outcomes, the Group will take into account:

- all types of current and future risks, and will consider the cost and quantity of the capital or liquidity required;
- consider the timing and likelihood of receiving future revenues incorporated into current earnings;
- the affordability of any incentive plans and the impact of payment on the soundness of the Group's capital base; and
- consider the risk performance of the firm during the year, including any crystallised risk events.

All variable remuneration is subject to ex-ante and ex-post risk adjustment as a collective adjustment and/or at an individual level.

Remuneration Committee review of the Remuneration Policy and overview of changes

The Committee monitors implementation of the Remuneration Policy and reviews the substance of it at least annually. The Policy was last reviewed in March 2026 and several updates were made throughout the year. Most of these updates were made in response to new regulatory rules announced in October 2025 and subsequent agreed changes in the Group's approach to remuneration to more closely align to those rules.

These included an update to the approach to deferrals for MRTs to broadly align to new regulatory minimum requirements, and an associated and proportionate update to the non-MRT deferral schedule that applies to all other colleagues. The Group also aligned to a new LTIP granting methodology and updated to a maximum variable to fixed pay ratio of 3:1 (albeit the Group continues to broadly operate on a 2:1 basis).

These updates support the pay principles by ensuring that the Group's approach to remuneration is clear, simple, easy to understand and explain, and promotes consistency in pay decisions.

Independence of control functions

The remuneration of employees engaged in control functions (Risk, Compliance and Internal Audit) is determined independently of the financial performance of the businesses they oversee, and is primarily based on priorities and objectives linked to their specific control areas. For LTIPs, eligible control function colleagues (typically restricted to the CRO) will participate in a restricted non-performance LTIP plan to ensure they are not incentivised based upon financial performance metrics, with awards typically set at a lower level than other non-control function participants.

Guaranteed variable remuneration and severance payments

Guaranteed variable awards are only permitted in exceptional circumstances (usually in the context of hiring) and are made in line with applicable regulatory requirements. Any severance payments made for a known leaver will consider any applicable contractual requirements, the Group's internal policies, regulatory requirements, and legal obligations as well as any reputational risk considerations.

Current and future risk consideration including an overview of the key risks, their measurement and how these measures affect remuneration

Performance-based remuneration is awarded by the Committee in a manner which promotes sound risk management (within the Group's stated risk appetite and ICAAP measures) and does not induce excessive risk taking. The Group's Remuneration Policy focuses on ensuring sound and effective risk management and good conduct through:

- Having a clear distinction and appropriate balance between fixed remuneration which reflects the role undertaken and variable remuneration which is directly linked to performance.
- A stringent governance structure for setting goals and communicating these to employees.
- Ensuring performance measures reflect the Group's objectives and align with the Board's defined risk tolerances concerning risk appetite and management.
- Adoption of a Balanced Scorecard approach to performance assessment that includes both financial and non-financial metrics, taking into account a range of factors, including those specifically targeted at effective risk management.
- Input from the CRO on the performance assessment metrics used for Executive Directors and other MRTs.

- Making all variable remuneration awards at the discretion of the Committee.
- Ensuring variable remuneration is able to be subject to ex-ante and ex-post risk adjustment as a collective adjustment and/or at an individual level, including through the application of malus and clawback.

As part of the year end process, to support the Committee's assessment of whether any significant risk matters should be considered for ex-ante and/or ex-post risk adjustment, the CRO provides the Committee with a report outlining:

- how has the business performed against specific risk conditions and whether specific risk conditions been met (for example, under Annual and Long-Term Incentive Plans);
- all elements of risk performance for the performance year, including commentary on overall performance against risk appetite for all identified risk types, financial and non-financial; and
- any significant risk events or conduct matters that warrant consideration for an assessment of risk adjustment (for example, notable regulatory events, audit findings or remediation activities).

Performance and/or risk adjustments can result in a reduction of up to 100% of the variable remuneration opportunity for the relevant period, and this can be applied on both a collective and individual basis.

Ratios between fixed and variable remuneration

The ratio of fixed to variable remuneration will differ depending on the specific incentive schemes in operation across the business; however, as an overriding rule, the Company seeks to ensure that an appropriate balance between fixed and variable remuneration is maintained for all colleagues, with the fixed proportion being sufficient to allow variable pay to operate on a fully flexible basis. Variable remuneration is subject to a limit under the policy. The Group broadly operates within a variable to fixed remuneration ratio of 2:1, although the maximum ratio is set at 3:1 for any individual.

Performance measurement

Variable remuneration is linked to organisational, team and individual performance. Performance is assessed against financial and non-financial criteria, taking into account both individual contributions and overall business performance to support alignment with strategic priorities. Individual performance is assessed using the 5-4-3 Performance Management Framework.

AIP Bonus Scheme

The overall AIP bonus pool is determined through a number of bonus pool metrics including a percentage of profit model, return on equity performance, a balanced scorecard assessment, risk adjustments and a minimum gateway profit level and CET1 ratio assessment.

The Balanced Scorecard ("BSC") is comprised of a balance of financial, risk and other non-financial performance measures. The specific measures used for these are reviewed on an annual basis to ensure they appropriately align to the Group's priorities.

Once the initial bonus pool is known, allocations are then made to individuals guided by the approved level of total spend and overall performance rating distribution, including consideration of individual risk, compliance, and conduct behaviours.

Before finalising award levels, consideration is given to the overall performance of the Group and individual performance against agreed performance objectives. Poor financial and/or non-financial performance, including risk performance, can result in the bonus being reduced, including potentially down to zero, either at a pool or individual level.

LTIP

Executive Directors, Executive Committee members and other senior colleagues (by exception) may be invited to participate in the LTIP. This is a forward-looking plan designed to reward long-term performance and promote alignment with shareholders' interests. The scheme vests based on the achievement of specified performance targets over a period of three years.

The LTIP is assessed against the performance of FirstRand, the Group's parent company, and is reviewed by the shareholder and the Committee annually. The Committee retains discretion over awards to UK participants. In particular, the Committee may apply risk-related adjustments to the final awards at the end of the performance period where deemed appropriate to do so based on the performance of Aldermore Group and/or individual participants.

Prior to the granting of awards, and typically as part of the year end process and the first Committee meeting of the following performance year, the Committee undertakes a pre-grant performance assessment to ensure that awards are warranted on the basis of firm-wide and individual performance in the year prior to grant. This assessment considers the performance of the firm as well as individual behaviours and conduct. Awards then vest subject to the achievement of performance over a three-year period.

Awards granted under this plan are in the form of FirstRand equity-linked instruments which track FirstRand share price movement from grant date to any applicable release date. Performance conditions for the awards may vary year on year, but key financial metrics include return on equity and growth in normalised earnings per share. Each metric includes a threshold, budget target, and stretch targets, designed to incentivise above-target performance.

Link between variable pay and institution-wide and individual performance

For the AIP, the Remuneration Committee assesses progress against a number of key financial and operational drivers including profit before tax; return on equity; cost/income ratio; net lending growth; risk management; as well as non-financial measures including performance against People and Customer metrics and progress on the Group's transformation, environmental and sustainability goals.

Measures and targets are set at the beginning of the performance period and an assessment of overall performance at the end of the financial year is used to determine the size of the bonus pool. The Committee takes into account other factors that it considers relevant and applies judgement and discretion to ensure that the final reward outcome fairly reflects the Group's performance for that financial year.

Individual performance is determined using the Group's 5-4-3 performance management framework and considers both outcome-based goals and behaviours. The end of year performance rating feeds directly into the year end pay and bonus review outcomes and allows for differentiation of outcomes based on performance. Where individual performance improvement is needed, the outcomes of both the Annual Pay Review and Annual Bonus Scheme are significantly reduced.

Where individual KPIs are achieved but the underlying performance of the Group is unsatisfactory, annual performance-based payments may be reduced in part or withheld altogether at the Remuneration Committee's discretion.

LTIP awards are tied to pre-vesting performance conditions, which assess FirstRand's performance over a three-year period. This alignment ensures the success of the awards is closely linked to the success of FirstRand and its shareholders. Key financial metrics include return on equity and growth in normalised earnings per share. Each metric includes a threshold, budget target, and stretch target, designed to incentivise above-target performance.

Balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments

The Committee operates the LTIP share plan as outlined above. Prior to the granting of awards, the Committee undertakes a pre-grant performance assessment to ensure that awards are warranted on the basis of firm-wide and individual performance in the year prior to grant. This assessment considers the performance of the firm as well as individual behaviours and conduct.

Further, all MRTs who receive variable pay awards will receive at least 50% of each award in the form of FirstRand equity-linked instruments, as required by the Remuneration Code.

Performance adjustment

The Group ensures that its total variable remuneration is contracted where subdued or negative financial performance occurs, taking into account both current remuneration and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

Therefore, notwithstanding satisfaction by an individual of any or all individual performance conditions, variable remuneration awards may be adjusted (including by reducing to nil) under certain circumstances, including if the Remuneration Committee considers that:

- the amount is not appropriate in the context of circumstances that were unexpected or unforeseen at the beginning of the performance year; or
- the amount should be adjusted for considerations relating to financial performance, risk management, overall performance against risk appetite for all identified risk types, and any significant risk events or conduct matters (for example, notable regulatory events, audit findings or remediation activities).

In addition, variable remuneration will be reduced or cancelled if it is determined that the Group's capital base is not sound as at the relevant vesting date.

Remuneration and long-term performance

All variable remuneration, including AIP, LTIP awards and non-standard variable remuneration is potentially subject to deferral. The Group applies deferral arrangements to variable remuneration above a certain value and based on the role categorisation of the recipient, whether 'MRT' or 'All other colleagues (including de minimis MRTs)'. The Group operates its own internal deferral framework which, for MRTs, is in accordance with the requirements of the Remuneration Code.

Deferral requirements are determined for each performance year and communicated to any employee whose remuneration will likely be subject to the requirements.

All MRTs who receive variable pay awards will receive at least 50% of each award in the form of FirstRand equity-linked instruments. Upfront instruments will be subject to an additional one-year holding period post-vesting. The value of these instruments is linked to the percentage change in the FirstRand share price before grant and release dates (excluding currency movements) and therefore aligns employee interests with those of FirstRand's shareholders. The balance of awards will be paid in cash (which is not equity linked). In lieu of interest, the non-equity linked cash portion of deferrals may receive a gilt coupon which is calculated and added to the award on a six-month basis until the release date. Deferred equity-linked awards do not receive interest or dividend payments.

Ex post adjustments: malus and clawback

Malus will generally be considered in the following situations:

- **i.** Where there has been a material misstatement of the financial results at the Group or divisional level;
- **ii.** Where there has been an error in assessing the performance conditions which led to the overpayment of a variable pay award or where the assessment was based on an error or inaccurate or misleading information or assumptions;
- **iii.** The individual's behaviour would have warranted summary dismissal, or if the Company has reasonable evidence of the individual's misbehaviour or of a material error (whether the Employer Company chooses to dismiss the individual or not);
- **iv.** In the case of a material failure in risk management at the Group or business area level;
- **v.** Where there has been a material downturn in financial performance of the Group or business area;
- **vi.** There are circumstances which in the Remuneration Committee's opinion have (or would have if made public) a sufficiently significant impact on the reputation of the Group or business area;
- **vii.** The employee participated in or was responsible for conduct which resulted in significant losses for the Group;
- **viii.** The employee failed to meet appropriate standards of fitness or propriety;
- **ix.** Any other situations where the Remuneration Committee deems it necessary to make adjustments, at its discretion.

Clawback may be applied in circumstances iii, iv, vii, viii and ix above. For example, Clawback will be applied in cases of fraud or other intentional or grossly negligent conduct that results in significant losses for the Group.

Shareholding requirements for material risk takers

As outlined above, the Group operates its own internal deferral framework which, for MRTs, is in accordance with the requirements of the Remuneration Code. All MRTs who receive variable pay awards will receive at least 50% of each award in the form of FirstRand equity-linked instruments. Upfront instruments will be subject to an additional one-year holding period post vesting.

This minimum shareholding requirement ('MSR') is a FirstRand Group requirement designed to ensure FirstRand Executive Directors, Prescribed Officers and the Aldermore Group CEO are financially aligned to the long-term success of the Group. It is set at achieving 100% of salary within five years for the Aldermore Group CEO.

Non-cash benefits

Non-cash benefits include private medical insurance and additional insurance benefits, including Group Life Assurance, Group Critical Illness, and Group Income Protection.

Proportionality

Aldermore Group is a proportionality Level 2 firm for remuneration purposes and applies the requirements of the Code accordingly.

The derogation set out in Article 94(3) CRD is applied on an individual level where their individual annual remuneration meets the conditions for doing so. Details of the staff to which this derogation applies in respect of FY2026 are set out in the table below.

Number of staff benefiting from the derogation laid down in Article 94(3)(b) of CRD for FY2026	Total fixed remuneration (£)	Total variable remuneration (£)
12	1,149,397	152,531

Disclosure tables

The following tables provide additional remuneration details. Supporting definitions are outlined below:

- 'MB Supervisory function' means Non-Executive members of the Board;
- 'MB Management function' means Executive members of the Board;
- 'Other senior management' means those individuals (excluding the Executive Directors) who were members of the Group's Executive Committee; and
- 'Other identified staff' means MRTs excluding those included in MB Supervisory function, MB Management function and Other senior management during the year ending June 2026.

UK REM 1 - Remuneration awarded for the financial year

Year ending 30 June 2026		MB Supervisory function (Non-Executive Director)	MB Management function (Executive Director)	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	8	4	8	23.8
	Total fixed remuneration (£)	**954,114**	**1,936,844**	**3,304,902**	**3,541,072**
	Of which: cash-based (£)	954,114	1,936,844	3,304,902	3,541,072
Variable remuneration	Number of identified staff	-	2	8	17
	Total variable remuneration (£)	**-**	**1,476,833**	**3,824,887**	**871,531**
	Of which: cash-based (£)	-	470,352	1,432,500	512,031
	Of which: deferred (£)	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments (£)	-	1,006,481	2,392,387	359,500
	Of which: deferred (£)	-	912,410	2,105,887	287,600
Total remuneration (£)		**954,114**	**3,413,677**	**7,129,789**	**4,412,603**

[1] The number is calculated on an FTE basis. There is one member of staff who is within the scope who is 0.8 FTE.

UK REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Year ending 30 June 2026	MB Supervisory function (Non-Executive Director)	MB Management function (Executive Director)	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
Guaranteed variable remuneration awards - Total amount (£)	-	-	-	-
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap (£)	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount (£)	-	-	-	-
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff [1]	-	-	-	0.8
Severance payments awarded during the financial year - Total amount (£)	-	-	-	65,681
Of which paid during the financial year (£)	-	-	-	65,681
Of which deferred (£)	-	-	-	-
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap (£)	-	-	-	-
Of which highest payment that has been awarded to a single person (£)	-	-	-	65,681

[1] The number is calculated on an FTE basis. There is one member of staff who is within the scope who is 0.8 FTE.

UK REM3 - Deferred remuneration

Year ending 30 June 2026 £	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention period
MB Supervisory function	-	-	-	-	-	-	-	-
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
MB Management function	**2,456,501**	**1,222,996**	**1,233,505**	**-**	**-**	**465,983**	**1,517,457**	**49,373**
Cash-based	770,465	157,571	612,894	-	-	-	157,571	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	1,686,036	1,065,425	620,611	-	-	465,983	1,359,886	49,373
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other senior management	**5,251,806**	**533,027**	**4,718,779**	**-**	**-**	**1,089,527**	**627,774**	**437,565**
Cash-based	1,309,644	190,209	1,119,435	-	-	-	190,209	-

Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	3,942,162	342,818	3,599,344	-	-	1,089,527	437,565	437,565
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other identified staff	**345,142**	**55,355**	**289,787**	**-**	**-**	**22,392**	**55,355**	**-**
Cash-based	264,121	55,355	208,766	-	-	-	55,355	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	81,021	-	81,021	-	-	22,392	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Total amount	**8,053,449**	**1,811,378**	**6,242,071**	**-**	**-**	**1,577,902**	**2,200,586**	**486,938**

UK REM4 - Remuneration of 1 million EUR or more per year

EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	5
1 500 000 to below 2 000 000	1

UK REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile

	Management Body Remuneration			Business Areas			
	MB Supervisory Function (Non-Executive Director)	MB Management Function (Executive Director)	Total Management Body Remuneration	Retail Banking	Independent Control Functions	All Other	Total
Total number of identified staff [1]							43.8
Of which: members of the MB	8	4	12				
Of which: other senior management				3	4	1	
Of which: other identified staff				-	1	22.8	
Total remuneration of identified staff (£)	954,114	3,413,677	4,367,791	2,691,673	3,758,977	5,091,742	
Of which: variable remuneration (£)	—	1,476,833	1,476,833	1,451,900	1,977,987	1,266,531	
Of which: fixed remuneration (£)	954,114	1,936,844	2,890,958	1,239,773	1,780,990	3,825,211	

[1] The number is calculated on an FTE basis. There is one member of staff who is within the scope who is 0.8 FTE.

Glossary and definitions of key terms

Additional Tier 1 capital ("AT1")	Perpetual capital instruments that qualify as Additional Tier 1 regulatory capital.
Applicable requirements	Applicable capital ratio requirements consist of the Pillar 1 requirement under the CRR, the Pillar 2A requirement determined by the PRA, and the capital conservation and countercyclical buffers defined by the CRD. These requirements do not include any applicable PRA buffer.
Capital Requirements Directive V ("CRD V")	Capital Requirements Directive V amended the European Union prudential framework for credit institutions and investment firms and formed part of the implementation of the Basel III framework.
Capital Requirements Regulation ("UK CRR")	Capital Requirements Regulation as implemented in the PRA Rulebook CRR Instrument and the PRA Rulebook CRR Firms: Leverage Instrument (collectively known as "UK CRR").
Common Equity Tier 1 capital ("CET1")	The highest quality of regulatory capital, comprising eligible common equity instruments, retained earnings and other qualifying reserves, after applicable regulatory adjustments and deductions.
Expected credit loss ("ECL")	The probability-weighted average credit loss, measured on an unbiased basis by considering a range of possible outcomes and forward-looking economic conditions.
Euro Medium Term Note ("EMTN")	A medium term, flexible debt instrument traded on the European market.
Financial Conduct Authority ("FCA")	A financial regulatory body in the UK, regulating financial firms and maintaining the integrity of the UK's financial market.
Forbearance	Forbearance is a concession granted towards a debtor that is experiencing or about to experience difficulties in meeting its financial commitments by changing the terms of the financial arrangement, which would otherwise not be considered.
Gross carrying amount	Loan book before expected credit loss provision.
High quality liquid assets ("HQLA")	Assets which are able to be converted easily and quickly with no significant loss of value. These assets qualify for regulatory liquidity purposes, including Bank of England deposits and sovereign and central bank debt.
Internal Capital Adequacy Assessment Process ("ICAAP")	The Group's assessment of its material risks and the amount, type and distribution of capital and other financial resources it considers adequate to cover those risks, including under stressed conditions.
Internal Liquidity Adequacy Assessment Process ("ILAAP")	The Group's assessment of its liquidity and funding risks and the adequacy of its liquidity resources, funding profile, systems and controls to manage those risks under normal and stressed conditions.
Leverage ratio	Tier 1 capital expressed as a percentage of the total exposure measure.
Liquidity coverage ratio ("LCR")	A measure of the Group's high-quality liquid assets expressed as a percentage of expected net cash outflows over a 30-day stressed scenario.
Bank of England's Minimum Requirement for Own Funds and Eligible Liabilities ("MREL")	The minimum amount of own funds and eligible liabilities that a firm is required to maintain so that sufficient financial resources are available to absorb losses and support recapitalisation in resolution.
Net carrying amount	Loan book value after expected credit loss provision.
Net stable funding ratio ("NSFR")	Available stable funding expressed as a percentage of required stable funding.
Prudential Regulation Authority ("PRA")	A financial regulatory body responsible for regulating and supervising banks and other financial institutions in the UK.
Risk-weighted assets / Risk-weighted exposure amounts ("RWAs / RWEAs")	The Bank's on- and off-balance sheet exposures, weighted in accordance with applicable regulatory methodologies to reflect their relative risk.
Supervisory Review and Evaluation Process ("SREP")	The PRA's supervisory review and evaluation of a firm's risks, governance, business model, and capital and liquidity adequacy, including its ICAAP and ILAAP. The process informs the PRA's assessment of firm-specific capital and liquidity requirements and guidance.
Standardised approach	Regulator-defined approaches for calculating credit, operational and market risk capital requirements as required by CRR.

Subordinated debt	An unsecured loan or bond that ranks below, and will be repaid after, other more senior loans or securities owed by the issuer.
Term Funding Scheme for Small and Medium-sized Enterprises ("TFSME")	The Bank of England's Term Funding Scheme with additional incentives for SMEs.
Tier 1 capital	Tier 1 capital comprises Common Equity Tier 1 capital and Additional Tier 1 capital, after applicable regulatory adjustments.
Tier 2 capital	A category of regulatory capital comprising eligible Tier 2 instruments and other qualifying items, after applicable regulatory adjustments. Together with Tier 1 capital, it forms total capital.