

# MOODY'S

## RATINGS

### Rating Action: Moody's Ratings affirms Aldermore Group PLC's Baa2 issuer rating; changes outlook to negative

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10 Apr 2026

London, April 10, 2026 -- Moody's Ratings (Moody's) today affirmed Aldermore Group PLC's (Aldermore) long-term issuer rating of Baa2, senior unsecured MTN programme ratings of (P)Baa2, Other Short Term ratings of (P)P-2, subordinate MTN programme ratings of (P)Baa3 and subordinate ratings of Baa3. We also affirmed Aldermore Bank plc's (Aldermore Bank) Baseline Credit Assessment (BCA) of baa2 and Adjusted BCA of baa2, short-term deposit ratings at P-2, long-term deposit and issuer ratings at Baa1, long- and short-term Counterparty Risk Assessments (CRA) at A2(cr)/P-1(cr) and long- and short-term Counterparty Risk Ratings (CRR) at A3/P-2.

The outlook on the long-term bank deposit and issuer ratings of Aldermore Bank and long-term issuer rating of Aldermore was changed to negative from stable.

#### RATINGS RATIONALE

The affirmation of Aldermore Bank's Adjusted BCA at baa2 follows Aldermore's announcement on 7 April 2026 of an additional £206.9 million of pre-tax motor finance provisions[1], following the FCA's Policy Statement on the final rules for the motor finance consumer redress scheme published on 30 March 2026[2].

The affirmation reflects our expectation that Aldermore Group PLC's credit profile, which incorporates its motor finance subsidiary MotoNovo Finance Ltd, will remain solid, notwithstanding a moderate deterioration in its capitalisation driven by the sizeable additional motor finance provisions. While reduced, the group's capitalisation will remain in line with its target levels, which are already incorporated in the BCA. The affirmation also reflects Aldermore's solid earnings generation, which provides meaningful loss-absorption capacity and supports capital accretion, although the pace of the group's capital build-up will depend on its dividend distributions, which remain uncertain given the pending ownership change.

The additional pre-tax motor finance provisions of £206.9 million are slightly lower than Aldermore's FY 2025 normalised pre-tax earnings of £254 million. The additional provisions will reduce Aldermore's Common Equity Tier 1 (CET1) ratio of 15.5% as of 31 December 2025, which incorporates unaudited profits for the six months ended December 2025, by 143 basis points on a pro-forma basis. While the capital impact is meaningful, the pro-forma CET1 ratio remains in line with Aldermore's medium term target range of 13%-14%.

Aldermore Bank's ratings do not benefit from any uplift from affiliate support from its ultimate parent FirstRand Limited, whose consolidated credit profile mainly reflects FirstRand Bank Limited (Baa3/Ba1 stable, ba2). Aldermore Bank's Baa1 long-term deposit and issuer ratings are underpinned by the bank's Adjusted BCA of baa2; the results of our Advanced Loss Given Failure (LGF) analysis indicating a low loss given failure for the bank's depositors and prospective bondholders; and the low probability of support from the Government of the United Kingdom (Aa3 stable), which does not provide any rating uplift.

The change of the outlook to negative from stable on Aldermore's long-term issuer rating and Aldermore Bank's long-term deposit and issuer ratings follows Aldermore's ultimate parent FirstRand Limited's stated intention to exit the UK operations, which are conducted through Aldermore[3]. The negative outlook reflects heightened strategic uncertainty related to the ownership change. While Aldermore remains well-capitalised and is operationally resilient, the prospective change in ownership introduces execution risk, potential shifts in strategic priorities and uncertainty around future parental support and capital allocation. The operational implications of a possible sale could divert management focus from day-to-day execution and weigh on the bank's earning capacity in the coming quarters. In addition, prolonged divestment timelines or a transition to a less-supportive

or more return-driven owner could weaken Aldermore's financial flexibility or its risk profile over time.

We reflect our concerns regarding the uncertainty around Aldermore's franchise positioning associated with the planned change in ownership through our assessment of its financial strategy and risk management, as well as management track record, under the Governance Issuer Profile Score (IPS) of our Environmental, Social and Governance (ESG) framework. As a result, we lowered the Governance IPS to G-3 from G-2. Consequently, we also lowered the Credit Impact Score to CIS-3 from CIS-2, indicating a limited impact of governance risks on the current rating, with potential for greater negative impact over time.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Given the negative outlook on Aldermore's long-term issuer rating and Aldermore Bank's long-term deposit and issuer ratings, positive rating pressure is unlikely. However, an acquisition of Aldermore by a higher-rated entity could result in an upgrade of its ratings and assessments.

We could revise the outlook to stable if we conclude that the planned change in ownership will not weaken Aldermore's credit profile or adversely affect its franchise.

Downward rating pressure could develop if Aldermore's franchise strength were to be adversely affected during the change in ownership from FirstRand Limited. An acquisition of Aldermore by a lower-rated entity could also result in a downgrade.

Aldermore Bank's BCA could also be downgraded as a result of material deterioration in the bank's asset quality, a decline in capitalisation, as well as in case of sustained reduction in profitability, funding stability and liquidity. Constrained ability to pursue its strategic objectives due to the planned divestiture could also lead to a downgrade of the BCA.

A downgrade of Aldermore Bank's BCA would likely result in a downgrade of all of its ratings. The bank's long-term ratings and assessment could be downgraded following a reduction in the volumes of loss absorbing liabilities.

#### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at <https://ratings.moodys.com/rmc-documents/454566>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

Aldermore Bank's "Assigned BCA" score of baa2 is set two notches below the "Financial Profile" initial score of a3, reflecting the expected decline in capitalisation, the elevated risk of the loan portfolio, and its reliance on price-sensitive online savings deposits.

#### REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [https://ratings.moodys.com/documents/PBC\\_1462204](https://ratings.moodys.com/documents/PBC_1462204).

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and is(are) endorsed for use in the EU in accordance with the EU CRA Regulation.

#### REFERENCES/CITATIONS

[1] Aldermore Group PLC's motor finance update published on 7 April 2026: <https://www.aldermore.co.uk/investors/regulatory-news/?news=motor-finance-update%E2%80%93932046757>

[2] Financial Conduct Authority's Policy Statement PS26/3, Motor Finance Consumer Redress Scheme published on 30 March 2026: <https://www.fca.org.uk/publications/policy-statements/ps26-3-motor-finance-consumer-redress-scheme>

[3] FirstRand Limited's voluntary update to shareholders on the UK motor commission matter published on 7 April 2026: [https://irhosted.profiledata.co.za/firststrand/2017\\_feeds/senspopup.aspx?id=544210](https://irhosted.profiledata.co.za/firststrand/2017_feeds/senspopup.aspx?id=544210)

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