Aldermore Group PLC
Incorporated in England and Wales
Registration number 06764335

Full year results for the year ended 30 June 2026

10 September 2026

BASIS OF PREPARATION Aldermore Group PLC is the immediate parent company of Aldermore Bank PLC and MotoNovo Finance Limited. Within this announcement, the term 'Group' refers to Aldermore Group PLC and its subsidiaries. Underlying basis: The statutory results are adjusted to remove certain items that do not promote an understanding of historical or future trends of earnings or cash flows, which therefore allows a more meaningful comparison of the Group's underlying performance. Alternative performance measures: The Group uses a number of alternative performance measures, including underlying profit or loss, in the discussion of its business performance and financial position.

The Group's Annual Report and Accounts and Pillar 3 Disclosures for the year ended 30 June 2026 are available to view on the Group's website: https://www.aldermore.co.uk/investors/results-and-presentations/.

A copy of the 2026 Annual Report and Accounts in full unedited text will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Aldermore Group announces today its results for the full year ended 30 June 2026.

- **Statutory profit before tax of £51.2m** (FY 2025: £193.5m); impacted by charges related to the FCA's motor finance redress announcement in March 2026, restructuring charges taken to strengthen the business and position it for future growth, and costs associated with the sale process
- **Continued customer lending and deposit growth;** 13% lending and 12% deposit growth year-on-year, to £18.8bn and £19.1bn respectively, supported by strong momentum across all divisions and ongoing investment in distribution capability, underwriting efficiency and product development
- **Strong credit quality;** 26bps (FY 2025: 10bps) cost of risk at the lower end of the through-the-cycle range, with the year-on-year increase primarily reflecting the impact of updated forward-looking macroeconomic assumptions
- **Capital and liquidity position remain healthy;** CET1 ratio of 13.6% (June 2025: 14.9%), well-positioned to support continued growth and ahead of Basel 3.1 implementation in January 2027. The Group has updated its CET1 ratio target operating range to 12.0%-13.0%, reflecting revised lower total capital requirements effective 1 January 2027 relating to the implementation of Basel 3.1 reforms. A lower average Liquidity

Coverage Ratio of 170% (FY 2025: 203%) follows the final repayment of TFSME[1] in the year and optimisation of the Group's funding position

- **Increase in provision for historical motor finance commissions;** following a review of the Group's preliminary assessment which was published on 7 April 2026, the provision was ultimately revised to £231.8m (June 2025: £73.1m) reflecting the Group's latest assessment of the proposed redress scheme
- **Delivering our strategic priorities;** the Group remains focused on creating long-term shareholder value through the sustainable growth of the business, supported by a continued commitment to delivering positive customer outcomes. This is achieved through optimising capital efficiency, strengthening the risk-return profile, maintaining margin discipline and driving sustainable operational efficiencies. Progress against these priorities continued during the year through targeted expansion into attractive specialist lending markets - demonstrated by the acquisition of the Octane lending business assets and operating capabilities in March, which added £0.5 billion of bespoke bridging, refurbishment and development exit property finance loans to the Group's portfolio and broadens its capabilities in specialist real estate lending. This was complemented by investment in automation, the targeted deployment of artificial intelligence and the expansion of offshore capabilities to improve scalability and reduce costs

Raj Makanjee, Chief Executive Officer, said:

" Aldermore has delivered a resilient underlying operational performance demonstrating the strength of the business despite ongoing macroeconomic uncertainty, competitive market conditions and an evolving regulatory landscape. We have grown lending and deposits while maintaining disciplined underwriting, effective cost control and robust capital and liquidity positions.

"We have continued to invest in the capabilities and operating model needed to support sustainable, long-term growth. The acquisition of the Octane lending business assets and operating capabilities in March demonstrates this strategy in action, strengthening our lending proposition and deploying our balance sheet in a disciplined way to support customers whose financial needs require a more specialist approach.

"FirstRand's process to explore a potential sale of the Group is ongoing, but our priorities remain clear. Looking ahead, we are well positioned to build on the momentum across the business, support our customers and make continued progress against our strategic priorities."

FINANCIAL PERFORMANCE

Summary Income Statement (£ million)	FY 2026	FY 2025	Change
Net interest income	604.1	597.9	1%
Other operating income	0.3	2.5	(88)%
Total income	**604.4**	**600.4**	**1%**
Underlying costs	(321.2)	(330.4)	(3)%

Share of profit of Associate	0.9	0.7	29%
Impairment losses	(45.2)	(16.6)	172%
Underlying profit before tax	**238.9**	**254.1**	**(6)%**
Historical motor finance charge	(164.8)	(60.6)	172%
Restructuring charges	(18.1)	–	–%
Transaction related costs	(4.8)	–	–%
Statutory profit before tax	**51.2**	**193.5**	**(74)%**
Taxation charge	(7.6)	(52.4)	(85)%
Statutory profit after tax	**43.6**	**141.1**	**(69)%**
Statutory Key Performance Indicators			
Net interest margin (%)	3.46%	3.78%	(0.32)pp
Cost / income ratio (%)	84.2%	65.1%	19.1pp
Cost of risk (bps)	26bps	10bps	16bps
Return on equity (%)	1.9%	7.7%	(5.8)pp

Group Balance Sheet (£ million)	Jun 2026	Jun 2025	Change
Customer lending balances[2]	18,799	16,600	13%
Customer deposit balances	19,111	17,048	12%

Group Capital and Liquidity (%)	Jun 2026	Jun 2025	Change
CET1 ratio[3]	13.6%	14.9%	(1.3)pp
Total capital ratio[3]	17.4%	17.3%	0.1pp
Average Liquidity coverage ratio[4]	170%	203%	(33)pp

PERFORMANCE HIGHLIGHTS

Resilient income

- Net interest income increased to £604.1m (FY 2025: £597.9m) as strong portfolio growth offset the impact of a reduction in net interest margin to 3.46% (FY 2025: 3.78%). Margin compression reflected both lower asset yields, as the Bank of England reduced base rates during the period, and continued pressure on deposit pricing.

Disciplined cost control

- Underlying costs remained tightly controlled, reducing 3% year-on-year despite inflationary pressures and ongoing investment in strategic capability, reflecting the Group’s disciplined approach to cost management.

- Statutory costs were impacted by the FCA’s motor finance redress announcement in March 2026, with an incremental charge of £164.8m recognised in the year (FY25: £60.6m), as well as £18.1m of restructuring charges (FY25: nil) related to the Group's cost efficiency and location strategy programmes, and £4.8m of transaction-related expenditure (FY25: nil) arising from FirstRand's ongoing process to seek an orderly exit of its UK consumer finance business.

Normalisation of impairment

- The credit impairment charge increased to £45.2m (FY 2025: £16.6m), primarily reflecting the impact of updated forward-looking macroeconomic assumptions, including heightened geopolitical uncertainty during the second half of the year. Cost of risk at 26bps remains at the lower end of through-the-cycle expectations (FY 2025: 10bps).

Strong balance growth

- Net loans to customers increased by 13% in the year, led predominantly by the Property division with continued momentum in specialist Buy to Let and the impact of the £0.5bn acquisition of Octane's lending business assets. Motor Finance balances also rose strongly, supported by improved auto-decisioning capabilities, and Business Finance ended the year with positive momentum despite challenging market conditions.

- Total customer deposits increased 12% year-on-year, underpinned by significant growth in Corporate Deposits, aided by an expanded product range across Deposit Aggregators, and continued strong demand for ISA products in Personal Savings.

Robust capital and liquidity position

- Capital remained healthy with a CET1 ratio of 13.6% (June 2025: 14.9%). 0.5 percentage points of organic capital accretion in the year was more than offset by the impact of the motor finance commissions charge (-1.1 percentage points), the impact of the acquisition of Octane's lending business assets (-0.5 percentage points) and other movements (-0.2 percentage points). The total capital ratio increased to 17.4% (June 2025: 17.3%) supported by an inaugural external £300m Tier 2 issuance in the year.

- The Group continues to progress with Basel 3.1 readiness, which will result in Pillar 1 risk-weighted asset inflation principally related to higher risk-weights for Buy to Let and SME lending. The Group estimates a reduction in its CET1 ratio of approximately 0.6 percentage points[5], which is partly offset by a reduction in Aldermore Group and Aldermore Bank's Pillar 2 capital requirements. The Group's total capital requirement will reduce to 9.00% from 9.31%, and Aldermore Bank's to 8.79% from 9.25%, effective 1 January 2027. The new Pillar 2 requirements take account of the PRA's SME lending adjustment. As a result of the revision to total capital requirements, the Group's medium-term target CET1 ratio range has been updated to 12.0%-13.0%.

- The Liquidity Coverage Ratio was well-managed, averaging 170% in the year (FY 2025: 203%)[4]. The reduction over the year was due to the planned final repayments of TFSME[1] funding (totalling £465m) and optimised management of the Group's funding position.

FCA MOTOR FINANCE COMMISSIONS REVIEW

- At 30 June 2026, the Group recognised a balance sheet provision of £231.8m (30 June 2025: £73.1 million) in respect of potential customer redress and associated costs arising from the FCA's review of historical motor finance commission arrangements. £220.3m of the provision is recognised on the MotoNovo Finance Limited balance sheet, with the remaining £11.5m recognised on the Aldermore Bank PLC balance sheet.

- 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.

- The provision has been determined based on a single scenario which is aligned, where appropriate, to the requirements of the FCA's final Policy Statement. This differs from the provision as at 30 June 2025, where there was significant uncertainty regarding the form and structure of any potential redress scheme. Accordingly, the Group measured the provision using a probability-weighted scenario approach at that date. The provision also differs from the Group's preliminary assessment published on 7 April 2026, which indicated that the balance sheet provision was expected to increase to £280.0m.

- In addition to the provision, the Group incurred £5.5 million (30 June 2025: £2.1 million) of costs during the financial year in relation to complaint handling, legal proceedings and preparations for the implementation of the FCA scheme. These costs have been recognised in the income statement as incurred.

- The Group continues to engage constructively with the FCA regarding the implementation of the scheme and associated customer remediation requirements.

- Further detail in relation to this matter can be found within the Aldermore Group's Annual Report and Accounts.

-ENDS-

Notes to Editors

[1] 'TFSME' refers to Term Funding Scheme with additional incentives for SMEs.

[2] Customer lending balances shown net of impairment.

[3] CET1 and total capital ratio for June 2025 are presented on an IFRS9 transitional basis, which were fully phased out in FY 2026.

[4] Average liquidity coverage ratio is a rolling 12-month average.

[5] Basel 3.1 estimates remain subject to the Group's ongoing implementation work and may therefore change as implementation is finalised.

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Aldermore Group

Aldermore backs more people to go for it, in life and business. We champion equality by supporting and getting finance to the people who want to get on in life; building businesses, buying property, and purchasing vehicles. The Group consists of two operating companies, Aldermore Bank plc and MotoNovo Finance Limited. Aldermore Bank provides finance to business owners, homeowners, and landlords, and supports savers. It operates exclusively online, by phone and through networks. MotoNovo Finance helps people buy their next car, van, or motorcycle. Aldermore Group is part of FirstRand Group, one of the largest financial services groups in Africa by market capitalisation.

For more information, please visit aldermore.co.uk / motonovofinance.com

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