

5 September 2019

10th year sees lending to customers exceed £10bn

Continued momentum drives growth in lending and customer deposits

- **Aldermore's first year as part of FirstRand Group**
- **Now helping nearly 300,000 customers seek and seize opportunities**
- **Full year statutory profit before tax¹ up 11%**
- **Net lending to customers increased by 18%**
- **The integration of Aldermore Bank and MotoNovo Finance, now forming Aldermore Group, has made significant progress, underpinned by strong cultural alignment**

Aldermore is pleased to announce results for the financial year to 30 June 2019, its 10th year of operation and first full financial year as part of the FirstRand Group, the largest financial services group in Africa by market capitalisation. These show strong profits across a diversified and growing portfolio of loans, supported by continued healthy growth in customer deposits.

Financial Delivery:

- Net lending to customers now totals £10.6bn (2018: £9.0bn) as Aldermore continues to strengthen its support to SMEs, homeowners, landlords and vehicle owners
 - Diversified portfolio² with Business Finance lending up 12% to £3.4bn, Retail Finance lending up 15% to £6.8bn, and motor finance via MotoNovo Finance at £0.4bn³, driven by originations since May 2019
- Originations of £3.9bn up 30% (2018: £3.0bn¹)
- Deposits grew by 15% to £9.0bn (2018: £7.8bn) to support lending growth
- Net interest margin (NIM) at 3.3% (2018: 3.4%¹)
- Cost of Risk increased to 24bps (2018: 16bps¹) mainly reflecting adoption of IFRS9 and inclusion of MotoNovo Finance
- Full year July 2018-June 2019 profit before tax of £129.6m (2018: £117.1m¹)
- Aldermore Bank's ROE was maintained at 12.9%; Aldermore Group's ROE is lower due to the £209 million of new equity capital to support the growth of MotoNovo Finance
- CET1 ratio has strengthened to 14.9%⁴ (2018: 12.3%) due primarily to additional capital to pre-fund future MotoNovo Finance originations

Strategic Progress:

- Commitment to delivering superior service and products sees consistently high levels of customer satisfaction:
 - Aldermore's average product rating from customers is 4.5 out of 5, as displayed on our website
 - 90% of reviewers rated Aldermore at 4 or more
 - 94% (up 1%) of reviewers would recommend Aldermore
 - MotoNovo has a strong Net Promoter Score (NPS) of +72
- Aldermore Group now has a combined total of nearly 2,000 employees

¹ Comparatives have been restated from 18 months ending 30 June 2018 to 12 months ended 30 June 2018. In addition, the treatment of fair value gains and losses on derivatives was aligned with that of the FirstRand Group and the net interest margin for 2018 restated; there was no impact on the prior year profit before tax as a result of this change

² Business Finance comprises Asset Finance, Invoice Finance and SME Commercial Mortgages and Retail Finance includes Buy-to-Let and Residential Mortgages

³ As of 5 May 2019, MotoNovo Finance Limited began trading as part of the Aldermore Group

⁴ The Aldermore Group's capital ratio for 2019 is presented on a transitional basis which allows the impact of expected credit losses on capital to be phased in over a five year period

- Mark Standish, CEO of MotoNovo, has joined the Aldermore Group leadership team
- The MotoNovo business adds a new engine of growth to the Aldermore portfolio and in the medium term is expected to make a significant contribution to profits
- Our strategic review of the enlarged Group's capabilities and market propositions continues as we plan future investment in technology and products

Phillip Monks, CEO of Aldermore Group, commented:

"I am pleased that the last year, the first under our parent company FirstRand, has been a successful one for Aldermore. Our performance in the lending and savings markets has been strong against a backdrop of intense competition and economic and political uncertainty. Our capital position has further strengthened and we have welcomed colleagues from MotoNovo into the Aldermore Group.

"I am excited about the potential which we can unleash by combining forces with MotoNovo. This is a new source of growth for us and we believe the opportunities created will bring great benefits to customers, with an even more competitive offering available, as well as being a significant contributor to profits going forward.

"Aldermore was established during the financial crisis to help SMEs who were unable to borrow from traditional banks. With Brexit on the horizon there is of course uncertainty in the air, with downward pressure on net interest margins and worsening credit performance likely to remain a feature of the market.

"As we look forward, our diversified lending book together with our strong savings base continues to position us well. We are excited about the potential opportunities our enlarged Group can bring to benefit customers. Our business model, risk management processes and preparations for Brexit eventualities mean we are well placed to navigate through the political and market uncertainties of the next few months and years. We have a resilient and robust model which will enable us to continue to support the needs of our customers through the cycle."

-ENDS-

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Notes to Editors

A new entity, MotoNovo Finance Limited ("MotoNovo Finance"), was established under Aldermore. On 4 May 2019, in addition to all of the employees of MotoNovo transferring to this new company, certain trading assets and liabilities, along with the balance of dealer financing, were acquired by MotoNovo Finance from the London branch of FirstRand Bank Limited. Capital to support the first 15 months of trading was injected by the FirstRand Group into Aldermore Group. On 5 May 2019, MotoNovo Finance began trading as part of the Aldermore Group with all new MotoNovo Finance lending from this date funded via a liquidity facility with Aldermore Bank and reported as part of the Aldermore Group financial results.

Aldermore Bank provides financing to support UK small and medium sized enterprises ("SMEs"), and supports investors and home-buyers with mortgage finance, while offering a dynamic online savings proposition. We serve our customers and intermediary partners online, by phone, and face to face through eight offices in the UK.

MotoNovo Finance, based in Cardiff, helps UK consumers by bringing straight forward finance to people looking to buy their next car, van or motorcycle.

Aldermore's DNA is built around helping our customers to seize opportunities by being reliable, expert, dynamic and straightforward in everything that we do. Culturally, MotoNovo is a strong fit, with a closely aligned approach in providing straight forward products and keeping the customer at the core of everything it does, which gives us confidence for our joint future.

Established in 2009, Aldermore Group has grown significantly. In March 2018, Aldermore Group became part of FirstRand Group, the largest financial services group in Africa by market capitalisation. At the end of June 2019, Aldermore Group lending to customers stood at £10.6 bn.

For more information, please visit www.aldermore.co.uk.

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Aldermore Bank PLC and MotoNovo Finance Limited are operating entities of Aldermore Group PLC.

Aldermore Group PLC is regulated by the Prudential Regulation Authority and the Financial Conduct Authority and is registered under the Financial Services Compensation Scheme.