

06 November 2017

Aldermore Group PLC

Q3 2017 Interim Management Statement

The Board recommends offer from FirstRand

- Aldermore received a 313p per share offer for the entire business, which has been recommended by the Board to the Group's shareholders

Strong customer driven growth, with £2.4bn of new lending within a consistent risk appetite

- Net loans up 12% to £8.4bn (FY 2016: £7.5bn), driven by £2.4bn of new lending (9M 2016: £2.3bn)
- Customer deposits up 8% to £7.2bn (FY 2016: £6.7bn), TFS utilisation now at £1.4bn
- Net interest margin remains stable at 3.5%

Continued strong capital generation with CET1 ratio now above 12%

- CET1 capital ratio⁽¹⁾ at 12.1%, up 30bps in the quarter and 60bps YTD (FY 2016: 11.5%)
- Tangible book value increased by 15% to £607.1m or 176.0p on a per share⁽²⁾ basis (FY 2016: £525.9m, 152.5p)

Further progress in our stated strategic priorities

- Completed our investment in AFS, a leading asset and commercial finance introducer
- Awarded "Business Finance Champion" and "SME Champion" at the LeasingWorld Awards
- Continuing traction in our Mortgages retention strategy across both Residential and Buy-to-Let
- Securely managed, with robust credit performance and cost of risk remaining below our medium-term expectations of 25 – 35bps

Phillip Monks, CEO, commented:

"Aldermore remains focused on delivering against our stated priorities, with more new lending to customers, greater leverage of our efficient operating model and a robust credit performance. Together, these contribute towards continued strong capital generation, with our CET1 ratio now above 12%.

"Total new lending of over £2.4bn has been delivered within our consistent risk appetite and has driven loan book growth of £0.9bn to £8.4bn, remaining on track to reach our guided range of 10% – 15%.

"We have increased our support for SMEs, providing the vital financing they need to succeed, and have continued to see strong levels of growth in our Buy-to-Let portfolio as we capitalise on the trends of increasing professionalisation in the market. We continue to remain vigilant to changes in our operating environment with a key focus on driving a robust credit performance. As a result we continue to anticipate our cost of risk in 2017 remaining below our medium term guidance of 25 – 35bps.

"Ongoing delivery against our strategic and financial targets extends our track record of performance and provides us with continued confidence in our future prospects. Both of these factors have been reflected in the offer received from FirstRand, which the Board is recommending to Shareholders. With the backing of their considerable resources and wider capabilities, we will be able to accelerate the delivery of our strategy and further expand the products and services we offer our customers."

(1) Fully loaded CRDIV CET1 as at 30 September 2017 includes Q3 2017 profits

(2) Outstanding number of shares: 344.9m (FY 2016: 344.7m)

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Aldermore

Aldermore Group PLC is a specialist bank offering straightforward products to Small and Medium-sized Enterprises (SMEs), homeowners, landlords and individuals. Aldermore has no branch network but serves customers and intermediary partners online, by phone and face to face through its network of regional offices located around the UK. Building on its core values of being reliable, expert, dynamic and straightforward, Aldermore aims to deliver banking as it should be. Established in 2009, Aldermore has grown significantly. At the end of September 2017, lending to customers stood at £8.4 billion.

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

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