Aldermore Group PLC
Pillar 3 Disclosures
Year ended 30 June 2022

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Introduction

This document comprises Aldermore Group PLC's ("the Group") Pillar 3 disclosures on capital and risk management as at 30 June 2022. It has two principal purposes:

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

Following the UK's withdrawal from the EU the PRA published PS17/21 'Implementation of Basel standards: Final rules' in July 2021 which took effect on 1 January 2022. The purpose of the proposed rules was to implement the remaining amendments to the Capital Requirements Regulation ("CRR2") elements of the Basel international standards in the UK. The changes did not materially impact the Group's capital requirements.

The PRA's transitional directions, published on 28 December 2020 due to the UK's withdrawal from the EU, expired on 31 March 2022. Therefore, this disclosure for the year ended 30 June 2022 incorporates the new proportional disclosure requirements. The Group meets the definition of a non-listed "Other Institution" and complies with the requirements in accordance with Article 433c of the Disclosure (CRR) Part of the PRA Rulebook.

In October 2021, the PRA published its Policy Statement on the UK leverage ratio framework confirming that the CRR leverage ratio will not apply to UK banks. The Group does not meet the criteria set out in the PRA rulebook for a binding minimum leverage ratio, however we have disclosed the ratio in accordance with the PRA's requirements.

Aldermore Bank was founded in 2009, as a multi-product specialist lender, with a focus on providing straightforward lending and savings products to SMEs, homeowners, landlords and individuals. Aldermore Group was acquired by FirstRand, the largest financial services group in Africa by market capitalisation in 2018. Operating across South Africa, other markets in sub-Saharan Africa, the UK and India, FirstRand's commitment is to building a future of shared prosperity through enriching the lives of its customers, employees and the societies it serves.

MotoNovo Finance Limited was established in 2019 as a sister company of Aldermore Bank, and enabled the Aldermore Group to expand its offering to address a wider set of needs, by helping people buy their next car, van or motorcycle. MotoNovo has specialised in motor finance for over 40 years and is recognised as a market leader in the industry.

Additional relevant information may be found in the 2022 Aldermore Group PLC Annual Report and Accounts (hereafter referred to as the "ARA"), which includes a description of the Group's strategy and business model. The disclosures contained in this document should be read in conjunction with the ARA. The Pillar 3 disclosures and the ARA are published on the Group's website: https://www.investors.aldermore.co.uk/.

Key Metrics

The table below shows the key metrics for both Aldermore Group PLC ('Group') and Aldermore Bank PLC ('Bank') as at 30 June 2022:

Key metrics	Group		Bank	
	30 June 2022	30 June 2021 ^	30 June 2022	30 June 2021 ^
Available capital (£m) [1]				
Common Equity Tier 1 (CET1) capital	1,342.1	1,171.6	1,065.9	947.0
Tier 1 capital	1,450.1	1,279.6	1,126.6	1,008.0
Total capital	1,602.1	1,491.6	1,226.6	1,168.0
Risk-weighted Assets ('RWA') (£m) [1]				
Total RWA	9,580.8	8,434.4	6,260.1	5,964.1
Capital ratios (as a percentage of RWA) (%) [1]				
Common Equity Tier 1 ratio	14.0	13.9	17.0	15.9
Tier 1 ratio	15.1	15.2	18.0	16.9
Total capital ratio	16.7	17.7	19.6	19.6
Additional own funds requirements based on SREP [2] **(% of RWA)**				
Additional CET1 SREP requirements	0.9	0.6	1.2	0.6
Additional AT1 SREP requirements	0.3	0.2	0.4	0.2
Additional T2 SREP requirements	0.4	0.3	0.5	0.3
Total SREP own funds requirements	1.6	1.1	2.1	1.1
Combined buffer requirement (% of RWA)				
Capital conservation buffer	2.5	2.5	2.5	2.5
Institution specific countercyclical capital buffer	0.0	0.0	0.0	0.0
Combined buffer requirement	2.5	2.5	2.5	2.5
Overall capital requirements	12.1	11.5	12.6	10.9
CET1 available after meeting the total SREP own funds requirements	4.4	4.9	7.0	7.5
Leverage ratio				
Total exposure measure excluding claims on central banks (£m)	18,082.7	n/a	13,850.3	n/a
Leverage ratio excluding claims on central banks (%)	8.0	n/a	8.1	n/a
Liquidity Coverage Ratio ('LCR') [3]				
Total high-quality liquid assets (HQLA) (Weighted value average) (£m)	2,844.1	n/a	2,838.5	n/a
Cash outflows - Total weighted value (£m)	957.0	n/a	1,012.1	n/a
Cash inflows - Total weighted value (£m)	245.4	n/a	239.5	n/a
Total net cash outflows (adjusted value) (£m)	711.6	n/a	772.6	n/a
Liquidity coverage ratio (%)	399.7	n/a	367.4	n/a
Net Stable Funding Ratio ('NSFR')				
Total available stable funding (£m)	16,675.2	n/a	15,667.6	n/a
Total required stable funding (£m)	12,829.5	n/a	12,169.6	n/a
NSFR ratio (%)	130.0	n/a	128.7	n/a

^ These disclosures have been implemented from 1 January 2022 and are based on the PRA's disclosure templates and instructions which came into force at that time. Prior periods, 'n/a' indicates that the disclosure is new or changed and no comparatives are being provided.

[1] The Group has adopted the regulatory transitional arrangements for IFRS 9 as set out in Article 473a of the UK CRR. These arrangements allow certain impacts of IFRS 9 to be phased in over a 5 year period, including revisions made in June 2020 under the EU's 'Quick Fix' relief package. Our capital and ratios presented above are under these arrangements.

[2] The outcome of the Group and Bank Supervisory Review and Evaluation Process ("SREP") has been shown here.

[3] The weighted values represent the simple average of the 12 preceding month-end observations used to calculate the LCR.

Disclosure policy

The following sets out a summary of the Group's Pillar 3 disclosure policy.

Basis of preparation
This document has been prepared to comply with the Disclosure (CRR) Part of the PRA Rulebook which was incorporated into the PRA Rulebook from 1 January 2022. No material disclosures have been omitted and nor have any disclosures been omitted from this document for confidentiality purposes.

Frequency, media and location
The Group's policy is to publish the Pillar 3 disclosures on an annual basis. The information is published in conjunction with the ARA. The Pillar 3 disclosures are published on the Group's website: www.investors.aldermore.co.uk.
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.

Verification
The Group's Pillar 3 disclosures have been reviewed and approved by the Group Audit Committee on behalf of the Board. In addition, the remuneration disclosures as detailed in this document have been reviewed and approved by the Group Remuneration Committee. The disclosures are not subject to audit.

Scope
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. Full details of the Group's subsidiaries as at 30 June 2022 are provided in note 20 to the ARA.

Aldermore Group PLC is subject to consolidated supervision, with Aldermore Bank PLC also subject to solo regulatory supervision by the PRA. Therefore, it is a requirement to calculate and maintain regulatory capital ratios on both a Group basis and on a solo basis for the Bank. Capital requirements for both Group and the Bank have been presented in these disclosures. The differences between the Group and the Bank relate primarily to risk weighted assets and reserves held by entities that sit outside of the scope of the Bank, including MotoNovo Finance Limited, amounts included in the Bank's results in relation to transactions with the Group's securitisation vehicles which are eliminated upon consolidation and a small impact from the risk weighted assets of these entities.

There are no current or foreseen material, practical or legal impediments to the transfer of capital resources or the repayment of liabilities between consolidated entities within the Group, with the exception of assets and liabilities of the Group's securitisation vehicles which are not immediately available to other members of the Group.

Board responsibility for risk management and disclosures
A core objective of the Group is the effective management of risk. The responsibility for identifying and managing the principal risks rests with the Group's Board of Directors, who are also responsible for setting the Group's strategy, risk appetite and control framework.

The Board considers that, as at 30 June 2022, it had in place adequate systems and controls with regard to the Group's risk profile and strategy. Furthermore, the Board can confirm that the Group remained within defined limits for risk exposure throughout the year for all principal risks (refer to page 8). The Group also operated in line with its internal capital targets.

In accordance with the Disclosure part of the CRR and the Group's Pillar 3 disclosure policy, the Group is required to ensure that its external disclosures portray its risk profile comprehensively. The Directors have considered the adequacy of the Pillar 3 disclosures in relation to these requirements and are satisfied that they convey the risk profile of the Group comprehensively. The disclosures of risk management objectives and procedures within this Pillar 3 document are detailed further within the Risk Management Report of the ARA.

Capital and Risk-weighted assets (RWA)

The composition of regulatory capital, RWA and capital requirements are shown in the tables below for the Group and Bank.

	Group		Bank	
Composition of Regulatory Capital	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Common Equity Tier 1 (CET1) capital: instruments and reserves (£m)				
Capital instruments and the related share premium accounts	318.4	318.4	310.8	310.8
of which: share capital	243.9	243.9	3.3	3.3
of which: share premium	74.4	74.4	307.5	307.5
of which: capital redemption reserve	0.1	0.1	0.0	0.0
Retained earnings	946.0	796.5	719.8	607.0
Accumulated other comprehensive income (and other reserves)	7.0	8.3	6.9	8.1
Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,271.4	1,123.2	1,037.5	925.9
Common Equity Tier 1 (CET1) capital: regulatory adjustments (£m)				
Intangible assets	(8.8)	(15.0)	(4.5)	(9.5)
Other regulatory adjustments to CET1 capital	79.5	63.4	32.6	30.6
Total regulatory adjustments to Common Equity Tier 1 (CET1)	70.7	48.4	28.1	21.1
Common Equity Tier 1 (CET1) capital	1,342.1	1,171.6	1,065.6	947.0
Additional Tier 1 (AT1) capital: instruments (£m)				
Capital instruments and the related share premium accounts	108.0	108.0	61.0	61.0
of which: classified as equity under applicable accounting standards	108.0	108.0	61.0	61.0
Additional Tier 1 (AT1) capital	108.0	108.0	61.0	61.0
Tier 1 capital (T1 = CET1 + AT1)	1,450.1	1,279.6	1,131.5	1,008.0
Tier 2 (T2) capital: instruments (£m)				
Capital instruments and the related share premium accounts	152.0	212.0	100.0	160.0
Tier 2 (T2) capital	152.0	212.0	100.0	160.0
Total capital (TC = T1 + T2)	**1,602.1**	**1,491.6**	**1,231.5**	**1,168.0**
Total risk-weighted assets (RWA)	**9,580.8**	**8,434.4**	**6,260.1**	**5,964.1**
Capital ratios and buffers (%)				
Common Equity Tier 1 (as a percentage of total RWA)	14.0	13.9	17.0	15.9
Tier 1 (as a percentage of total RWA)	15.1	15.2	18.0	16.9
Total capital (as a percentage of total RWA)	16.7	17.7	19.6	19.6
of which: capital conservation buffer requirement	2.5	2.5	2.5	2.5
of which: countercyclical buffer requirement	0.0	0.0	0.0	0.0

Overview of RWA	Group			Bank		
	RWAs		Capital Requirement	RWAs		Capital Requirement
	£m 30 June 2022	£m 30 June 2021	£m 30 June 2022	£m 30 June 2022	£m 30 June 2021	£m 30 June 2022
Credit risk (excluding CCR)	**8,786.2**	**7,741.8**	**702.9**	**5,624.9**	**5,338.2**	**450.0**
Of which the standardised approach	8,786.2	7,741.8	702.9	5,624.9	5,338.2	450.0
Counterparty credit risk - CCR	**0.9**	**0.9**	**0.1**	**0.9**	**0.9**	**0.1**
Of which the standardised approach	0.9	0.9	0.1	0.9	0.9	0.1
Securitisation exposures in the non-trading book	**29.2**	**23.1**	**2.3**	**29.2**	**23.1**	**2.3**
Of which SEC-SA approach[1]	29.2	23.1	2.3	29.2	23.1	2.3
Position, foreign exchange and commodities risks	**0.4**	**0.1**	**0.0**	**0.4**	**0.1**	**0.0**
Of which the standardised approach	0.4	0.1	0.0	0.4	0.1	0.0
Operational risk	**764.1**	**668.5**	**61.1**	**604.7**	**601.8**	**48.4**
Of which basic indicator approach	764.1	668.5	61.1	604.7	601.8	48.4
Total	**9,580.8**	**8,434.4**	**766.5**	**6,260.1**	**5,964.1**	**500.8**

[1] Securitisation standardised approach ("SEC-SA")

During the year total capital resources for the Group have increased by £110.5 million (30 June 2021: £121.8 million) to £1,602.1 million (30 June 2021: £1,491.6 million) mainly as a result of the inclusion of the Group's profit after tax for the period (included within retained earnings). The total capital ratio has decreased to 16.7% (30 June 2021: 17.7%) as a result of growth in RWAs and the redemption of £60m Tier 2 Notes in October 2021. RWA growth is mainly driven by an increase in RWAs pertaining to MotoNovo Finance Limited.

There have been no issuances or redemptions of Additional Tier 1 Capital in the year. Further details on the Additional Tier 1 securities are included in note 35 to the ARA and details of the subordinated notes qualifying for Tier 2 capital are included in note 31 to the ARA.

Aldermore Group and Aldermore Bank redeemed £60m of Tier 2 notes in October 2021 at their first call date. There were no Tier 2 issuances during the financial year.

Risk management

The Group's approach to risk

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 is a key pillar in the execution of the Group's strategy. The Board and senior management seek to ensure that the risks the Group is taking are clearly identified, managed, monitored and reported and that the Group remains sound including during a plausible but severely adverse economic downturn and/or idiosyncratic conditions. The Risk Management approach applies across Aldermore Group and its subsidiaries. The Risk Management Framework ("RMF") provides the overarching approach on how the Group manages risk. A detailed description of the Group's approach to risk management is contained in pages 67 to 69 in the ARA.

The Risk Committee reviewed and approved a comprehensive annual review of the Group's policy framework during the year, and approved reviews of the effectiveness of several principle Risk Frameworks and policies. Additional recommendations have been made to integrate policies across the business where possible, so that they are more easily read by users and to create a consistent approach to expectations and requirements. The Committee also carried out a review of its own Terms of Reference during the year and a number of minor updates were recommended to and approved by the Board.

The Pillar 3 document requires all principal risks to be disclosed to provide a comprehensive view of a bank's risk profile.

These risks, and how they are mitigated have been disclosed within the ARA:

Credit risk (refer to pages 71 and 78 in the ARA)
Capital risk (refer to pages 71 and 94 in the ARA)
Liquidity risk (refer to page 71 in the ARA)
Market risk (refer to page 72 in the ARA)
Operational risk (refer to page 72 in the ARA)
Compliance, conduct and financial crime risk (refer to page 73 in the ARA)
Reputational risk (refer to page 73 in the ARA)
Model risk (refer to page 74 in the ARA)

Stress testing is an important risk management tool, with specific approaches documented for the Group's key annual assessments including the Internal Capital Adequacy Assessment Process ("ICAAP"), Individual Liquidity Adequacy Assessment Process ("ILAAP"), the Recovery Plan and Reverse Stress Testing ("RST"). The Group maintains a Stress Testing Framework ("STF") which is updated on an annual basis, or more frequently if required, to assist the Board's understanding of the key risks, scenarios and sensitivities that may adversely impact the financial or operational position of the Group. The STF is a framework reserved for Board approval. The Board Risk Committee review the ICAAP, ILAAP and the Recovery Plan, ensuring the processes are in accordance with regulatory rules and make a recommendation to the Board for approval.

Governance

Full details of the Group's corporate governance structure, including details of the Group's Directors can be found on pages 43 to 46 in the Group's Annual Report and Accounts. Additional disclosures required under CRD V in relation to governance arrangements are presented in this section below.

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 2022 are detailed below:

Name	Position	Directorships[1]
Pat Butler	Chairman	3 (Non-Executive)
Steven Cooper [2]	Executive Director	4 (1 Executive, 3 Non-Executive)
Hetash Kellan	Non-Executive Shareholder Director	2 (1 Executive, 1 Non-Executive)
Alan Pullinger	Non-Executive Shareholder Director	2 (1 Executive, 1 Non-Executive)
Richard Banks	Independent Non-Executive Director	4 (Non-Executive)
Desmond Crowley	Independent Non-Executive Director	3 (Non-Executive)
John Hitchins	Independent Non-Executive Director	2 (Non-Executive)
Cathy Turner	Independent Non-Executive Director	3 (Non-Executive)
Rosemary Murray [3]	Independent Non-Executive Director	3 (Non-Executive)
Ruth Handcock [4]	Independent Non-Executive Director	2 (1 Executive, 1 Non-Executive)
Ralph Coates [5]	Executive Director	1 (Executive)

[1] Directorships within the same group count as one and directorships of organisations which do not pursue commercial objectives do not count.
[2] Will resign from 1 directorship before the end of the next financial year.
[3] Rosemary Murray was appointed as an Independent Non-Executive Director effective 1 August 2021.
[4] Ruth Handcock was appointed as an Independent Non-Executive Director effective 1 October 2021.
[5] Ralph Coates was appointed Chief Financial Officer and as an Executive Director effective 1 May 2022.

Board recruitment

The Board has delegated specific powers and authority to the Corporate Governance and Nomination Committee (the "Nomination Committee") to lead the appointments process for nominations to fill Board vacancies. 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 Nomination Committee also formulates succession plans for the Chair, Non-Executive Directors and the senior Executive Directors.

All Board appointments are subject to a formal, rigorous and transparent procedure. Before an appointment is made to the Board, the 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 Nomination 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 Company seeks to ensure that at least half the Board, excluding the Chair, is made up of independent non-executive directors, and is diverse, bringing perspectives, skills and experiences from a wide range of backgrounds and disciplines. The Board aims to meet the targets of the Hampton-Alexander Review (33% female representation on the Board) and the Parker Review (one director of colour on the Board), as part of a longer-term aspiration for the composition of our Board to broadly match the gender mix of the UK population. The Board currently includes 3 female members, 27% of its total composition.

Remuneration

Overview of remuneration for Code staff

The PRA and Financial Conduct Authority have defined certain requirements relating to remuneration, referred to as the Remuneration Code ("the Code"). Firms that fall within the scope of the Code (which includes banks) must establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management.

A firm must maintain a record of its Code Staff (being those staff whose professional activities have a material impact on the firm's risk profile) and take reasonable steps to ensure Code Staff understand the implications of their status.

During the year, the Group employed a total of 27 individuals who were classed as Code Staff (30 June 2021: 57 individuals). Of these, 20 individuals (30 June 2021: 18 individuals) were categorised as senior management (being the Executive and Non-Executive Directors and members of the Executive Committee), as well as 7 individuals (30 June 2021: 39 individuals) categorised as other Code Staff. The remuneration for these colleagues is governed under the Group's Remuneration Policies. A review of the scope of staff captured under the Code was undertaken during the year and this contributed significantly to the reduction in identified staff.

Approach to remuneration

The Group's Remuneration Policies are designed to comply with the Code and the Group is committed to adherence to its practices and guidelines in respect of Code Staff. They are based on key principles which reflect the Group's values and recognise the need to be competitive within the UK banking market.

The policy is to set remuneration levels which are aligned within the overall Group stated risk appetite and Internal Capital Adequacy Assessment Process ("ICAAP") measures, and to ensure that the Executive Directors, senior management and employees are fairly and responsibly rewarded in return for high levels of individual and business performance.

The overall aim of the Group's Remuneration Policies is to attract, motivate and retain individuals of high calibre who can deliver sustained performance consistent with strategic goals, appropriate risk management and to reward them for enhancing value.

The following key principles underpin these themes:

- Attract and retain high calibre individuals;
- Remuneration will not be excessive;
- Remuneration is aligned to the long-term success of the Group;
- Proportion of variable pay is appropriate and balanced and has due regard to any impact of risk;
- Remuneration is fair and supports equality; and
- Independence and strong governance in decision making processes.

Decision-making process for determining Remuneration Policy

In line with regulatory guidance, remuneration is overseen by the Remuneration Committee ("the Committee") of the Board of Directors. The Committee's terms of reference were last reviewed and updated in June 2021. The Committee meets at least twice a year, although it can meet more frequently as required. The Committee met in August and September 2021 and in February, May, June, July and August 2022, with the final two meetings acting as concluding meetings for the performance year.

Only members of the Committee have the right to attend and vote at Committee meetings. However, other individuals (such as the CEO, Chief People Officer and Group Head of Reward) are invited to attend meetings when appropriate or necessary but are excluded from discussions relating to their own remuneration arrangements. The Committee is also supported by the Risk Committee on risk-related matters including design of performance-related pay structures, assessment of specific performance measures and wider discussions related to risk management.

The Committee may take external professional advice as appropriate and during the year FIT Remuneration Consultants LLP continued to provide external remuneration advice. The Committee also continued to measure and benchmark against comparative remuneration packages within the financial sector.

Link between pay and performance

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 Policies focus on ensuring sound and effective risk management through:

- A stringent governance structure for setting goals and communicating these to employees;
- Performance assessment metrics for Executive Directors and other Code Staff are reviewed by the Chief Risk Officer and include both financial and non-financial goals; and
- Making all variable remuneration awards at the discretion of the Committee and subject to individual, business unit, overall Group performance, stated risk appetite and ICAAP measures.

In practice, all key remuneration decisions are approved by relevant senior leaders and the relevant HR Business Partners before implementation. For Code Staff the remuneration decisions are reviewed and approved by the Remuneration Committee, but the Group's Risk function will also play a role in providing input around risk measurement and performance.

Design and structure of remuneration for Code staff

There are three main elements of remuneration available to Code Staff:

- Fixed pay;
- Variable awards (made under the Annual Incentive Plan ("AIP") and, in the case of Executive Committee members, Long-Term Incentive Plan ("LTIP"); and
- Benefits (such as car allowance, pension and insurance).

The Remuneration Committee assesses progress against a number of key financial and operational drivers including profit before tax; return on assets; return on equity; cost/income ratio; net lending growth; risk management; performance against People and Customer metrics and compliance with internal business procedures.

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.

Performance of individuals within control functions is assessed independently of the financial performance of the business area that the individual controls. These measures are all set to provide challenging objectives that are aligned with the Group's strategy.

All share schemes are reviewed and overseen by the Group's parent FirstRand Limited's Remuneration Committee.

Variable awards: LTIP and AIP

LTIPs are three-year performance-based remuneration schemes previously settled in a mix of cash and equity linked instruments linked to the FirstRand share price. Moving forward, all LTIP awards will be settled in 100% equity linked instruments linked to the FirstRand share price. There are different LTIP schemes with performance and service conditions depending upon the scheme and its purpose.

AIP is a one-year scheme to motivate Executive Directors and other code staff during the period to which the performance relates. A portion of the AIP is deferred with payments subject to floor and ceiling rules. There are service conditions attached to the deferred portion of the AIP. An AIP was awarded for the year (further details are contained in the Remuneration Committee report on page 57 of the ARA).

Disclosure tables

The following mandatory tables provide additional remuneration details.

Remuneration awarded for the financial year		MB [1] Supervisory function	MB Management function	Other senior management	Other identified staff
	Number of identified staff	10	-	10	7
	Total fixed remuneration (£)	2,299,447	-	2,302,592	1,203,299
	Of which: cash-based (£)	2,299,447	-	2,302,592	1,203,299
Variable remuneration	Number of identified staff	10	-	10	7
	Total variable remuneration (£)	2,237,507	-	2,892,409	290,908
	Of which: cash-based (£)	540,226	-	834,855	189,153
	Of which: deferred (£)	200,286	-	154,532	69,544
	Of which: share-linked instruments or equivalent non-cash instruments (£)	1,697,281	-	2,057,555	101,755
	Of which: deferred (£)	1,357,341	-	1,377,232	40,703
Total remuneration		4,536,954	-	5,195,001	1,494,207

[1] MB denotes the Group's most senior Management Body

Special payments to staff whose professional activities have a material impact on Aldermore's risk profile (identified staff)	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff (£)	-	-	1	-
Guaranteed variable remuneration awards - Total amount	-	-	39,283	-
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	39,283	-
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	-	-	1	1
Severance payments awarded during the financial year - Total amount (£)	-	-	509,478	132,723
Of which paid during the financial year	-	-	509,478	132,723
Of which highest payment that has been awarded to a single person (£)	-	-	509,478	132,723

Deferred and retained remuneration	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	Total amount of adjustment during the financial year due to ex post implicit adjustments	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year
MB Supervisory function (£)	1,927,105	94,622	1,832,484	64,561	64,561
Cash-based	873,084	12,999	860,085	-	6,666
Share-linked instruments or equivalent non-cash instruments	1,054,021	81,623	972,399	66,953	57,895
Other senior management (£)	2,890,529	317,790	2,572,739	275,543	430,555
Cash-based	1,164,194	47,438	1,116,756	-	88,725
Share-linked instruments or equivalent non-cash instruments	1,726,336	270,353	1,455,983	275,543	341,830
Other identified staff (£)	825,390	100,241	725,149	78,403	155,180
Cash-based	322,798	13,037	309,760	-	46,838
Share-linked instruments or equivalent non-cash instruments	502,592	87,204	415,389	78,403	108,341
Total amount (£)	**5,643,024**	**512,653**	**5,130,371**	**420,899**	**650,295**

EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	1
1 500 000 to below 2 000 000	-
2 000 000 to below 2 500 000	-
2 500 000 to below 3 000 000	1
3 000 000 to below 3 500 000	-
3 500 000 to below 4 000 000	-
4 000 000 to below 4 500 000	-
4 500 000 to below 5 000 000	-
5 000 000 to below 6 000 000	-
6 000 000 to below 7 000 000	-
7 000 000 to below 8 000 000	-

Information on remuneration of staff whose professional activities have a material impact on Aldermore's risk profile (identified staff)

	Management body remuneration	Business areas			
	MB Supervisory function	Retail banking	Corporate functions	Internal control functions	Total
Total number of identified staff	10	4	9	4	27
Of which: members of the MB	10				10
Of which: other senior management		4	5	1	10
Of which: other identified staff		-	4	3	7
Total remuneration of identified staff (£)	4,536,954	2,082,749	3,016,142	1,590,317	11,226,162
Of which: variable remuneration (£)	2,237,507	1,104,245	1,523,828	555,244	5,420,825
Of which: fixed remuneration (£)	2,299,447	978,503	1,492,314	1,035,073	5,805,338