

Paragon grows new lending to £1.9 billion

- Total lending increased 29% to £1.9 billion
- Buy-to-let completions up 21% to £1.4 billion
- Professional landlords and complex portfolios now 71% of buy-to-let applications

Paragon Banking Group PLC today reported underlying profits of £145 million as it unveiled its full year results for the period ended 30 September 2017.

Total lending grew by 29% to £1.9 billion and included a 21% increase in buy-to-let mortgage lending, with buy-to-let completions reaching £1.4 billion for the year.

This strong growth highlights Paragon's favourable position as an experienced specialist in the buy-to-let market, with Paragon increasing market share on the strength of its proposition for landlords with larger more complex property portfolios.

The pipeline of buy-to-let loans in process at the year end was £604 million, an increase of 88% on the position a year earlier.

Paragon's second charge mortgage operations also increased volumes with new origination levels up by 35% to £61 million. In addition, Paragon made good progress with the pilot of its specialist residential mortgages intended for home owners who are less well served by mainstream lenders, including customers with complex incomes and those who may wish to borrow into retirement.

Alongside mortgages, Paragon increased its commercial lending by 67% to £389 million, with strong growth in asset finance, motor finance and residential development lending.

Savings deposits nearly doubled over the year to £3.6 billion.

John Heron, Managing Director of Mortgages at Paragon said: "The buy-to-let mortgage market is changing as recent fiscal and regulatory interventions take effect, resulting in a much sharper split between small scale landlords and those with large and more complex property portfolios. Paragon's long-standing approach is well aligned with these developments and is enabling us to support a growing proportion of customers with our specialist expertise as the market evolves."

Ends

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Notes to editors:

Paragon is a leading provider of buy-to-let mortgages for landlords with property portfolios, both big and small, through its portfolio and non-portfolio range. Paragon also offers second charge mortgages and specialist residential mortgages.

Paragon lends to private individuals and limited companies and has mortgages suitable for single, self-contained properties, as well as HMOs and multi-unit blocks. Paragon can accommodate higher aggregate lending limits and more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon introduced its first product aimed at the professional property investor in 1995 and is a member of UK Finance, the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Bank PLC a subsidiary of the Paragon Banking Group PLC which is a FTSE 250 company based in Solihull in the West Midlands. Established in 1985, Paragon Banking Group PLC has over £12 billion of assets under management and manages over 450,000 customer accounts.

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