



Paragon at a glance

Paragon is a specialist banking group. We offer a range of savings and specialist lending products to individuals and SMEs in the UK.

Listed on the London Stock Exchange, we are a FTSE 250 company, headquartered in Solihull, employing just under 1,400 people.



We have offices based across the UK.

Our operations



Mortgages

We offer buy-to-let mortgage finance for landlords operating in the UK's private rented sector. We were one of the first lenders to pioneer buy-to-let lending and, since 1996, we have originated £23.8 billion of buy-to-let accounts.



Our customer-focused approach, combined with our expertise in property valuation and risk assessment, helps us support a wide range of customers, especially landlords with large-scale property portfolios, those investing in complex properties and those operating in corporate structures.

- **£10.6 billion buy-to-let loan assets**
- **Over 77,000 buy-to-let loan accounts**
- **3.1% of all new buy-to-let mortgages in the UK**



Commercial Lending

Since gaining our banking licence in 2014, we have extended into a wide variety of commercial lending markets. We provide finance to SMEs and small corporate customers operating in a wide range of sectors, helping UK small businesses develop and in turn supporting the UK economy.



- **£1.5 billion loan assets**
- **Over 37,000 business customers**



SME lending

A range of finance solutions for SMEs covering a wide array of sectors, including agriculture, aviation, construction, commercial vehicles and business equipment



Development finance

Competitive and flexible financing solutions targeted at experienced property developers



Structured finance

Finance for non-bank specialist lenders, either through wholesale funding or block discounting



Motor finance

Finance through approved intermediaries and dealers for cars, light commercial vehicles, motorhomes and caravans

Our operations (continued)

Idem Capital

Idem Capital is a leading UK loan purchaser, acquiring and servicing portfolios which include products such as leases, motor finance agreements, mortgages and unsecured loans. In addition, we offer servicing of loan portfolios for clients including banks, private equity houses and specialist lenders.

- **More than 120,000 customer accounts**



Funding

The Group's principal source of funding for new lending is its range of savings products offered to UK households where the Group seeks to offer simple understandable products at competitive rates. Other funding for lending is derived from the efficient use of Bank of England funding schemes, while securitisation continues to fund much of the back book and is used tactically, including a major transaction in the year. Central funding is provided through corporate and retail bonds.



Our strategy

We help individuals and small businesses across the UK prosper and grow by focusing on customers in markets typically underserved by larger high street banks. We see specialisation as what makes us different, as our competitive advantage, and we seek to know more than our competitors about our customers and the markets in which we operate, the products and services we offer, and the risks we incur.

Our strategy is to become the leading specialist bank supporting UK consumers, property investors, homeowners and small businesses. We aim to achieve this through five strategic priorities.



Diversification

Developing our range of savings and lending products in existing and new markets



Specialisation

Focusing on building strong positions in our chosen markets



Growth

Seeking opportunities for growth, both organically and through acquisition



Capital management

Recycling capital to reinvest in the business and provide shareholder returns



Sustainability

Ensuring our operations have a positive effect on our stakeholders and communities with which we interact

Our values

Our customer-focused culture is based on eight core values that underpin the way we do business and how we interact with our customers and other stakeholders.

Fairness
Professionalism

Integrity
Humour

Commitment
Creativity

Teamwork
Respect

Five year performance summary

	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m
Underlying profit before taxation	143.8	145.2	156.5	164.4	120.0
Profit before taxation	143.2	144.8	181.5	159.0	118.4
Total loans to customers	10,737.5	11,124.1	12,127.8	12,186.1	12,631.4
Return on tangible equity	12.9%	13.4%	16.1%	14.1%	9.7%
Basic earnings per share	40.5p	43.1p	55.9p	49.4p	36.0p
Dividend per ordinary share	13.5p	15.7p	19.4p	21.2p	14.4p

2020 results include IFRS 9 Expected Credit Loss charges of £48.3 million, reflecting the impact of Covid-19.

Visit paragonbankinggroup.co.uk for more information.