



## 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 almost 1,450 people.

## 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 £25.4 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.

- **£11.6 billion loan assets**
- **Over 72,000 buy-to-let loan accounts**
- **4.0% 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 operating in a wide range of sectors, helping UK small businesses develop and in turn supporting the UK economy.

- **£1.6 billion loan assets**
- **Over 35,000 business customers**



#### SME lending

Finance solutions for SMEs operating in a wide range 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, through wholesale funding or block discounting



#### Motor finance

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

### Funding

The Group's principal source of funding for new lending is its range of savings products offered to UK households and SMEs 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 elements of the back book and is used tactically. Central funding is provided through corporate and retail bonds.



### Idem Capital

Idem Capital is a 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 100,000 customer accounts**



## Our purpose

To support the **ambitions** of the **people** and **businesses** of the UK by delivering **specialist financial services**

## Our strategy

Our strategy is driven by our purpose and helps us achieve our vision to become the UK's leading technology-enabled specialist bank and an organisation of which our employees are proud.

We focus on five strategic priorities to help us deliver our strategy and these are underpinned by three strategic pillars.

### Strategic priorities



#### Growth

Growing our lending in specialist segments of the market where customers are underserved by the large, high street banks.



#### Diversification

Continually developing our range of savings and specialist lending products in both existing and new markets, organically and through acquisition.



#### Capital management

Management of capital is a critical lever as we invest to grow our business and people.



#### Digitalisation

Implementing sophisticated, digitally-enabled, cloud-based platforms to deliver outstanding customer service, become more efficient, support decision making and address new markets.



#### Sustainability

Reducing the impact our operations have on the environment and ensuring we have a positive effect on our stakeholders and communities.

### Strategic pillars

A customer focused culture



A dedicated team



Strong financial foundations



### 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**

**INTEGRITY**

**COMMITMENT**

**TEAMWORK**

**PROFESSIONALISM**

**HUMOUR**

**CREATIVITY**

**RESPECT**

### Five year performance summary

	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m
Underlying profit before taxation	145.2	156.5	164.4	120.0	194.2
Profit before taxation	144.8	181.5	159.0	118.4	213.7
Total loans to customers	11,124.1	12,127.8	12,186.1	12,631.4	13,402.7
Return on tangible equity	13.4%	16.1%	14.1%	9.7%	16.2%
Basic earnings per share	43.1p	55.9p	49.4p	36.0p	65.2p
Dividend per ordinary share	15.7p	19.4p	21.2p	14.4p	26.1p

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

Visit [paragonbankinggroup.co.uk](https://paragonbankinggroup.co.uk) for more information.