



**PARAGON MORTGAGES PRESS RELEASE  
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## **PARAGON REPORTS 82% INCREASE IN ITS BUY-TO-LET LENDING IN 2014**

- Completions increase by 82.5% to £656.6 million
- Pipeline of new business reaches £414.8 million
- Mortgage business contributes £80 million to Group's profit

Paragon Mortgages' parent company, The Paragon Group of Companies, has today released its full-year results for the year ended 30 September 2014 and revealed pre-tax profits of £122.2 million, an 18.1% increase on the previous year (2013: £103.5 million).

The past year has seen robust growth in Paragon Mortgages' buy-to-let activity, with completions for the year increasing by 82.5% to £656.6 million (2013: £359.8 million). In addition the pipeline of new business at the end of September represents a strong platform for further growth at £414.8 million (2013: £231.9 million).

The credit quality of the £8.6 billion buy-to-let portfolio remains excellent, with arrears levels improving across the year to just 0.25% (2013: 0.35%), which is significantly below the CML's market average of 0.69% in Q3 2014.

During the last 12 months the Group also completed a total securitisation issuance of £929.7 million, after closing its fourth deal of the year in November.

John Heron, Managing Director of Paragon Mortgages, said: "Over the last 12 months we have seen strong growth in our buy-to-let business, with completions increasing by more than 80%. This has been made possible by the improved scale and cost of our funding which has allowed us to deliver more attractive products for the benefit of our landlord customers and the intermediary market.

“Paragon Mortgages continues to be a significant part of the Group and contributed £80.5 million to pre-tax profits – a 14.5% increase on the previous year. Looking ahead, we expect strong and increasing tenant demand to continue to drive high levels of growth for buy-to-let mortgages and Paragon will be at the centre of the development of innovative solutions and competitive pricing in this market.”

## **ENDS**

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### **NOTES TO EDITORS**

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

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

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.