



**PARAGON MORTGAGES PRESS RELEASE
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PARAGON MORTGAGES SEES STRONG GROWTH IN 2015

- Paragon Mortgages increases pipeline by 101% in 12 months
- New lending reaches £446 million in the first six months of the year – up 66%
- Group underlying profits increase by 10%

Paragon Mortgages' parent company, the Paragon Group of Companies, has today announced results for the period ending 31 March 2015.

The Group reported a 10.4% increase in underlying profits for the first six months of the financial year at £63.9 million (£57.9 million in 2014).

The period has seen substantial growth for Paragon Mortgages with new lending totalling £446.2 million – a 65.7% increase on the same period last year. The pipeline of applications indicates further strong growth ahead and at 31 March stood at £701.4 million – a 101.5% increase on the same period last year (2014: £348.1 million).

John Heron, Director of Paragon Mortgages, said: "It has been a fantastic start to the year for our mortgage business and we are very well-placed for the months ahead.

"We have seen a marked increase in our application levels as a result of Paragon delivering a broader and more competitive proposition to the buy-to-let market. This has been fuelled by the success of our strategy to expand and diversify our funding capability. Our latest mortgage securitisation tapped into the Euro market for the first time since the crisis, which provides the Group with access to a much deeper investor base than is available in sterling alone.

"Alongside this we have seen the successful launch of Paragon Bank, which has given the Group access to the retail savings market. This has helped the Group deliver improved products across the loan-to-value spectrum, a much stronger longer-term fixed rate proposition and the re-launch of Paragon buy-to-let lending in Scotland.

“Overall, this has allowed us to present a much more comprehensive proposition to our intermediary partners where we have relationships going back some 30 years. The intermediary market has responded well to this and we have seen a marked increase in application flows which has started to drive higher levels of completions.

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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.