



**PARAGON MORTGAGES PRESS RELEASE  
29 JULY 2016**

**PARAGON MORTGAGES' PARENT COMPANY REPORTS 21% INCREASE IN LENDING**

- Paragon Group report 12% increase in profits for the first nine months
- New buy-to-let lending for Paragon Mortgages grows by 21%
- Group continues with diversification strategy

The Paragon Group of Companies, the parent company of Paragon Mortgages, has today released its Q3 trading update for the period from 1 October 2015 to date.

The Group reported underlying operating profits of £109.9 million, up 12.1% on the same period last year (£98.0 million). Buy-to-let lending for the nine months to 30 June 2016 totalled £989.6 million, this is a 21.2% increase on the £816.5 million for the corresponding period in 2015.

As part of the Group's continued diversification strategy, 45.7% of buy-to-let lending was funded through retail deposits, compared with 22.8% at 30 June 2015.

John Heron, Director of Paragon Mortgages, said: "During the last nine months we have grown our new lending compared to the same period last year, whilst maintaining our excellent credit quality.

"As expected new lending levels have slowed, as they have across the wider market, following the stamp duty changes and uncertainty in the run up to the referendum. Our pipeline at 30 June 2016 stood at £339.0 million, compared to £350.6 million at the start of the quarter, again given the current environment this is not unexpected.

“We continue to maintain our disciplined approach to pricing and credit. In January we took the early decision to raise our minimum affordability tests to reflect the future landlord tax relief changes.

“Paragon continues to see a wealth of opportunities in the buy-to-let sector. With tenant demand for quality, privately rented housing remaining high, private landlords will be the driving force behind trying to meeting this growing demand.”

### **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.