



**PARAGON MORTGAGES PRESS RELEASE
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PARAGON'S NEW BUY-TO-LET LENDING ALMOST DOUBLES IN FIRST HALF OF THE YEAR

- New buy-to-let lending reaches £823.6 million for six months to end of March
- Stamp duty increase drives sharp rise in completions
- Group underlying profits increase by 12.5%

The Paragon Group of Companies, the parent company of Paragon Mortgages, has today released its half-year results for the six months ended 31 March 2016.

The Group reported a 12.5% increase in underlying profits to £71.9 million (H1 2015: £63.9 million). During the period new buy-to-let lending reached £823.6 million, compared to £446.2 million at the half-year point in 2015. The significant increase reflects the strength of the Group's position in the buy-to-let market and the acceleration of landlord purchasing activity ahead of the stamp duty increase.

John Heron, Managing Director of Paragon Mortgages, said: "We have had a very good first half, with strong new lending volumes whilst maintaining our high underwriting standards and strong credit profile.

"Demand for private rented property remains strong regardless of the significant policy developments we have seen in recent months. The PRA proposals, currently in consultation, will introduce a level of discipline to the market that we welcome and in particular require that more complex business is subject to an appropriately robust commercial assessment, similar to that which Paragon already applies to more complex business. Paragon is therefore well positioned to deliver solutions for landlords through a period of significant change in the market.

“We have every confidence in the buy-to-let market, with tenant demand continuing to remain high and in some areas increasing, the PRS will remain a fundamental part of the UK’s housing market now and in the future.”

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For further information contact:

Victoria Lisowski

PR Manager

Tel: 0121 712 2563

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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.