



**PARAGON MORTGAGES PRESS RELEASE
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PARAGON MORTGAGES REPORT GROWTH IN PROFITS

- Total Group profits increase 9.1%
- New buy-to-lending for the year totals £1.16 billion
- Group well-placed to grow professional landlord business

Paragon Mortgages' parent company, the Paragon Group of Companies, has today released its financial results for the year ended 30 September 2016.

The Group reported a strong performance across all its business lines, contributing to a 9.1% increase in underlying profits totalling £146.9 million for the period (2015: £134.7 million).

John Heron, Director of Mortgages, said: "This was very much a year of two halves for buy-to-let with very strong completion levels being seen in the run up to the stamp duty increase in April followed by a commensurate reduction in activity levels across the market from April.

"However, our pipeline of new business is now gathering momentum with an increase of approaching 20% in October. Much of this is due to the success of Paragon Bank in providing us with diversified funding allowing us to deliver a series of competitive products which is driving an increase in application volumes.

"In particular we are seeing an improvement in the professional landlord segment of the market, a sector we are well positioned to satisfy given our extensive experience of meeting their individual requirements.

“Whilst the buy-to-let market has had a challenging year, we continue to see the potential the sector has to offer. With strong rental demand, there will continue to be a growing need for professional landlords to provide quality, private rental accommodation and, with our 20 years’ experience in the market, we remain very well-positioned to work with these landlords.”

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For further information contact:

Liam Thompson

PR Account Manager

Tel: 0121 712 2601

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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.