



**PRESS RELEASE
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PARAGON BANK ADDS TO ITS ASSET FINANCE BUSINESS WITH ACQUISITION

Paragon Bank PLC's asset finance division, Paragon Bank Asset Finance, has added to its business with the acquisition of one of the UK's leading asset finance brokerages, Premier Asset Finance ("Premier").

Premier sources in excess of £100 million of lending per annum to a range of SME customers. Headquartered in Edinburgh, Premier has a national presence, and was voted Broker of the Year in Leasing World's 2015 awards.

Working together, Paragon Bank Asset Finance and Premier will focus on expanding their asset finance business across a range of asset classes including wheeled assets, plant and machinery and IT.

The initial consideration for the purchase is £8.5 million, payable in cash. A further £12 million is payable over the following five years, subject to performance conditions. The consideration is being paid from Paragon Group's existing cash resources.

The acquisition has been given regulatory approval.

Richard Doe, Managing Director of Paragon Bank said: "I'm delighted to welcome the Premier team to Paragon Bank's asset finance division. Premier is one of the UK's leading, SME asset finance brokerages and, working together, we have a unique opportunity to expand our asset finance business by forging new and exciting relationships with SME customers."

Kevin Davidson and Mark Ripley, joint Managing Directors of Premier commented: "Paragon has a first class reputation, a strong balance sheet and an impressive track record of delivering profitable growth. Paragon shares our ambitious growth plans and is an excellent cultural fit for Premier. We are very excited to be joining Paragon Bank's asset finance division and look forward to this new chapter in our development."

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Notes to editors:

Paragon Group

The Paragon Group of Companies PLC is a FTSE 250 company and a specialist finance provider. The Group employs more than 1,100 people and achieved profits of £134.7 million for the year ended 30 September 2015. Paragon operates with three divisions; Paragon Mortgages, Idem Capital and Paragon Bank. Further information is available on its website www.paragon-group.co.uk

Paragon Bank PLC

Paragon Bank PLC is a retail-funded lending bank with a direct-to-consumer Internet platform for savings and loans. Its lending products, buy-to-let mortgages, car finance, secured personal loans, residential development finance and asset finance, are distributed via intermediaries.

Paragon Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England number 390593. Registered office 51 Homer Road, Solihull, West Midlands B91 3QJ. Paragon Bank PLC is registered on the Financial Services Register under the firm reference number 604551. Further information is available on its website www.paragonbank.co.uk

Premier Asset Finance

Founded in 2008, Premier Asset Finance sources in excess of £100 million of lending per annum to a range of SME customers. Premier is active in broking hire purchase, sale and lease back, sale and hire purchase back and commercial loan business.