

Shawbrook Group plc - Q1 2021 trading update

Shawbrook Group plc ('the Group') today issues its trading update for the three months ended 31 March 2021.

Highlights:

- Strong financial and resilient operational performance over Q1 2021
- Continued investment in technology to support our strategic objective of digitising and enhancing our customer proposition:
 - **Property Finance:** Introduction of leading edge Buy-To-Let origination platform for swifter case management
 - **Business Finance:** Roll out of digital tools to significantly enhance and automate the customer and in-life management journeys
 - **Consumer Finance:** Implemented a new credit scorecard and price testing to provide better outcomes for our customers
- Completion of The Mortgage Lender Limited acquisition
- Loan book growth of 5.4% to £7.5 billion, driven by improving origination levels and demand from new-to-bank Property Finance and Business Finance customers
- Capital and liquidity ratios significantly above regulatory requirements
- Positive movement in arrears, trending towards pre-pandemic levels following wind-down of the payment holiday exercise
- Stock cost of retail deposits managed down to 0.98% on 30 April 2021
- Return on Tangible Equity returned to 20% with IFRS 9 modelled macro-economic outlooks and weightings held consistent with those used at 31 December 2020

Commenting on the Group's performance, Ian Cowie, Chief Executive Officer, said:

"The Group has delivered a strong financial and operational performance over the first quarter of 2021, successfully balancing high levels of demand across our chosen markets with an appropriate and prudent risk appetite during these uncertain times. Our new business pipeline stands strong with redemptions performing within our expectations.

We have continued to invest heavily in our digitisation agenda, introducing a new BTL origination platform in Property Finance and building significantly scaled automation tools in Business Finance to ease the customer journey, in-life management and portfolio analytics.

With an improving economic backdrop, strengthening demand for our specialist lending proposition, a robust capital position and a strong funding base, we are ideally placed to build on this continued momentum throughout 2021 and in to 2022."

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