

Shawbrook Group plc
("Shawbrook" or "the Group")

Interim Results for the period ended 30 June 2021

The Interim Results for the six months ended 30 June 2021 are available on our website <https://www.shawbrook.co.uk/investors/>

Shawbrook Group plc ('Shawbrook' or 'the Group') today announces its half-year results for the six months ended 30 June 2021.

- Annualised loan book growth of 26.2%¹ to £8.0 billion as at 30 June 2021 (31 December 2020: £7.1 billion).
 - o We continue to take advantage of our significant total addressable market by positioning specialist lending propositions to meet customer needs outside of the government backed initiatives, originating record levels of new business².
 - o Our diversified product offering and multi-channel distribution has underpinned the resilience of our model, enabling us to support market demand as customer confidence returns.
 - o Expanded our Platform Lending origination channel through the successful completion of The Mortgage Lender Limited (TML) acquisition, widening our Originate to Distribute optionality.
- Record levels of profitability with underlying profit before tax for H1 2021 of £94.4 million (H1 2020: £5.9 million) and underlying return on tangible equity of 20.1%.
- Material funding advantage generated with customer deposits increasing to £7.8 billion (31 December 2020: £6.9 billion), with stock cost of retail deposits of 95bps as at 30 June 2021 (31 December 2020: 121bps; 30 June 2020: 153bps).
- Well capitalised and liquid balance sheet with a total capital ratio as at 30 June 2021 of 16.4% (31 December 2020: 16.8%) and a liquidity coverage ratio of 258.5% (31 December 2020: 229.7%).
- The improving economic outlook has driven a continued positive movement in arrears to 1.9%³, trending back towards pre-pandemic levels, from a peak of 3.6% in June 2020 (31 December 2019: 1.6%), as the payment holiday scheme winds down. This drove a cost of risk of £nil for H1 2021 (H1 2020: £56.8 million).
- Continued to invest in and strengthen our data capabilities and deploy innovative technology solutions across the business, further digitalising customer experience and enhancing automation.

Footnotes:	
1.	Loan growth of 13.0% from £7.1 billion at 31 December 2020 to £8.0 billion annualises to 26.2% and compares to annual loan growth rates of 15.3% in FY 2019 and 11.0% in FY 2020 (after adding back the £97.8 million disposal of Consumer loans in January 2020 and the £329.9 million of derecognised TML originated loans following sale of residual notes as we effected our inaugural structured asset sale).
2.	As at 30 June 2021, the gross carrying amount of loans drawn under the Coronavirus Business Interruption Loan Scheme (CBILS) is £48.1 million (31 December 2020: £32.2 million).
3.	Loans in arrears at 30+ days with one payment missed.

For enquiries please contact:
Richard Armstrong
Head of Group Marketing and Insight

Tel: 07809 493 158

LEI: 21380071539WSMTM4410

About Shawbrook

Shawbrook is an independent specialist lending and savings bank serving UK SMEs and consumers with tailored products designed to address a selection of high growth sub-sectors of the overall lending industry. The Group's lending activities are primarily funded by a stable retail deposit book consisting of easy access and ISA accounts, variable rate notice accounts and fixed rate fixed term accounts (mostly one - five years). Shawbrook Bank Limited is an operating entity of Shawbrook Group plc. Shawbrook Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the Financial Services Compensation Scheme.

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