

- **Specialist British bank Shawbrook announces impressive pre-tax half year profit of £18.6m[1] (£5.0m H1 2013)**
- **Total lending extended by 91% to £1.96bn (£1.03bn, June 2013)**

Shawbrook Bank has published its results for the six months ended 30th June 2014, revealing continued growth in lending and profitability. Building on the momentum of the first six months of 2014, Shawbrook has also made a strong start to the second half of the year.

Performance Highlights

- Half year pre-tax profit of **£18.6m (£5.0m H1 2013)**
- Increase in deposit base from £1.3bn (June 2013) to **£2.1bn** (June 2014)
- Loan assets as at June 2014 of **£1.96bn** (June 2013 £1.03bn)
- Growth in total lending to SMEs in the period between June 2013 and June 2014 of £685m and growth of £249m in lending to consumers
- Regulatory capital increased from £88m (June 2013) to **£178m** (June 2014)
- Total capital ratio of **15%** at Group level
- Post-tax Return on Equity of 20% (YTD).[2]

Shawbrook has continued to achieve strong and controlled growth across each of its business units. Over the course of 2013 and 2014, the Bank has continued to invest significantly in staff and infrastructure to support its growth plans, with a 47% increase in headcount in the twelve months to June 2014, bringing staff numbers to over 400; including those who joined as part of the acquisition of Centric Commercial Finance (Centric) in June 2014.

The Bank's H1 2014 loan book has been boosted by the strategic acquisition of asset-based lender Centric, whose range of SME lending services have enabled Shawbrook to extend its offer for credit-worthy businesses seeking finance to expand.

Each of Shawbrook's specialist lending businesses, which support over 50,000 small business and personal customers, delivered strong performances in the twelve months to June 2014:

- **Commercial Mortgages** grew by 101% to **£716m** (£356m June 2013)
- **Asset Finance** grew by 30% to **£497m** (£383m June 2013)
- **Secured Lending** grew by 57% to **£357m** (£228m June 2013)
- **Consumer Lending** grew by 193% to **£181m** (£62m June 2013)
- **Centric Commercial Finance** joined Shawbrook with over £200m of SME advances

Income Statement

£m	Group H1 2014	Group H1 2013	Variation
Net operating income	45.4	23.7	+91%
Impairment losses on financial assets	(3.6)	(0.4)	+854%
Cost and provisions	(27.2)	(18.9)	+44%
Statutory profit/(loss) before taxation	14.5	4.5	+226%

Acquisition costs	2.5	0.5	+397%
Interest on subordinated debt	1.5	-	-
Underlying profit before tax	18.6	5.0	+274%

Balance Sheet

£m	Group H1 2014	Group H1 2013	Variation
Cash and balances at central banks and loans and advances to banks	360.7	314.9	+15%
Loans and advances to customers	1,963.8	1,029.7	+91%
Other assets	55.5	19.3	+189%
Total Assets	2,380.0	1,363.4	+75%
Customer deposits	2,113.7	1,255.8	+68%
Due to banks	24.4	-	-
Other liabilities	53.9	6.0	+801%
Share capital	174.5	112.0	+56%
Retained earnings & other reserves	13.6	(9.9)	+237%
Total equity and liabilities	2,380.0	1,363.8	+75%

Richard Pyman, CEO of Shawbrook Bank, said:

"I am delighted to report that Shawbrook's growth momentum has continued to be strong in the twelve months to June 2014: we have now exceeded £2bn of gross customer loans since our launch in 2011, and increased SME lending to £1.4bn. Asset quality remains high and we have made good progress in the third quarter to date.

"We continue to see strong demand from credit-worthy SMEs and individual customers who are seeking a straight-forward, quality relationship with their bank. Our focus on specialist teams and a human approach to decision making to deliver excellent customer service has enabled us to grow our lending to small businesses by £685m in the twelve months to June 2014.

“Against the backdrop of the most recent FLS figures, which showed a reduction in lending from the high street banks, Shawbrook is helping more and more small businesses to expand and grow.”

[Click here for the half year results presentation.](#)

[1] Underlying profit of £18.6m is after adding back the costs of the Centric acquisition and Tier 2 debt interest.

[2] Return on Equity is calculated as Profit after Tax (after deducting the Subordinated Debt interest) divided by average Shareholders' equity.