

The following amendments have been made to the 'Full year results for the 12 months to 31 Dec 2021' announcement released on 31/03/2022 at 07:00 under RNS No 6789G.

1. Correction of minor typographical error in: (i) paragraph 2 of announcement; (ii) second bullet point under "Reinvigorated our purpose, which underpins our strategy"; and (iii) final bullet point under "Enterprise".
2. Relocation of one bullet point under "High-demand for our invocative, customer-centric proposition".
3. Textual amendment under paragraph 3 of quote.

All other details remain unchanged.

The full amended text is shown below.

## **Shawbrook Group plc**

### **Full year results for the 12 months to 31 December 2021**

#### **Record profits, a strong platform for future growth**

London, 31st March 2022 - Shawbrook Group plc today announces its full year results for the year ended 31 December 2021.

Our unique, tech-enabled model and continued focus on innovation delivered an exceptional performance in 2021, including record levels of profitability and originations, strong loan book growth and excellent customer satisfaction scores.

#### **Key highlights:**

- **High-demand for our innovative, customer-centric proposition**
  - Served c.350,000 customers and generated a high Trustpilot score of 4.6 out of 5
  - Record originations, with particular strength in our core SME and property markets
  - Loan book growth of 26%<sup>1</sup> to £8.6bn (2020: £7.1bn), driven by our diverse offering and further expansion across our markets
  - Deposits rose 21% to £8.4bn (2020: £6.9bn) as our strong savings proposition continued to attract customers
- **Record profitability, superior returns**

- Record levels of profitability delivered, with profit before tax increasing to £197.2m (2020: £73.5m)
- Return on tangible equity of 20.1% (2020: 8.0%), driven by continued scalability, operating leverage and our disciplined approach to pricing and returns
- **Further diversifying our products and distribution**
  - Launch of Shawbrook Zero, a first to market, fully digital and non-advised second charge mortgage
  - Continued focus on delivering maximum value and excellent outcomes for our customers
  - Continued to invest in and strengthen our data capabilities and deploy innovative and cloud-based technology solutions to further scale-up capacity and extend distribution
- **Accelerating growth through strategic M&A**
  - Acquisition of The Mortgage Lender (TML) brings opportunities in adjacent markets and distribution channels and further extends our originate to distribute model
- **Conservative capital management provides the foundation for future growth**
  - CET1 capital ratio of 12.7% (2020: 12.6%)
  - Total capital ratio of 16.2% (31 December 2020: 16.8%)
  - Prudent liquidity coverage ratio of 247.8% (2020: 229.7%)
  - Maintained prudent approach to risk, with the Group's overall arrears rate at a low 1.7%<sup>2</sup> (31 December 2020: 1.9%) and trending back down to pre-pandemic levels (31 December 2019: 1.6%)
- **Reinvigorated our purpose, which underpins our ESG strategy**
  - Launched the 'Empower Her' project, working in partnership with the Saracens Foundation to encourage and enable equality, diversity and inclusion in grassroots and professional sport
  - Inaugural ESG report includes first alignment to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations

Visit [shawbrook.co.uk/2021Results](https://shawbrook.co.uk/2021Results) to download the full Report

**Marcelino Castrillo, Chief Executive Officer, commented:**

"Our tech-enabled model continued to provide operational leverage and balance sheet optimisation during 2021. This enabled us to deliver exceptional performance, including record levels of profitability, with profit before tax increasing to £197.2 million (2020: £73.5 million), record origination levels and loan book growth of 26%<sup>3</sup>.

2021 was a significant year for Shawbrook as we continued to build on the foundations of our exceptional business and accelerated the next phase of our growth journey, which is helping us establish a unique position in the market. We have pioneered an entirely new breed of financial services business by combining the agility, innovation, customer focus and scalability of a FinTech with the deep sector expertise and ingenuity of our people to deliver market-leading profitability.

Looking forward, we will continue to respond to opportunities created by evolving economic and societal trends by leveraging our multi-channel origination and diversified revenue model to support our customers. I am confident that by building on the foundations we have created over the last decade, including continued investment in technology and data, our market-leading growth is set to continue. We are uniquely placed to deal with the current macroeconomic and geopolitical challenges, creating opportunities for our customers, every single day."

## **Business Highlights**

### **Enterprise**

*The Group's Enterprise Franchise serves UK SMEs, FinTechs, property professionals and property owners with a range of specialist lending products.*

- Successfully launched and rolled-out the MyShawbrook buy-to-let portal, deploying advanced decisioning capability and sophisticated insights to provide a slicker and more intuitive application journey
- Entire development finance portfolio, including the acquired RateSetter book, was migrated onto the new cloud-based loan booking platform
- Collaborated with FundingXchange to co-develop and roll out a proactive portfolio monitoring tool within the SME lending business
- Development and launch of a new portal, enabling intermediary-sourced asset finance transactions to be originated digitally from Q2 2022

### **Consumer**

*The Group's Consumer Franchise serves UK consumer and micro business owners with a range of lending and savings products. Leveraging highly efficient cloud-based lending platforms, end-to-end digital distribution (with almost 100% auto-decisioning of personal loans) as well as a branchless distribution strategy, there is a deep understanding of customers' needs based on 10+ years of proprietary data.*

- Progressed the digital agenda through further evolving the API<sup>4</sup>-led consumer FinTech platform with the use of new data sources, including the integration of Open Banking data more widely across our customer journeys
- Developed a new artificial intelligence enabled pricing environment, giving the group the ability to make pricing decisions five times quicker
- Infrastructure supported by partnerships with more than 30 FinTechs and data providers

### **The Mortgage Lender (TML)**

*TML provides a range of flexible residential mortgages designed for customers with more complex income profiles, including self-employed, entrepreneurs and first-time buyers.*

- Exceeded its annual completions target with a buoyant application flow at record levels: c.£1.3 billion of applications received in the year and a strong pipeline going into 2022
- Launched a new residential product, aimed at supporting the self-employed and borrowers with complex incomes
- Launched a new evolved brand and website, reflecting its aim to offer "real life lending"

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- 1 When adjusted to add back in the structured asset sale completed in September 2021 of The Mortgage Lender Limited (TML) buy-to-let loans, which had a carrying amount at the point of derecognition of £342.6 million.
  - 2 Loans in arrears at 30+ days with one payment missed.
  - 3 When adjusted to add back in the structured asset sale completed in September 2021 of The Mortgage Lender Limited (TML) buy-to-let loans, which had a carrying amount at the point of derecognition of £342.6 million.
  - 4 API stands for Application Programming Interface.

Visit [shawbrook.co.uk/2021Results](https://shawbrook.co.uk/2021Results) to download the full Report.

A copy of the Annual Report will be submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

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