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Paragon Group Of Companies PLC
10 November 2011

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Completion of securitisation

The Paragon Group of Companies PLC ("Paragon") has today completed the first securitisation transaction consisting exclusively of buy-to-let assets since the reopening of the wholesale funding markets.

Paragon Mortgages (No.16) PLC ("PM16") is a £163.8 million transaction and is Paragon's first securitisation since July 2007. Following high levels of investor demand, the transaction was upsized from a launch forecast of approximately £150 million.

Nigel Terrington, Paragon Chief Executive, said: "The upsizing of the deal confirms bond investors' appreciation of the strong credit profile of our buy-to-let assets and Paragon's pedigree as an issuer of high quality bonds. This deal will enable us to further develop our lending activities and represents a significant step in our ongoing funding programme."

Of the £163.8 million deal, PM16 has placed £131.7 million Class A Senior notes with investors. The Group will retain £32.1 million Class Z junior notes and will advance a cash fund of £5.4 million. The Class A Senior notes have been rated AAA by Fitch and Moody's and are priced at 275 basis points over three month LIBOR.

Paragon will publish its full year results on 22 November 2011.

For further information, please contact:

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