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Paragon Group Of Companies PLC
25 October 2012

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Completion of securitisation

The Paragon Group of Companies PLC ("Paragon"), through its subsidiary Paragon Mortgages (No.17) PLC ("PM17"), has today completed a £200 million securitisation transaction consisting exclusively of buy-to-let assets.

PM17 comprises of £175 million of AAA rated notes at a margin of 135 basis points over three month LIBOR, £10.5 million of AA rated notes at a margin of 190 basis points over three month LIBOR, £10 million of A rated notes at a margin of 290 basis points over three month LIBOR. £4.5 million of subordinated notes were retained by Paragon, which also invested £6 million in the First Loss Fund, which brings its total investment in PM17 to £10.5 million, or 5.25% of the issue amount.

Nigel Terrington, chief executive, said: "The pricing of our latest transaction reflects the strong credit profile of Paragon's buy-to-let assets and our experience as an issuer of high quality bonds in the mortgage backed securities market. This was only the second public transaction of buy-to-let loans since the credit crunch and the first to issue A rated bonds since 2008."

Paragon will be announcing its full-year results for the 12 months to 30 September 2012 on Tuesday 20 November 2012.

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