

Paragon Secured Finance (No.1) PLC (“PSF1”) Available Redemption Funds for the August 2014 Interest Payment Date

PSF1’s greater than 3 months arrears loans reduced to 9.32% as at the July 2014 Principal Determination Date (31<sup>st</sup> July 2014), compared to 10.17% as at 30<sup>th</sup> April 2014. In accordance with the Terms and Conditions of the Notes, the reduction below the 10% arrears trigger will result in recommencing the pro rata repayment of the Notes on 15<sup>th</sup> August 2014 Interest Payment Date.

In order to bring the ratios back into line as per the Terms and Conditions of the Notes (page 52 of the PSF1 Offering Circular), all of this quarter’s Available Redemption Funds will be applied to PSF1’s Class B and C Notes.