



Completion of securitisation

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Paragon Banking Group PLC ("Paragon" or "the Group") is pleased to announce it has completed its latest securitisation, Paragon Mortgages (No.27) PLC ("PM27"). The arrangers were Lloyds Bank Corporate Markets Plc and BofA Securities.

PM27 is Paragon's first fully retained transaction in its long-established securitisation programme. PM27 contains £760 million of prime buy-to-let fixed rate mortgage assets originated by Paragon Bank PLC and Paragon Mortgages (2010) Limited, creating £648.3 million of AAA rated senior bonds for the Group. It is expected that the senior bonds will be used as collateral for the Bank of England repo funding facilities and the Term Funding Scheme with additional incentives for SMEs (TFSME) scheme. The senior bonds are also available as security for commercial repo transactions with other institutions.

Commenting on today's announcement, Paragon's Chief Executive, Nigel Terrington, said: "Covid-19 has adversely impacted financial markets since March, including the RMBS market where margins have widened significantly. We have therefore decided to retain the PM27 Notes as an efficient contingent liquidity resource. We expect the Notes to be eligible for utilisation in the Bank of England's term funding schemes, including TFSME, and will provide a cost-effective alternative to the RMBS market."

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