

**CONFIRMATION**

From: **LLOYDS BANK PLC**  
10 Gresham Street  
London EC2V 7AE

Attention: WMTT-IRPConfirmations  
Fax: 020 7158 3122  
Email: [WMTT-IRPConfirmations@Lloydsbanking.com](mailto:WMTT-IRPConfirmations@Lloydsbanking.com)

Trade ID: 10147291LS

UTI: 1030466833SMTSWAP00000000000000000010147291LS

To: **PARAGON MORTGAGES (NO.23) PLC**  
51 Homer Road  
Solihull  
West Midlands B91 3QJ

Attention: Swaps Administration, Finance Department

**CITICORP TRUSTEE COMPANY LIMITED**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

Attention: Agency & Trust

Dear Sirs

**Currency Swap A1 Agreement**

**Paragon Mortgages (No.23) PLC**

The purpose of this letter is to confirm the terms and conditions of the swap transaction entered into between us on the Trade Date specified below (the "**Swap Transaction**"). This letter constitutes a "Confirmation" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us and both of you in connection with the Class A1 Notes (the "**Relevant Notes**") on the date of this Confirmation as amended and supplemented from time to time (the "**Agreement**").

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation shall prevail. Any terms not otherwise defined herein or in the Definitions shall have the meanings given to them in the Agreement, in the Conditions (as defined in the Deed of Charge) and in the Relevant Documents (as defined in Condition 3).

This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in, incorporated in, or incorporated by reference to, the Agreement shall govern this Confirmation except as expressly modified below.

For the avoidance of doubt, the amount of any payment obligations in respect of the Swap Transaction will be determined subject to the provisions of Part 5(l) (*Security, Enforcement and Limited Recourse*) of the schedule to the Agreement.

The terms of the particular Swap Transaction to which this Confirmation relates are as follows:

Party A:	Lloyds Bank plc
Party B:	Paragon Mortgages (No.23) PLC.
Trade Date:	16 July 2015
Effective Date:	23 July 2015
Termination Date:	Either (i) If EUR 105,000,000 Class A1 Notes are not issued by Party B on or prior to 23 July 2015 (the “Expected Closing Date”), the Expected Closing Date; or (ii) If EUR 105,000,000 Class A1 Notes are issued by Party B on or prior to the Expected Closing Date, the earlier of (a) the Interest Payment Date falling in January 2043, or (b) the date on which the Relevant Notes are redeemed or repaid in full.
A1 Interest Payment Date:	15 July, 15 October, 15 January and 15 April of each year, adjusted in accordance with the Following Business Day Convention, commencing on 15 October 2015.
Business Day:	London and TARGET Settlement Day
EUR Amortisation Amount:	In respect of an Interest Payment Date, the amount (in EUR) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.
Exchange Rate:	GBP 1.00: EUR 1.4320
Party A Currency:	EUR

***Floating Payments***

**Floating Amounts for Party A:**

Floating Rate Payer: Party A.

Party A Currency Amount: As at any Party A Payment Date, EUR 105,000,000.00 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.

Party A Payment Dates: Each A1 Interest Payment Date.

Floating Rate Option: EUR-EURIBOR-Reuters

Designated Maturity: Three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the two month and three month rates.

Spread A: Up to (but excluding) the Step Up Date, 0.70 per cent. per annum and from (and including) the Step Up Date, 1.40 per cent. per annum.

Party A Floating Rate Day Count Fraction: Actual/360

Reset Dates: The first day of each Calculation Period.

**Floating Amounts for Party B:**

Floating Rate Payer: Party B.

Party B Currency Amount: As at any Party B Payment Date, GBP 73,324,022.35 minus the aggregate of each Party B Interim Exchange Amount made prior to such date.

Party B Payment Dates: Each A1 Interest Payment Date.

Floating Rate Option: GBP-LIBOR-BBA.

Designated Maturity: Three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the two month and three month rates.

Spread B: Up to (but excluding) the Step Up Date, 1.2615 per cent. per annum and from (and including) the Step Up Date, 2.5230 per cent. per annum.

Party B Floating Rate Day Count Fraction: Actual/365 (Fixed)

Reset Dates: The first day of each Calculation Period.

Calculation Agent: Party A.

***Initial Exchange***

Initial Exchange Date: Effective Date.

Party A Initial Exchange Amount: GBP 73,324,022.35

Party B Initial Exchange Amount: EUR 105,000,000.00

***Interim Exchange***

Interim Exchange Date: Each Interest Payment Date on which the EUR Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the Administrator).

Party A Interim Exchange Amount: The EUR Amortisation Amount.

Party B Interim Exchange Amount: In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted to GBP at the Exchange Rate.

***Final Exchange***

Final Exchange Date: Termination Date.

Party A Final Exchange Amount: A EUR amount equal to the Party B Final Exchange Amount converted into EUR at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

***Account Details***

**Payments to Party A:**

Account for Payments in EUR Lloyds Bank Plc., Corporate Markets, London  
SWIFT: LOYDGB2L  
Account No.: GB63LOYD30963459011079

Account for Payments in GBP: Lloyds Bank Plc., Corporate Markets, London  
SWIFT: LOYDGB22TSY  
Account No.: 00001933 CHAPS 30-15-57  
IBAN: GB06LOYD30155700001933

**Payments to Party B:**

Account for Payments in EUR Citibank N.A., London – CITIGB2L  
SWIFT: CITIGB2L  
Account No.: 8378339  
IBAN: GB57CITI18500808378339  
Ref: XS1253924234/ Paragon Mortgages (No.23)

PLC

Account for Payments in GBP

Citibank N.A., London  
SWIFT: CITIGB2L  
Account No.: 17662793  
Sort Code: 18-50-08  
IBAN: GB03CITI185008176992793  
Favour: Paragon Mortgages (No.23) PLC  
Transaction Account

Party A Initial Exchange Amount  
Payment

SWIFT: LOYDGB22TSY  
Sort Code: 301557  
Account Number: 00002727  
Ref: Lloyds – P5FL Warehouse Repayments  
IBAN: GB05LOYD30155700002727  
Favour: Paragon Mortgages (No.23) PLC  
Transaction Account

**Offices:**

The Office of Party A for the Transaction evidenced  
by this Confirmation is London.

Paragon Mortgages (No. 23) / Lloyds Bank PLC – Confirmation (FX) EXECUTION VERSION

Yours faithfully,

Signed for and on behalf of:

**Lloyds Bank plc**  
(LEI: H7FNTJ4851HG0EXQ1Z70)

On

By: R-Datta

Name Ragu DATANI,  
AUTHORIZED SIGNATORY

Signed for and on behalf of:

**Lloyds Bank plc**  
(LEI: H7FNTJ4851HG0EXQ1Z70)

On

By: \_\_\_\_\_

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

**Paragon Mortgages (No.23) PLC**  
(LEI: 2138003AC2EJTGRRR184)

On

By: \_\_\_\_\_

Name

Signed for and on behalf of:

**Citicorp Trustee Company Limited**

On

By: \_\_\_\_\_

Name

Paragon Mortgages (No. 23) / Lloyds Bank PLC – Confirmation (FX) EXECUTION VERSION

Yours faithfully,

**Signed for and on behalf of:** **Lloyds Bank plc**  
(LEI: H7FNTJ4851HG0EXQ1Z70)

On

By: \_\_\_\_\_

Name

**Signed for and on behalf of:** **Lloyds Bank plc**  
(LEI: H7FNTJ4851HG0EXQ1Z70)

On

By: \_\_\_\_\_

Name

Confirmed as of the date indicated at the start of this Confirmation:

**Signed for and on behalf of:** **Paragon Mortgages (No.23) PLC**  
(LEI: 2138003AC2EJTGRRR184)

On

By: \_\_\_\_\_

Name *JOHN HARVEY*

**Signed for and on behalf of:** **Citicorp Trustee Company Limited**

On

By: \_\_\_\_\_

Name

Paragon Mortgages (No. 23) / Lloyds Bank PLC – Confirmation (FX) EXECUTION VERSION

Yours faithfully,

**Signed for and on behalf of:** Lloyds Bank plc  
(LEI: H7FNTJ4851HG0EXQ1Z70)

On

By: \_\_\_\_\_

Name

**Signed for and on behalf of:** Lloyds Bank plc  
(LEI: H7FNTJ4851HG0EXQ1Z70)

On

By: \_\_\_\_\_

Name

Confirmed as of the date indicated at the start of this Confirmation:

**Signed for and on behalf of:** Paragon Mortgages (No.23) PLC  
(LEI: 2138003AC2EJTGRRR184)

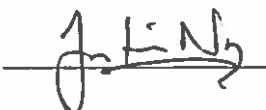
On

By: \_\_\_\_\_

Name

**Signed for and on behalf of:** Citicorp Trustee Company Limited

On

By: 

Name JUSTIN NG