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Paragon Group Of Companies PLC
10 August 2015

THE PARAGON GROUP OF COMPANIES PLC

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THE PARAGON GROUP OF COMPANIES PLC

LAUNCH OF STERLING DENOMINATED 6.000 PER CENT. BONDS DUE 2024

The Paragon Group of Companies PLC ("**Paragon**"), the specialist buy-to-let and consumer finance group, has today launched an offer of Sterling denominated 6.000 per cent. bonds due 2024 (the "**Bonds**"). The Bonds are available to retail investors.

The Bonds will pay a fixed rate of interest of 6.000 per cent. per annum. Interest will be payable twice yearly on 28 February and 28 August in each year, with the first coupon payment being made on 28 February 2016. The Bonds will mature on 28 August 2024. The Bonds have a minimum initial subscription amount of £2,000 and are available in multiples of £100 thereafter. The offer period will open on 10 August 2015 and is expected to close at noon (London time) on 24 August 2015. Paragon retains the right to close the offer early.

This launch follows Paragon's previous retail bond issues in February 2013 and January 2014, in which a total of £185 million of retail bonds were issued.

Paragon is a FTSE 250 company and a leading buy-to-let mortgage lender, a consumer loans provider and a specialist purchaser and service of loan assets, with approximately £10.5 billion in loan assets under management as at 31 March 2015. In February 2014, it established a banking subsidiary, Paragon Bank.

Nigel Terrington, Chief Executive of Paragon, said:

"We are delighted with the launch of our third retail bond, as part of our on-going funding diversification strategy and supporting the continued growth of the business. In the nine months to 30 June 2015 the Group reported operating profits of £98 million, an 11% increase on the same period last year. The Group also saw further strong growth in its new lending activity.

The Group has an exemplary credit profile, as demonstrated by the strong performance of our loan portfolios and the recent award of an investment grade credit rating from Fitch Ratings.

The outlook for our businesses is strong and this latest retail bond in our programme represents another opportunity for investors to share in our development as we continue to build the Group's franchise."

At any time during the life of the Bonds, investors can sell them at any time (within market hours and in normal market conditions) on the open market through their stockbroker. The Bonds are expected to be listed on the Official List of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange. The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Retail Bonds.

Barclays Bank PLC and Canaccord Genuity Limited are acting as Lead Managers.

For further information please see Paragon's website:

www.paragon-group.co.uk/investors/Retail-Bond

For further information please contact:

Paragon

Nigel Terrington, Chief Executive - +44 (0) 121 712 2024
Richard Woodman, Finance Director - +44 (0) 121 712 2060
Deborah Bateman, External Relations Director - +44 (0) 121 712 2505

Fishburn

Paul Farrow - +44 (0) 20 7092 2302

Barclays Bank PLC

Toby Croasdell - +44 (0) 20 7773 8727
Tom Burgess - +44 (0) 20 3134 9089
Victor Blanchard - +44 (0) 20 7773 6531

Canaccord Genuity

Adrian Bell - +44 (0) 20 7523 8000

Notes to editors:**About The Paragon Group of Companies PLC**

- Paragon is a leading buy-to-let mortgage lender, consumer finance provider and specialist purchaser and servicer of loan assets. It established a banking subsidiary, Paragon Bank, in February 2014.
- As at 31 March 2015, it had approximately £10.5 billion in loan assets under management
- Paragon has three principal operating segments:
 - Paragon Mortgages is one of the longest established lending brands in the buy-to-let mortgage market. Alongside its sister brand, Mortgage Trust, Paragon Mortgages maintains a significant presence for Paragon in this growing sector of the UK mortgage market. Total loan assets of the segment at 31 March 2015 were £8,993.5 million of which £8,749.2 million were buy-to-let mortgage assets.
 - Idem Capital has established itself as one of the top consumer debt buyers in the UK, actively maintaining its strong relationship with the major UK based consumer debt sellers. In addition to assets acquired in its own right, Idem Capital services loans for third parties and for co-investment partners. The outstanding value of Idem Capital's investments at 31 March 2015 totaled £406.9 million.
 - Paragon Bank was established in 2014 and provides Paragon with diversification of both income streams and funding sources, operating in the car finance, secured personal loan and buy-to-let mortgage markets funded by retail savings products.
- Rated BBB- (stable) by Fitch Ratings Ltd
- Paragon has previously issued bonds on two separate occasions on the London Stock Exchange's electronic Order book for Retail Bonds totalling £185 million

Offer highlights

- The Bonds may not be suitable for all investors. Investors should ensure they fully understand the risks and seek independent financial advice.
- Investors should note that the price of the Bonds can rise and fall during the life of the investment and the price of the Bonds could fall below the issue price of £100.
- In the event that Paragon defaults or becomes insolvent, investors may lose some or all of their investment.

Disclaimer

This announcement is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC, as amended (the "**Directive**"), and/or Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**"). A base prospectus dated 23 October 2014 (the "**Base Prospectus**") as supplemented by the supplemental prospectuses dated 5 February 2015 and 26 May 2015 (together with the Base Prospectus, the "**Prospectus**") and the final terms dated 10 August 2015 relating to the Bonds (the "**Final Terms**") have been prepared and made available to the public as required by Part VI of the FSMA. Investors should not subscribe for any Bonds referred to in this announcement except on the basis of information in the Prospectus and the Final Terms. Full information on The Paragon Group of Companies PLC and the offer of the Bonds is only available on the basis of the combination of the Prospectus, the Final Terms and this announcement which have been published by Paragon on the Regulatory News Service operated by the London Stock Exchange.

The restriction on financial promotions contained in section 21(1) of the Financial Services and Markets Act 2000 does not apply to this announcement by virtue of article 70(1A) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

The offering and the distribution of this announcement and other information in connection with any offer in certain jurisdictions may be restricted by law and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase. Any purchase of Bonds pursuant to any offer should only be made on the basis of the information contained in the Prospectus, available as described above.

The Bonds have not been and will not be registered under the US Securities Act of 1933, as amended, (the "**Securities Act**") and, subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons. The Bonds are being offered and sold outside of the United States in reliance on Regulation S of the Securities Act, and are subject to certain U.S. tax law requirements. There will be no public offering in the United States.

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