

**CONFIRMATION OF REDEMPTION OF NOTES
AND CANCELLATION OF LISTING**

17 September 2014

Paragon Mortgages (No.16) PLC - intended delisting of notes from the Official List of the Financial Conduct Authority and cancellation of trading on the London Stock Exchange

Paragon Mortgages (No.16) PLC hereby announces that it has resolved to request the delisting of:

Class A Mortgage Backed Floating Rate Notes Due 2039
ISIN: XS0693779802
Common Code: 069377980
(the "**Class A Notes**")

Class Z Mortgage Backed Floating Rate Notes Due 2039
ISIN: XS0693780487
Common Code: 069378048
(the "**Class Z Notes**" and together with the Class A Notes, the "**Notes**"),

currently admitted to listing on the Official List of the Financial Conduct Authority and to request the cancellation of the trading of the Notes on the Main Market of the London Stock Exchange (the "**LSE**").

The redemption of the Notes is due to take effect on 15 October 2014.

Application has been made to the Financial Conduct Authority for the Notes to be removed from the Official List and to the LSE for trading of the Notes to be cancelled with effect from 15 October 2014 or such later date upon which redemption of the Notes has occurred.

The last day of dealings in the Notes on the LSE is expected to be 15 October 2014.

The cancellation of the listing and of trading in the Notes on the LSE is expected to take effect at or about 8:00 a.m. on 15 October 2014.

For further information please contact

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