RNS ANNOUNCEMENT

To the holders of the Outstanding

$1,100,000,000 Class A1 mortgage backed floating rate notes due 2041
(*Reg S Common Code: 23541904; Reg S ISIN: XS0235419040; Rule 144A Common Code: 23542552; Rule 144A ISIN: US69912UAA34; Rule 144A CUSIP: 69912UAA3*)

£105,000,000 Class A2a mortgage backed floating rate notes due 2041
(*Common Code: 23541939; ISIN: XS0235419396*)

€222,000,000 Class A2b mortgage backed floating rate notes due 2041
(*Common Code: 23541980; ISIN: XS0235419800*)

£31,000,000 Class B1a mortgage backed floating rate notes due 2041
(*Common Code: 23542013; ISIN: XS0235420139*)

€19,500,000 Class B1b mortgage backed floating rate notes due 2041
(*Common Code: 23542030; ISIN: XS0235420303*)

£51,500,000 Class C1a mortgage backed floating rate notes due 2041
(*Common Code: 23542048; ISIN: XS0235420485*)

€27,500,000 Class C1b mortgage backed floating rate notes due 2041
(*Common Code: 23542072; ISIN: XS0235420725*)

issued by Paragon Mortgages (No.10) PLC

NOTICE IS HEREBY GIVEN to the holders of the above Notes that, Paragon Mortgages (No.10) PLC has elected United Kingdom as its "home Member State" for the purposes of Article 2.1(i)(ii) of the Transparency Directive. This notice is being issued in accordance with Paragraph 6.4 of the Disclosure and Transparency Rules of the UK Financial Services Authority.

A notice to this effect will also be issued through the Clearing Systems on the date hereof.

For further queries, please contact the Issuer at:

Paragon Mortgages (No.10) PLC
St. Catherine's Court
Herbert Road
Solihull
West Midlands B91 3QE

Telephone Number: John Gemmell +44 (0) 121 712 2075

Email: John.Gemmell@paragon-group.co.uk

Paragon Mortgages (No.10) PLC

26 July 2012