

## PRICING SUPPLEMENT

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) or a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2010/73/EU. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

4th June, 2019

### **bLEND Funding Plc**

**Legal entity identifier (LEI): 213800Y8TMLUT9SN1E94**

**Issue of £25,000,000 2.984 per cent. Secured Notes due 2034/2036**

**under the £2,000,000,000**

**Secured Euro Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Programme Memorandum dated 8th August, 2018 (the **Programme Memorandum**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Memorandum. The Programme Memorandum has been published on the regulatory news service maintained by the London Stock Exchange ([www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)).

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Programme Memorandum.

1. Issuer: bLEND Funding Plc

2. (a) Series Number: 2
- (b) Tranche Number: 2
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with the £50,000,000 2.984 per cent. Secured Notes due 2034/2036 of the Issuer issued on 15th March, 2019 (the **Existing Notes**) on exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 15 below, which is expected to occur on or about 16th July, 2019
3. Aggregate Principal Amount:
- (a) Series: £75,000,000
- (b) Tranche: £25,000,000
4. Issue Price: 101.822 per cent. of the Aggregate Principal Amount plus accrued interest from and including 15th March, 2019 to but excluding the Issue Date
5. (a) Specified Denominations: £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000
- (b) Calculation Amount for Notes in definitive form (and in relation to calculation of interest in global form see Conditions): £1,000
6. (a) Issue Date: 6th June, 2019
- (b) Interest Commencement Date: 15th March, 2019
7. (a) Legal Maturity Date: 15th March, 2036
- (b) Expected Maturity Date: 15th March, 2034
8. Interest Basis: 2.984 per cent. Fixed Rate
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Expected Maturity Date or such later date subject to, and in accordance with, Condition 9.1 (*Redemption at maturity*) at 100 per cent. of their principal amount
- (further particulars specified below)
10. Date Board approval for issuance of Notes obtained: 23rd May, 2019



14. Final Redemption Amount: £1,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

15. Form of Notes:

(a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event

(b) New Global Note: No

16. Retained Notes: Not Applicable

17. Talons for future Coupons to be attached to Definitive Notes: Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The information referred to in paragraph 7 of Part B of this Pricing Supplement in relation to each Borrower was obtained from each such Borrower who has certified to the Issuer the accuracy of such information. The Issuer confirms that such information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by each such Borrower, no facts have been omitted which would render the reproduced figures inaccurate or misleading.

Signed on behalf of bLEND Funding Plc:

By:  By:   
*Duly authorised*

*Duly authorised*

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. ADMISSION TO TRADING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's International Securities Market (the **ISM**) with effect from 6th June, 2019. The Existing Notes are already admitted to trading on the ISM.
- (ii) Estimate of total expenses related to admission to trading: £2,622

### 2. RATINGS

Ratings: The Programme has been rated "A2" by Moody's Investors Service Limited. The Notes have been rated "A2" by Moody's Investors Service Limited.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the fees payable to the Managers named below, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

### 4. YIELD

Indication of yield: 2.832 per cent. (semi-annual)

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5. OPERATIONAL INFORMATION

- (i) ISIN: Until consolidation with the Existing Notes:  
Temporary ISIN: XS2004796020  
Upon consolidation with the Existing Notes:  
ISIN: XS1963482390
- (ii) Common Code: Until consolidation with the Existing Notes:  
Temporary Common Code: 200479602  
Upon consolidation with the Existing Notes:  
Common Code: 196348239

- |        |  |  |
|--------|--|--|
| (iii)  | CFI:   | As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.   |
| (iv)   | FISN:  | As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.   |
| (v)    | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable   |
| (vi)   | Delivery:  | Delivery against payment   |
| (vii)  | Names and addresses of additional Paying Agent(s) (if any):  | Not Applicable   |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility:  | No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

## 6. DISTRIBUTION

- |       |   |                                       |
|-------|---|---------------------------------------|
| (i)   | Method of distribution:                       | Syndicated                            |
| (ii)  | If syndicated, names of Managers:             | HSBC Bank plc<br>RBC Europe Limited   |
| (iii) | Stabilisation Manager(s) (if any):            | Not Applicable                        |
| (iv)  | If non-syndicated, name of relevant Dealer:   | Not Applicable                        |
| (v)   | U.S. Selling Restrictions:                    | Reg. S Compliance Category 2; TEFRA D |
| (vi)  | Additional selling restrictions:              | Not Applicable                        |
| (vii) | Prohibition of Sales to EEA Retail Investors: | Applicable                            |

## 7. THE BORROWERS

The information below consists of a summary of certain limited information in respect of each Borrower. As set out in the Programme Memorandum, none of the Arrangers, the Dealers, the Trustee and the Issuer have independently verified the information in relation to each Borrower set out in this Pricing Supplement or on any website of such Borrower the address for which is referred to herein or, in the case of a Borrower with debt securities admitted to the Official List of the Financial Conduct Authority, on a Regulatory Information Service as such term is defined in the Listing Rules of the Financial Conduct Authority. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers, the Trustee or the Issuer as to the accuracy or completeness of the information in relation to any Borrower referred to in this Pricing Supplement, on any such website or, if applicable, on any Registered Information Service. Following the date of this Pricing Supplement, the Issuer may host more up-to-date information in relation to each Borrower on its website (<https://blendfundingplc.com/portfolio-data/>). Investors are advised, following the date of this Pricing Supplement, to check the Issuer's website for any such information.

### Borrower summary financial information:

The following table sets out summary financial information in respect of the Borrowers. The summary financial information in this table is provided at the group level to provide an overall picture of the profile of the group in which each Borrower is a member. The financial information set out below is extracted from the latest set of audited consolidated financial statements for each Borrower (as set out in further detail below in the relevant table of Borrower specific financial information) and may not therefore correspond with the same financial information if it were to be calculated on an unconsolidated basis at the borrower level.

Unless otherwise stated on the respective website for each Borrower set out below, the financial statements of each Borrower have been prepared and audited in accordance with the generally accepted auditing standards in the United Kingdom as applicable as at their date.

Borrower	bLEND loan facility nominal amount £k	No. of units owned	Housing properties £k	Net debt £k*	Operating Surplus £k	Net interest payable £k*	Social housing lettings turnover £k	Total turnover £k	Regulatory status	Year end
Fortis Living Group	70,000	15,939	833,837	276,344	43,724	-9,982	79,471	101,357	G1/V1	31st March, 2018
Hightown Housing Association Limited	50,000	5,849	581,861	332,395	24,532	-7,830	55,468	69,415	G1/V1	31st March, 2018
Regenda Limited	25,000	13,077	477,951	183,122	20,511	-8,748	58,858	67,995	G1/V1	31st March, 2018
Wales & West Housing	90,000	10,577	551,990	202,866	15,672	-7,450	57,321	60,069	Standard	31st December, 2017

Association										
Waterloo Housing Group	110,000	26,607	1,338,119	649,421	69,103	-29,651	122,615	142,109	G1/V1	31st March, 2018

\* The information set out in the columns entitled "Net debt £k" and "Net interest payable £k" in the above summary table has been calculated from extracted information from the Borrower specific financial information set out below. The information set out in the remaining columns has been extracted from the latest set of audited consolidated financial statements for each Borrower although the headings of the line items may vary. Reference should be made to the relevant table of Borrower specific financial information set out below for extracted financial information.

**Borrower specific financial information:**

Borrower: Fortis Living Group

Regulatory Status: G1/V1

Year end: 31st March, 2018

bLEND loan facility nominal amount £k: 70,000

Website address for financial statements: <https://www.fortisliving.com/reportsfortisliving>

Website address for senior management team: <https://www.platformhg.com/about>

Information extracted from Borrower financial statements				Information presented in table of summary financial information		
Calculation input	Line item in financial statements	Data	Comment	Heading in table of summary financial information	Figure used in table of summary of financial information	Calculation of derived number (where applicable)
a	Social Housing units owned and managed	15,787	Note 4 to the financial statements			
b	Managed by others	48	Note 4 to the financial statements			
c	Market rent	104	Note 4 to the financial statements	No. of units owned	15,939	Calculated as a + b + c
	Housing properties £k	833,837	Taken from Statement of Financial Position – Cost less depreciation	Housing properties £k	833,837	
d	Total Housing finance (falling due after more than one year) £k	289,733	Note 19 to the financial statements (less loan issue costs including premium)			
e	Bank Loans (falling due within one year)	0	Note 18 to the financial statements			
f	Haven funding (falling due within one year)	153	Note 18 to the financial statements			
g	AHF funding (falling due)	337	Note 18 to the financial statements			



	within one year)					
h	Cash and cash equivalents £k	13,879	Taken from current assets in Statement of Financial Position			
				Net debt £k	276,344	Calculated as d + e + f + g - h
	Operating surplus £k	43,724	Taken from Statement of Comprehensive Income	Operating surplus £k	43,724	
i	Interest and financing costs	-10,185	Taken from Statement of Comprehensive Income			
j	Interest Receivable	203	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-9,982	Calculated as i + j
	Social Housing Lettings £k	79,471	Note 2 to the financial statements	Social housing lettings turnover £k	79,471	
	Turnover £k	101,357	Taken from Statement of Comprehensive Income	Total turnover £k	101,357	

Borrower: Hightown Housing Association Limited

Regulatory Status: G1/V1

Year end: 31st March, 2018

bLEND loan facility nominal amount £k: 50,000

Website address for financial statements: <https://www.hightownha.org.uk/corporate-and-development/finance-investors/>

Website address for senior management team: Included on page 1 of financial statements

Information extracted from Borrower financial statements				Information presented in table of summary financial information		
Calculation input	Line item in financial statements	Data	Comment	Heading in table of summary financial information	Figure used in table of summary of financial information	Calculation of derived number (where applicable)
a	Social Housing units owned and managed	5,841	Note 5 to the financial statements			
b	Non-social housing	8	Note 5 to the financial statements			
				No. of units owned	5,849	Calculated as a + b
	Housing properties £k	581,861	Taken from Statement of Financial Position – Cost less depreciation	Housing properties £k	581,861	
c	Total Debt £k	354,314	Note 21 to the financial statements, Less loan issue costs including premium			

d	Cash and cash equivalents £k	21,919	Taken from Statement of Financial Position – Current Assets			
				Net debt £k	332,395	Calculated as c - d
	Operating surplus £k	24,532	Taken from Statement of Comprehensive Income	Operating surplus £k	24,532	
e	Interest and financing costs	-8,108	Taken from Statement of Comprehensive Income			
f	Interest Receivable	278	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-7,830	Calculated as e + f
	Social housing lettings £k	55,468	Note 3 to the financial statements	Social housing lettings turnover £k	55,468	
	Turnover £k	69,415	Taken from Statement of Comprehensive Income	Total turnover £k	69,415	

Borrower: Regenda Limited

Regulatory Status: G1/V1

Year end: 31st March, 2018

bLEND loan facility nominal amount £k: 25,000

Website address for financial statements:  
<https://www.regenda.org.uk/download.cfm?doc=docm93jjm4n2761>

Website address for senior management team: <https://www.regenda.org.uk/our-executive-team>

Information extracted from Borrower financial statements				Information presented in table of summary financial information		
Calculation input	Line item in financial statements	Data	Comment	Heading in table of summary financial information	Figure used in table of summary of financial information	Calculation of derived number (where applicable)
a	Total owned and managed	13,124	Taken from Note 6 of the financial statements			
b	Accommodation management for others	47	Taken from Note 6 of the financial statements			
				No. of units owned	13,077	Calculated as a - b
	Housing properties £k	477,951	Taken from statement of financial position	Housing properties £k	477,951	
c	Total Housing Loans £k	192,981	Taken from Note 23 of the financial statements			
d	Cash and cash equivalents £k	9,859	Taken from statement of financial			

			position			
				Net debt £k	183,122	Calculated as c - d
	Operating surplus £k	20,511	Taken from statement of comprehensive income	Operating surplus £k	20,511	
e	Interest payable and similar charges	-8,790	Taken from statement of comprehensive income			
f	Interest receivable and other income	42	Taken from statement of comprehensive income			
				Net interest payable £k	-8,748	Calculated as e + f
	Turnover from social housing lettings	58,858	Taken from Note 5 of the financial statements	Social housing lettings turnover £k	58,858	
	Turnover	67,995	Taken from statement of comprehensive income	Total turnover £k	67,995	

Borrower: Wales and West Housing Association

Regulatory Status: Standard

Year end: 31st December, 2017

bLEND loan facility nominal amount £k: 90,000

Website address for financial statements: <https://www.wwha.co.uk/wp-content/uploads/2018/08/Annual-Report-and-Financial-Statements-2017.pdf>

Website address for senior management team: <https://www.wwha.co.uk/en/about/our-people/directors-team/>

Information extracted from Borrower financial statements				Information presented in table of summary financial information		
Calculation input	Line item in financial statements	Data	Comment	Heading in table of summary financial information	Figure used in table of summary of financial information	Calculation of derived number (where applicable)
a	Sub-total social housing units	10,551	Note 11 to the financial statements			
b	Shared ownership	26	Note 11 to the financial statements			
				No. of units owned	10,577	Calculated as a + b
	Housing land and buildings at gross cost less depreciation £k	551,990	Taken from Statement of Financial Position	Housing properties £k	551,990	
c	Total Housing Loans £k	213,566	Note 20 to the financial statements			
d	Cash and cash equivalents £k	10,700	Taken from Statement of			

			Financial Position			
				Net debt £k	202,866	Calculated as c - d
	Operating surplus £k	15,672	Taken from Statement of Comprehensive Income	Operating surplus £k	15,672	
e	Interest Payable	-7,502	Taken from Statement of Comprehensive Income			
f	Interest Receivable	52	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-7,450	Calculated as e + f
	Social housing lettings - Turnover £k	57,321	Note 2(b) to the financial statements	Social housing lettings turnover £k	57,321	
	Turnover £k	60,069	Taken from Statement of Comprehensive Income	Total turnover £k	60,069	

Borrower:

Waterloo Housing Group

Regulatory Status:

G1/V1

Year end:

31st March, 2018

bLEND loan facility nominal amount £k:

110,000

Website address for financial statements:  
housing-financial-statement-2017-2018.pdf

[https://www.waterloo.org.uk/media/2080/waterloo-](https://www.waterloo.org.uk/media/2080/waterloo-housing-financial-statement-2017-2018.pdf)

Website address for senior management team:

<https://www.platformhg.com/about>

Information extracted from Borrower financial statements				Information presented in table of summary financial information		
Calculation input	Line item in financial statements	Data	Comment	Heading in table of summary financial information	Figure used in table of summary of financial information	Calculation of derived number (where applicable)
	Total Stock Owned	26,607	Note 4 to the financial statements, Total Stock Owned including non social rented and non social leased	No. of units owned	26,607	
	Housing properties at depreciated cost £k	1,338,119	Taken from Statement of Financial Position	Housing properties £k	1,338,119	
a	Total Housing and Debenture Loans £k	711,332	Note 22 to the financial statements, Housing and Debenture Loans less issue costs			

b	Cash and cash equivalents £k	61,911	Taken from Statement of Financial Position			
				Net debt £k	649,421	Calculated as a - b
	Operating surplus £k	69,103	Taken from Statement of Comprehensive Income	Operating surplus £k	69,103	
c	Interest Payable and similar charges	-29,857	Taken from Statement of Comprehensive Income			
d	Interest Receivable and other income	206	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-29,651	Calculated as c + d
	Total income from social housing lettings £k	122,615	Note 2 to the financial statements, Total Income from Social Housing Lettings	Social housing lettings turnover £k	122,615	
	Turnover £k	142,109	Taken from Statement of Comprehensive Income	Total turnover £k	142,109	

This Pricing Supplement sets out financial information as at the relevant year end of each Borrower only. Interim financial statements (if any) and/or trading statements (if any) may be available on the website of the relevant Borrower at the address set out above. In the case of a Borrower with debt securities admitted to the Official List of the Financial Conduct Authority, interim financial statements (if any) and/or trading statements (if any) of such Borrower may also be available on a Regulatory Information Service (as such term is defined in the Listing Rules of the Financial Conduct Authority).

Fortis Living Group and Waterloo Housing Group completed a merger in October 2018 and are now both subsidiaries of Platform Housing Group. No audited consolidated financial statements have yet been published for Platform Housing Group.

#### **Borrower compliance with the Asset Cover Test and Income Cover Test:**

The following table summarises the Asset Cover Ratio and the Income Cover Ratio (each as defined below) derived from the security portfolio for each Borrower.

Borrower	Loan facility nominal amount £k	Aggregate outstanding amount of drawn Loan £k	Interest payable £k	Value of EUV-SH Charged Properties £k	Value of MV-ST Charged Properties £k	Cash security £k	Asset Cover Ratio (Min 1x) (1)	Net Annual Income £k	Income Cover Ratio (Min 1x) (2)
Fortis Living Group	70,000	70,000	2,421	41,455	39,536	0	1.01	4,599	1.90
Hightown Housing Association Limited	50,000	30,000	895	14,535	15,902	3,534	1.00	1,488	1.88

Regenda Limited	25,000	25,000	746	0	0	25,000	1.00	0	1.00
Wales and West Housing Association Limited	90,000	90,000	3,006	3,908	80,679	20,000	1.01	4,395	1.29
Waterloo Housing Group	110,000	110,000	3,805	46,418	66,087	12,729	1.00	5,328	1.58

Notes:

(1) Asset Cover Ratio means the sum of:

- (a) the Minimum Value of the Charged Properties; and
- (b) the Cash Security,

divided by the nominal amount of the Loan.

(2) Income Cover Ratio means the Net Annual Income of the Charged Properties divided by the annual interest payable on the Loan or, if there is a balance in the Cash Security Account, the amount of interest which would have been payable if the principal amount of the Loan was reduced by the amount of the Cash Security.

For new Borrowers, or Borrowers taking additional funding, the funding is initially secured by the cash proceeds of the advance pending the charging of property security. Such cash is shown in the column entitled "Cash security £k". Borrowers have up to 12 months to complete the charging of property security.