

PRICING SUPPLEMENT

PROHIBITION OF SALES TO EEA AND UK 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**) or the United Kingdom (the **UK**). 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2014/65/EU (as amended, **MiFID II**); (ii) or a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK 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.

10th March, 2020

bLEND Funding Plc

Legal entity identifier (LEI): 213800Y8TMLUT9SN1E94

Issue of £25,000,000 3.459 per cent. Secured Notes due 2047/2049

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 2nd August, 2019 (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).

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: | 1 |

- (b) Tranche Number: 3
- (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 existing £270,000,000 3.459 per cent. Secured Notes due 2047/2049 of the Issuer issued in two tranches on 21st September, 2018 and 4th October, 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 21st April, 2020
3. Aggregate Principal Amount:
- (a) Series: £295,000,000
- (b) Tranche: £25,000,000
4. Issue Price: 124.425 per cent. of the Aggregate Principal Amount plus accrued interest from and including 21st September, 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: 12th March, 2020
- (b) Interest Commencement Date: 21st September, 2019
7. (a) Legal Maturity Date: 21st September, 2049
- (b) Expected Maturity Date: 21st September, 2047
8. Interest Basis: 3.459 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: 24th September, 2019

PROVISIONS RELATING TO INTEREST PAYABLE

- | | | |
|-----|---|---|
| 11. | Fixed Rate Note Provisions | Applicable |
| (a) | Rate(s) of Interest: | 3.459 per cent. per annum payable in arrear on each Interest Payment Date |
| (b) | Interest Payment Date(s): | 21st March and 21st September in each year up to and including the Legal Maturity Date commencing on 21st March, 2020 |
| (c) | Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | £17.30 per Calculation Amount |
| (d) | Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | Not Applicable |
| (e) | Determination Date(s): | 21st March and 21st September in each year |
| 12. | Floating Rate Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|------|--|---|
| 13. | Issuer Call: | Applicable |
| (a) | Optional Redemption Date(s): | At any time |
| (b) | Optional Redemption Amount and method, if any, of calculation of such amount(s): | In relation to Condition 9.2(a) (<i>Redemption at the option of the Issuer (Issuer Call)</i>): par

In relation to Condition 9.2(c) (<i>Redemption at the option of the Issuer (Issuer Call)</i>): Spens Amount |
| (c) | If Spens Amount is applicable: | |
| (i) | Benchmark Gilt: | 1½ % Treasury Gilt 2047 |
| (ii) | Spens Margin: | 0.25 per cent. |
| (d) | If redeemable in part: | |
| (i) | Minimum Redemption Amount: | Not Applicable |
| (ii) | Maximum Redemption Amount: | Not Applicable |
| (e) | Notice periods: | Minimum period: 15 days
Maximum period: 30 days |

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: 
Duly authorised

By: 
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 12th March, 2020. The Existing Notes are already admitted to trading on the ISM.
- (ii) Estimate of total expenses related to admission to trading: £2,754

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: 2.262 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: XS2132826970
Upon consolidation with the Existing Notes:
ISIN: XS1879603717
- (ii) Common Code: Until consolidation with the Existing Notes:
Temporary Common Code: 213282697
Upon consolidation with the Existing Notes:
Common Code: 187960371

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|--------|--|--|
| (iii) | CFI: | See 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: | See 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

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|-------|--|---------------------------------------|
| (i) | Method of distribution: | Syndicated |
| (ii) | If syndicated, names of Managers: | HSBC Bank plc
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 and UK 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
Hightown Housing Association Limited	50,000	6,240	670,820	392,323	29,437	-10,746	60,358	84,693	G1/V1	31st March, 2019
Platform Housing Group**	180,000	44,317	2,318,887	1,008,771	109,176	-42,398	209,260	273,573	G1/V1	31st March, 2019
Regenda Limited	25,000	13,003	483,439	178,570	18,787	-8,194	58,613	68,932	G1/V1	31st March, 2019
Silva Homes Limited	25,000	6,448	380,407	117,549	13,343	-5,316	38,008	45,274	G1/V1	31st March, 2019

Wales & West Housing Association	110,000	10,772	587,638	200,932	16,242	-8,075	61,560	64,317	Standard	31st December, 2018
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* 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.

** Includes Fortis Living Group and Waterloo Housing Group.

Borrower specific financial information:

Borrower: Hightown Housing Association Limited

Regulatory Status: G1/V1

Year end: 31st March, 2019

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)
	Social Housing units owned and managed	6,240	Note 5 to the financial statements	No. of units owned	6,240	
	Housing properties £k	670,820	Taken from Statement of Financial Position – Cost less depreciation	Housing properties £k	670,820	
a	Total Debt £k	444,283	Note 22 to the financial statements, Less loan issue costs including premium			
b	Cash and cash equivalents £k	51,960	Taken from Statement of Financial Position – Current Assets			
				Net debt £k	392,323	Calculated as a - b
	Operating surplus £k	29,437	Taken from Statement of Comprehensive Income	Operating surplus £k	29,437	
c	Interest and financing costs	-10,840	Taken from Statement of Comprehensive Income			
d	Interest Receivable	94	Taken from Statement of Comprehensive			

			Income			
				Net interest payable £k	-10,746	Calculated as c + d
	Social housing lettings £k	60,358	Note 3 to the financial statements	Social housing lettings turnover £k	60,358	
	Turnover £k	84,693	Taken from Statement of Comprehensive Income	Total turnover £k	84,693	

Borrower: Platform Housing Group

Regulatory Status: G1/V1

Year end: 31st March, 2019

bLEND loan facility nominal amount £k: 180,000

Website address for financial statements: <https://www.platformhg.com/investor-performance>

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	44,317	Note 4 to the financial statements, Total Stock Owned and Managed	No. of units owned	44,317	
	Housing properties at depreciated cost £k	2,318,887	Taken from Statement of Financial Position	Housing properties £k	2,318,887	
a	Total drawn borrowings £k	1,161,570	Note 30 to the financial statements, Total drawn borrowings			
b	Cash and cash equivalents £k	152,799	Taken from Statement of Financial Position			
				Net debt £k	1,008,771	Calculated as a - b
	Operating surplus £k	109,176	Taken from Statement of Comprehensive Income	Operating surplus £k	109,176	
c	Interest Payable and similar charges	-43,496	Taken from Statement of Comprehensive Income			
d	Interest Receivable and other income	1,098	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-42,398	Calculated as c + d
	Total income from social housing lettings £k	209,260	Note 2 to the financial statements, Total Income from Social Housing Lettings	Social housing lettings turnover £k	209,260	

	Turnover £k	273,573	Taken from Statement of Comprehensive Income	Total turnover £k	273,573	
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Borrower: Regenda Limited

Regulatory Status: G1/V1

Year end: 31st March, 2019

bLEND loan facility nominal amount £k: 25,000

Website address for financial statements: <https://www.regenda.org.uk/financial-statements>

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)
	Total owned and managed	13,003	Taken from Note 6 of the financial statements	No. of units owned	13,003	
	Housing properties £k	483,439	Taken from statement of financial position	Housing properties £k	483,439	
a	Total Housing Loans £k	192,371	Taken from Note 28 of the financial statements			
b	Cash and cash equivalents £k	13,801	Taken from statement of financial position			
				Net debt £k	178,570	Calculated as a - b
	Operating surplus £k	18,787	Taken from statement of comprehensive income	Operating surplus £k	18,787	
c	Interest payable and similar charges	-8,210	Taken from statement of comprehensive income			
d	Interest receivable and other income	16	Taken from statement of comprehensive income			
				Net interest payable £k	-8,194	Calculated as c + d
	Turnover from social housing lettings	58,613	Taken from Note 5 of the financial statements	Social housing lettings turnover £k	58,613	
	Turnover	68,932	Taken from statement of comprehensive income	Total turnover £k	68,932	

Borrower: Silva Homes Limited

Regulatory Status: G1/V1

Year end: 31st March, 2019

bLEND loan facility nominal amount £k: 25,000

Website address for financial statements:

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<https://www.silvahomes.co.uk/download.cfm?doc=doc>

Website address for senior management team: <https://www.silvahomes.co.uk/about-us>

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)
	Social Housing Total Owned	6,448	Taken from Note 15 of the financial statements	No. of units owned	6,448	
	Housing Properties £k	380,407	Taken from statement of financial position – Cost less depreciation	Housing Properties £k	380,407	
a	Total Debt	149,000	Taken from Note 21 of the financial statements			
b	Cash and cash equivalents	31,451	Taken from consolidated statement of financial position – Current assets			
				Net debt £k	117,549	Calculated as a - b
	Operating surplus £k	13,343	Taken from consolidated statement of comprehensive income	Operating surplus £k	13,343	
c	Interest and financing costs	-5,565	Taken from consolidated statement of comprehensive income			
d	Interest receivable	249	Taken from consolidated statement of comprehensive income			
				Net interest payable £k	-5,316	Calculated as c + d
	Social Housing Lettings	38,008	Taken from Note 3a of the financial statements	Social housing lettings turnover £k	38,008	
	Turnover	45,274	Taken from consolidated statement of comprehensive income	Total Turnover £k	45,274	

Borrower: Wales and West Housing Association

Regulatory Status: Standard

Year end: 31st December, 2018

bLEND loan facility nominal amount £k: 110,000

Website address for financial statements: <https://www.wwha.co.uk/wp-content/uploads/2018/06/Annual-Report-and-Financial-Statements-2018-English.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	10,747	Note 11 to the financial statements			
b	Shared ownership	25	Note 11 to the financial statements			
				No. of units owned	10,772	Calculated as a + b
	Housing land and buildings at gross cost less depreciation £k	587,638	Taken from Statement of Financial Position	Housing properties £k	587,638	
c	Total Housing Loans £k	213,471	Note 20 to the financial statements			
d	Cash and cash equivalents £k	12,539	Taken from Statement of Financial Position			
				Net debt £k	200,932	Calculated as c - d
	Operating surplus £k	16,242	Taken from Statement of Comprehensive Income	Operating surplus £k	16,242	
e	Interest Payable	-8,222	Taken from Statement of Comprehensive Income			
f	Interest Receivable	147	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-8,075	Calculated as e + f
	Social housing lettings - Turnover £k	61,560	Note 2 to the financial statements	Social housing lettings turnover £k	61,560	
	Turnover £k	64,317	Taken from Statement of Comprehensive Income	Total turnover £k	64,317	

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 to become subsidiaries of Platform Housing Group and, in December 2019, completed an amalgamation to become Platform Housing Limited.

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 a 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)
Hightown Housing Association Limited	50,000	50,000	1,492	20,354	25,760	10,115	1.00	2,177	1.83
Platform Housing Limited	180,000	180,000	6,226	97,267	112,225	0	1.01	10,746	1.73
Regenda Limited	25,000	25,000	746	5,694	29,049	0	1.18	1,861	2.49
Silva Homes Limited	25,000	25,000	865	0	0	25,000	1.00	0	1.00
Wales and West Housing Association Limited	110,000	110,000	3,698	9,182	129,460	0	1.06	6,736	1.82

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.