

## Moody's reaffirms bLEND's A2 Stable rating, despite recent downgrade of UK Sovereign.

**21 October 2020**

Moody's today reaffirmed bLEND's A2 Stable rating, having last week downgraded the UK Sovereign rating to Aa3 Negative.

The decision reflected the credit quality of bLEND's underlying borrowers and the strong regulatory environment for housing associations, as well as bLEND's liquidity reserve feature, which provides a structural enhancement to its capacity to react in the event of default. In addition, Moody's noted the wealth of experience among bLEND's senior management team.

Moody's ratings of all housing associations (plus bLEND as an HA aggregator) take into account a strong level of extraordinary support from the UK Government, reflecting the wide-ranging powers of redress available to sector regulators in the event of financial distress. This feeds into all Moody's sector ratings which (including bLEND) range from A1 to Baaa1.

Piers Williamson, Chief Executive of THFC and bLEND commented: "With the Sovereign rating now sitting only two notches above bLEND, the perceived defensive qualities of investing through aggregators such as bLEND, or directly, is clear- particularly during the current pandemic".

On Friday 23<sup>rd</sup> October S&P affirmed their assessment of the UK Sovereign as AA Stable.

