

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, 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 **PRIPs 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 PRIPs 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.

19th September, 2018

bLEND Funding Plc

Legal entity identifier (LEI): 213800Y8TMLUT9SN1E94

**Issue of £250,000,000 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 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).

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.

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|----|---------------------|-------------------|
| 1. | Issuer: | bLEND Funding Plc |
| 2. | (a) Series Number: | 1 |
| | (b) Tranche Number: | 1 |

- (c) Date on which the Notes will be consolidated and form a single Series: Not Applicable
3. Aggregate Principal Amount:
- (a) Series: £250,000,000
- (b) Tranche: £250,000,000
4. Issue Price: 100 per cent. of the Aggregate Principal Amount
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: 21st September, 2018
- (b) Interest Commencement Date: Issue Date
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: 5th September, 2018

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

- (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) (*Redemption at the option of the Issuer (Issuer Call)*): par
In relation to Condition 9.2(e) (*Redemption at the option of the Issuer (Issuer Call)*): 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 with effect from 21st September, 2018
- (ii) Estimate of total expenses related to admission to trading: £5,040

2. RATINGS

- Ratings: The Programme has been rated "A2" by Moody's Investors Service Limited. The Notes are expected to be 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: 3.459 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: XS1879603717
- (ii) Common Code: 187960371
- (iii) CFI: DTFXFB
- (iv) FISN: BLEND FUNDING P/1EMTN 20280920
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

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|--------|---|--|
| (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
RBC Europe Limited |
| (iii) | Stabilisation Manager(s) (if any): | HSBC Bank plc |
| (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.

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	70,000	15,104	757,708	238,788	39,758	-10,620	76,327	95,988	G1/V1	31st March, 2017
Wales and West Housing Association	70,000	10,577	551,990	202,866	15,672	-7,450	57,321	60,069	Standard	31st December, 2017
Waterloo Housing Group	110,000	26,757	1,278,940	643,321	59,076	-29,219	118,957	134,854	G1/V1	31st March, 2017

* 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

Regulatory Status: G1/V1

Year end: 31st March, 2017

bLEND loan facility nominal amount £k: 70,000

Website address for financial statements: <https://www.fortisliving.com/investors-information->

Website address for senior management team:
leadership-team

<https://www.fortisliving.com/executive-leadership-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 units owned	15,104	Note 4 to the financial statements	No. of units owned	15,104	
	Housing properties £k	757,708	Taken from Statement of Financial Position – Cost less depreciation	Housing properties £k	757,708	
a	Total Loans £k	248,550	Note 20 to the financial statements (less loan issue costs including premium)			
b	Cash and cash equivalent £k	9,762	Taken from current assets in Statement of Financial Position			
				Net debt £k	238,788	Calculated as a - b
	Operating surplus £k	39,758	Taken from Statement of Comprehensive Income	Operating surplus £k	39,758	
c	Interest and financing costs	-10,775	Taken from Statement of Comprehensive Income			
d	Interest Receivable	155	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-10,620	Calculated as c + d
	Social Housing Lettings £k	76,327	Note 2 to the financial statements	Social housing lettings turnover £k	76,327	
	Turnover £k	95,988	Taken from Statement of Comprehensive Income	Total turnover £k	95,988	

Borrower: Wales and West Housing Association

Regulatory Status: Standard

Year end: 31st December, 2017

bLEND loan facility nominal amount £k: 70,000

Website address for financial statements: <http://www.wwha.co.uk/About-Us/Corporate-Information/Documents/Annual%20Report%20and%20Financial%20Statements%202017.pdf>

Website address for senior management team: <http://www.wwha.co.uk/About-Us/Corporate-Information/Pages/Our-people.aspx>

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 2b 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, 2017

bLEND loan facility nominal amount £k: 110,000

Website address for financial statements: <https://www.waterloo.org.uk/media/1901/waterloo-group-financial-statements-2016-2017.pdf>

Website address for senior management team: <https://www.waterloo.org.uk/about-us/structure-and-governance/directors-and-key-people/>

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	26,757	Note 5 to the financial statements, Total Stock Owned including non social rented and non social leased	No. of units owned	26,757	
	Housing properties at depreciated cost £k	1,278,940	Taken from Statement of Financial Position	Housing properties £k	1,278,940	
a	Total Housing and Debenture Loans £k	711,174	Note 23 to the financial statements, Housing and Debenture Loans less issue costs			
b	Cash and cash equivalents £k	67,553	Taken from Statement of Financial Position			
				Net debt £k	643,321	Calculated as a - b
	Operating surplus £k	59,076	Taken from Statement of Comprehensive Income	Operating surplus £k	59,076	
c	Interest Payable and similar charges	-29,550	Taken from Statement of Comprehensive Income			
d	Interest Receivable and other income	331	Taken from Statement of Comprehensive Income			
				Net interest payable £k	-29,219	Calculated as c - d
	Total income from social housing lettings £k	118,957	Note 4 to the financial statements, Total Income from Social Housing Lettings	Social housing lettings turnover £k	118,957	
	Turnover £k	134,854	Taken from Statement of Comprehensive Income	Total turnover £k	134,854	

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). The Issuer is aware that each of the following Borrowers has published interim financial statements and/or a trading statement since the publication of each such Borrower's latest audited consolidated financial statements:

Fortis Living.

Fortis Living and Waterloo Housing Group have announced that they are in merger discussions. The merger is expected to complete in October 2018 when both Borrowers will be subsidiaries of Platform Housing Group (currently known as Fortis Living 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	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 of Charged Properties £k	Income Cover Ratio (Min 1x) (2)
Fortis Living	70,000	2,421.3	0	0	70,000	1	0	1
Wales and West Housing Association Limited	70,000	2,421.3	0	0	70,000	1	0	1
Waterloo Housing Group	110,000	3,804.9	0	0	110,000	1	0	1

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.

