

For Immediate Release

9 March 2016

AHF bond Issuance breaks £1Bn barrier

Having completed a new £208m bond at the beginning of August 2015, the Government guaranteed aggregator Affordable Housing Finance (AHF) has followed this up with a significant tap transaction for seven Housing Associations. The £194m transaction, priced at Gilts plus 0.43% and an overall cost of 2.71% represents the lowest cost bulk issuance under the programme to date.

This transaction brings bond issuance under the programme to over a £1Bn for the first time:

AHF Public Bond Issuance History

Date of Issue	Amount	Effective Rate at Issue	Total Deal Size
May 2014	£208.4m	3.76%	
October 2014	£198.5m	3.30%	
March 2015	£194m	2.92%	£600.9m
<i>Second Series</i>			
August 2015	£208m	2.89%	
March 2016	£194m	2.71%	£402m

According to Gareth Francis, Deputy Treasurer of AHF: “Credit spreads under the programme have widened very slightly to 0.43% from recent levels of 0.40%. This reflects the reticence of Sterling investors to put significant amounts of funds to work at the current very low levels of Gilt yields. They are also beginning to focus on the potential uncertainties and market volatility associated with the Europe referendum “. Demand for the transaction was said to be very good with orders from at least one overseas Central Bank augmenting the more typical UK fund management and insurance buyers.

Piers Williamson, Chief Executive of THFC and AHF said “passing the £1Bn bond barrier is a real statement of the success of the Affordable Homes Guarantee Programme. When we add the total of £1.5Bn of potential investment by the European Investment Bank in the programme, you can see what we have been able to achieve under the programme as a whole during its three year life. The very low cost of funding has helped deliver a very significant number of badly needed affordable homes”. AHF estimate by the close of the programme that circa 29,000 affordable homes will have been financed under the scheme.

Borrower Contacts

Borrower	Amount	Contact	Job Tittle	Phone Number	E-mail
Bromford	43,000,000	Alison Cambage	Director of Treasury	07990 562428	alison.cambage@bromford.co.uk
Gateway	10,000,000	Helen Routledge	Director of Finance	020 8709 4492	helen.routledge@gatewayhousing.org. uk
Merlin	25,000,000	Sue O'Neill	Finance Director	01454 821095	sue.oneill@merlinhs.co.uk
Oxford Citizens housing	9,000,000	Kim Humberstone	Resources Director	01249466020	kim.humberstone@greensquaregroup. com
Viridian	50,000,000	John Cook	Treasury Manager	0203 2023836	John.cook@viridianhousing.org.uk
BPHA	36,000,000	Simon Century	Director of Strategy and Corporate Finance	01234 221 329	Simon.Century@bpha.org.uk
Wales and West	21,000,000	Stuart Epps	Resources Director	02920 415361	stuart.epps@wwha.co.uk
Total	194,000,000				