

Press Release:



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AHF lends to its 16th borrower under EIB funding

The Government guaranteed aggregator Affordable Housing Finance (AHF) has today agreed a £60m drawdown for Sovereign, from the European Investment Bank (EIB), at a low of 1.772%. Priced at 0.22% over Gilts.

£33m of the debt is to be borrowed by the 'original' Sovereign, while the balance of £27m is to be lent to Spectrum. The two groups merged in November of last year to form a 55,000-strong housing association, with a scope to build 15,000 new homes over the next 10 years. A portion of which will be funded by this issuance.

At the end of April, Martlet Homes, a subsidiary of Hyde, released a £400m long-term bond, at a spread of 140 basis points over Gilts. The bond, with an all-in price of 3.5%, only further highlights the competitive pricing of AHF's latest issuance, and its ability, under the Affordable Homes Guarantee Scheme, to produce cost-effective debt to the affordable housing market.

The drawdown marks yet another 'sub 2%' transaction for AHF, and is the 20th deal it has made under its EIB facility, emphasising the group's ability to finance a diverse mix of HA borrowers, and establishing AHF's continued success at delivering the most innovative and successful government backed scheme of its type.

AHF's Chief Executive, Piers Williamson, commented 'This deal marks the 16th borrower we have financed under AHF's EIB facility, with the continuing aim to provide quality affordable homes. We have now allocated and on-lent £505.5m of our £1bn EIB loan capacity and look forward to providing further low-cost funding to assist other UK housing associations.'

Contacts:

AHF: Piers Williamson, Chief Executive:

piers.williamson@thfcorp.com,

Tel: 020 7337 9930

Sovereign: Philip O'Brien, Treasury Director:

Philip.O'Brien@sovereign.org.uk,

Tel: 01635 572191

Affordable Housing Finance Plc

Press Release

2017 Page 1

