

**SUPPLEMENT DATED 11 MAY, 2020 TO THE PROGRAMME MEMORANDUM DATED 2ND
AUGUST, 2019**

BLEND FUNDING PLC

(Incorporated in England with limited liability under the Companies Act 2006 with registration number 11352234)

£2,000,000,000

Secured Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Programme Memorandum dated 2nd August, 2019 (the **Programme Memorandum**) which comprises admission particulars in accordance with the London Stock Exchange's ISM Rulebook effective as of 25th February, 2019 (the **ISM Rulebook**), constitutes supplementary admission particulars for the purposes of paragraph 5 of Section 3 of the ISM Rulebook and is prepared in connection with the £2,000,000,000 Secured Euro Medium Term Note Programme (the **Programme**) established by bLEND Funding Plc (the **Issuer**).

This Supplement is supplemental to, and should be read in conjunction with, the Programme Memorandum and any other supplements to the Programme Memorandum issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of the Supplement

The purpose of this Supplement is to update the section titled "*Risk Factors*" in the Programme Memorandum in relation to the Coronavirus disease (**COVID-19**).

In the "*Risk Factors*" section of the Programme Memorandum, the following information shall be added:

"COVID-19

The outbreak, or threatened outbreak, of any severe communicable disease such as COVID-19 (commonly referred to as coronavirus), and regulators' or market fears about the same, may adversely affect the ability of each Borrower to meet its payment obligations under the Loan Agreement to which it is a party and, in turn, the ability of the Issuer to make payments in respect of the Notes.

At the date of this Supplement, there is a high degree of uncertainty about the rate of spread and peak of the coronavirus outbreak and its impact on Borrowers. As noted in the Risk Factors section of the Programme Memorandum, the Issuer is entirely dependent upon receipt of funds received from Borrowers under the Loan Agreements in order to fulfil its obligations under the Notes. Moody's expect rental arrears and bad debts to rise for housing associations as newly unemployed tenants transition to receiving benefits. Borrowers may also be affected by new requirements in England and Wales (under the Coronavirus Act 2020) and Scotland (under the Coronavirus (Scotland) Act 2020) to give at least three months' notice of an intention to seek possession of a rented property. The UK Government has indicated that these measures may be extended and that further measures to restrict the ability of landlords to seek repossession of rented properties, such as increasing the requirements of the applicable pre-action protocol, are also being considered. However, Moody's believe that operational impact of higher arrears and bad debts will be mitigated by savings on non-essential repairs and maintenance, as well as stability in voids, as tenants are unable to move homes during the period of government restrictions.

Standard & Poor's indicate that operating costs for housing associations are likely to increase as a result of the coronavirus outbreak, in particular for providers of care services, because during the peak of the pandemic, it is likely that a higher proportion of vulnerable tenants might require care services, while staff availability might decline due to illness. However, this increase in operating costs is likely to be offset during the outbreak by reduced spending on maintenance as housing associations screen work orders and prioritize emergency repairs that are most critical to maintaining health and safety.

As noted in the Risk Factors section of the Programme Memorandum, Borrowers may generate a portion of their revenue from their housing for sale (and shared ownership) programmes and may, therefore, be exposed to market risk in relation to housing for sale, including both demand and pricing risks. As a consequence of the measures to contain the coronavirus outbreak, the U.K. housing market has effectively been on hold since late March, 2020, as property visits by prospective buyers, surveyors, and agents have stopped. Although the development of new homes by Borrowers may be delayed, resulting in lower than planned capital expenditure and lessening the impact on cash flow, the delay in selling completed units could impact upon a Borrower's cash flow and its ability to satisfy any covenants which it is required to maintain pursuant to the terms of existing facility arrangements or the relevant Loan. It is currently impossible to forecast with any certainty when the housing market will begin to operate in a more normal manner and this return to normal conditions could take longer if the economic recovery from the coronavirus outbreak turns out to be protracted."

General Information

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Programme Memorandum since the publication of the Programme Memorandum.