

The International Housing Partnership

Lothbury Dinner

7th October 2014

Funding Social Housing in the UK

Participants

Adrian Bell

Canaccord Genuity

Elizabeth Bergman

Moody's

Gareth Davies/Simon Bond

Threadneedle

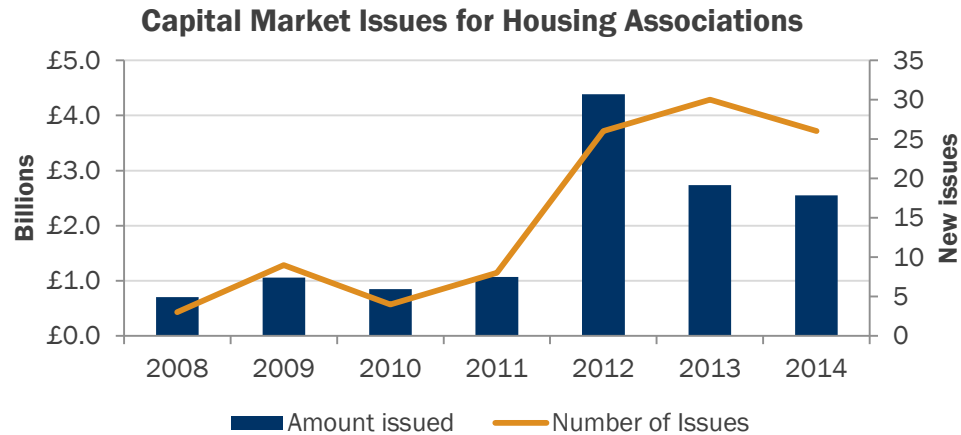
Nicola Chennells

Canada Life

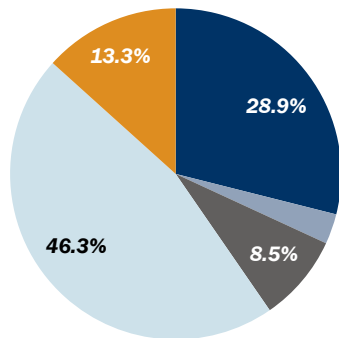
Eric Holt

Royal London Asset Management

Since 2008 the Capital Markets have become the dominant source of funding for Social Housing in the UK

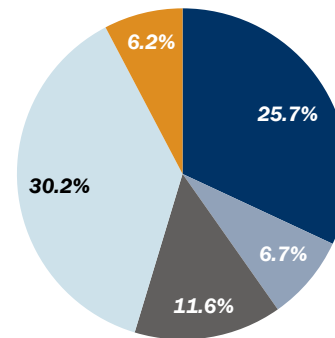


New Funding in 2013



Total £5.089bn

New Funding in 2014



Total YTD £4.091bn

*Banking figures only cover Q1 & Q2 2014. Source: HCA quarterly reports

Supported by strong credit metrics

- **c.10% of the UK residential market**
- **Well-maintained property portfolio**
- **Predictable, government-supported revenues**
- **Strong regulatory regime**
- **No loan losses in over 20 years**
- **Highest rated sector outside of the UK government**

Rating	Moody's	Fitch	S&P
Aa2/Aa3/AA/AA-	2	4	11
A1/A+	13	3	1
A2/A	18	-	-
A3/A-	2	-	-
Below A3/A-	-	-	-

Increasing participation from investors

Retail & Institutional – UK, US, International

Number of Institutional Investors in HA Bonds and Placements

2008 to 2014



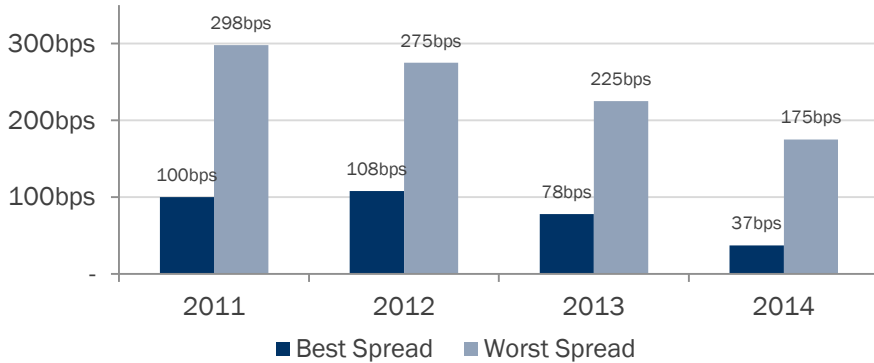
Number of Retail Investors in HA Bonds

2008 to 2014

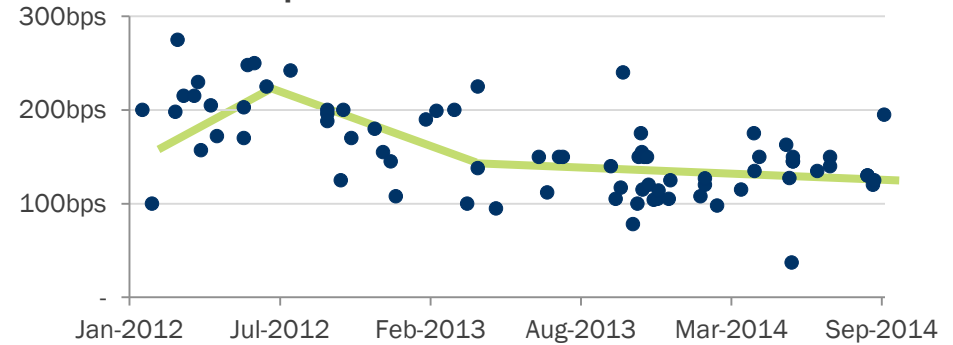


Improving pricing

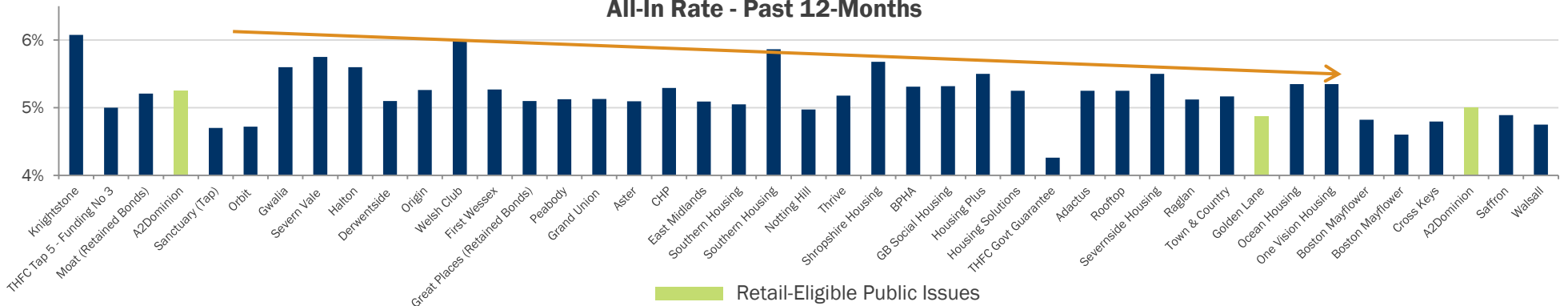
Best and Worst Spreads Over Time



Spread Over Gilts on New Issues



All-In Rate - Past 12-Months



Increasing range of funding options

More borrowers in more regions

Rated (all 3 agencies) & unrated

Secured/unsecured debt

Wide range of maturities: 5 – 45 years

Wide range of sizes: £10m – £500m

Wide range of payment/repayment options

Wide range of issuer sizes: 500 unit – 40,000 unit+

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