



Funding At Scale

ICSH Housing Finance Conference

Barclays Social Housing

Bringing specialist Corporate and Investment Banking experience to the Irish Social Housing Sector

Ireland – Social Housing Banking



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Barclays Housing Association Banking

- Barclays have operated a specialist Housing Association team since 1994.
- Social Housing is a key part of Barclays Corporate Bank with a significant and material funding commitment to the sector which continues to grow.
- Barclays Investment Bank has a strong track record in helping the sector access the public and private capital markets.
- Barclays is one of the largest bankers to the housing association sector across the UK.
- 86% of the G15 group of housing associations have a banking relationship with Barclays.
- 50% of the top 200 non-profit providers work with Barclays

What do Lenders look for?

Barclays presented at the “ICSH Financial Management In A Changing Environment” seminar in 2010 looking for the following:



Qualities of a strong borrower remain unchanged and as momentum builds the need for the above to support scalable financing grows.

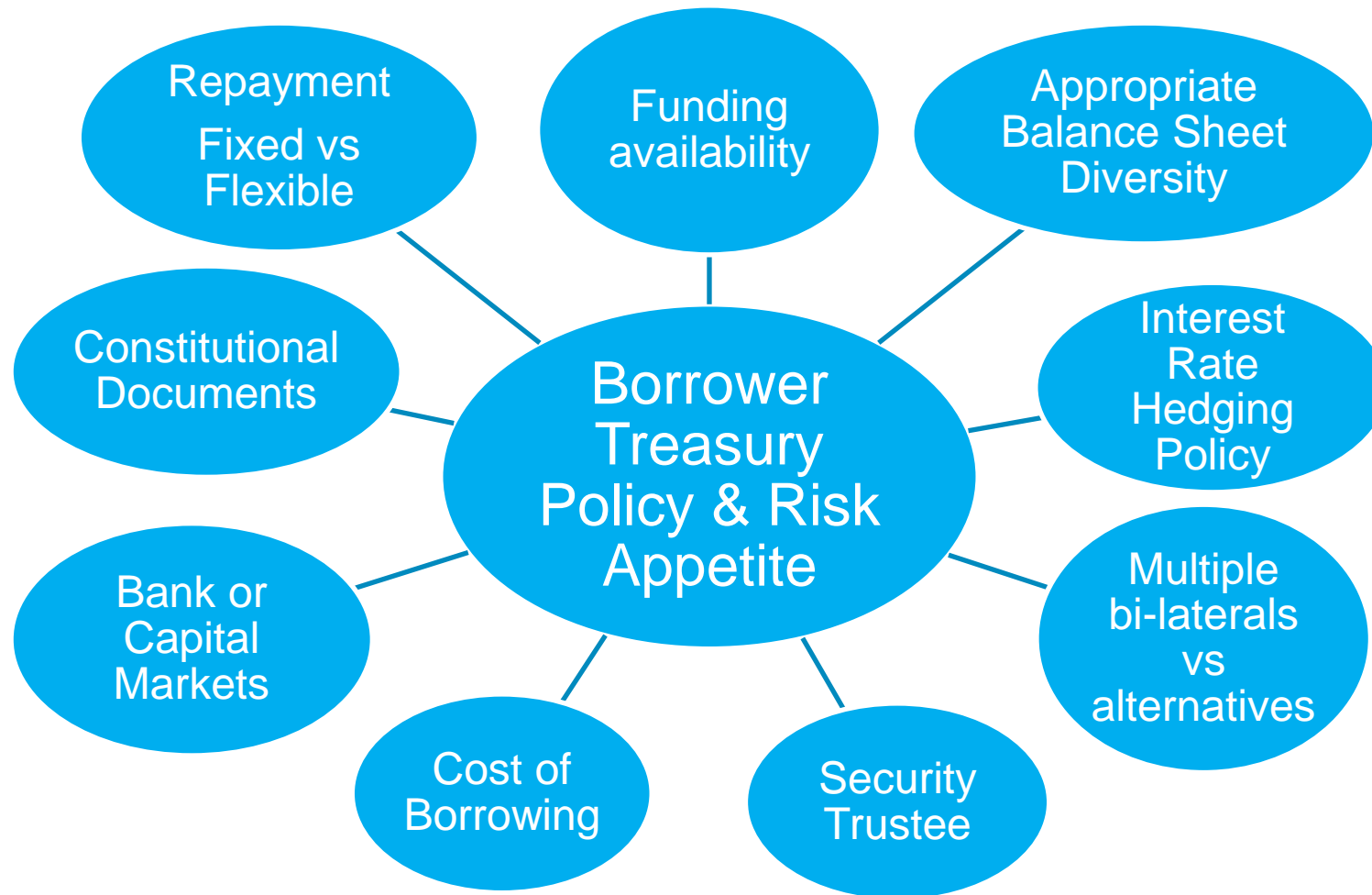
Funding at Scale – Funding Sources

Source	Bank Lender		Private Placements	Public Bonds
	RCF	Term Debt		
Term	5 Yrs	Negotiated	10yrs-20yrs	10yrs-35yrs
Size	€5m- €35m	€10m-€75m	€30m-€75m (Individual placing's)	€200m+
Availability	Bespoke Drawdown		Potential For Staggered, Prefer Fully Drawn	
Treasury Risk Management	Borrower Standalone Hedging		Fixed Coupon	
Lenders	Barclays and others		Life Insurers, Pensions Funds and other long term asset managers	

As the sector evolves and grows alternatives to traditional debt become available and layered maturity dates become more acceptable

Funding at Scale – Key Considerations

Funding at scale asks different questions versus bilateral borrowing



What risks are mitigated and what risks are created by the borrowing structure selected?
Do your funders have a consistent sector track record and fill the role of trusted partner?

Funding at Scale – Structural Considerations

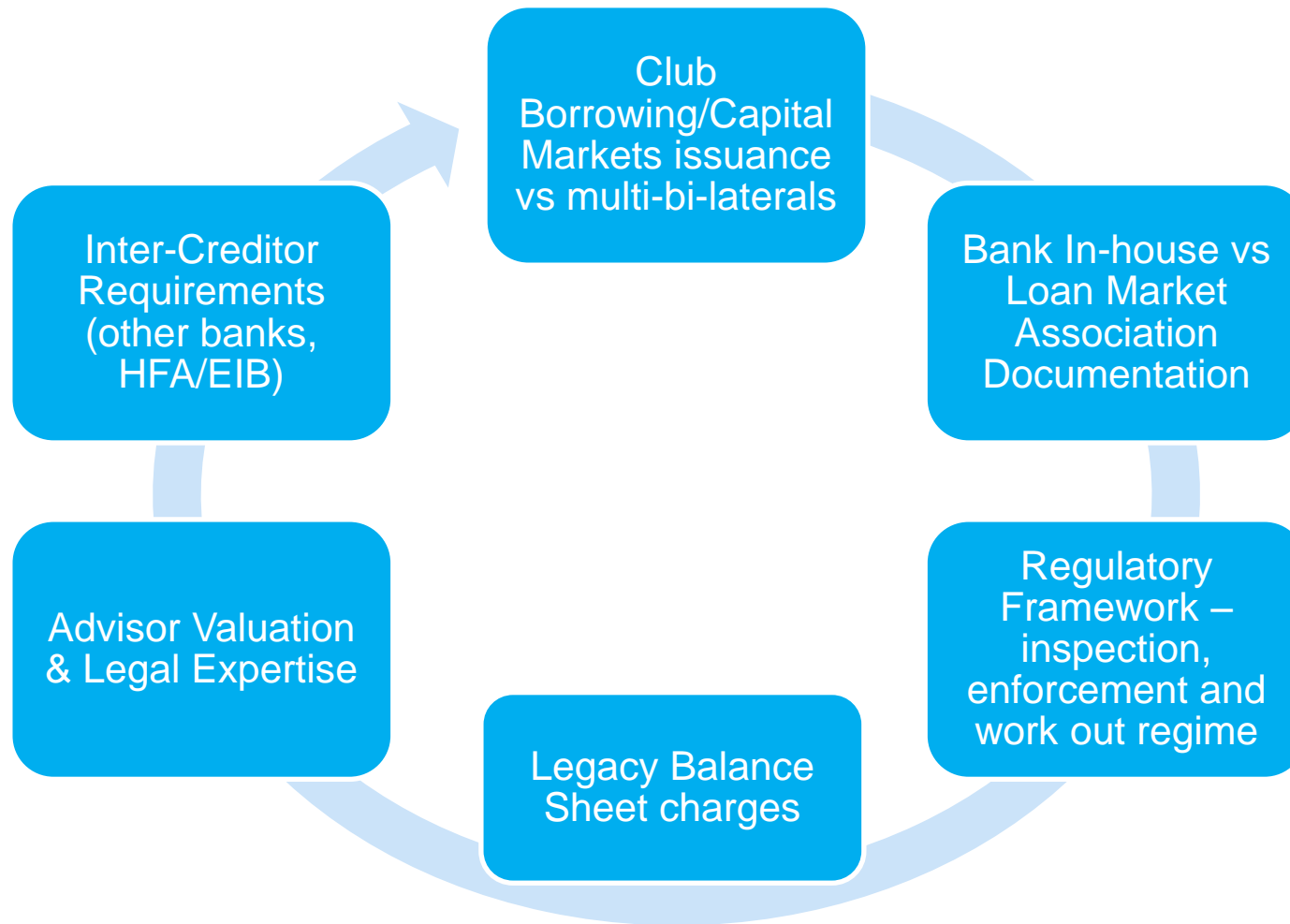
Funding lens considers the Borrower rather than individual projects with a different approach to covenants and security

- Borrower Group Gearing Covenant & Interest Cover Covenant
- Security Pool Asset Cover based on Existing Use Value Social Housing (EUV-SH) or Market Value Subject to Tenancies (MV-T)
- First Fixed Charge over completed income produce schemes
- Floating Charge over Borrower/Negative Pledge re Floating Charge
- Appropriate Insurance
- Monitoring Framework

Borrower level funding has greater flexibility and scale than project level funding as a consequence it has a different approach to covenants & security to reflect this.

A hybrid of project level and borrower level structures will be needed to manage the transition to the above.

Scalability of Lending & Sector Considerations



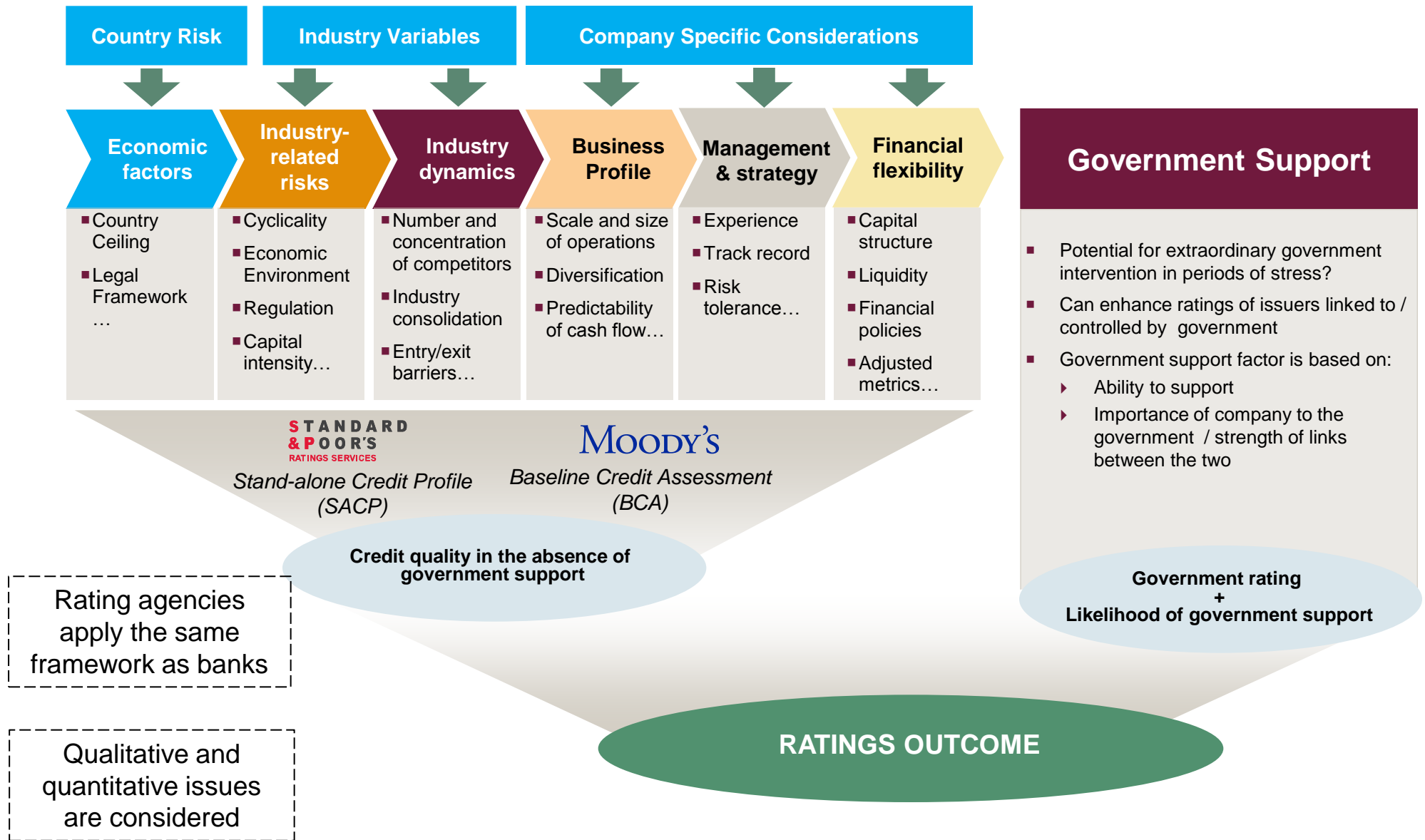
What is the anticipated sector borrowing volume over the next 5 years?
Are the framework/supports in place to allow this to happen?
Are funding partners being assessed on basis of strategic fit for borrowers?

Lending at Scale – Diversity of Funding

- County Durham Housing Group – a brand new entity
- Formed with the transfer of 18,400 homes from Durham County Council
- Financed through an innovative £150m debt package from Barclays and another non- bank lender which included £75m in structured Barclays RCF and long term funding
- Creating the new Group paves the way for the development of up to 700 new homes over the next seven years.
- CDHG will be fundamental in regenerating the economy and sustaining the communities in which it serves
- The innovative approach and delivery certainty of the package that Barclays were able to offer the client were key differentiators in CDHG's assessment of the funding bid responses from both a risk and financial perspective.
- Barclays hope to replicate this approach elsewhere in the market

Barclays as primary funder acted as a gateway to non-bank lending markets

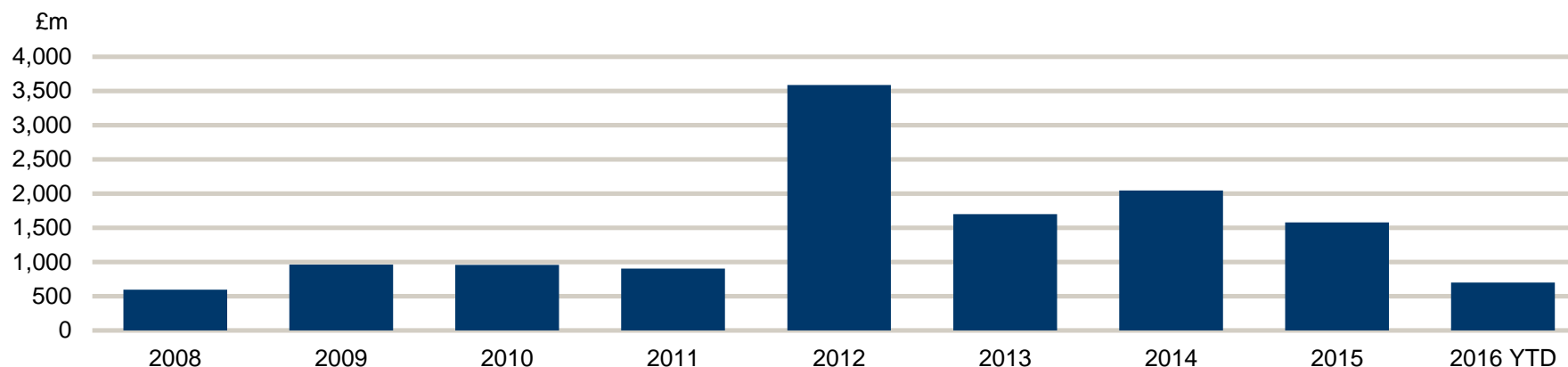
What do Lenders look for?



Capital Markets as a key instrument in lending

UK Social Housing issuance has reduced this year, after having set a run rate of £1.5 – 2 billion per year post 2012

Social Housing bond and private placement issuance volumes by year



Public Benchmark Housing Association Direct Issuance

Issuer	Ratings	Issue date	Size (£m)	Tenor	Initial price thoughts (Gilts+ bps)	Re-offer pricing (Gilts+ bps)	Coupon (%)	Orderbook size (£m)	Oversubscription (x multiple)	NIP (bps)
Places for People	A3/A+	10-Aug-16	400	10-year	230 - 240	225	2.875	400	3.3	20
London & Quadrant	A1/AA	21-Apr-16	300	10-year	120	107	2.650	900	3.0	-3*
London & Quadrant	A1/AA	16-Oct-15	250	34-year	145	135	3.750	750	3.0	-2
Metropolitan Funding	NR/AA-	25-Sep-15	250 (inc. 100 of retained bonds)	30-year (WAL)	170-175	167	4.125	450	3.0	n/a
Orbit Capital	A1/NR	17-Mar-15	250 (inc. 50 of retained bonds)	30-year	120	115	3.500	400	2.0	n/a
Swan Housing	NR/AA-	26-Feb-15	250 (inc. 100 of retained bonds)	30-year (WAL)	135-140	130	3.625	n/r	-	n/a
RHP Finance	NR/AA	29-Jan-15	175 (inc. 35 of retained bonds)	30-year (WAL)	120-125	117	3.250	400	2.9	n/a
Paragon Treasury	A2/NR	14-Jan-15	250 (inc. 25 of retained bonds)	30-year (WAL)	150	140	3.625	750	3.3	n/a

Source: Dealogic, Barclays

* Without adjustment for the curve from longer dated bonds

Barclays has a Leading Capital Markets Franchise

Barclays' market leading franchise is demonstrated by our strong league table positions, external recognition and the views of our peers – one of 2 UK banks in the top 10 and the only bank with top 5 positions in each of the big three markets

**Bloomberg All International Bonds
2015**

	Bookrunner	USD Value	No. of Issues	Share (%)
1	JP Morgan	287,957	1,566	7.99
2	Barclays	252,367	1,140	7.01
3	Citi	233,854	1,316	6.49
4	Bank of America – ML	229,344	1,275	6.37
5	HSBC	222,758	1,266	6.18
6	Deutsche Bank	211,860	1,169	5.88
7	Goldman Sachs	200,948	1,011	5.58
8	Morgan Stanley	162,821	863	4.52
9	BNP Paribas	140,518	835	3.90
10	Credit Suisse	130,423	716	3.62

**Bloomberg All International Bonds
2016 YTD**

	Bookrunner	USD Value	No. of Issues	Share (%)
1	JP Morgan	257,420	1,408	7.90
2	Citi	235,253	1,219	7.22
3	Barclays	226,912	983	6.96
4	HSBC	215,845	1,144	6.62
5	Bank of America – ML	209,575	1,113	6.43
6	Goldman Sachs	187,047	852	5.74
7	Deutsche Bank	170,427	837	5.23
8	BNP Paribas	129,135	726	3.96
9	Morgan Stanley	120,595	621	3.70
10	Credit Agricole	86,110	528	2.64

External Recognition



The World's Best Bank for
Public Sector Clients

July 2016



Best Investment Bank
in Western Europe

July 2016



Best Investment Bank
in the UK

July 2016



Bond Awards 2016

Best Bank for Boldness in
Securing the Best Pricing
for the Issuer – Corporates

May 2016



Top Quartile
Full Year 2015

EGB, Gilt, UST and GBP
IRS electronic trading

January 2016





















#1 ranking
Full Year 2015

EGB, Gilt, UST, EUR &
GBP IRS electronic trading

January 2016

Barclays UK Registered Providers Capital Markets Franchise

Barclays has helped many UK Registered Providers to access long term funding through the capital markets

 <p>£400m 2.875% due 2026</p> <p>Joint Bookrunner August 2016</p>	 <p>£250m 3.750% due 2049</p> <p>Joint Bookrunner October 2015</p>	 <p>£90m £45m 3.57% due 2030 £20m 3.81% due 2035 £25m 3.98% due 2040 Sole Placement Agent March 2015</p>	 <p>£40.5m £40.5m 3.95% due 2051</p> <p>Sole Placement Agent March 2015</p>	 <p>£250m 3.875% due 2044</p> <p>Joint Bookrunner November 2014</p>	 <p>£250m 4.000% due 2044</p> <p>Joint Bookrunner October 2014</p>
 <p>£100m Sale of Retained Bonds</p> <p>Joint Bookrunner October 2014</p>	 <p>£200m 4.816% due 2044</p> <p>Joint Bookrunner March 2014</p>	 <p>£250m 4.375% due 2054</p> <p>Joint Bookrunner February 2014</p>	 <p>£350m 4.625% due 2053</p> <p>Joint Bookrunner December 2013</p>	 <p>£150m tap due 2047</p> <p>Joint Bookrunner October 2013</p>	 <p>£50m Sale of Retained Bonds</p> <p>Sole Bookrunner July 2013</p>
 <p>£250m 3.750% due 2032</p> <p>Joint Bookrunner December 2012</p>	 <p>£100m £35m 4.08% due 2027 £65m 4.44% due 2032</p> <p>Joint Placement Agent November 2012</p>	 <p>£75m £15m 4.77% due 2032 £60m 5.22% due 2044</p> <p>Sole Placement Agent October 2012</p>	 <p>£250m 4.250% due 2042</p> <p>Joint Bookrunner November 2012</p>	 <p>£250m 4.250% due 2042</p> <p>Joint Bookrunner October 2012</p>	 <p>£250m 5.125% due 2038</p> <p>Joint Bookrunner July 2012</p>

Lending at Scale requires a strategic view of financing

- Barclays presented at this conference in 2010 and since that time the sector has addressed key issues as it looks to grow significantly.
- Move to statutory regulation and building upon the strong work being done here is the key next step to accessing significant private sector lending.
- The sector is growing at pace, having the right building blocks for borrowing in place now will ensure a strong and stable footing in the future.
- Particular focus is needed on ensuring borrowing solutions are strategic & scalable and do not combine to generate complexity which hinder rather than help the business.
- Barclays will seek to combine our on the ground presence in Ireland alongside our experience in Social Housing to assist the sector in the achievement of its strategic aims.

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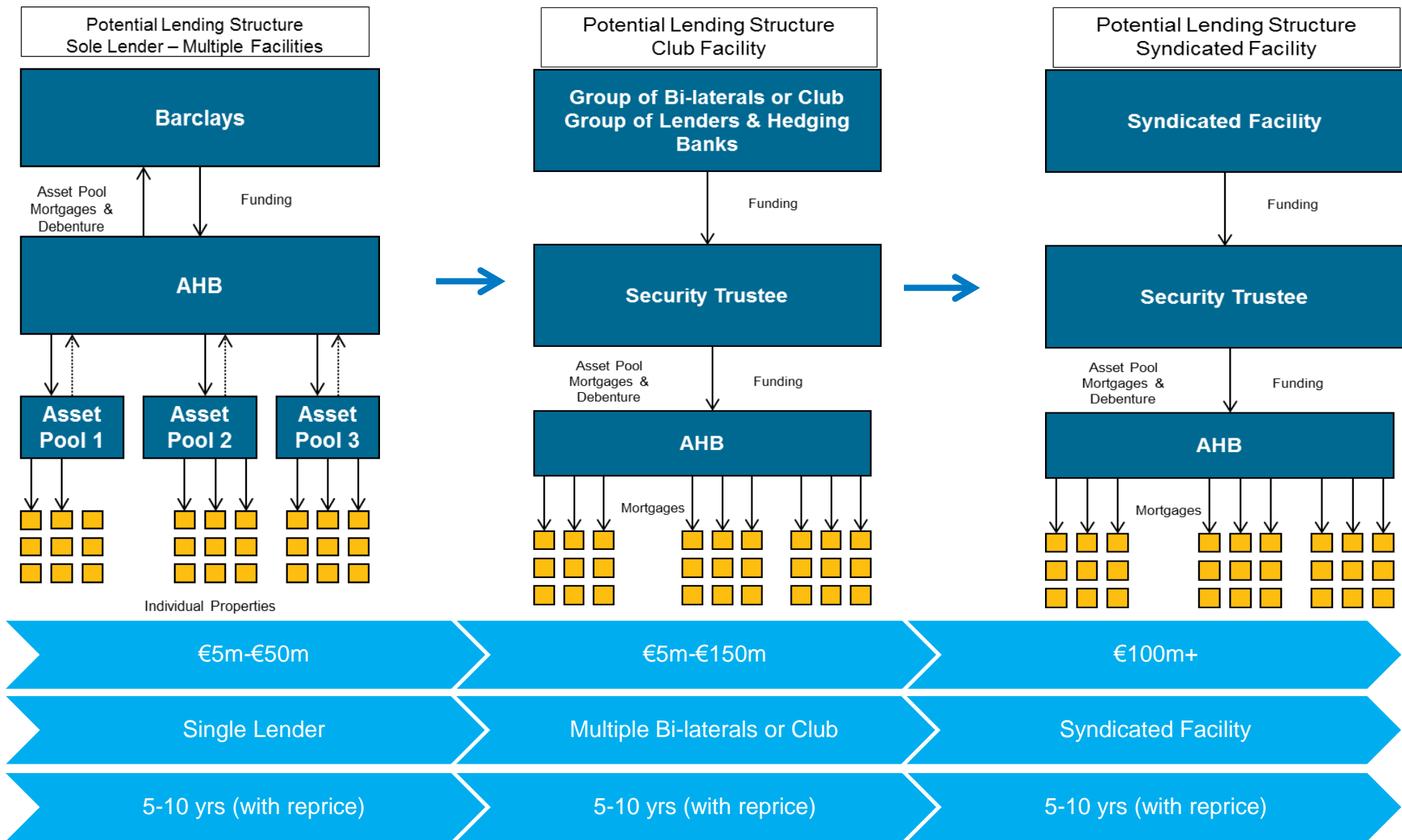
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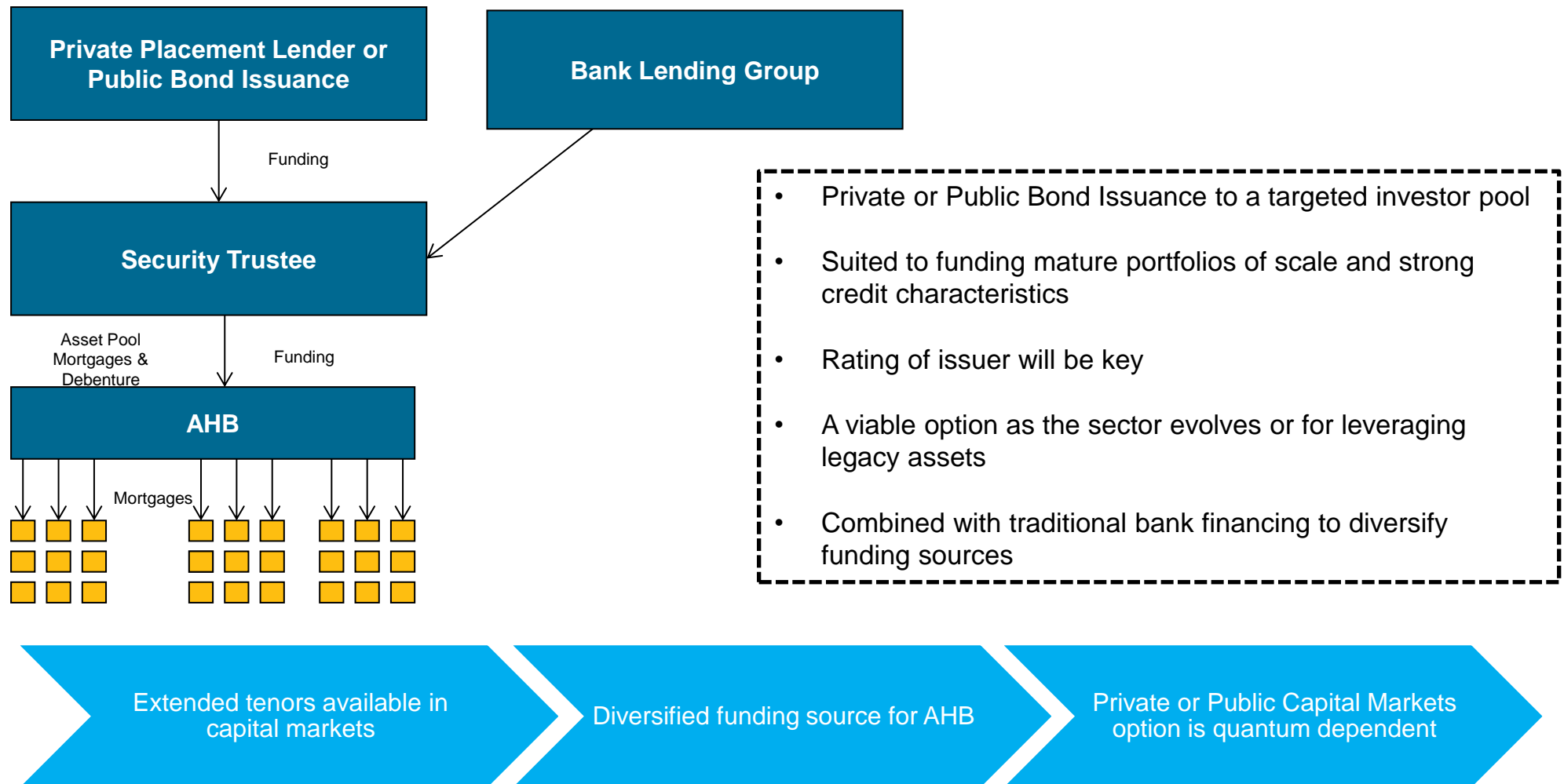
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Appendix I – Evolution of Financing Structures

Evolution of Financing Structures – Bank Financing



Evolution of Financing Structures – Capital Markets



Barclays have a significant track record in Private and Public debt issuance for UK Housing Associations

Appendix II – Barclays Group

Barclays Corporate Banking

Barclays provides integrated banking services to large corporates, financial institutions and multinationals in the UK, Europe and rest of the World

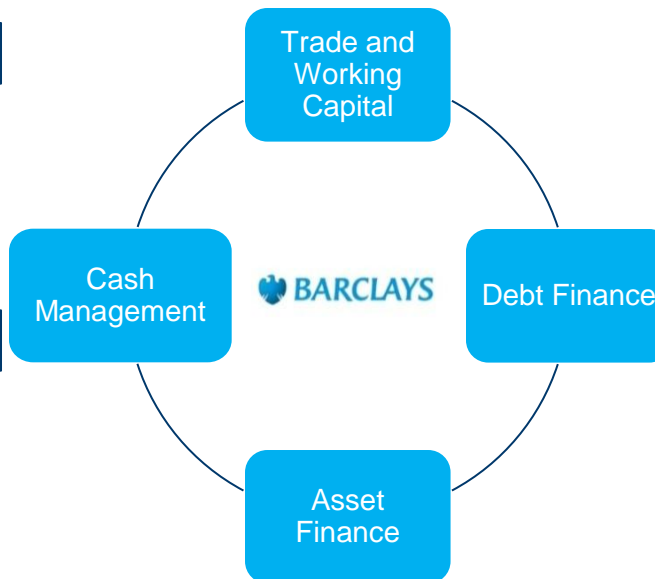


Cash Management

- A gateway to provide greater visibility of liquidity and control of funds with an extensive range of payment and collection instruments through a wide range of market-standard electronic banking products

Asset Finance

- A broad range of asset finance products to support business expansion and release cash flow in a flexible and cost effective method including on/off balance sheet financing



Trade & Working Capital

- A world class trade and working capital proposition incorporating traditional and innovative trade and sales finance services. This enables clients to fund business growth and improve cash flow

Debt Finance

- Working with coverage to deliver critical expertise to clients ranging from small bilateral facilities through to multi-billion syndications. Their remit incorporates all sectors throughout the UK and worldwide.

Awards

- Best Domestic Cash Manager in the UK 2013 (Euromoney Cash Management survey)
- Asset Finance Provider of the year - UK 2013 (Acquisition International Finance Award)



- TMI Awards 2013 for excellence and innovation
- Lender of the Year 2013, fourth year running (EducationInvestor Awards)



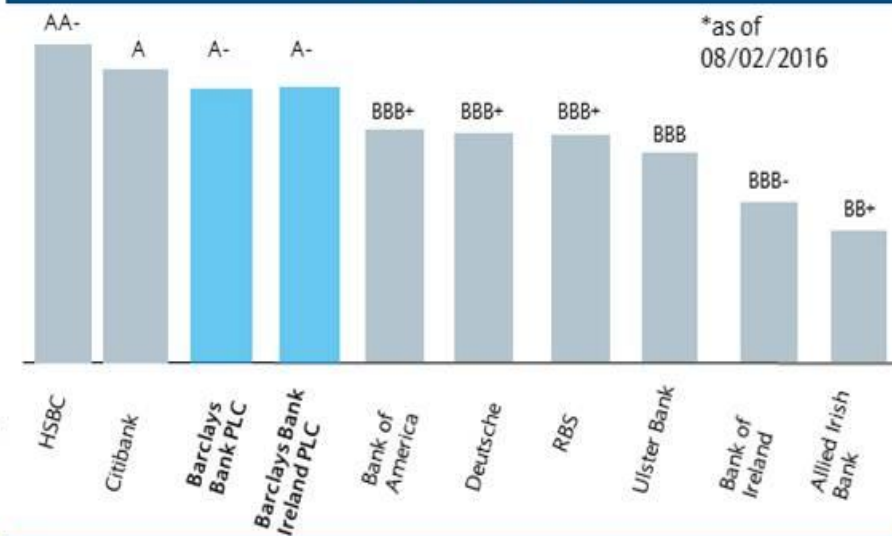
Barclays Bank Ireland PLC

Through Barclays Bank Ireland, clients can access full Irish domestic bank capabilities whilst benefiting from the financial strength, global platform and footprint of Barclays Bank PLC.

Local presence complemented by global reach

- **Barclays Bank Ireland PLC** – operating in Ireland since 1978; regulated by the Irish Central Bank with its office in Dublin.
- **Financial Strength** – A (S&P). A wholly owned subsidiary of our parent, Barclays Bank PLC
- **Full Suite of Debt and Equity Products** – Lending, Advisory, access to debt capital markets,
- **Full Operational Cash Management Banker**
 - We support local payroll, direct debits, cheque books, access to local clearing systems for Multinational Corporates.
 - Pan European Banking Platform –centrally manage all European subsidiary cash operating accounts via SWIFT, Barclays.Net and H2H
- **Full Treasury Risk Management**
 - Full risk solutions product capability – FX, Rates, Commodities, Inflation.
- **Trade Finance**
 - A full suite of trade finance and working capital solutions – Receivables Financing, Supply Chain Finance, LCs

S&P Credit Ratings*



"... unlike other rated, domestically focussed Irish peers, BBI has remained a consistently profitable company throughout the economic downturn that started in 2008 and while capitalisation has reduced over the period, it remains well capitalised in our view."

- Standard & Poor's - Barclays Bank Ireland's long term credit rating upgraded –

Barclays Core Product Suite

A full suite Corporate and Investment Banking products & services to support your existing business and future strategies. In Barclays Bank Ireland we harness the strength and reach of the Barclays Group to deliver solutions to our customers locally.

Corporate Banking

- Debt Finance
- Cash Management
- Trade & Working Capital
- Supplier Finance
 - Deposits
 - Barclaycard
- Asset Finance

Risk Management

- Commodities
- Enterprise Risk Management
 - Foreign Exchange
- Inflation-Linked Securities
 - Interest Rates
- Structured Derivatives
- Fund-Linked Derivatives

Debt Capital Markets

- Acquisition Finance
- Corporate Bonds
- Credit Products
- Hybrid Securities
- Securitization
- Private Placements

Equity Capital Markets

- Equity Cash
- Convertible Bonds
- Corporate Broking
- Equity Derivatives
- Share Repurchases
 - Equity-Linked
- Strategic Equity Placings

Advisory

- Mergers and Acquisitions
 - Restructuring
 - Exclusive Sales
- Pension/Insurance Solutions

Other Services

- Emerging Markets
- African Onshore Banking
 - Index Products
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