

## FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

20th January, 2020

### CLARION FUNDING PLC

**Legal entity identifier (LEI): 213800BLOAKXC1BXLJ29**

**Issue of £350,000,000 1.875 per cent. Secured Notes due 2035  
under the £3,000,000,000**

**Secured Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 18th July, 2019 and the supplements to it dated 23rd August, 2019 and 14th January, 2020 which together constitute a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published via the regulatory news service maintained by the London Stock Exchange ([www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)).

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|----|---------------------|---------------------|
| 1. | Issuer:             | Clarion Funding plc |
| 2. | (a) Series Number:  | 3                   |
|    | (b) Tranche Number: | 1                   |

(c)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3.	Specified Currency or Currencies:	Pounds Sterling (£)
4.	Aggregate Principal Amount:	
(a)	Series:	£350,000,000
(b)	Tranche:	£350,000,000
5.	Issue Price:	99.857 per cent. of the Aggregate Principal Amount
6.	(a) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000
(b)	Calculation Amount (in relation to calculation of interest in respect of Notes in global form see Conditions):	£1,000
7.	(a) Issue Date:	22nd January, 2020
(b)	Interest Commencement Date:	Issue Date
8.	Maturity Date:	22nd January, 2035
9.	Interest Basis:	1.875 per cent. Fixed Rate  (see paragraph 15 below)
10.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount
11.	Change of Interest Basis:	Not Applicable
12.	Date Board approval for issuance of Notes obtained:	12th July, 2019

#### **PROVISIONS RELATING TO THE UNDERLYING SECURITY**

13.	Numerical Apportionment Basis:	Applicable
(a)	Issuer's Series Security Percentage on the Issue Date:	6.63 per cent.
(b)	Minimum Value of the NAB Charged Properties on the Issue Date:	£5,397,220,403

14. Specific Apportionment Basis: Not Applicable

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions Applicable
- (a) Rate(s) of Interest: 1.875 per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): 22nd January and 22nd July in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): £9.38 per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): Not Applicable
- (e) Day Count Fraction: Actual/Actual (ICMA)
- (f) Determination Date(s): 22nd January and 22nd July in each year
16. Floating Rate Note Provisions Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

17. Final Redemption Amount: £1,000 per Calculation Amount
18. Early Redemption in respect of redemption pursuant to Condition 9.2 (*Early Redemption*): Applicable
- (a) Specified Benchmark Gilt: 4½% Treasury Gilt 2034
- (b) Spens Margin: 0.15 per cent.

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

19. Form of Notes:
- (a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event
- (b) New Global Note: Yes
20. Additional Financial Centre(s): Not Applicable
21. Talons for future Coupons to be attached to Definitive Notes: Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments

are still to be made

Signed on behalf of Clarion Funding plc:

By: Ci Francis.....

*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING AND ADMISSION TO TRADING**

- (i) Listing and Admission to trading      Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and admitted to the Official List of the FCA with effect from 22nd January, 2020
- (ii) Estimate of total expenses related to admission to trading:      £5,670

### **2. RATINGS**

Ratings:      The Notes to be issued are expected to be rated "A3" by Moody's Investors Service Limited and "A" by S&P Global Ratings Europe Limited.

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for the fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Group Borrower and the Borrowers and their affiliates in the ordinary course of business.

### **4. YIELD**

Indication of yield:      1.886 per cent. (semi annual)

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **5. OPERATIONAL INFORMATION**

- (i) ISIN:      XS2105779800
- (ii) Common Code:      210577980
- (iii) CFI:      See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (iv) FISN      See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

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| (v)    | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable  |
| (vi)   | Delivery:  | Delivery against payment  |
| (vii)  | Names and addresses of additional Paying Agent(s) (if any):  | Not Applicable  |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility:  | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

## **6. DISTRIBUTION**

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|-------|---|---|
| (i)   | Method of distribution:                       | Syndicated  |
| (ii)  | If syndicated, names of Managers:             | Barclays Bank PLC<br>Lloyds Bank Corporate Markets plc<br>NatWest Markets Plc |
| (iii) | Date of Subscription Agreement:               | 20th January, 2020  |
| (iv)  | Stabilisation Manager(s) (if any):            | Not Applicable  |
| (v)   | If non-syndicated, name of relevant Dealer:   | Not Applicable  |
| (vi)  | U.S. Selling Restrictions:                    | Reg. S Compliance Category 2; TEFRA D   |
| (vii) | Prohibition of Sales to EEA Retail Investors: | Applicable  |