



PENSION INSURANCE
CORPORATION

PIC COMPLETES £93 MILLION INVESTMENT IN THE WELSH HOUSING PARTNERSHIP

London, 13 March 2017 – Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension funds, has invested £93 million in secured debt issued by the Welsh Housing Partnership, a partnership set up as a strategic initiative for delivering new affordable housing for four housing associations, supported by the Welsh Government. £10 million of the loan has been deferred for four years. The debt matures in 2033, matching PIC’s cash flows.

The Welsh Housing Partnership comprises of Hendre, Pobl, Coastal Housing and Grwp Cynefin who are working together with the Welsh Government and lenders to deliver quality housing across Wales for affordable rent. The Partnership was launched in 2011 and now owns nearly 1,000 homes acquired over five phases of investment. Centrus Advisors, as adviser to WHP, structured this innovative refinancing and have worked closely throughout to help establish terms which meet both parties’ needs.

PIC has previously invested more than £600 million in social housing around the country. PIC’s White Paper, “How institutional investors are investing in local communities” can be downloaded at:

<https://www.pensioncorporation.com/media/99957/21546-pic-social-housing-document-2609.pdf>

Ian Williams, Chair of Welsh Housing Partnership, said: “The Welsh Housing Partnership is an innovative solution to providing much needed housing across Wales. We are delighted to work with PIC on this funding package and appreciate their willingness to provide long-term funding for something which is not traditional social housing.”

Welsh Government's Communities and Children's Secretary Carl Sargeant said: "This funding package is good news for the Welsh Housing Partnership which is working to increase the provision of quality affordable homes in Wales. The Welsh Housing Partnership is an exciting venture and this investment from PIC will help the partnership increase the supply of quality affordable homes to families who cannot afford to buy their homes, and support our target of 20,000 affordable homes during this term of government."

Allen Twyning, Head of Debt Origination at Pension Insurance Corporation, said: "We are delighted to have been able to help the Welsh Housing Partnership achieve their funding aims with the aim of delivering affordable housing. PIC is a strong supporter of the social housing sector and we have invested a considerable amount in some of the main housing associations, with the intention of investing much more."

Jonathan Clarke, director at Centrus Advisors, said: "The transaction represents an innovative packaging up of risks to meet both parties' requirements. The structure is based around the underlying credit strength of the housing associations but without overly disturbing their existing financing arrangements."

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Notes to Editors:

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About Pension Insurance Corporation

Pension Insurance Corporation plc ("PIC") provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. PIC brings safety and security to scheme members' benefits through innovative, bespoke insurance solutions, which include deferred premiums and the use of company assets as part payment. At 30 June 2016 PIC had £18.4bn in assets and had insured more than 130,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct

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