



PENSION INSURANCE
CORPORATION

PIC INVESTS £100 MILLION IN EAST MIDLANDS HOUSING GROUP

London 22 July 2019 - Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, is investing £100 million of debt funding in East Midlands Housing Group (“EMH Group”). The long dated, senior secured private placement will be used to develop 2,600 properties by the end of 2023. PIC is the sole investor. Savills acted as advisors and arrangers to EMH Group.

EMH Group is one of the largest providers of affordable homes and care and support services in the East Midlands. It has more than 20,000 properties in more than 40 local authority areas across the region, providing care and support to hundreds more customers.

Key points of the transaction:

- £100 million split into three tranches maturing in 2052, 2054 and 2059
- Deferred drawdown structure providing certainty of funding cost for the borrower
- The debt is secured on housing assets
- Maturity profile tailored to match PIC’s pension liabilities in years where it is difficult to source cashflows in the public bond markets
- Stable, secure, long-term cashflows, which are a good match for PIC’s pension liabilities

PIC is committed to the social housing sector and has invested a total of more than £1.5 billion directly in the sector to date. PIC’s experienced, specialist in-house team has a strong track-record of working with housing associations on bespoke funding solutions.

Andrew Kilby, Executive Director, Finance at EMH Group, said: “We are delighted to have partnered with PIC to secure a large part of the financial requirements of our five-year

development plan. PIC's expertise in structuring the funding arrangement has allowed us to closely manage our costs. This funding enables us to provide hundreds of people with the security that comes with having a roof over their heads. I would like to thank the PIC team for being flexible and proactive partners in this transaction."

Marno Jooste, Debt Origination Manager at PIC, said: "It has been a pleasure to work with such a knowledgeable and pragmatic team. Right from the start, EMH Group impressed us with its long-term view and strategic approach to providing much needed social housing. We are delighted to support them in their housing ambition for the East Midlands region".

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Notes to Editors:

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About Pension Insurance Corporation

The purpose of Pension Insurance Corporation plc ("PIC") is to pay the pensions of its policyholders. PIC provides secure and stable retirement incomes through leading customer service, comprehensive risk management and excellence in asset and liability management. At half year 2019, PIC had insured 218,000 pension scheme members and had £39.6 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of U.K. defined benefit pension schemes. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit www.pensioncorporation.com