



PENSION INSURANCE
CORPORATION

PIC INVESTS £40 MILLION IN EILDON HOUSING ASSOCIATION

London, 15 July 2019 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has invested £40 million in debt issued by Eildon Housing Association (“Eildon”), a housing association based in the Scottish Borders. The funds will be used to support Eildon’s development plan, under which they are building 750 new homes by 2021. This is the first private placement PIC has done with a Scottish housing association. The transaction was arranged by Santander Corporate & Investment Banking.

Eildon is one of Scotland’s leading housing associations, providing 2,500 high quality, affordable, rented homes for tenants, as well as specialised care and sheltered housing, throughout the Scottish Borders.

Key points of the transaction:

- £40 million size spot funding, maturing in 2053 and 2055 to match PIC’s liabilities
- Drawdown of £15 million of the loan is deferred until 2020, providing certainty of debt cost for Eildon
- The debt is secured on a pool of housing assets
- Maturity profile has been tailored to match PIC’s pension liabilities in years where it is difficult to source cashflows in the public bond markets, as well as meet Eildon’s borrowing needs

To date, PIC has invested over £1.5 billion in the UK’s social housing sector. The sector continues to be important for PIC to invest in. PIC’s experienced, specialist in-house team has a strong track-record of working with housing associations on bespoke funding transactions.

Nile Istephan, CEO at Eildon Housing Association, said: “This is a very important partnership for Eildon and we are delighted to have secured PIC’s investment. These funds are crucial as we seek to build 750 new homes. I want to thank the PIC team for their flexibility and proactive approach in helping close this deal.”

Liz Cain, Senior Debt Origination Manager at Pension Insurance Corporation, said: “This is our first private placement investment with a Scottish housing association and we are very pleased to have worked with the team at Eildon to complete it. We were impressed with their strategic focus, standards of governance and long term approach.”

Tony Fordham, Head of Private Placements at Santander, said: “Santander has enjoyed a long relationship with Eildon and has supported them with committed lending since 2000. We are very pleased to have facilitated a competitive private placement process, enabling Eildon to raise £40m from PIC, so they can continue with their programme of building affordable housing across the Scottish Borders. Investors were attracted to Eildon’s very sound financial performance and strong management team.”

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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 current and future 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