



PIC INVESTS £55 MILLION IN NORTHERN IRELAND BASED CLANMIL HOUSING ASSOCIATION

London, 10 October 2022 – Pension Insurance Corporation plc ('PIC'), a specialist insurer of defined benefit pension funds, has invested £55 million as debt in Clanmil Housing Association ('Clanmil'). PIC's investment will be drawn down over a two-year period, helping Clanmil reduce interest payments, allowing them to complete their planning process. This is PIC's second investment in a Northern Ireland-based housing association, following a £100 million investment in Apex Housing Association, in December 2021.

PIC's investment in Clanmil is part of a wider £100 million fundraising, which will be used to help achieve their target of building 1,400 new homes by 2026. PIC was chosen as one of three investors following a full market tender due to its flexibility in maturity and unique deferral capabilities.

Clanmil is a regulated housing association providing homes for 10,800 people across Northern Ireland. It aims to deliver properties with a range of tenures, with a focus on affordable and social rent but also including shared ownership and market rent. The Association takes a proactive approach to ESG, with 85% of its existing stock at EPC C or above. Since 2010 Clanmil has been designing and constructing all new homes on a fabric first approach, and an EPC band B. From 2023 the Association will be taking forward a pilot project to deliver a new social housing scheme to EPC band A.

The transaction was arranged by Barclays. Addleshaw Goddard and A&L Goodbody provided legal advice to the investors.

Key points of the transaction:

- PIC's investment split between £25 million drawdown until September 2023, and £30 million delayed drawdown until September 2024.

- Range of maturities spanning 32 years.
- Maturity profile tailored to match PIC's pension liabilities in years where it is difficult to source cash flows in the public bond markets.
- The debt is secured on social housing assets.

Carol McTaggart, Group Chief Executive, Clanmil Housing, said: "We are delighted to have secured a total £100 million funding facility with three investment partners, including PIC, an established and well-respected funder to the social housing sector. As part of our planned funding strategy, this new funding facility will be used to support Clanmil's growth and development ambitions to deliver 1,400 much needed new homes across Northern Ireland."

Eugenia Korobova, Senior Debt Origination Manager – Public Finance, PIC Capital, said: "We are very happy to have invested in Clanmil, one of Northern Ireland's largest social housing providers. Sourcing long-dated cash flows is important to PIC in order to help us to achieve our purpose, which is to fund the pensions of our current and future policyholders. Investing in social housing and other illiquid assets allows PIC to generate enhanced yield, helping us to secure more pension liabilities. This, in turn, means more trustees can guarantee their members' pensions through buy-ins and buyouts, greatly improving their financial security in retirement."

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About PIC

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At 30 June 2022, PIC had insured 293,400 pension scheme members and had £44.1 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. To date, PIC has made total pension payments of almost £9 billion to its policyholders. 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