



PENSION INSURANCE
CORPORATION

PIC AND THE DRESDNER KLEINWORT PENSION PLAN CONCLUDE £1.2 BILLION FULL BUY-IN

London, 2 April 2019 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a pension insurance full buy-in with the Trustees of the Dresdner Kleinwort Pension Plan (the “Plan”), insuring £1.2 billion of pension liabilities. The full buy-in covers the whole Plan but is split across two transactions for the two sections in the Plan, a £900 million Final Salary Section and a £300 million Money Purchase Section. LCP acted as lead adviser on the transaction and legal advice was provided by Linklaters.

The transaction allowed members in the Money Purchase Section with hybrid defined contribution (“DC”) and defined benefit (“DB”) benefits to choose to transfer their benefits to an alternative arrangement, or to convert them into pure DB benefits. The DB benefits were then insured under the terms of the full buy-in.

The Plan is part of Commerzbank AG following the acquisition of Dresdner Bank in December 2009. Commerzbank is a leading international commercial bank with locations in just under 50 countries. Commerzbank finances approximately 30% of Germany’s foreign trade and is a leader in financing corporate clients in Germany.

David Curtis, who represents LawDeb Pension Trustees as Chairman of the Trustees, said: “We are very pleased to have completed the insurance of both sections of the Plan with the support of Commerzbank. This transaction required a high level of creative thinking by our advisers, LCP, in designing a structure combining the member choice programme with the insurance transaction. I want to thank PIC for their flexibility, especially in relation to the

insurance of the Money Purchase Section, which is an unusual transaction, and, I believe, a great result for the membership.”

Uzma Nazir, Head of Origination Structuring at PIC, said: “Given the unusual hybrid DC and DB benefit structure the Trustees required flexibility from us to ensure that both sections of the Plan were insured in line with their requirements. We are of course delighted to complete this, the biggest transaction of the year so far and one of the largest to date.

“Affordability of buy-ins and buy-outs has improved significantly in the past year and this is driving a record number of schemes and companies seeking to insure in full.”

David Salter, partner in LCP’s de-risking practice and lead advisor, said: “We are pleased to have used our expertise to design a structure that provided members with flexibility and a high level of certainty over their options, whilst dovetailing with the insurance transaction to give the Trustees and Commerzbank cost certainty.”

- Ends -

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 year-end 2018, PIC had insured 192,100 pension scheme members and had £31.4 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