



PIC LENDS FURTHER £30 MILLION TO HEART OF MEDWAY HOUSING ASSOCIATION AS PART OF A LONG-TERM PARTNERSHIP

London, 7 December 2023 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension schemes, has made a second private placement investment of £30 million in secured debt issued by Heart of Medway Housing Association, part of the *mhs homes group*. This is PIC’s fifth transaction involving £160 million of lending, with the *mhs homes group* as part of a long-standing partnership.

PIC’s first debt investment in *mhs homes* was a £40 million transaction to provide over 400 new properties, signed in 2016, with a further two transactions totalling £50 million in 2017 and 2021.

This latest transaction is split across two tranches, £20 million at commencement and £10 million deferred by 24 months, both carrying a 20-year maturity. It enables Heart of Medway to access flexible, long-dated funding against the backdrop of a challenging macroeconomic environment across the UK’s social housing sector. PIC’s ability to provide deferred drawdown makes it an especially attractive lender.

Founded in 2010, Heart of Medway is a registered provider of social housing and provides over 900 affordable and shared ownership homes to over 1,800 people in Kent.

PIC was the sole investor on the transaction, while Centrus acted as sole arranger.

Bruce Shelmerdine, Group Finance Director at *mhs homes group*, said: “Over the last 10 years, Heart of Medway has grown from a fledgling housing association that built its first home in 2011, to a well-respected provider with a strong delivery record. There’s a huge demand for affordable housing in Kent and this new private placement, a result of our long-term relationship with PIC, will help us continue to meet the needs of our local communities. We’re pleased to have worked again with PIC and Centrus to secure this funding which will allow us to build more affordable homes for people who desperately need them.”

Celia Franch Lopez, Debt Origination Manager at PIC said: “We are delighted to have again invested in Heart of Medway. PIC continues to be an active lender to housing associations as

investment in this sector generates social value while meeting our need for long-term, secured cashflows to match our liabilities. This allows us to fulfil our purpose to protect PIC's policyholders' payments over the long-term, and benefits tenants who will live in the homes built as result of our long-term partnership with Heart of Medway."

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Notes to Editors:

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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 half year 2023, PIC had insured 339,900 pension scheme members and had £44.9 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. PIC has made total pension payments of almost £12 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