



PENSION CORPORATION ANNOUNCES 2010 PRELIMINARY RESULTS FOR PIC

London, 15 March 2011 – Pension Corporation (“PC”), a leading provider of risk management solutions to defined benefit pension funds, today announces the unaudited results for its insurance operations and in particular Pension Insurance Corporation (“PIC”), for the 12 months to 31st December 2010. PIC has shown significant gains in balance sheet strength as measured through solvency ratio and embedded value. The positive results demonstrate the stability of the business and potential for growth as it continues to meet the pension insurance needs of household-name companies.

2010 Results

- New pension insurance business of £700 million transacted
- Year end solvency ratio of 209% of the required minimum, up from 189% at year-end 2009, reflecting the company’s balance sheet strength
- £4 billion in assets under management and 50,000 pension fund members insured
- Embedded Value of £668 million as at 31 December 2010, up from £578 million in 2009
- New Business Value of £99 million (£153 million in 2009), reflecting lower business volumes
- Pre-tax IFRS profit of £81 million, up from £42 million in 2009

During 2010, PIC wrote a total of five pension insurance transactions: Alliance Boots, Alitalia, Aggregate Industries, Foster Yeoman and Arnold Laver. It has now completed 21 in total, including most recently insuring part of the Honda pension fund.



During 2010 PIC's operations team progressed the transition of over 20,000 pension fund members to become our policyholders, representing over £2 billion in liabilities. PIC's current pensioner payroll of £13 million per month covers almost 40,000 pension scheme members and policyholders.

Sir Mark Weinberg, Group Chairman, commented: "Despite the challenging conditions which prevailed during the year, PIC had a successful year, continuing to develop innovative and creative solutions for our clients. Our solvency position has remained strong and improved during the year, and we have seen increased profitability."

"2011 has started with a healthy pipeline of new business both for PIC and across the market more generally. The value of the pension funds now looking at pension insurance is higher than it has ever been. I expect to see several multi-billion pound pension schemes move to insurance this year. I also expect to see the market grow significantly year-on-year."

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Notes to Editors:

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- 1) The year end solvency ratio is the ratio of Available Capital Resources to the Required Capital
- 2) In the 2009 press release, the pre-Cost of Capital embedded value of £619m was quoted. This convention has been updated to show the "post-Cost of Capital Embedded Value", which for 2009 was £578m
- 3) The Embedded Value and IFRS numbers include our Guernsey-based

Reinsurer, PSIC

- 4) IFRS stands for International Financial Reporting Standards
- 5) The figures provided are preliminary and are to be audited

About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation (“PIC”), brings safety and security to scheme members’ benefits through innovative, tailored solutions. PIC has £4bn in assets under management and has so far insured 50,000 pension fund members. Its solutions include pension insurance buyout, pension insurance buy-in and longevity risk insurance. It has transacted both the UK’s largest corporate and the first public sector backed pension insurance buyouts. Other clients include FTSE 100 companies and several multinationals. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit www.pensioncorporation.com