



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION PLC

2016 RESULTS

London, 23 March 2017 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, today announces its audited results for the 12 months to 31 December 2016.

Financial highlights:

- Underlying operating profit of £177 million (*2015: £133 million*), up 33% in the year and pre-tax profit of £276m (*2015: £104m*)
- New pension insurance business of £2.6 billion of premiums, for clients including Aon, Smiths Industries, GKN and ICI
- £22.6 billion in financial investments (*2015: £16.6 billion*)
- £4.3bn of assets held in excess of Best Estimate Liabilities and available to meet Solvency and capital requirements
- Group embedded value of £2,588 million (*2015: £1,873 million*), up 38% in the year
- Solvency capital ratio of 164% (*2015: 151%*)
- £1.4 billion of longevity exposure reinsured during the year, with 68% of PIC’s longevity exposure reinsured (*2015: 71%*)
- 134,900 pension fund members insured in total (*2015: 132,100*)
- £380 million of premiums written in the first quarter of 2017 with a robust pipeline of new business for the rest of the year

Business highlights:

- Enduring popularity of our unique policyholder events, with more than 3,000 attendees during the year
- 99% of our policyholders expressed overall satisfaction with our service; 86% gave us the maximum score

- £500 million of new regulatory capital raised during the year, through a combination of new equity and further debt issuance
- Appointment of Jon Aisbitt as Chairman
- Continued investment in infrastructure including Thames Tideway, social housing and student accommodation
- Winner of the Institute of Customer Service's "Quality Service Provider 2017" award

Tracy Blackwell, Chief Executive Officer of Pension Insurance Corporation, said: "I am delighted that PIC continued to outperform in 2016. As we focus on paying the pensions of our policyholders we have developed a robust, sophisticated approach to managing risk and to recognising and seizing business opportunities as they arise. So we are very pleased with the strong financial performance of the company.

"But we are equally, if not more, pleased to have such strong engagement with our policyholders. As recognition of our focus on policyholder engagement, we are proud to have won the Institute of Customer Service's "quality service provider 2017" award. This is a real reflection of the central role that high quality customer service plays within the company.

"We are extremely positive about the prospects for the company and continue to see a very strong pipeline of new business into 2017."

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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 policyholders. At year end 2016, PIC had insured 134,900 pension fund members and had £22.6 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. 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