



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION PLC 2017 RESULTS AND RATING ASSIGNMENT

London, 7 March 2018 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, today announces its results for the 12 months to 31 December 2017. PIC also announces it has been assigned an inaugural Insurer Financial Strength rating of A+ by Fitch.

Financial highlights:

- Underlying operating profit of £195 million (2016: £177 million) and pre-tax profit of £391 million (2016: £276 million)
- Embedded Value of £2,926 million (2016: £2,579 million), up 13% in the year
- New pension insurance business of £3.7 billion of premiums (2016: £2.6 billion), for clients including WPP, Pirelli and 3i
- £25.7 billion in financial investments (2016: £22.6 billion)
- Solvency capital ratio of 160% (2016: 164%)
- A record £4 billion of longevity exposure reinsured during the year, with 73% of PIC’s reserves reinsured for longevity risk in total at year end (2016: 68%)
- 151,600 pension fund members insured in total (2016: 134,900)
- Pension Insurance Corporation plc has been assigned an inaugural Insurer Financial Strength credit rating of A+ by Fitch. In addition, Fitch rated PIC’s Tier 2 Subordinated Notes as BBB+

Business highlights:

- Attained the Institute of Customer Service’s “ServiceMark with Distinction”, the only financial services company in the country with this award
- 98% of our policyholders expressed overall satisfaction with our service; 86% gave us the maximum score

- More than £1 billion invested directly with long-term borrowers in the year, to provide higher yielding, secure assets to back pension cash flows, including social and affordable housing providers, university accommodation and renewable energy
- Proposed and funded mentoring programme for junior female actuaries, “Project AMP”, in conjunction with the Institute and Faculty of Actuaries
- 3,000 attendees at our UK-wide 2017 complimentary policyholder events

Tracy Blackwell, Chief Executive Officer of Pension Insurance Corporation, said: “PIC had a very successful year in 2017 across a number of fronts, including our focus on customer care, the amount of new business transacted, the record level of longevity risk reinsured, our ability to invest in secure, inflation-linked assets on a private basis, our overall financial results, and the considerable level of support from our employees.

“The Company continues to demonstrate extremely strong financial performance, with £195 million in underlying operating profit and pre-tax profit of £391 million, demonstrating the long-term profitability of our business, coupled with strong policyholder protection, reflected in our robust solvency ratio. We were delighted with the rating assigned to us by Fitch, which reflects PIC’s very strong capitalisation, low investment risk and asset-liability management capabilities.

“What drives all of this is our focus on excellence in customer service. We were therefore proud to attain the Institute of Customer Service’s ServiceMark with Distinction – the only financial services company in the country with this award. 2017 was another strong year of achievements for us and I believe our continued focus on what really matters will mean future success for the company.”

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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 2017, PIC had insured 151,600 pension scheme members and had £25.7 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