



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION GROUP FINANCIAL RESULTS SUMMARY FOR SIX MONTHS TO 30 JUNE 2020

London, 10 September 2020 – Pension Insurance Corporation Group Limited¹ (“PICG”), ultimate parent company of Pension Insurance Corporation (“PIC”), the specialist insurer of defined benefit pension funds, today announces its unaudited results for the six months to 30 June 2020.

PICG financial highlights in HY2020:

- Five new business transactions with total premiums of £3.5 billion
- £47.7 billion in financial investments (*FY2019: £40.9 billion*), with zero defaults and only 0.2% of the portfolio moving from Investment Grade to Non Investment Grade.
- Market Consistent Embedded Value (MCEV) of £4,623 million (*FY2019: £3,874 million*)
- Adjusted Equity Own Funds² of £5,624 million (*FY2019: £4,504 million*)
- IFRS Net Asset Value of £3,902 million (*FY2019: £3,215 million*)
- Solvency Capital Ratio of 153% (*FY2019: 164%*)
- Reinsurance transactions covered £3.9 billion of liabilities (*HY2019: £7.1 billion*), with over 80% of longevity exposure reinsured in aggregate
- 237,600 pension fund members insured in total (*FY2019: 225,100*)

Business highlights:

- In January, the Group's existing shareholders agreed to subscribe £750 million of new equity capital, the final tranche of £300 million being drawn down in September to support strong new business flows

- In May, the Group's subsidiary, PIC, successfully issued £300 million of Tier 2 subordinated notes
- In May, Fitch affirmed PIC's Insurer Financial Strength Rating at 'A+' (Strong) and Long-Term Issuer Default Rating (IDR) at 'A'
- 99.5% of policyholders surveyed indicated that they are satisfied or better with our customer service (*FY2019 99.1%*)
- PIC won the Pensions Age "Risk Management Provider of the Year" award

Tracy Blackwell, Chief Executive Officer of PIC, said: "Despite a volatile and uncertain backdrop, PIC has continued to win new business, manage our risks, strengthen our stakeholder relationships and garner considerable support from both our shareholders and the debt markets during the first half. Our focus on PIC's purpose, to pay the pensions of our current and future policyholders, has helped us thrive in very difficult circumstances.

"Our policyholders have remained our absolute priority during this period and we have maintained a first-class service for them, alongside a very strong overall performance. I want to thank our employees for their efforts over the past few months and look forward to a successful second half of the year."

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Notes to Editors:

- 1) The Pension Insurance Corporation Group includes PICG, the group holding company; PIC, the group regulated insurer; and Pension Services Corporation Ltd, the group service company.
- 2) Adjusted Equity Own Funds is calculated as Solvency II own funds deducting hybrid debt (including Restricted Tier 1 debt) and removing the gross impact of the Risk Margin and the Transitional Measures on Technical Provisions (TMTP's), disregarding any tax impact.

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About Pension Insurance Corporation

The purpose of Pension Insurance Corporation (“PIC”) plc 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 half-year 2020, PIC had insured 237,600 pension scheme members and had £47.7 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