



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION GROUP

2020 RESULTS

London, 18 March 2021 – Pension Insurance Corporation Group Limited¹ (“PICG” or the “Company”), ultimate parent company of Pension Insurance Corporation plc (“PIC”), the specialist insurer of defined benefit pension schemes, today announces its final results for the 12 months to 31 December 2020.

A presentation for bondholders and other stakeholders on the 2020 final results will be available from 10.30am GMT, on 18 March 2021, at the following link: <https://www.investis-live.com/pension-insurance-corporation/602d10c72fb49a0a00f2fb71/fwef>

PICG 2020 financial highlights:

- Seven new business transactions with total premiums of £5.6 billion (*2019: £7.2 billion*), for clients including the Old British Steel Pension Scheme, the Co-op Pension Scheme and the Merchant Navy Officers Pension Fund (MNOFP)
- Profit before tax £276 million (*2019: £394 million*)
- £49.6 billion in financial investments (*FY2019: £40.9 billion*)
- Market Consistent Embedded Value (MCEV) of £5.0 billion (*FY2019: £3.9 billion*)
- Adjusted Equity Own Funds² of £5,915 million (*FY2019: £4,504 million*)
- IFRS Net Asset Value of £4,167 million (*FY2019: £3,215 million*)
- Solvency Capital Ratio of 157% (*FY2019: 164%*)
- 84% of longevity exposure reinsured in aggregate
- 273,500 pension scheme members insured in total (*2019: 225,100*)
- In October 2020, PIC was re-affirmed an Insurer Financial Strength credit rating of A+ by Fitch

Business highlights:

- £1.8 billion invested in areas such as social housing, renewable energy and not-for-profits (2019: £1.9 billion)
- 98.7% of policyholders surveyed have indicated that they are satisfied or better with our customer service
- The Group successfully completed a £750 million equity raise from existing shareholders to support continued growth of the business in the Pension Risk Transfer market
- The Group's subsidiary, PIC, successfully issued £300 million of Tier 2 subordinated notes in May 2020 and a further £400 million of Tier 2 subordinated notes in October 2020
- PIC was re-awarded "ServiceMark with Distinction" by the Institute of Customer Service; was named "Pensions Insurance Firm of the Year" at the European Pensions Awards, "Risk Reduction Provider of the Year" at the UK Pension Awards, and "Risk Management Provider of the Year" at the Pensions Age Awards

Tracy Blackwell, Chief Executive Officer of PIC, said: "I am immensely proud that the Company has had such a good year despite the challenging social and economic circumstances. First, I want to thank all our employees, who have demonstrated resilience and flexibility and put in much hard work in sometimes difficult personal circumstances.

"PIC's purpose provided a focal point for the entire business during this very difficult year, in which we guaranteed the pensions of tens of thousands of people, backing their benefits with a purposeful investment strategy leading to significant investments in renewable energy and social housing. Throughout the pandemic we have maintained our commitment to excellence in customer service and so it was pleasing that we were re-awarded the ServiceMark with Distinction for delivering first class customer service.

"The business ended the year financially strong with an enhanced reputation for customer service. There were many challenges throughout the year, but I am looking forward to 2021 as a year when we can return to some level of normality, which will only benefit our policyholders, employees and other stakeholders."

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