Creating long-term social value.

Pension Insurance Corporation Group Limited
2021 Full Year Results Presentation

11 March 2022

PIC

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Today's Presenters

Tracy Blackwell
Chief Executive Officer

Dom Veney
Chief Financial Officer

Tracy is Chief Executive Officer (CEO) and a Director of Pension Insurance Corporation (PIC). Tracy is also CEO and a Director of PIC's parent company, Pension Insurance Corporation Group (PICG). Tracy joined PIC as Chief Investment Officer at the company's inception in 2006, with responsibility for managing PIC's asset and liability management strategy.

Prior to joining PIC, Tracy held a variety of roles at Goldman Sachs. Tracy served as a Non-Executive Director at United Trust Bank from 2013 to 2019.

Tracy has 30 years' experience in insurance and asset management, including a deep knowledge and understanding of the regulatory landscape. Areas of particular interest include: "The Purpose of Finance", a project seeking to redefine the social contract with financial services; and diversity of thought in financial services. Tracy is a member of Wellcome Trust's Investment Committee; Trustee and Honourable Treasurer of the Elton John Aids Foundation; a Board member of the Association of British Insurers; and an Advisory Council member on the Diversity Project.

Dom was appointed as Chief Financial Officer and a Director of PIC in December 2021. Dom joined PIC in 2017 as PIC's Chief Actuary.

Before joining PIC in 2017, Dom was a partner at PwC, leading the company's UK life actuarial practice.

Dom has over 20 years' experience in the life insurance sector and has an in-depth knowledge of insurance financial and capital management, and regulatory affairs.

Dom is a Fellow of the Institute and Faculty of Actuaries and is a Member of Financial Reporting Council's Actuarial Advisory Panel.

1.

Company Overview

Tracy Blackwell.
Chief Executive Officer.

Creating long-term value

- PIC has a simple purpose, which is to pay the pensions of our current and future policyholders.
- We have a clear strategy as a leader in the fast-growing UK pension risk transfer ("PRT") market, with a long-term market share of 22%[1]. We have paid £8bn of pensions to date.
- We have a conservative approach to investing, and are significant, purposeful, investors in urban regeneration, renewable energy, and social housing across the UK. This creates jobs and supports the UK's levelling up agenda[2]. PIC has invested £7.9bn[3] across the UK, out of a total portfolio of £51.1bn.
- We are focussed on maintaining a robust balance sheet and long-term profitability.
- We have an excellent track record and experienced leadership.
- We aim to balance the interests of all our stakeholders – policyholders, employees, shareholders, regulators and others – with excellence in customer service at the heart of what we do.
- Our shareholder base is aligned in supporting the long-term growth prospects of PIC.

Our recent awards:

INVESTORS IN PEOPLE We invest in people Standard

ServiceMark with Distinction Accredited from Dec '20 to Dec '23 The Institute of Customer Service

European Pensions AWARDS 2021 WINNER Pensions Insurance Firm of the Year

Professional Pensions UK PENSIONS AWARDS 2021 WINNER Risk Reduction Provider of the Year Pension Insurance Corporation

RESI AWARDS 10 YEARS HIGHLY COMMENDED

The Institute of Customer Service UK Customer Satisfaction Awards 2021 WINNER

Insider RESIDENTIAL PROPERTY AWARDS 2021 WINNER

1. PIC estimates for long-term market share from 2008 to 2021
2. The levelling up agenda is a UK Government initiative which aims to reduce inequality between different regions in the UK by; i) investing in town, cities, and rural and coastal areas ii) providing more control to these areas of how investment is made, iii) levelling up skilling using apprenticeships and iv) creating freeports to help deprived areas. Source: CDP-2021-0148.pdf (parliament.uk)
3. £3.2bn invested in the UK's social housing sector, £1.3bn invested in renewable energy, £2.9bn invested in the UK's education sector (including student accommodation) and £500m invested in urban regeneration

Policyholders are at the heart of what we do

Our focus is always on customer outcomes

- Four times Institute of Customer Service Award ("ICS") winners and holders of the ICS ServiceMark with Distinction
- Close partnership with our administrators, ensuring complaint levels are low
- Our policyholders receive extremely high levels of service
- Organised policyholder days, lunches and virtual policyholder hours
- Clear policyholder communications. We hold the Platinum Crystal Mark from the Plain English Campaign

ServiceMark with Distinction
Accredited from Dec '20 to Dec '23
The Institute of Customer Service

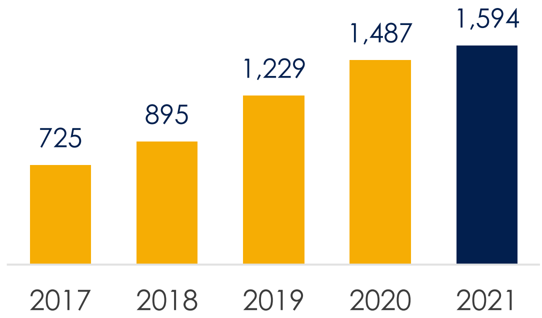
The Institute of Customer Service
UK Customer Satisfaction Awards 2021 WINNER

Crystal Mark 15815
Clarity approved by Plain English Campaign

"PIC is a company you can trust. They are professional, serious, clear. Clarity of communication is excellent."

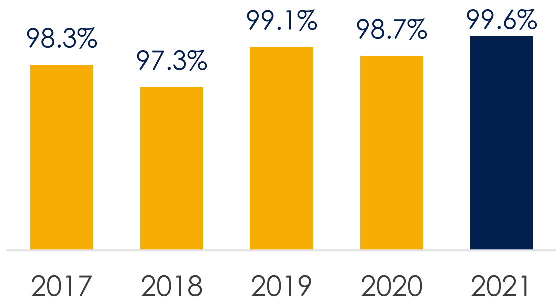
PIC policyholder 2021

Total pensions paid to policyholders (£m)



PIC paid £1,594m to policyholders in 2021

Policyholder satisfaction



We have maintained over 97% overall satisfaction over the last ten years

282,900 policyholders insured[1]

99% of calls answered within 20 seconds

7 seconds average call answer time over the year

1. Total number of policyholders insured as at 31 December 2021

Key highlights over 2021

1	**Flexible and innovative in meeting trustee needs**	• Maintained pricing discipline despite volatile economics and a competitive market • Completed £4.7bn of new business, including the single largest transaction of 2021 (£2.2bn buy-in with Metal Box Pension Scheme)
2	**Investing across the UK**	• £7.4bn invested in areas such as social housing, renewable energy and the UK's education sector (including student accommodation) through private placements (2020: £1.8bn) • Significantly increased our ability to invest in build-to-rent ("BTR") and regeneration leases, with £500m invested in urban regeneration since September 2020
3	**A strong focus on ESG**	• Committed to being carbon neutral as a business by 2025, within our investment portfolio by 2050, and joined the UN-convened Asset Owner Alliance • Published Task Force on Climate-Related Financial Disclosures ("TCFD") report in February 2022
4	**Provided excellent customer service**	• Continued commitment to provide excellent customer service; 99.6% overall policyholder satisfaction • Increased attention on vulnerable costumers throughout the pandemic • Awarded "Customer Focus" award from the Institute of Customer Service Awards
5	**Significant investment in people and systems**	• Continue to attract high-quality candidates; successfully onboarded 120 new employees over the year • 90% of employees are proud to work at PIC • Gender pay gap has reduced by 6.9% in the year • Investing in early careers talent with the launch of our PIC Academy and member of the #10000BlackInterns programme • Dedicated time and resource to develop our systems and capabilities over the year
6	**Broadened our reinsurance capabilities**	• £4bn of longevity reinsurance transactions; with 85% of total longevity exposure reinsured with a panel of 14 global reinsurers. Completed £750m of asset backed reinsurance in 2021
7	**Welcomed new PICG shareholder**	• In June 2021, HPS Investment Partners acquired 10% of PICG's shares from Swiss Re, ICD (formally Isithmar), Legend Holdings and a number of smaller shareholders[1]

1. As at 31 December 2021, HPS had a 10.23% holding in PICG

PRT in 2021 – overview and trends

Whilst the first half of 2021 was subdued due to the impact of the pandemic in 2020, the market recovered strongly in the second half of 2021, demonstrating the huge latent demand for PRT

£2.2bn Metal Box Pension Scheme buy-in, is the largest transaction of the year

- Secures the benefits of 10,300 pensioners and 2,200 non-pensioner members
- The scheme converted to a buyout in November 2021, with each member becoming a PIC policyholder, removing the scheme liabilities from the balance sheet of the sponsor[1]

"Working alongside the Company and our respective advisors, we selected PIC based on their proven customer service standards and strong financial credentials. This has been the culmination of a successful journey over many years, supported by the Company."

Gary Fishlock,

Chair of Trustees of the Metal Box Pension Scheme

Recent repeat transactions[2]:

Additional pension buy-in with the Trustee of BAT's UK pension fund, taking the total pensioner liabilities insured from the Fund by PIC to £3.8bn

Second buy-in with MNOPF covering £400m of liabilities, and representing the benefits of close to 2,000 MNOPF pensions

Fifth partial buy-in completed with IMI since 2016, taking total liabilities insured by PIC to £800m

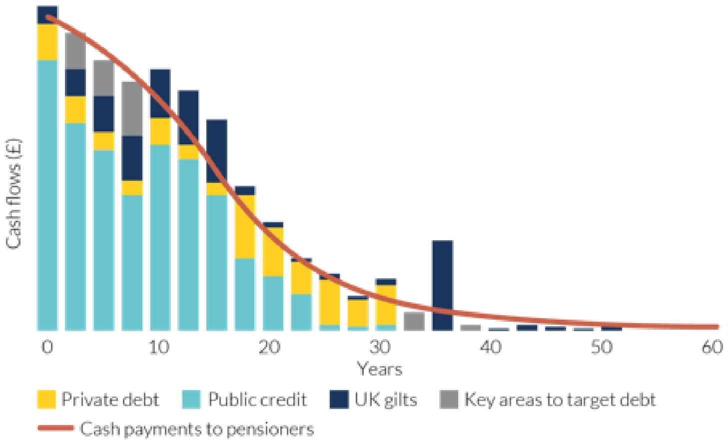
1. Crown Packaging Manufacturing UK Limited, a subsidiary of Crown Holdings Inc, which is listed on the NYSE
2. British American Tobacco ("BAT") . Merchant Navy Officers Pension Fund ("MNOPF"). IMI plc ("IMI")

Investing with purpose

PIC is a significant investor in secure long-term private debt; creating assets to match PIC's liabilities at maturities when publicly available debt is limited

Private investments

Finding cashflows in years with low levels of listed bonds in issuance



- £10bn total UK direct investments[1]

Examples of PIC's private investments (and committed capital)

Build-to-rent ("BTR") developments

3 BTR developments over 2020 and 2021

Case study: Manchester New Victoria Development

Urban Regeneration

£500m Invested in urban regeneration

Case study: Wirral Waters One

Student Accommodation

£2.9bn Invested in the UK's education system[2]

Case study: London School of Economics student accommodation

Social Housing

£3.2bn Invested in the UK social housing sector

Case study: Livin Housing

1. From 2012 to 2021
2. Including student accommodation

Manchester one year on..

£2m a week injected into Manchester's economy during the first year of the New Victoria Development

- In September 2020, PIC invested £130m in the company's first BTR project in central Manchester
- Once complete, New Victoria will comprise of 520 homes and over 5,000 sq ft of commercial space
- The development will include 460m² of new landscaped space, which is the first time this site has had any green space in over 100 years
- The cash flows from the rental apartments will be used to pay the pensions of PIC's policyholders for decades to come

Local spend in Greater Manchester

- £50m has so far been injected into Greater Manchester's economy, through local employment, tax and sourcing materials
- Further £65m spent on small businesses supplying materials for the project, supporting thousands of additional jobs

Jobs created and apprenticeships weeks completed

- Creating 40 new jobs and employing 550 people in total during the construction phase
- In total, more than 2,000 people will have worked directly on the project
- 903 of the expected 3,000 apprentice weeks have been completed so far

Recycled waste

- 99.5% of waste will be recycled, reused, or disposed of in a more environmentally-friendly way than landfill

Energy efficacy and water sustainability

- Maximum water usage of 100 litres per person per day, 25% more efficient that current building regulations require
- All electricity used at the development site during construction is procured through renewable energy suppliers

Manchester's vital flood defences maintained

- Central Manchester's flood defences on the River Irk given enhanced protection as part of the development

Taking action on climate risk

PIC has made clear commitments for reducing its corporate impact on the climate, as well as the impact deriving from its investments

Our climate commitments:

Committed to being carbon neutral as a business by
2025

Committed to being net zero within its investment portfolio by
2050

Reduced scope 1 & 2 emissions by
16%
During 2021

London office uses
100%
Renewable energy for its electricity consumption

This neutralises PIC's scope 2 emissions on a market-based approach

Investment portfolio carbon intensity target:
50%
Decrease by 2030 from 2019 levels

(tCO_2/$mm revenue)

Publicly-listed credit portfolio carbon intensity interim target:
25%
Decrease by 2025 from 2019 levels

(tCO_2/$mm revenue)

Coverage:
204 tCO_2e
Weighted average carbon intensity of the investment portfolio

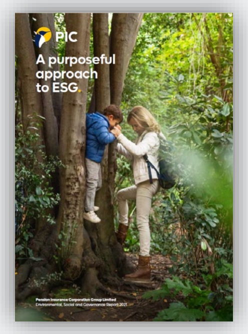
Representing 83% of investments

Temperature alignment of:
60%
of corporate exposure at -2'C or below

PIC's public corporate credit portfolio temperature alignment is currently 2.37'C

PIC's publications

2022 TCFD Report



March 2022 ESG Report

Purpose of Finance (Project led by PIC)

Industry collaboration

PRI Principles for Responsible Investment

SUSTAINABLE DEVELOPMENT GOALS

THE NET-ZERO ASSET OWNER ALLIANCE

ABI

1. Taking into account the quality and consistency of available data
2. Temperature alignment is the projected temperature rise by 2100 from pre-industrial levels within PIC's publicly listed credit investments

Significant market opportunity

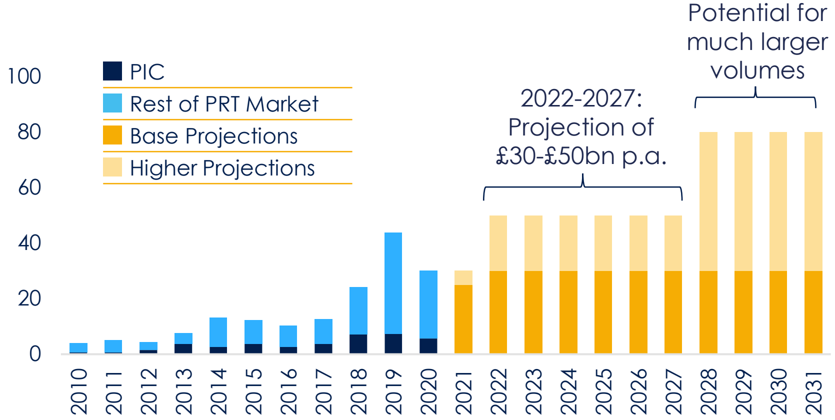
UK private sector defined benefit liabilities in excess of £2.3trillion providing large growth potential in UK pension risk transfer

UK pension risk transfer cumulative market share (2008-2021)[1]

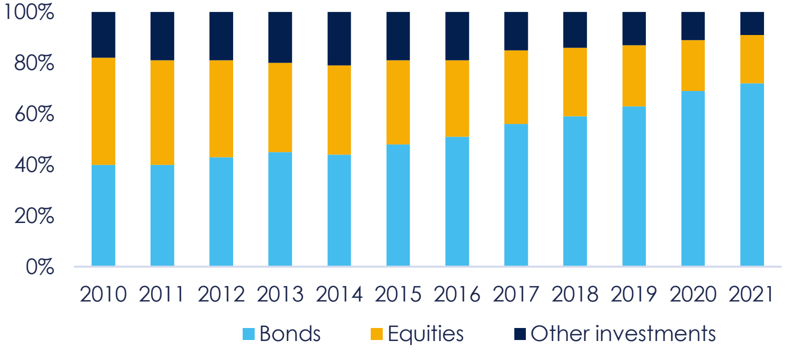
PIC	**22%**
Legal and General	**26%**
Rothesay Life	**18%**
Aviva	**13%**
Phoenix	**3%**
Just Group	**4%**
Scottish Widows	**3%**
Others	**10%**

Over £200bn total UK PRT transactions over the period

Projected UK pension scheme transactions volumes over the next decade (£bn)[2]



Asset allocation of defined benefit pension schemes[4]



1. PIC estimates
2. LCP and PIC analysis
3. Estimated total liabilities on a full buyout basis. PPF Purple Book 2021 (as at 31 March 2021)
4. PPF Purple Book 2021 (as at 31 March 2021)

PIC

£2.3trn
UK Defined Benefit ("DB") Liabilities[3]

£1.7trn
Assets held within UK DB pension Schemes[4]

£1.2trn
Assets held in gilts and fixed income assets by UK DB Schemes[4]

Potential opportunity from regulatory reform

Reforming Solvency II to better suit UK insurers can provide the opportunity to unlock and channel billions of pounds of UK savings into projects that support the transition to net zero and the levelling-up agenda

- The UK Government's levelling up and net zero ambitions **require substantial investment** to be achieved
- This can be realised through the release of capital as a result of **Solvency II reform without compromising policyholder security or weakening balance sheets**
- HMT have announced a package of reforms[1], aiming at:
  - 60-70% reduction in the risk margin for long-term life insurers
  - Broadening the range of assets eligible for the matching adjustment
  - Significant increase in the flexibility to allow more investment in long-term assets, e.g. infrastructure
- We expect to invest **£30bn into productive finance by 2030** through our normal course of business; with appropriate reform of Solvency II, this could increase to £50bn[2]
- **Significant social value would be generated** through the creation of good jobs, environmental benefits, more urban regeneration and intergenerational equity

CITY A.M.

MONDAY 21 FEBRUARY 2022 8:00 PM

Solvency II regulations to go in first sign of post-Brexit shake-up

fn Financial News

Government fires starting gun on post-Brexit regulatory overhaul with 'bold' Solvency II change

FINANCIAL TIMES

UK rewrite of insurance rules to 'free up billions for investment'

1. Speech by John Glen MP, Economic Secretary to the Treasury, to the Association of British Insurers Annual Dinner - GOV.UK (www.gov.uk)
2. investment-unleashed-2021-211223v1.pdf (pensioncorporation.com)

2

2021 Financial highlights

Dom Veney.
Chief Financial Officer.

Overview of FY 2021 results

A strong set of results demonstrating a robust balance sheet and long-term profitability, underpinning our purpose and future growth prospects

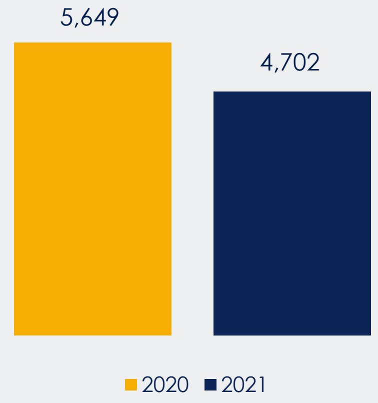
- Solvency increased to 168%
- £4.7bn of new business, including the largest single transaction of the year
- IFRS profit before tax up 42% to £393m
- £380m operating surplus generation
- 85% of total longevity exposure reinsured, with 14 highly-rated counterparties
- Continued to de-risk the asset portfolio; zero defaults and minimal downgrades to sub-investment grade in 2021

A+

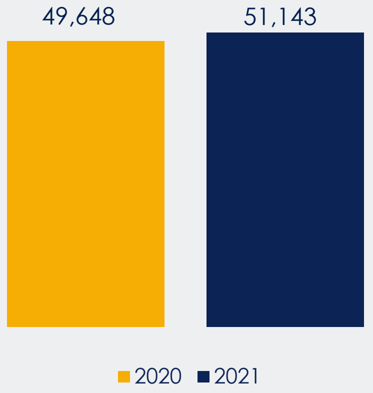
Fitch Insurer Financial Strength Rating

£2.2bn buy-in with Metal Box Pension Scheme, securing the benefits for 10,300 pensioners and 2,200 non-pensioners

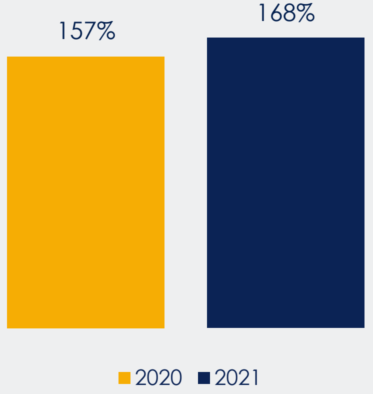
New business premiums (£m)



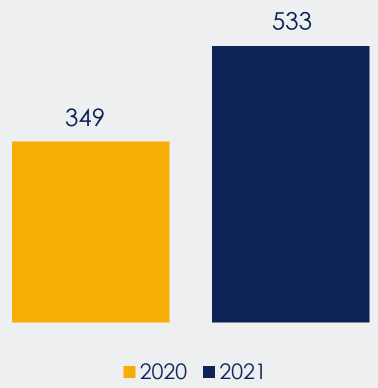
Financial investments (£m)



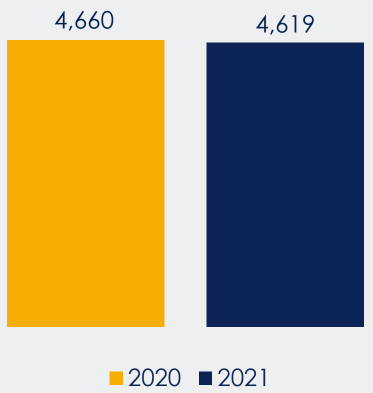
Solvency ratio



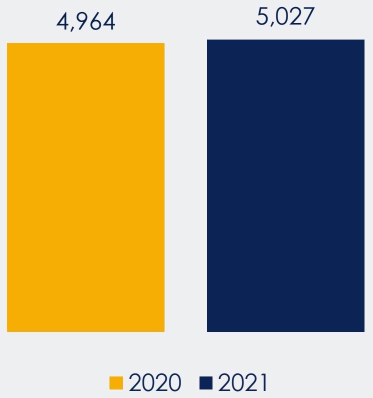
Adjusted operating profit before tax (£m)[1]



Shareholder equity own funds (£m)[2]



MCEV (£m)



1. 2020 Adjusted operating profit before tax has been restated to include the Restricted Tier 1 coupon in operating profit
2. Shareholder equity own funds has been redefined to deduct the notional value of RT1 and Tier 2 debt (previously the fair value). The 2020 value has been restated accordingly

Adjusted operating profit before tax

Management actions taken to optimise value from the in-force book

	2021	2020 Restated
	£m	£m
Return from operations	288	274
New business and reinsurance profit	167	187
Underlying profit from operations	**455**	**461**
Changes in valuation assumptions	315	292
Experience and other variances	(77)	(253)
Finance costs	(122)	(106)
Project costs	(38)	(45)
Adjusted operating profit before tax	**533**	**349**
Investment related variances	(173)	(106)
Add back: RT1 coupon	33	33
Profit before taxation	**393**	**276**

Notes:
During 2021, the definition of adjusted operating profit before tax was amended to take account of three refinements to the methodology:
1. New business profit has been redefined to align the reported new business profitability with the assumptions used in the pricing of new business. Any variance between pricing and current valuation assumptions is then recognised as an experience variance outside of underlying profit that will reverse over time. There is no change to adjusted operating profit before tax.
2. Reinsurance profit has been restated to recognise short term timing differences, and their reversal, within experience variances.
3. The cost of the Restricted Tier 1 (RT1) interest has been recognised within finance costs. This is to align the reporting across all bases and reflects the way management and rating agencies view these financing costs. The treatment for statutory IFRS statement of comprehensive income remains unchanged.

The 2020 comparatives have been restated accordingly

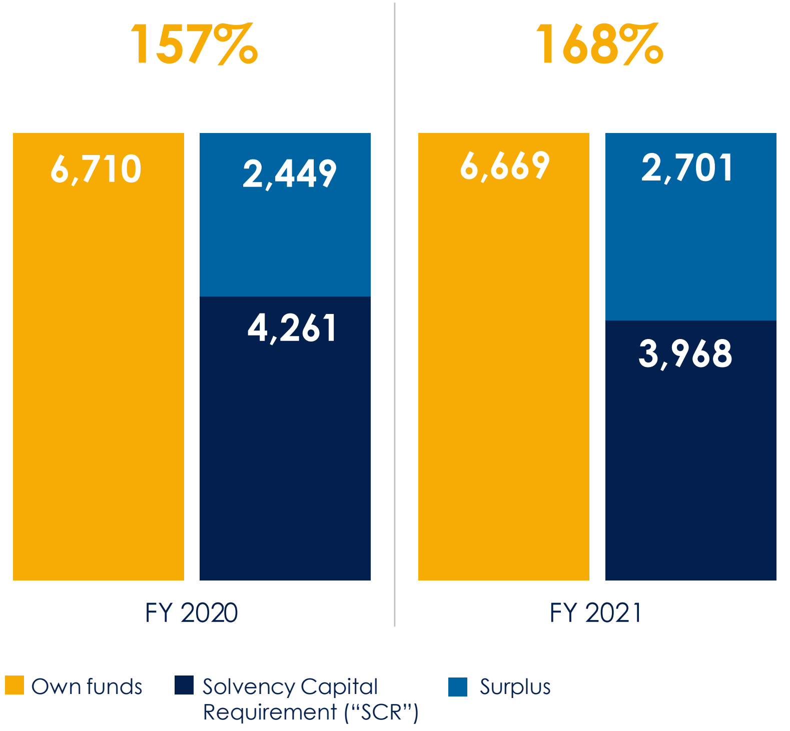
Adjusted operating profit before tax up 53% to £533m, reflecting:

- £4.7bn of UK PRT new business
- Return from operations up 5% reflecting rising interest rates offset by lower credit spreads this year
- New business and reinsurance profit was lower with higher new business profits offset by lower impact from reinsurance in the year than 2020 (£2.6bn less reinsurance transactions in 2021)
- £315m reserve release from assumption changes in respect of; credit defaults, investment management fees, inflation and IFRS liquidity premium reinvestment rate
- Less adverse experience and other variances
- £3.1bn of IFRS prudent margins as at 31 December 2021

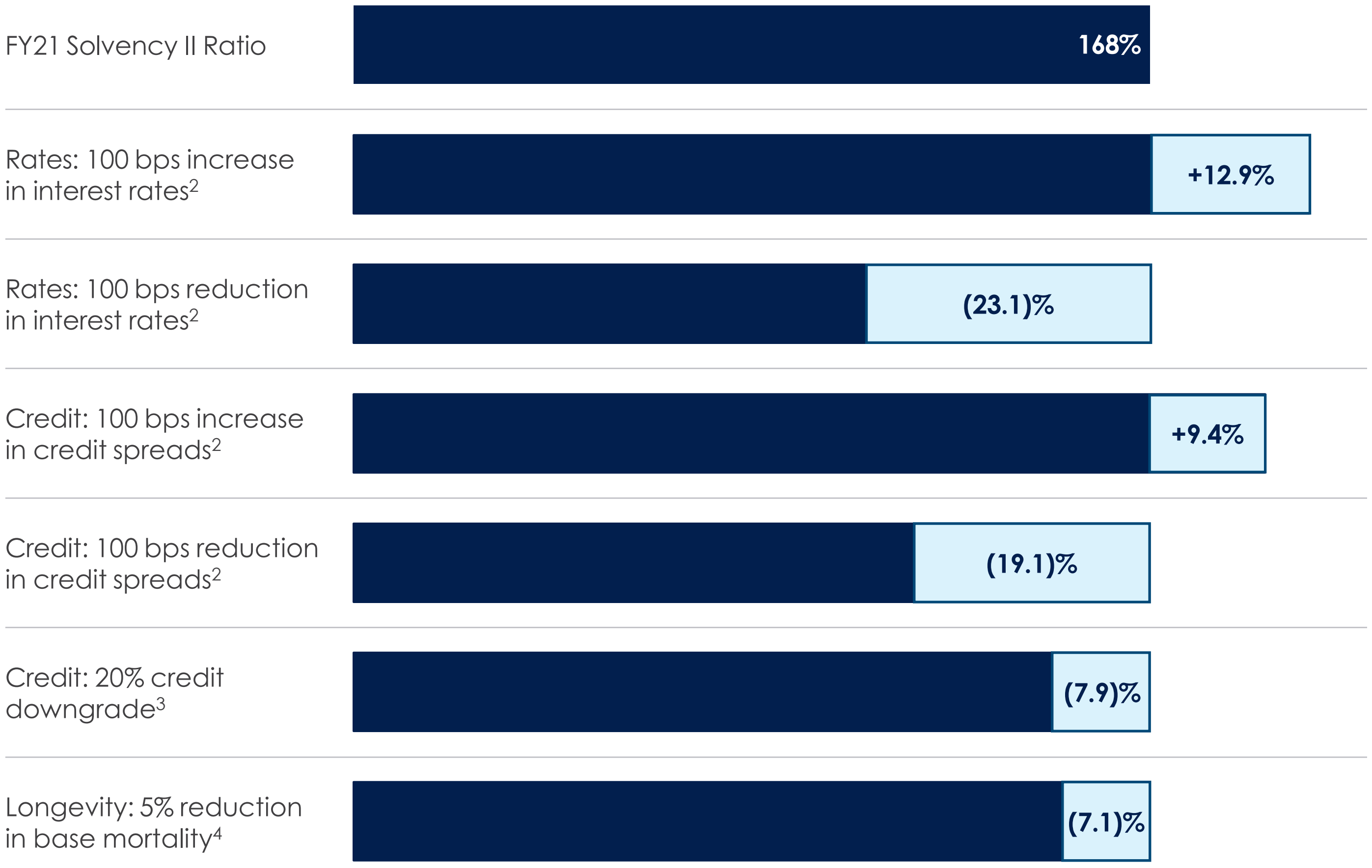
Robust Solvency II balance sheet

Improved solvency strength; positioning us well to take advantage of future market opportunities

Solvency II Balance sheet (£m)



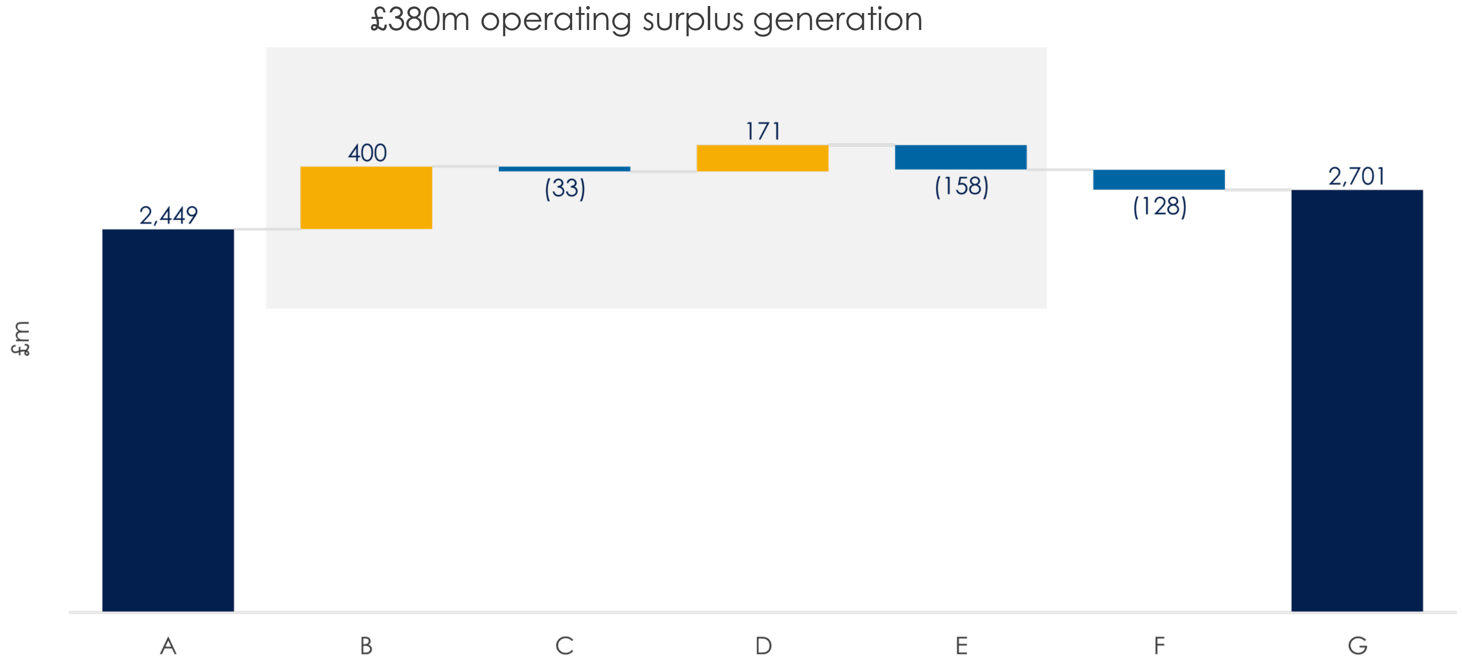
Key Solvency II sensitivities[1]



Notes:
1. All sensitivities allow for a transitional measure for technical provisions recalculation
2. For the interest rate and credit spread sensitivities, due to the nature and the size of the impact, the recalculation of the TMTP results in a different test biting and causes asymmetry of the results
3. Shows an immediate full letter downgrade on 20% of all assets where the capital treatment depends on a credit rating. Downgraded assets are assumed to be traded to the original credit rating, so the impact is primarily a reduction in Own Funds from the loss of value in downgrade. The impact of the sensitivity will depend upon the market levels of spreads at the balance sheet date
4. Equivalent to a 0.4-year increase in life expectancy from 22.9 years to 23.3 years for a typical male aged 65

Surplus generation

The focus over 2021 has been to protect the Solvency II balance sheet in order that we can readily take advantage of opportunities as they arise, and position ourselves for long-term growth



A	Operating surplus (31 December 2020)
B	Expected surplus generation from the in-force book
C	New business (net of reinsurance)
D	Management actions and other variances
E	Financing and project costs
F	Economic and other non-operating variances
G	Closing surplus (31 December 2021)

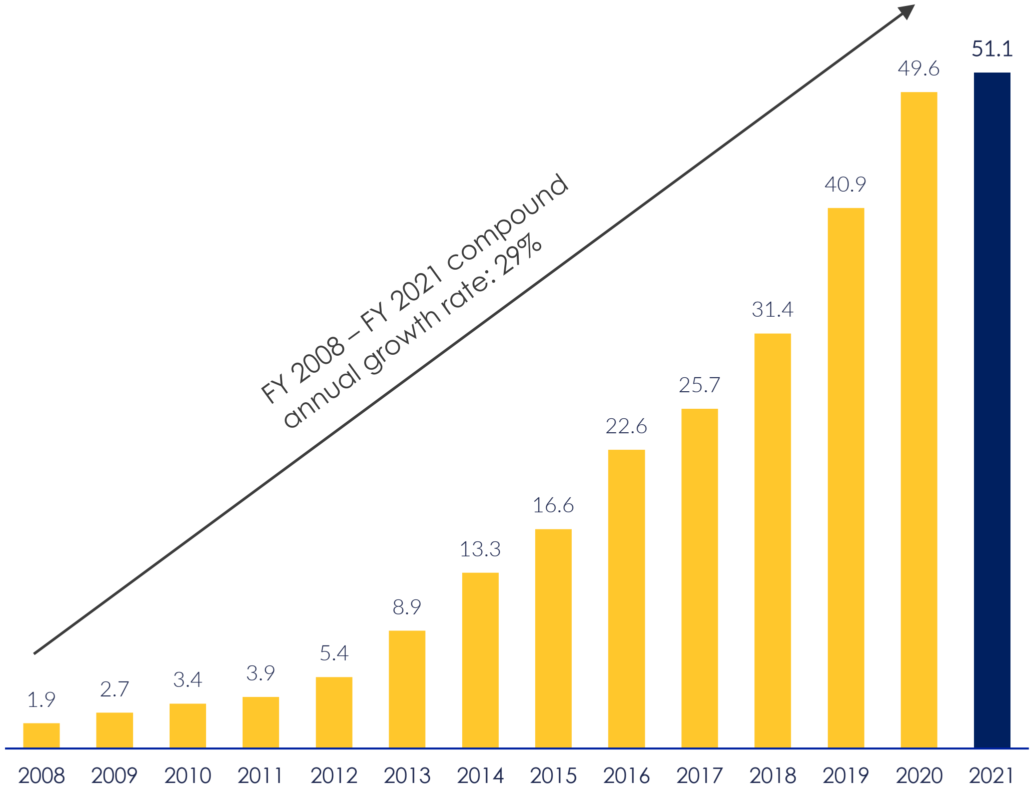
Notes:
1. Own Funds less Solvency II Capital requirements ("SCR")
2. The reduction in strain reflects a number of items, including the use of quota share reinsurance, not all of which is expected to repeat next year

Total surplus generation[1] of £252m during the period, reflecting:

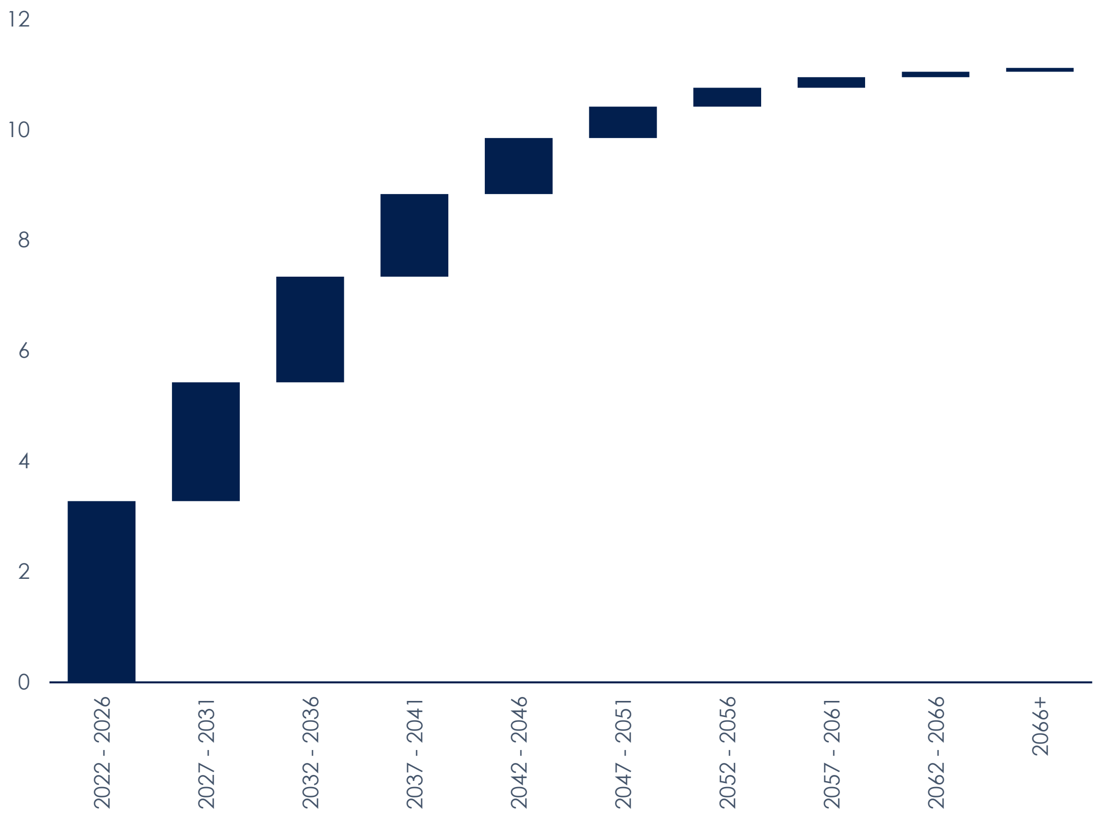
- Expected surplus generation increased to £400m, reflecting a larger in-force book and capital assets arising from new business written in 2020.
- The impact of new business, net of reinsurance, on the solvency surplus was £33m for the £4.7bn new business written in 2021; reflecting our selective approach to writing new business, and writing schemes that were less capital consumptive than last year [2].
- Management actions and operating variances increased to £171m as a result of; removing prudence in some business assumptions and review of the interaction between market and longevity risks, plus other, smaller assumption changes, partly offset by the transition of GBP risk free rates from LIBOR to SONIA.
- Financing and project costs of £158m primarily reflect interest and costs associated with PIC's debt issues, as well as costs from business-wide initiatives.
- Economic and other non-operating variances had a negative impact on capital of £128m, primarily relating to changes in inflation, risk-free rates and asset trading in the period.

Substantial store of future cashflow from the in-force business

Financial Investments (£bn)



Illustrative profile of future cash generation[1] from the current in-force business (£bn)



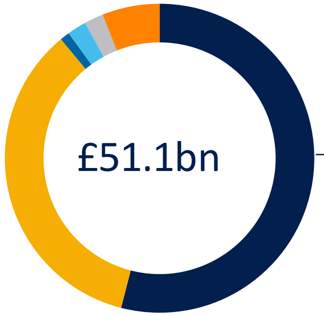
1. Net of tax cash generation (pre debt coupon and principal)

£51bn high-quality investment portfolio

Low risk investment portfolio that provides a steady stream of high-quality cash flows that match the payments due to policyholders

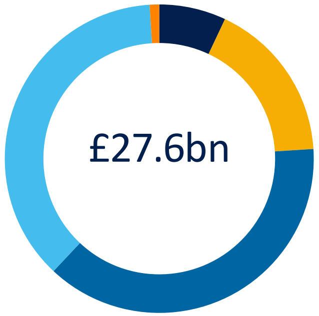
- Continued to de-risk the investment portfolio; zero defaults in 2021 and less than 0.1% of the credit portfolio downgraded to sub-investment grade
- £2.7bn unutilised IFRS credit default reserve
- 94% of the total portfolio rated investment grade
- £9bn private investment portfolio[1]
- 62% of corporate securities issued in GBP, 34% issued in USD
- Hedge out inflation, interest rate and currency risks
- Limited exposure to consumer cyclical sectors
- £10.9bn in ESG assets
- No direct exposure to Russia, Ukraine or Belarus in our matching adjustment portfolio and c0.6 basis point exposure in our non-matching portfolio[2]

Financial investments by asset class (31 December 2021)[1]



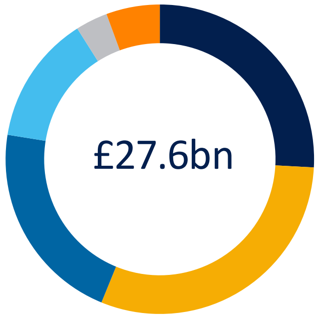
Corporate securities	54%
Government securities	35%
Mortgage and asset backed securities	1%
Equity release mortgages	2%
Cash and liquidity assets	2%
Others	6%

Corporate securities by rating[1]



AAA	7%
AA	17%
A	38%
BBB	37%
Unrated	1%

Corporate securities by industry sector[1]



Financial	25.5%
Utilities	13.3%
Consumer, non-cyclical	10.5%
Communications	9.3%
Energy	1.9%
Consumer, cyclical	2.6%
Industrial	3.0%
Basic materials	1.8%
Technology	5.6%
Diversified	0.2%
Quasi-Government	0.5%
Other	25.8%

1. Corporate securities includes both public and private investments. As at 31 December 2021, PIC had £9,021m of private investments
2. Exposure is calculated as a proportion of total financial investments

Key takeaways and messages

- The Group is focussed on long-term value creation as we seek to fulfil our purpose of paying the pensions of our current and future policyholders
- We maintained pricing discipline and protected the Solvency II balance sheet
- The Group wrote £4.7bn of new business and successfully evolved the investment strategy, including significant investments in social housing and urban regeneration
- At year end, our solvency ratio was 168%, with adjusted operating profit before tax of £533m and operating surplus generation of £380m
- Over recent years, we have substantially de-risked the investment portfolio and as a result seen both zero defaults and minimal downgrades to sub investment grade in either 2020 and 2021
- The business is well positioned to compete effectively for the healthy new business pipeline expected over the coming years

3.

Wrap up

Long-term value creation

PIC

Clear and focussed strategy

- Specialist insurer in the UK PRT market
- Defined purpose – to pay the pensions of our current and future policyholders
- Excellence in customer service

Robust balance sheet with good financial flexibility

- Strong and stable solvency ratio
- Limited sensitivity to market risks from interest rate and inflation movements, supporting stability of cash generation
- A+ Fitch Insurer Financial Strength Rating

Conservative portfolio and resilient business model

- Highly rated asset portfolio
- Excellent risk management capabilities – hedging of interest, inflation, currency risks and longevity risk
- Disciplined deployment of capital subject to strict internal economic requirements

Creation of social value

- Driving investment into urban regeneration, renewable energy and social housing across the UK, creating jobs
- Committed to be net zero across all emissions by 2050, and within the investment portfolio by 2025
- Joined the UN-convened Asset Owner Alliance

Supportive and committed long-term shareholder base

- Shareholder base aligned in supporting the long-term growth prospects of PIC

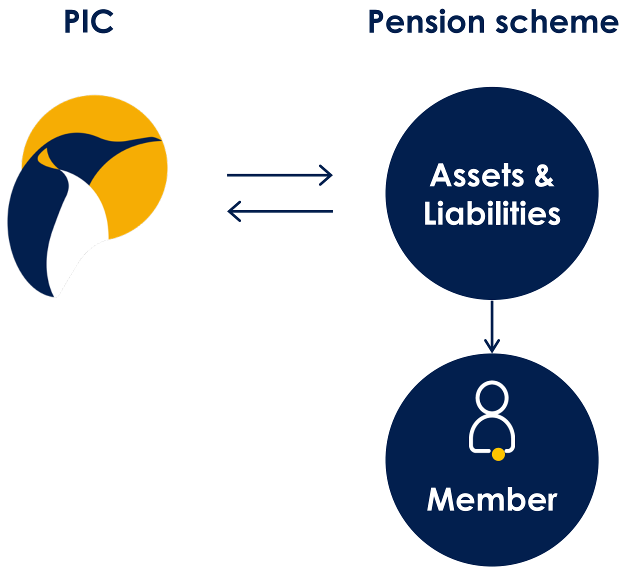
4

Appendix

Description of a pension risk transfer buy-in and buyout

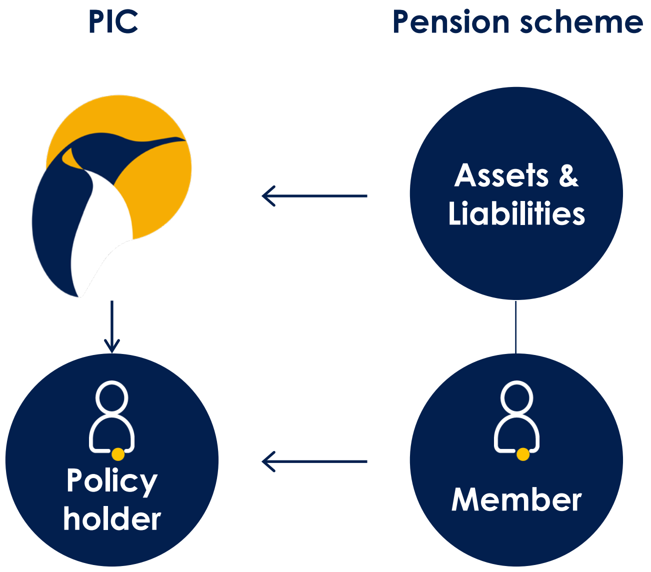
What is a pension insurance buy-in?

- The pension scheme purchases a bulk annuity insurance policy to cover its obligations to a subset of the scheme members. The insurance policy is held as an asset of the pension scheme
- A buy-in is a perfectly matching investment for the insured liabilities
- A buy-in removes the pension scheme's longevity, market interest rate, inflation and other risks, as these are transferred to PIC
- PIC has no direct relationship with pension scheme members, whose benefits continue to be managed by the trustees



What is a pension insurance buyout?

- A buyout removes pension assets and liabilities from a pension scheme and employer's balance sheet. It is a full settlement of the scheme and employer's obligations to the scheme members
- PIC issues individual annuity insurance policies to the members of the pension scheme as a direct replacement for their claim on the pension scheme
- Typically, the pension scheme is wound up and assets pass across to PIC
- The scheme members become policyholders of PIC



Long-term committed shareholder base

PICG's major shareholders

REINET INVESTMENTS S.C.A.	CVC	ADIA	HPS
49.4% shareholding	**17.4%** shareholding	**18.2%** shareholding	**10.2%** shareholding
First invested in 2012	Investor since 2017	Investor since 2018	Invested in June 2021

PICG also has a number of other corporate and private shareholders
Each shareholder measured on a voting basis
As at 31 December 2021

Key milestones over the last 15 years

Feb 2006
PIC founded, supported by an investor group led by J.C.Flowers

May 2008
PIC writes its first insurance business

Dec 2008
PIC completes a £1.1bn buy-out with the Thorn pension plan

Dec 2012
Reinet commits to invest £400m of equity capital in PICG

July 2014
PIC completes £114m direct investment in University of London's student accommodation, in partnership with University Partnerships Programme ("UPP")

July 2014
PIC issues £300m of hybrid debt

June 2015
Tracy Blackwell appointed CEO

Jan 2016
Accredited with the Institute of Customer Service's ServiceMark for outstanding customer service

June 2016
PIC raised £250m of equity capital from Legend Holdings and Reinet

Nov 2016
PIC issues £250m of hybrid debt

Nov 2017
PIC completes first offshore wind transaction with Walney Extension Offshore Wind Farm

Aug 2019
£3.4bn buy-in with British American Tobacco Pension Fund, the third largest transaction to date

Feb 2020
£750m of new equity raised from existing shareholders to support the continued growth in the PRT market

Feb 2020
Invests £190m in Spanish Solar bonds

Sep 2020
Invested £130m in central Manchester housing regeneration project

Jan 2021
PIC invests in £130m in Wirral Waters One ("WWO"), the cornerstone project for UK's largest urban regeneration project

Apr 2021
Appointed Macquarie Asset Management in expansion into the $US60 bn US private placement market

Jun 2021
HPS Investment Partners acquired 10.1% of PICG's shares from Swiss Re, ICD, Legend Holdings and a number of smaller shareholders

Jul 2021
PIC commits to be Net Zero by 2050 and joins UN-convened Net-Zero Asset Owner Alliance

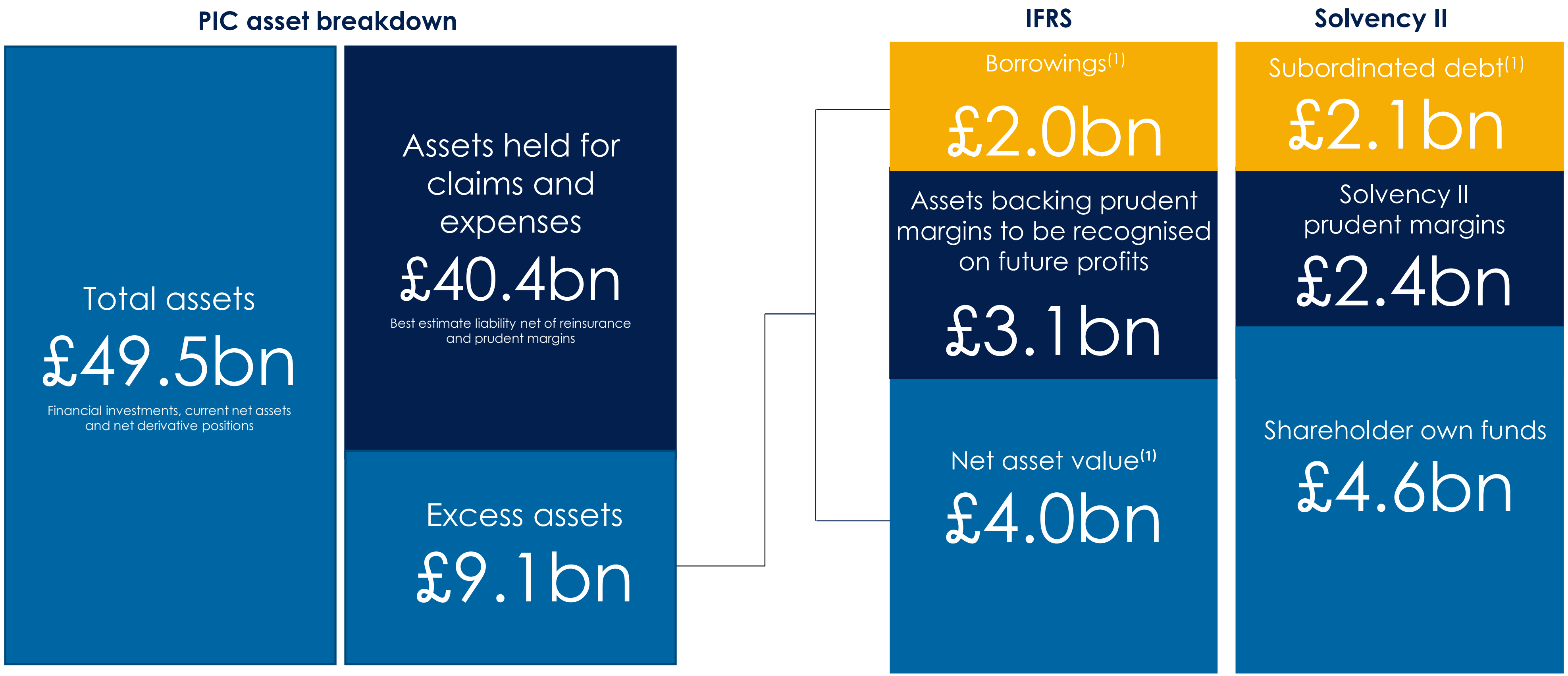
£46bn
Total PRT transactions to date

£10.9bn
Invested in ESG assets to date

£8bn
Total pensions paid

PIC's solvency II (unaudited) and IFRS balance sheet comparison

The following graph shows the excess assets held to meet solvency and risk margins



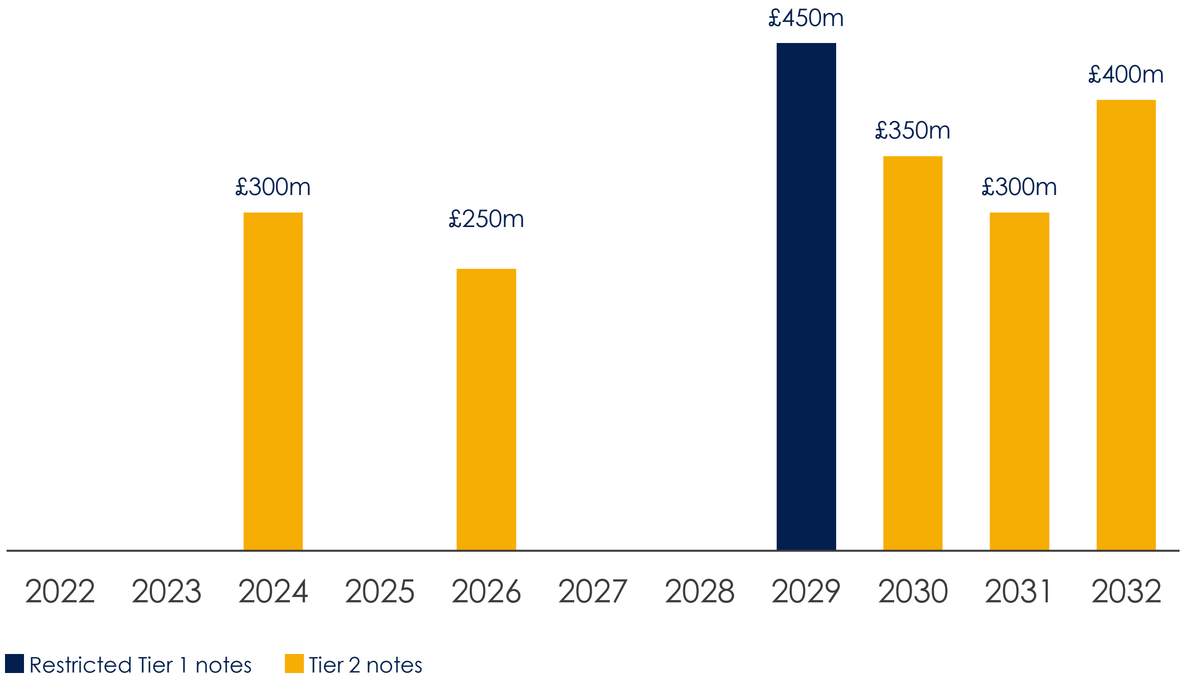
1. Restricted tier 1 debt is excluded from the Net asset value and included in the borrowings number. As at 31 December 2021

PIC's outstanding bonds

£2,050m of outstanding debt, comprising of £450m of Restricted Tier 1 bonds and £1,600m of Tier 2 bonds

Instrument	Key terms
£300m Tier 2 Note	• Issued in 2014 • 10 year bullet • 6.500% fixed coupon
£250m Tier 2 Note	• Issued in 2016 • 10 year bullet • 8.000% fixed coupon
£350m Tier 2 Note	• Issued in 2018 • 12 year bullet • 5.625% fixed coupon
£450m Restricted Tier 1 Note	• Issued in July 2019 • PerpNC2029 • 7.375% fixed coupon
£300m Tier 2 Note	• Issued in May 2020 • 11 year bullet • 4.625% fixed coupon
£400m Tier 2 Note	• Issued in October 2020 • 12 year bullet • 3.625% fixed coupon

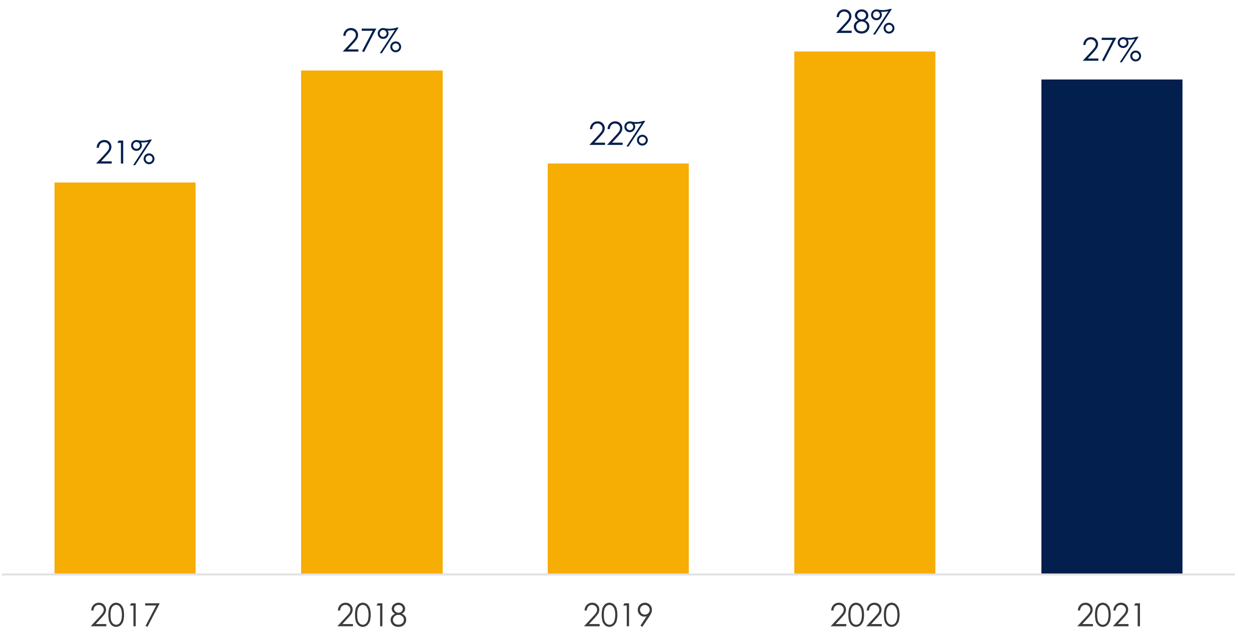
Debt profile as at 31 December 2021



Notes:
1. PIC's five hybrid Tier II debt issues (issued in 2014, 2016, 2018, 2020 and 2020) are bullet structures and will be redeemed as per their maturity subject to satisfying the Solvency Condition
2. In July 2019, PIC issued £450m of perpetual RT1 notes. The first call date is 2029 and on every fifth anniversary from that date. For the purposes of this presentation, it has been assumed the bond will be redeemed on the first call date

PIC's leverage

Fitch financial leverage as at year end



A+
Fitch Insurer Financial Strength Rating

26.5%
Fitch leverage as at FY 21

34.0%
IFRS Leverage as at FY 21

Notes:
1. Figures shown at PIC plc.
2. Fitch leverage is calculated as Debt / (Debt + Equity) where RT1 notes are classified as equity
3. IFRS leverage is calculated as Debt / (Debt + Equity) where RT1 notes are classified as debt

Thank you.

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