



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION RAISES c.£300 MILLION OF NEW CAPITAL

London, 1 July 2014 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, today announces that following the completion of a successful roadshow, the company has raised c.£300 million of subordinated debt capital. The bonds will be listed on the Main Market of the London Stock Exchange.

The capital that PIC has raised with this issuance increases the overall level of security of policyholder benefits and provides further room for growth in the business. The subordinated bonds rank behind PIC’s policyholder obligations.

Taking into account current and projected future demand from trustees and sponsors of defined benefit pension funds for de-risking solutions, PIC is now better positioned to help customers when they want to transact. The high level of interest from institutional investors demonstrates confidence in PIC’s business model and in the continued growth of the wholesale pension insurance sector.

Rob Sewell, Chief Financial Officer, Pension Insurance Corporation, said: “The success of this bond issue demonstrates the confidence that investors have in PIC as a leading brand in the wholesale pension insurance sector. Along with a focus on efficient risk management, our business has been built on the simple premise of excellent customer service. This is a clear differentiator for us with trustees, sponsors, policyholders, shareholders and now debt investors.”

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Notes to Editors:

- 1) PIC mandated Morgan Stanley (Structuring Adviser) and RBS for the transaction
- 2) PIC is a UK insurer, authorised by the PRA and regulated by the PRA and FCA
- 3) In October 2012, Reinet Fund S.C.A. F.I.S., a specialised investment fund incorporated in Luxembourg, announced it would invest up to £400 million of new ordinary capital in PIC's parent company, Pension Corporation Group Ltd
- 4) Since then, PIC has insured in the region of £5.5 billion of pension fund liabilities
- 5) In 2013 PIC insured £3.7 billion of pension fund liabilities
- 6) In 2014 PIC wrote its largest transaction to date, the £1.6 billion Total buy-in, building on the £1.5 billion EMI buyout and the £670 million NCR buy-in in 2013
- 7) As well as ranking behind policyholder obligations, the subordinated bonds would also rank behind any unsecured, unsubordinated debt, should PIC choose to issue any in the future. There are no plans to do so

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About Pension Insurance Corporation

Pension Insurance Corporation ("PIC") provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. PIC brings safety and security to scheme members' benefits through innovative, bespoke insurance solutions, which include deferred premiums and the use of company assets as part payment. PIC has more than £11bn in assets and has insured 100,000 pension fund members. 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.

This announcement is for information only and does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of PIC nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This announcement is not an offer of securities for sale in the United States and is not for publication or distribution to persons in the United States (within the meaning of Regulation S under the United

States Securities Act of 1933, as amended ("the Securities Act"). The bonds have not been and will not be registered under the Securities Act. Accordingly, the bonds may not be offered, sold or delivered in the United States.