



PIC ANNOUNCES STRONG SET OF HALF YEAR RESULTS

London, 8 September 2022 – Pension Insurance Corporation Group Limited¹ (“PICG”), the ultimate parent company of Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension schemes, today presents a set of results which demonstrate the strength of its business model amidst difficult economic and market conditions, and which position the business well for the second half and into 2023.

Tracy Blackwell, Chief Executive Officer of PIC, said: “PIC had an excellent first half in which we secured the pensions of an additional 10,500 policyholders and today report a robust balance sheet, positioning the business well to address the significant pipeline of new business over the next 12 months and beyond.

“During the first half we paid out £860 million in pensions to our policyholders and have now made almost £9 billion in pension payments in total. I am delighted that our policyholders continue to give us exceptional feedback on our customer service, with an overall satisfaction score from them of 99.7%, demonstrating our focus on our purpose and values.

“We also made significant progress in the evolution of our purposeful investment strategy, including an £83 million regeneration lease investment in Newham to help manage the area’s housing shortfall, and a £130 million regeneration lease investment in The Wirral, the cornerstone investment in the UK’s largest urban regeneration project, creating social value across generations.”

Key highlights

Policyholders

- Overall score of 99.7% (FY2021: 99.6%) for policyholder satisfaction

- During the first half paid out £860 million (HY2021: £786 million) in pensions to our 293,400 policyholders (FY2021: 282,900)
- The Institute of Customer Service's latest survey of our policyholders shows they are more satisfied than customers of some major household names, and that we are one of the very best organisations in the country for customer service

New business and profit

- New business premiums of £2.4 billion (HY2021: £385 million)
- The market is presenting a strong pipeline of new business for the second half of the year and into 2023
- IFRS profit before tax at 30 June 2022 of £923 million (HY2021: £10 million), driven by rising interest rates, alongside returns from our in-force book

Strong balance sheet and low risk, purposeful investment portfolio

- Solvency Ratio of 192% (FY2021: 168%)
- Portfolio at 30 June 2022 was £44.1 billion (FY2021: £51.1 billion), with the decrease attributable to higher interest rates
- No defaults and more upgrades than downgrades within the credit portfolio over the period
- £1.3 billion invested in privately-sourced debt, such as social housing and the UK's universities
- Announced our third Build-to-Rent development, an £80 million redevelopment of a brownfield site in Milton Keynes
- Two further regeneration leases announced, supporting local councils: an £83 million regeneration lease in Newham to help manage the area's housing shortfall, and a £130 million regeneration lease project in The Wirral
- Inaugural investment into the retirement living sector through a new joint venture with Octopus Real Estate to develop up to 10 retirement villages across the UK announced early in H2

Social responsibility

- The first half of the year has been marked by the increasingly difficult economic environment and the growing cost of living crisis for people across the country. We

see the impact that this is having on many of our stakeholder groups and will be making a significant charitable donation. We will make an announcement regarding this in the coming weeks, once the details have been confirmed

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Notes to Editors:

- 1) The Pension Insurance Corporation Group (the “Group”) includes PICG, the group holding company; PIC, the group regulated insurer; and Pension Services Corporation Ltd, the group service company.

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About PIC

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At 30 June 2022, PIC had insured 293,400 pension scheme members and had £44.1 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. To date, PIC has made total pension payments of almost £9 billion to its policyholders. 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

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