



PENSION INSURANCE CORPORATION GROUP

2022 RESULTS

London, 20 March 2023 – Pension Insurance Corporation Group Limited¹ (“PICG” or the “Company”), ultimate parent company of Pension Insurance Corporation plc (“PIC”), the specialist insurer of UK defined benefit pension schemes, today announces its final results for the 12 months to 31 December 2022.

A presentation for bondholders and other stakeholders on the 2022 final results will be available from 8.00am GMT, on 20 March 2023, at: [PICG 2022 Bondholder Presentation](#)

Resilient balance sheet and conservative investment portfolio

- PIC solvency ratio of 225% (*FY2021: 168%*)
- Shareholder equity own funds² of £5,160 million (*FY2021: £4,619 million*)
- Adjusted operating profit of £388 million (*FY 2021: £533 million*)
- Portfolio of financial investments of £41 billion (*FY2021: £51.1 billion*), with gross insurance liabilities of £33 billion (*FY2021: £47 billion*) – decreases mainly attributable to higher interest rate environment
- No defaults and limited downgrades within the portfolio
- 87% of longevity exposure reinsured in aggregate
- In May 2022, Fitch Ratings affirmed PIC’s A+ (Strong) Insurer Financial Strength rating
- Inaugural dividend of 7.5 pence per ordinary share to PICG shareholders

Long-term partnership approach generating social value

- Total new business premiums of £4.1 billion (*FY2021: £4.7 billion*), including for long-term clients IMI and British American Tobacco. Market leading £6.5 billion buy-in with two Schemes sponsored by RSA announced in February 2023

- To date, 75 repeat transactions completed with trustee clients, covering £15 billion of liabilities, and the benefits of over 90,000 scheme members
- £2.1 billion invested in privately sourced debt in 2022, including in sectors such as social housing, electrified rolling stock, and urban regeneration, with more than 20% of these investments being with existing partners during the year
- To date, PIC has made £11.4 billion of UK direct investments

Policyholder care and customer service

- 302,200 pension scheme members insured at year end (2021: 282,900)
- £1.76 billion of pensions paid in the year, with £10.6 billion paid since 2013
- 99.6% customer satisfaction level as expressed by PIC's policyholders (FY2021: 99.6%)
- Resumed in-person policyholder events, with more than 25,000 attendees across the country to date

Employee responsibility

- 89% of employees are proud to work at PIC
- Mean gender pay gap of 10.2% (2021: 18.4%), well below the financial services average of 26.5%³
- Awarded "Investors in People" silver accreditation

Tracy Blackwell, Chief Executive Officer of PIC, said: "PIC had a strong year and our focus on our purpose of paying the pensions of our current and future policyholders ensured that we ended the year with an increasing presence across the country, creating considerable social value. As a result of our robust year end solvency ratio of 225% we are ideally placed to help trustees secure their members' benefits, and indeed after year end announced the largest ever bulk annuity transaction, a £6.5 billion buy-in with two schemes sponsored by insurance company RSA.

"Our long-term approach to relationships underpins a significant amount of new business and investment opportunity. In total, we have now completed 75 repeat transactions with trustee clients, covering £15 billion of liabilities, and the benefits of over 90,000 scheme members, including two significant transactions in the year. On the asset side of the balance sheet, over 20% of our privately-sourced debt investments were with our existing partners during 2022.

“We remain focused on providing excellent customer service and were proud to have policyholder satisfaction levels in excess of 99% on pension payments of more than £1.7 billion during the year. I’m delighted that we were able to restart our in-person policyholder events, our first since 2019.

“Finally, it’s pleasing that as a result of the strength of the balance sheet and many years of hard work, the Board proposed an inaugural dividend of 7.5 pence per ordinary share to the Group’s shareholders. I look forward to a successful 2023.”

- ends -

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.
- 2) Defined as PIC Solvency II own funds, with notional RT1 and Tier 2 debt deducted
- 3) Industry-wide figures as at October 2021, latest available.

For further information please contact:

PIC

Jeremy Apfel + 44 (0)207 105 2140

apfel@pensioncorporation.com

Apella Advisors for PIC

Anthony Silverman +44 (0)7818 036579

PIC@apellaadvisors.com

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 year end 2022, PIC had insured 302,200 pension scheme members and had £41 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 £10.6 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

No Offer or Invitation and Selling Restrictions

This announcement does not constitute or form part of, and should not be construed as, an offer or invitation to sell any securities, or the solicitation of an offer to subscribe for or purchase any securities, and nothing contained herein shall form the basis of or be relied on in connection with any contract, investment or commitment whatsoever.

This announcement is not intended for release, publication or distribution to a person located or resident in any jurisdiction where it is unlawful to release, distribute or publish this document. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an available exemption from registration.