



PENSION INSURANCE CORPORATION GROUP

2021 RESULTS

London, 11 March 2022 – 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 2021.

A presentation for bondholders and other stakeholders on the 2021 final results will be available from 10.00am GMT, on 11 March 2022, at the following link: [PICG 2021 Bondholder Presentation](#).

PICG 2021 highlights:

- PIC Solvency II ratio of 168% (*FY2020: 157%*)
- Adjusted Operating Profit of £533 million (*FY2020: £349 million*)
- Portfolio of financial investments of £51.1 billion (*FY2020: £49.6 billion*)
- 14 new business transactions with total premiums of £4.7 billion (*FY2020: £5.6 billion across seven transactions*), for clients including the Metal Box Pension Scheme (largest of the year), and repeat transactions for the IMI and British American Tobacco Pension Schemes, and the Merchant Navy Officers Pension Fund (MNOPF)
- Environmental, Social and Governance investments of £10.9 billion in total (*FY2020: £10.1 billion*)
- 85% of longevity exposure reinsured in aggregate
- 282,900 pension scheme members insured in total (*2020: 271,500*)
- In May 2021, PIC was re-affirmed an Insurer Financial Strength credit rating of A+ by Fitch
- Ukraine: PIC has been carefully managing the portfolio over recent years with increased investment into more secure assets. During 2021 we continued this strategy,

focussing on consolidating our investments into assets that protect against market volatility. We therefore have extremely limited direct exposure to the region, with a legacy asset of circa £3m held in shareholder funds. We are confident in the resilience of our portfolio and the situation remains under careful review.

2021 business highlights:

- £2.3 billion invested in privately sourced debt in areas such as social housing, renewable energy and not-for-profits (2020: £1.8 billion)
- 99.6% of policyholders surveyed have indicated that they are satisfied or better with our customer service (FY2020: 98.7%)
- 90% of employees express pride in working for PIC
- PIC's gender pay gap was 18.4% (2020: 25.3%)
- PIC was re-awarded "ServiceMark with Distinction" by the Institute of Customer Service; was named "Pension Insurance Firm of the Year" at the European Pensions Awards; and "Risk Reduction Provider of the Year" at the UK Pension Awards

Tracy Blackwell, Chief Executive Officer of PIC, said: "The results that we have published today demonstrate a resilient, profitable business with a considerable and rapidly increasing presence across the economy. We have a robust balance sheet and strong Adjusted Operating Profit, our preferred assessment of the long-term nature of the business.

"By focussing on fulfilling our purpose of paying the pensions of our current and future policyholders, PIC creates considerable long-term value for society and all our stakeholders. In our 15th anniversary year, the business has now paid £8 billion in pensions and has £10 billion invested across the country in sectors as diverse as social housing, renewable energy, education and in projects that help regenerate our cities. Recent investments are helping dynamic local authorities alleviate homelessness and we were also delighted to be the cornerstone investor in the UK's largest urban regeneration project, taking our investment in urban regeneration to £500 million over 18 months.

"As an active participant in the debate on Solvency II we believe that judicious reform could help to usher in a golden age of investment in the UK's social fabric, as we back the pensions of older generations with investment in the vital infrastructure needed by younger and future generations.

