Update on £100 billion investment pledge

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About us

The ABI is the definitive voice of the UK's world-leading insurance and long-term savings industry, which is the largest sector in Europe and the third largest in the world.

We represent more than 300 firms within our membership including most household names and specialist providers, providing peace of mind to customers across the UK.

Our sector is productive, inclusive and essential to the UK economy and together, we are driving change to protect and build a thriving society.

Find out more at **abi.org.uk**

1. Highlights and key findings

Bulk and individual annuity providers are delivering on their commitment to invest £100 billion in UK productive assets over a decade. In the first two years of the pledge, the industry has already invested £22.8 billion in assets spanning infrastructure, property, utilities and transport. These investments support economic growth, enhance the UK's productive capacity and contribute to sustainability objectives, helping to create the foundations for long-term prosperity across communities throughout the UK.

In **2024 and 2025:**

- **£22.8 billion** was invested by annuity providers[1] into primary issuance of UK focussed productive assets[2], with a total of £11.5 billion invested in 2025.
- The top three sectors invested in these two years were:
  - **Real estate** (£9 billion), including helping to build affordable and social housing and student accommodation;
  - **Utilities** (£5.3 billion), including energy and water supply;
  - **Transport, storage and construction** (£1.8 billion), including in ports, buses and rail transport.
  - These were closely followed by accommodation and food service activities, health and administration, IT & communications.
- The largest investment mechanisms were **listed and private corporate bonds** (£12.3 billion) and **mortgages/loans** (£6.3 billion).

Annuity providers are already a key source of long-term investment capital in the UK. In 2024, of the total £317 billion assets held by annuity providers, 63% was held in UK assets[3]. This capital is invested productively across the country, supporting businesses, infrastructure and communities while generating the long-term returns needed to meet policyholder commitments.

Annuity providers are well placed to invest in long-term productive assets because of the nature of their commitments to policyholders. Their obligation to pay guaranteed retirement incomes over many years, and often decades, into the future means they seek investments that deliver stable and predictable cashflows over the long term. This makes annuity providers particularly well suited to be long-term debt investors into big infrastructure projects and companies across the UK.

The capacity of this industry to invest in UK productive assets continues to grow. Higher interest rates have increased the attractiveness of retail annuity products, while growing numbers of companies are transferring defined benefit pension liabilities to insurers to secure members' benefits and strengthen companies' balance sheets. These transactions are increasing the pool of capital available for long-term investment. The UK bulk annuity market took on £47.3 billion and £38.3 billion of DB liabilities in 2024 and 2025 respectively and £7.4 billion in new individual annuity business was written in

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[1] Annuity providers including Aviva, Canada Life UK, Just Group, L&G, M&G, PIC, Rothesay, Royal London, Scottish Widows, and Standard Life.

[2] This data collection covers assets that meet an agreed definition of productive finance (see section 5); are fully or near-fully based in the UK, back annuity liabilities and are of at least a one-year term.

[3] ABI (2026), Annuity providers held nearly two thirds of investments in UK in 2024. https://www.abi.org.uk/media-hub/news-post/annuity-providers-held-nearly-two-thirds-of-investments-in-uk-in-2024

2025. As annuity investment capacity depends on these transactions, a predictable pension policy environment remains important in supporting future investment.

Ensuring that insurers have a strong supply of attractive investable opportunities across the UK remains a key priority for the industry. Over the past two years, the ABI and annuity providers have engaged with regional, local and combined authorities, as well as project companies, across the UK to develop relationships and explore new investment opportunities for annuity capital. This collaboration is helping to connect institutional investment with projects that support growth, jobs and infrastructure development in communities throughout the UK.

A stable and predictable policy framework can help continue to unlock investment from annuity providers in the UK. Because annuity providers make investments over decades, they place particular value on long-term policy certainty in the sectors they support. Clear policy direction, consistent regulation and confidence that investment assumptions will not be undermined by retrospective interventions help create the certainty needed to commit capital to major projects. This enables annuity providers to invest with confidence in the infrastructure, housing, utilities and businesses that support long-term economic growth.

Throughout this report are example case studies of investments forming part of the additional £11.5 billion UK productive assets invested in 2025. These provide further insight into the types of projects our sector is supporting.

Financing the upgrade of vital water infrastructure

PIC (£300 million), Aviva (£200 million), Rothesay (£200 million), Scottish Widows (£100 million), Just Group, L&G, M&G, and Canada Life UK provided financing to support the Haweswater Aqueduct Resilience Programme (HARP), a major infrastructure project designed to secure drinking water supplies for communities across the North West of England.

With an estimated **construction cost** of around £3 billion, HARP is one of the UK's most significant water infrastructure upgrades in decades. The investment will fund the replacement of six ageing tunnel sections along the 110km Haweswater Aqueduct, helping to **safeguard water supplies for approximately 2.5 million people** across Cumbria, Lancashire and Greater Manchester. Once complete, the aqueduct will **deliver 570 million litres of clean drinking water every day**. The project is also expected to **create and support approximately 1,200 jobs**, including apprenticeships in the local area at the peak of construction period.

The investment is supporting the renewal of critical national infrastructure and helping to **strengthen the resilience of the UK's water network**. Replacing deteriorating infrastructure is expected to reduce leakage, lower the risk of service disruptions and minimise the need for emergency repairs. The upgraded infrastructure will also be better equipped to withstand climate-related pressures. As it predominantly relies on gravity-fed water transfer, it reduces dependence on energy-intensive pumping and **manages a lower carbon footprint.**

HARP is the first project to be delivered under the Direct Procurement for Customers (DPC) model, introduced to enable large water infrastructure projects to be delivered more competitively. HARP demonstrates how annuity providers can deploy annuity capital into essential infrastructure projects that deliver both financial returns and wider value. By strengthening water security, supporting local employment and improving climate resilience, the project shows how annuity-backed investment can contribute to a more resilient UK economy.

2. Introduction and genesis of the £100 billion pledge

The annuity providers' pledge[4] to invest £100 billion over ten years into UK productive assets was made during discussions on reforms to the UK insurance sector's prudential regulatory framework by the Government and the Prudential Regulation Authority (PRA). These reforms subsequently came into force throughout 2024. This framework used to be known as 'Solvency II' and, post-reform, is now known as 'Solvency UK'.

The regulatory changes were made with the intention of making it easier for our industry to invest more in productive assets. These are typically large-scale and long-term projects that contribute to the economy. As well as a capital release brought about by a reduction in the risk margin, these changes included permitting insurers to include assets with 'highly predictable' (rather than fixed in terms of time and amount) cash flows within their 'Matching Adjustment' portfolios[5]. At the same time, rules were strengthened to ensure that policyholder protection was maintained.

To track progress, a number of firms agreed to report their investment data to the ABI: Aviva, Canada Life UK, Just Group, L&G, M&G, PIC, Rothesay, Royal London, Scottish Widows, and Standard Life. These firms collectively represent most of the individual and bulk annuity business in the UK, taking on £38.3 billion of DB pension liabilities and writing nearly £7.4 billion of individual annuity business in 2025[6] and in 2024 held £317 billion [7] assets under management.

The collection of this data is overseen by the Investment Tracking Working Group, comprising representatives of each of these firms, with secretariat from the ABI.

Investment patterns can vary significantly throughout a typical calendar year, determined by market conditions and the volume of opportunities being presented. Therefore, this data should not be taken as indicative of annual trends and the annual total in future years may be significantly above or below these annual figures.

[4] https://www.abi.org.uk/news/news-articles/2023/7/solvency-uk-cross-sector-co-operation-to-drive-100bn-investment-into-uk-projects/

[5] Matching Adjustment Portfolios are a key element of the UK prudential regulatory regime, allowing insurers to invest by enabling them to adjust the relevant risk-free interest rate term structure for the calculation of a best estimate of the value of a portfolio of eligible insurance obligations – essentially, to match assets against long-dated liabilities. Please see section 4 for further information.

[6] ABI quarterly new business statistics (available at https://www.abi.org.uk/data/data-packages/)

[7] https://www.abi.org.uk/media-hub/news-post/annuity-providers-held-nearly-two-thirds-of-investments-in-uk-in-2024

3. Measuring the impact of Solvency UK on investment

The reforms are still relatively recent and will take time to be fully reflected in firms' investment strategies, asset origination pipelines and regulatory approvals. As the market continues to adapt to the Solvency UK framework, we would expect to see a growing pipeline of Matching Adjustment applications, including for highly predictable assets, as firms gain experience with the regime and suitable investment opportunities emerge. In addition, the Solvency UK framework is entering a post-implementation review phase, which provides an opportunity to assess the effectiveness of the reforms and consider whether further refinements may be appropriate to support the regime's objectives while maintaining policyholder protection. As a result, the full impact of the reforms is likely to become clearer only over time.

Scottish Widows committed £190 million towards family rental homes and social housing

Scottish Widows Limited (SW) committed **£150 million** additional funding to support the UK-wide provision of **high-quality modern family rental housing, affordable for those on average incomes.**

SW also provided a long-term loan of **£40 million** to Progress Housing Group supporting their commitment to providing **high-quality, energy efficient homes UK-wide**, supporting independence and creating new opportunities for people and communities.

Just Group provides £136 million refinancing for Grade A office

Just Group provided a **£136 million loan** to Oval Real Estate.

The three-year loan is **secured against a portfolio of seven multi-let Grade A offices** across London, Reading, Birmingham and Bristol. Spanning a total of 705,000 sq ft, each multi-let office has been comprehensively refurbished by Oval Real Estate over the past five years, delivering modern amenities, high quality fit outs and strong ESG credentials. With multiple buildings within the portfolio fully let and the remainder delivering robust rental income, the portfolio is well positioned for continued leasing activity.

Standard Life provides £235 million to help secure homes for vulnerable residents

Standard Life provided **£235 million** of long-term inflation-linked financing, arranged by Macquarie Asset Management, to support Westminster City Council to acquire more than **350 temporary accommodation properties** across the borough of Westminster. This transaction enabled the transfer of a considerable number of properties from a leading social landlord to Westminster council.

The investment will help **Westminster City Council address rising levels of homelessness** by providing high-quality temporary accommodation as well as greater certainty for vulnerable residents awaiting longer-term housing solutions.

The 42 year inflation-linked funding arrangement includes an initial two-year rent-free period for the Council, as well as guaranteed rent levels throughout the funding term. The Council will also have the option to take ownership of the properties at the end of the funding agreement.

As part of the transaction, Westminster City Council will refurbish the properties to achieve a **minimum EPC rating of "C", improving energy efficiency** and supporting wider decarbonisation objectives.

The investment forms part of Standard Life's growing social and affordable housing portfolio, which has reached £1.5 billion.

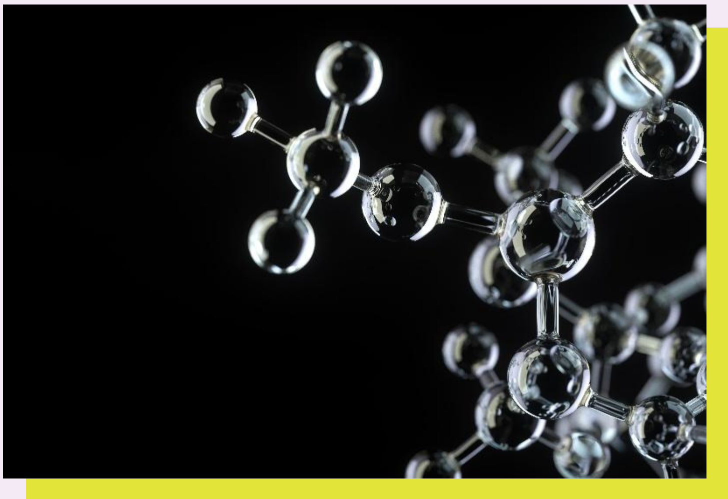
Rothesay provides £400 million to support UK student accommodation

Rothesay completed a £400 million 8-year investment facility for the UK Student Accommodation Fund (USAF), whose assets are operated and managed by the Unite Group, refinancing an existing funding arrangement. The investment is **secured against a portfolio of 23 purpose-built student accommodation properties across 15 UK cities**.

This investment supports the purpose-built student accommodation (PBSA) sector which plays an important role in the UK economy, underpinning its world-class higher education sector which creates jobs, attracts the brightest and best global talent and supports community regeneration.

The Unite Group is the UK's largest owner, manager and developer of UK PBSA assets, **with around 72,000 beds.**

Rothesay currently holds £42 billion of assets under management in the UK economy, including sustainable investments across companies and sectors like social housing, education, healthcare and renewables, as well as UK Government debt.



Aviva provides £131.6 million for two new Cardiff & Vale College campuses

Aviva is financing the development of two new campuses in South Wales. The project includes the Barry Waterfront Campus and the Advanced Technology Centre near Cardiff Airport, together accommodate around **3,000 students per year.**

The new facilities provide modern teaching, vocational and technical learning environments designed to meet the needs of employers. The Advanced Technology Centre focuses on advanced manufacturing, robotics and green skills, including a dedicated 'Green Skills House' where students learn about renewable technology and retrofitting skills.

The Barry Waterfront Campus regenerates a previously vacant site in Barry and includes facilities such as a restaurant, external garden terrace, covered dining area and courtyard in addition to the classrooms and IT rooms.

Backed by the Welsh Government, the campuses are built to best-in-class ESG standards and target Net Zero Carbon in operations and a BREEAM Excellent certification. The facilities support education and skills development across South Wales while contributing to local regeneration and the transition to a lower-carbon economy.

L&G supports regeneration and innovation in East London

L&G has provided a £200 million refinancing arrangement for Here East, a 1.2 million square foot campus in Queen Elizabeth Olympic Park that brings together businesses, universities, researchers and entrepreneurs in a single location. Approximately 95% of the capital supporting the refinancing arrangement came from L&G's Institutional Retirement business, creating a direct link between pension savings and investment in the real economy.

Home to organisations including University College London (UCL), Loughborough University London, the V&A and innovation hub Plexal, Here East is a centre for education, innovation, skills and business growth. Located in what was once London's industrial heartland, the campus forms part of the continuing regeneration of East London. The campus has created more than 10,300 jobs and supports around 6,500 people working and studying on site today.

M&G invests £110 million in critical UK infrastructure and affordable housing

Following its return to the Bulk Purchase Annuity (BPA) market in 2023, M&G invested more than £110 million in UK housing and infrastructure in 2025 as part of its annuity portfolios, providing long-term capital to affordable housing providers and nationally important energy, digital and transport infrastructure. Investments included funding for housing associations such as Bromford Flagship LiveWest and Paradigm Housing, supporting the development and management of affordable homes across the UK.

M&G also invested in Southern Gas Networks, which operates and maintains the networks that deliver gas to millions of homes and businesses, Vodafone, supporting the UK's digital connectivity infrastructure, and NATS, which provides the air traffic control services that underpin the safe and efficient movement of aircraft across UK airspace.

3. Scope of data collection

Our objective is to track investment in productive assets which to be included must satisfy *all* scope criteria.

The scope of qualifying investments set out below has been defined and agreed by the Investment Tracking Working Group. This scope was also shared with HMT and the PRA in 2024 and reflects their input. Participating firms extract and analyse their data according to the definition, which allows consistent analysis and aggregation at an industry level. The scope of the data collected will continue to be reviewed by the Investment Tracking Working Group and may evolve in future collections to keep pace with market development and evolution.

3.1. Business scope

- Only investments that back **annuity business** are considered in-scope for tracking. This includes assets sitting outside of the Matching Adjustment Portfolio, providing that they are also supporting annuity business.[8]

3.2. Status as a productive investment

- A productive investment asset is defined as one that:
  - Contributes to the real economy: It actively supports economic growth **and**
    - Expands productive capacity: It enhances the ability to produce goods or services **or**,
    - Furthers sustainable growth: It aligns with sustainable development goals.
- This definition aligns with the focus of the Productive Finance Working Group[9].
- Evaluating assets against these criteria is necessarily judgment-based; however, examples and principles of what constitutes a productive investment were developed (and continue to be discussed) by the Investment Tracking Working Group to refine the definition and ensure that judgement is applied consistently as possible across the participating firms.

3.3. Geographic focus of investment

- Investments that are fully or near-fully based in the UK[10] are eligible for tracking.

[8] The working group has also considered the inclusion of with-profits business as part of the scope, however due to technical challenges this has been omitted in the current tracking approach

[9] https://www.bankofengland.co.uk/-/media/boe/files/financial-stability/working-group-to-facilitate-investment-in-productive-finance/terms-of-reference.pdf

[10] Gibraltar, Guernsey, Jersey, and the Isle of Man may be considered “UK” when filtering assets based on country of issue.

- Characteristics such as domicile of issuing entity, location of listing, and the stated/committed location as part of use of proceeds are used to inform this criterion.

- If the majority of productive activity from an investment occurs in the UK, it may be considered for inclusion – even if the issuing company is not UK-based.

3.4. Primary issuance

- Only primary market transactions (i.e. assets acquired directly, or near directly from the issuer) are considered in scope.

- Through investing in primary issuance, firms are directly supporting the productive activities delivered by this funding.

- Secondary market transactions are not currently included within the scope of this tracking.

3.5. Additional clarifications

- Investment in both private and public assets are considered within scope, including mixed models such as public-private partnerships.

- Only assets with a total term of 1 year or greater are considered in scope. This therefore excludes short term assets such as treasury bills and commercial paper.

3.6. Confidentiality and reporting methodology

- The next section illustrates the total qualifying investment value for 2024 and 2025, with splits by industrial sector and asset type.

- Strict processes are followed by the ABI both in the collation and disclosure of aggregated insights.

- The data is presented in a way that preserves confidentiality of individual firms' data submissions in the aggregated figures.

- Fields which have only a small number of firms reporting or have a single firm accounting for an overly large share of the total are not shown.

- These suppressed entries still contribute to the overall total and are amalgamated into a single "Other" category.

- The unsuppressed reporting taxonomy for these fields is included in the Annex.

4. Aggregated data

4.1. Total investment

£22.8 billion

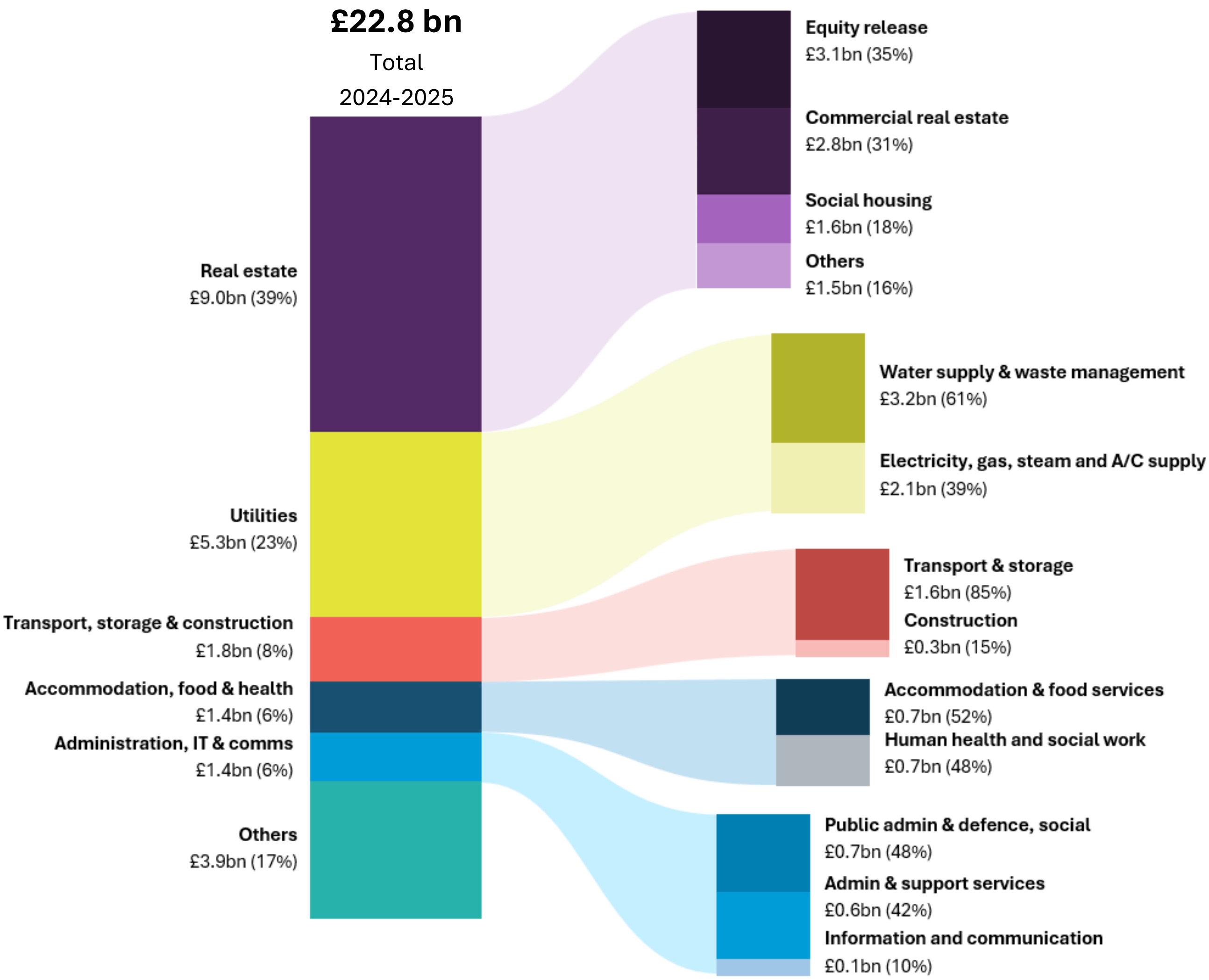
During 2024 and 2025, participating firms invested **£22.8 billion** in UK productive primary assets to back their annuity business. This figure represents a flow of investment, that is, the value of transactions at the point they took place as opposed to the total stock of assets held by insurers.

4.2. Investment in private vs public assets

Total value of investment (£bn) by listed status: 2024-2025

Nearly two thirds (65%, £14.8 billion) of investments in 2024-2025 were in private/unlisted assets.

4.3. Investment by sector

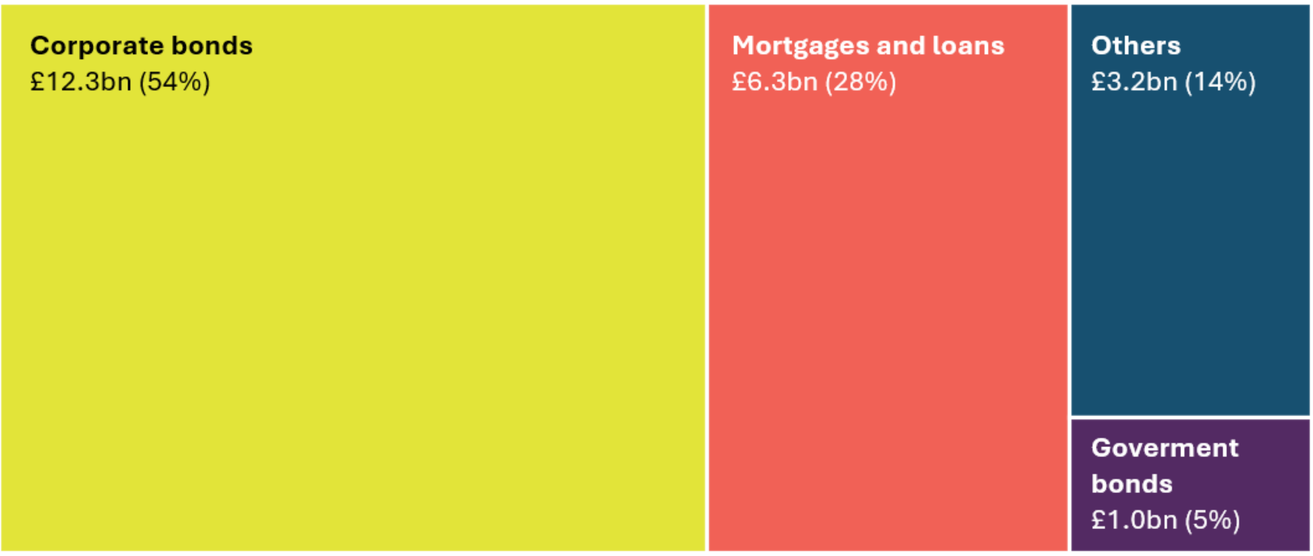


Here, the total has been split by the industrial sector of the company issuing the investment. This sector classification is consistent with that reported by participating firms in their Solvency UK asset reporting to the PRA. Please see the annex for the full reporting taxonomy.

Wherever possible the allocated sector reflects that of the activity of the main parent/group company; for example, where a water company uses a finance-focused subsidiary to issue new debt, the sector would still be classified as "Water supply…".

4.4. Investment by asset type

Total value of investment (£bn) by asset type: 2024-2025



The chart above breaks down the total investment figure by the broad asset type acquired. The majority of these assets are classified as listed and private corporate debt, with just over a quarter classified as mortgages and loans. The share of corporate bonds dropped significantly, from 63% in 2024 to 46% in 2025, which reflects their overall corporate bond allocation trend due to low credit spreads in recent years.

5. Conclusion

Two years into the industry's £100 billion commitment, bulk and individual annuity providers are making strong progress towards their pledge, with **£22.8 billion invested in UK productive assets during 2024 and 2025, including £11.5 billion in 2025 alone**. These investments are supporting a broad range of sectors, including housing, infrastructure, utilities, transport, education and social housing, demonstrating the significant role annuity providers already play in financing the UK's long-term economic growth.

This report showcases a selection of the investments made in 2025, including high-quality rental and social housing, temporary accommodation for vulnerable residents awaiting a long-term home, education campuses, launchpads for innovation and business growth, and vital water infrastructure for approximately 2.5 million people across North West England.

The findings in this report show **that annuity providers are uniquely positioned to provide patient, long-term capital to projects that require stable financing over many years**. As demand for bulk and individual annuities continues to grow, so too does the industry's capacity to invest in productive assets that support businesses, communities and critical infrastructure across the UK.

While it remains too early to isolate the direct impact of the Solvency UK reforms on investment decisions, the reforms were designed to support greater investment flexibility, and **the industry remains committed to working with policymakers, regulators and project sponsors to help unlock further opportunities.**

Annex – Full reporting taxonomy

Issuer sector
A - Agriculture, forestry and fishing
B - Mining and quarrying
C - Manufacturing
D - Electricity, gas, steam and air conditioning supply
E - Water supply; sewerage; waste management and remediation activities
F - Construction
G - Wholesale and retail trade; repair of motor vehicles and motorcycles
H - Transporting and storage
I - Accommodation and food service activities
J - Information and communication
K - Financial and insurance activities
L - Real estate activities
M - Professional, scientific and technical activities
N - Administrative and support service activities
O - Public administration and defence; compulsory social security
P - Education
Q - Human health and social work activities
R - Arts, entertainment and recreation
S - Other services activities
T - Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use
U - Activities of extraterritorial organisations and bodies
Unclassified
Asset type
Government bonds
Corporate bonds
Equity
Investment funds Collective Investment Undertakings
Structured notes
Collateralised securities
Cash and deposits
Mortgages and loans
Property
Other investments
Unclassified

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