



25 September 2023

M&G announces £286m buy-in transaction with the Northern Bank Pension Scheme

M&G plc (“M&G”) has completed a £286m bulk purchase annuity transaction for 1,917 members of the Northern Bank Pension Scheme. The insuring entity is The Prudential Assurance Company Limited (“PAC”), M&G’s wholly-owned subsidiary offering life and pensions solutions.

The transaction was referenced in M&G’s half year results last week and is the pension scheme’s second with PAC, following a previous pensioner-only buy-in completed in 2015. It is the final step to insuring the scheme’s membership in full and also involved the successful transfer of an illiquid asset from the pension scheme.

Andrea Rossi, Chief Executive, M&G plc said: “We are very pleased to have worked with the Trustee of the Northern Bank Pension Scheme to achieve this significant de-risking milestone. The transaction demonstrates our ability to find flexible and innovative solutions for our clients.

“It also represents an important step in the delivery of our strategic objectives by leveraging our differentiated business model to drive sustainable growth.”

Nick Chadha, Partner at PAN Trustees and Chair of Trustee, Northern Bank Pension Scheme said: “The Trustee is pleased to have partnered with M&G again to enhance the security of members’ benefits and mitigate most of the risks facing the Scheme. We are delighted to have achieved a full buy-in several years ahead of expectations, demonstrating the importance of trustees having a good understanding of the de-risking markets and being agile in their approach.”

Shelly Beard, Managing Director, WTW said: “It was a pleasure to work with the Trustee, Bank, M&G and the wider advisory team to achieve this significant transaction for the Scheme. This was a complex transaction in which all parties collaborated to find solutions, which included unusual benefit features and the transfer of an illiquid asset.”

The Trustee was advised on the transaction by WTW as risk settlement adviser, Hymans Robertson as investment consultants, WTW as Scheme Actuary and Scheme Secretary, and Sackers and Burges Salmon as legal advisers. CMS provided legal advice to Northern Bank Limited. Hogan Lovells provided legal advice to M&G.

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Notes to Editors:

About M&G plc

M&G plc is an international savings and investments business, managing money for around 5 million retail customers and more than 800 institutional clients in 28 markets. As at 30 June 2023, we had £332.8 billion of assets under management and administration. Our purpose is to help people manage and grow their savings and investments, responsibly.

With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our savings and insurance customers under the Prudential brand in the UK and Europe, and under the M&G Investments brand for asset management clients globally.

About The Prudential Assurance Company Limited

The Prudential Assurance Company Limited is a subsidiary of M&G plc, offering life and pension solutions. PAC was founded as a loans and life assurance company in 1848 and is one of the UK's largest insurers.

PAC offers the trustees and sponsors of Defined Benefit pension schemes a range of de-risking solutions, including bulk annuities, to help secure their scheme's benefits and to provide additional security to members.