



02 July 2024

## M&G completes £309m buy-in transaction with the NSK's UK pension scheme

M&G plc ("M&G") has completed a £309m bulk purchase annuity transaction for c.3,700 pensioner and deferred members of the NSK Pension Scheme, NSK's UK pension scheme – a global manufacturer of bearings, automotive, and precision machinery products. The insuring entity is The Prudential Assurance Company Limited ("PAC"), M&G's wholly-owned subsidiary offering life and pensions solutions.

It is the third buy-in transaction completed by M&G since re-entering the bulk annuity market in September 2023, with total new business written now c. £930m.

There was a strong alignment of interest between the sponsoring Company, the Trustee and M&G to complete this transaction within the first quarter of the year, and an efficient and collaborative process from all parties involved was critical in hitting this deadline.

Mercer acted as lead advisers for NSK Europe Limited on this transaction, with legal advice to the Sponsor provided by Shoosmiths. The trustees were advised by Aon and CMS. Hogan Lovells provided legal advice to M&G.

**Clive Bolton, Life Insurance CEO, M&G plc** said: "This transaction sees us take on the future pension obligations of the 3,700 pensioner and deferred members of NSK's UK pension scheme, giving them the peace of mind that their pension is in the hands of a 175-year-old institution. It was made possible due to the strong collaboration and commitment between all parties involved and we are very pleased to have worked with the both the Sponsor and Trustee to achieve this significant de-risking milestone.

"Since we announced our re-entry into this market last year, we have selectively participated in deals, having now written close to almost £1 billion of business. We are committed to continuing to leverage our differentiated business model to help our clients achieve their goals and deliver sustainable growth."

**Mark Trivett, CFO NSK Europe** said: "The Company is delighted to have supported the Trustee in securing this buy-in policy. It shows our commitment to the Scheme and members' long-term security. This transaction is a major milestone in our collaborative approach with the Trustee to reduce risk over the years. We would like to acknowledge the hard work of M&G, the Trustee and all the advisers for their effective teamwork in completing the transaction."



**Steve Metcalfe, Chair of NSK Pension Trustee Limited** said: “Insuring our members' benefits has been a key aim of the Trustee and Company, providing long-term security. To achieve this key aim within the required timescales was challenging but the Trustee were expertly supported thanks to Aon and CMS’s deep knowledge of the insurance market, allied with a collaborative approach across all parties. The Trustee is delighted with the outcome.”

**Kevin Richardson, Risk Transfer Principal, Mercer** said: “We’re thrilled to have advised the Company and lead the broking of this transaction, boosting member’s benefit security and reducing risk. The collaborative approach and aligned objectives between M&G, the Company, the Trustee and the advisers, was absolutely vital to ensure stakeholder satisfaction.”

**Chris Dunford, Senior Consultant, Aon** said: “This transaction was completed efficiently and within the client’s required timescales through a collaborative and hands-on approach. Working closely with the Company’s and Trustee’s advisers, and the administrators was the key to this successful outcome, as well as the flexibility and responsiveness shown by all involved.”

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#### Notes to Editors:

1. The transaction was referenced at M&G’s full year results announcement on 21 March 2024.

#### 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 31 December 2023, we had £343.5 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.