



Danske Bank

Northern Bank Pension Scheme

Member communication
October 2022

Welcome

Dear Member

Following communications sent to you in June, we are delighted to write to you again to inform you that with effect from 1 September 2022, PAN Trustees UK LLP (“PAN”) are now the professional sole corporate trustee for the Northern Bank Pension Scheme (“the Scheme”). We are excited to be given the opportunity to work on your behalf and ensure the Scheme continues to operate in the best interests of the membership.



PAN have inherited a Scheme from the previous Trustee Board which has a strong funding position and a significantly de-risked investment strategy including, most recently, the purchase of a further bulk annuity policy with Aviva last Autumn.

By way of a reminder of who we are, PAN is one of the UK’s leading firms of independent professional trustees with an almost 30-year history. A pure trusteeship firm, PAN specialises in governing pension schemes of all sizes and complexities. PAN is staunchly independent, and member’s interests are always at the forefront of any decisions we make, especially around any discussions with the sponsor with whom we will work collaboratively on an ongoing basis to ensure the best outcomes for all members.

As previously advised, the Scheme will be represented by Mike Roberts and Nick Chadha whose biographies are on page 5. Mike and Nick both have a wide breadth of pensions industry experience including working on pension schemes in the banking and finance sectors and are cognisant of the high degree of risk management and governance required to ensure that the Scheme operates to a robust standard, thus safeguarding the member benefits payable now and in the future.

Nick was appointed as a Director of Northern Bank Pension Trust Limited on 1 July 2022 and, since that appointment, has held an active role on the Trustee Board attending its meetings and being involved in discussions and the decisions being taken. In collaboration with the outgoing Trustees and the Bank, a robust process of education and hand over has been, and will continue to be, followed.

Nick and Mike will be supported on a day-to-day basis by Annie Rutherford from Willis Towers Watson (WTW) in her newly appointed role as Scheme Secretary. Annie’s biography is also on page 5, together with contact details.

In the lead up to the transition date of 1 September 2022, and in the months to follow, PAN and WTW have and will continue to work closely and in collaboration with the previous Trustee Board, Scheme Secretary and the Bank on the transitioning of all aspects of Scheme management, and an update on business will be provided to members in their annual report in December. Over the coming months, PAN will also work closely with Equiniti to improve service and make it more practical for members, where possible.



Current scheme management news

Responding to member feedback on the governance changes

A consistent theme in the feedback we have received to date has been a desire from pensioner members to better understand the rationale for the recent governance changes. We have shared this feedback with the Bank and the Bank has provided the following explanation:

“The decision to appoint a professional sole corporate trustee, to replace the Trustee Board, was taken by the Bank following a thorough review of the different pension governance models and a recommendation from the Bank’s pension advisers.

The Scheme has reached an advanced stage of maturity and is in a healthy position financially. Whilst acknowledging the significant contribution made over the years by both the Trustee Board and the Pension Services team, the Bank considers the appointment of a professional sole corporate trustee to be both appropriate and in the interests of the Scheme and its members at this time given the maturity of the Scheme.

The Bank believes that the appointment of PAN as a professional sole corporate trustee will provide a number of benefits, including:

- Continued high levels of governance, with a professional trustee able to call on their experience of other schemes to support the running of the Scheme.
- A more integrated and effective governance model that reflects the maturity of the Scheme. Through the use of experienced pension professionals who have exposure to a variety of pension schemes, advisers and internal support, a sole trustee will have the ability to make strategic and timely decisions which support the shared long-term objective of a mature scheme, i.e. ensuring members’ pension benefits are secured in full.
- This model will also be able to respond quickly to known and anticipated future requirements in an increasingly onerous regulatory environment.

Members of the Trustee Board were engaged both in the selection process and during the transition period prior to PAN’s formal appointment.”

Annual Report and Financial Statements for the year ended 31 December 2021

As part of its annual business calendar, the previous Trustee Board approved and signed the Annual Report and Financial Statements for the year ended 31 December 2021 and more details of this will be provided in the report to members issued in December.

Actuarial Valuation as at 31 December 2021

The Trustee is required (at least every three years) to undertake an actuarial valuation of the Scheme. The purpose is to calculate the Scheme’s funding position under a number of measures, the output of which informs the Trustee as to whether additional funding is required from the Bank and on the Trustee’s approach to different investment risks. In collaboration with the Scheme’s advisers, work has commenced on this and, in line with statutory timelines, will be concluded in 2023 with the appropriate updates provided to the membership in a report to members.

Do you wish to delay your retirement beyond age 60?

We would also like to take the opportunity to update deferred members who no longer work for the Bank on the introduction of an option to delay your retirement beyond age 60.

Due to the increasing number of people wishing to work beyond age 60, the Trustee, in collaboration with the Bank, has reviewed the provisions in the Scheme Rules (the legal document which defines how the Scheme should be operated) in relation to late retirement options for deferred members of the Scheme who reach their Normal Retirement Age (“NRA”), of age 60, and who are no longer employed by the Bank.

The Trustee requested and the Bank agreed an amendment to the Scheme Rules to increase flexibility for those members no longer employed by the Bank who wish to retire after their NRA. The change will be effective from October 2022. This means that those members who wish to retire beyond age 60 will now be able to do so and retain the options to exchange some pension for a lump sum. This change brings non-retired members in line with one another, regardless of whether they are still employed by the Bank or not.

If any members would like further information on this, then please contact Equiniti using the details overleaf.

A new relationship

We thank you for taking the time to read our inaugural communication to you as the professional sole corporate trustee for the Scheme and would like to take the opportunity to reiterate that PAN looks forward to working on your behalf in the delivery of a member centric approach to Scheme management and continuing the good work of the previous Trustee Board.



Meet the team

PAN Trustees

Mike Roberts FIA
Senior Partner

Mike is a qualified actuary, has over thirty years' experience working in the pensions industry and has significant business management experience at a very senior level.



Mike is the appointed independent trustee to pension schemes including those sponsored by banks, energy companies, manufacturers and travel companies.

Mike is particularly interested in the investment of pension scheme assets and ensuring schemes secure robust funding packages from their sponsors.

e-mail: mikeroberts@pantrustees.co.uk

Nick Chadha FFA
Partner

Nick is also a qualified actuary, has over fifteen years working in the pensions industry and is one of the UK's youngest experienced independent professional trustees.



Nick's trustee appointments include schemes sponsored by companies in the public transport industry, engineering firms, financial services firms and firms in the retail sector.

Nick is very enthusiastic about ensuring members receive a good service and that all aspects of a pension scheme's governance is being done effectively and to a high standard.

e-mail: nicholaschadha@pantrustees.co.uk

Scheme Secretarial

Annie Rutherford, WTW
Scheme Secretary

Annie has 18 years pensions industry experience delivering Trustee Secretarial and governance services to a wide range of UK clients of varying sizes including four years with one of the UK's largest pension schemes (managing £25 billion in assets and providing benefits to over 105,000 beneficiaries).



Annie joined the Governance and Pensions Solutions team at WTW at the start of 2022 and during her career has worked on pension schemes in industries such as finance, scientific research, travel and hospitality and she believes forming trusting partnerships with clients is the key to success.

e-mail: Northern.Bank.PS@wtwco.com

Scheme Actuarial

Steve Yates Scheme Actuary

Steve Yates is Scheme Actuary to the Northern Bank Pension Scheme and has over 20 years' experience of working closely with the Scheme's Trustee on pension matters.

Steve has spent his whole career at WTW since graduating from Durham University with a degree in Physics in 1993. He provides strategic advice to the Trustee on matters related to the Scheme's funding, which has helped lead to the current strong, low risk funding target, which is supported by the Bank.

Steve also advises other trustee boards on their pension arrangements across a range of industry sectors. In his other roles, he has responsibility for the growth and development of senior colleagues at WTW and he is also treasurer for a local charity, based in Edinburgh.



Claire Muirhead Support Actuary

Claire is support actuary to the Northern Bank Pension Scheme and has 19 years' experience of working closely with Steve to deliver advice to the Scheme's Trustee. Claire has spent her whole career at WTW since graduating from Heriot Watt University with a degree in Actuarial Mathematical & Statistics in 2003 and is based in their Edinburgh office.

Claire has spent over 10 years' post qualification experience advising a range of Trustees (including on Scheme Actuary appointment) and Corporate clients. In her other roles, she has responsibility for the growth and development of junior colleagues at WTW.



General Information

Scheme Website – www.northernbankpensionscheme.co.uk

Members are reminded that the Scheme website, which is maintained by the Trustee, can be accessed at – www.northernbankpensionscheme.co.uk. The website enables you to access general information about the Scheme, including information which the Trustee is required to make available to members on a publicly accessible website (i.e. the Scheme's Statement of Investment Principles). The Scheme's Privacy Policy can also be found on the member website. Please visit the website and also check it periodically for Scheme news and updates. The website will not include individual member information and if you have any queries regarding your benefits, you should continue to contact the Scheme's administrator (Equiniti – at danske.administration@equiniti.com or on 0203 997 6720).

Contact us

Northern Bank Pension Trust Limited, which is the corporate Trustee of the Northern Bank Pension Scheme, is governed by a Sole Trustee, PAN Trustees UK LLP.

PAN Trustees

Nick Chadha
nicholaschadha@pantrustees.co.uk

Mike Roberts
mikeroberts@pantrustees.co.uk

Administrator

Equiniti
danske.administration@equiniti.com
0203 997 6720

Scheme Secretarial

Annie Rutherford
WTW
Northern.Bank.PS@wtwco.com

The key professional advisers to the Trustee:

Scheme Actuary

Steve Yates
WTW

Administrator

Equiniti

Auditor

Deloitte

Covenant Adviser

PwC

Legal Advisers

Sackers & Partners LLP

Investment Adviser

Hymans Robertson LLP

Northern Bank Pension Trust Limited
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