NORTHERN BANK PENSION SCHEME

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2025

SCHEME REGISTRATION NUMBER: 10015013

isio.

CONTENTS

The Trustee

Northern Bank Pension Trust Limited is the Corporate Trustee of the Northern Bank Pension Scheme ("Scheme"). The names of the Directors at the date of approval of this report are set out below. There were no changes to the Directors or to the Secretary of the Trustee Company during 2025, nor up to the date of approving the financial statements.

Directors of the Corporate Trustee
N Chadha (Chairman, PAN Trustees UK LLP)
PAN Trustees UK LLP, represented by Mike Roberts

Scheme Secretary
WTW (Willis Towers Watson)
represented by A Rutherford and R Cooper

Principal Employer
Northern Bank Limited
Donegall Square West
Belfast
BT1 6JS

Trustee Advisers

Scheme Actuary
A Hornell
WTW (Willis Towers Watson)
1st Floor
2 Semple Street
Edinburgh
EH3 8BL

Scheme Administrator
Equiniti (resigned 30 November 2025)
Sutherland House
Russell Way
Crawley
West Sussex
RH10 1UH

Isio Group Limited (appointed 1 December 2025)
PO Box 163
Blyth
NE24 9GS

Pensioner Payroll (until December 2025 payroll)
MHR
Ruddington Hall
Ruddington
Nottinghamshire
NG11 6LL

Pensioner Payroll provided by Isio Group Limited from January 2026 payroll

Investment Advisor
Hymans Robertson LLP
30 Semple Street
Edinburgh
EH3 8BL

Legal Adviser
Sackers & Partners LLP
20 Gresham Street
London
EC2V 7JE

Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

Consultancy Services
WTW
1st Floor
2 Semple Street
Edinburgh
EH3 8BL

Lane Clarke & Peacock LLP
95 Wigmore Street
London
W1U 1DQ
KPMG LLP
Advisory
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Property Managers
Osborne King (until 2 April 2025 when Savills acquired Osborne King)
6-9 Donegall Square South
Belfast
BT1 5JA

Savills (from 2 April 2025 following Savills acquired Osborne King)
2nd Floor
Longbridge House
16-24 Waring Street
Belfast
BT1 2DX

Additional Voluntary Contribution (AVC) Provider
Standard Life Assurance Limited
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

Contact for further information and complaints about the Scheme
Northern Bank Pension Scheme
c/o Isio Group Limited
PO Box 163
Blyth
NE24 9GS

Email: NorthernBank@isio.com

Auditor
Grant Thornton UK LLP (appointed 12 February 2025)
8 Finsbury Circus
London
EC2M 7EA
Banker
Northern Bank Ltd (t/a Danske Bank)
Donegall Square West
Belfast
BT1 6JS

Bulk Purchase Annuity Providers
Prudential Assurance Company Limited
Laurence Pountney Hill
London
EC4R 0HH

Aviva Life & Pensions UK Limited
Wellington Row
York
YO90 1WR

INTRODUCTION

The Trustee of the Northern Bank Pension Scheme (the "Scheme") present their report together with the audited financial statements for the year ended 31 December 2025.

Any member or beneficiary may request a copy of the Trustee's Annual Report and Financial Statements. Applications are encouraged and should be addressed to Northern Bank Pension Scheme, c/o Isio Group Limited, PO Box 163, Blyth, NE24 9GS. In addition, further information about the Scheme is available from this address and by email to NorthernBank@isio.com.

CONSTITUTION

The Scheme is a Defined Benefit Scheme provided for all eligible employees of the Principal Employer. The Principal Employer's registered address is Northern Bank Limited, Donegall Square West, Belfast, BT1 6JS.

The Scheme was established under a Trust Deed and is a registered pension scheme for the purposes of the Finance Act 2004. The Scheme was closed to future accrual on 30 September 2018. The Trustee holds Scheme funds on trust to apply them for the purpose of paying pensions and other benefits in accordance with the Trust Deed and Rules. Members were previously contracted-out of the additional component of the State Second Pension (S2P) on the salary-related basis until 5 April 2016.

MANAGEMENT OF THE SCHEME

The Principal Employer is responsible for appointing Directors to the Board of the Corporate Trustee. The power of appointment and removal of the Corporate Trustee is exercisable by the Principal Employer. The power of appointment and removal of the Directors of the Corporate Trustee is exercisable under the Memorandum and Articles of Association of the Corporate Trustee.

The Trustee is responsible for ensuring that all benefits are paid correctly as well as keeping members fully informed on matters concerning the Scheme, the monitoring of the administration of the Scheme and the performance of the insurance providers and deciding upon the long-term strategy. Most of the Scheme's liabilities are covered under insurance policies, the last of which was entered in to in 2023. The Trustee continues to remain responsible for reviewing and monitoring the systems and structures the Scheme has in place to create an effective system of governance.

CORPORATE TRUSTEE MEETINGS DURING THE YEAR

There were twenty-three Board meetings during the year ended 31 December 2025 at which matters relating to the operation and administration of the Scheme were considered. During the year the Board received reports from the Scheme Administrators, Scheme Consultants, Scheme Actuary and Property Managers, and considered ongoing matters through scheduled quarterly Scheme Administration focused meetings or Monthly Trustee catch-up meetings.

ADVISERS

The advisers to the Scheme during the year and up to the date of this report are shown on pages 1 to 2 of this report.

CHANGES IN AND OTHER MATTERS RELATION TO SCHEME ADVISORS

CHANGE TO THE SCHEME ADMINISTRATOR

Isio Group Limited were appointed as Scheme Administrator effective 1 December 2025. The previous Scheme Administrator, Equiniti's, resignation was effective 30 November 2025. Isio Group Limited were also appointed as Pensioner Payroll provider taking over from MHR during this transition; MHR processed its last payroll in December 2025 with Isio taking over effective from the January 2026 payroll following a period of dual testing.

Except those noted above there have been no other changes to the Scheme's advisers, service providers and benefit structure during the year under review.

FINANCIAL DEVELOPMENT OF THE SCHEME

The financial statements on pages 16 to 28 have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions (Northern Ireland) Act 1995 and have been prepared on a going concern basis. They show that the value of the fund has decreased from £798,502k at 31 December 2024 to £784,679k at 31 December 2025.

MEMBERSHIP

Details of the membership of the Scheme for the year are given below:

	2025	*2024*
Active Deferred members *	391	*452*
Active pensioners (flexible retirement)**	9	*11*
Pensioners	2,533	*2,509*
Dependants of former members	267	*252*
Deferred members	1,197	*1,211*
TOTAL MEMBERSHIP AT THE END OF THE YEAR	4,397	*4,435*

* Active Deferred members are members who are still employed by the Bank and have not put their pre 2008 pension into payment.
** Active Pensioners are members who have brought their pre-2008 pension into payment, but still remain employed by the Bank, and therefore, their post 2007 (CARE) element of pension cannot be brought into payment.

Pensioners at 31 December 2025 included 267 (2024: 252) beneficiaries receiving a pension upon the death of a pensioner.

As at 31 December 2025 (and as at 31 December 2024) all current member benefits in the Scheme were covered by the one of the three policies with Prudential and Aviva with the exception of those in respect of GMP equalisation.

REPORT ON ACTUARIAL LIABILITIES

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Principal Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 December 2024. This showed that on that date:

Results summary as at	31 December 2024	31 December 2021
	£Million	£Million
The value of technical provisions was:	(795.4)	(1,366)
The value of assets was:	798.1	1,433
Surplus Assets	2.7	67.0
Funding level	**100.3%**	**105.0%**

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles).

REPORT ON ACTUARIAL LIABILITIES (CONTINUED)

Method

The actuarial method used in the calculation of the Technical Provisions was the Defined Accrued Benefit method.

Significant Actuarial Assumptions

The significant actuarial assumptions were:

	31 December 2024 %p.a.[1]	31 December 2021 %p.a.[1]
Discount rate:		
Non-insured members	**n/a**	WTW's GBP Zero Coupon Gilt Nominal Yield curve adjusted upwards by 0.5% at each term (1.5%)
Members covered by the buy-in policies	WTW's GBP Zero Coupon Gilt Nominal Yield curve (5.0%)	WTW's GBP Zero Coupon Gilt Nominal Yield curve adjusted upwards by 0.5% at each term
RPI inflation	WTW's Gilt Implied Break Even Inflation curve	
	(3.5%)	(3.5%)
CPI inflation	Price inflation (RPI) curve adjusted downwards at each term by 0.7% until 2030 and then 0% onwards	
	(3.0%)	(3.1%)
In deferment increases	Price inflation (CPI) curve	
	(3.0%)	(3.1%)
In payment increases [2]	In line with the relevant price inflation curve, adjusted to allow for the impact of the maximum / minimum pension increase	In line with the relevant price inflation curve, adjusted to allow for inflation volatility and the impact of the maximum / minimum pension increase
- pensions accrued prior to 6 April 1997 (excluding GMPs)	2.5%	2.3%
- pre-1988 GMP	0.0%	0.0%
- post-1988 GMP	2.9%	2.7%
- pensions accrued between 6 April 1997 and 31 December 2007	3.5%	3.3%
- pensions accrued after 31 December 2007	2.5%	2.4%
GMP equalisation	0.2% of total liabilities	
Mortality – base tables	SAPS 'S3' Normal tables (adjusted from 2013 to the valuation date in line with CMI 2023 improvements) with weightings	SAPS 'S3' Normal tables (adjusted from 2013 to the valuation date in line with CMI 2021 improvements) with weightings

1 Single equivalent rates based on the Scheme's projected cashflows (non-insured only in 2021). 2 An allowance for the pension increase at 1 March 2025 and 1 March 2022 respectively was made in line with the actual pension increases granted

The next triennial valuation of the Scheme is due to be carried out with an effective date of 31 December 2027.

INVESTMENTS

Responsibility for the administration and management of the Scheme's assets is vested in the Trustee, and the Trustee is responsible for ensuring the Scheme's assets continue to be securely held.

Statement of Investment Principles

In accordance with Section 35 of the Pensions (Northern Ireland) Act 1995, the Trustee has prepared a Statement of Investment Principles ("SIP"). A copy of the SIP is available on request from the contact details on page 2 and is published on the Scheme website: https://danskebank.co.uk/northern-bank-pension-scheme/scheme-information.

Investment Strategy

The Scheme's asset portfolio is comprised of buy-in annuity policies, residual cash (in Trustee Bank Account) and one property asset which is intended to be sold.

The insurance buy-in policies held with Prudential Assurance Company Limited ("Prudential") and Aviva Life & Pensions UK Limited ("Aviva") are expected to cover the majority of the Scheme's benefit obligations on an ongoing basis. Under these policies, Prudential and Aviva make monthly payments to the Scheme to cover benefit payments to members. The Trustee holds three separate buy-in policies:

- The first Prudential buy-in policy covers pensions in payment as at 31 December 2013. This policy was subsequently adjusted to take account of additional retirees to 1 February 2015 and other membership changes. The Prudential policy represents around 48% of the value of the Scheme's total liabilities.
- The Aviva buy-in policy covers pensioners who retired following the completion of the first Prudential buy-in, and prior to 1 June 2020. This policy was subsequently adjusted to take account of pensions in payment on 6 October 2021. The Aviva policy represents around 20% of the value of the Scheme's total liabilities.
- The second Prudential buy-in policy covers all members not covered by the two previous insurance policies (i.e., members retiring after 6 October 2021 and all deferred members). This policy represents around 32% of the value of the Scheme's total liabilities.

The Trustee expects the purchase of these bulk annuities, and the resulting monthly payments from Prudential and Aviva, to immunise the Fund from market risks such as credit risk, interest rate risk, inflation risk and longevity risk associated with the Scheme's liabilities.

The Scheme also holds residual assets in cash (in the Trustee Bank Account) to cover the implementation of GMP equalisation and future Scheme expenses (including the cost of liability data cleansing).

The Scheme also retains ownership of one direct property in 10 Pond Street, Hampstead, London which is a supermarket investment and was acquired in May 2010. A loan from the Principal Employer is secured against this property which will be repaid following its sale The property is let to Marks & Spencer plc under a long-term lease. The lease was originally due to expire in January 2031, however, was extended during 2025 and now runs until December 2040. The properly was valued by Savills at 31 December 2025 at £8,000,000 (2024: £8,350,000).

The Trustee's objectives are documented within the SIP. These are as follows:

- The Trustee's statutory funding objective is that the Scheme should have sufficient and appropriate assets to cover its liabilities, i.e. member benefit payments as and when they arise.
- The Trustee has entered buy-in contracts with Prudential and Aviva. The policies have not been structured with expected return in mind but, instead are expected to secure the benefits of all Scheme members in return for the initial payment of a buy-in premium.

The Trustee believes that these objectives will ensure that the assets are invested in the best interests of the members and beneficiaries of the Scheme. The Trustee does not foresee these objectives giving rise to any conflict with the interests of the members and beneficiaries, but if a potential conflict arose, the Trustee would take steps to ensure that the assets were invested in the sole interest of members and other beneficiaries. The Trustee intends to ensure that the investment objectives are consistent with the Scheme's Statement of Funding Principles.

Investment Strategy (continued)

The Trustee has identified and acknowledged the risks inherent in its strategy to secure the Scheme's liabilities with insurers but believes that the policies in place are suitable given the stated investment objectives. A key potential risk relates to the insurance regime – the risk of failure within the UK insurance sector impacting the ability of Prudential and Aviva to meet their obligations under the insurance policies held by the Scheme. The other risks which the Scheme is exposed to after execution of buy in contracts with insurers are Liquidity Risk, Funding Risk, Sponsor Risk, Custody Risk and Systemic Risk. These risks are smaller than previously given the insurance contracts in place.

The Trustee recognises that the consideration of financially material factors, including Environmental, Social and Governance ("ESG") factors, is relevant at various stages of the investment process. The Trustee expects that Prudential and Aviva will take account of all financially material factors, including the potential impact of ESG issues, in investment decision-making and the implementation of their mandate.

The Trustee recognises that stewardship encompasses the exercise of voting rights, engagement with investment managers and the monitoring of compliance with agreed policies. Given that the Scheme's assets are mainly comprised of bulk annuities held with insurers, a single property asset and residual cash (in the Trustee Bank Account), stewardship and voting are now of reduced relevance for the Scheme.

COMPLIANCE

Pension Increases

Pensions in payment and deferment are reviewed annually by the Trustee in consultation with the Principal Employer and the Scheme Actuary. Where the Rules do not specifically provide for increases, discretion may be exercised as to the level of increases awarded. No discretionary increases were awarded during the year.

Pensions in payment attributable to service in the Northern Bank Pension Scheme were increased on 1 March 2025 in accordance with the Trust Deed and Rules. Pensions in excess of the Guaranteed Minimum Pension (GMP) and attributable to service up to 5 April 1997 were increased by 2.5%. Pensions attributable to service from 6 April 1997 to 31 December 2007 (including former 'Supplemental Fund' pensions) were increased by 3.6%. Pensions attributable to service from 1 January 2008 were increased by 2.5%.

Pensions in payment in excess of GMP and attributable to service in the Danske Bank (2004) Pension Scheme (the assets and liabilities of which were merged into the Northern Bank Pension Scheme on 31 December 2008) were increased with effect from 1 March 2025 by 5.0% in respect of service up to 20 July 1997, by 1.7% in respect of service from 21 July 1997 to 5 April 2005 and by 1.7% in respect of service from 6 April 2005.

Preserved pensions were increased in accordance with statutory requirements.

Transfer Values

All cash equivalents paid during the year were calculated and verified in the manner prescribed by the Pension Schemes Act 1993, and with effect from 1 October 2008, in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008. No allowance has been made for discretionary benefits.

GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that pension schemes such as the Scheme have a legal obligation to equalise the benefits of men and women to allow for the effect of guaranteed minimum pension ("GMP") benefits accrued after 17 May 1990. To implement the judgment, it will be necessary to calculate for each member (dependent on the method) the benefits they would receive if they were the opposite sex, based on the same service and salary history. If that figure is higher, then the member would require an uplift to their benefits. The Trustee is aware that the issue will affect the Scheme and, in preparation for equalising GMPs, has undertaken a GMP reconciliation exercise and a GMP rectification exercise. Based on an initial assessment the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

In November 2020, a follow up ruling was published that confirmed that members who had exercised their rights to a Cash Equivalent Transfer Value ("CETV") would need to be included in GMP equalisation assessments and top-up payments made where necessary. This development and its implications for the Scheme have been discussed by the Trustee with the Scheme Actuary since the date of the Court ruling. On the basis of the known facts and the analysis of the likely impact to date, the Trustee does not consider the expected cost of rectifying past transfer values to be material.

GMP Equalisation was not covered by any of the three insurance policies with Prudential and Aviva.

The Scheme Actuary has included a best estimate reserve in the pre 97 Section 179 liability values for the impact of GMP equalisation in the 2024 Valuation of 0.2% of the Scheme's liabilities. However, as it is expected to take some time to undertake the detailed calculations to quantify the liability arising accurately, and to split the additional liability between arrears due to date and future liabilities, no provision has been made in the financial statements in respect of this.

The Trustee will continue to monitor the position going forwards so that, in due course, it can make the relevant decisions and implement any necessary changes and adjustments which are required as a result of the decision

COMPLIANCE (CONTINUED)

Further Information

It is hoped that all members feel sufficiently well informed, and that specific requests are dealt with fully. Any concerns or requests for information relating to the member's own pension position, should be addressed in the first instance to the Scheme Administrator by post to Isio Group Limited, PO Box 163, Blyth, NE24 9GS or by email to NorthernBank@isio.com.

Members who are dissatisfied or concerned about any matter relating to the Scheme may contact the Trustee to resolve the matter and may also seek advice or help from a number of outside bodies:

The Pensions Regulator

The Pensions Regulator ("TPR") is the UK regulator of work-based pension schemes. The Pensions Act 2004 gives the Pensions Regulator a set of specific objectives:

- to protect the benefits of members of work-based pension schemes;
- to promote good administration of work-based pension schemes; and
- to reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund.

The Auditor and Scheme Actuary have a statutory duty to make an immediate written report to the Pensions Regulator if they believe that a breach of certain legal duties has occurred, where the breach is considered likely to be of significant interest to the Regulator.

The TPR has the power to:

- suspend, disqualify and remove trustees for consistently failing to carry out their duties;
- wind up schemes where necessary; and
- apply for information to prevent the misuse and misappropriation of scheme assets and apply for restriction where necessary.

Contact details for the TPR are as follows:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

Telephone number: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

COMPLIANCE (CONTINUED)

The Pension Tracing Service

The Pension Tracing Service provides a tracing service for members (and their dependants) of previous employers' schemes, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

The Pension Service	Telephone: 0800 731 0193
Post Handling Site A	From outside the UK: +44 (0) 191 215 4491
Wolverhampton	Tracing can be done online
WV98 1AF	at: www.gov.uk/find-pension-contact-details

MoneyHelper

For general requests for information or guidance concerning their pension arrangements members can contact:

Money and Pensions Service	Telephone: 0800 011 3797
Bedford Borough Hall	From outside the UK: +44 20 7932 5780
138 Cauldwell Street	Email: contact@maps.org.uk
Bedford	Website: www.moneyhelper.org.uk
MK42 9AB	

Pensions Ombudsman

Any concerns in respect of the Scheme should be referred to the Scheme Administrator who will try to resolve the problem as quickly as possible. Members and beneficiaries of pension schemes, who have problems concerning their scheme and are not satisfied by the information or explanation given by the administrators or the trustees, can consult the Pensions Ombudsman. Contact with the Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) happened or, within three years of when the event(s) was first known about (or ought to have been known about). There is discretion for those time limits to be extended. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman	Telephone: 0800 917 4487
10 South Colonnade	Email: enquiries@pensions-ombudsman.org.uk
Canary Wharf	Website: www.pensions-ombudsman.org.uk
London	
E14 4PU	

Complaints can also be submitted online. Further information on how to complain about an occupational pension can be seen on this page: www.pensions-ombudsman.org.uk/submit-complaint

Pension Protection Fund

The Pension Protection Fund was established to protect members' interest in certain circumstances, i.e., to provide compensation to members of eligible defined benefit schemes where there is a qualifying insolvency event in relation to the employer and there are insufficient assets in the pension scheme to cover PPF levels of compensation or the scheme assets have been reduced due to fraud, theft, or misappropriation. It does not cover losses resulting from adverse investment returns.

The Pension Protection Fund is funded by a retrospective levy on all occupational pension schemes. The address and contact details are:

Pension Protection Fund	Telephone: 0330 123 2222
PO Box 254	From outside the UK: +44 (0)20 8633 4902
Wymondham	Email: ppfmembers@ppf.co.uk
NR18 8DN	Website: www.ppf.co.uk

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is also responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the dates on or before which such contributions are to be paid. The Trustee is also responsible for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule of contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee is responsible for the maintenance and integrity of the financial information of the scheme included on the scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Approval

Signed on behalf of the Trustee on 25/6/2026

Signed: NCheadle
Director

Signed: ______________________
Director, PAN Trustees UK LLP

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF NORTHERN BANK PENSION SCHEME
FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Northern Bank Pension Scheme:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2025 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Scheme including effects arising from macro-economic uncertainties such as uncertain interest and inflation rates and the volatility of global markets, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other Information (Continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 12, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant are the Pensions (Northern Ireland) Order 1995 and the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP");
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Scheme operates;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee;
- We assessed the susceptibility of the Scheme's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to:
  - The risk of management override of controls through posting inappropriate journal entries to manipulate net assets for the year;
  - The valuation of hard-to-value assets using a method not permitted under the SORP.

Auditor's responsibilities for the audit of the Financial Statements (continued)

- Our audit procedures involved:
    - Journal entry testing, with a focus on large journals, manual journals, those journals with unusual account combinations, or entries posted to suspense accounts;
    - Obtaining independent confirmations of material investment valuations and cash balances at the year end; and
    - Including in-house actuarial specialists within the audit team to challenge the valuation of the insurance policies.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
    - Knowledge of the industry in which the Scheme operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997 made under the Pensions (Northern Ireland) Order 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 25/6/2026

FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	*2024* *£'000*
Contributions and benefits			
Employer contributions	5	-	*1,366*
Total contributions	5	-	*1,366*
Other income	6	113	*57*
		113	*1,423*
Benefits paid or payable	7	(41,573)	*(42,237)*
Payments to and on account of leavers	8	(315)	*(307)*
Administrative expenses	9	(2,020)	*(1,806)*
		(43,908)	*(44,350)*
Net withdrawals from dealings with members		(43,795)	*(42,927)*
Returns on investments			
Investment income	10	41,575	*42,749*
Investment management expenses	11	(10)	*64*
Change in market value of investments	12	(11,593)	*(144,069)*
Net returns on investments		29,972	*(101,256)*
Net decrease in the fund during the year		(13,823)	*(144,183)*
Net assets of the Scheme at 1 January		798,502	*942,685*
Net assets of the Scheme at 31 December		784,679	*798,502*

The notes on pages 18 to 28 form part of these financial statements.

NORTHERN BANK PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AT YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	*2024 £'000*
Investment assets			
Property	15	8,000	*8,350*
Insurance policies	13	776,600	*793,800*
AVC investments	14	441	*422*
		785,041	*802,572*
Investment liabilities			
Other investment balances	16	(8,700)	*(8,700)*
		(8,700)	*(8,700)*
Total net investments		776,341	*793,872*
Current assets	20	9,082	*7,107*
Current liabilities	21	(744)	*(2,477)*
Net assets of the Scheme at 31 December		784,679	*798,502*

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on pages 5 to 6 and the Actuarial Certificate on page 31 of the annual report, and these financial statements should be read in conjunction with these sections.

The notes on pages 18 to 28 form part of these financial statements.

The financial statements were approved for and on behalf of the Trustee on 25/6/2026 by:

Signed: ______________________
Director

Signed: ______________________
Director, PAN Trustees UK LLP

1. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997, Financial Reporting Standard 102 (FRS 102) – the Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council, and with the guidelines set out in the Statement of Recommended Practice Financial Reports of Pension Schemes (revised 2018) (the "SORP").

All known ongoing member liabilities (apart from GMP) are secured via buy in contracts with Prudential Assurance Company Ltd (PAC), (a subsidiary of the M&G Group), and Aviva Life & Pensions UK Limited (Aviva L&P). Following independent covenant assessment, PwC have concluded the covenant strength provided by the Bank and insurers remains strong.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries is shown on page 10 of the Annual Report.

3. ACCOUNTING POLICIES

The principal accounting policies of the Scheme are as follows:

3.1 **Contributions**

a) Employer contributions are accounted for on the due dates on which they are payable in accordance with the Schedules of Contributions under which they are being paid. There were no employer contributions required to be submitted during the year. Employer augmentation contributions are accounted for in accordance with the agreement under which they are being paid.

3.2 **Benefits and payments to and on account of members**

a) Pensions in payment are accounted for in the period to which they relate. Pensions include amounts paid directly to pensioners from annuity policies held in the name of the Trustee.
b) Benefits, and any associated tax liabilities are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
c) Individual transfers out are accounted for when a member's liability is discharged which is normally when a transfer amount is paid.

3.3 **Expenses**

Expenses are accounted for on an accruals basis.

3.4 **Investment and other income**

a) Interest on bank deposits and other income is accounted for by reference to the period to which it relates and is accrued on a daily basis.

b) Net rental income from the Scheme's property is accounted for on an accruals basis in accordance with the terms of the lease.

c) Receipts from annuity policies held by the Trustee to fund benefits payable to Scheme members are included within investment income on an accruals basis to match the respective insured benefits payable.

3. ACCOUNTING POLICIES (CONTINUED)

3.5 Currency

a) The Scheme's functional and presentational currency is Pounds Sterling.

b) The figures in the financial statements are rounded to the nearest thousand (£'000) except where otherwise indicated.

c) Amounts denominated in foreign currencies at the year end are translated at the rate ruling at the year end. Differences on foreign currency transactions are included in the values shown in the fund account.

d) Investment transactions denominated in foreign currencies are recorded at the rate of exchange on the date of receipt or payment.

3.6 Valuation of Investments

a) Investment assets and liabilities are included in the financial statements at their fair value.

b) The AVC investments include policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC providers. The AVC investments include terminal bonuses.

c) Three bulk annuity policies, which were purchased in the name of the Trustee to fully provide pension benefits for certain members, are included in these Financial Statements at the amount of the related obligation, determined using the Scheme Funding valuation assumptions and methodology updated for market conditions at the reporting date. Annuity valuations are provided by the Scheme Actuary.

d) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

e) The Employer loan has been included as an investment liability valued at the amount repayable as per the Framework Agreement agreed in September 2023.

f) Properties are included at open market value determined in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual, with particular regard to UK Practice Statement 1.1, Valuation of financial statements.

The properties have been valued by Savills, Chartered Surveyors.

4. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In applying the Scheme's accounting policies, the Trustee is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustee's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the calculations were made and are based on member data, historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The Trustee confirms that no judgements have had a significant effect on amounts recognised in the financial statements, but notes estimation uncertainty in the valuation of level 3 investments, as disclosed in note 17, specifically bulk annuity policies and property assets.

5. CONTRIBUTIONS

	2025 £'000	*2024* *£'000*
Employer contributions:		
Augmentation	-	*1,366*
	-	*1,366*

The Principal Employer and the Trustee agree the Schedules of Contributions setting out the conditions under which contributions are to be made to the Scheme. The Schedule of Contributions certified by the Scheme Actuary on 20 November 2023 stated that the Principal Employer was required to pay contributions to the Scheme should "the Residual Scheme Asset Buffer" fall below a minimum buffer (£3m). The Schedule of Contributions allowed the Trustee and the Principal Employer to agree a different amount for the buffer. In November 2024, a side letter was agreed which put in place a temporary reduction to the "Residual Scheme Asset Buffer" as defined in the Schedule of Contributions from £3m to £2m until 30 June 2025.

Following the conclusion of the Actuarial Valuation as at 31 December 2024, a revised Schedule of Contributions was agreed and signed on 19 September 2025 in which it was agreed that the "Residual Scheme Asset Buffer" would be £2m. The stated 'Residual Scheme Asset Buffer' did not fall below this level and therefore no contributions were payable in 2025 or 2024.

No early retirement funding cost contributions were required to the Scheme in respect of augmented early retirement benefits during 2025.

6. OTHER INCOME

	2025 £'000	*2024* *£'000*
Interest on bank deposits	110	*57*
Other Income	3	-
	113	*57*

7. BENEFITS PAID OR PAYABLE

	2025 £'000	*2024* *£'000*
Pensions	38,001	*37,153*
Commutations of pensions and lump sum retirement benefits	3,495	*5,084*
Death benefits	77	-
	41,573	*42,237*

8. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2025 £'000	*2024* *£'000*
Individual transfers to other arrangements	308	*307*
Refund of Contributions	7	-
	315	*307*

9. ADMINISTRATIVE EXPENSES

	2025 £'000	*2024* *£'000*
Administration fees	540	*315*
Scheme secretarial and Pension Management fees	365	*383*
Administration, actuarial and consultancy fees	558	*584*
Trustee fees	340	*355*
Audit fees	37	*36*
Legal fees	116	*96*
Regulatory levies	63	*37*
Bank charges and sundry expenses	1	*-*
	2,020	*1,806*

With the exception of expenses shown above, all other expenses for the Scheme are paid by the Principal Employer.

10. INVESTMENT INCOME

	2025 £'000	*2024* *£'000*
Net rents from properties	468	*479*
Annuity income	41,107	*42,270*
	41,575	*42,749*

Net rents from properties is stated after deducting £25k (2024: £11k) of property related expenses.

11. INVESTMENT MANAGEMENT EXPENSES

	2025 £'000	*2024* *£'000*
Administration, management and custody fees*	10	*(84)*
Collateral management fees	-	*20*
	10	*(64)*

*Negative Administration, management and custody fees in the prior year relates to an over-accrual of fees.

12. INVESTMENT RECONCILIATION

	Value at 1 January 2025 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	**Value at 31 December 2025 £'000**
Property	*8,350*	-	-	(350)	**8,000**
Insurance policies	*793,800*	-	(5,928)	(11,272)	**776,600**
AVC investments	*422*	-	(10)	29	**441**
	802,572	-	(5,938)	(11,593)	**785,041**
Other investment balances*	*(8,700)*				**(8,700)**
	793,872				**776,341**

*Included in other investment balances as at 31 December 2024 and 31 December 2025 is an interest free loan of £8.7m provided by the Principal Employer that is due to be repaid as illiquid assets are realised by the sale of the Scheme's remaining property.

There were no direct transaction costs incurred by the Scheme during the year.

13. INSURANCE POLICIES

The Scheme held insurance policies at the year end as follows:

	2025 £'000	*2024 £'000*
Prudential Assurance Company Limited (2015 policy)	**370,300**	*383,800*
Aviva Life & Pensions UK Limited	**151,800**	*154,600*
Prudential Assurance Company Limited (2023 policy)	**254,500**	*255,400*
	776,600	*793,800*

The insurance policy contract with Prudential Assurance Company Limited (2015) ("Prudential") relates to the benefits due in respect of most pensions brought into payment prior to February 2015. The Prudential annuity is valued annually by the Scheme Actuary.

The insurance policy contracts with Aviva Life & Pensions UK Limited ("Aviva") relate to the benefits due for in respect of most pensions brought into payment between February 2015 and October 2021. The Aviva annuity is valued annually by the Scheme Actuary.

The Prudential (2023) annuity is valued annually by the Scheme Actuary.

The insurance policy contract with Prudential (2023) relates to the benefits due in respect of most pensions brought into from October 2021 and all deferred members.

13. INSURANCE POLICIES (CONTINUED)

Prudential Policies.

<table>
<tr><th>Financial Assumptions</th><th>2025</th><th>2024</th></tr>
<tr><td>Discount rate (non-pensioners)</td><td colspan="2">WTW's GBP Zero Coupon Gilt Nominal Yield curve</td></tr>
<tr><td>Discount rate (pensioners)</td><td colspan="2">WTW's GBP Zero Coupon Gilt Nominal Yield curve</td></tr>
<tr><td>Price inflation (RPI)</td><td colspan="2">WTW's Gilt Implied Break Even Inflation curve</td></tr>
<tr><td>Price Inflation (CPI)</td><td colspan="2">Price inflation (RPI) curve adjusted downwards at each term by 0.7% until 2030 and then 0% thereafter</td></tr>
<tr><td>Pension increases:</td><td rowspan="4">In line with the relevant price inflation curve, but adjusted at each term to allow for the impact of the maximum / minimum pension increase</td><td rowspan="4">In line with the relevant price inflation curve, but adjusted at each term to allow for the impact of the maximum / minimum pension increase</td></tr>
<tr><td>CPI minimum 0% pa, maximum 2.5% p.a.</td></tr>
<tr><td>RPI minimum 0% p.a. maximum 5.0% p.a.</td></tr>
<tr><td>RPI minimum 0% p.a. maximum 2.5% p.a.</td></tr>
</table>

For illustrative purposes, the derivation results in the following approximate single equivalent rates (SER)

Marseille and Viaggio Policies

Financial Assumptions - approximate SERs	**2025**	**2024**
Discount rate	5.00%p.a.	5.00%p.a.
Pension increases:		
CPI minimum 0% pa, maximum 2.5% p.a.	2.50%p.a.	2.50%p.a.
RPI minimum 0% pa, maximum 5.0% p.a.	3.10%p.a.	3.60%p.a.
RPI minimum 0% pa, maximum 2.5% p.a.	2.50%p.a.	2.50%p.a.

Avanti Policy

Financial Assumptions - approximate SERs	**2025**	**2024**
Discount rate (non-pensioners)	5.20%p.a.	5.10%p.a.
Discount rate (pensioners)	5.20%p.a.	5.05%p.a.
Price inflation (RPI)	3.20%p.a.	3.40%p.a.
Price inflation (CPI) (deferred revaluation)	2.90%p.a.	3.05%p.a.
Pension increases:		
CPI minimum 0% pa, maximum 2.5% p.a.	2.50%p.a.	2.50%p.a.
RPI minimum 0% pa, maximum 5.0% p.a.	3.20%p.a.	3.30%p.a.
RPI minimum 0% pa, maximum 2.5% p.a.	2.50%p.a.	2.50%p.a.

14. AVC INVESTMENTS

The Trustee holds assets invested separately from the main investments in the form of unitised funds to secure additional benefits on a money purchase basis for those members who had elected to pay AVCs. Members participating in this arrangement each receive an annual statement made up to 31 December confirming the amounts held in their account and the movements in the year. The aggregate amounts of AVC investments are as follows:

	2025 **£'000**	*2024* *£'000*
Standard Life Assurance Limited	**441**	*422*

15. PROPERTY

	2025 £'000	*2024 £'000*
Freehold – United Kingdom	8,000	*8,350*

The property held by the Scheme was valued as at 31 December 2025 and December 2024 at a fair value by Savills.

16. OTHER INVESTMENT BALANCES

	2025 £'000	*2024 £'000*
Interest free loan from the Employer*	(8,700)	*(8,700)*

*The interest free loan of £8.7m provided by the Principal Employer is due to be repaid as illiquid assets are realised by the sale of the Scheme's remaining property under Note 15.

17. INVESTMENT FAIR VALUE HIERARCHY

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities fall within the above hierarchy categories as follows:

At 31 December 2025

	Level 1 £'000	Level 2 £'000	Level 3 £'000	**Total £'000**
Property	-	-	8,000	**8,000**
Insurance policies	-	-	776,600	**776,600**
AVC investments	-	-	441	**441**
Other investment balances	(8,700)	-	-	**(8,700)**
	(8,700)	-	**785,041**	**776,341**

At 31 December 2024

	Level 1 £'000	*Level 2 £'000*	*Level 3 £'000*	*Total £'000*
Property	-	-	*8,350*	*8,350*
Insurance policies	-	-	*793,800*	*793,800*
AVC investments	-	-	*422*	*422*
Other investment balances	*(8,700)*	-	-	*(8,700)*
	(8,700)	-	*802,572*	*793,872*

18. INVESTMENT RISKS

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk — this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk — this comprises currency risk, interest rate risk, and other price risk.

- **Currency risk** — this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk** — this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- **Other price risk** — this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At 31 December 2025 all Scheme members were covered by buy-in policies and so the market risks were mostly passed on to the insurance companies. However, the credit risk still remains relevant for the Scheme as there is a low frequency high severity risk of insurers defaulting on their obligations.

The Trustee has identified and acknowledged the risks inherent in its strategy to secure the Scheme's liabilities with insurers but believes that the policies in place are suitable given the stated investment objectives. A key potential risk relates to the insurance regime – the risk of failure within the UK insurance sector impacting the ability of Prudential and Aviva to meet their obligations under the insurance policies held by the Scheme.

To mitigate against this risk, the Trustee commissioned due diligence on these insurers and received professional advice prior to entering the policies. The Scheme is also protected by the reserving requirements and stress testing in place for the insurance sector.

The Trustee expects buy-in provider risk to be addressed through the supervisory regime applicable to insurance companies but monitors the monthly payment benefits from the buy-in provider to the Scheme and, at least annually, monitors the financial covenant of the buy-in provider. Most of the key investment risks (i.e. interest rate risk, price risk etc) have been passed on to the insurers as the Scheme liabilities are cashflow matched through the buy in policies.

Liquidity Risk – this is the risk that the Scheme cannot meet its immediate liabilities because it has insufficient liquid assets. Liquidity risk is managed by the Trustee who ensures that sufficient cash balances are available to meet obligations as and when they arise, which includes the settlement of the Employer loan in Note 16 being directly linked to the sale of the property asset, and the Scheme funding side letter with the "Residual Scheme Asset Buffer" referred to on page 20 with the Employer.

Funding Risk:
All members covered by the insurance contracts continue to be members of the Scheme and the Trustee continues to have ultimate responsibility for the payment of benefits to these members. The Trustee expects the insurance contracts to fully protect the Scheme against funding risk but there remains a residual risk that a mismatch between payments from the insurer and ongoing benefit payments may arise.

Sponsor Risk:
This is the risk of the Principal Employer ceasing to exist or having insufficient resources to meet any future obligations to the Scheme, for instance in the unlikely event of an insurer failing to meet its contractual obligations. Since all pension liabilities are now secured through buy-in contracts, sponsor risk is significantly reduced but remains a risk for the Scheme.

18. INVESTMENT RISKS (CONTINUED)

Systemic Risk:
Systemic risk is a financial risk that poses a threat to financial stability. The possibility of an interlinked and simultaneous financial stress suffered by the government and corporate sectors leading to stress in several asset classes, possibly compounded by financial 'contagion', resulting in a deterioration in the financial health of the insurers may negatively impact the ability of the Scheme to meet its pension obligations.

Other price risk:
The residual cash assets (in the Trustee Bank Account) still have some component of interest rate risk and price risk although they are not significant. There is some component of other price risks and credit risk associated with the M&S property investment as well.

(i) **Credit risk**
The Scheme is subject to credit risk from its holdings in its insurance policies and residual property asset.

The table below shows the analysis of direct credit risk at the year end:

	Investment grade	Non-investment Grade	Unrated	**2025 £'000**
Insurance Policies	776,600	-	-	**776,600**
Total	776,600	-	-	**776,600**

	Investment Grade	Non-investment Grade	Unrated	2024 £'000
Insurance Policies	793,800	-	-	*793,800*
Total	793,800	-	-	*793,800*

The Scheme is subject to indirect credit risk from its holdings in its insurance policy and residual property asset.

(ii) **Currency Risk**

The Scheme has no exposure to currency risk.

(iii) **Interest Rate Risk and Other Price Risk**
The residual cash assets (in Trustee Bank Account) are subject to interest rate risk and other price risk although they are not significant. Also there is a component of other price risk and credit risk associated with the property investment.

Summary of Credit and Market Risks
The following table summarises the extent to which the various classes of investments (excluding insurance policies) are affected by financial risks.

The risk noted affects the asset class [■] significantly, [◘] partially or [□] hardly/not at all.

	Credit Risk	Currency	Interest Rate	Other Price	**2025 £'000**	*2024 £'000*
Insurance policies	■	-	-	■	**776,600**	*793,800*
Property	■	-	-	■	**8,000**	*8,350*
Total					**784,600**	*802,150*

19. CONCENTRATION OF INVESTMENTS

The investments at the year end which are more than 5% of the total value of the net assets of the Scheme's comprise:

	2025 £'000	%	*2024 £'000*	*%*
Prudential (2015) Insurance Policy	370,300	47.2	*383,000*	*48.1*
Prudential (2023) Insurance Policy	254,500	32.4	*255,400*	*32.0*
Aviva Insurance Policy	151,800	19.3	*154,600*	*19.4*

20. CURRENT ASSETS

	2025 £'000	*2024 £'000*
Annuity income due from insurer	-	*1,164*
Sundry debtors*	-	*41*
Cash balance	9,082	*5,902*
	9,082	*7,107*

*£41k in respect of Collateral Management Fee reimbursement from Prudential for February and March 2024. £41k received in full to Trustee Bank Account in 2025.

21. CURRENT LIABILITIES

	2025 £'000	*2024 £'000*
Deferred rental income	135	*135*
Unpaid benefits	218	*2,170*
Accrued expenses	370	*148*
VAT recoverable	21	*24*
	744	*2,477*

22. TAXATION

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

23. RELATED PARTY TRANSACTIONS

Key management personnel

During the Scheme year fees were paid to the Trustee as detailed in Note 9.

Under Financial Reporting Standards 102, the Trustee Directors are deemed to be "related parties" of the Scheme.

Other related parties

Any contributions receivable from the Employer are disclosed within the notes to the financial statements.

Payments made to members during the year are disclosed in the notes to the financial statements. Payments in respect of payroll deductions (e.g. PAYE and GAYE) were paid directly by the employer of the Scheme and subsequently reimbursed by the Scheme, until 1 December 2025 when the payments were made directly from the Scheme.

The Scheme bank accounts are held with Danske Bank and the balances as at 31 December 2025 were £9,083k (2024: £5,902k).

The Scheme obtained an interest free term loan of £8.7m (2024: £8.7m) from the Employer, secured on the property (to be reimbursed once the property is sold in due course) to facilitate the Prudential buy in.

All of the above transactions were made in accordance with the Scheme rules. There were no other related party transactions during the year as defined by FRS 102 section 33.

24. EMPLOYER-RELATED INVESTMENTS

The Scheme obtained an interest free term loan of £8.7m (2024: £8.7m) from the Employer, secured on the property (to be reimbursed once the property is sold in due course) to facilitate the Prudential buy in.

Other than as explained in the Related Party Transactions note, there were no other employer-related investments held during the year ended 31 December 2025 (2024: nil).

25. SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure in the financial statements.

26. CONTINGENT LIABILITY GMP EQUALISIATION

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that pension schemes such as the Scheme have a legal obligation to equalise the benefits of men and women to allow for the effect of guaranteed minimum pension ("GMP") benefits accrued after 17 May 1990. To implement the judgment, it will be necessary to calculate for each member (dependent on the method) the benefits they would receive if they were the opposite sex, based on the same service and salary history. If that figure is higher, then the member would require an uplift to their benefits. The Trustee is aware that the issue will affect the Scheme and, in preparation for equalising GMPs, has undertaken a GMP reconciliation exercise and a GMP rectification exercise. Based on an initial assessment the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

In November 2020, a follow up ruling was published that confirmed that members who had exercised their rights to a Cash Equivalent Transfer Value ("CETV") would need to be included in GMP equalisation assessments and top-up payments made where necessary. This development and its implications for the Scheme have been discussed by the Trustee with the Scheme Actuary since the date of the Court ruling. On the basis of the known facts and the analysis of the likely impact to date, the Trustee does not consider the expected cost of rectifying past transfer values to be material.

GMP Equalisation was not covered by any of the three insurance policies with Prudential and Aviva.

The Scheme Actuary has included a best estimate reserve in the pre 97 Section 179 liability values for the impact of GMP equalisation in the 2024 Valuation of 0.2% of the Scheme's liabilities. However, as it is expected to take some time to undertake the detailed calculations to quantify the liability arising accurately, and to split the additional liability between arrears due to date and future liabilities, no provision has been made in the financial statements in respect of this.

The Trustee will continue to monitor the position going forwards so that, in due course, it can make the relevant decisions and implement any necessary changes and adjustments which are required as a result of the decision

27. CONTINGENT LIABILITY

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, and subject to an unsuccessful appeal heard in June 2024, considered the implications of Section 37 of the Pension Schemes Act 1993. The BBC v Christina Burns case, which was also subject to a failed appeal in July 2024, considered the amendment powers available to trustees depending on the exact wording in the rules.

The Trustee has investigated the possible implications of the judgement in relation to the BBC case and has received legal advice to confirm that the outcome is not relevant to the Scheme given the way in which the Scheme Rules are written.

The Trustee continues to investigate the possible implications of the Virgin Media Ltd judgement, such that at present, it is not possible to fully estimate the potential impact, if any, of the judgement on the Scheme. In light of recent legal developments, the Trustee is undertaking an assessment of the potential implications and will determine any appropriate next steps taking legal and actuarial advice as necessary.

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS UNDER REGULATION 4 OF THE OCUPATIONAL PENSION SCHEMES (REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR) REGULATIONS 1996 TO THE TRUSTEE OF THE NORTHERN BANK PENSION SCHEME FOR THE YEAR ENDED 31 DECEMBER 2025

Statement about contributions payable under the Schedules of Contributions

We have examined the Summary of Contributions to the Northern Bank Pension Scheme (the 'Scheme') for the Scheme year ended 31 December 2025 which is set out on page 30.

In our opinion, contributions for the Scheme year ended 31 December 2025 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 20 November 2023 and the 19 September 2025.

Scope of work on the Statement about Contributions

Our examination involves obtaining sufficient evidence to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of the Trustee and the Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 12, the Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the schedule of contributions.

It is our responsibility to provide a statement about contributions paid under the schedule of contributions and to report our opinion to you.

Use of our statement

This statement is made solely to the Trustee, as a body, in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997 made under the Pensions (Northern Ireland) Order 1995. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 25/6/2026

SUMMARY OF CONTRIBUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Trustee's responsibilities in respect of contributions for the year ended 31 December 2025

The Scheme's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and, from time to time revised, a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer, and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for ensuring that contributions are made to the Scheme in accordance with the Schedule of Contributions.

Trustee's Summary of Contributions payable under the Schedules of Contributions in respect of the Scheme year ended 31 December 2025

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer contributions payable to the Scheme under the Schedules of Contributions certified by the Actuary on 20 November 2023 and 19 September 2025 in respect of the Scheme year ended 31 December 2025. The Scheme Auditor reports on contributions payable under the Schedules in the Auditor's Statement about Contributions.

Contributions payable under the Schedules in respect of the Scheme year:

	2025 £'000
Contributions payable under the Schedules of Contributions:	
Employer contributions	
Augmentation	-
	-
Contributions payable as reported in the financial statements	-

Signed on behalf of the Trustee on 25/6/2026 by:

Signed: ____________________
Director

Signed: ____________________
Director, PAN Trustees UK LLP

Actuary's certification of Schedule of Contributions

Name of Scheme: *Northern Bank Pension Scheme*

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2024 to continue to be met for the period for which this schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 19 September 2025.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature:

Date: 19 September 2025

Andrew Hornell
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW Company

2 Semple Street
Edinburgh, EH3 8BL
UK

Northern Bank Pension Scheme – 2025 Implementation Statement for 2019 DB Regulations

Statement of Compliance with the Northern Bank Pension Scheme's Stewardship Policy for the year ending 31 December 2025

Introduction

This statement is prepared on behalf of the Northern Bank Pension Trust Limited ("the Trustee") in its capacity as Trustee of the Northern Bank Pension Scheme ("the Scheme") in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustee has complied with the Scheme's Stewardship Policy during the period from 1 January 2025 to 31 December 2025.

As of 31 December 2025, the Trustee had entered into insurance policies with the Prudential Assurance Company Limited ("Prudential") and Aviva Life & Pensions UK Limited ("Aviva") that are expected to secure the pension benefits of all Scheme members in return for the initial payment of a buy-in premium.

As a result of the entered buy-in policies, Prudential and Aviva make monthly payments to the Scheme to cover benefit payments to members. The Scheme's asset portfolio over the year was comprised of buy-in annuity policies, residual cash and one residual property asset (which is intended to be sold to reimburse a bridging loan from the Sponsoring Employer).

As a result, this statement will cover stewardship considerations following completion of the full insurance buy-in.

Stewardship policy and Voting activities

The Trustee's Stewardship Policy covers voting and engagement by setting out how the Trustee will behave as an active owner of the Scheme's assets, which includes the Trustee's approach to:

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustee monitors and engages with their investment managers and any other stakeholders.

You can review the Scheme latest Stewardship Policy which can be found within the Scheme's Statement of Investment Principles ("SIP"), dated November 2023, at: https://danskebank.co.uk/northern-bank-pension-scheme/scheme-information

The Stewardship Policy is reviewed on an annual basis and was last reviewed alongside the SIP review carried out in November 2023. Given that the Scheme's assets are comprised of bulk annuities held with insurers, a single property asset and residual cash, stewardship and voting activities are now of reduced relevance for the Scheme.

The Trustee is satisfied that it has complied with the Scheme's Stewardship Policy over the Scheme year ending 31 December 2025.

Engagement activity

The Trustee invests directly in property assets. Through its property adviser, Savills (previously known as Osborne King), the Trustee engages with the tenants of these properties on an ongoing basis to discuss issues that could affect the assets.

Review of policies

The Trustee expects that Prudential and Aviva will take account of all financially material factors, including the potential impact of Responsible Investment issues, in the implementation of their mandate. Given the nature of the insurance contracts, the Trustee expects both insurers to actively consider Environmental, Social and Governance ("ESG") factors in their investment governance and decision making.

The Trustee monitors compliance with their Stewardship Policy on a regular basis and are satisfied that they have complied with the Scheme's Stewardship Policy over the last year.