

Summary Funding Statement as at 31 December 2024

We provide below an update of the Scheme's funding position as at 31 December 2024. The Scheme's Trustee is required to provide a statement like this once a year, to give you updated information about the Scheme.

Valuing the Scheme

A formal valuation of the Scheme was carried out on 31 December 2024 and was recently agreed with the Bank. This Summary Funding Statement gives you an update of the Scheme's funding position at that date (subsequent developments are not reflected in the figures). This showed that the funding position of the Scheme at 31 December 2024 was as follows:

Scheme assets	£798 million
Assets needed to provide benefits	£795 million
Surplus assets	£3 million

As the Scheme was in surplus, there is no requirement for any shortfall contributions to be paid by the Bank.

Change in funding position

The above figures continue to show the Scheme in surplus, with a funding level of 100%, at 31 December 2024. For comparison purposes, the corresponding funding level at the previous annual update as at 31 December 2023 was also 100%. The funding level over the year has remained stable, by securing insurance policies which broadly match the Scheme's pension promises to members.

The next formal funding valuation of the Scheme is due at 31 December 2027. However, the Trustee will continue to monitor the funding position of the Scheme annually on an informal basis.

Solvency position

As part of the formal valuation, an estimate was made of the additional money that the Bank would be required to pay into the Scheme to secure members' benefits with an insurance company. This might be required if, for example, the Scheme were to be wound up. The Trustee is required by law to provide you with this information – it does not mean that there is any intention of winding up the Scheme.

If the Scheme had been wound up on 31 December 2024, the Scheme's assets would cover 99% of the expected cost. As the Scheme has insurance policies to cover all members' benefits, this shortfall relates to the expenses that would be incurred by the Scheme if it had to wind-up.

Payments to the Bank

There have not been any payments to employers from the Scheme's assets since we sent you the previous Summary Funding Statement (the Trustee is required by law to provide you with this information).

The Pensions Regulator's powers

The Pensions Regulator can change the Scheme, give directions about working out liabilities or impose a schedule of contributions to be paid to the Scheme. The Trustee is pleased to say that the Pensions Regulator has not needed to use its powers in this way for the Scheme.

Where can I obtain more information?

If you have any other questions, or would like any more information, please contact the Secretary using the contact details at the back of Member Reports, or on the website at:

<https://danskebank.co.uk/northern-bank-pension-scheme/contact-details>