

Northern Bank Pension Scheme

Summary Funding Statement (as at 31 December 2020) from the Scheme's Trustee

As a member entitled to benefits from the Northern Bank Pension Scheme ("the Scheme"), we are writing to give you an update of the Scheme's funding position. 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

The last annual update of the Scheme was carried out on 31 December 2019, and this summary funding statement gives you an update of the Scheme's progress to 31 December 2020 (subsequent developments are not reflected in the figures). This showed that the funding position of the Scheme at 31 December 2020 was as follows:

Scheme assets	£1,568m
Assets needed to provide benefits	£1,476m
Surplus assets	£ 92m

As the Scheme was in surplus at the 2018 formal valuation, there is no requirement for any shortfall contributions to be paid by the Bank.

Change in funding position

The above figures show a funding level of 106%, which is a slight deterioration from the funding level of 107% shown in the last annual update at 31 December 2019.

UK Government Gilt yields fell over 2020, which increases the assessment of the target assets needed to provide benefits which has been partly offset by investment growth being higher than expected over the year.

The next formal funding valuation of the Scheme is due as at 31 December 2021.

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 2020, it is estimated that an additional £233 million would have been needed to ensure that all members' benefits could have been paid in full. At the previous assessment on 31 December 2019, this figure was £172 million.

Payments to the Bank

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

Northern Bank Pension Trust Limited
December 2021

Where can I obtain more information?

If you have any questions, or would like any more information, please contact:

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