

Annual summary funding statement

For the NatWest Group Pension Fund (the Fund)

The Trustee's primary objectives are to ensure that member benefits are secure and to serve members well.

We, the Trustee, review our financial health regularly. In 2024, the Trustee and bank completed an actuarial valuation for the Fund based on conditions as at 31 December 2023. We're pleased to let you know that all four Sections of the Fund remain financially strong.

Why this matters to you

The Fund needs to have enough assets to pay the benefits promised to all members. The value of **your benefits** depends broadly on how long you work/previously worked with the bank and the salary that counts towards your pension when you stop work. Monitoring the Fund's financial health means that over time we can ensure the Fund remains strong.

If you're not yet receiving a monthly income from the Fund, check the value of your benefits built up to date and what they mean for your future. Log in to your pension record at www.natwestgrouppensionfund.co.uk or, if you're a current employee, you can also log in from the [NatWest Group Benefits Hub](#) and go to My Pension.

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Results based on the actuarial valuation as at 31 December 2023

An actuarial valuation happens every three years. The Trustee also receives statutory updates from the Scheme Actuary every year, plus informal updates throughout the year.

During 2024, the Trustee completed the actuarial valuation based on conditions at 31 December 2023. The results shown below are based on the ‘technical provisions’ assumptions agreed between the Trustee and the bank as part of the valuation.

The Valuation Reports can be found on the Help & guidance section of the Fund website at www.natwestgrouppensionfund.co.uk.

➤ Unsure which Section you’re in?

Log in to your pension record at www.natwestgrouppensionfund.co.uk, or if you’re a current employee, you can log in from the [NatWest Group Benefits Hub](#) and go to My Pension. Once you have logged in, go to Useful documents > Fund information to see your Schedule information and Schedule factsheets.

1 Main Section

Funding level 115%

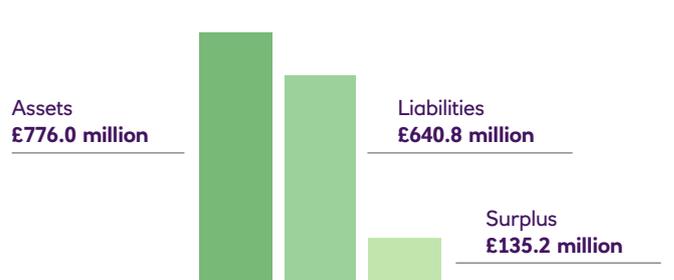


This compares to a funding level of

- 112% at our last annual update (31 December 2022)
- 104% at the last full actuarial valuation (31 December 2020)

2 AA Section

Funding level 121%



This compares to a funding level of

- 120% at our last annual update (31 December 2022)
- 108% at the last full actuarial valuation (31 December 2020)

3 NatWest Markets Section

Funding level 129%



This compares to a funding level of

- 118% at our last annual update (31 December 2022)
- 111% at the last full actuarial valuation (31 December 2020)

4 RBS International Section

Funding level 127%



This compares to a funding level of

- 116% at our last annual update (31 December 2022)
- 109% at the last full actuarial valuation (31 December 2020)

All four Sections are well funded, as shown by the continued healthy funding levels, and a value of assets which exceeds the value of liabilities. The improvement in funding levels was due to positive investment performance and updates to the assumptions that were made as part of the actuarial valuation.

Contributions to the Fund

As all four Sections have a surplus, no **deficit contributions** were required as part of the 31 December 2023 valuation.

The bank will continue to pay **expense contributions** to meet the other running costs, such as administration, professional and investment fees, for all four sections.

The AA Section has no active members. The other Sections have active members who continue to accrue benefits.

Ongoing contributions met by the bank will be:

The next valuation

The next actuarial valuation of all four sections is expected to be as at 31 December 2026.

Main Section

- The employer continued to pay 47.2% of Contribution Salary for each active member to 31 December 2024.
- From 1 January 2025 until 31 March 2028, employer contributions are suspended in light of the strong funding level. This will be reviewed again as part of the next actuarial valuation.

NatWest Markets Section

- The employer continued to pay 44.9% of Contribution Salary for each active member to 31 December 2024.
- From 1 January 2025 until 31 December 2026, employer contributions are suspended in light of the strong funding level. The Trustee and bank have agreed that contributions will restart automatically from 1 January 2027, unless the Trustee has secured the liabilities with a buy-in before that date.

RBS International Section

- The employer continued to pay 49.5% of Contribution Salary for each active member to 31 December 2024.
- From 1 January 2025 until 31 December 2026, employer contributions are suspended in light of the strong funding level. The Trustee and bank have agreed that contributions will restart automatically from 1 January 2027, unless the Trustee has secured the liabilities with a buy-in before that date.

Funding level

The funding level is the difference between the assets held by the Fund and the liabilities. The liabilities are an estimate of how much is needed to pay the benefits promised to all members. At each valuation, the Scheme Actuary calculates the liabilities using a set of updated assumptions for things like life expectancies and future investment returns. The Trustee monitors the health of the Fund closely and reviews this quarterly.

➤ Why does the funding level matter to me?

The better the funding position, the more secure member benefits are. Together, the bank and Trustee are committed to ensuring the Fund is fully funded over time and work together to agree any funding arrangements after every full actuarial valuation.

More about liabilities

The liability values shown are on a 'technical provisions' basis. This represents the amount of money required to meet all the benefits which have been promised to members and uses a cautious set of assumptions for future investment returns, life expectancies, and other variables which affect the liabilities. The valuation reports produced by the Scheme Actuary provide more information about the valuation of each section of the Fund.

➤ Why do liabilities matter to me?

You have promised benefits from the Fund which are taken into account when calculating the Fund's liabilities.

Reminder: to see the value of **your** benefits in the Fund now and what they mean for **your** future, log in to your pension record at www.natwestgrouppensionfund.co.uk or if you're a current employee, you can also log in from the **NatWest Group Benefits Hub**. **If you have not yet taken your benefits**, you can see the value of what you have built up so far by logging in and clicking the **'My Pension'** drop down, before selecting which pension account(s) value you would like to view. **If you have taken your benefits**, then your payslips and pension increase letters can be found under the **'My Pension'** drop down too.

Other developments during 2024

With the strong funding position, the Trustee is able to look at other ways to improve security of member benefits for the long term. The Trustee has begun to use 'buy-ins' as part of its broader investment strategy.

➤ What is a buy-in?

A buy-in is a scheme investment where an insurer pays the scheme an income that matches the benefits the scheme pays to its members. This gives the scheme additional protection against future demographic risk and investment risk, and thereby allows a scheme to further improve the security of member benefits.

During 2024, the Trustee completed two buy-ins which together cover about one third of the liabilities of the Main Section. A buy-in was also completed for the AA Section in 2023.

➤ Does this affect me?

Members already benefit from the Fund being in a healthy financial position, however, these buy-in policies provide an added level of security by further protecting the Fund against future demographic and investment risks. The buy-in policies are held alongside other Fund investments as part of the wider investment strategy. There is no change to member benefits. The Trustee remains responsible for paying member benefits with the scheme administrator (WTW) continuing to run the member services for the Trustee. The employer (NatWest) continues to be responsible for supporting the Fund, should the need arise in future.

Your questions answered

➤ What if the Fund closes ('winds up')?

The law requires us to provide information on the Fund's financial position in the event of a 'wind up' – where a pension arrangement closes. In this unlikely event, no further benefits are built up by active members.

- The Fund's assets would be used to buy the equivalent benefits from an insurance company.
- At the date of the last actuarial valuation, the assets would have been enough to secure the proportion of benefits, as set out in the table below, with an insurance company.
- These percentages are lower than the funding levels shown on page 2. This is because insurance companies add on administration charges and profit margin.

The funding position on a wind up basis is calculated at each actuarial valuation, the last being as at 31 December 2023.

Please note, that there are no plans to close or 'wind up' the Fund; we have to provide you with this information.

Main Section	AA Section	NatWest Markets Section	RBS International Section
Actuarial valuation date 31 December 2023	Actuarial valuation date 31 December 2023	Actuarial valuation date 31 December 2023	Actuarial valuation date 31 December 2023
Funding level using winding up (solvency) assumptions 99%	Funding level using winding up (solvency) assumptions 118%	Funding level using winding up (solvency) assumptions 102%	Funding level using winding up (solvency) assumptions 104%
with a shortfall of £257.0 million	with a surplus of £124.0 million	with a surplus of £3.4 million	with a surplus of £2.2 million

➤ What is the Pension Protection Fund (PPF) and how would it be involved in my benefits?

The PPF acts as a safety net and provides compensation to pension scheme members where a scheme is wound up (closed) because the sponsoring employer becomes insolvent and there is not enough money to cover the cost of securing members' benefits with an insurance company.

The PPF does not provide full protection, so in most cases members would see a reduction in their benefits.

➤ Has the Fund paid money to the bank?

There have been no payments from the Fund to the bank over the year.

➤ When does The Pensions Regulator intervene?

In certain circumstances, The Pensions Regulator has powers to intervene in the running of a pension arrangement – for example, changing the way future benefits build up, setting the level of the funding target, setting the terms of any possible recovery plan, and/or imposing a schedule of contributions. The Pensions Regulator has not used any of these powers in relation to any Section of the Fund.

Where to find out more

Explore more information about the health of the Fund by going to our website natwestgrouppensionfund.co.uk and selecting Useful documents. Here you'll find:

- 1 More details in the [valuation reports](#) for each section.
- 2 The Fund's income and expenditure for the latest year in the [Annual Report and Accounts](#).
- 3 The Trustee's investment policies in the [Statement of Investment Principles](#).
- 4 The Trustee's approach to assessing, monitoring and mitigating climate-related risks in their [TCFD report](#).