

Ulster Bank Pension Scheme

Statement of Funding Principles

Reference date: 27 March 2026

This statement has been prepared by the Trustee (Ulster Bank Pension Trustees Limited) of the Ulster Bank Pension Scheme ('the Scheme') to record its objectives and policies in relation to the funding of the Scheme and to satisfy the requirements of Article 202 of the Pensions (Northern Ireland) Order 2005.

The statement covers the Scheme's statutory funding objective, the principles used in determining that objective, and the policy for securing that it is met. It contains other information required under the Order and has been prepared in relation to the formal valuation of the Scheme as at 31 December 2024.

The statement has been prepared with the agreement of National Westminster Bank plc ('the Bank') as the principal employer to the Scheme and after obtaining the advice of the Scheme Actuary, Nicola MacKay.

Statutory Funding Objective

The statement sets out the Trustee's policy for securing the statutory funding objective, namely that the Scheme must have sufficient and appropriate assets to meet the expected cost of providing members' past service benefits, which we refer to as technical provisions.

Funding Method and Assumptions

The method used to calculate the technical provisions is the projected unit method with a five-year control period. Legislation requires the Trustee to select assumptions prudently. The following framework is used:

- The discount rate will be based on a Gilt yield curve, plus a margin based on the best estimate return that the Scheme's assets are expected to achieve, less an appropriate margin for prudence.
- Price inflation will be based on a Gilt yield implied inflation curve.
- The assumptions for mortality will use base tables which reflects an up-to-date analysis of pooled data from occupational pension schemes, with prudent projections of how that experience is likely to evolve.
- Other assumptions will be set to reflect a best estimate of future experience.

The technical details of the assumptions used to calculate the technical provisions at this valuation date are set out in the appendix.

Discretionary Benefits

There will be no advance provision for future discretionary pension increases when calculating the technical provisions.

Recovery Plan

If there is a failure to meet the statutory funding objective, the Trustee will negotiate a recovery plan with the Bank. The intention is that the statutory funding objective should be reached as quickly as the

Bank can reasonably afford from the date of the valuation through the payment of additional Bank contributions.

In determining the length of the recovery period at any particular valuation the following factors will be taken into account:

- The size of the funding shortfall;
- The risk that the value of the Scheme's assets may deteriorate further against the technical provisions and the solvency liabilities of the Scheme;
- The business plans of the Bank;
- The Trustee's assessment of the financial covenant of the Bank;
- The investment return that may be expected (allowing for any agreed margin of prudence) for the Scheme's assets over the recovery period;
- Any contingent security offered by the Bank.

The assumptions adopted for determining a recovery plan (if required) are as for determining the Scheme's technical provisions, or such other assumptions as agreed between the Trustee and the Bank.

At the 31 December 2024 valuation the Scheme was in surplus on the technical provisions basis, therefore a Recovery Plan was not required at this valuation.

Payments to the Scheme

Future contributions – in determining the future cost of pensionable service accrual the same assumptions will be adopted as those used for calculating the technical provisions.

Expenses – the Bank will pay to the Scheme additional contributions to fund the expenses met directly by the Scheme. PPF/tPR levies will be met directly by the Bank in addition.

Other contributions – where required, the Bank and Members shall pay such other amounts as are agreed from time to time between the Trustee and the Bank.

Other parties – there are no current arrangements for persons other than the Bank, other participating employers and active members to make payments to the Scheme.

Payments from the Scheme

The Scheme's assets may be used to meet benefit payments to members and their beneficiaries and to pay Scheme expenses. Both the Scheme Rules and pensions legislation limit the circumstances in which any surplus may be transferred to the Bank. Under the Trust Deed a payment may be made to the Bank following the wind up of the Scheme.

Transfer Values

Members may elect to leave the Scheme and take a transfer value to another pension arrangement. The transfer value is required by legislation to represent the 'cash equivalent' value of the benefits being transferred. Current legislation permits the Trustee to reduce the transfer value to a level below the full 'cash equivalent' when the Scheme is underfunded. The Trustee currently does not reduce transfer values to a level below the full 'cash equivalent'.

Frequency of valuations and circumstances for extra valuations

An actuarial valuation will, in normal circumstances, be carried out as at 31 December at three yearly intervals. A short form actuarial report, using approximations, will be obtained as at 31 December in each year in which a full valuation is not obtained. The Trustee will seek advice from the Scheme Actuary as to whether to obtain an out-of-cycle actuarial valuation should they believe that events have made it unsafe to continue to rely on the results of a previous valuation as the basis for the current level of contributions.

The Trustee may wish to consider doing so:

- Following a request from the Bank;
- If there is a significant fall in the value of the assets;
- If there is any event which might have a significant effect upon the Bank's covenant; or
- If there is a significant change in the membership for any reason.


The Trustee will consult the Bank before requesting such an investigation.

Review of this Statement


The Trustee will prepare a new statement of funding principles no later than 15 months after the effective date of each future actuarial valuation.

Date of Statement of Funding Principles (for reference purposes): 27 March 2026

Signed on behalf of National Westminster Bank plc

Signature 
Mark Chadwick (Mar 30, 2026 08:09:12 GMT+1)
 Print name Mark Chadwick
 Position Head of Pensions
 Date 03/30/2026

Signed on behalf of the Trustee of the Ulster Bank Pension Scheme

Signature 
 Print name Michael McKavanagh
 Date 03/27/2026

Appendix: Actuarial Assumptions used as at 31 December 2024

The key assumptions agreed between the Trustee and Bank for this valuation are as set out below. These assumptions will be subject to review at future valuations.

Assumption	Description		
Discount rate	WTW gilt curve plus 0.4% p.a.		
Inflation (RPI)	WTW gilt implied inflation curve.		
Inflation (CPI)	RPI inflation less 1.0% p.a. until February 2030 and less 0.1% p.a. thereafter.		
Pension increases	Fixed increases as defined in the Trust Deed and Rules of the Scheme. Inflation-linked increases derived from the relevant RPI/CPI inflation curve, with an adjustment for caps and floors made using the Black model with a 1.5% p.a. volatility assumption.		
Salary increases	RBSelect “contract” members: their Pensionable Salary increases are the lowest of CPI inflation, 2% p.a. and the members actual salary increase. Assumed increases are CPI, capped at 2% p.a. Non RBSelect “non-contract” members: RPI plus 1% p.a. with a promotional scale.		
Promotional Salary scale (non-contract members)	% Annual Increase		
	Age	Men	Women
	45	2.2	1.5
	50	2.2	1.5
	55	0.0	0.0
Deferred revaluation	As cumulative caps on pension increases are applied in deferment, the RPI and CPI curves are applied without any adjustment.		
Mortality base table	Males: 101% of S4NMA Females: 107% of S4NFA		
Future improvements	CMI 2024 projections model with a long-term rate of 1.5% p.a. and initial addition of 0.5% p.a., otherwise core default parameters.		
Withdrawal rates	Allowance for active members to withdraw at 6% p.a. at all ages.		
Retirements	Allowance for members to retire at the earliest age that benefits may be taken unreduced. Allowance has been made for members to retire through ill-health with rates of ill-health retirement varying by age. No allowance for special early retirement terms on redundancy.		
Ill health retirement rates	Ill health retirement rates (per 1,000)		
	Age	Men	Women
	35	0.15	0.25
	40	0.20	0.60
	45	0.55	1.35
	50	1.35	3.20
	55	3.20	7.50
	60	7.50	12.50

Commutation	Members are assumed to exchange 22% of their pension for cash at retirement on the current terms.
Proportion married	85% of male members and 70% of female members are assumed to be married (or have an adult dependant).
Spouse age	Male members are assumed to be 3 years older than their dependants. Female members are assumed to be 1 year younger than their dependants.
Expenses	No expense reserve has been included in the technical provisions.
GMP equalisation	A reserve of 0.3% of liabilities has been included in the technical provisions.











Ulster Bank - 2024 Valuation - SFP

Final Audit Report

2026-03-30

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