

CHAIR'S ANNUAL GOVERNANCE STATEMENT

Chair's Annual Governance Statement regarding the AIB Group UK Defined Contribution Scheme

This Statement has been prepared by the Trustee of the AIB Group UK Defined Contribution Scheme (the "Scheme") in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended) (the "Regulations") and supporting guidance issued by The Pensions Regulator.

This Statement covers the year ending 31 December 2024 (the "Scheme Year").

As required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018, the Trustee will publish this Statement on a publicly accessible website. The addresses for the websites are as follows:

<https://aibgb.co.uk/help-and-guidance/important-information> and [Important Information - AIB \(NI\) \(aibni.co.uk\)](https://aibni.co.uk)

The Scheme is used as a qualifying workplace pension scheme for auto-enrolment purposes.

The Scheme's Default Arrangement

The Trustee has made available a range of investment options for members, including Lifestyle and Individual fund options.

Members who join the Scheme and who do not choose an investment option are invested in the Drawdown Lifestyle fund (the "default arrangement").

When deciding on the Scheme's investment strategy, the Trustee recognises that most members do not make active investment decisions and instead invest in the default arrangement. After taking advice, the Trustee decided to make the default arrangement a lifestyle strategy. The aims and objectives of the default arrangement are as follows:

- Significant long-term growth whilst members are far from their target retirement date.
- Gradually reducing the risk taken in the investment strategy as members become close to their Normal Retirement Date (NRD) or their Target Retirement Date (TRD) which means that members' assets are automatically moved between different investment funds as they approach their target retirement date; and
- Having an asset allocation at the target retirement date that is consistent with how most members are expected to take their retirement savings.

The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the default arrangement.

Details of the objectives and the Trustee's policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' ("SIP"). The Scheme's SIP (dated June 2023) covering the default arrangement is appended to this Statement at Appendix 1. The SIP reflects the requirements set out in legislation and the Trustee obtained and considered the advice of Aon who are approved to give investment advice.

Alternative Investment Options

Alongside the default arrangement, the Trustee has also made available two other lifestyles, targeting annuity purchase (the "Annuity Lifestyle fund") and cash withdrawal (the "Cash Lifestyle fund") and a variety of individual fund options.

Review of the default arrangement

The default arrangement is reviewed every three years and was last reviewed by the Trustee during the course of Q2 2025. In addition to the triennial strategy review, the Trustee, together with its professional advisers, monitors the investment options accessed through the Scheme, including the default arrangement, on a quarterly basis. This monitoring looks at both the performance of the funds to ensure that they remain consistent with the stated aims and objectives, as well as any developments or changes at the fund managers.

The Trustee is satisfied that, based on these reviews, the default arrangement performed in line with its stated aims and objectives during the Scheme Year.

The Trustee receives a detailed Quarterly report from their investment advisers Aon that provides analysis and commentary on all the fund choices offered to members. The default strategy consists of a range of investments in Passively Managed Funds and a Diversified Growth fund.

The Scheme's Core Financial Transactions

The Regulations require the Trustee to ensure that core financial transactions are processed promptly and accurately. Core financial transactions comprise:

- Investment of contributions to the Scheme.
- Transfers of members' assets into and out of the Scheme.
- Transfers of members' assets between different investments within the Scheme.
- Payments out of the Scheme in respect of members at retirement or on leaving.

Service level agreement

The Trustee has outsourced the administration functions of the Scheme to Allied Irish Banks plc, who have appointed Aon, to administer the arrangement in accordance with the Scheme's Administration Guide. Service level agreements (SLAs) have been agreed as part of the contract between the Trustee, the Bank and Aon. The SLAs set out the agreed maximum timescales and accuracy standards for all services provided by Aon in respect of the Scheme. Aon undertakes to ensure that a minimum 95% of all calculations and payments performed by Aon, and 100% of all switches, investment and Life styling services provided by Aon, are completed within the defined SLAs.

Aon provides the Trustee with quarterly administration reports that document its performance against the SLAs. The Trustee considers these reports in detail as a regular item at its quarterly Trustee Board meetings.

Over the Scheme Year, Aon's performance against the agreed SLAs for the core financial transactions are set out in the table below:

| Quarter 2024 | Performance level |
|--------------|-------------------|
| Q1 | 99% |
| Q2 | 99% |
| Q3 | 99% |
| Q4 | 99% |

Aon has confirmed to the Trustee that it allocates the contributions paid by the Scheme's sponsoring employer, AIB Group (UK) plc (the "Bank") and the members, in respect of each member, to the respective investment funds, in accordance with robust internal processes and controls, to minimise the likelihood of errors and delays.

Aon has also confirmed to the Trustee that all contributions were paid on time and invested within the agreed SLA.

Aon has the following processes in place to ensure that the Scheme's core financial transactions are carried out promptly and accurately:

Aon receives (i) HR update reports (ii) Vendor reports (which outlines the total contribution broken down by business area) and (iii) Contribution breakdown reports from the Bank between the 27th and 28th of each month (2-3 working days after payday). The reports are used to confirm the following information:

- (i) The HR update report outlines the month's new entrants, leavers, and member data record updates.
- (ii) The Vendor report confirms the contribution amounts from the different areas of the business.
- (iii) The Contribution report gives a breakdown of each active member's employee, employer, and additional voluntary contribution.

Aon carries out the following reconciliations and processes:

- 1) The administration system is updated with the HR report data so new entrants are uploaded and able to receive contributions.
- 2) The Trustee bank account is checked to ensure the correct contributions have been received into the account. This is also checked against the Contribution report & Vendor report to ensure all monies have been received.
- 3) A file is prepared and sent to the investment manager for investment.
- 4) Once the money has been invested in each member's pension account, Aon checks this against the member records to ensure the correct amount has been invested for each member.
- 5) A Life styling report is run and checked to ensure members are at the correct stage of their lifestyle journey.

Aon provides a Contributions Management summary in their Quarterly Stewardship reports with a breakdown of the amount received, date received, and date invested.

Administration is captured as part of the Scheme's risk register and any specific risks are clearly documented. This includes details of the controls established by the Trustee and records details of any required actions. The Risk Register is reviewed regularly and updated annually with the most recent annual review undertaken at the Q1 2025 Board meeting.

Monitoring of accuracy is undertaken via the auditing of the Scheme's annual report and accounts and periodic auditing of the Scheme's membership testing.

Trustee audit

Since the Covid-19 pandemic, Aon's staff has worked remotely and therefore, the site visits undertaken by the Trustee and the Bank no longer take place. The Trustee Directors have been reassured by Aon that they have conducted over 200 audits remotely since the pandemic, plus the annual SOC1 audit. The Trustee Directors will continue to monitor this position and the Bank now issues additional questionnaires for further assurance.

The Bank, who are responsible for the administration services, hold monthly meetings with Aon and report any issues or concerns to the Trustees Directors. Two representatives from Aon attend the Trustee quarterly governance committee meetings and provide information to the committee on all aspects of their administration services.

Conclusion

There were no issues reported to or identified by the Trustee in connection to either the promptness or accuracy of core financial transactions processed during the period covered by this Statement.

No significant matters arose during the year that required further attention. Should any significant administrative concerns arise, the Trustee would work together with the Bank and representatives of Aon to ensure that the administration process is amended to minimise the likelihood of specific errors reoccurring.

The Trustee is therefore satisfied that there have been no material administration errors in relation to processing core financial transactions and that all core financial transactions have been processed promptly and accurately and that there are no issues to report in this respect.

Member-borne charges and transaction costs

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided 3 illustrations of their cumulative effect on the value of typical members' savings over time.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members and are based on a number of assumptions about the future which are set out in the appendix.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Scheme, they are not a substitute for the individual and personalised illustrations which are provided to members in their annual Benefit Statements.

In line with the aims of the regulations to use a 5-year averaging of transaction costs for reporting, we have used the data for 2020, 2021, 2022, 2023 and 2024 Scheme years provided by LGIM (the Scheme's platform provider). Costs are therefore averaged across five years, with more detail provided in the next section, Calculation of transaction costs.

For completeness, and by reference to the amended regulations, we have included in Appendix 1 the annual management charges and transaction costs for each fund within the default arrangement, and also for alternative fund options that members are able to select.

Further requirements came into effect from 6 April 2023, requiring Trustees to disclose details of any specified performance-based fees incurred on the default arrangement and to disclose the asset allocation of the Scheme's default arrangements.

Calculation of transaction costs

The prescribed method of calculating transaction costs states that the value is arrived at by comparing the price at which the transaction was executed with the price when the order entered the market. When selling into a rising market or buying into a falling market, the calculation produces a credit that may result in negative overall transaction costs (when net off from explicit costs of the trade).

Negative transaction costs represent a gain for members and should therefore not be assumed to occur when assessing costs.

The fund-level transaction costs are included in Appendix 1. Several of the Scheme's funds have produced negative transaction costs at points during the last five Scheme years. For the purposes of our calculations, we have assumed a minimum of zero on any particular fund in any Scheme year i.e. before averaging.

The requirement to provide details of transaction costs calculated in a standard way is a relatively recent one. It is therefore difficult to carry out a quantitative market comparison to provide comfort around the reasonableness of the costs disclosed by DC fund managers. That said, we view the transaction costs presented in the LGIM data as being within the range we see reported by other managers for similar funds.

Representative members

The Trustee is required to illustrate the cumulative effect of the costs and charges paid by a member on their retirement values (as a "pounds and pence figure"). The DWP guidance allows the Trustee to exercise some discretion with regards to the illustrative examples provided to show the effect of costs and charges over time.

Since 6 January 2021, fund charges have been met by members and these are included as a member borne cost alongside transaction costs in our illustrations.

We have used three example members for the DC arrangement:

- Example member 1: the youngest active member (age 18) with a retirement age of 65 and a starting fund value of £1,265
- Example member 2: a typical (average) active member (aged 43) with a retirement age of 65 and a fund value of £113,081
- Example member 3: a typical (average) deferred member (age 45) with a retirement age of 65 and a fund value of £57,439

We have taken consideration of the current age-related contribution matching structure (as set out in appendix 2) in our projections.

- Example member 1: Pays the lowest level of contributions until age 40, at which point they will pay the highest matching level up to retirement at age 65, based on a starting salary of £25,139
- Example member 2: Pays the highest level of matching contributions until retirement at age 65, based on a starting salary of £52,270
- Example member 3: no further contributions are paid.

Although not every member pays the highest possible matching level, the illustrations can be used as a reference point with regards to the costs and charges incurred on a member's total fund value.

Investment Range

In the following illustrations, we have demonstrated the effect of costs on the projected fund values for the default investment option.

We have also shown projected values for each example member in the case that they are invested in the fund within the range which attracts the lowest charges and the fund which attracts the highest charges.

Members are advised to consider both the level of costs and charges and the expected return on assets (i.e. the risk profile of the strategy) when making investment decisions and not each in isolation.

Notes to the illustrations

Each illustration, 1, 2 and 3 is shown for a different type of member invested in various investment options.

- The tables and charts below illustrate the projected fund values of the example members invested in the Flexible Lifestyle with and without member-borne charges
- For comparison purposes, we also show the projected retirement savings if the typical member were invested in the fund within the range offered by the Scheme which attracts the lowest charges – the Index-Linked Fund, and the fund which attracts the highest charges – the Total Equity Fund.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of future expected inflation.

To help you interpret these projections, for the youngest member:

For the youngest member, who is 47 years from the assumed retirement age of 65, the potential impact on their retirement fund as a result of charges is an overall net reduction of £19,030, if they remained invested in the Flexible Lifestyle Strategy.

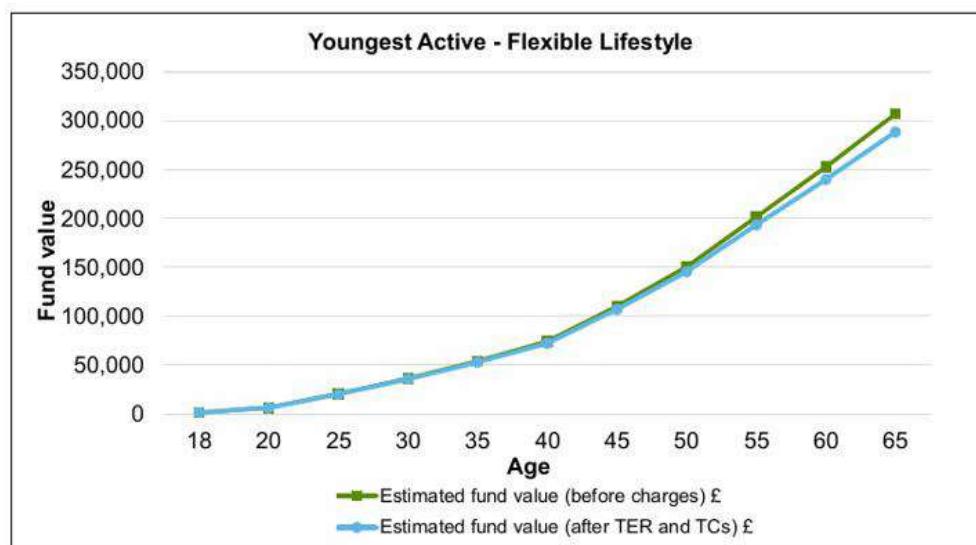
Example member 1:

The illustrations below show the estimated impact of charges on accumulated fund values for the youngest active member.

| Index-Linked Fund | | | |
|-------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 18 | 1,265 | 1,265 | 0 |
| 20 | 6,420 | 6,400 | 20 |
| 25 | 20,430 | 20,310 | 120 |
| 30 | 36,240 | 35,860 | 380 |
| 35 | 54,070 | 53,270 | 800 |
| 40 | 74,190 | 72,760 | 1,430 |
| 45 | 110,080 | 107,700 | 2,380 |
| 50 | 150,560 | 146,800 | 3,760 |
| 55 | 204,150 | 198,450 | 5,700 |
| 60 | 264,590 | 256,240 | 8,350 |
| 65 | 332,780 | 320,920 | 11,860 |

| Total Equity Fund | | | |
|-------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 18 | 1,265 | 1,265 | 0 |
| 20 | 6,560 | 6,500 | 60 |
| 25 | 21,990 | 21,310 | 680 |
| 30 | 41,100 | 38,970 | 2,130 |
| 35 | 64,800 | 60,000 | 4,800 |
| 40 | 94,180 | 85,060 | 9,120 |
| 45 | 144,450 | 128,480 | 15,970 |
| 50 | 206,760 | 180,230 | 26,530 |
| 55 | 292,320 | 250,030 | 42,290 |
| 60 | 398,380 | 333,190 | 65,190 |
| 65 | 529,860 | 432,280 | 97,580 |

| Flexible Lifestyle | | | |
|--------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 18 | 1,265 | 1,265 | 0 |
| 20 | 6,420 | 6,400 | 20 |
| 25 | 20,430 | 20,260 | 170 |
| 30 | 36,240 | 35,740 | 500 |
| 35 | 54,070 | 53,010 | 1,060 |
| 40 | 74,190 | 72,290 | 1,900 |
| 45 | 110,080 | 106,930 | 3,150 |
| 50 | 150,560 | 145,600 | 4,960 |
| 55 | 201,570 | 193,600 | 7,970 |
| 60 | 252,930 | 240,240 | 12,690 |
| 65 | 307,270 | 288,760 | 18,510 |



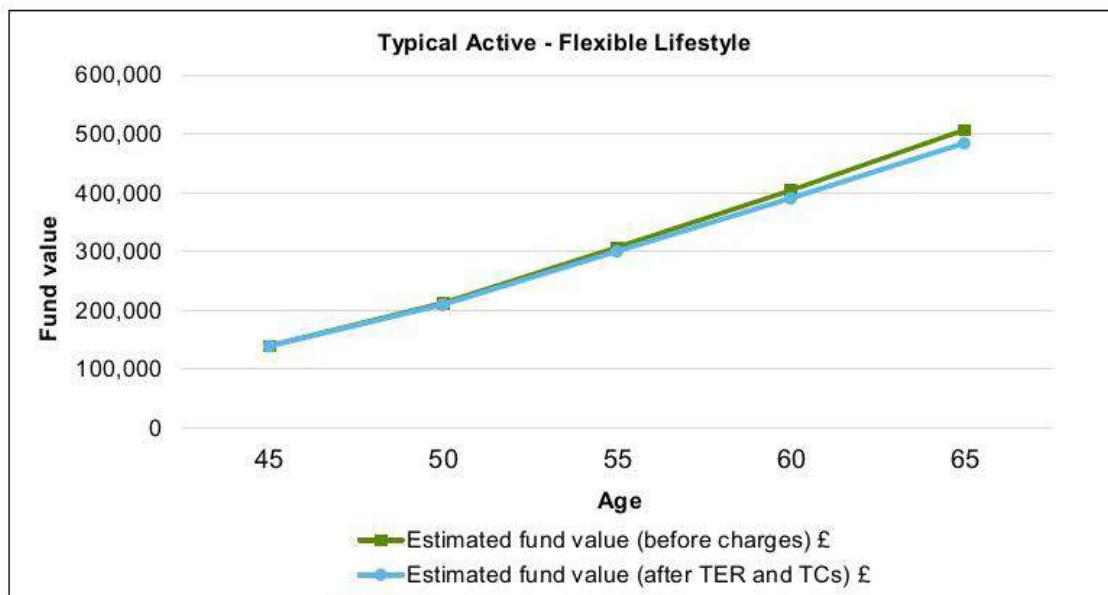
Example member 2

The illustrations below show the estimated impact of charges on accumulated fund values for the typical active member:

| Index-Linked Fund | | | |
|-------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 43 | 113,081 | 113,081 | 0 |
| 45 | 139,820 | 139,410 | 410 |
| 50 | 212,590 | 210,650 | 1,940 |
| 55 | 311,140 | 306,770 | 4,370 |
| 60 | 422,300 | 414,330 | 7,970 |
| 65 | 547,710 | 534,700 | 13,010 |

| Total Equity Fund | | | |
|-------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 43 | 113,081 | 113,081 | 0 |
| 45 | 144,790 | 142,680 | 2,110 |
| 50 | 237,080 | 226,430 | 10,650 |
| 55 | 368,760 | 343,150 | 25,610 |
| 60 | 532,000 | 482,230 | 49,770 |
| 65 | 734,360 | 647,940 | 86,420 |

| Flexible Lifestyle | | | |
|--------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 43 | 113,081 | 113,081 | 0 |
| 45 | 139,820 | 139,270 | 550 |
| 50 | 212,590 | 210,020 | 2,570 |
| 55 | 307,280 | 300,740 | 6,540 |
| 60 | 404,250 | 390,730 | 13,520 |
| 65 | 507,250 | 484,720 | 22,530 |



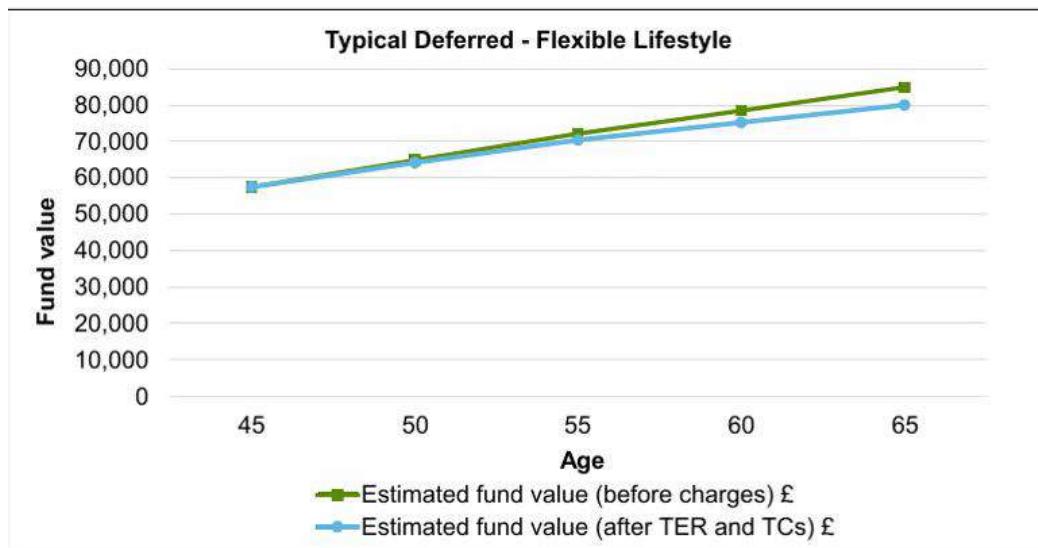
Example member 3:

The illustrations below show the estimated impact of charges on accumulated fund values for the typical deferred member:

| Index-Linked Fund | | | |
|-------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 45 | 57,439 | 57,439 | 0 |
| 50 | 64,790 | 64,280 | 510 |
| 55 | 73,090 | 71,930 | 1,160 |
| 60 | 82,450 | 80,500 | 1,950 |
| 65 | 93,010 | 90,080 | 2,930 |

| Total Equity Fund | | | |
|-------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 45 | 57,439 | 57,439 | 0 |
| 50 | 71,200 | 68,440 | 2,760 |
| 55 | 88,270 | 81,550 | 6,720 |
| 60 | 109,420 | 97,170 | 12,250 |
| 65 | 135,650 | 115,780 | 19,870 |

| Flexible Lifestyle | | | |
|--------------------|---------------------------------------|--|---------------------|
| Age | Estimated Fund value before charges £ | Estimated fund value (after charges) £ | Effect of charges £ |
| 45 | 57,439 | 57,439 | 0 |
| 50 | 64,790 | 64,110 | 680 |
| 55 | 72,120 | 70,400 | 1,720 |
| 60 | 78,450 | 75,230 | 3,220 |
| 65 | 84,890 | 80,000 | 4,890 |



Net Investment Returns

The Trustee is required to report on net investment returns for each default arrangement and for each non-default fund which members were invested in during the year. Net investment return refers to the returns on funds minus all member-borne transaction costs and charges.

The net investment returns have been prepared having regard to statutory guidance and can be found in the table below.

It is important to note that past performance is not a guarantee of future performance.

Default Arrangement –Flexible Lifestyle

| Performance to 31 December 2024 | | Annualised net returns (% p.a.) | | |
|---|--|---------------------------------|---------|---------|
| Age of member at start of investment reporting period | | 1 year | 3 years | 5 years |
| 25 | | 19.9 | 8.2 | 11.8 |
| 45 | | 19.9 | 8.2 | 11.8 |
| 55 | | 12.0 | 2.9 | 5.7 |

Self-Select Funds

| Performance to 31 December 2024 | | Annualised net returns (% p.a.) | | |
|---------------------------------|--|---------------------------------|---------|---------|
| Fund name | | 1 year | 3 years | 5 years |
| Default Fund Components | | | | |
| AIB Passive Global Equity Fund | | 19.9 | 8.2 | 11.8 |
| AIB Diversified Growth Fund | | 5.6 | 1.3 | 3.3 |
| AIB Corporate Bond Fund | | 1.7 | -3.2 | -1.1 |
| AIB Index - Linked Bond Fund | | -8.4 | -15.1 | -6.7 |
| Non-Default Funds | | | | |
| AIB Total Equity Fund | | 14.4 | 4.2 | 10.6 |
| AIB Passive UK Equity Fund | | 9.4 | 5.8 | 4.8 |
| AIB ESG Global Equity Fund* | | 20.2 | N/A | N/A |
| AIB Passively Managed Fund | | 13.6 | 4.8 | 8.3 |
| AIB Bond Fund | | -4.1 | -9.9 | -5.1 |
| AIB Cash Fund | | 5.3 | 3.7 | 2.3 |

*The AIB ESG Global Equity Fund was launched on 22 June 2023, and therefore only 1 year returns are available.

Specified performance based-fees

Where a fee is calculated by reference to the returns from investments held by the Scheme and is not calculated by reference to the value of the member's rights under the Scheme, the Trustees must state the amount of any such performance-based fees in relation to each default arrangement.

During the Scheme Year there were no performance-based fees applied to any of the funds within the default arrangement.

Default arrangement asset allocation

The Trustee is required to disclose the full asset allocation of investments for each default arrangement. The table below shows the percentage of assets allocated in the default arrangement to specified asset classes over the year to 31 December 2024.

| Asset class | Average asset allocation over year to 31 December 2024 (%) | | | |
|------------------------|--|--------------|--------------|------|
| | 25 years old | 45 years old | 55 years old | NRA |
| Cash | 2.2 | 2.2 | 3.8 | 3.2 |
| Bonds | 0.1 | 0.1 | 24.2 | 49.3 |
| Listed equities | 97.7 | 97.7 | 71.2 | 46.7 |
| Private equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Infrastructure | 0.0 | 0.0 | 0.0 | 0.0 |
| Property | 0.0 | 0.0 | 0.0 | 0.0 |
| Private debt | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.8 | 0.8 |

Appendices

Charges

The requirement for fund managers to calculate and disclose transaction costs using a method prescribed by the Financial Conduct Authority was introduced on 3 January 2018. Fund managers calculate transaction costs at fund-level not scheme-level therefore we have requested (and provided) details of transaction costs for the 2020, 2021, 2022, 2023 and 2024 Scheme years from LGIM, the Scheme's platform provider.

Where transaction costs have been calculated as a negative cost, these have been set to zero by the Trustee.

| Fund | TER (%) | Transaction costs over period | | | | |
|--------------------------------|---------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | 1 January 2024 to 31 December 2024 | 1 January 2023 to 31 December 2023 | 1 January 2022 to 31 December 2022 | 1 January 2021 to 31 December 2021 | 1 January 2020 to 31 December 2020 |
| LGIM AIB Total Equity | 0.81% | 0.0268% | 0.0384% | 0.0177% | 0.0551% | 0.0323% |
| LGIM AIB Diversified Growth | 0.73% | 0.4039% | 0.4101% | 0.3933% | 0.3933% | 0.0806% |
| LGIM AIB Passive Global Equity | 0.17% | 0.0405% | 0.0000% | 0.1246% | 0.0128% | 0.0395% |
| LGIM AIB Bond | 0.15% | 0.0000% | 0.0000% | 0.0799% | 0.0000% | 0.0251% |
| LGIM AIB Cash | 0.11% | 0.0000% | 0.0000% | 0.0574% | 0.0000% | 0.0000% |
| LGIM AIB Passively Managed | 0.14% | 0.0242% | 0.0163% | 0.0848% | 0.0000% | 0.0051% |
| LGIM AIB Index-Linked Bond | 0.09% | 0.0430% | 0.0355% | 0.1806% | 0.0367% | 0.0926% |
| LGIM AIB Passive UK Equity | 0.18% | 0.0160% | 0.0000% | 0.0376% | 0.0179% | 0.0000% |
| LGIM AIB Corporate Bond | 0.13% | 0.0119% | 0.0000% | 0.0000% | 0.0000% | 0.0000% |
| LGIM AIB ESG Global Equity* | 0.23% | 0.0059% | 0.0000% | - | - | - |

*LGIM AIB ESG Global Equity was added to the platform during the 2024 scheme year, therefore transaction costs for the previous years are not available.

Assumptions

The projections used in this analysis are deterministic i.e. one future condition is modelled for in the projection.

The assumptions set out below relate to the illustrations of the impact of costs and charges on member's cumulative estimated fund values, for the Chair's Statement dated 31 December 2024.

The Trustee have relied on the Investment Return Assumptions calculated by Mercer for use in the annual benefits statements.

| Fund | Return Assumption |
|--------------------------------|-------------------|
| LGIM AIB Total Equity | 7.00% |
| LGIM AIB Diversified Growth | 3.00% |
| LGIM AIB Passive Global Equity | 5.00% |
| LGIM AIB Bond | 5.00% |
| LGIM AIB Cash | 1.00% |
| LGIM AIB Passively Managed | 5.00% |
| LGIM AIB Index-Linked Bond | 5.00% |
| LGIM AIB Passive UK Equity | 5.00% |
| LGIM AIB Corporate Bond | 3.00% |

Inflation is assumed to be 2.50% each year

Contributions

The contribution rates provided in the data are based on the contribution structure in place before April 2020, shown below. For the purpose of the fund projections, we have assumed:

- The youngest member will contribute the lowest level of contributions until age 40, from which point they will pay the highest matching level up to retirement.
- The typical active member will contribute the highest level of matching contributions until retirement.
- The typical deferred member has no further contributions

| Age | Employee contribution | Employer contribution | Employer matching contribution | Maximum total contribution |
|--------------------|-----------------------|-----------------------|--------------------------------|----------------------------|
| Basic, entry Level | 0% | 10% | 0% | 10% |
| Up to 39 | 2% | 10% | 2% | 14% |
| 40 to 49 | 5% | 10% | 5% | 20% |
| 50 or over | 8% | 10% | 8% | 26% |

Lifestyle strategy

The projections for all members are based on the Scheme's current Flexible Lifestyle, with the matrix as set out in the table below. Totals may not sum to exactly 100 due to rounding.

The asset allocations are assumed to be annually rebalanced to the lifestyle strategy.

| Age | Years to retirement | | | | | | | | | | | | | | | | |
|----------------------------|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| | 15+ | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | |
| Passive Global Equity Fund | 100 % | 92% | 84% | 76% | 68% | 60% | 57% | 54% | 51% | 48% | 45% | 43% | 41% | 39% | 37% | 35% | |
| Diversified Growth Fund | 0% | 4% | 8% | 12% | 16% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | |
| Corporate Bond Fund | 0% | 3% | 6% | 9% | 12% | 15% | 17% | 18% | 20% | 21% | 23% | 23% | 24% | 24% | 25% | 25% | |
| Index-Linked Bond Fund | 0% | 1% | 2% | 3% | 4% | 5% | 7% | 8% | 10% | 11% | 13% | 14% | 16% | 17% | 19% | 20% | |

Value for Members

The Regulations require the Trustee to assess the extent to which the charges and transaction costs borne by members represent good value.

There is no legal definition of "good value" which means that determining this is subjective. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of benefits received has also been considered in its assessment.

However, the Trustee is committed to ensuring that members receive good value from the Scheme.

In terms of the benefits of membership, the Trustee has identified what they believe their members value most namely:

- The design on the default arrangement and Life styling options and range of investment options.
- Efficiency of the administrative processes.
- Quality of communications including regular Newsletters and Benefit Statements.
- Oversight and governance of the Trustee.

These benefits have been reviewed during the Scheme Year in view of any changes which have taken place since then and the following key points are noted:

- The sponsor (AIB Group (UK) plc continues to provide significant financial support to the Scheme including covering the cost of all communications with members and the underlying administration costs, as well as the insurance premium for the death in service cover.
- The Scheme's application 'Pension Hub' enables members to access their pension and communications from the Trustee through their mobile phones. The app also features push notifications that would enable the Trustee to remind members to, for example, finalise selecting contributions, review and update their personal details and issue formal communications, such as the Annual Benefit Statement.
- The Trustee opened two contribution 'windows' in December and July 2024 during which time Salary Sacrifice members could change their contribution levels. Members were encouraged to increase their contributions and to take advantage of the Bank's matching contributions. Payroll results for December and July, showed that 98 and 44 members respectively, had increased their contributions during these windows. 76% of members are making contributions to the Scheme.
- Members do incur investment transaction charges, and the following section provides information about those charges and their impact on members' retirement funds. (See Appendix 2 - Charges).

The Trustee believes for the reasons set out above, that members of the Scheme are receiving good value for the charges and costs they incur.

Trustee Board composition

The Trustee Board currently consists of four Employee Nominated Directors and two Member Nominated Directors. A quorum for a meeting of the Trustee is two thirds of the total number of Trustees and any decision of the Trustee shall require the assent of a majority of Trustee Directors.

The full Trustee Board meets at least four times each year and as part of its agenda reviews all aspects of the Scheme's operation including investment, member communications, administration, governance, and risk management. The Trustee Board also considers regulatory and legal updates applicable to the Scheme.

During 2024, the Trustee decided to combine the Communications sub-committee and Investments sub-committee. Each sub-committee has Trustee Director representation and has specific Terms of Reference, allowing them to focus on key aspects of the Scheme, manage and review their delegated risks on the Risk Register. All the sub-committees are supported by the appropriate Trustee advisers and meet at least four times each year. The Trustee's Governance structure is supported by a professional Trustee secretariat (Zedra Inside Pensions), who ensure that the Trustee remains focused on delivering long-term value to its members.

Knowledge and expertise

The current Trustee Knowledge and Understanding (TKU) process is set out below. On appointment, all Trustee Directors attend a training course provided by the Pensions and Lifetime Savings Association which provides them with the information they require to carry out their role. The two-part course covers the following topics:

- Trustee's duties, responsibilities, and powers.
- How Trustee's protect themselves against legal challenge.
- Types of advisers and advice.
- How workplace pensions are financed and how they value their assets and liabilities.
- Investment strategies.
- Accountability and communication.
- Good pension scheme governance.
- Decision making and discretions.
- Decisions about investments.
- Managing delegates and advisers.
- Trustee communications
- Internal Dispute Resolution Procedures (IDRPs) and the Pensions Ombudsman.
- Conflicts of interest.
- Maintaining a good relationship with the employer.
- Governance

All Trustee Directors are also required to complete The Pensions Regulator's trustee toolkit within six months of being appointed, so that they can demonstrate that they have acquired the necessary knowledge. All the current Trustee Directors have completed this training.

There is also an ongoing education programme for existing Trustee Directors. The Trustee Directors receive additional training in meetings, usually relevant to issues on the agenda.

The Trustee Directors are also made aware of and encouraged to attend external training courses throughout the year. One of the Trustee Directors maintains an accreditation as a Professional Trustee from the Pensions Management Institute.

The Trustee also has processes in place to identify any knowledge gaps in the Trustee Board. Firstly, the Trustee keeps a training log and attendance log which are reviewed at each Board meeting and used to identify any knowledge gaps. The Trustee also carries out a Trustee effectiveness review regularly in the form of a questionnaire in which Trustee Directors are asked to evaluate the effectiveness of the Board, its committees, and their own understanding of their role. The Trustee Directors indicate their agreement, across eight sections, with a series of statements with a scale of 1 – 5 (where 1 is strongly agree and 5 is strongly disagree). The Trustee Directors are also invited to record additional comments in each section.

Access to professional advice

The Trustee has appointed recognised and suitably qualified legal advisers, investment consultants and DC consultants who provide advice on the operation of the Scheme in accordance with the Scheme's Trust Deed and Rules and in compliance with the legislation. The appointment of the Trustee's advisers is reviewed on a three-year rolling basis.

The Trustee consults with its professional advisers as and when required for example on relevant changes to pensions legislation.

The Trustee Directors are conversant with the Trust Deed and Rules as well as other Scheme documentation, both through their overall experience in managing the Scheme as well as its review of such documentation over the Scheme Year.

Assessment

The Trustee considers that the combined knowledge of the Trustee Board, skills and understanding with the advice which is available to the Trustee from its professional advisers enables the Trustee to exercise properly its functions as Trustee of the Scheme in the following ways:

- The Trustee's advisers are present at the committee and Board meetings as appropriate, to provide advice when needed.
- The Trustee's TKU process helps to ensure good decision making in line with the Scheme Rules.
- The Trustee's TKU process helps to ensure that an effective day to day administration of the Scheme is maintained.
- The Trustee's TKU process helps to ensure that the Trustee offers an appropriate investment choice to members and that this is always maintained.
- The Trustee's TKU process helps to ensure that the Trustee Directors keep up to date with new pensions legislation and take appropriate action to incorporate changes into their procedures where appropriate.

Further information is available on request. If you do have any questions, please contact Aon, the Scheme administrator in the usual way.

Tom Hall

Tom Hall

Chair of Trustee Board

AIB Group UK Defined Contribution Scheme