

# Summary Funding Statement 2023

## KAS Bank (UK) Retirement Benefits Scheme

Dear Member

I refer to your membership of the above scheme.

The Trustees are responsible for monitoring the KAS Bank (UK) Retirement Benefits Scheme (the Scheme) and its finances. As you are entitled to benefits from the Scheme we are required to provide you with an update of the Scheme's funding position i.e. its assets and its liabilities following the completion of the formal valuation of the Scheme as at 5 April 2021 and the actuarial updates carried out as at 5 April 2022 and 5 April 2023.

### How the Scheme operates

The Scheme operates as a Defined Contribution (DC) scheme with a Defined Benefit (DB) underpin. The Scheme closed to future DC accrual with effect from 31 December 2020.

Prior to 31 December 2020, contributions were made to the Scheme by KAS BANK NV and then CACEIS Bank (the Employer), so that the Scheme can pay pensions to Scheme members when they retire.

The Trustees agreed a Schedule of Contributions with the Employer as part of the last formal valuation as at 5 April 2021. Due to the surplus shown, this required no contributions to be paid from the Employer to the Scheme and it was agreed that the expenses of administering the Scheme and statutory levies (including the Pension Protection Fund levy) would be met by the Scheme as they arise. Additional contributions may also be payable by the Employer as agreed from time to time by the Trustees and the Employer.

### What is the Scheme currently invested in?

The Trustees, with the help of their advisers and in consultation with the Employer, set the investment strategies available to members following a strategic review of objectives and other related matters.

The Trustees' policy is to offer members investments that target a particular outcome in retirement through the use of various lifestyling arrangements. As at 5 April 2023 the assets of the Scheme were broadly invested in the following proportions:

- 72% in equities;
- 19% in government and corporate bonds; and
- 9% in other assets.

The Trustees regularly review the investment strategy of the Scheme and the current Statement of Investment Principles can be found here: [www.kasukpensionscheme.co.uk](http://www.kasukpensionscheme.co.uk)

### The funding valuation

The Trustees are required to carry out an actuarial valuation to ensure that the Scheme has sufficient assets to cover the DB underpin. The DC liabilities are exactly covered by the assets held. The following table shows the funding position of the Scheme at the latest valuation as at 5 April 2021 and the actuarial updates as at 5 April 2022 and 5 April 2023.

Funding results (£000s)	5 April 2021	5 April 2022	5 April 2023
DC (money purchase) assets	8,961	9,557	9,169
Amount needed to meet DB underpin	172	56	13
<b>Total liabilities</b>	<b>9,133</b>	<b>9,613</b>	<b>9,182</b>
<b>Assets (including AVCs)</b>	<b>10,012</b>	<b>10,498</b>	<b>10,009</b>
Surplus	879	885	827
<b>Funding level</b>	<b>110%</b>	<b>109%</b>	<b>109%</b>

### Change in funding position

From 5 April 2022 to 5 April 2023, although the value of the assets has reduced, the Scheme's funding level has remained relatively stable and the Scheme continues to hold a large surplus. Rising interest rates have resulted in a lower value being placed on the DB underpin liabilities. Therefore, the chance of a member's DB underpin biting is reduced. The amount of surplus has slightly reduced due to expenses being paid out of the Scheme's assets.

The Trustees will continue to monitor the funding level and will reconsider any contributions required at the next formal triennial valuation which is due as at 5 April 2024.

### The importance of employer support

The Trustees' objective is to have enough money in the Scheme to pay pensions now and in the future. However, the success of the funding plan relies on the Employer continuing to support the Scheme because the funding level can fluctuate, and if there is a funding shortfall, the Employer will usually need to put in more money.

Whilst the Scheme remains ongoing, should funding ever be temporarily below target, pensions will continue to be paid in full.

Regulations require us to confirm that the Scheme has not been subject to intervention by the Pensions Regulator under Section 231 of the Pensions Act 2004, and no payment of surplus has been made to the Employer since the last valuation.

### What would happen if the Scheme were to be wound up?

If the Scheme were to be wound up, the Employer would be required to pay enough into the Scheme to enable members' benefits to be completely secured with an insurance company.

The estimated additional amount needed on 5 April 2021 to ensure that all members' benefits could have been paid in full if the Scheme had started winding up was £96,000. This calculation assumes all benefits would be secured with an insurance company. The Trustees are required by law to provide this information. It does not imply that there is any intention of winding up the Scheme.

### **The Pension Protection Fund**

The main function of the Pension Protection Fund (PPF) is to provide protection for members in underfunded pension schemes. The PPF will provide compensation to members of eligible defined benefit pension schemes, where the company sponsoring the scheme becomes insolvent and there are insufficient assets in the pension scheme to cover the PPF level of compensation.

Although the PPF does not protect the whole of a member's benefits, it does protect a large proportion of it. For individuals that have reached their scheme's normal pension age or, irrespective of age, are either already in receipt of survivors' pension or a pension on the ground of ill health, the PPF will generally pay 100% of the current level of compensation. For the majority of people below their scheme's normal pension age the PPF will generally pay 90% level of compensation. In all cases, pension increases are restricted. For pensions in payment there are no increases for service accrued before 6 April 1997 and limited inflationary increases for service accrued after 5 April 1997.

Further information and guidance is available on the Pension Protection Fund's website at [www.ppf.co.uk](http://www.ppf.co.uk). Alternatively, you can write to the Pension Protection Fund at PO Box 254, Wymondham, NR18 8DN.

### **Thinking of leaving the Scheme?**

If you are considering leaving the Scheme, we strongly recommend you consult an independent financial adviser (IFA) before taking any action. Please use the 'Find an IFA' search on their website [www.unbiased.co.uk](http://www.unbiased.co.uk).

### **Where can I get more information?**

If you have any questions, or would like any more information, please contact our advisers at the following address:

Quantum Advisory  
St Mary's Court  
The Broadway  
Amersham  
Bucks  
HP7 0UT

Email: [kasbank@qallp.co.uk](mailto:kasbank@qallp.co.uk) Telephone: 01494 927 904

Please help us keep in touch with you by telling us if you change address – please quote your full name, date of birth and National Insurance number if known.

### **Additional documents available on request**

Statement of Investment Principles	Schedule of Contributions
Statement of Funding Principles	Annual Report & Accounts
Actuarial Valuation Report	Benefit Statement
Member Booklet	Trust Deed & Rules

If you would like a copy of any of the documents above, please contact Quantum Advisory using the details on above.

**Trustees of the KAS Bank (UK) Retirement Benefits Scheme**  
October 2023