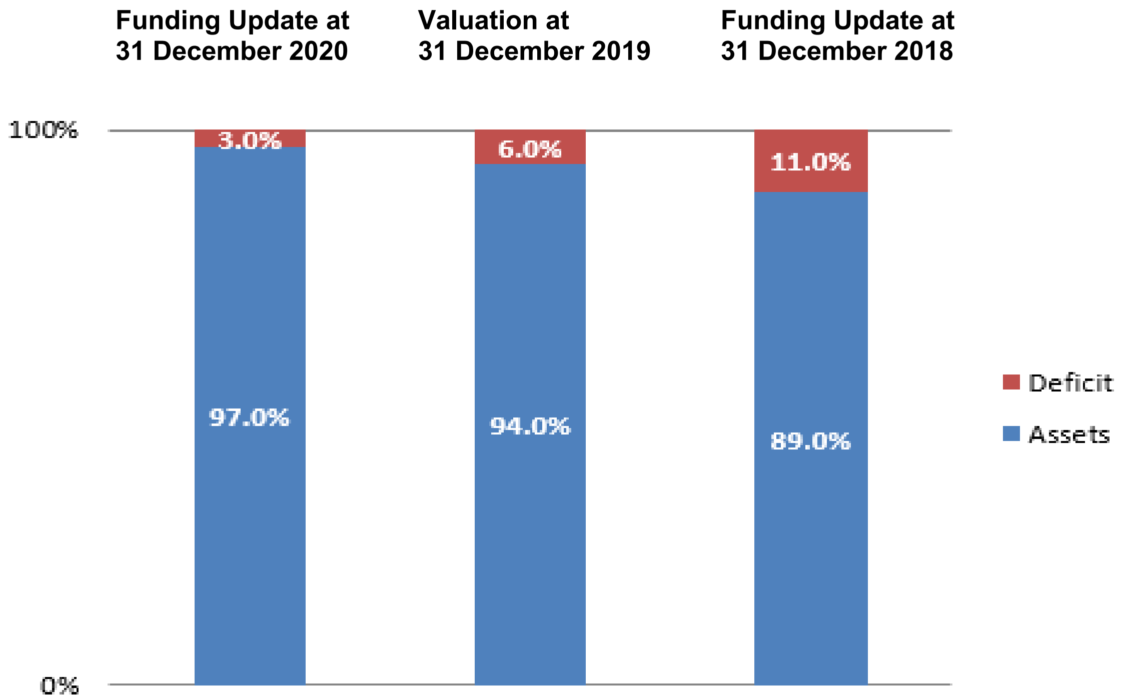
Summary Funding Statement

This statement informs you about the funding position of the Groupama UK Pension Scheme (the 'Scheme').

The funding position in brief

On 31 December 2020 the Scheme's funding level was 97%, with a deficit of £11.6 million. This is illustrated below along with the last formal valuation and previous funding update.



- A formal valuation was carried out as at 31 December 2019 at which the Trustee reviewed the assumptions used to calculate the Scheme's liabilities. This review, together with Company contributions to the Scheme and other positive experience resulted in an improvement in the funding position between 31 December 2018 and 31 December 2019.
- The funding position improved further between 31 December 2019 and 31 December 2020 mainly due to Company contributions and positive investment experience.
- Groupama Assurances Mutuelles stands behind the Scheme and will continue to pay contributions over a period to gradually correct the deficit and ensure benefits can always be paid in full.

If you have any questions, you can use the following details to contact a member of the team:

Tel: 0330 123 2312

Email: Groupama@aonconsulting.com

Address:
Groupama UK Pension Scheme
PO Box 196
Huddersfield
HD8 1EG

In more detail

	31/12/20	31/12/19	31/12/18
Assets	£352.6m	£322.0m	£300.8m
Liabilities	£364.2m	£340.8m	£337.3m
Deficit	£(11.6)m	£(18.8)m	£(36.5)m
Funding level	97%	94%	89%

You should be aware that the factors affecting the funding level are very changeable, particularly stock market performance, interest rates and life expectancy. This means that the funding level is likely to be quite volatile in the future.

The next formal valuation of the Scheme is due at 31 December 2022.

The Funding Plan

The Company will make contributions to the Scheme to correct the deficit and bring the Scheme back to full funding.

The Company has agreed to pay contributions of £5M pa from 2020 to 2023. The funding position will be re-assessed at 31 December 2022 and the Trustees will decide whether any additional contributions are required.

The Company also contributes towards the expenses of running the Scheme.

If the Scheme were to be wound up

There are different ways in which a pension scheme's liabilities and funding level can be measured.

The figures given in this statement assume that the Company continues as a going concern.

The law also requires the Trustees to consider the funding position if the Company wound up the Scheme at the valuation date (regardless of whether the Company is considering this or not).

In the wind-up situation, the Scheme would need to have sufficient assets to give to an insurance company which would then take responsibility for paying the benefits.

For a number of reasons, the main one being that an insurance company can only invest in low risk asset classes, the amount of assets needed is considerably more than required in the 'Company ongoing' situation that the Trustees assume.

Therefore, there is a much bigger deficit and lower funding level on the wind-up measure (this is also called the 'solvency level').

At the last valuation (31 December 2019), the estimated shortfall, compared to the amount that an insurance company would require to secure the benefits fully, was £131 million.

Even though the funding level is less than 100%, benefits will always be paid in full provided the Company remains as a going concern supporting the Scheme. The Company cannot wind-up the Scheme unless it pays in the full amount (£131 million at the valuation date) to enable the Trustees to secure the benefits in full with an insurance company.

In the unlikely event that the Company becomes insolvent and can no longer support the Scheme, then the Scheme may need to wind-up with benefits paid at less than the full level. However, there is a minimum level of benefits that must be paid and if the Scheme cannot meet this minimum level of benefits then the Scheme would need to enter the Pension Protection Fund (PPF) which would assume responsibility for paying this minimum level of benefits.

More information about the PPF can be found at www.ppf.co.uk

Other information we have to provide

We are required to confirm that:

- the Scheme has not made any payments to the Company; and
- the Pension Regulator has never intervened in the running of the Scheme.

More detailed information about the funding of the Scheme can be obtained by requesting the detailed report and certificates prepared by the Scheme Actuary from Aon (details above) who administer the Scheme on behalf of the Trustees.

Use of personal data

In providing actuarial services to the Trustees, including preparing this Summary Funding Statement, the Trustees, their adviser Aon Hewitt and the Scheme Actuary require access to personal data about members and their dependants. The Data Protection Act governs how the Trustees, Aon Hewitt and the Scheme Actuary use and store personal data. You can find out more information about how your personal information is used in the provision of actuarial services at www.aonhewitt.co.uk/privacy-statement. Should you have further questions regarding the processing of personal information, you should use the contact details provided at the end of this Statement. General guidance is also available from www.ico.org.uk.