

DC Governance Statement 2018

Statement of the Trustee Chairman of the National Bank of Greece 1992 Retirement and Death Benefits Scheme (the "Scheme")

for the year ending 30 April 2018

This Statement has been prepared by the Trustee in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended). It sets out how the Trustee has met the statutory defined contribution (DC) governance standards during the Scheme year ended 30 April 2018.

The Trustee continually reviews and assesses systems, processes and controls across key governance functions to determine whether these are consistent with those set out in the Pensions Regulator's:

- Code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits
- Regulatory guidance for defined contribution schemes.

Additionally, the Trustee is reviewing the new Regulations that were released in 2018 to ensure they are working towards meeting the highest standards expected of them. The Trustee is also currently assessing the DC Code of Practice standards using the Pensions Regulator's self-assessment template. The findings will be documented in the next year.

The statement sets out the key quality features that underpin both the code of practice and regulatory guidance which the Pensions Regulator considers should be present in well-governed pension schemes.

Sufficient Knowledge and Understanding

Actions taken by the Trustee to gain the appropriate knowledge and understanding required to effectively run the Scheme with good governance. The Scheme has a sole Professional Trustee. For completeness,

- The Trustee (and its Directors) meets the Pensions Regulator's Trustee Knowledge and Understanding requirements, in order to comply with sections 247 and 248 of the Pensions Act 2004 with time set aside for monitoring the Scheme governance and ensuring it is run in accordance with the Scheme rules and in line the Pensions Regulator's guidance notes. The Trustee Directors, attended relevant training courses and completed Continuous Professional Development Requirements during the year. The Trustee Directors are encouraged to identify gaps in their knowledge.
- The Trustee Directors receive regular investment training and manager presentations.
- The Trustee maintains a training register to keep a log of all training undertaken. The log is assessed from time to time to identify knowledge gaps.
- The Trustee is conversant with the Trust Deed and Rules and the powers granted to it.
- The Trustee keeps up to date with developments in the DC landscape and new guidance issued by the Pensions Regulator.

The Trustee, together with assistance from the Scheme's professional advisers, uses its combined knowledge and understanding of Pension Law, specific Scheme documentation, legal requirements and the Pensions Regulator's guidance to ensure that the Scheme is run effectively and members' benefits are paid in accordance with the Scheme rules and to carry

out the fiduciary duties required of it. This combined knowledge helps the Trustee to ensure that good Scheme governance is a priority and identify where any improvements can be made to existing procedures and processes. The Trustee's knowledge of the Scheme rules ensures that they can consider non-standard benefit request options and whether this is permissible under the current rules and whether legal opinion is required and / or a rule change needed.

Ensuring good governance helps the Trustee determine whether the Scheme is good value for money and whether members and beneficiaries are being treated fairly and seeks to safeguard the interests of all members and beneficiaries.

The Trustee is currently using the Pension Regulator's Self-assessment template – "Presence of DC code standards" to assess whether they can improve further the Scheme governance and whether better practices can be established.

Administration Standards

- The Trustee has appointed professional advisers and has delegated the day to day running of the Scheme.
- The Trustee is aware that the responsibility of the running of the Scheme remains with it and has implemented adequate internal controls, which are reviewed periodically.
- Service agreements set out the scope of work covered by professional appointments. Aegon, the appointed administrators of the Scheme, work to industry standards providing timely turnaround times for both non-financial and financial matters.
- The Trustee considers all areas of risk and specifically risks of significant impact such as fraud (including pension liberation), investment, management of costs, administration, regulatory requirements, operational procedures, communications and member understanding, corporate activity relevant to the Scheme (including employer covenant) and options at retirement.
- The Trustee identifies, evaluates, manages and monitors risk. By incorporating risks identified into a risk register they are categorised in accordance to its likelihood of occurring and the potential impact it would have if it did occur.
- The Trustee has recently reviewed its data management procedures and those of its service providers and has a post 25 May 2018 data protection policy in place.
- Any errors are resolved immediately
- All data is backed up on a nightly basis and copies are stored off site and can be fully restored in any eventuality
- Member files are contained in fire resistant cabinets
- All financial transactions are subject to annual review as part of the Trustee's Annual Report and Accounts.

In accordance with regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustee has reviewed the core financial transactions to ensure that they continue to be processed promptly and accurately. There have been no notifiable events arising during the year.

Costs and Charges borne by members

In accordance with regulation 25(1)(a) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustee is required to calculate the charges and transaction costs paid by members and assess the extent to which these charges paid by members represent good value for money.

Based on its assessment, the Trustee concluded that funds adopted remain competitive and good value for money. There is scope to develop the options available to members, and the Trustee is investigating this further.

There are no fees charged to the member for administration of their policy. All contributions made by the member and the Employer were invested with no deductions made other than the investment managers fees.

Explicit charges paid by members are the fund annual management charges. These are reflected in the daily pricing of the funds and range from 1.0% to 1.15% depending on the fund selected. The higher management charges relate to the actively managed fund. The maximum fund charge currently utilised is 1.15%.

The investment providers' annual management charges are assessed periodically and considered against other providers in the market. The allocation rate for all funds is 102% of the amount invested and there is a 5% bid offer spread.

All investment funds have "transaction costs" which are not charged directly to the investor (member). However, these charges are taken from the fund and therefore reflected in the performance of the fund and in the overall return received by the investor (member).

Different funds have different levels of transaction costs depending on the number of assets that are bought or sold within the fund. It is generally expected that the more actively a fund buys and sells assets the higher the transaction fees will be.

The funds available for investment with their Annual Management Charges (AMCs), transaction costs and their International Security Identification Numbers (ISINs) or Stock Exchange Daily Official List (SEDOL) number, where available, are as follows:

The Trustee has been notified that transaction cost information will be available after 31 December 2018 as Aegon only started to collate such information from the start of 2018. Once the Trustee is in receipt of this information, the table will be updated accordingly.

Fund	ISIN	SEDOL	AMC	Transaction Costs
Cash Fund	GB0007829228	0782922	1.00% p.a.	TBC
60/40 Cautious Managed Collective	GB0032305707	3230570	1.15% p.a.	TBC
With-Profits Endowment Fund (WPE)	N/A	N/A	1.00% p.a.	TBC
High Equity With-Profits Fund (WP2)	N/A	783389	1.00% p.a.	TBC.

Appendix A provides an illustrative example of the cumulative effects over time of charges and costs borne by members. Three separate periods of accumulation have been considered for the illustrations covering a 30 year period, a 20 year period and a 10 year period.

Default arrangement and Statement of Investment Principles

There is no default arrangement in place. The Scheme is not used as a qualifying scheme for automatic enrolment purposes.

The Scheme has not produced a Statement of Investment Principles, as under Regulation 6 of the Occupational Pension Schemes (Investment) Regulations 2005, this is not required for schemes with less than 100 members.

Communicating with members

- The Trustee endeavours to provide Scheme communication that is accurate, clear, understandable and engaging.
- The Trustee, with their advisers, carefully considers all member communications and reviews common communications periodically (such as retirement quotation packs and benefit statements). The Trustee works closely with the Scheme advisers to try to ensure member interests are understood and represented in all decision making.
- Members are regularly informed about the importance of reviewing their investment choices.
- Retirement packages are sent to members which cover all disclosure requirements, including clear details of the retirement choices available to them, how they work and details of the Government's Pension Wise service.
- Members receive an annual benefit statement.
- Ad hoc announcements are sent periodically as the Trustee deems necessary.
- The Trustee is working on providing a website facility to help members.
- The Trustee has recently issued their privacy notice covering General Data Protection Regulation requirements to all members.
- As the Scheme has a sole Professional Trustee, there were no Trustees coming to an end of their term during the year.

This Governance Statement along with its Appendix has been made publicly available by contacting the Scheme's administrator at the following address:

Aegon
Edinburgh Park
Edinburgh
EH12 9SE

Signed: Rosemary Kennell

Date: 20 November 2018

Director - Link Pension Trustees Limited

Appendix A

Illustration of Annual Management Charges and Fund Values

The following illustration projects the cumulative value of a pension fund value of £25,000.

Annual Management Charges (AMCs) are paid out to the investment fund manager for services involved with the management of the fund and the costs associated with running the fund. The level of these charges affects the final fund value.

Three different annual management charges have been used to provide a broad spectrum of projections demonstrating how a higher annual management charge may result in a lower final fund value at the end of the period.

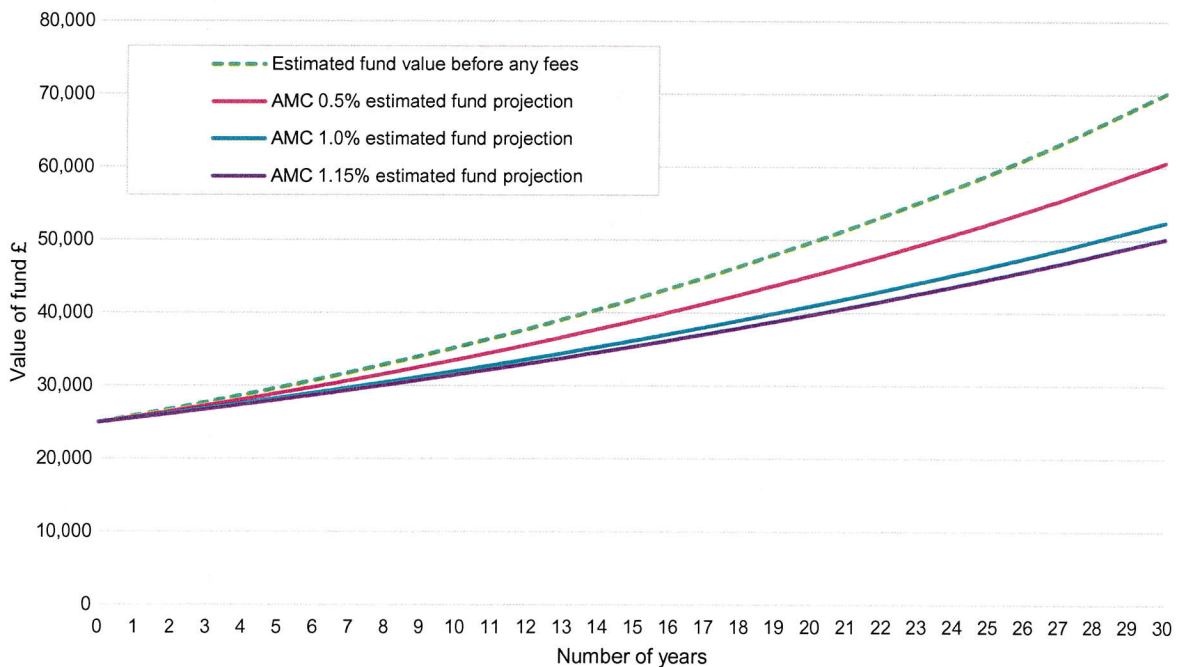
A gross investment return of 6% per annum has been assumed over all illustration periods and the annual management charges applicable for each example are deducted from this.

The illustrations have been reduced to reflect the effects of anticipated inflation over the period of projection, assumed to be 2.5% per annum.

The value of the fund based on each different Annual Management Charge is shown at three separate periods of 10 years, 20 years and 30 years.

It should be noted that these are only illustrations and actual fund values will depend on actual investment returns achieved on investments, the time under investment and the amounts invested.

Illustration of the effect of Annual Management Charges (AMC) on projected fund values



	No Charges	0.5% Charge per annum	1.0% Charge per annum	1.15% Charge per annum
Value now	£25,000	£25,000	£25,000	£25,000
Value at 10 years	£35,265	£33,598	£32,002	£31,517
Value at 20 years	£49,745	£45,153	£40,965	£39,783
Value at 30 years	£70,170	£60,682	£52,439	£50,185