



T-Mobile International UK Pension Scheme (“the Scheme”)

Summary Funding Statement for the period to 31 December 2021

The DB section's financial strength is measured by comparing the value of its assets against the target level of assets that the Trustee and the Deutsche Telekom (UK) Limited (“the Company”) expect is appropriate to hold now to meet promised pension benefits (also known as the liabilities). If the Scheme has fewer assets than liabilities, it is said to have a “deficit” and if assets are greater than liabilities, the Scheme is said to have a “surplus”.

The Scheme Actuary is required to carry out this calculation at least every three years and report on it in the Scheme's actuarial valuation. In the interim, the Trustee monitors the funding level regularly and the Scheme Actuary also prepares annual Actuarial Reports. The latest formal actuarial valuation of the Scheme was completed in June 2021 with an effective date of 31 December 2019. The latest Actuarial Report was completed in August 2022 with an effective date of 31 December 2021. The next formal actuarial valuation of the Scheme will be carried out as at 31 December 2022, and the Trustee will have 15 months to finalise this.

How has the Scheme's funding position evolved since the 31 December 2019 valuation?

The following table shows the most recent actuarial valuation results as at 31 December 2019, with the two subsequent Actuarial Reports as at 31 December 2020 and 31 December 2021. The Actuarial Reports show the estimated position at their effective date.

Valuation statement	31 December 2021	31 December 2020	31 December 2019
	£m	£m	£m
Liabilities	140	138	119
Assets	169	156	130
Surplus / (Deficit)	29	18	11
Funding level (assets ÷ liabilities)	121%	113%	109%

The above funding positions represent a ‘snapshot’ of the Scheme's finances at a point in time. The funding position will change over time as the Scheme's assets and liabilities are linked to changes in financial markets.

What were the reasons for the change in funding position?

The funding position of the Scheme has improved between the actuarial valuation as at 31 December 2019 and the latest Actuarial Report as at 31 December 2021. The position has also improved over the 12 months since to the 31 December 2021 Actuarial Report.

The key drivers of the improvement in the funding level since the last valuation in 2019 through to the 2020 Actuarial Report and further improvement through to the 31 December 2021 Actuarial Report were the same. The improvement over both years has mainly been due to investment returns being higher than assumed, and the payment of additional contributions by the Company to achieve full funding on a stronger basis than above. These two positive affects were partially offset by changes in market conditions which led to an increase in the value placed on the liabilities relative to the assets.



Payments to the Company

The Trustee must tell you if there have been any payments to the Company out of Scheme funds since the last time we reported the Scheme's funding position to you. There have not been any.

The Pensions Regulator's powers

The Pensions Regulator can change the Scheme, give directions about working out liabilities or impose a Schedule of Contributions to be paid to the Scheme. The Trustee is pleased to say that the Pensions Regulator has not needed to use its powers in this way for the Scheme.

What is the Scheme's solvency ("Buy-out") position?

The above financial assessments assume that the Scheme will continue to operate in the future. It is also a legal requirement to provide details of the position of the Scheme on the basis that it was about to be closed and 'bought-out' with an insurance company, known as "winding up". However, this does not mean that the Company is thinking of winding up the Scheme. The Company is demonstrating its long-term commitment to the funding of the Scheme through the regular additional contributions it is making, targeting to be fully funded on a higher funding target, than required by legislation.

If the Scheme had wound up on 31 December 2019, it is estimated that the Scheme's assets would have been sufficient to secure around 63% of the value of all members' benefits with an insurance company. This equates to a deficit as at 31 December 2019 on the solvency basis of around £75m. This is the "buy-out" position.

It may be, however, that the Company would not be able to pay this full amount (e.g. if the Company became insolvent) and in this case, you might not get the full amount of pension you have built up even if the Scheme was fully funded on an ongoing basis at the time. If this is the case, then the Pension Protection Fund might then be able to take over and pay some compensation to members. Further information and guidance regarding what happens if schemes are wound up is available by writing to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA, or on the Pension Protection Fund's website:

www.pensionsprotectionfund.org.uk

The estimated winding up cost assumes that benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporates the future expenses involved in administration. By contrast, our funding plan assumes that the Company will continue in business and support the Scheme.

Should I be wary of pension scams?

The Pensions Regulator, along with HM Revenue and Customs and the Financial Conduct Authority, has warned against "early release of pension" offers.

Please be alert to anyone approaching you with pension offers that appear to be suspicious and, if in doubt, seek independent financial advice.

For more information visit the Pension Regulator's website:

www.thepensionsregulator.gov.uk/pension-scams.aspx



Is my personal data safe?

The General Data Protection Regulation (GDPR), has applied since 25 May 2018 and continues to apply following the United Kingdom's exit from the European Union.

The Trustee uses your personal information to (amongst other reasons) communicate with you, record and pay benefits to you or your beneficiaries, administer the Trust, and meet regulatory or other legal obligations.

We share personal information with third parties, such as our administrators, the Company, and other suppliers who provide services (such as for IT, communication or tracing reasons). In some circumstances, we or these third parties may transfer personal information outside the United Kingdom and the European Economic Area.

When making these disclosures or transfers, we take steps to protect your personal information.

For more detailed information on how we use and disclose your personal information, the protections we apply, the legal basis for our use of your information and your data protection rights under the GDPR, please visit <https://tmipensions.co.uk/privacy-policy-gdpr>.

Where can I get more information?

If you have any other questions, or would like any more information, please do get in touch by contacting the Scheme Administrator, Barnett Waddingham.

A list of documents which provide further information is attached. If you would like us to send you a copy of any of these documents, please let us know. If you change your address please let us know (using the details above) in order that we can update our records.

Yours sincerely

Joanne Fairbairn
Chair, T-Mobile International UK Pension Trustee Limited

October 2022



Additional documents available on request

The Statement of Funding Principles

This explains how we plan to make sure enough money is paid into the Scheme to provide the benefits that members have built up.

The Statement of Investment Principles

This explains how we invest the money paid into the Scheme.

The Schedule of Contributions

This shows how much money is being paid into the Scheme by the Company and the contributing members and includes a certificate from the Actuary showing that it is sufficient.

The Annual Report and Accounts of the Scheme

This includes details of the Scheme's income and expenditure and net assets for the year ended 31 December 2021. If you require previous years' copies these are available.

The Formal Actuarial Valuation Report as at 31 December 2019

This contains details of the Actuary's detailed assessment of the Scheme's financial situation as at 31 December 2019.