

# ANNUAL REPORT 2025

pensioenfonds  
**PGB**





STICHTING PENSIOENFONDS PGB  
**2025 ANNUAL REPORT**

73rd FINANCIAL YEAR

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# Preface

We have completed yet another captivating year. A year that was primarily dedicated to further building the transition to the new pension system.

We did not do this alone, but together with our social partners, the accountability body, the supervisory board and the Pensioners' Association (VVG). And together with our employees, who've also worked very hard on this. In this way, we are working towards the new pension, with the aim of providing stability and strengthening our participants' confidence, step by step.

Which is all the more important in a world that remains restless. Geopolitical tensions, rising prices and political uncertainties also affect our stakeholders. This underscores how important it is that we are agile, communicate clearly and reach our participants and employers at the right time with relevant and understandable information.

## Customer satisfaction increased

In 2025, we therefore continued to invest in better communication, customer focus and trust. And not without results: we received a 3rd star from the Golden Ear recognition for our listening ability. Our reputation and image survey further shows that we score well above average. Participants rate us a 7.7, external stakeholders a 7.5 and employers a 7.1. We continue to strive for a score of 8 or higher and can see that we are clearly on the right track.

## We got a new chairman

As from 1 January 2026, we appointed a new chairman of the board: Hans Veltkamp. He succeeds Jochem Dijkmeester, who stepped down from his position in November 2024 to take up a position at *De Nederlandsche Bank NV* (DNB). Hans has over 30 years of experience in the world of pensions and served as chairman of the board at Pensioenfond Horeca & Catering for the past few years. We are very happy with his arrival.

In 2025, vice-chairs Hans Kamps and Ronald Heijn assumed the role of chair ad interim. Ronald stepped down effective 1 January 2026, after which board member Tim van Dijk was appointed vice-chairman. We thank all board members who have made an extra effort during this period to ensure the continuity of operations. As from April 2026, with the arrival of Jessica Matelski as board member, the board will once again consist of 7 members.

## Our financial position improved

On 16 October 2025, we decided to increase all pensions by 1.7 percent: the maximum percentage under current statutory regulations. This increase took effect on 1 January 2026 and applies to everyone who receives, accrues or holds a pension with us.

We're pleased that we were able to increase pensions for the fifth year in a row, yet at the same time understand that this is less than some participants had hoped for. Despite a financial reserve of nearly 30 percent, current laws and regulations mean that we were not allowed to increase pensions by more. That's precisely why we would like to switch to the new pension system. This system requires lower reserves, making increases possible sooner. The downside is that pensions can also be reduced sooner if the financial situation deteriorates.

## Towards the new pension together

We expect to switch to the new pension system on 1 January 2027. And that transition will have an impact. Our pension fund administers schemes for 7 mandatory sectors and 400 voluntarily affiliated companies, each with its own pension scheme. These sectors and employers are switching simultaneously. That operation requires careful preparation.

We are fully committed, so that we carry out this transition properly and carefully. Together with our social partners, our employees, the accountability body, the supervisory board and our regulators.

In 2025, we once again showed what we stand for: for all of us. We are a committed pension fund that offers stability, even, or perhaps especially, in times of change. More about this in this annual report.

Amstelveen, April 2026

The board of Pensioenfond PGB

Tim van Dijk, Edwin de Jong, Hans Kamps, Anne Kock-de Kreuk, Jessica Matelski, Frans van de Veen and Hans Veltkamp

# A brief overview





### FOR ALL OF US

Pensioenfonds PGB wants to be meaningful as an organisation that people identify with and want to feel connected to. That is why we formulated our promise 'for all of us'.

#### **For us, people come first.**

Solidarity is the basis of pensions and the basis of PGB. We guide and support our various stakeholders. We involve them in the decisions we make. And we listen to them carefully and continue to improve where necessary. Furthermore, we like to make it as personal, relevant and as easy as possible, thereby ensuring that they know that we're there for them and that they're not alone.

#### **For all of us**

By providing support, we show that we can be relied upon, and that we are there for each other.



### MISSION

#### **Pensioenfonds PGB provides financial security for the future**

We do this by administering our pension schemes in a future-proof manner, taking into account the interests of all stakeholders, and aiming for optimal added value for the premiums contributed. In this way, we ensure that our participants have an additional income in their old age, even if they become occupationally disabled. Today, tomorrow and far into the future. And that their surviving dependants are insured against the consequences of death. Our ambition is to provide affordable, modern pensions that allow participants to maintain their spending power in the long term as much as possible.

#### **Pensioenfonds PGB is more than just money**

PGB also aims to be significant in other ways, both during the accrual of pensions and in the period in which pensions are paid out. On the basis of our social tradition, we believe in not-for-profit cooperation and the power of collective savings and investment. We therefore work for benefits of scale in the interests of our participants, via managed growth and partnerships. We believe that this enables us to offer the best to both our existing and new participants, and that in this way, we contribute towards a healthy and future-proof pension system.



### VISION

#### **Many people are uncertain about their money for later**

The world is becoming more complex all the time and pensions are increasingly under pressure. PGB aims to offer a counterweight to that. We aim to eliminate anxiety and uncertainty about pensions. We do this by offering security, being comprehensible, removing abuses and by making pensions transparent.

#### **Working for innovation and managed growth**

PGB has learned to face up to challenges and to take action. We work for innovation in our services for participants and employers, pension schemes and investment policy. Furthermore, aiming for managed growth makes investments and costs easier to absorb and creates a better spread of investment risks. Since different sectors and companies can join the fund, PGB has grown into a reliable shelter in which many sectors, employers and participants can feel at home, both now and in the future.



## VALUES

### **Together**

We believe in the power of collective savings and investment and work together with our partners. We do this on the basis of the idea that we are connected to each other and want to make a positive contribution.

### **Committed**

We devote attention to our participants, employers and other social partners, their pensions and their future. We do this in the most personal way possible.

### **Authentic**

Our past reflects who we are: flexible and innovative in the interests of the participants. We move with the times, but do keep an eye on the costs in this context.

### **Clear**

We find openness important. As we do offering insight into pensions and sharing expertise.



## STRATEGY

### **The new pension**

Together with our participants, employers and sectors, we are on our way to introducing the new pension. We will take our participants through these changes by providing clear information during this transition period. We conduct and continue to conduct talks with social partners (sectors, employers and trade unions) in order to gain insight into the requirements for our service provision and products. And we support them in the implementation of their transition plans and communication with their employees. We ensure that we're ready for the new pension system timely in advance and that we're well prepared, while seizing opportunities to lower costs, reduce complexity and increase trust.

### **The new pension chain**

We are working on a new pension chain in the transition to the new pension. A new administrative system has been part of this since the beginning of 2025. This administration system already supports the existing pension schemes and will support the new schemes as well, after the transition to the new pension system. The new pension chain adds value for our customers through greater ease of use, financial insight and online services.

### **A customer-oriented organisation**

In everything we do, we put our customers at the centre, i.e. participants, employers and sectors. Extensive analysis of the various customer groups (customer segmentation) has given us better insight into their needs. Even after the switch to the new pension system, we want to distinguish ourselves even more in terms of customer focus. We are accelerating the implementation of existing and new initiatives to boost customer satisfaction.



## FOCUS POINTS

In the coming years, the board will continue to focus on the following themes:

### **A successful transition to and introduction of the new pension**

This period, we will make the transition to the new pension system together with our social partners (sectors and trade unions). We offer financial and social support by proactively involving them in this transition, so that we make the switch together. Where possible, we create a carefree environment, so that they experience us as a committed partner, now and in the years after 2027, even in this hectic period.

### **Distinctive service**

We organise our services to participants and employers differently, in line with our role as a committed, enterprising and unique pension fund. We listen to customer feedback and always look for improvement. We provide guidance and are committed, relevant and proactive. We organise our processes, both digitally and non-digitally, as clearly, simply and personally as possible.

### **Ready for the future**

In the coming years, we will focus on successfully completing the complex transition to the new pension, while maintaining our current connections. We do this together, and for all of us. This development offers us the opportunity to show our own identity even more clearly, in line with who we are as a multi-sectoral pension fund. It provides visibility and a clear, recognisable brand. We are there for entrepreneurial Netherlands and are open to further growth.

## Brief overview

### Number of participants year-end 2025



**128,186**

participants  
who receive  
pension benefits



**105,990**

participants  
who receive  
pension benefits



**225,308**

participants  
who accrued  
pension benefits  
in the past

### Employers year-end 2025



**3,907**

### Current UFR coverage ratio year-end 2025



**131.5%**

### Policy coverage ratio year-end 2025



**123.9%**

### Pension increase in 2025



**0.4%**

### Invested assets year-end 2025



**€ 34.6**  
billion

### Return on investment for 2025



**0.1%**

# Key figures for 2021-2025

At year-end and for the years 2021 to 2025.

Note: all amounts in the key figures are in Euros and rounded to the nearest million, except for the pension administration costs per member, which are rounded to the nearest Euro. Percentages are calculated based on non-rounded figures.

	2025	2024	2023	2022	2021
<b>Number of employers</b>					
Affiliated employers	3,907	4,019	4,049	4,040	4,004
<b>Number of participants</b>					
Premium-paying participants	121,452	121,855	123,079	123,062	119,740
Participants with pension entitlement on account of occupational disability	6,734	6,313	5,907	5,623	5,305
Non-contributory participants <sup>1</sup>	225,308	219,352	213,156	218,228	217,105
<b>Total</b>	<b>353,494</b>	<b>347,520</b>	<b>342,142</b>	<b>346,913</b>	<b>342,150</b>
<b>Number of pensions</b>					
Payable retirement pensions	77,591	75,078	72,231	70,141	67,792
Payable partner's pensions	27,426	27,160	26,728	26,269	25,481
Payable orphan's pensions	973	995	958	849	851
<b>Total</b>	<b>105,990</b>	<b>103,233</b>	<b>99,917</b>	<b>97,259</b>	<b>94,124</b>
<b>Pension administration</b>					
Premium contributions	1,088	1,055	1,032	985	923
Benefits	995	965	900	825	766
Pension administration costs	73	52	48	44	36
Regular pension management costs per participant	312	224	210	195	166
<b>Investments</b>					
Investments at the pension fund's risk including negative derivatives	33,820	34,302	31,580	28,537	36,568
Investments at the participants' risk including negative derivatives	747	625	420	288	311
Total value of the investment portfolio including negative derivatives	34,567	34,927	32,000	28,825	36,879
Investment income from total portfolio	-352	2,910	3,131	-9,274	2,185
Total return on investment as a %	0.1	9.4	11.7	-25.3	6.2
Z score	0.16	0.27	0.44	0.65	0.75
Performance test	2.28	1.91	1.73	1.41	1.35
Asset management costs as a % of average invested assets	0.47	0.50	0.46	0.53	0.43
<b>Changes in equity and solvency</b>					
Technical provisions at the pension fund's risk	25,717	29,495	28,120	25,253	31,621
Technical provisions at the participants' risk	740	619	464	328	312
Equity	8,342	5,023	3,588	3,393	5,380
Pension assets held	34,799	35,137	32,172	28,974	37,313
Minimum capital requirement	1,089	1,259	1,195	1,073	1,349
Capital requirement based on strategic investment portfolio	31,061	36,019	34,248	30,786	38,002
Distributable reserve (+) reserve shortfall (-) based on strategic investment portfolio	3,738	-882	-2,076	-1,812	-689
Average notional interest rate as a %	3.16	2.14	2.32	2.58	0.56
UFR coverage ratio as a %	131.5	116.7	112.5	113.2	116.8
Policy coverage ratio as a %	123.9	116.2	116.5	118.7	111.5
Realistic coverage ratio as a %	91.5	87.7	86.9	90.7	89.7
Capital requirement as a % based on actual investment portfolio	116.6	124.5	120.9	115.8	123.4
Capital requirement as a % based on strategic investment portfolio	120.2	121.7	121.4	121.6	120.0
<b>Increase in payable pensions and matured pensions as of 1 January as a %</b>					
Pension increase <sup>2</sup>	0.4	5.2	7.0	3.0	-

<sup>1</sup> Pension beneficiaries who are not yet drawing their pension are counted as part of the non-contributory participants.

<sup>2</sup> On 1 January 2026, the increase in payable and matured pensions is 1.7 percent

## 2025 in general

The year 2025 proved to be eventful for Pensioenfond's PGB. If you would like to know all about it, please read our extensive annual report. On this page, we limit ourselves to a summary of the main themes. Ideal for those who want to be informed of the main developments at our pension fund, without spending too much time reading.

1

### The new pension

On 1 July 2023, the Future Pensions Act (Wtp) came into effect. This changes the way in which Dutch people accrue their pensions. By 1 January 2028 at the latest, all pension providers must have switched to the new system. Key therein is the choice between the solidarity contribution scheme or the flexible contribution scheme.

Pensioenfond's PGB currently offers a high level of customisation and as such many different schemes and options. Although we want to continue to offer this level of flexibility, the new legislation stipulates fewer exceptions and more unity. In 2024, our affiliated sectors and employers communicated their final choices to us in a transition plan. They did this via our Wtp portal, which we developed specifically for them to provide guidance in making those choices. In 2025, we reviewed the transition plans and entered into consultation if adjustments were necessary. By collaborating in this way, with the social partners among others, we ensured that all transition plans were clear, complete and feasible.

We of course continued to keep our participants regularly informed about all upcoming changes for 2025. So that they too are kept in the loop of what is changing for them and/or in general.

We did this through webinars, digital newsletters, the PGB Beeld pension magazine and videos on our website. In case of questions, participants can also contact our Customer Service department and visit our website.

2

### Pension chain overhaul

Ensuring optimised and cost-efficient implementation of the new pension rules requires a renewed pension chain. Part of this is a new pension administration system. This system offers our customers more convenience, financial insight and online services.

Together with our system supplier Lumera, we have ensured that we are able to implement our products and controls within the new Axylife software package. We prepared the processes and organisation for the transition to this new administration system as early as in 2024. This new administration system was put into production in early 2025. It currently supports our existing pension schemes and will also support the new schemes after the transition to the new pension system.

3

### Pension increases

Over the years, we have been able to gradually increase pensions. On 1 January 2022 by 3.0 percent, on 1 January 2023 by 7.0 percent, on 1 January 2024 by 5.2 percent and on 1 January 2025 by another 0.4 percent. On 1 January 2026, there was room for another increase, this year by 1.7 percent. We are pleased that we were able to increase pensions for the fifth year in a row, by a total of 17.3 percent, although we could not fully compensate for the price increases of recent years.

This is because the percentage by which we can increase pensions depends on our financial situation. For this, we look at our average coverage ratio over the past year. That is the ratio between our assets and our liabilities. In other words: we need to have sufficient assets to keep paying the pensions, now and in the future. At the end of December 2025, the (policy) coverage ratio was 123.9 percent. According to the legal regulations, we were therefore permitted to increase pensions by a maximum of 1.7 percent with effect from 1 January 2026. When making the decision to increase, the board carefully considers the interests of all participants of Pensioenfond's PGB. An increase should benefit everyone who accrues or receives a pension with us, now and in the future.

## 4

### Sustainable investing

Pensioenfond PGB attaches great importance to investing in sustainable investment strategies. This is because sustainable investing contributes to a stable balance with fewer risks in the long term. It may not always yield a higher return in the short run, but it *does* yield a more stable return that benefits our participants in the long run. And it contributes to our ambition: ensuring a good pension in a liveable world. We are supported in this by our stakeholders: 70 percent of our participants consider sustainable investing important.

Based on the preferences of our participants, we chose three focus themes in 2023: climate, biodiversity and food. In 2025, a fourth focus theme was added: healthcare. However, in order to apply the right focus you need to have sufficient knowledge. So in 2025, we entered into a 3-year partnership with the World Wildlife Fund (WWF-NL). We are working together with WWF-NL on investment policy that takes nature and biodiversity more into account.

In 2025, we also drew up an 'escalation ladder'. In other words: what action do we take if the dialogue (engagement) with a company in which we invest yields insufficient results in terms of their sustainable behaviour. A greater and more direct influence on that behaviour is possible through so-called 'impact investments'. It is PGB's ambition to make better use of its investment opportunities. In 2025, we drew up an impact framework for this. We subsequently searched for and found a suitable asset manager for that, so we can get started with this in 2026.

As for our climate plan (which we drew up in 2022): we are ahead of schedule. Our goal was to halve our CO<sub>2</sub>e emissions by 2030. We achieved that goal in 2025. The next step is to be completely climate neutral by 2050.

(\* ) CO<sub>2</sub>e stands for CO<sub>2</sub> equivalent, see the glossary at the back for an explanation of this term.

## 5

### A customer-oriented organisation

Pensioenfond PGB aims to distinguish itself in customer focus through personal, accessible and comprehensible communication. Customer satisfaction levels among our employers and sectors are crucial in that respect. In 2025, we again took steps in this direction.

For example, our ambition is to communicate digitally as much as possible, whilst continuing to pay attention to personal contact with our participants. And so we continued working on our customer service strategy in 2025. In it, we describe, among other things, when we prefer to assist customers digitally and when we make a conscious choice to seek human interaction. The insights from perception surveys among participants and employers played an important role in shaping those strategies.

In 2025, we also established our PGB measurement centre. This measurement centre serves as a central point for collecting and analysing data on customer experience. By 2026, the measurement centre must ensure that we collect and analyse data on customer needs in conjunction with each other, thereby laying a foundation for the continuous improvement of our customer satisfaction efforts.

Improvements are also achieved based on feedback from our customers. That's why in November 2025 we again had ourselves independently assessed by Stichting Gouden Oor. This independent foundation encourages organisations to listen to customers and act on their feedback. We already had a Golden Ear recognition with 2 stars and received a 3rd star in November 2025. This shows that we listen carefully to our participants and their employers *and* that we act on that feedback.

## Outlook

Together with our participants and social partners, we are on our way to introducing the new pension. In 2025, we again took some big steps in this direction, as can be read in this annual report. Still, we aren't there yet. So what hurdles do we still need to overcome on that road before the intended transition becomes a reality? We spoke to board members Frans van de Veen and Tim van Dijk about this. Meanwhile Edwin de Jong is happy to share his view of the world of pensions after the transition.



### On our way to a new pension system

#### **When will PGB switch to the new pension system?**

**Frans:** The intended date on which we want to switch was and still is 1 January 2027. So the most important question for us this year is: what do we need to do so that we meet that date? In concrete terms: how do we ensure that we can transition everything properly and on time? And how can we optimally implement the new schemes from that date forward?



**Tim:** '2025 has been almost entirely devoted to all the necessary preparations. At the beginning of this year, we shared our intended decision with the accountability body and the supervisory board. A final decision was made on that. We submitted this to De Nederlandsche Bank NV (DNB) at the end of March 2026. We are now waiting for the 'Certificate of No Objection'. Once that comes, we can move forward.'

#### **What does that approval from DNB depend on?**

**Frans:** First and foremost, our plans must of course comply with the laws and regulations. And DNB also looks at our substantiation for maintaining balance during the transition. In other words: how will PGB *fine-tune* the distribution of reserves among the different groups of participants? And after that: how do our new schemes work? And they also check whether we are capable of implementing all that with integrity and restraint.'

**Tim:** 'And finally, they also look at how we communicate about the new pension with our stakeholders. We are doing a lot in that respect. For example, we've made quite a few videos about what the new pension system entails and what is going to change. So as the transition draws closer, communication becomes increasingly specific and personal. Two months before the transition, in November, all participants receive a letter stating very concretely: 'We expect this to be the outcome for you in the new pension system.'

#### **So you are looking forward to the transition with confidence?**

**Tim:** 'Absolutely, but that doesn't mean it's easy. It's a complex process, so that always creates some tension. It really is quite a job.'

**Frans:** 'Look, a pension transition, it's once and that's it. That applies to all pension funds in the Netherlands. No one has ever done it this way before and neither have we. And it is a non-recurrent event. So you want to do that with extreme care and precision.'

**Tim:** 'In that sense, the transition for PGB is in fact even more complicated. We do it only once, just like everyone else, but for PGB it is more complex because we have a wide variety of affiliations. And we are dealing with two new schemes: the solidarity contribution scheme and the flexible contribution scheme. In addition, the old FTK environment\* will continue to operate in our organisation as well.'

*(\*) The old FTK (Financieel Toetsingskader [Financial Assessment Framework]) refers to the rules that Dutch pension funds had to comply with before the introduction of the new Future Pensions Act (Wtp). The FTK was characterised by stricter financial requirements (such as the coverage ratio) before pensions could be increased.*

**So some PGB participants remain in the old system?**

**Frans:** 'Yes, that's right Some of them do not transfer. They remain in the FTK, so in the old system. The law *does* assume that you do in fact transition, but sometimes it's not possible. If an employer is bankrupt, for example. To make the transition, you need a request from an employer or social partner. If it isn't there, you can't transition either.'

**Tim:** 'Also, some social partners preferred to remain in the old FTK. They therefore did not submit a transition request. This concerns accrued and payable pensions in that sector.'

**Frans:** 'Just to be clear: they no longer accrue pension under the old system, because soon that will no longer be allowed. However, we can still manage the closed schemes under the old rules. And so we do.'

**Tim:** 'There will likely be more funds in the Netherlands that will not make the transition with their closed schemes. As far as I'm concerned, it would be a good idea if eventually these would all be grouped together. They're welcome at PGB, because we've been an umbrella fund for years. However, that will be *after* the transition, because that operation demands all our attention right now.'

**How do the Dutch feel about the fact that pensions are going to fluctuate more with the economy?**

**Tim:** 'Initially, people were apprehensive about the fact that pensions in the new system would fluctuate. So in response, various mechanisms have been built in to dampen the shocks as much as possible. In general, you can say that, on average, we are not taking more or less risks and that any impact is spread out.'

**Frans:** 'What we do see, however, is that pensioners in particular do not want to take much risk. That's understandable, because they want certainty when it comes to their benefits. Still, if your risk appetite is too low, your pension will increase less as well. That's something we still need to communicate more clearly, that relationship between risk and return.'

**Tim:** 'After the transition, we will therefore conduct another survey regarding our participants' risk appetite. However, as the board, we too have to assess for ourselves how much risk people can bear.'

**Frans:** 'What you want is for people to have confidence in the outcomes of this transition. That sometimes requires some extra explanation for our participants. Still, as far as we were concerned, the old system was outdated and the new system a good replacement. So we're ready to implement the new schemes in the future.'



## About scaling up in the pension sector

**Edwin, in the previous annual report you predicted increasingly further consolidation. In other words: increasing economies of scale in the pension sector. Is that still the case?**

'Yes, I still believe in that. To be able to continue managing participants' pensions properly, you need to have a certain scale. The bigger the better, actually. That trend has been visible for a few years now, but after the transition to the new pension, we will definitely see that even more strongly.'

### **Why is increasing economies of scale so important?**

'Mainly due to the increasing costs of pension administration. Which in turn is caused by, among other things, an increasing number of laws and regulations. Increasing demands are also being placed on communication regarding pensions; by the DNB, but participants themselves too want more insight and overview. In addition, data management, data security and so on have become more important. For that, you also have to make sure to keep the right people on board. Smaller funds can barely keep up with all this anymore. And if you can spread the higher costs over a larger group, the costs per participant remain much more manageable.'

### **And why does this trend continue even more strongly after the transition?**

'In the new system, everything is much more straightforward. They are all defined contribution schemes. Money comes in, is invested and goes out again in the form of benefits. The differences between funds are no longer as large as they were in the old system. That makes comparing easier. And joining forces, too.'

### **And how many pension funds do you think we will be left with then?**

'We had about 1,000 pension funds at the end of the 20th century. Consolidation has reduced that number to approximately 150. And I think there will be even fewer in a few years; no idea where it ends. But actually, the number doesn't matter. Think of it like this: you don't have to define where you want to end up, as long as you are on the right train.'

### **So PGB is open to growth, but what size is deemed optimal?**

'After the transition, we are certainly open to renewed growth. PGB has now become an umbrella fund for many different sectors. We've grown to rank among the 10 largest pension funds in the Netherlands. And as far as I'm concerned, there is no maximum in terms of size. In principle, we could administer the pension scheme for all of us. Then again, one pension fund in the Netherlands, that's not exactly healthy either. You always need competition, otherwise you get complacent.'

### **Will PGB still exist 100 years from now?**

'I think so. I'm not worried about our continuity. What I find most important is that all those people are part of a larger whole. In such a way that they can rely on a proper administration, with all the service that goes with it. And at competitive prices. Ultimately, the collective desire is that if social partners put say x percent of the salary into the pension scheme, x percent plus various returns actually end up with the people in the form of benefits. In other words, as little as possible is spent on administration, but you do have to be smart about it. We invest all premiums for an average of about 40 years for everyone. And we want it to be invested well. And we want to achieve a healthy return. It's not about PGB. It's about the people for whom we do it.'



# Pensioenfonds PGB in 2025

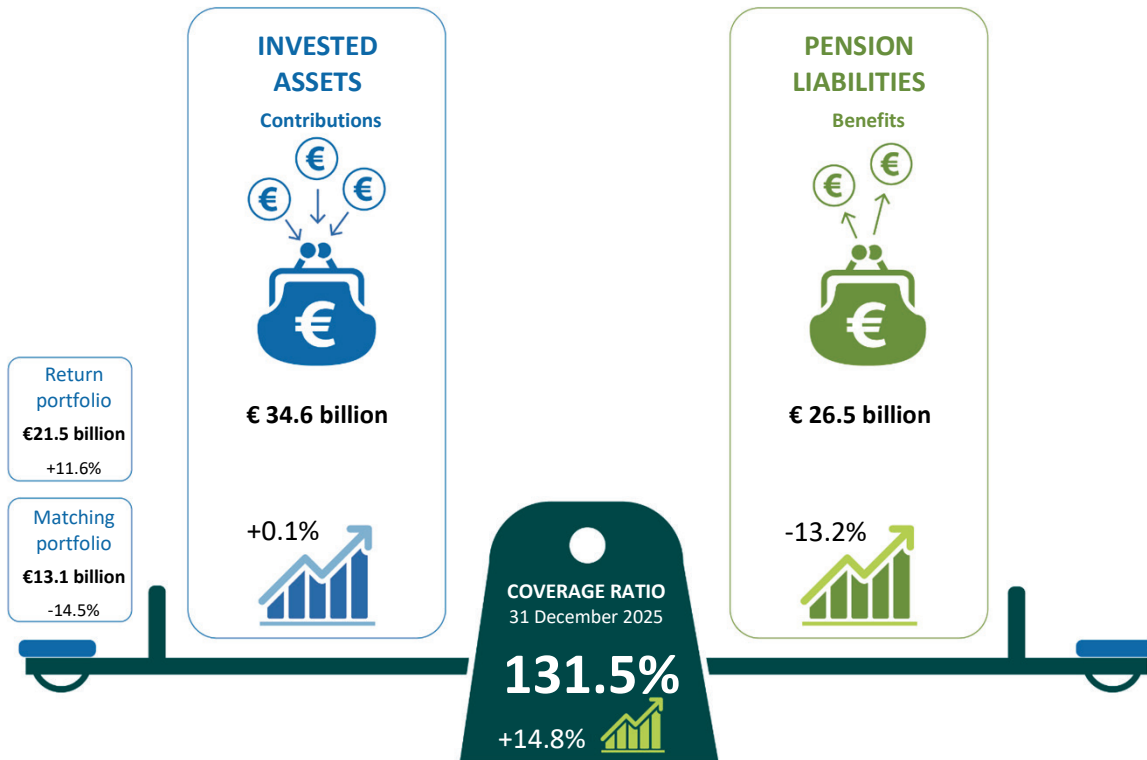


# Balance sheet and asset management

We invest pension assets to make them grow compared to our pension commitments. This allows us to offer a good pension to our participants, now and in the future. Balance sheet management is about how we align our investments with our pension commitments. Asset management is part of balance sheet management and focuses on managing and investing pension assets. In this chapter, you can read more about events and developments in 2025 in the field of balance sheet and asset management at our pension fund.

## Investment results in broad outlines

Interest rate developments meant that pension commitments fell by 13.2 percent in 2025, from EUR 30.1 billion to EUR 26.5 billion at the end of 2025. This includes the effect of the 1.7 percent increase in pensions effective 1 January 2026. The year 2025 was marked by a confluence of global turning points: increasing geopolitical fragmentation, renewed trade tensions under the new US administration and rapid adoption of artificial intelligence (AI). This created an uncertain and volatile investment climate. The investments returned a 0.1 percent yield. Invested assets remained virtually unchanged, from EUR 34.9 billion to 34.6 billion. The reduction in pension commitments, driven by rising interest rates, combined with stable assets under management, resulted in a strengthening of our financial position. The current UFR coverage ratio rose from 116.7 percent to 131.5 percent by the end of 2025.



## Investment policy developments

### Transition to the new pension system.

PGB aims to make the transition to the new pension system on 1 January 2027. In the new pension, the way we share returns and risks changes: it is becoming more personal, in the form of personal pension assets. The investment policy too is changing. The investment policy becomes dependent on the age of each participant. This is commonly referred to as 'lifecycle' investing. In 2025, we worked out how to gradually convert the current investment portfolio into a portfolio that fits this new pension system. In doing so, we take into account how many, when and in which investment categories transactions need to take place around the time of the transition. Conditions on the financial markets also have an effect on this. And right now there is a lot of uncertainty on the markets due to geopolitical tensions.

The unrest in various parts of the world and the (threat of) trade tariffs by the US government are causing uncertainty in the financial markets. That uncertainty can affect our investments. Although at the end of 2025, with a current UFR coverage ratio of 131.5 percent, we are in a strong financial position. This percentage was significantly lower at the beginning of the year. The coverage ratio is an important factor in the transition to the new pension. That's another reason why it is important to have a strong and stable financial position when we make the transition.

Fluctuations in interest rates and share prices have the greatest impact on our financial position. To protect our investment portfolio as effectively as possible against these fluctuations, we have temporarily adjusted our investment policy on these two risk sources until the transition to the new pension. So, to better absorb fluctuations in interest rates, the interest rate risk has been largely hedged. We will maintain interest rate hedging at least at the current level, or increase it if interest rates rise further. You can read more about this in the section 'Hedging policy'.

To protect ourselves against sharply falling share prices, we have purchased put options. Put options protect the investment portfolio against large declines in share prices, while we continue to benefit from increases. This protection means greater stability for our investment portfolio. That's important in this uncertain and rapidly changing world. This is how we ensure that the transition to the new pension system succeeds with greater certainty.

### Investment cases investment categories

Investment cases are strategic policy documents in which we determine whether an investment category fits PGB and the manner in which we (can) invest in it. In doing so, we take into account, among other things, the policy quadrant (return, risk, costs and sustainability), administrative considerations (such as explainability and policy continuity of the category), our investment philosophies and whether the category also fits into the future investment portfolio of the new pension.

While all investment categories in which PGB invests were evaluated in 2024, this year was dedicated to policy making. In 2025, a total of four investment cases have been established that encompass the entire investment portfolio. These are the investment cases for equities, private investments, high-quality credit and the matching portfolio.

The investment cases have led to various policy developments. The market capitalisation-weighted index has become the starting point for investing in listed equities. This means that we invest in proportion to the market value of each company, worldwide. We do this passively: we make fewer active choices regarding which companies to invest more or less in relative to the global index and keep asset management costs low. However, the integration of our Sustainable Investment Policy remains a priority. We do this, on the one hand, by not investing in companies that carry out harmful activities, such as highly polluting forms of energy production. In addition, we invest more in companies that can and want to contribute to a sustainable transition and align with our focus themes: climate, biodiversity, food and healthcare.

The private investment portfolio consists of investments in property, infrastructure, private equity and private debt. This doesn't change. In the coming years, we will continue to invest in these investment categories to build the portfolio. However, the focus of this portfolio is changing. In addition to offering a higher return than listed equities, private markets also allow for a targeted approach to impact investing. These are investments that not only generate a financial return, but also contribute to concrete solutions for our focus themes (see the section on Sustainable Investing or our 2025 Annual Report on Sustainable Investing). Such as investments in renewable energy like solar and wind (climate theme) or technological innovations that make healthcare more affordable (healthcare theme). This way, impact investments contribute to realising a good pension in a liveable world.

The matching portfolio consists of various investment instruments that move with fluctuations in interest rates, such as government bonds and interest rate swaps. In addition, we invest in high-quality credit within the matching portfolio. These are

creditworthy corporate bonds and mortgages. These investment instruments give substance to the interest rate hedging policy of the pension commitments. A major source of risk in this portfolio is swap spread risk: the risk that investments such as Euro government bonds do not move in tandem with the development of pension commitments (which are measured on the basis of Euro interest rate swaps). We have limited this risk in the investment case matching portfolio. This ensures the portfolio aligns better with the intended objective: tracking changes in the expected pension as closely as possible.

## Long-term investment policy

Our investment policy is based on the risk appetite and risk-bearing capacity of our participants as well as on our ambition to retain as much purchasing power as possible. We do this by increasing pensions, provided our financial situation allows it. The current benchmark for our financial situation is the coverage ratio.

Weighing up the opportunity of an increase and the risk of a decrease is a dynamic balancing act:

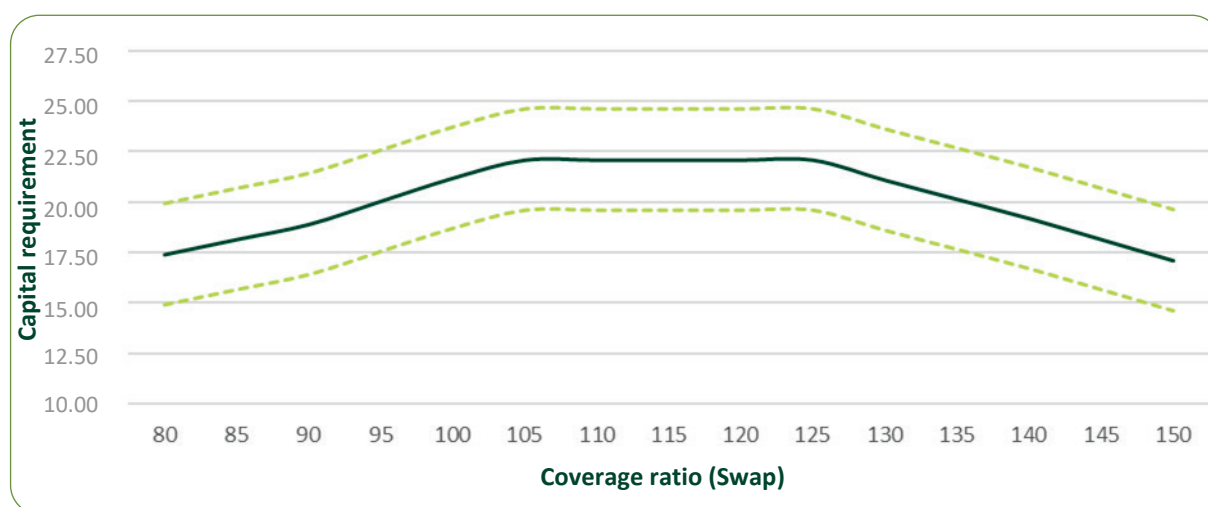
- In case of high coverage ratios, we can increase pensions in line with inflation, whilst having to take less risk to achieve our ambition of a pension with purchasing power.
- In case of low coverage ratios, there is a chance that we will have to reduce pensions. Even then, we still take less risk to limit the extent of possible reductions.
- We take more risk between low and high coverage ratios to raise the chances of an increase.

Despite the transition to the new pension, our ambition remains to achieve a pension with purchasing power. How we can achieve that ambition will change though. The investment policy for the solidarity and flexible contribution schemes is no longer based on the coverage ratio, but on the risk preference of each age group. The risk profile starts higher for younger participants and decreases to a lower risk for older participants. We distribute the returns we achieve across the age groups. Compared to the old system, we can distribute returns quicker and thus increase pensions sooner. However, in case of setbacks, pensions will also have to be reduced sooner as well.

## Risk budget

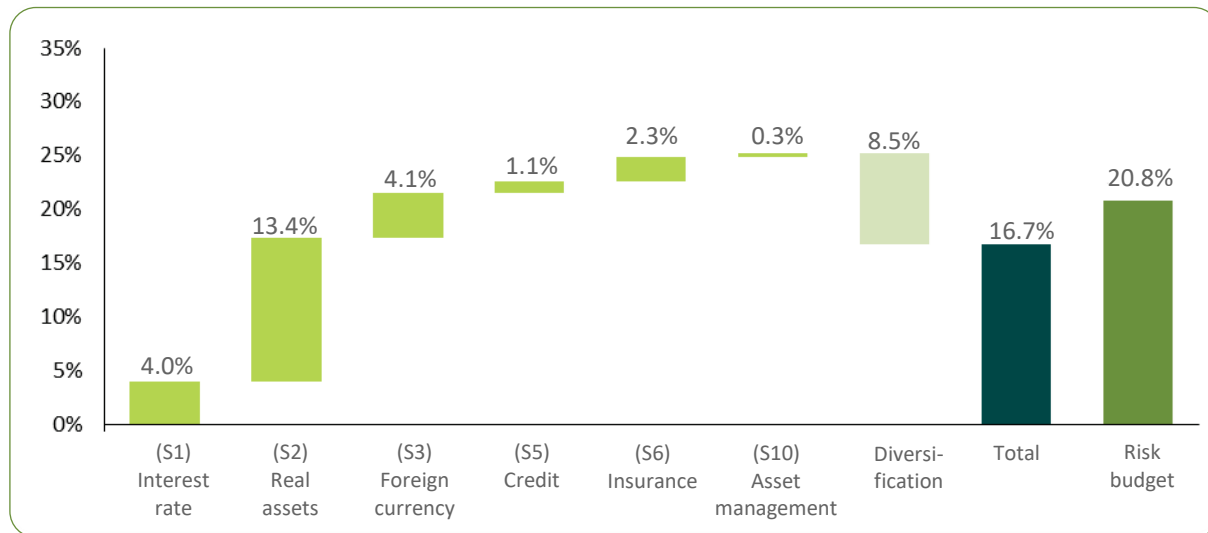
The degree of risk-taking, i.e. the risk budget, now moves in step with the current UFR coverage ratio based on market value and is recorded in the policy matrix (see diagram 1). For each level of the coverage ratio (horizontal axis), the amount of the risk budget (vertical axis) has been determined. At lower coverage ratios, we take less risk to limit the chance of major reductions. Even at higher coverage ratios, we take less risk, because we then need less return to meet the purchasing power ambition. We use bandwidths around the risk budget to compensate for market fluctuations. This is how we control the transaction costs of asset management.

**Diagram 1:** Risk budget at current UFR coverage ratio based on market value



The risk budget (diagram 1) represents the total risk of the investment portfolio. This risk budget is the sum of various risk sources, mainly equity risk, interest risk, currency risk and credit risk and it is captured in the form of a percentage of the minimum capital requirement (see diagram 2). This percentage is based on a model that uses the minimum capital requirement method of the supervisory authority, i.e. De Nederlandsche Bank NV (DNB).

**Diagram 2:** Distribution of the risk budget across risk sources (31 December 2025)



## Matching and return portfolio

Every three years we conduct an ALM (Asset Liability Management) study. This is a survey into the desired risk budget to realise our ambitions. The outcome of the ALM study is an investment portfolio in broad terms. In the portfolio construction that follows from it, the risk budget is translated into the actual targeted ratio between the matching and return portfolios and to the different investment categories within that. Table 1 shows the actual and strategic spread of the matching and return portfolio and the underlying investment categories as at year-end 2025.

Compared to the strategic portfolio, the actual portfolio has a higher allocation to the return portfolio, particularly to equities. This consideration is driven by our dynamic balance management. In this, we overweight and underweight the equity portfolio and interest rate hedging based on market sentiment and valuation. In 2025, we invested relatively more in equities due to the predominantly positive market sentiment. This had a positive effect on the investment return.

### Matching portfolio

The matching portfolio is made up of the following investment categories: German and Dutch Euro government bonds, Euro liquid assets and high-quality credit in the form of Euro corporate bonds and Dutch home mortgages. Additionally, derivatives, Euro interest rate swaps, and Euro interest rate futures are used for the interest rate hedging policy.

### Return portfolio

The return portfolio is made up of the following investment categories: equities and private investments in property, infrastructure, private equity and private debt. Equities are by far the largest investment category in the return portfolio. This category is subdivided into developing and emerging markets.

**Table 1: Investment portfolio**

	Actual portfolio 31 December 2025	Strategic portfolio 31 December 2025
	%	%
<b>Matching portfolio</b>	<b>37.9</b>	<b>45.8</b>
Euro government bonds, liquid assets and derivatives	23.4	30.8
High-quality credit	14.5	15.0
<b>Return portfolio</b>	<b>62.1</b>	<b>54.2</b>
Equities	49.3	45.2
Private	8.7	9.0
Liquid assets and derivatives	4.1	-
<b>Interest rate hedging percentage</b>	<b>74.0</b>	<b>74.3</b>
<b>Foreign currency hedge rate</b>	<b>61.1</b>	<b>61.1</b>

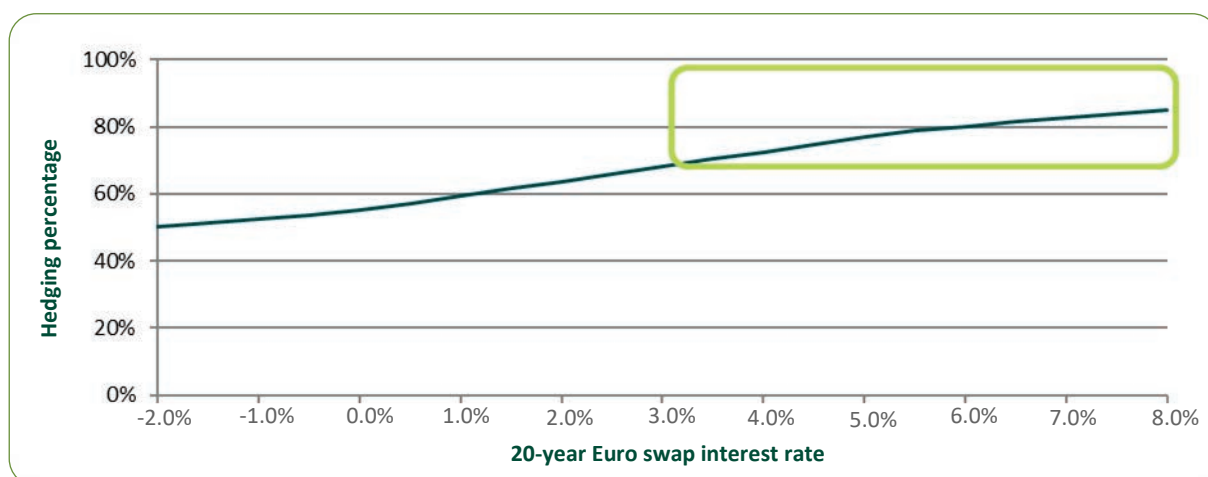
## Hedging policy

### Interest rate hedging

The interest rate hedging policy has been developed to manage the interest risk we incur on our pension commitments as best as possible. Interest risk is the risk that the pension will become 'more expensive' due to falling interest rates. Interest rate hedging is linked to the level of the 20-year Euro swap rate (see diagram 3). The interest rate hedging policy is implemented through the matching portfolio.

At year-end 2025, the interest rate hedge was 74 percent of the interest risk of the pension commitments. During the year, interest rate hedging was increased, in line with the rising interest rates. As part of the risk reduction of the investment portfolio, interest rate hedging will no longer be reduced in the event of falling interest rates until the transition to the new pension system. As a result, protection against falling interest rates remains at least at the current level, or higher if interest rates rise.

**Diagram 3: Interest rate hedging dependent on 20-year Euro swap rate**



**Explanation:** The horizontal axis indicates the level of the 20-year Euro swap rate. The vertical axis indicates the intended interest rate hedging percentage. Therefore, a certain degree of interest rate hedging is intended for each level of the 20-year Euro swap rate. Due to the decision to reduce the risk of the investment portfolio with a view to the transition, the intended interest rate hedging will remain exclusively within the green-ringed framework until the moment of transition.

## Foreign currency hedge

Part of the assets is invested in currencies other than the Euro, with the main foreign currencies being the US dollar, pound sterling and the Japanese yen. The risk of investing in foreign currencies is that their value decreases against the Euro, thus reducing the value of investments measured in Euros. Our foreign currency hedging policy hedges the currency risk of non-Euro investments in developed markets by half (50 percent). The currency risk of non-Euro investments in emerging markets is not hedged. Partial foreign currency hedging contributes to lower coverage ratio volatility from an overall portfolio perspective. This means that we take into account both the volatility of the foreign currency itself and the volatility of the underlying investment category (such as equities).

As at year-end 2025, the foreign currency hedge rate of the entire investment portfolio was 61.1 percent. This was higher than the standard hedge of 50 percent, driven by increased hedging against the US dollar based on dynamic policy. This takes into account, among other things, quantitative signals of appreciation and sentiment. In an environment of a weakening US dollar against the Euro, this contributed positively to the return.

## Equity risk control

In order to be able to partly protect the pension capital against extreme share price drops, we use equity risk control. When sentiment in the financial markets is negative, share index put options are purchased, provided that the purchase costs are acceptable and outweigh the risk. This control measure offers protection against major drops in share price. The control measure is not of a continuous nature, as continuously protecting pension assets against falling share prices is too detrimental to returns.

As part of risk reduction of the investment portfolio, equity risk control is no longer implemented as a standalone strategy; it has become part of the broader protection strategy with a view to the transition to the new pension system. With the purchased share index put options, in combination with the increased interest rate hedging of the pension commitments, we are protected against major fluctuations in our financial position.

## Investment returns

**Table 2: Return on investment**

	Return on investment	
	Pensioenfond's PGB	Benchmark
	%	%
<b>Total return on investment</b>	<b>0.1</b>	<b>-0.8</b>
<b>Matching portfolio<sup>3</sup></b>	<b>-14.5</b>	<b>-14.8</b>
Euro government bonds, liquid assets and derivatives	-22.1	N/a
High-quality credit	2.3	2.6
<b>Return portfolio</b>	<b>11.6</b>	<b>11.4</b>
Equities	13.2	11.7
Private	6.8	7.9

## The financial markets and total return

The global economy presented a mixed picture in 2025, with a moderate but unevenly distributed growth path. The United States continued to perform relatively strongly, supported by robust consumption and a resilient labour market, while emerging markets, including India and parts of Southeast Asia, also showed above-average growth. Europe and China, on the other hand, experienced a more difficult economic recovery, partly due to weak productivity growth and restrained investment.

<sup>3</sup> This total sum is influenced by the returns on interest rate swaps and interest rate futures that are not recognised separately in the return figures shown here, given that these do not have a relevant market value. As a result, the total return for 2025 is higher than would be expected based on the underlying figures presented.

Geopolitical tensions increased further, partly due to ongoing conflicts in Ukraine and the Middle East and escalating trade frictions. In particular, the import tariffs introduced and announced by the US government contributed to increased uncertainty and a marked increase in volatility on the financial markets. At the same time, the rally in AI-related equities led to strongly positive returns on listed equities and, consequently, a further concentration of market-weighted investment indices, with a pronounced centre of gravity in the United States.

In the Eurozone, the decline in the inflation trend continued, driven by stabilising energy prices and decreasing cost inflation. This development gave the European Central Bank room to further ease its monetary policy, with the aim of supporting the weak economic dynamics in the Eurozone and easing financing conditions. In contrast, long-term capital market interest rates rose, driven by higher risk premiums, increasing government financing and persistent geopolitical and trade-related uncertainties. As a result, the interest curve became steeper.

In addition, the US dollar weakened against the Euro in 2025. This development was partly caused by decreasing interest rate differences between the United States and the Eurozone as monetary policy was eased on both sides. Concerns about the sustainability of US fiscal policy and the economic impact of trade measures also contributed to downward pressure on the dollar.

These economic and financial developments in growth, equities, interest rates and inflation were positive for our financial position. The return on the investment portfolio relative to pension commitments is decisive for our financial position. The return achieved on the investment portfolio was positive at 0.1 percent: although the return portfolio yielded a strong return of 11.6 percent, the matching portfolio decreased by 14.5 percent due to rising capital market interest rates. As a result, pension commitments too decreased by 13.2 percent. On balance, the surplus return on investments relative to pension commitments was strongly positive, at 13.3 percent. This considerably improved our financial position in 2025.

In addition, we also measure the results of the investment portfolio against the benchmark. In doing so, we provide insight into the results of active choices and implementation within each investment category. These results are shown in Table 2. The benchmark return was 0.8 percent negative. Compared to a portfolio return of 0.1 percent, the investment portfolio therefore outperformed the benchmark by 0.9 percent. Both the matching and return portfolios contributed positively to this.

### Matching portfolio

The matching portfolio consists of fixed-income investments that are used to partly compensate for the interest rate sensitivity of the pension commitments: i.e. to match them. The matching portfolio thus implements the interest rate hedging policy. The return on the matching portfolio for the year 2025 was 14.5 percent negative. Although the return was negative, the matching portfolio thereby followed the development of the pension commitments benchmark, which returned 14.8 percent negative.

Euro government bonds saw a negative return of 22.1 percent. This was primarily caused by rising capital market interest rates, driven by an increasing financing need of European governments, including for higher defence spending. In addition, uncertainty regarding inflation expectations and the resulting lack of clarity surrounding the future monetary policy of the European Central Bank, led to rising risk premiums and pressure on bond prices. However, Euro government bonds performed relatively better than Euro interest rate swaps, the benchmark for pension commitments. This resulted in a positive relative return of 0.3 percent on the matching portfolio.

Investments in high-quality credit, such as Euro corporate bonds and mortgages, slightly dampened the negative return on the matching portfolio, with a return of 2.3 percent. These investments offered a higher interest revenue than lower-risk investments, such as Euro government bonds. Due to the shorter maturity of these investments, the effect of rising capital market interest rates had less impact on the return.

### Return portfolio

The return portfolio consists of investments in real assets and in higher-risk fixed-interest securities. These investments contribute to realising the purchasing power ambition. The return on the return portfolio for the year 2025 was 11.6 percent. This was better than the benchmark return of 11.4 percent.

The return portfolio achieved positive returns across the board. The return on equities was 13.2 percent, largely driven by a revival in emerging markets and Europe. Large US growth equities too performed positively; however, due to the weakening of the US dollar against the Euro, this was the worst-performing region in the equity portfolio. Although the outlook in the first half of the year was pessimistic due to, among other things, rising interest rates, global geopolitics and increasing division in the United States, market sentiment reversed in the second half of the year. The impact of new US import tariffs and the rise of Chinese competition

in the field of AI caused less structural damage to businesses than feared. As a result, the markets recovered strongly. Compared to the benchmark, the relative return of equities was 1.5 percent. Active factor strategies contributed positively to this, while sustainable index strategies performed less well. This trend was more widely visible in the market: brown assets performed better than green assets, partly driven by the anti-climate sentiment in the United States.

The return on private investments was 6.8 percent. Investments in private equity (non-listed equities) and infrastructure performed well. The private equity portfolio is largely out of the accrual phase, as a result of which the ratio between returns achieved and costs incurred has improved. A mature portfolio has also been built up within infrastructure.

Various investments in energy, transport and telecommunications yielded positive returns. The property portfolio consists of open-end funds in various market segments. Investments in residential properties yielded the relatively highest return, followed by logistics property. Office and retail investments realised a negative return due to persistent vacancy and bankruptcies. Private debt, bonds and loans of lower creditworthiness yielded positive returns. For this we received a higher interest revenue compared to lower-risk investments, such as in the matching portfolio. This portfolio will continue to grow in the coming years, with a focus on impact investments. You can read more about impact investing in the section 'Sustainable investing'.

### Z score: positive for 2025, over and above the required minimum over five years

Like all other sectoral pension funds, Pensioenfond PGB is required to calculate a so-called Z score, which reflects the fund's performance compared to the benchmark. For 2025, we achieved a Z score of 0.16 (2024: 0.27). The performance test result for the period early 2021 to late 2025 is 2.28 (2024: 1.91). This means that the performance test, after adding 1.28, remains above the required minimum of 0.00.

In general, we use the same benchmarks to calculate the Z score as those for the strategic investment plan.

If no suitable investable benchmarks for investment categories exist, PGB uses 'interest + 1 percent' as a benchmark, in accordance with the guidelines. This applies to illiquid investments, for instance. In some cases, no representative investable benchmark can be defined at all; in that case, the benchmark return is set equal to the portfolio return.

The Sectoral Pension Funds (Obligatory Membership) Act 2000 (Exemptions and Penalties) Decree offers companies the possibility to opt out of affiliation with a sectoral pension fund. When, for example, the performance test over a period of five calendar years shows that the actual return on investment achieved is considerably below the set benchmark portfolio. According to the Sectoral Pension Funds (Obligatory Membership) Act 2000 (Exemptions and Penalties) Decree, this would be the case if the outcome of the calculation of the performance test, after adding 1.28, is below the required minimum of 0.00.



# Financial Statements



## Balance sheet as at 31 December 2025

(after distribution of balance of income and expenses)

Amounts in millions of Euros

		31 December 2025	31 December 2024
	<i>Explanation*</i>		
<b>ASSETS</b>			
<i>Property and infrastructure</i>		1,966	2,137
<i>Equities</i>		17,252	16,958
<i>Fixed-interest securities</i>		16,860	17,662
<i>Derivatives</i>		4,719	2,428
Investments at pension fund's risk	(1)	40,797	39,185
<i>Property and infrastructure</i>		53	50
<i>Equities</i>		464	398
<i>Fixed-interest securities</i>		244	203
<i>Derivatives</i>		72	26
Investments at participants' risk	(2)	833	677
Reinsurance portion of technical provisions	(3)	25	19
Participating interest	(4)	1	1
Tangible fixed assets	(5)	23	23
Receivables and accrued income	(6)	234	175
Other assets	(7)	3	41
<b>Total assets</b>		<b>41,916</b>	<b>40,121</b>
<b>LIABILITIES</b>			
Foundation capital and reserves	(8)	8,342	5,023
<i>Technical provisions at the pension fund's risk</i>		25,213	28,917
<i>Provision for operating expenses</i>		504	578
Technical provisions	(9)	25,717	29,495
Technical provisions at the participants' risk	(10)	740	619
Other short-term liabilities and accrued liabilities	(11)	7,117	4,984
<b>Total liabilities</b>		<b>41,916</b>	<b>40,121</b>
Current UFR coverage ratio		131.5	116.7
Policy coverage ratio		123.9	116.2

\* The numbers with the items refer to the explanatory notes to the balance sheet.

# Statement of income and expenditure for 2025

Amounts in millions of Euros

		2025	2024
	<i>Explanation*</i>		
<b>INCOME</b>			
Premium contributions at the pension fund's risk	(12)	963	933
Premium contributions at the participants' risk	(13)	125	122
Investment results at the pension fund's risk	(14)	-377	2,855
Investment results at the participants' risk	(15)	25	55
<b>Total income</b>		<b>736</b>	<b>3,965</b>
<b>EXPENDITURE</b>			
Pension benefits paid	(16)	995	965
Pension administration costs	(17)	73	52
<i>Change in technical provisions at the pension fund's risk</i>		-3,704	1,348
<i>Change in provisions for operating expenses</i>		-74	27
Change in technical provisions	(9)	-3,778	1,375
Change in technical provisions at the participants' risk	(10)	121	155
Reinsurance balance	(18)	-5	2
Balance of transfer of rights	(19)	11	-19
<b>Total expenditure</b>		<b>-2,583</b>	<b>2,530</b>
<b>Balance of income and expenditure</b>		<b>3,319</b>	<b>1,435</b>
<i>Distribution of the balance of income and expenses</i>			
Change in required reserve		3,319	1,435

\* The numbers shown next to the items refer to the explanatory notes to the statement of income and expenditure.



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**Pensioenfonds PGB**

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