3RD QUARTER 2026

QUARTERLY REPORT PGB

Main points

- *Policy coverage ratio 30 September 2026: 133.9% (up 10.0 percentage points compared to the end of 2025).*
- *Current coverage ratio 30 September 2026: 141.2% (up 9.7 percentage points compared to the end of 2025).*
- *Return on investments over the first three quarters of 2026: +4.0%.*
- *Invested assets 30 September 2026: € 35.6 billion.*

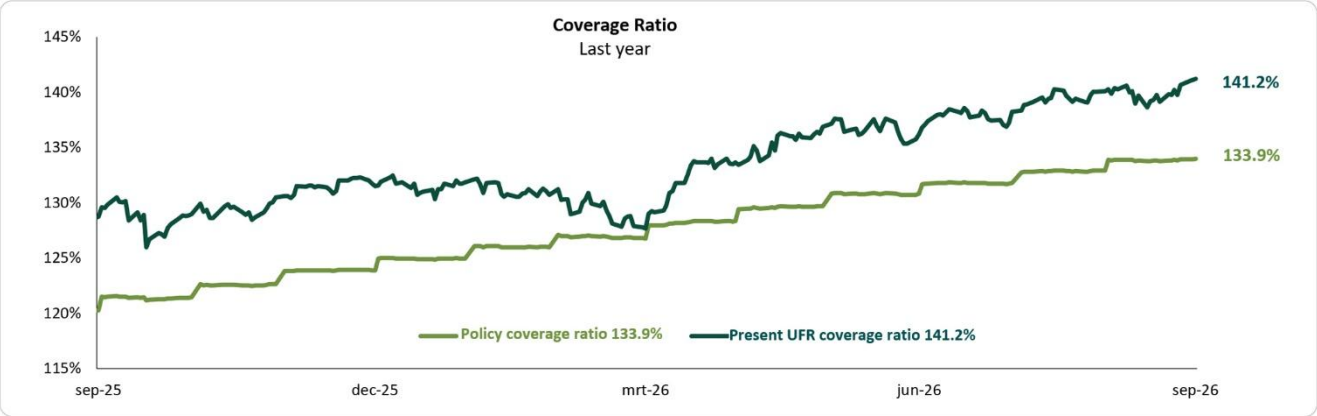
Preface

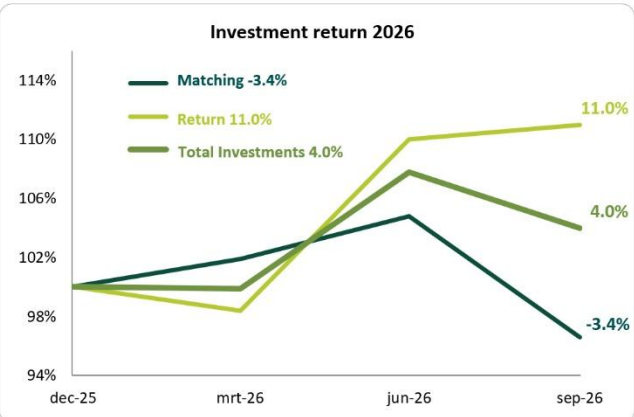
Hans Veltkamp, Chairman of the Board of Pensioenfonds PGB: "After a strong second quarter, the financial markets showed a mixed picture in the third quarter. Global equity markets developed positively, helped by large investments in AI. At the same time, rising interest rates on the capital market had a negative effect on the bond markets. Our investment return was therefore lower than in the second quarter, although the total return on investment for 2026 remains positive at plus 4.0%.

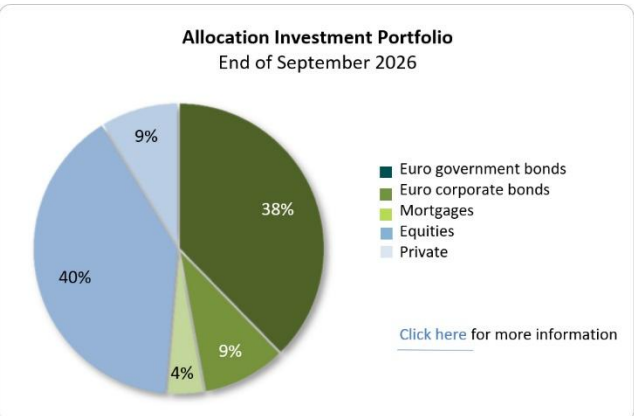
Meanwhile, our financial position continued to improve further. Both the current coverage ratio and the policy coverage ratio went up. This shows that Pensioenfonds PGB is in a healthy financial position. We can therefore increase pensions by 2.4% with effect from 1 January 2027. This is also the maximum increase possible under our policy. We are pleased that we can increase the pensions for the 6th year in a row.

At the same time, we remain focused on the long term. Financial markets can fluctuate sharply from quarter to quarter. That is why we continue to follow a careful investment policy, with a healthy balance between return on investment and risk.
In addition, the transition to the new pension system is getting ever closer. Over the past quarter, we have taken a number of important steps and we are fully confident the transition will take place as planned. Over the coming months, we will continue to work carefully on preparations for the planned transition on 1 January 2027.

Overview financial position and investment return







Explanation of financial position and investment return

Financial position
The current coverage ratio rose from 131.5% at the end of 2025 to 141.2% at 30 September 2026. The policy coverage ratio went up from 123.9% to 133.9% over the same period. The two coverage ratios do not move at the same rate. The current coverage ratio is a snapshot (per 30 September 2026), while the policy coverage ratio is the average of the current coverage ratios over the past twelve months (based on the current coverage ratios at the end of each month).

In the third quarter of 2026, both coverage ratios went up, mainly due to the rise in interest rates and the higher equity markets. The coverage ratios are used as benchmarks for any increase or reduction of the pensions. Every year, the Pensioenfonds PGB Board decides whether pensions will remain the same, be increased or reduced. The Board has decided to increase pensions by 2.4% from 1 January 2027.

Investment return
The total investment return over the first three quarters of 2026 was +4.0%. The investments to hedge the interest rate risk (matching portfolio) achieved a return of -3.4% over this period. This was due to the rise in interest rates. The value of the matching portfolio, namely, falls when interest rates go up, and rises when interest rates go down.

The return portfolio, which mainly consists of equities, achieved a return on investment of +11.0% over the first three quarters of 2026. The return on this portfolio largely depends on the global equity markets. Despite global geopolitical unrest and the rise in interest rates, so far 2026 has been a positive year for equities.

Spread of investments
The value of the pension obligations changes when interest rates rise or fall. To limit the impact of these interest rate movements on the financial position, we hedge a large part of the interest rate risk with the matching portfolio. This consists of government bonds from, among others, the Netherlands and Germany. As per 30 September 2026, 76% of the effect of interest rate movements on the financial position had been offset through investments in the matching portfolio.

The return portfolio largely consists of equities. The aim of this portfolio is to achieve an additional return on investment to enable pensions to be increased. The total value of the investments amounted to €35.6 billion at 30 September 2026. This is an increase of € 1.1 billion compared to the end of 2025.

Investment Return Defined Contribution Schemes

Some of the participants have a pension capital through a defined contribution scheme. The details depend on the pension scheme. An appropriate investment portfolio has been created for each age category. In addition, younger participants invest a larger part of their capital in the return portfolio (RP). This involves a bigger risk. Older participants invest more in the portfolio with less risk (matching portfolio, MP), so their pension capital is better protected against a drop in interest rates and lower share prices.

Result per age cohort	Weight		Return
	MP	RP	2026
Age up to and including 49	15%	85%	8.8%
Age 50-55	25%	75%	7.4%
Age 56-61	35%	65%	6.0%
Age from 62	45%	55%	4.5%

Pension obligations

Obligations (UFR): the value of the obligations went down from € 26.5 billion at the end of 2025 to € 25.4 billion at 30 September 2026. The actuarial interest rate of De Nederlandsche Bank went up from 3.16% at the end of 2025 to 3.50% at 30 September 2026. The rise in interest rates lowered the market value of the pension obligations.

Selection of news and developments

- The future of the pension sector: more pensions under one roof
- Pensioenfonds PGB co-writes Netspar bundle about the new pension
- How do you guide thousands of employers towards to the new pension?
- Compensation: no all-or-nothing moment
- Your pension will move in line with the financial markets – what does that mean?
- PGB Connect Online: towards the new pension system

Explanation of the most important terms

Matching (Portfolio)
Investments that mainly depend on interest rate movements, such as Euro government bonds. The Dutch government issues loans and these are financed by, for example, Pensioenfonds PGB. The risk on these investments is minimal, because governments generally repay their loans. Pensioenfonds PGB mainly invests in bonds of the Dutch and German governments. All these investments are in Euros.

Return (Portfolio)
These investments should provide extra returns. This investment category mainly consists of equities (global) and private investments (property, infrastructure, private equity and private credit). These investments are mainly in Euros, US Dollars and British Pounds.

Coverage ratio
The coverage ratio is the ratio between our assets (the investments) and the pensions we have to pay out (our obligations). If the coverage ratio is 100%, then there will be exactly enough money to pay the pensions. How our coverage ratio develops mainly depends on our investment results and the interest rates.

Interest rates
The value of the pension obligations and the matching portfolio changes when the interest rates go up or down. An interest rate increase generally has a positive effect on the coverage ratio. This is because the value of the pension obligations falls more than the value of the matching portfolio. It works the other way around when interest rates go down.

Real assets
These are equities and private real assets that are part of the return portfolio.

Disclaimer
The figures in this quarterly report are not final. They are partly based on estimates and have not been verified by the certifying auditor and external actuary.