4TH QUARTER 2025

QUARTERLY REPORT PGB

Main points

- *Policy coverage ratio 31 December 2025: 123.9% (7.7 percentage points increase compared to the end of 2024).*
- *Present UFR coverage ratio 31 December 2025: 131.5% (14.8 percentage points increase compared to the end of 2024).*
- *Return on investments since the end of 2024: +0.1%.*
- *Returns on investments for the fourth quarter of 2025: -0.5%*
- *Invested assets 31 December 2025: € 34.6 billion.*

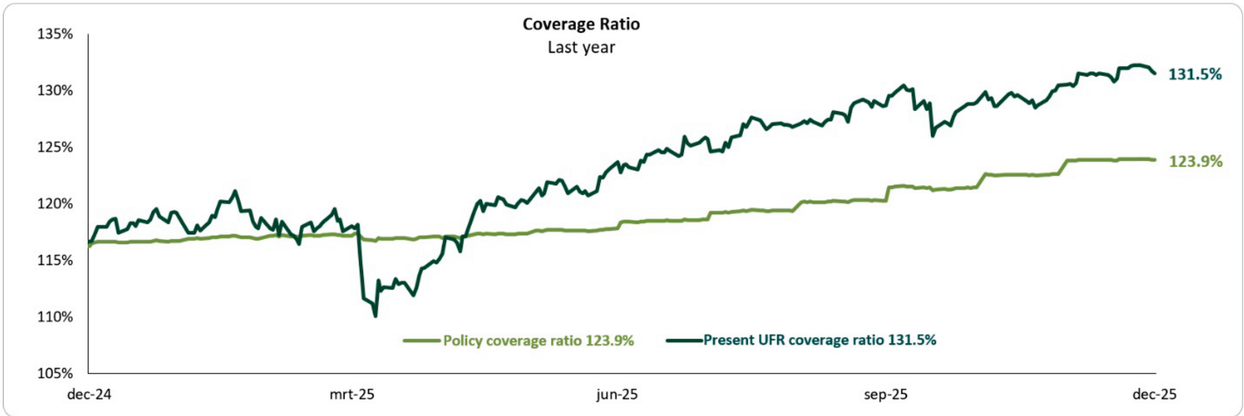
Preface

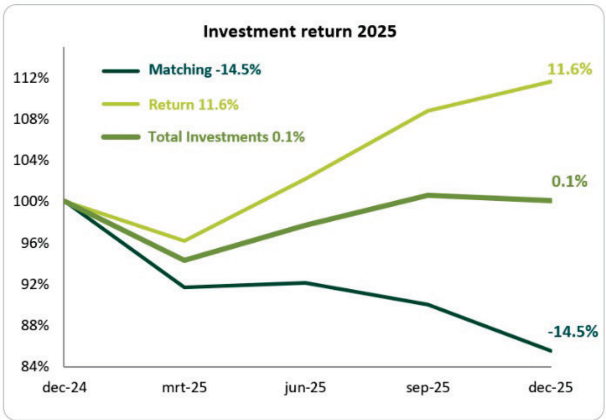
Hans Veltkamp, Chairman of the Board of Pensioenfonds PGB: "In 2025, our coverage ratio increased compared to the end of 2024, ultimately ending at 123.9%. This was mainly due to the rise in interest rates. The past year also saw a period of unrest for pension funds. President Trump's import tariffs caused a lot of movement on the stock market. Wars and tensions in various places around the world also caused unrest. That had an impact on our investment result. The rise in interest rates was not good for our investments that protect against falling interest rates. Our shares, on the other hand, did well last year. In the end, our investments as a whole still ended with a small plus: +0.1% over the year 2025.

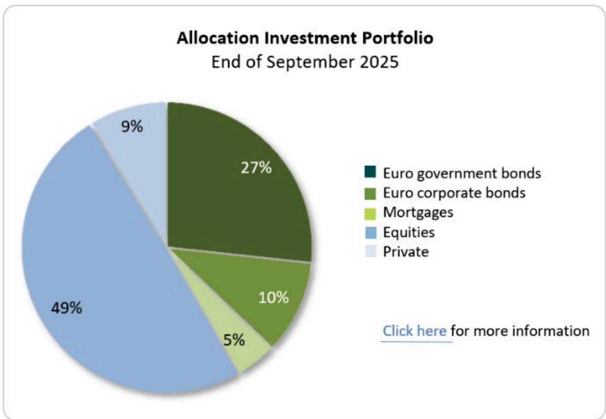
The bottom line is that Pensioenfonds PGB is in good financial shape. And that is why we were able to increase pensions by 1.7% with effect from 1 January 2026. We took this decision carefully, keeping the interests of all our participants in mind. We're pleased we were able to increase pensions for the fifth year in a row, but we also understand that some participants had hoped for more.

We're preparing for the transition to the new pension system and expect to switch on 1 January 2027 and we'll do so with the same care with which we make our financial choices. Read member of the board Anne Kock's blog on how we protect pensions in uncertain times. We continue to build a strong and balanced fund for everyone who counts on us. Now and in the future."

Overview financial position and investment return







See the appendix on page 3 for an explanation of the most important terms.

Explanation of financial position and investment return

Financial position
Compared to year-end 2024, the UFR coverage ratio rose from 116.7% to 131.5% as of December 2025. The policy coverage ratio increased from 116.2 to 123.9% over the same period. The two coverage ratios do not move evenly because the present UFR coverage ratio is a snapshot (as of end of December 2025) while the policy coverage ratio is the average of the present UFR coverage ratios of the past twelve months (using the UFR coverage ratio of the end of the month). The coverage ratios are criteria for any increase or decrease in pensions. Every year, the Pensioenfonds PGB board decides whether pensions will remain the same, be increased or reduced. As of 1 January 2025, pensions have been increased by 0.4%. In October 2025, the board decided to increase pensions by 1.7% with effect from 1 January 2026. At the end of the fourth quarter of 2025, our policy coverage ratio (123.9%) was above the required capital requirements ("VEV"), which is why we no longer need a recovery plan. In a recovery plan, a pension fund sets out the measures it intends to take to improve its financial position. By law, we must have a policy coverage ratio of approximately 122% to be financially healthy. This means that our recovery plan will end on 1 January 2026.

Investment return
The return on the investments is +0.1% over the year 2025. The investments to hedge the interest rate risk (matching portfolio) have a return of -14.5%. The increased interest rate has a negative impact on the return of the matching portfolio. The value of the matching portfolio decreases when interest rates rise. In contrast, when interest rates fall, the value rises. The return portfolio, which mainly consists of equities, achieves a return of +11.6% over 2025. The return on the portfolio is largely driven the global equity markets. In the first quarter of 2025, equities performed negatively, and in early April 2025, equities also fell following US President Trump's announcements on trade tariffs. These trade tariffs could have a significant impact on international trade and the global economy. Initially, equities fell. Following the conclusion of agreements with various countries, the likelihood of agreements with others, and the (temporary) postponement of tariffs for several countries, equities rose. The second quarter of 2025 has proven to be a positive quarter for equities after all. The third and fourth quarters also saw a positive climate for equities.

Distribution of investments
The value of the pension liabilities rises or falls as a result of interest rate movements. As of the end of December 2025, 74% of the effect of this movement on our financial position will be absorbed (rate hedging) through investments in the matching portfolio, which consists of government bonds from the Netherlands and Germany, among other things. The aim of the return portfolio, which largely consists of equities, is to achieve extra return on investments in order to be able to increase pensions. The value of the total investments was € 34.6 billion at the end of December 2025. This is a decrease of €0.3 billion compared to the end of 2024.

Investment Returns 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 drawn up 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 falls in interest rates and falls in share prices.

Result by age group	Weight		Return on investment
	MP	RP	2025
Age up to 49	15%	85%	7.7%
Age 50-55	25%	75%	5.1%
Age 56-61	35%	65%	2.5%
Age from 62	45%	55%	-0.1%

Pension obligations
Obligations (UFR): The value of the obligations decreased from € 30.1 billion at the end of 2024 to € 26.5 billion at year-end 2025. The notional interest rate of De Nederlandsche Bank increased from 2.14% at the end of 2024 to 3.16% at the end of 2025. The rise in interest rates decreases the market value of the pension obligations.

Selection of news and developments

- Can I choose whether or not to have my pension switched to the new pension system?
- Your pension will increase by 1.7% in 2026
- Pension contribution for basic scheme unchanged at 28% in 2026
- How Pensioenfonds PGB and the World Wide Fund for Nature strengthen each other
- Hans Veltkamp new chairman of the board Pensioenfonds PGB
- Watch the video: this is how we invest in the new pension

Explanation of the most important terms

Matching (Portfolio)
Investments that depend in particular 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 limited, as it is customary for governments to 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 real assets (property, infrastructure and private equity). 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). Is the coverage ratio 100%? Then there will be just enough money to pay for the pensions. How our coverage ratio develops depends mainly on our investment results and interest rates.

Interest rates
The value of the pension obligations and the matching portfolio changes with an interest rate movement. An interest rate increase generally has a positive effect on the coverage ratio, even if the value of the matching portfolio decreases as a result, because the obligations fall more sharply in value. It works the other way around when interest rates fall.

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