

Annual report

2023

SUMMARY ANNUAL REPORT

Financial year 1-1-2023 up to and incl. 31-12-2023

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1. Key figures

All amounts are rounded to thousands of euros, unless otherwise stated

Numbers	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Participants	140	833	8,192	8,009	5,646
Former participants	12,145	11,858	4,113	3,498	3,013
Pension beneficiaries	696	551	428	344	275
Total	12,981	13,242	12,733	11,851	8,934
Financial data					
Investments at pension fund's risk					
Invested assets	942,512	826,407	1,094,537	957,016	709,137
Investment result	90,217	-344,938	8,222	118,643	103,448
Return on investments	10.4%	-29.2%	0.6%	14.7%	18.8%
Technical provisions					
Provision for pension liabilities own account	755,031	712,035	946,544	902,306	668,420
Provision for pension liabilities reinsurance	16	34	53	21	114
Total technical provisions	755,047	712,069	946,597	902,327	668,534
Reserves					
General reserve	205,011	156,275	160,134	62,736	53,248
Funding ratio					
Present	127.2%	121.9%	116.9%	107.0%	108.0%
Required (strategic)	117.9%	119.0%	118.3%	118.5%	119.6%
Minimum required	104.2%	104.3%	104.8%	104.8%	104.7%
Policy	128.4%	126.6%	112.0%	100.7%	108.4%
Real	88.8%	90.1%	87.4%	81.1%	84.7%

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Contributions	2023	2022	2021	2020	2019
Pension plan contributions	5,772	104,808	130,595	122,929	93,941
Other contributions	3,267	3,451	3,090	3,250	2,848
Total	9,039	108,259	133,685	126,179	96,789
Pension benefits (excl. lump sum payments)	2,792	2,002	1,530	1,195	820
Costs					
Operating and administration costs	2,624	2,734	2,413	2,583	2,133
Pension administration (in euros per participant and pension beneficiary))	3,139	1,975	280	309	360
Asset management (as % of invested assets)	0.31%	0.31%	0.21%	0.23%	0.24%
Indexation					
1-1-2024 / 1-1-2023 / 1-1-2022 / 1-1-2021 / 1-1-2020	0.00%	7.36%	0.00%	0.00%	0.00%
Accrual cutback					
Cutback pension accrual for the year	0.00%	0.00%	23.80%	17.20%	0.00%

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The year 2023 was marked by a range of political developments, including in the Netherlands, where parliamentary elections resulted in a shift to right-wing parties. The war in Gaza caused disruption, as did the ongoing war in Ukraine.

The upward trend in interest rates before the summer had a very positive effect on our funding ratio. In view of the higher interest rates, we increased our interest hedging. When interest rates started to decline towards the end of the year, the impact on our funding ratio was limited due to our acquisition of financial products. Inflation seemed somewhat under control by the end of 2023, but market interest rates were not. The overall sentiment is that political conflicts, for instance around Taiwan or the turmoil in the Red Sea, could trigger a new spike in inflation. If that happens, central banks will need to raise interest rates. At present, interest rates seem to be on hold.

2023 ended with an end-of-year rally on the stock markets, allowing our pension fund to close the year with significantly positive results. This was also attributable to the slight decline in interest rates, which boosted equity markets towards the end of the year. All these developments had a major impact on the financial position of our pension fund, which is now robust.

Inflation was negative in 2023, according to Statistics Netherlands (CBS). Unfortunately, this meant we were unable to increase pensions for indexation.

Since 1 October 2022, BeFrank has been the administrator of the NN Pension Plan. NN IP, which was acquired by Goldman Sachs Asset Management, decided to have its pension plan administered through NN. As a result, our pension fund has been completely contribution free since 1 May 2023. Contributions are no longer being paid into the fund and pensions no longer accrue. The transition to contribution-free pension was completed in the summer of 2023.

Given that our pension fund has a volume of around € 900 million, it is too small to continue on its own in the long term. We are therefore looking into our options for the future of the fund, with the help of an adviser. In the talks we are having on this (including with the employer and the trade unions) we are also taking into account the effect the new national pension system will have on the future of our fund. We expect to be making a decision on the future of the pension fund in 2024.

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3. Balance sheet

All amounts are rounded to thousands of euros, unless otherwise stated.

Balance

(after appropriation of results)

	31-12-2023	31-12-2022
Assets		
Investments at pension fund's risk		
Real estate investments	109,413	121,338
Equities	245,239	251,392
Fixed income investments	588,054	465,364
Derivatives	220,710	243,752
	1,163,416	1,081,846
Receivables and prepayments	1,224	1,035
Cash and cash equivalents	17,013	41,631
Total assets	1,181,653	1,124,512

	31-12-2023	31-12-2022
Liabilities		
Reserves		
Fund's capital	205,011	156,275
	205,011	156,275
Technical provisions for pension fund's risks		
Provision for pension liabilities	755,031	712,035
Provision for occupational disability risk	16	34
	755,047	712,069
Current liabilities and accrued liabilities	221,595	256,168
Total liabilities	1,181,653	1,124,512

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4. Cash flow statement

Pension activities	2023	2022
Income		
Contributions by employers and employees	8,537	108,077
Benefits from reinsurance	0	0
Incoming value transfers of pension rights	1,011	6,721
Othes	-2	0
	9,546	114,798
Expenditure		
Pension benefits	-2,841	-2,096
Premium for reinsurance	-22	-117
Outgoing value transfers of pension rights	-3,028	-3,486
Operating and administration costs	-2,409	-2,777
Other	0	0
	-8,300	-8,476
Total pension activities	1,246	106,322
Investment activities	2023	2022
Income		
Sale and redemption of investments	401,993	709,809
Direct investment results	11,258	17,141
	413,251	726,950
Expenditure		
Acquisition of investments	-437,760	-802,419
Asset management expenditures	-1,355	-1,457
	-439,115	-803,876
	-25,864	-76,926
Movement in cash and cash equivalents	-24,618	29,396
Cash and cash equivalents at 1 January	41,631	12,235
Cash and cash equivalents at 31 December	17,013	41,631

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