

Annual report



SUMMARY ANNUAL REPORT

Financial year 1-1-2024 up to and incl. 31-12-2024



1. Key figures

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

Numbers	31-12-24	31-12-23	31-12-22	31-12-21	31-12-20
Participants	155	140	833	8,192	8,009
Former participants	11,814	12,145	11,858	4,113	3,498
Pension beneficiaries	866	696	551	428	344
Total	12,835	12,981	13,242	12,733	11,851
Financial data					
Investments at pension fund's risk					
Invested assets	1,023,029	942,512	826,407	1,094,537	957,016
Investment result	53,232	90,217	-344,938	8,222	118,643
Return on investments	5.8%	10.4%	-29.2%	0.6%	14.7%
Technical provisions					
Provision for pension liabilities own account	819,036	755,031	712,035	946,544	902,306
Provision for pension liabilities reinsurance	303	16	34	53	21
Total technical provisions	819,339	755,047	712,069	946,597	902,327
Reserves					
General reserve	189,718	205,011	156,275	160,134	62,736
Funding ratio					
Present	123.2%	127.2%	121.9%	116.9%	107.0%
Required (strategic)	117.6%	117.9%	119.0%	118.3%	118.5%
Minimum required	104.2%	104.2%	104.3%	104.8%	104.8%
Policy	128.2%	128.4%	126.6%	112.0%	100.7%
Real	91.4%	88.8%	90.1%	87.4%	81.1%

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Contributions	2024	2023	2022	2021	2020
Pension plan contributions	-	5,772	104,808	130,595	122,929
Other contributions	3,707	3,267	3,451	3,090	3,250
Total	3,707	9,039	108,259	133,685	126,179
Pension benefits (excl. lump sum payments)	3,513	2,792	2,002	1,530	1,195
Costs					
Operating and administration costs	3,069	2,624	2,734	2,413	2,583
Pension administration (in euros per participant and pension beneficiary))	3,006	3,139	1,975	280	309
Asset management (as % of invested assets)	0.27%	0.31%	0.31%	0.21%	0.23%
Indexation					
1-1-2025 / 1-1-2024 / 1-1-2023 / 1-1-2022 / 1-1-2021	1.71%	0.00%	7.36%	0.00%	0.00%
Accrual cutback					
Cutback pension accrual for the year	0.00%	0.00%	0.00%	23.80%	17.20%

2. Foreword

The year 2024 was marked by significant political and economic developments that deeply impacted the financial standing of Dutch pension funds. As we reflect on the past year, it is vital to recognize the key events that shaped our landscape.

The political climate in the Netherlands saw notable shifts, particularly following the European Parliament elections in June. These elections brought important issues such as migration, the green transition, and cost of living to the forefront. Rising support for populist parties introduced new dynamics into policy-making, potentially influencing future regulatory frameworks and economic stability.

From an economic perspective, the Netherlands experienced moderate growth, with forecasts of 1.5% economic expansion in both 2025 and 2026. However, persistently high inflation—driven by strong domestic demand, wage increases, and rising housing costs—remained challenging. Inflation stayed above the Eurozone average, impacting household purchasing power and broader economic stability. The fund's indexation policy was adjusted to reflect current conditions; with a Consumer Price Index of 2.58% recorded in October 2024, a 1.71% indexation was granted effective 1 January 2025.

Internationally, the NN CDC pension fund faced considerable financial pressure resulting from market volatility and low interest rates. The funding ratio was affected by the dual challenge of declining equity markets and increasing pension liabilities. These dynamics were further intensified by geopolitical uncertainties, including a US-initiated trade war and unrest in the Middle East.

Despite these challenges, NN CDC pension fund remained resilient—closely monitoring market conditions and adapting investment strategies to safeguard long-term sustainability.

In 2024, the NN CDC pension fund took substantial steps to optimize its investment policy. The fund maintained a 50/50 allocation between the matching and return portfolios. Strategic interest rate hedging was increased to 80% to mitigate volatility from rising and falling rates. The matching portfolio rose by 12%, driven mainly by declining capital market interest rates. Meanwhile, the return portfolio saw a 20% increase in developed market equities, a 3% rise in emerging market equities, and a 10.6% decline in direct real estate. The funding ratio decreased slightly from 128.4% at year-end 2023 to 128.2% at year-end 2024. Strong returns on corporate securities and the 80% interest rate hedge helped soften the impact of falling rates.

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The transition to the new pension system—set to be fully operational in 2027—remains a priority. Efforts continue to safeguard financial stability and protect the interests of all participants. The fund evaluated future scenarios and options, focusing on stability and pension preservation, including the potential transfer to a General Pension Fund (APF) with its own ringfenced group.

The fund will continue to communicate progress on the APF transfer and the implications of the new pension framework.

These developments reflect NN CDC pension fund’s commitment to prudent management, risk mitigation, and transparency—ensuring long-term sustainability and the security of pension benefits for all participants.

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3. Balance sheet

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

Balance

(after appropriation of results)

Assets	31-12-2024	31-12-2023
Investments at pension fund's risk		
Real estate investments	113,599	109,413
Equities	279,788	245,239
Fixed income investments	642,625	588,054
Derivatives	2,993	7,291
	1,039,005	949,997
Receivables and prepayments	905	1,224
Cash and cash equivalents	1,951	17,013
Total assets	1,041,861	968,234

Liabilities	31-12-2024	31-12-2023
Reserves		
Fund's capital	189,718	205,011
	189,718	205,011
Technical provisions for pension fund's risks		
Provision for pension liabilities	819,036	755,031
Provision for occupational disability risk	303	16
	819,339	755,047
Current liabilities and accrued liabilities	32,804	8,176
Total liabilities	1,041,861	968,234

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4. Cash flow statement

Pension activities	2024	2023
Income		
Contributions by employers and employees	5,522	8,537
Benefits from reinsurance	0	0
Incoming value transfers of pension rights	141	1,011
Othes	0	-2
	5,663	9,546
Expenditure		
Pension benefits	-3,584	-2,841
Premium for reinsurance	0	-22
Outgoing value transfers of pension rights	-1,272	-3,028
Operating and administration costs	-3,058	-2,409
		0
Total pension activities	-2,251	1,246

Investment activities	2024	2023
Income		
Sale and redemption of investments	187,319	401,993
Direct investment results	9,517	11,258
	196,836	413,251
Expenditure		
Acquisition of investments	-222,523	-437,760
Asset management expenditures	-1,557	-1,355
	-224,080	-439,115
	-27,244	-25,864
Movement in cash and cash equivalents	-29,495	-24,618
Cash and cash equivalents at 1 January	17,013	41,631
Cash and cash equivalents at 31 December	-12,482	17,013

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