



SUMMARY ANNUAL REPORT

Financial year **1-1-2022** up to and incl. **31-12-2022**





1. Key figures

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

	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Numbers					
Participants	14,753	15,011	15,299	14,778	14,086
Former participants	10,357	9,143	8,021	7,347	6,708
Pension beneficiaries	1,351	1,046	791	560	359
Total	26,461	25,200	24,111	22,685	21,153
Financial data					
Investments at pension fund's risk					
Invested assets	2,443,051	3,134,933	2,819,164	2,154,122	1,570,700
Investment result	-953,733	14,202	357,676	314,745	252
Return on investments	-28.6%	0.3%	14.9%	18.8%	0.3%
Technical provisions					
Provision for pension liabilities own account	2,056,248	2,809,905	2,744,036	2,072,386	1,416,764
Provision for pension liabilities reinsurance	902	2,817	1,523	2,776	2,796
Total technical provisions	2,057,150	2,812,722	2,745,559	2,075,162	1,419,560
Reserves					
General reserve	469,637	359,716	99,673	107,848	160,288
Funding ratio					
Present	122.8%	112.8%	103.6%	105.2%	111.3%
Required (strategic)	121.1%	118.3%	118.5%	119.4%	119.9%
Minimum required	105.2%	104.8%	104.8%	105.0%	104.4%
Policy	121.4%	108.2%	97.9%	106.9%	117.9%
Real	85.4%	84.6%	78.8%	83.6%	93.8%



Contributions by employers and employees	2022	2021	2020	2019	2018
Pension plan contributions	307,106	316,317	304,906	284,946	277,758
Other contributions	4,835	4,460	4,607	4,481	4,276
Total	311,941	320,777	309,513	289,427	282,034
Pension benefits (excl. lump sum payments)	6,811	5,099	3,521	2,041	1,276
Costs					
Operating and administration costs	3,902	3,593	3,673	3,411	3,189
Pension administration (in euros per participant and pension beneficiary)	242	224	228	222	221
Asset management (as % of invested assets)	0.24%	0.16%	0.17%	0.17%	0.19%
Indexation					
1-1-2023 / 1-1-2022 / 1-1-2021 / 1-1-2020 / 1-1-2019	4.58%	0.00%	0.00%	0.00%	0.87%
Accrual cutback					
Cutback pension accrual for the year	29.70%	33.00%	25.40%	25.40%	0.00%



2. Foreword

The year 2022 was characterized by milder variants of the coronavirus and the invasion of Russia into Ukraine. The war led to supply shortages, particularly in energy, causing prices to skyrocket. As many sectors depend on oil and gas, prices in those sectors also increased significantly. This resulted in steep inflation that hasn't been experienced in over 40 years. Although there was no recession according to the economic definition, many people felt it in their wallets due to price inflation.

In an attempt to curb the specter of inflation, central banks raised interest rates significantly last year. This occurred in the United States, European Union, United Kingdom, and Japan. During this economically uncertain time, the stock markets suffered substantial declines. All the mentioned developments had a major impact on the financial position of the pension fund and, therefore, on all participants. Inflation and rising interest rates led to a lower valuation of stocks and bonds, causing a decrease in the pension fund's assets. The rising interest rates had the greatest effect. The funding ratio is largely dependent on interest rates, and its level greatly affects both pension accrual and indexation. With rising interest rates, pension liabilities decrease more than the value of investments (depending on the interest rate hedging). This increases the funding ratio and provides the pension fund with more financial leeway. This means that for 2023, the full fiscally maximum accrual can be provided to participants, along with a partial indexation for 2022. The board has granted the maximum indexation allowed under the current rules for the fund. This represents a significant improvement compared to last year. Social partners have extended the pension agreements in the pension agreement (part of the collective labor agreement). This ensures that the current system of the CDC scheme will remain in place at least until the end of 2024.



The implementation of the new pension agreement has been postponed by one year to July 1, 2023. As a result, social partners have a little more time to choose the new pension scheme. The fund has established a project group and multiple working groups to monitor legislation. The fund assesses the implications for participants, inactive members, and retirees. The board is engaging in discussions with employers and labor unions regarding the future of the pension scheme.

The outsourcing partners remain unchanged. The investment portfolio has been further diversified. The investment policy now focuses on new asset classes, supported by the ALM study and risk assessment. For example, at the end of 2021, a decision was made to invest 5% of the portfolio in mortgages. Furthermore, the high-yield investment has been shifted from trackers to a mandate managed by asset manager Janus Henderson. Additionally, in 2023, the fund will search for an asset manager to acquire a portfolio of small-cap stocks in Japan and Europe.



3. Balance sheet

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

Balance

(after appropriation of results)

Assets	31-12-2022	31-12-2021
Investments at pension fund's risk		
Real estate investments	363,799	346,366
Equities	703,793	1,011,310
Fixed income investments	1,366,612	1,802,530
Derivatives	259,346	110,066
	2,693,550	3,270,272
Receivables and prepayments	5,084	3,129
Cash and cash equivalents	79,687	36,149
Total assets	2,778,321	3,309,550

Liabilities	31-12-2022	31-12-2021
Reserves		
Fund's capital	469,637	359,716
	469,637	359,716
Technical provisions for pension fund's risks		
Provision for pension liabilities	2,056,248	2,809,905
Provision for occupational disability risk	902	2,817
	2,057,150	2,812,722
Current liabilities and accrued liabilities	251,534	137,112
Total liabilities	2,778,321	3,309,550



4. Cash flow statement

Pension activities	2022		2021	
Income	310,759		323,133	
Contributions by employers and employees	0		0	
Benefits from reinsurance	12,533		3,514	
Incoming value transfers of pension rights	-1		283	
Other	323,291		326,930	
Expenditure	-6,788		-5,110	
Pension benefits	-214		-2,675	
Premium for reinsurance	-5,767		-195	
Outgoing value transfers of pension rights	-3,956		-3,738	
Operating and administration costs	-16,725		-11,718	
		306,566		315,212
Total pension activities				
Investment activities				
Income	2,123,092		1,157,178	
Sale and redemption of investments	50,564		43,523	
Direct investment results	2,173,656		1,200,701	
Expenditure	-2,433,847		-1,488,244	
Acquisition of investments	-2,837		-2,021	
Asset management expenditures	-2,436,684		-1,490,265	
		-263,028		-289,564
Movement in cash and cash equivalents		43,538		25,648
Cash and cash equivalents at 1 January		36,149		10,501
Cash and cash equivalents at 31 December		79,687		36,149



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