

Creating a leading  
insurer in The Netherlands



**a.s.r.**

## Break-out Pensions

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# Key take-aways

- ▶ A leading player in the changing Dutch pension market, well-positioned to capture the opportunities from the market on the back of new pension legislation
- ▶ Strong capabilities and full range of products enabling growth in Pension DC and annuities, as well as taking a fair market share in the buy-out market
- ▶ Operating from a modern, highly scalable and efficient administration platform
- ▶ Business growth, investment returns and in-force capital release drive significant contribution to the OCC

## Pension DC inflow

€ 8bn

Cumulative | 2024 - 2026

## Pension buy-outs

€ 8bn

Minimum hurdle rate 12%  
Cumulative | 2024 - 2027

## Annuity inflow

€ 1.8bn

Cumulative | 2024 - 2026

# A leading player in the changing Dutch pension market



## Our foundation

- Leading player in Dutch market with overall market share<sup>1</sup> of 34%
- Well-known brands servicing the entire pension market
- Number one position<sup>2</sup> in distribution partner satisfaction survey
- Cost-efficient new DC and DB platforms
- Well-positioned to be successful in buy-outs
- Proposition development and pricing supported by cost-efficient in-house asset manager



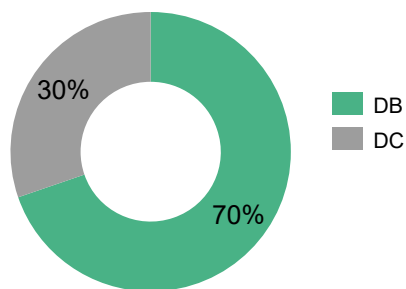
## Market & trends

- Dutch pension reform entails a shift from DB to DC
- DB pension schemes allowed till 1 January 2028
- Buy-out opportunities from corporate pension funds
- Shift to DC drives annuities growth
- Shift from collective to individual responsibility drives growth of 3<sup>rd</sup> and 4<sup>th</sup> pillar pension market<sup>3</sup>



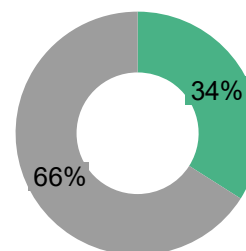
## Portfolio mix

Technical provision (SII) FY2023 € 80bn (in %)

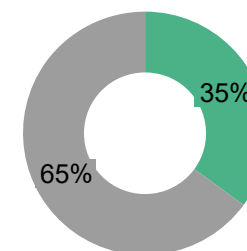


## Market shares<sup>1</sup>

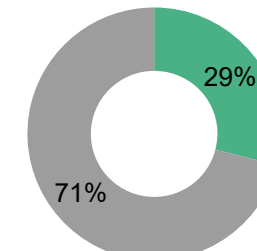
Total Pensions



DC



Annuities



a.s.r. Other

<sup>1</sup> Source: IG&H Market research data 2022 (IG&H Distributie Monitor 2024 and Management insights)

<sup>2</sup> Source: IG&H Performance Monitor 2023

<sup>3</sup> The Dutch pension system is based on 4 pillars: 1. State retirement pension 2. Employer pension plan 3. Fiscally supported individual pension and 4. Pension savings

# Our focus: deployment of strong capabilities built on a solid foundation

**Leading position in distribution partner satisfaction**

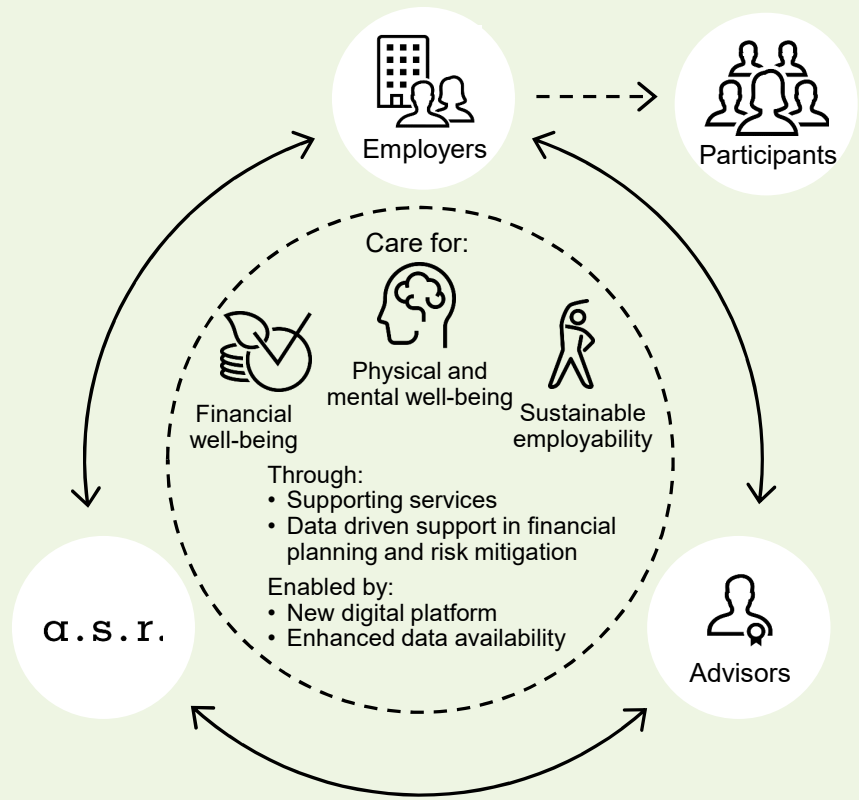
- Distribution partner satisfaction at a leading level (Number one position 2019 – 2023<sup>1</sup>)
- Effectively manage temporary pressure due to integration

**Ready for pension reform**

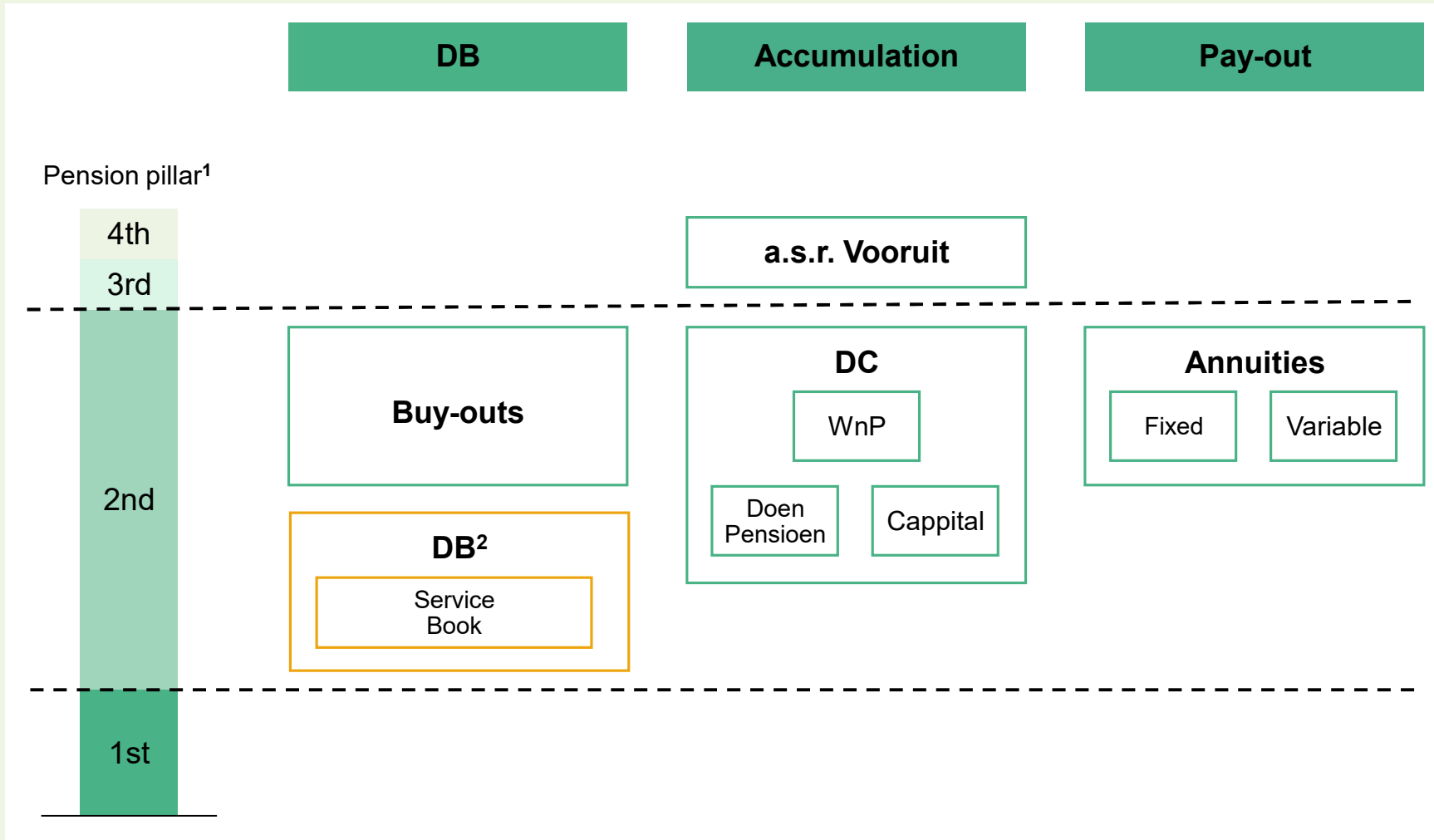
- Broad product offering to fully support customer needs in both asset accumulation and pay-out phases
- Excellent communication and financial planning capabilities to support transition of participants
- Administration services to support pension buy-outs
- Pension reform proof IT systems

**Profitable growth**

- Migration to new cost-efficient DC platform reducing cost per participant
- Capture synergies of integration (one company – one culture)
- Strong in-house asset management capabilities including lifecycle investments and sustainable investment proposition



# A full range of pension products and services



## Services

### Pension administration services

**TKP**

- Supports 3.7m participants (including: 13 pension funds and STAP APF)
- Growing competitive platform enabling cost effective implementation of new pension reform and process innovations

### Supplemental services

Services (e.g. personal care and vitality and financial planning) that support participants in:

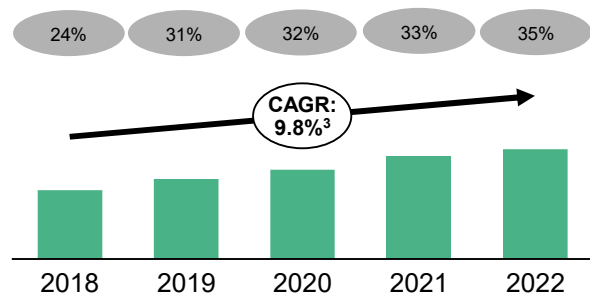
- Financial well-being
- Physical and mental well-being
- Sustainable employability

# Market opportunities drive further growth in both DC and Annuities

## Market<sup>1</sup>

### DC market development

Market share<sup>2</sup>



- Ongoing growth of the DC market
- Organic growth will broadly develop in line with market

## Opportunity in the pay-out phase

### Fixed annuities

### Variable annuities

- Expanding market due to demographic aging
- Ongoing shift to DC accumulation elevates annuity inflow in pay-out phase
- Inflow of funds accumulated elsewhere as result of an increasing developed market with enhanced customer awareness
- Fair market share ambition reflects value over volume approach

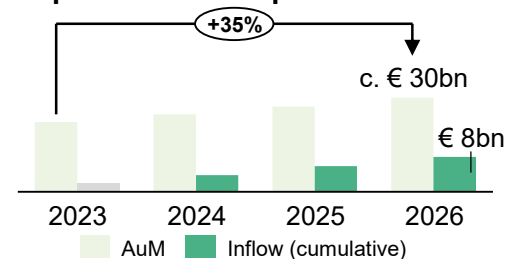
## Opportunity in the accumulation phase

### DC

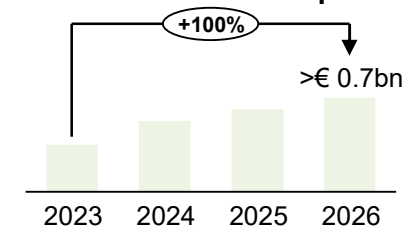
- Ongoing transfer of funds due to sub scale operations of smaller company pension funds
- New pension reform urges companies to re-assess the way employee retirement schemes are organised
- Broad product offering, support (to employers, advisors and participants) and cost-efficient solutions will attract employers to the a.s.r. insurance DC solutions

## Growth ambition

### DC portfolio development



### Total inflow annuities p.a.

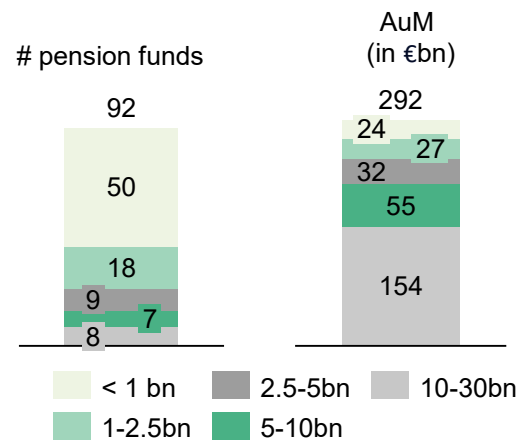


- DC margin amounts c.10 bps<sup>4</sup> and will grow in the coming years driven by economies of scale

# Attractive opportunity to deploy capital in pension buy-outs

## Market overview

### Total market corporate pension funds<sup>1</sup>



- Approximately € 20bn – € 30bn of accumulated assets by corporate pension funds is expected to enter into a buy-out agreement till 2028

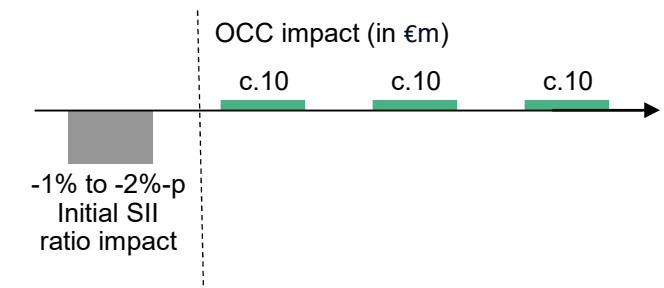
## Opportunity

- Corporate pension funds to convert existing entitlements to new (DC) contract types ('invaren')
- Option to keep existing DB arrangement for already accumulated reserves
  - Stay in existing set-up or enter into a buy-out agreement
- Buy-out is attractive for:
  - Closed funds to secure future pay-out including indexation
  - Funds that lack scale (escape from complex system conversion)
  - Avoid administration old DB book and new running DC book in case of no conversion
  - Most beneficial to corporate pension funds that are closed for accumulation or supporting relatively aged participants group
- a.s.r. has proven capabilities in providing administration services for DB pension books
- Potential buy-outs to increase profitability of a.s.r. via excess returns and release of capital

## Financial impact

- Hurdle rate of 12% in line with our approach for M&A opportunities
- Initial investment of on average c. 1.5% solvency points per € 1bn (AuM) buy-out largely depending on entering in a reinsurance contract
- Capital generation from investment return optimised in strategic asset allocation process
- Buy-outs allow for a higher allocation towards illiquid investments leading to improved returns

### Impact on SII-ratio and OCC (per € 1bn buy-out)

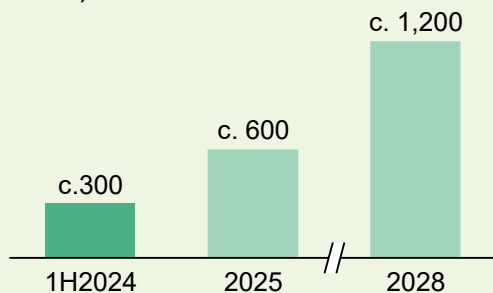


# Benefitting from a highly scalable and efficient administration platform

## Advantages new open book admin system

- Savings on cost per participant of 20% in 2026 (compared to 2023) as a result of gaining scale
- Fully web-based software
- Connectivity through customer portals
- Secure private cloud solution
- Seamless integration in existing a.s.r. IT-landscape
- Ease of adaptability to new rules and regulations
- Increase in efficiency through STP data handling
- Scalability supports growth through M&A

**Number of participants migrated**  
(x1000)



**PLEXUS**

## Customer and partner benefits

### Advisors

- In-dept portfolio insight
- Supports efficient and convenient quotation process

### Employers

- Single overview of a.s.r. products and services involved
- Full financial insight in pension arrangement
- Self-service and connectivity to payroll administration

### Participants

- Data driven support in financial planning
- Insights in portfolio supporting investment choices



# Increasing OCC as result of business growth strategy

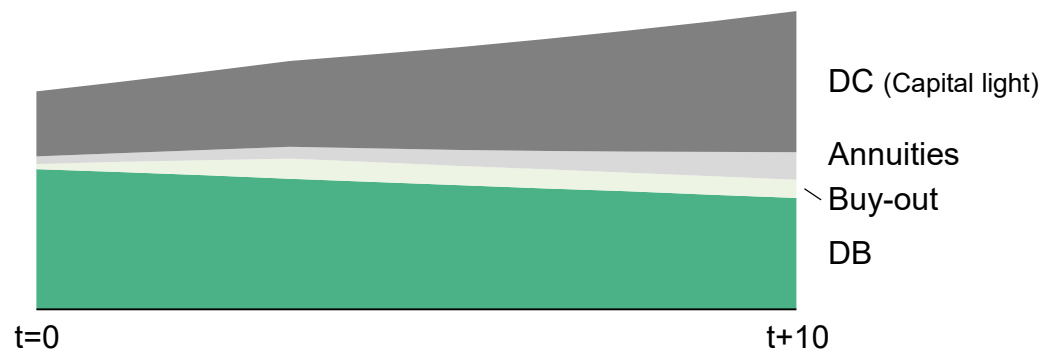
## Balance sheet growth

- Projection of provision reflects the expected portfolio composition for the coming years
- Capital light DC product AuM will increase as pension reform only allows accumulation in DC as of 1 January 2028
- Share of annuities will increase on the back of DC growth to support the pay-out phase after retirement
- Pension buy-outs add scale to DB book

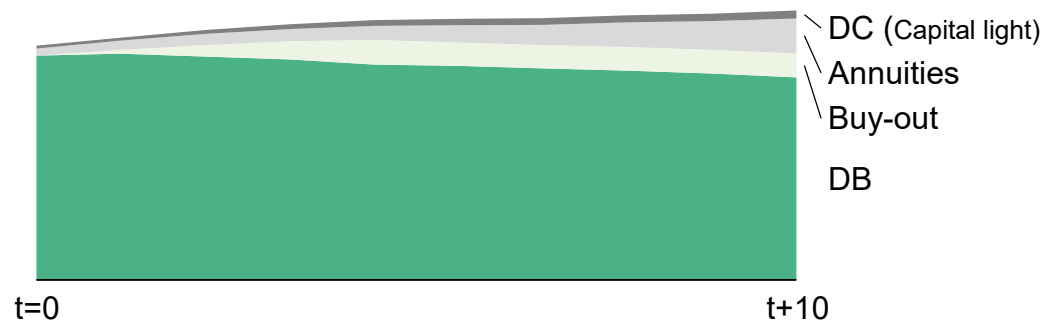
## OCC growth

- Growing OCC is in line with increasing portfolio
- Increasing contribution of growth products more than offsets gradual decline of DB book
- Level of contribution from DC reflects capital light nature of the product
- Increasing contribution from annuities

Illustrative projection. Provision growth from a growing DC book and related growth of annuities<sup>1</sup>



Illustrative projection. Growing OCC contribution from DC and annuities compensates gradual decline of DB pension book<sup>1</sup>



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