ALM & Liquidity risk

Seminar 25 June 2026

TRIPLE A
RISK FINANCE

Agenda

13:30 – 14:15	Developments Capital Generation, ALM & Liquidity risk
14:15 – 15:00	Liquidity Risk Management Plan & Prudent Person Principle
15:00 – 15:30	Break
15:30 – 16:15	Interest-only mortgages
16:15 – 17:00	Demystifying Private Credit
17:00	Drinks

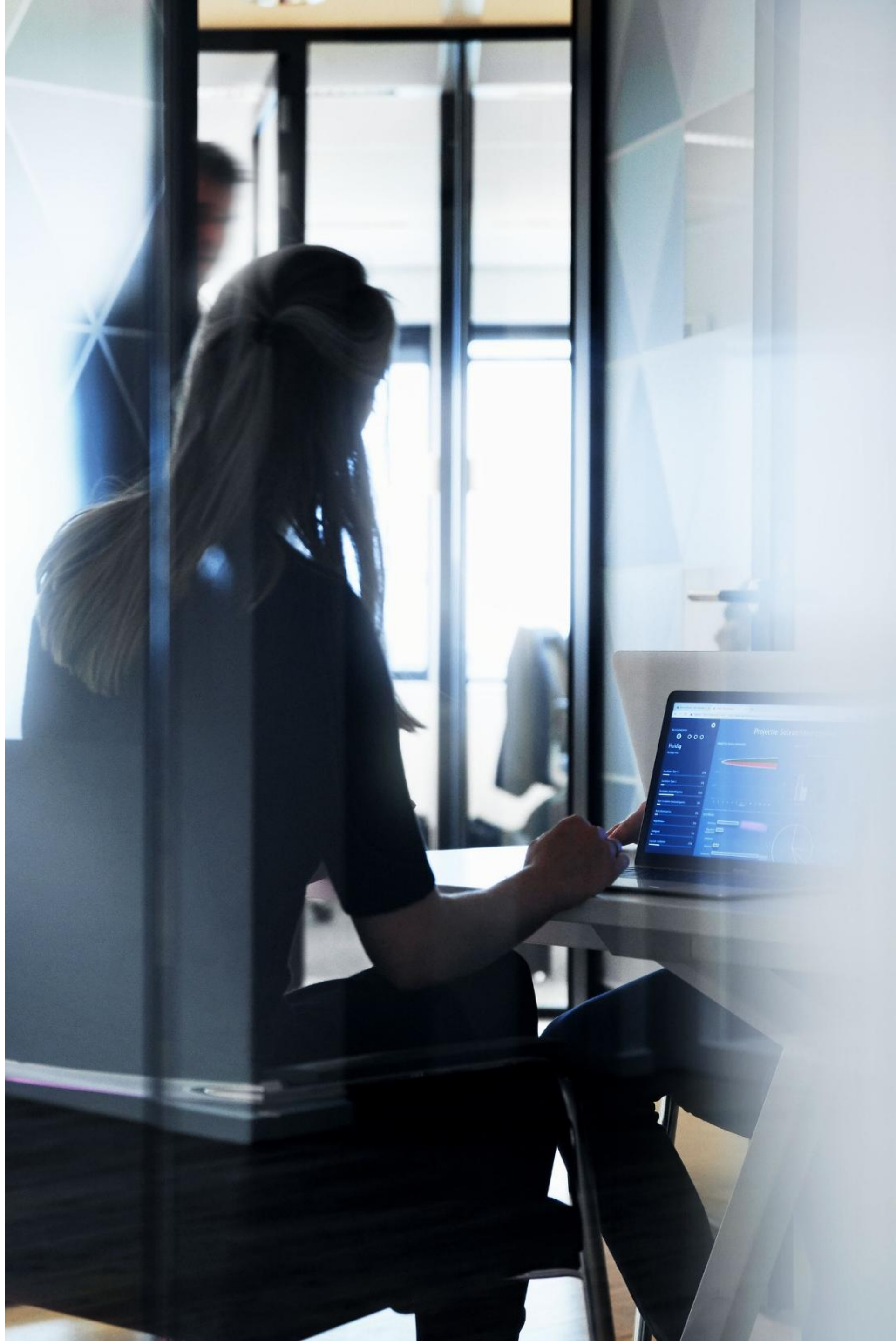
Developments Capital Generation, ALM and Liquidity risk

Dutch (and European) insurance companies

TRIPLE A
RISK FINANCE

Agenda

1. Solvency, performance and capital generation
2. Catalysts for capital generation
3. ALM / Private Debt ⇔ Pension reform / Annuity market
4. SII 2020 review
5. Closing and key take-aways



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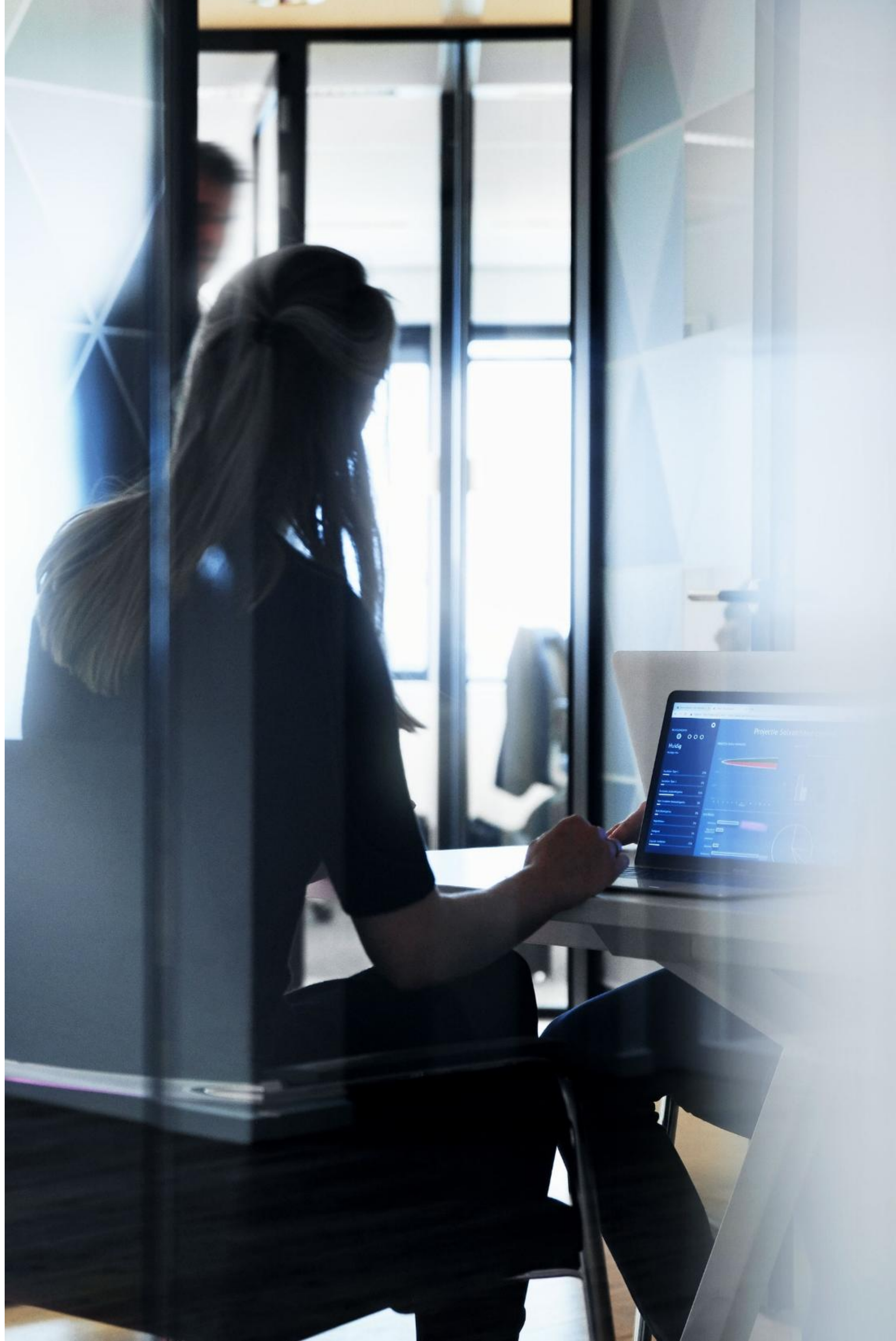
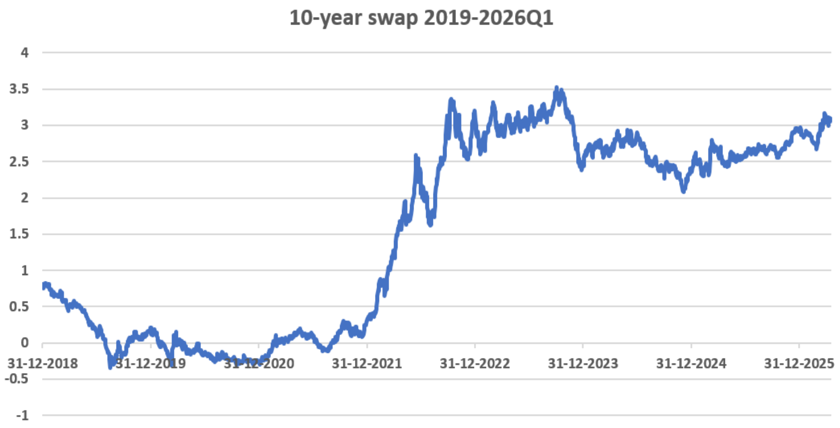


Economic developments in 2025-2026

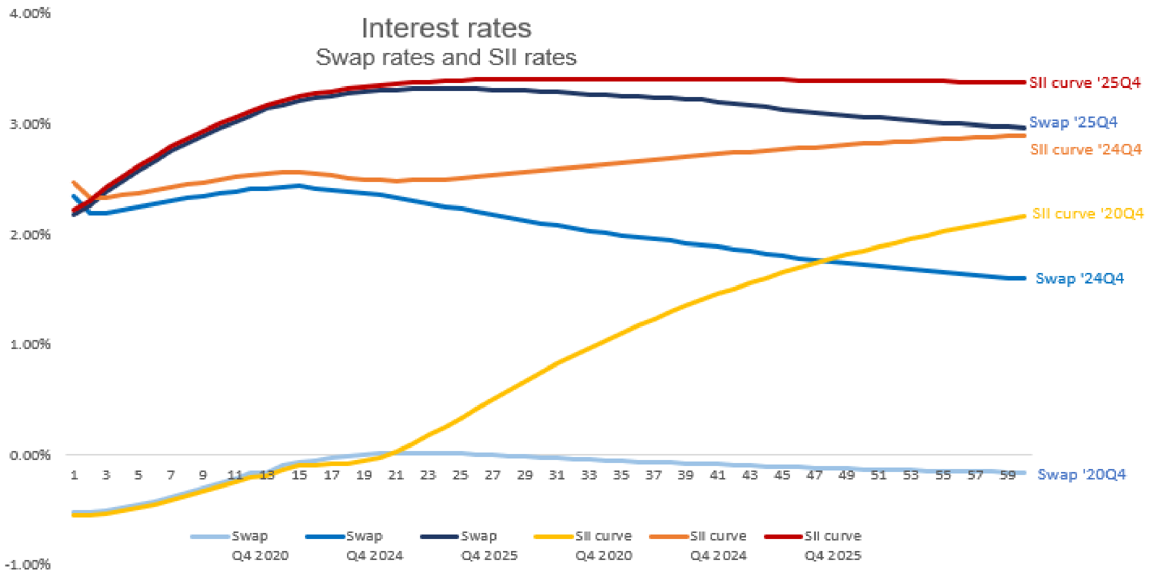
Economic developments

- Positive impact dominates driven mainly by **increasing (long) swap rates** and **tighter spreads** on government bonds and mortgages
- Partly offset by **negative equity returns**
- Inflationary risks increasing again first half of 2026, mainly driven by Iran war

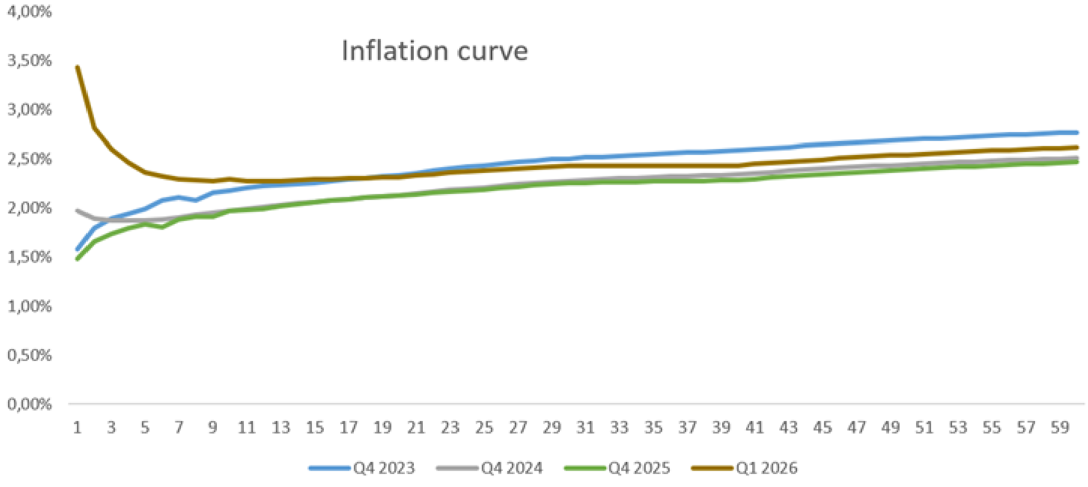
Interest rates in historical perspective



EUR interest rates relatively stable in 2025



Inflation curve decreases but increasing again 2026



Economic developments in 2025

Resilient economic circumstances provide room for further rerisking

- Implications of violent interest increase were huge in 2022
- Majority of insurance groups and life insurers apply hedge approaches aimed to stabilize the SII ratio
- Improved investment income by more efficient deployment of capital and further optimization of the investment portfolio:

Reallocation from bonds, credits and mortgages to private credit

				Change		
Own risk assets (€ Bn)	**2022YE**	**2023YE**	**2024 YE**	**2022**	**2023**	**2024**
Insurance Groups						
NN Group	121,1	122,8	121,2	-28%	1%	-1%
ASR NL	43,3	89,8	90,3	-28%	107%	1%
Achmea	45,8	46,3	48,6	-21%	1%	5%
Athora NL	29,8	33,0	33,7	-34%	11%	2%
Dutch Life insurers						
NN Leven	87,9	92,4	91,4	-29%	5%	-1%
ASR Leven solo	33,0	34,9	35,0	-34%	6%	1%
Aegon Leven solo	37,8	39,6	40,9	-32%	5%	3%
Achmea LP solo	29,4	30,1	31,0	-30%	2%	3%
SRLEV solo	29,2	32,3	33,9	-34%	11%	5%
Coöperatie Dela (group)	8,6	9,0	9,8	-9%	4%	10%
Monuta solo	1,7	1,9	2,1	-29%	13%	10%
Onderlinge Nederland	2,1	2,1	2,3	-25%	1%	6%

Remarks:
- Increase in Assets for ASR NL group related to Aegon NL take-over
- Dela has an alternative asset mix with much less fixed income and more equity-type investments
  Dela has acquired Yarden in 2021; so presented impact is impacted by this

Source: company disclosures and Triple A analysis

IFRS results 2023-2025

Results on GAAP IFRS17 basis for Dutch Insurers are generally not consistent with EU peers

- Benchmarking IFRS result from large Dutch insurance groups extremely difficult
  - Not consistent with Dutch peers (IFRS versus Dutch GAAP and impact discounting on key metrics)
  - Not consistent with EU peers (inconsistent treatment of economic variances)

- ALM mismatch resulting from interest rate movements for "commonly" traded instruments

➢ NN:	through OCI
➢ Large European insurance peers:	through OCI
➢ ASR:	through P&L (*)
➢ Achmea:	through P&L (*)
➢ Athora:	through P&L (*)

- Steering on Non-GAAP operating profit (no consistent market practice and unaudited figures)

(*) This holds true for majority of non UL assets but generally not for mortgages or certain direct real estate participations

IFRS results 2023-2025

- **Through OCI** (**NN, Axa** and to more limited extent **Allianz** and **Munich Re**)

  Interest rate development and widening credit spread exceeds widening liquidity premium

  ➔ drop IFRS asset value overwhelms drop IFRS liability value

- **Through P&L** (**ASR** and **Achmea**)

  ➔ ASR classifies mortgages and real estate under FVOCI and both surged in 2025!

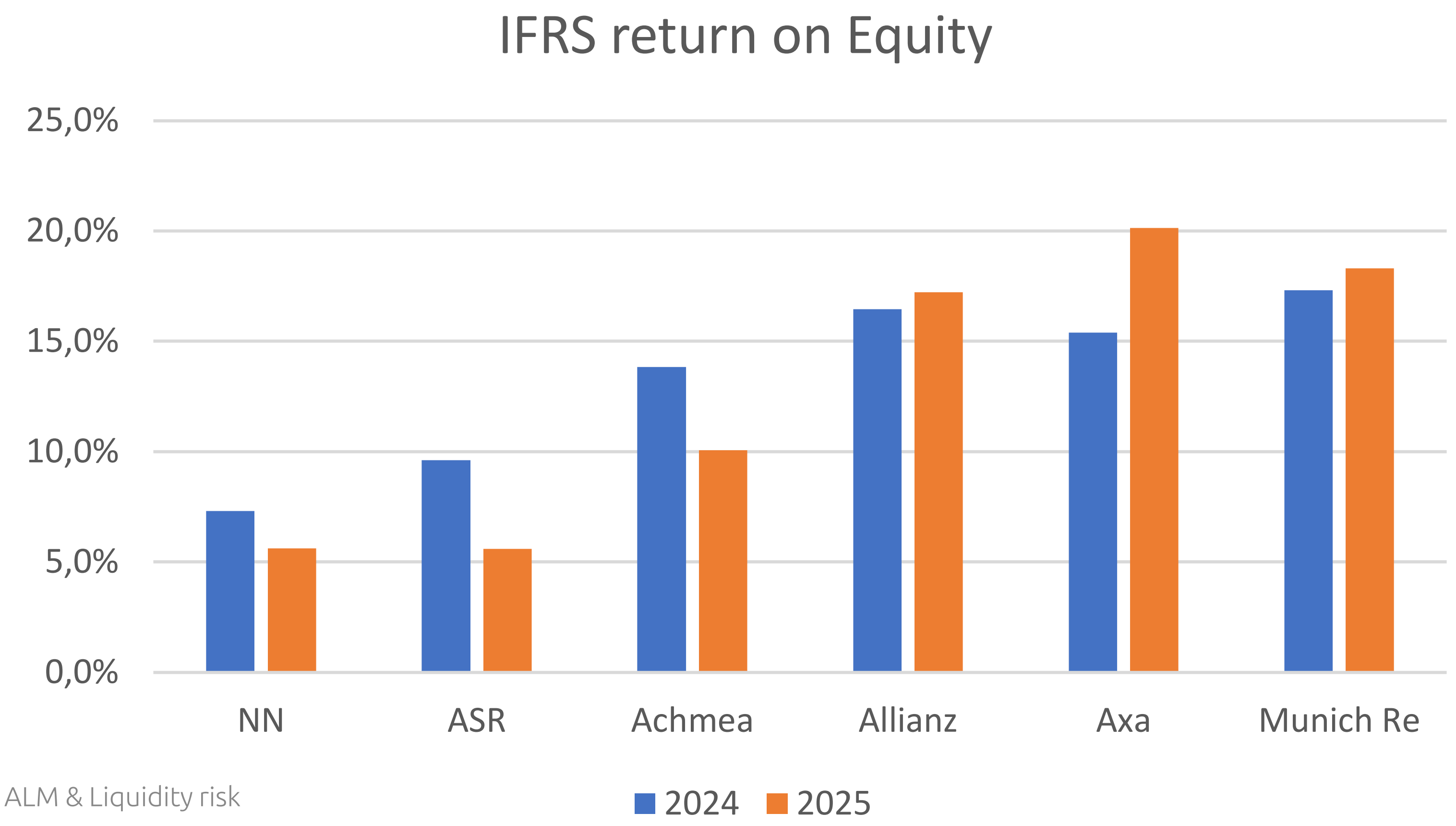
	NN			a.s.r.			achmea		
Figures in €Mn	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**
ALM mismatch realized through	**Through OCI**			**Through P&L**			**Through P&L**		
IFRS17 Net result	**1.188**	**1.583**	**1.184**	**565**	**946**	**1.086**	**1.197**	**1.303**	**814**
IFRS17 Other Comprehensive income	-620	25	312	228	276	61	35	20	-79
IFRS17 Comprehensive Income	**568**	**1.608**	**1.496**	**793**	**1.222**	**1.147**	**1.232**	**1.323**	**735**
IFRS17 equity	21.155	21.652	21.119	10.124	9.833	9.377	11.887	9.415	8.980

	Allianz			AXA			Munich RE		
Figures in €Mn	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**
ALM mismatch realized through	**Through OCI**			**Through OCI**			**Through OCI**		
IFRS17 Net result	**11.430**	**10.540**	**9.032**	**9.981**	**8.074**	**7.373**	**6.121**	**5.671**	**4.597**
IFRS17 Other Comprehensive income	-291	-743	2.366	-2.572	-421	1.574	-1.162	718	994
IFRS17 Comprehensive Income	**11.139**	**9.797**	**11.398**	**7.409**	**7.653**	**8.947**	**4.959**	**6.389**	**5.591**
IFRS17 equity	66.349	64.076	61.560	49.557	52.478	52.398	33.421	32.746	29.772

IFRS results 2023-2025

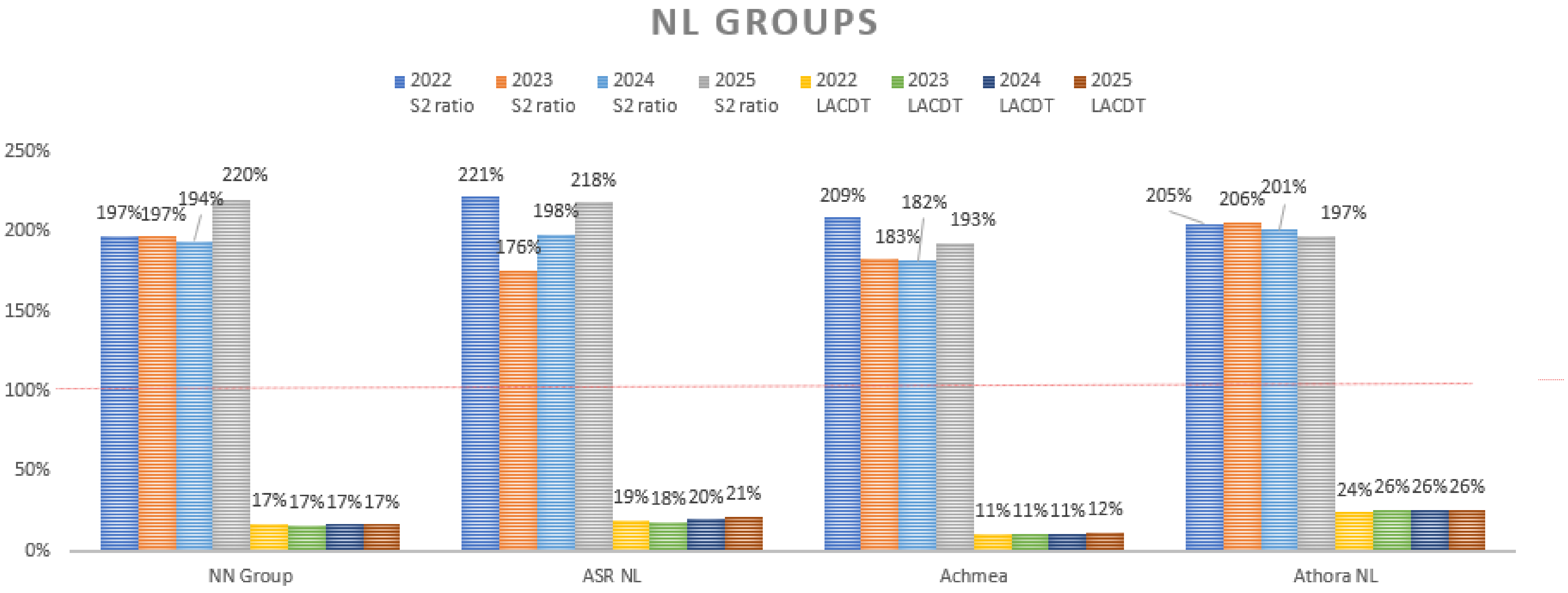
- IFRS RoE is relatively **lower** for Dutch insurers compared to large European peers

  ✓ Dutch insurers have dominant pension savings and life savings portfolios, often with **high guarantees** and **long duration**.
  ✓ European insurers relatively more **non-life** and **short-term life** business (i.e. protection business)
  ✓ CSM (future earnings) for Dutch insurers relatively lower and is amortized over relatively longer period, resulting in a somewhat lower annual net result.



Robust solvency ratios Dutch insurance groups

- Overall solvency levels **above 175%** for all entities (within 150%-200% comfort level)
- Strong positive results for NN (economic developments) and ASR (economic developments and PIM approval)

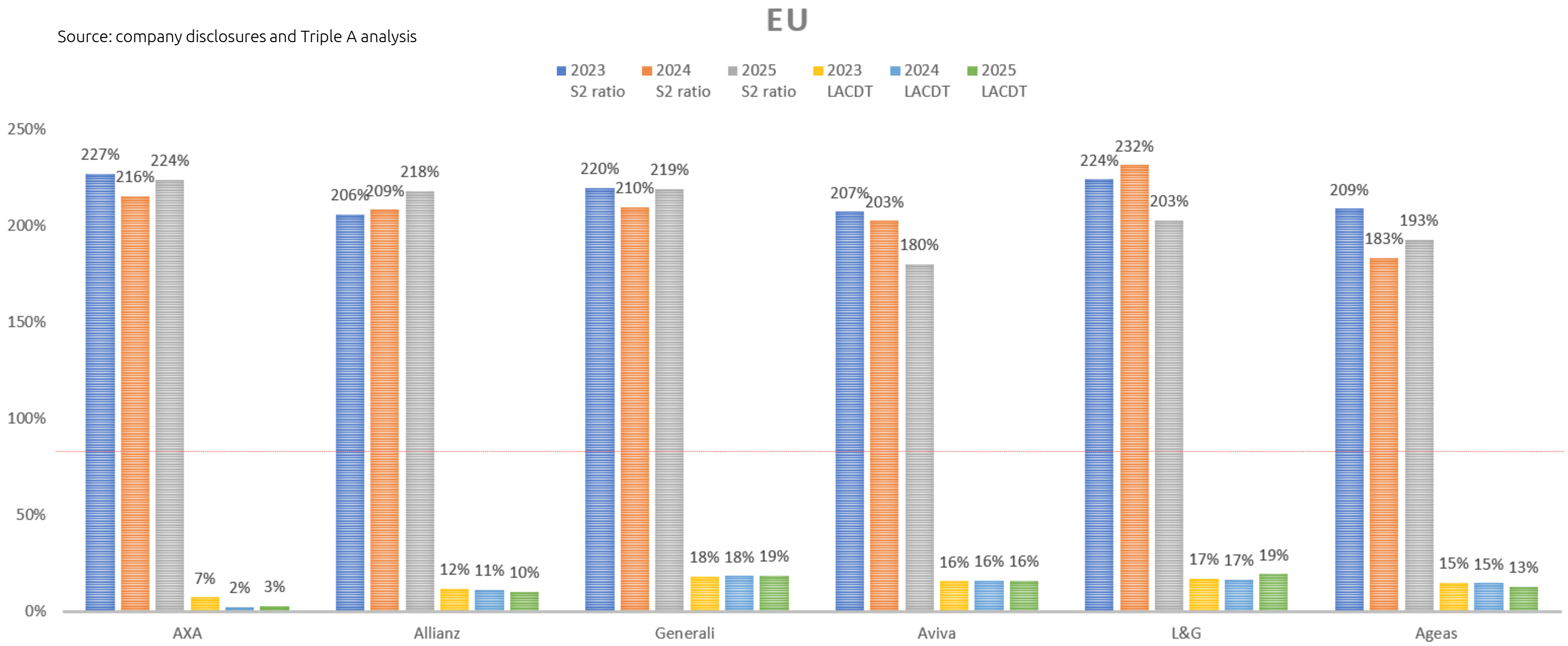


Source: company disclosures and Triple A analysis

Solvency ratios EU insurance groups slightly higher

- Solvency ratios slightly **higher for EU groups** compared to Dutch peers (well above 200% in most cases)
- **LACDT slightly less** compared to Dutch peers, but could also result from different tax regime

Source: company disclosures and Triple A analysis



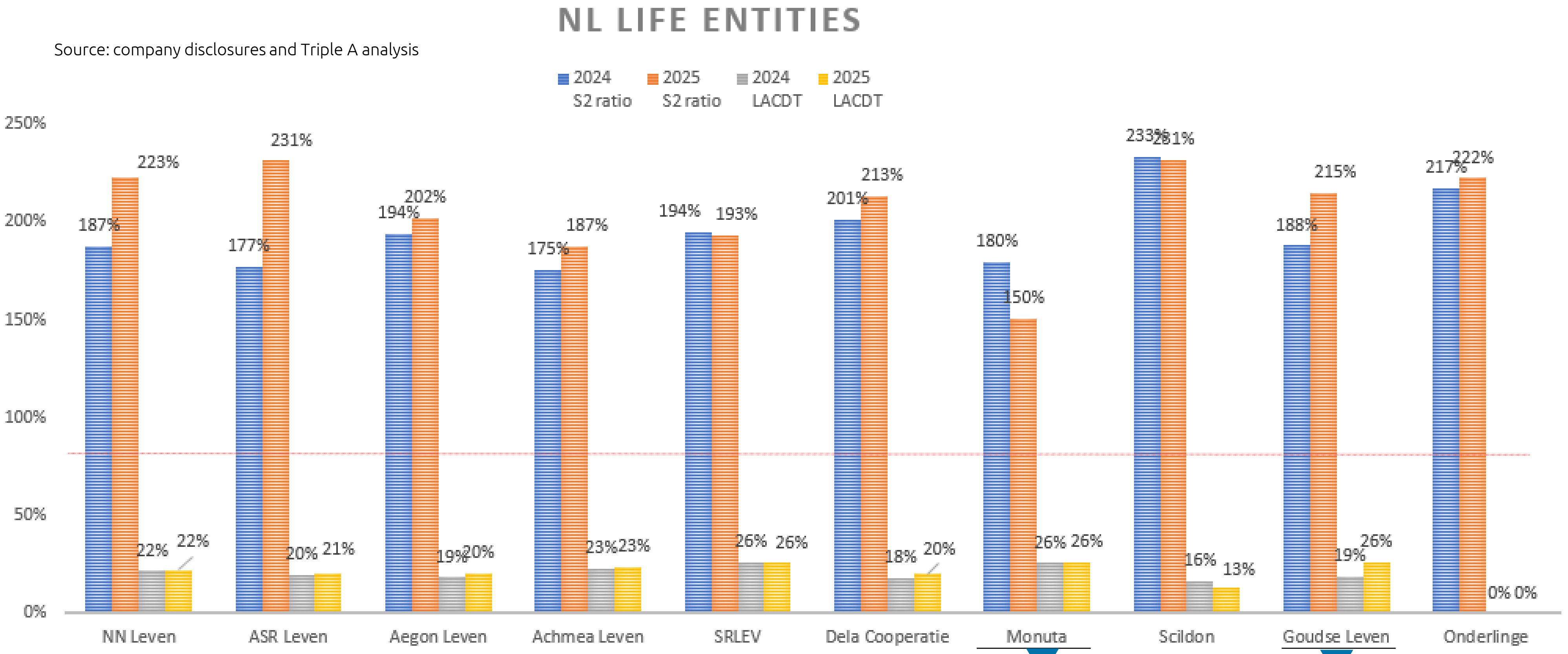
Aviva bought Direct line and took on existing Tier 2 debt in 2025

£11.8 billion in Global Pension Risk Transfers and L&G announced its largest-ever share buyback program of £1.2 billion

Solvency ratios Dutch life insurers

- Solvency positions generally sound for Dutch life insurance entities

Source: company disclosures and Triple A analysis



Favourable economic developments in 2025 and PIM approval for ASR in 2025

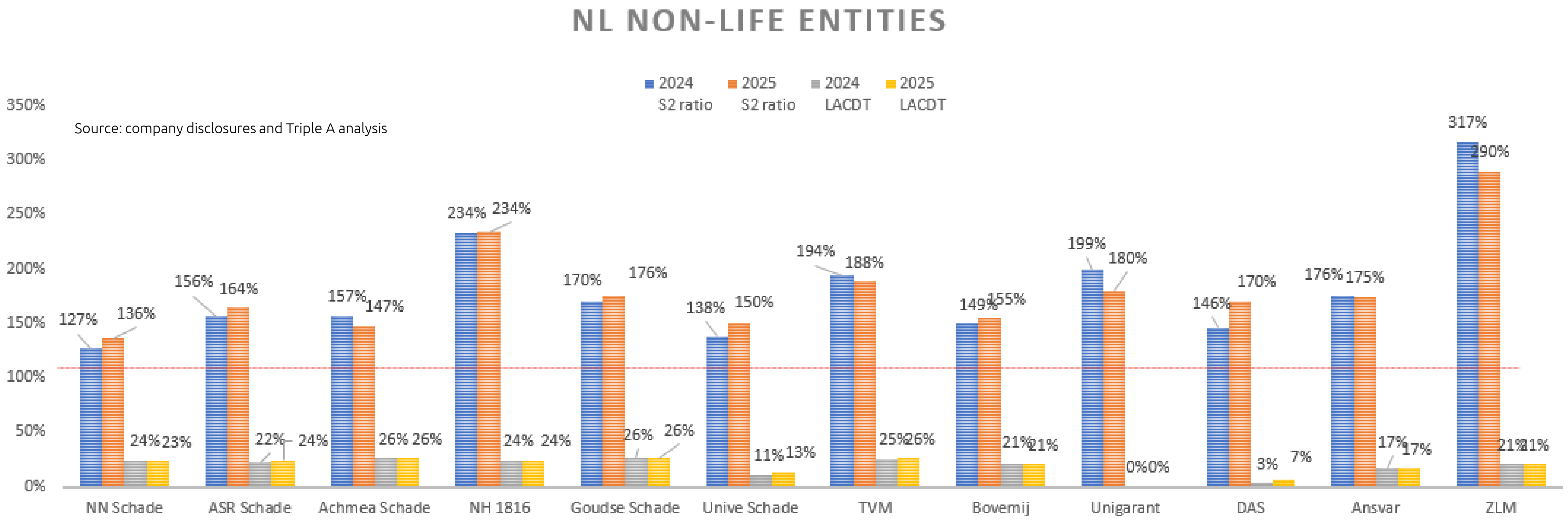
Longevity Reinsurance

Steepening of the interest rate curve (*versteiling van de rentecurve*) had an adverse, increasing impact on their Solvency II Best Estimate Liabilities (BEL)

Liability duration is short-to-medium tail compared to extreme long-tail funeral providers, the drop in liability values significantly outpaced the concurrent decline in fixed-income asset values

Solvency ratios Dutch non-life insurers

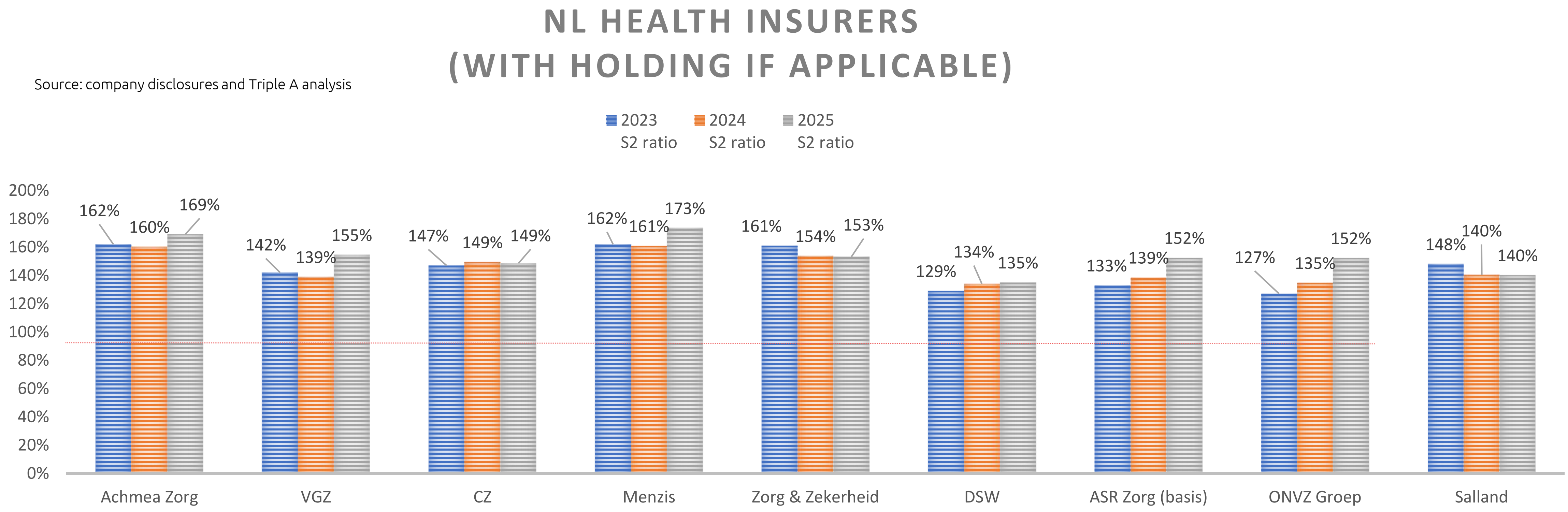
- **Much variation** between different Dutch non-life entities
- **Large non-life insurers** capitalized at **lower levels** (due to dividend policy)
- Small and mid-sized insurers tend to have **Lower LACDT** amounts



Solvency ratios Dutch health insurers

- Solvency levels are **generally lower** for Dutch health insurers compared to non-life insurers | **2025 was positive year**
- In 2025 the government introduced a structural overhaul and retroactive optimization of the equalization model specifically for 2025 (one-off effect) (*) ➔ 2025: health premiums more or less equal & positive underwriting results

Source: company disclosures and Triple A analysis



(*) Over the preceding years (2023–2024), the predictive model had significantly under-compensated insurers for the sudden post-pandemic inflation spikes in specialized hospital care and wage costs. This was fixed in 2025 by the introduced structural overhaul.

Capital generation

Results for Dutch insurance groups 2021-2025

Disclosed capital generation outcomes for Dutch insurance groups 2021-2025 (€ bln)

NN	2021	2022	2023	2024	2025
Solvency II ratio	213%	197%	197%	194%	220%
SCR growth (%)	3%	-8%	-1%	-2%	0%
IFRS net result	**3,3**	**1,6**	**1,2**	**1,6**	**1,2**
(1) Operational FCG	**1,6**	**1,7**	**1,9**	**1,9**	**2,1**
(2) Market impacts / One-offs	-0,0	-2,2	-0,9	-1,2	1,4
(3) Actual FCG	**1,6**	**-0,5**	**1,0**	**0,8**	**3,5**
(4) Capital flows (Divs + Coupons + SBB)	-1,0	-1,8	-1,1	-1,2	-1,2
(5) Change Free Surplus	**0,6**	**-2,3**	**-0,1**	**-0,5**	**2,3**
Oper FCF / Eligible Own Funds	**8%**	**8%**	**11%**	**11%**	**12%**
Actual FCF / Eligible Own funds	**8%**	**-2%**	**6%**	**4%**	**21%**

a.s.r.	2021	2022	2023	2024	2025
Solvency II ratio	196%	221%	176%	198%	218%
SCR growth (%)	1%	-20%	96%	-6%	-4%
IFRS net result	**0,9**	**-1,7**	**1,1**	**0,9**	**0,6**
(1) Operational FCG	**0,6**	**0,7**	**0,9**	**1,2**	**1,3**
(2) Market impacts / One-offs	-0,3	-0,7	-1,3	0,7	0,5
(3) Actual FCG	**0,3**	**-0,0**	**-0,3**	**1,9**	**1,9**
(4) Capital flows (Divs + Coupons + SBB)	-0,4	0,1	1,2	-0,8	-0,9
(5) Change Free Surplus	**-0,1**	**0,1**	**0,9**	**1,1**	**0,9**
Oper FCF / Eligible Own Funds	**7%**	**8%**	**13%**	**10%**	**11%**
Actual FCF / Eligible Own funds	**4%**	**-1%**	**-4%**	**16%**	**15%**

achmea	2021	2022	2023	2024	2025
Solvency II ratio	214%	209%	183%	182%	193%
SCR growth (%)	-6%	-9%	10%	14%	3%
IFRS net result	**0,5**	**-0,8**	**0,8**	**1,3**	**1,2**
(1) Operational FCG	**0,4**	**0,1**	**0,4**	**0,5**	**0,5**
(2) Market impacts / One-offs	0,3	-0,3	-0,7	0,1	0,5
(3) Actual FCG	**0,7**	**-0,1**	**-0,3**	**0,5**	**1,0**
(4) Capital flows (Divs + Coupons + SBB)	-0,8	-0,6	-0,5	-0,0	-0,2
(5) Change Free Surplus	**-0,0**	**-0,7**	**-0,8**	**0,5**	**0,8**
Oper FCF / Eligible Own Funds	**4%**	**1%**	**4%**	**5%**	**5%**
Actual FCF / Eligible Own funds	**7%**	**-1%**	**-3%**	**6%**	**10%**

ATHORA	2021	2022	2023	2024	2025
Solvency II ratio	180%	205%	206%	201%	197%
SCR growth (%)	-11%	-32%	4%	10%	1%
IFRS net result	**-0,1**	**-0,6**	**0,9**	**0,5**	**-0,2**
(1) Operational FCG	**0,1**	**0,3**	**0,5**	**0,5**	**0,6**
(2) Market impacts / One-offs	0,1	-0,4	-0,4	-0,3	-0,3
(3) Actual FCG	**0,2**	**-0,2**	**0,2**	**0,2**	**0,3**
(4) Capital flows (Divs + Coupons + SBB)	0,1	-0,0	-0,1	-0,1	-0,3
(5) Change Free Surplus	**0,3**	**-0,2**	**0,1**	**0,1**	**-0,1**
Oper FCF / Eligible Own Funds	**2%**	**7%**	**16%**	**16%**	**16%**
Actual FCF / Eligible Own funds	**5%**	**-4%**	**5%**	**6%**	**8%**

Source: company disclosures and Triple A analysis

Operational	avg = +9.2% Stable, strong	avg = +9.2% Stable, strong	avg = 3.8% Lower, Health business	avg = 9.2% Sharp increase after 2021
Actual	avg = 8.1% Recovered	avg = 6.4% Recovered	avg = 3.4% Lower but stable	avg = 1.3% (*) Volatile and low

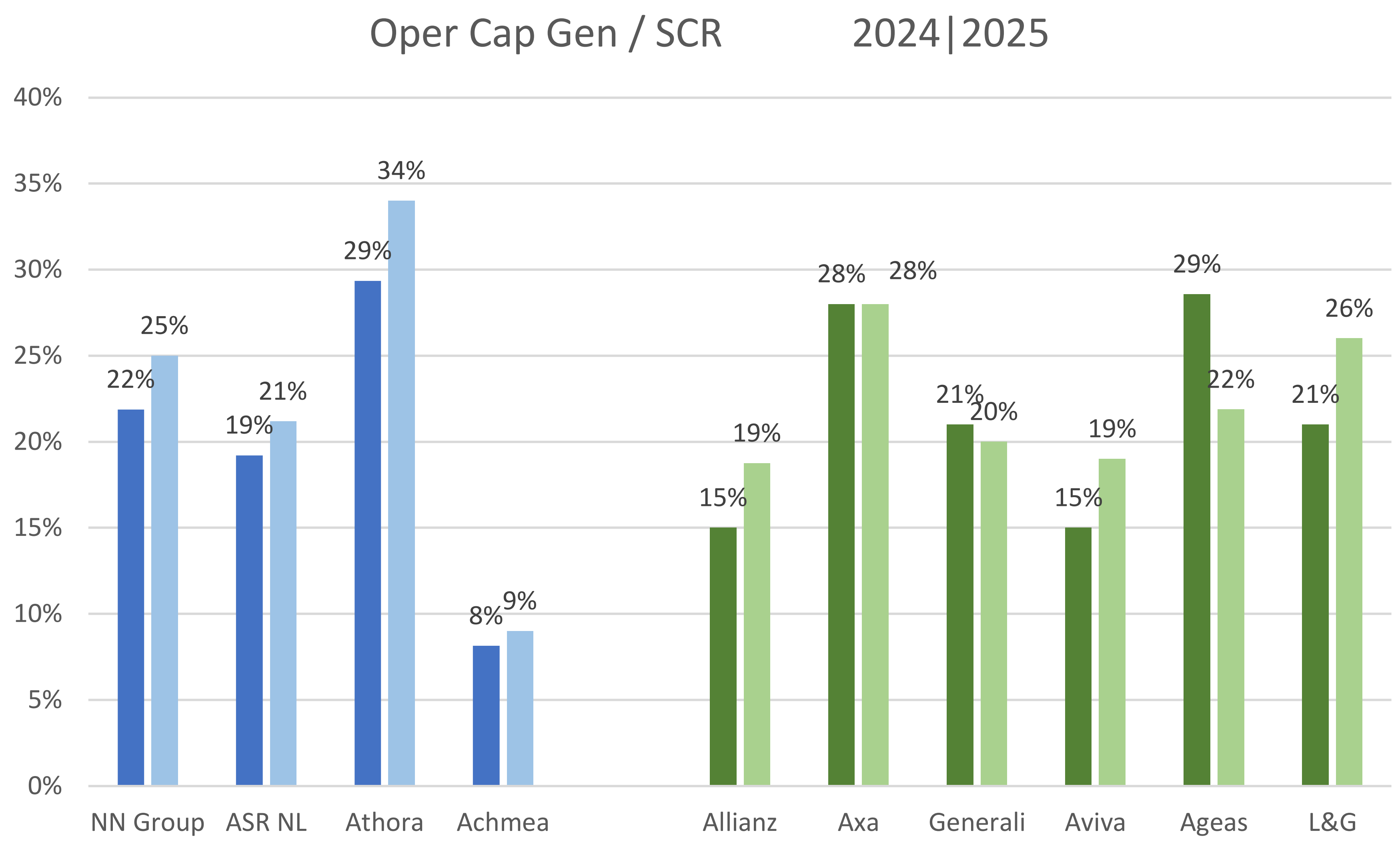
(*) When 2020 actual FCF of -/-12% is ignored this will increase to **4.0%**

Capital generation

Operational Capital Generation (% EOF) Dutch insurance groups 2018-2025

Source: company disclosures and Triple A analysis

Capital generation
Dutch insurers versus European peers

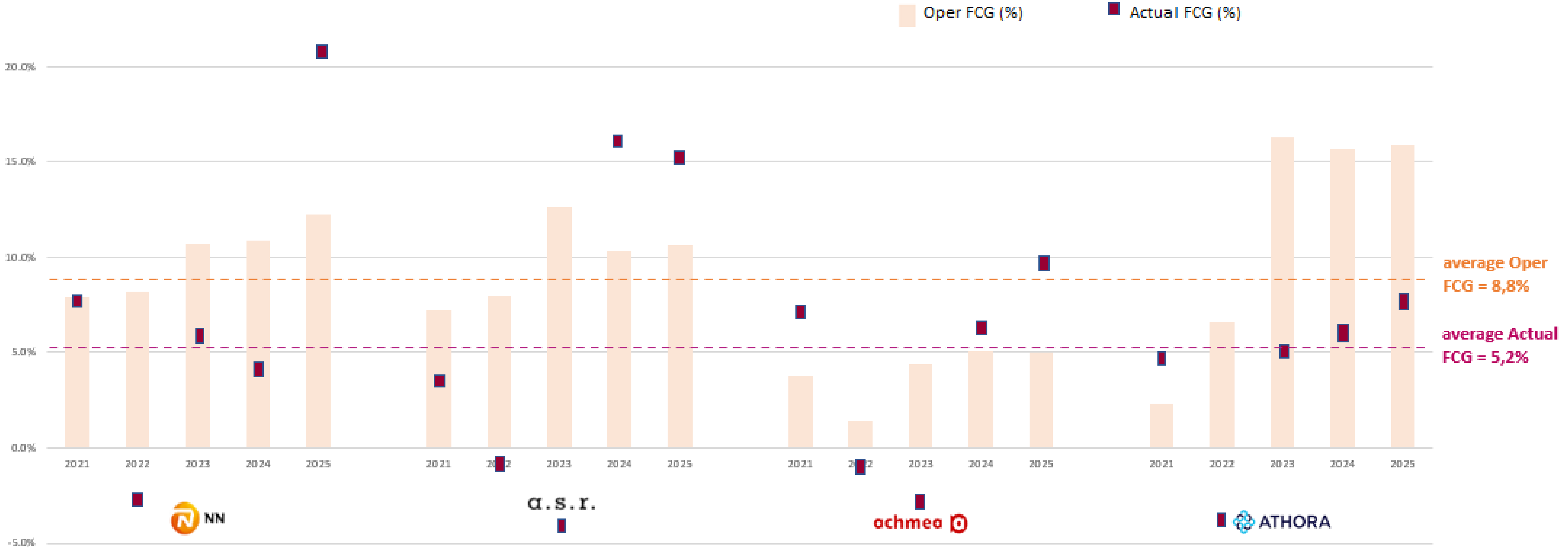


Source: company disclosures and Triple A analysis

Capital generation

Actual versus operational capital generation Dutch insurance groups 2018-2025

- Operational capital generation for NL insurers slightly below European peer groups over longer horizon
- Actual capital generation is volatile, but very positive over past 2 years



Source: company disclosures and Triple A analysis

Solvency sensitivities

- Sensitivity to interest and spread movements generally low
- Impacts not fully consistent due to use of internal models by different groups

NN & Achmea & ASR ⇔ partial IM | Athora ⇔ SF

	Sens	NN	ASR	Achmea	Athora	Allianz	Axa	Generali	Aviva	Ageas	L&G
Interest rate	+ 50 bps	3%	-1%	1%	-4%	0%	2%	2%	3%	-3%	6%
Interest rate	- 50 bps	-2%	-2%	-2%	3%	-1%	-1%	-3%	-4%	2%	-7%
Interest steepening 20y-30y	+ 10 bps	-1%	-1%								
Spread sovereigns	+ 50 bps	-5%	-4%	-5%	2%	-4%	-7%	-2%		-7%	
Spread corporate bonds	+ 50 bps	5%	0%		7%	0%	-1%	-8%	0%	-2%	
Spread mortgages	+ 50 bps	-8%	-8%								
Equities	- 20%	-5%	1%	-12%	-10%	-9%	-14%	-6%	-1%	-8%	-3%
Real Estate	- 10%	-10%	-10%	-3%	-4%				-3%	-8%	-10%

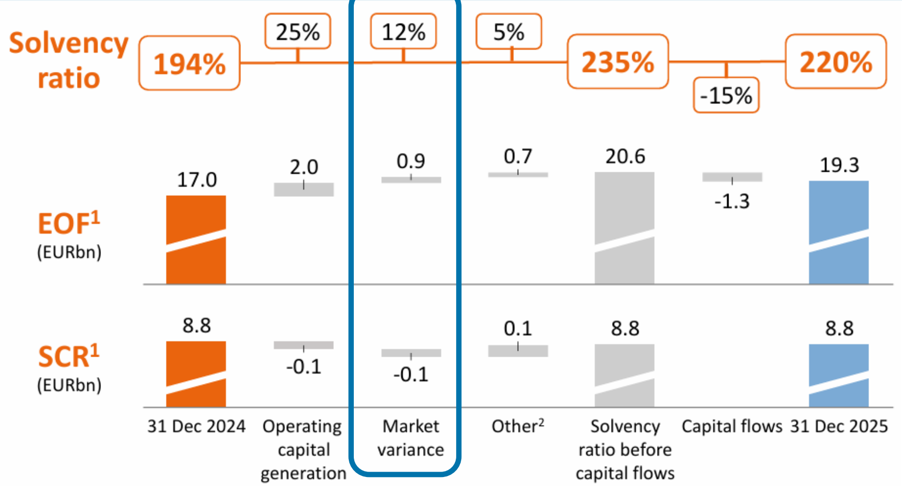
Achmea and Athora do not distinguish between type of spread shock

EU insurance groups do not disclose spread sensitivities on mortgages

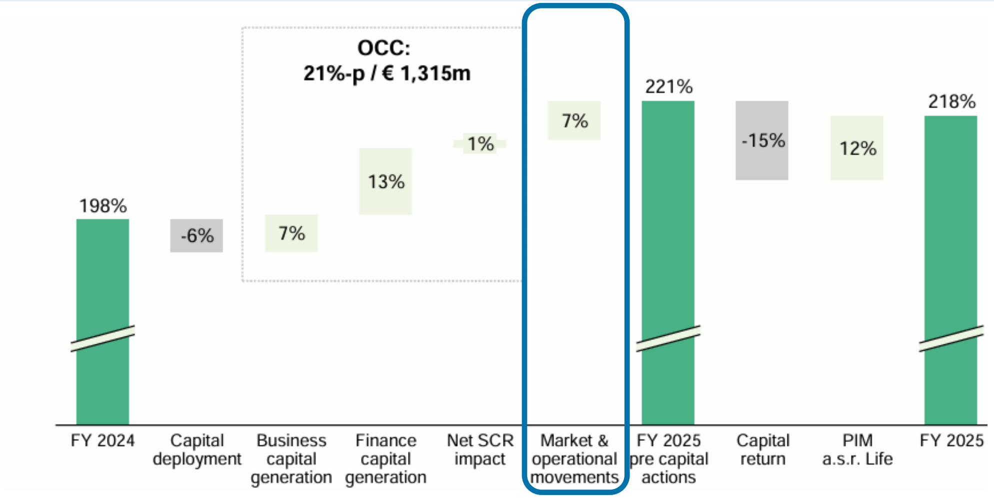
Source: company disclosures and Triple A analysis

Actual capital generation 2025

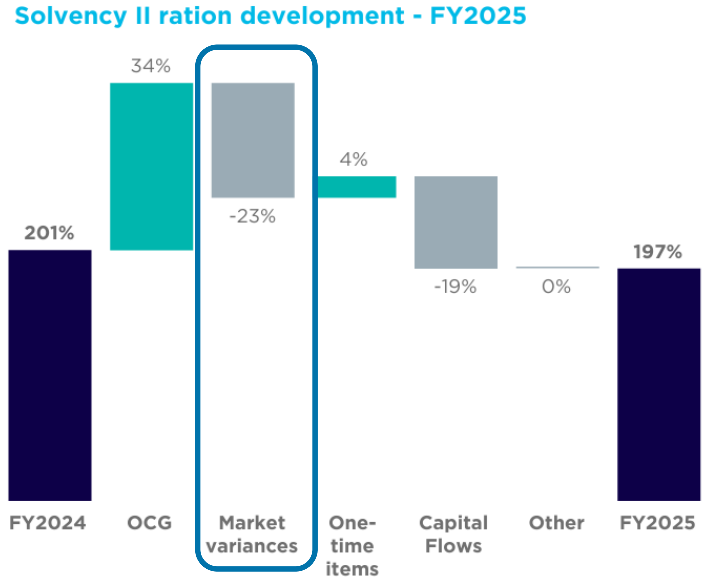
NN (positive market variances)



ASR (positive market variances)



Athora (negative market variances)



Observation

- Sensitivities of Athora differ from Dutch peers
- Actual market variances in 2025 are also different from key Dutch peers
- Differences are quite big and difficult to interpret

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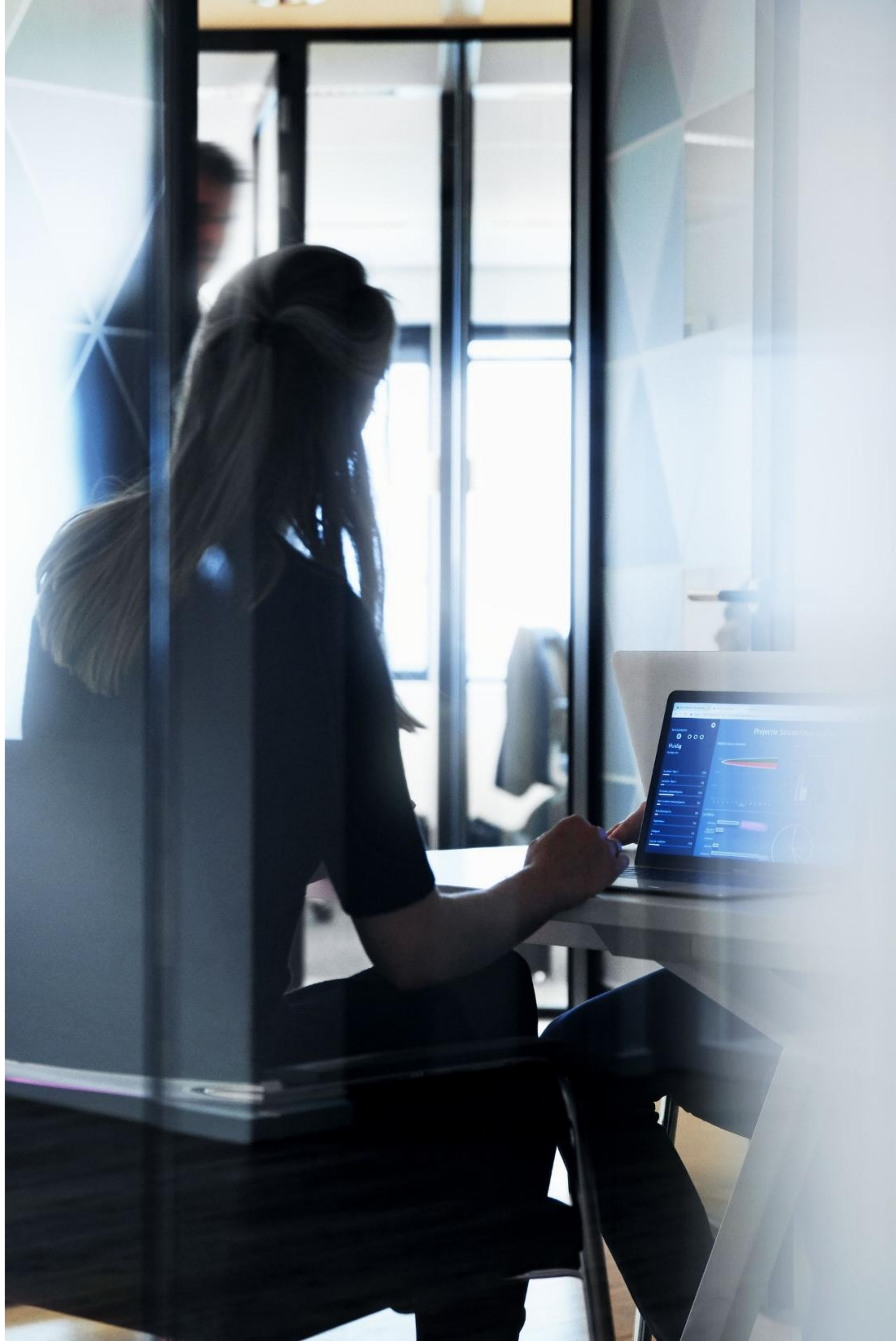
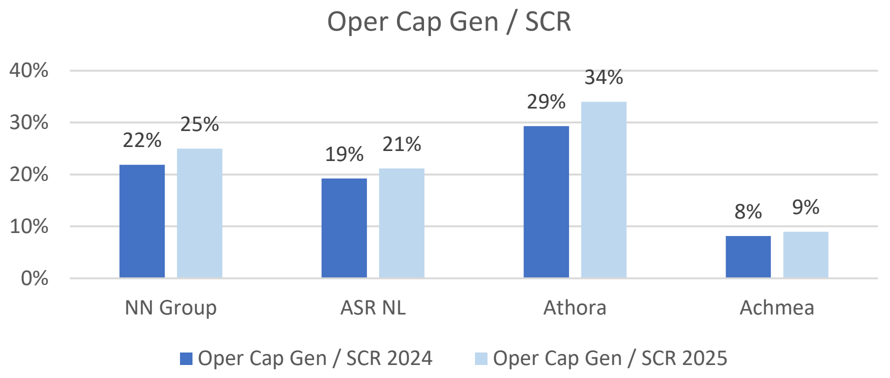


Catalysts for capital generation

Capital generation



Observations

- NN and ASR actively deploy existing capital ⇔organic and inorganic growth, Athora and Achmea must still raise the necessary funding
- Achmea lags behind NN, ASR, and Athora in executing re-risking strategy
- All four players leverage pension buy-outs and ALM but broader growth engines diverge: NN's international focus | ASR's service-business expansion Achmea's emphasis on AI and digitalization.

NN

- Achieve 7% annual growth in OCG and FCF and DPS
- Unlock growth in Dutch immediate annuity market
- Increased sales Europe (VNB+16%), Japan (VNB+25%), Non-Life (GWP+6%)
- AI and digital targets to result in €200Mn annual benefits (Future Ready)

a.s.r.

- Increase in OCC of 10% | increase in DPS of 9% | Operating RoE above 12%
- Major integration milestones achieved (€215Mn cost synergies, +12% Solvency PIM)
- OCC 2025 allocated to shareholders (75%) and inorganic growth (25%)
- **Release**: Sale of Knab, cost synergies and PIM | **Deploy**: Bovemij, HTC, Buy-outs

achmea

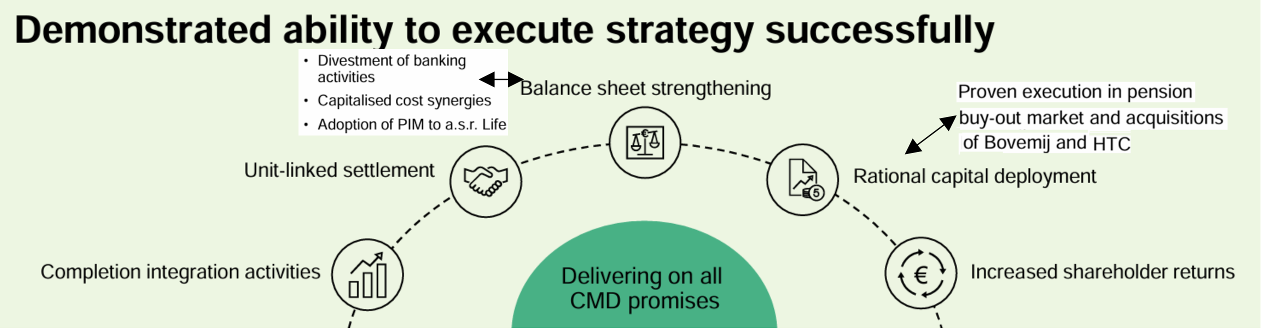
- Organic growth of 5%-6% p.a., Δ oper result (€0.7Bn➔ €1.0Bn, +43%) and ΔOFCG (€0.5Bn➔ €0.75Bn,+50%) through ALM and oper excellence in '25-'30
- Growth in Pension & Life through buy-outs (€4-6Bn), term life and annuities in partnership with Sixth Street and reallocation investments
- Detailed AI and Digitalization targets ("Achmea Next Level" strategy)

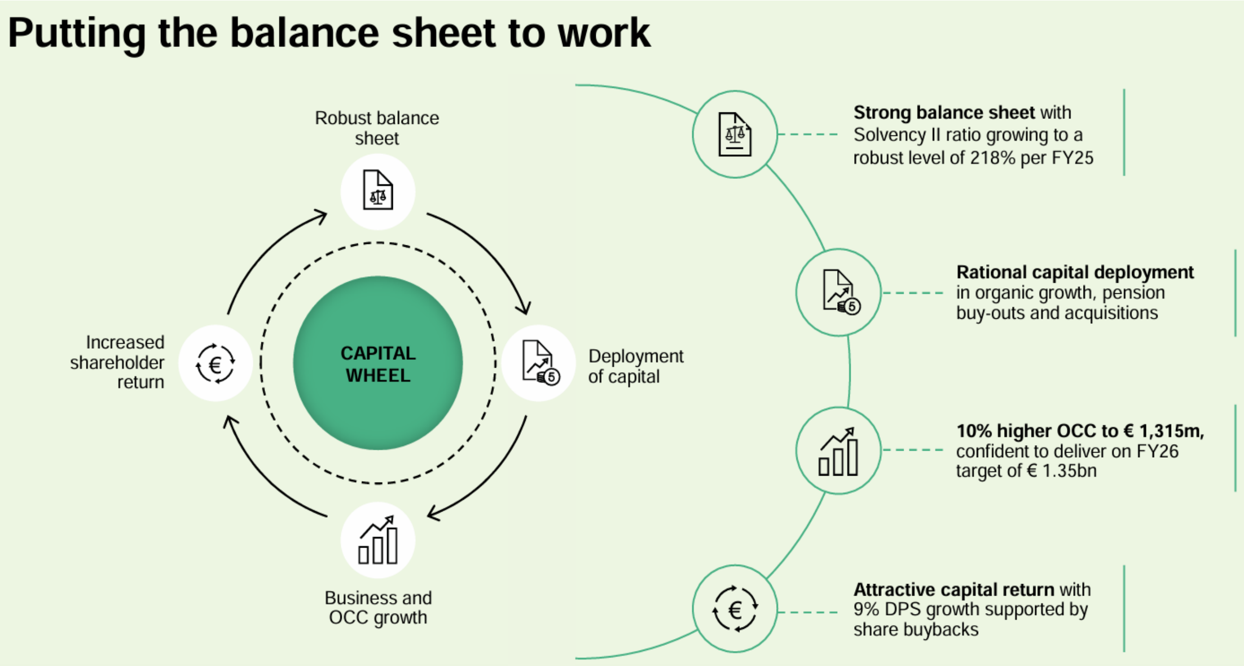
ATHORA

- SII Operating Capital Generation (OCG) increased 9%
- Selective deployment into return seeking assets (i.e. private debt)
- Successful closure of 2 buy-outs (€1.1Bn) and exclusivity with 4 additional pension funds for buy-out volumes (€5.7Bn)
- Athora Group raised €3.5Bn common equity in March 2026

Catalysts for capital generation | example a.s.r.

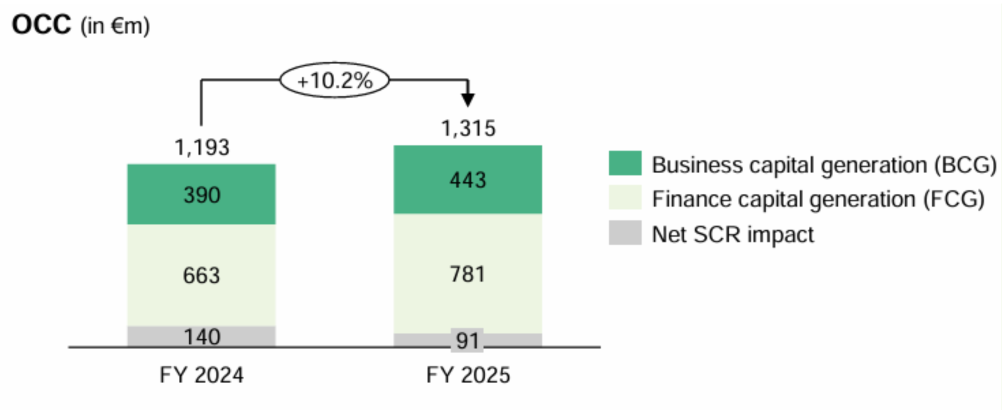
ASR's capital wheel and CMD promises

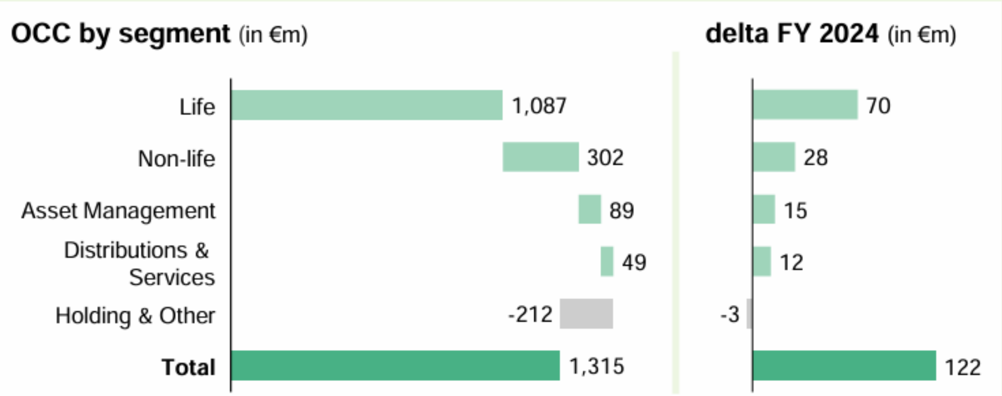




ALM is most relevant strategic lever

- Operational capital generation mainly driven by expected higher investment margin from **re-risking** and **pension buy-outs** … followed by **inorganic** business growth



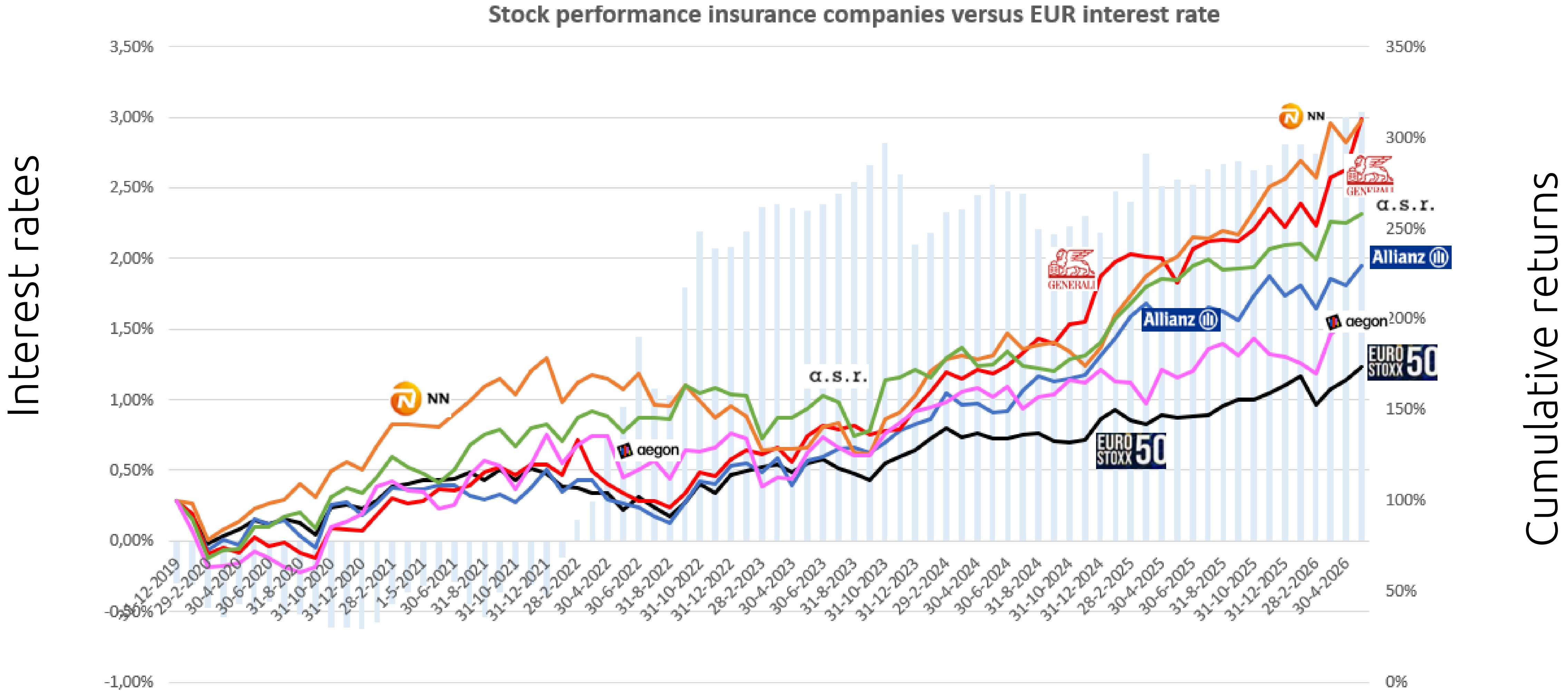


Source: ASR analyst presentation Financial results 2025

Market capitalization insurance groups

Stock performance 2020-2026

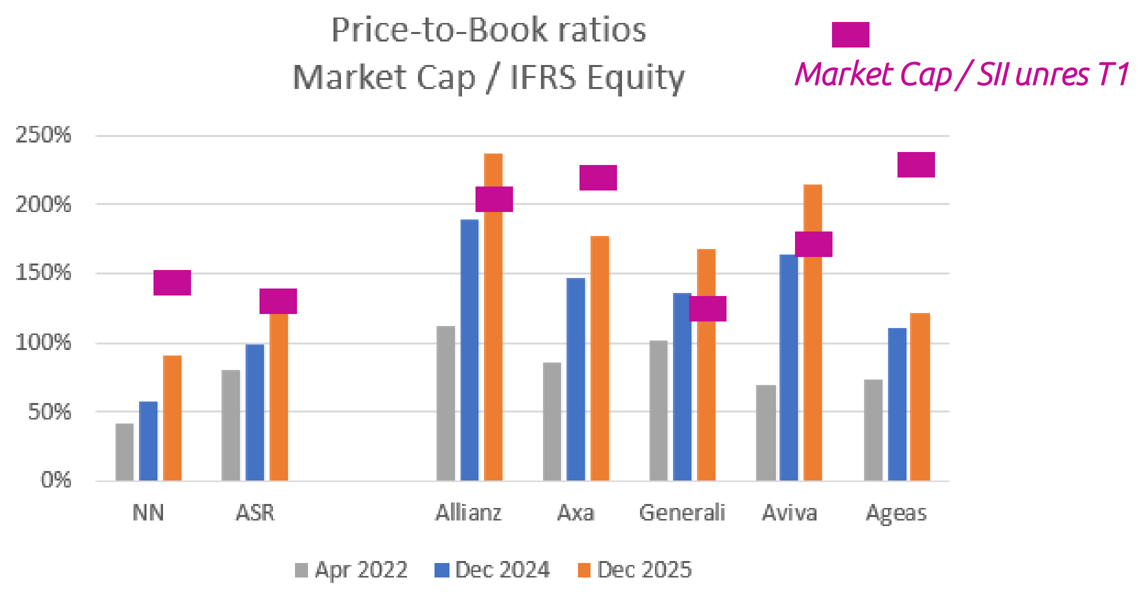
- Strong performance (Dutch) insurance companies
- Insurers have outperformed broader Eurostoxx 50 index !



Source: company disclosures and Triple A analysis

Market capitalization insurance groups

Price-to-IFRS book ratios



Market cap versus IFRS Equity

Figures in € Bn	31 Dec 2024			31 Dec 2025		
Insurer	Market Cap	IFRS Equity	Price to Book	Market Cap	IFRS Equity	Price to Book
NN	11.5	19.8	58%	17.4	19.1	91%
ASR	9.7	9.8	98%	12.4	10.1	122%
Allianz	114.2	60.3	189%	148.5	62.7	237%
Axa	72.9	49.9	146%	83.4	47.2	177%
Generali	41.5	30.4	137%	53.7	32.1	168%
Aviva	12.5	7.6	164%	20.8	9.7	215%
Ageas	8.5	7.8	110%	11.4	9.4	121%

Observations

- Relatively low price-to-book ratio (IFRS) for NN, ASR, Ageas
- European peers have relatively low IFRS equity values (i.e. high CSM at transition)
- Price-to-book ratio for NN, ASR and Ageas more in line with peers when measured against Solvency II Tier 1 Capital

SII Unrestricted Tier 1 versus IFRS Equity

Figures in € Bn	31 Dec 2024			31 Dec 2025		
Insurer	SII Tier 1 Unrestricted	IFRS Equity	SII T1 / IFRS17	SII Tier 1 Unrestricted	IFRS Equity	SII T1 / IFRS17
NN	13.5	19.8	68%	12.3	19.1	65%
ASR	9.4	9.8	95%	10.0	10.1	99%
Allianz	74.1	60.3	123%	76.6	62.7	122%
Axa	40.0	49.9	80%	39.6	47.2	84%
Generali	39.9	30.4	131%	42.8	32.1	133%
Aviva	12.5	7.6	164%	12.9	9.7	133%
Ageas	5.2	7.8	67%	4.9	9.4	52%

Capital management initiatives
Dutch insurance groups

NN

- **Regular dividend** of €1Bn (+13% dividend per share) and **share buyback** of €350Mn **(-15%-pt impact).**
- New **longevity reinsurance** in 2025 on €4Bn block with Prudential **(+5% impact)**
- **Refinance part of Tier 1 debt** by issuing €1Bn restricted Tier 1 subordinated notes and repurchasing €763Mn of outstanding legacy RT1 capital (+ early redemption of €237Mn in Jan 26).

achmea

- **Longevity reinsurance** half of longevity risk (€8Bn) with Munich Re and Pacific Life Re **(~+ 11%-pt group impact; +49% for Achmea PL)**,
- Strategic partnership with Sixth Street (including €461Mn capital inflow and Lifetri integration) **(+8%-pt group impact)**
- **Pension buy-out** with one-off negative transaction result **(-2% group impact)**
- Issuance and redemption of capital, and dividend **(+4%-pt Solvency impact)**

a.s.r.

- Implementation of the PIM for ASR Life **(+12% impact).**
- **Dividend** of €600Mn and **share buyback** of €230Mn **(-15%-pt solvency impact)**.
- Capital deployment into pension buy-outs and acquisitions of 25% of OCC (Bovemij and HTC) **(-5%-pt solvency impact)**
- **Longevity reinsurance** with Pacific Life Re for €1.3Bn liabilities related to **buy-out** portfolio.
- **Capital structure upgrade:** €500Mn RT1 issuance and €500Mn Tier 2 redemption.

ATHORA

- **Capital distributions** to shareholders alongside shareholder capital injection to support pension buy-outs and debt cost **(-19%-pt solvency impact).**
- **Longevity reinsurance** and broader balance sheet management actions **(+4% impact).**
- Athora Group raised **€3.5 billion in common equity** in March 2026 of which large portion allocated to fund Pension Risk Transfers (PRT) in Netherlands

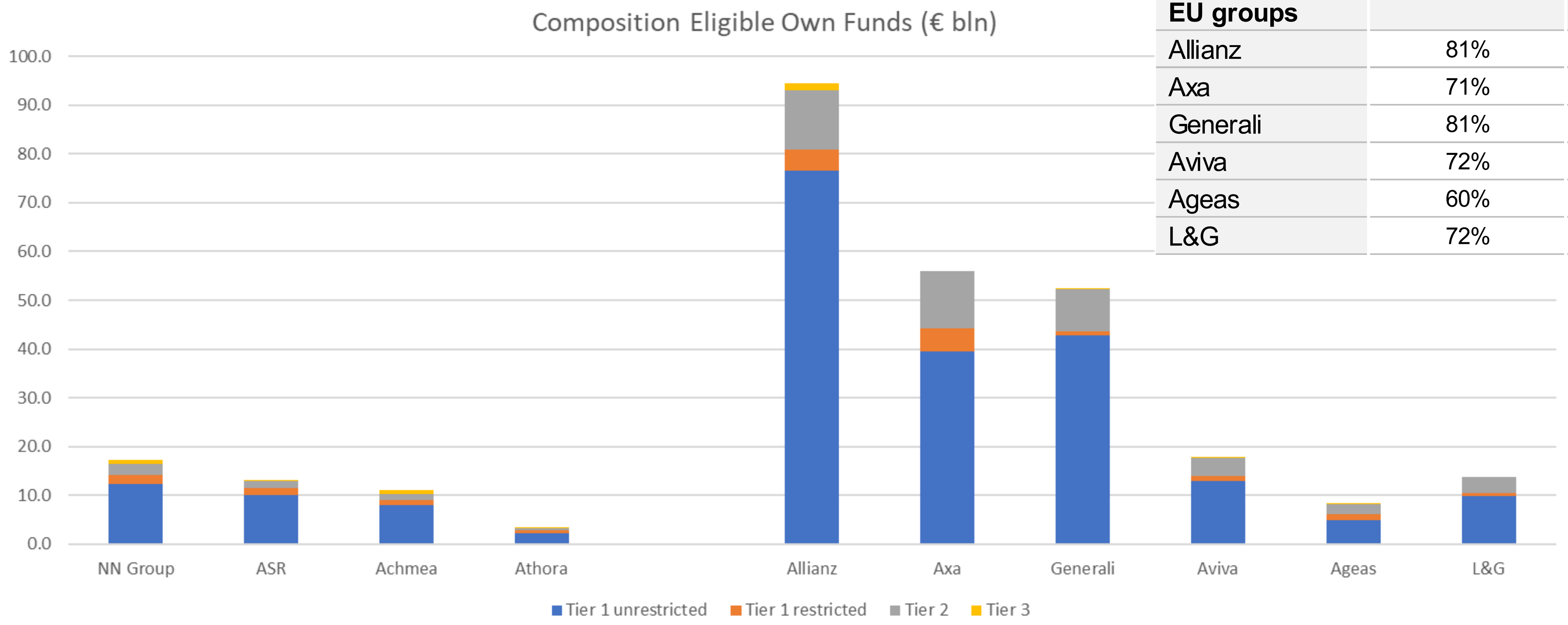
Capital management initiatives

Usage of Tier 2 and Tier 3 capital for Dutch insurers versus EU insurance groups

- High usage of Tier 3 capital (i.e. DTA) for Achmea and Athora
- Differentiation in capital structure among different insurance groups

SII tiering limits: ≤ 50% ≤ 15%

	% Unrestricted Tier 1	[Tier 2 + Tier 3] / SCR	Tier 3 / SCR
NL groups			
NN Group	72%	36%	9%
ASR	77%	26%	1%
Achmea	72%	34%	13%
Athora	65%	44%	15%
EU groups			
Allianz	81%	31%	3%
Axa	71%	46%	0%
Generali	81%	37%	1%
Aviva	72%	44%	1%
Ageas	60%	49%	1%
L&G	72%	50%	0%



Source: company disclosures and Triple A analysis

Updated DTA/DTL and LACDT

Consequences of additional requirement on netting DTA and DTL

- Consequences netting DTA and DTL (Life insurers)

	2022YE			2023YE			2024YE		
	DTA	Non Eligible DTA	DTL	DTA	Non Eligible DTA	DTL	DTA	Non Eligible DTA	DTL
Insurance Groups									
NN Group	945,5	0,0	467,3	1.249,3	0,0	449,2	1.290,8	0,0	361,4
ASR NL	0,0	0,0	10,0	529,0	0,0	228,5	0,0	0,0	379,5
Achmea	706,9	45,4	24,3	865,9	139,9	37,5	824,6	0,0	149,2
Athora NL	990,5	757,7	0,0	976,4	734,0	46,8	1.000,2	733,4	6,7
Dutch Life insurers									
NN Leven	1.202,2	398,7	0,0	1.478,2	698,6	97,4	1.497,0	766,2	0,0
ASR Leven solo	352,7	0,0	0,0	180,0	0,0	62,9	116,8	0,0	105,3
Aegon Leven solo	273,5	0,0	0,0	325,6	0,0	38,0	123,6	0,0	47,8
Achmea LP solo	559,8	332,6	0,0	649,6	428,4	262,1	641,1	373,2	293,6
SRLEV solo	991,5	762,8	0,0	975,3	736,5	45,8	1.018,7	752,2	6,7
Coöperatie Dela	372,7	190,3	900,4	282,3	96,9	797,6	268,1	74,2	730,7
Monuta solo	106,3	34,1	336,9	85,4	3,7	329,5	0,0	0,0	240,8
Onderlinge Nederland	17,8	0,0	0,0	16,1	0,0	0,0	16,4	0,0	0,7

No or minimal unused DTA for NN Group and ASR Netherlands

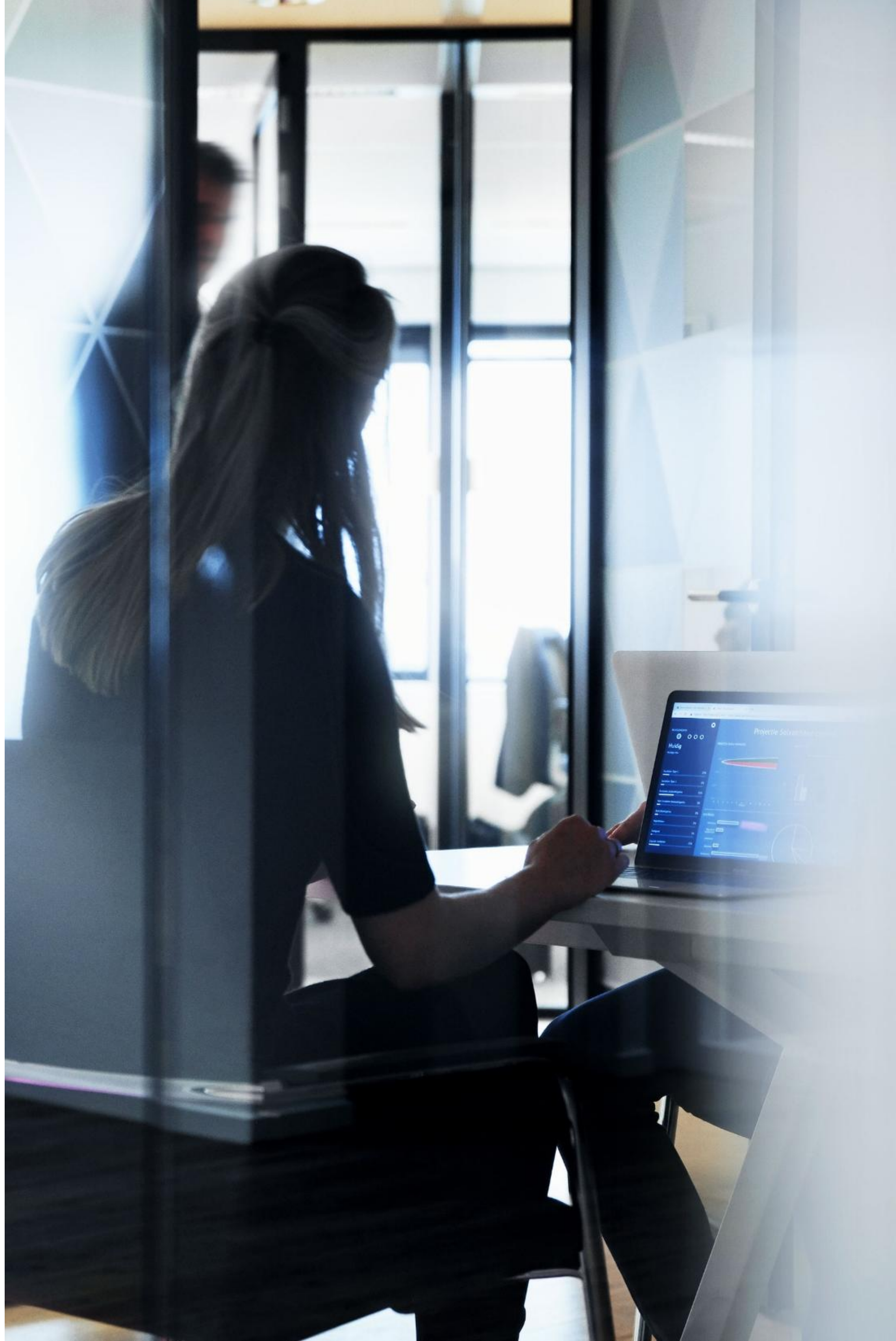
Life entities of NN, ASR, Achmea, Athora had to include DTL due to new rules

Large unused DTA for Achmea and Athora NL, additional DTL needed by Athora

Source: company disclosures and Triple A analysis

Agenda

1. Solvency, performance and capital generation
2. Catalysts for capital generation
3. ALM / Private Debt ⇔ Pension reform / Annuity market
4. SII 2020 review
5. Closing and key take-aways



ALM and Private Credit

Update investment philosophy among larger Dutch insurance companies

Deliver attractive risk-adjusted returns, while limiting exposures to unwanted risks and protecting against adverse shocks

Capital preservation and defensive balance sheet positioning

Superior risk-adjusted returns through differentiated private asset capabilities

Strategic Asset Allocation ("SAA")

Asset-Liability Management
Manage mark-to-market liabilities

Typical assets:
- AAA/AA European Sovereigns
- Euro Swaps (liquidity pool for derivative margins)
- High Quality & Short-Dated Investment Grade Credit
- Low Loan-to-Value Residential mortgage Loans

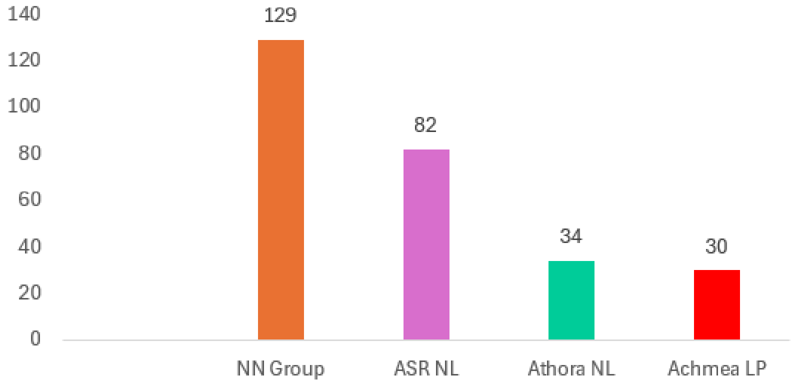
Return Seeking
Generate attractive through-the-cycle returns

Typical assets:
- Private Investment Grade
- Private Debt (MML, CML, Large Cap Lending etc.)
- Alternative Assets (Funds, Platforms etc.)

	NN Group	ASR NL	Athora NL	Achmea LP
Sovereigns	29%	24%	21%	12%
Mortgages	26%	33%	18%	26%
Corporates & Financials	23%	12%	27%	27%
Other FI	2%	8%	17%	11%
Real Estate	9%	12%	3%	5%
Equity	2%	5%	0%	6%
Cash	5%	6%	7%	5%
Other	4%	0%	7%	8%
Total	**100%**	**100%**	**100%**	**100%**

Investments (€ Bn)

	NN Group	ASR NL	Athora NL	Achmea LP
ALM	75%-85%	75%-85%	65%-75%	85%-90%
Return Seeking	15%-25%	15%-25%	25%-35%	5%-15%



- Reallocation from bonds, credits and mortgages to alternative fixed income
- A lot of focus on private assets / private credit
- Exposure to sovereigns and credits in most cases already lower than 50%

ALM and Private Credit

Update investment philosophy among larger Dutch insurance companies

Different views to asset mix per life Insurance entity

- Large life insurers seek return optimization through alternative fixed income strategies
- Mutuals such as Dela or NH1816 have room to invest massively in equity-type investments with huge capital accumulation as a result

Year-End 2024	NN	ATHORA	DELA
QRTs Life Insurers NL	**NN Leven**	**Athora NL**	**Dela Coop**
Real estate	13%	3%	29%
Equities & Infrastructure	3%	0%	34%
Government bonds	28%	21%	16%
Mortgages	26%	10%	6%
Credits & other FI & MM funds	16%	57%	15%
Cash	0%	1%	2%
Other	16%	9%	0%
Total	**100%**	**100%**	**100%**

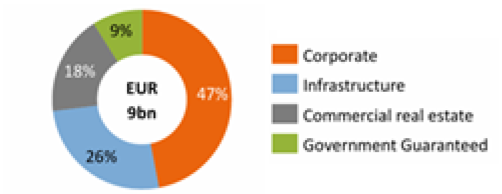
ALM and Private Credit

Investments in Private Credit

	NN Group	ASR NL	Athora NL	Achmea LP
Exposure	*Per year-end 2025*			*Targeted 2028*
Private credit (€Bn)	9,0	7,0	5,8	5,0
% of investments	7%	9%	17%	>20%

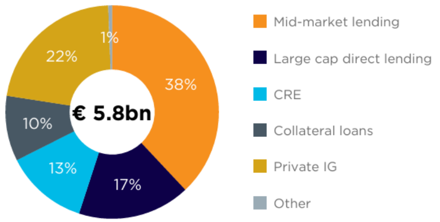
- Significant investments in private debt by significant Dutch insurance groups
- Exposure is expected to increase even further

NN



- Around 50% corporate, 25% infrastructure and remaining 25% is real estate or government guaranteed
- Geographical focus on Western Europe and >60% of exposures is investment grade and >50% is collateralized or govt g'teed

ATHORA



- Proprietary asset origination and expertise through Apollo partnership.
- Well-diversified portfolio with exposures to cyclical sectors kept low.
- Total exposure to software and AI companies < 1.5% of total AuM

a.s.r.

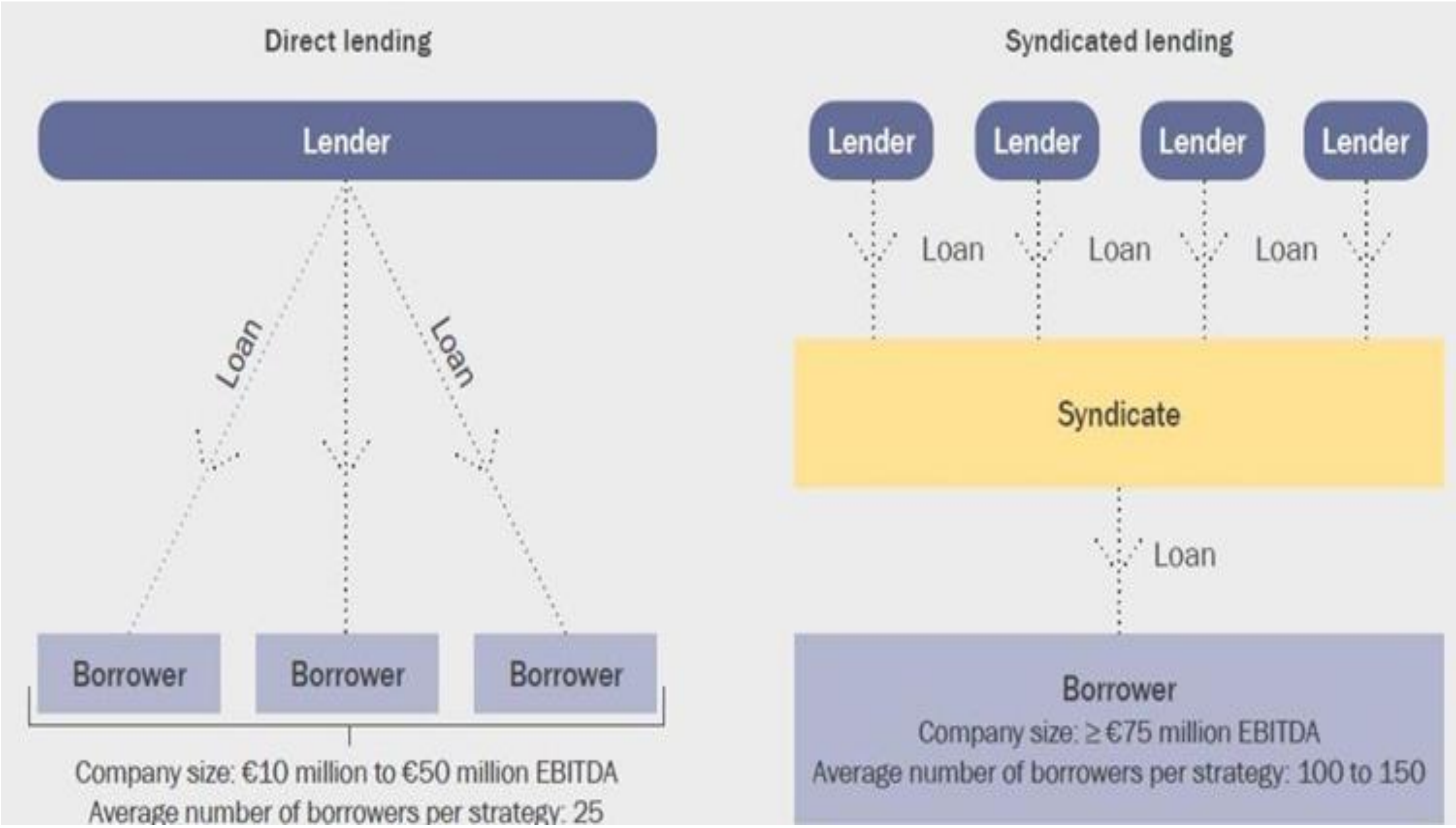
- Around 80% reflects direct private loans on balance sheet. Unrated senior-secured loans to EUR mid-market corporates, or specific Real estate private debt placements
- 20% is funneled through ASR Private Debt Fund (corporate mid-market loans)

achmea

- Gradual reallocation from mortgages and credits to private credit
- Target SAA assumes roughly € 5 billion reallocation of the investment portfolio over time (~20 to 25% of total general account)

ALM and Private Credit
Investments in Private Credit

- **Private Credit:** Secured loans provided directly to companies, typically without traditional bank intermediation
- Banks retreated from riskier lending under stricter regulation after the '08 financial crisis, creating a funding gap that private credit funds filled



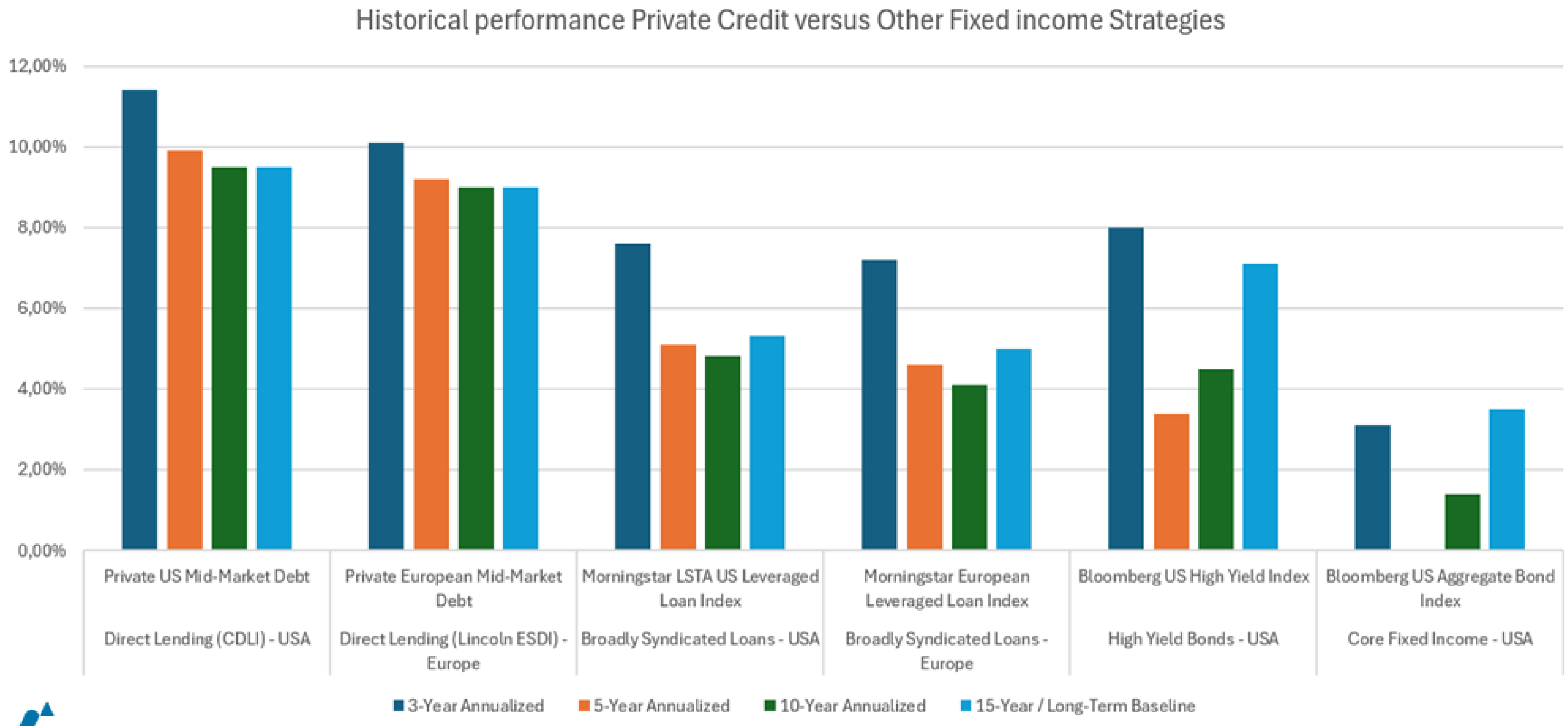
Source: Rothschild & Co

- Often private equity owned) that use debt financing.
- Typically offer **higher returns and stronger covenants.**
- Higher yield is reflective of **lower liquidity and relatively higher complexity**
- Difference between direct lending and syndicated loans mainly come from
  - **(1) structure of the loan** (multiple lenders vs one lender) and
  - **(2) borrower's characteristics**: typical around €10m-€50m EBITDA, while syndicated loans market usually larger players > €75m EBITDA

ALM and Private Credit
Performance

- Private credit is almost **exclusively floating-rate** (historically pegged to LIBOR/SOFR)
- Historical **2% to 4% yield premium** over liquid leveraged loans and high-yield bonds of equivalent credit risk

Direct lending / Private credit



Region	Asset Class / Index	Representative Benchmark
US	**Direct Lending (CDLI) - USA**	*Private US Mid-Market Debt*
Europe	**Direct Lending (Lincoln ESDI) - Europe**	*Private European Mid-Market Debt*
US	Broadly Syndicated Loans - USA	*Morningstar LSTA US Leveraged Loan Index*
Europe	Broadly Syndicated Loans - Europe	*Morningstar European Leveraged Loan Index*
US	High Yield Bonds - USA	*Bloomberg US High Yield Index*
US	Core Fixed Income - USA	*Bloomberg US Aggregate Bond Index*

ALM and Private Credit

SII treatment and risks

Characteristics

	Direct Lending
Seniority	First-Lien
Security	General Assets
Interest Rate	Primarily floating
Credit Risk	Non-IG
Typical Tenor	5-7 years
Average life	~5 years
Prepayment without penalty	Protection for investors
Liquidity	Illiquid
Covenants	Yes

SII treatment

- Classified under **CIC 8.5 [Other collateralized loans made]**
- Stressed in **spread risk** module
- **Material reductions** of capital charges of senior tranches of non-STS securitizations after Jan 2027 (SII 2020 review)

CIC	Sub-Category	Definition
8.1	Uncollateralized loans made	Loans made without collateral
8.2	Loans made collateralized with securities	Loans made with collateral in the form of financial securities
8.4	Mortgages	Loans made with collateral in the form of real estate
8.5	Other collateralized loans made	Loans made with collateral in any other form
8.6	Loans on policies	Loans made with insurance policies as collateral
9.9	Other	Other mortgages and loans, not classified under the above categories

Recent developments and risks

- A series of events in 2025–2026 exposed hidden vulnerabilities in private credit
  - Failure of First Brands and Tricolor (US)
  - Failure of UK mortgage lender MFS
- Even experienced lenders can be vulnerable to hidden structural risks in private credit:
  - Estimated **default rates around 5%-6%** — materially higher than in high-yield credit
- Some private credit managers have 25–30% of their portfolios allocated to software/technology companies.

European private credit less risky than US private credit

- Dominated by pension funds, insurers, and family offices — not retail investors (less “run on the fund”)
- Default rates in Europe remain below US levels
- European funds typically have clearer liquidity terms and communicate limitations upfront.

Pension buy-outs: a capital management lever

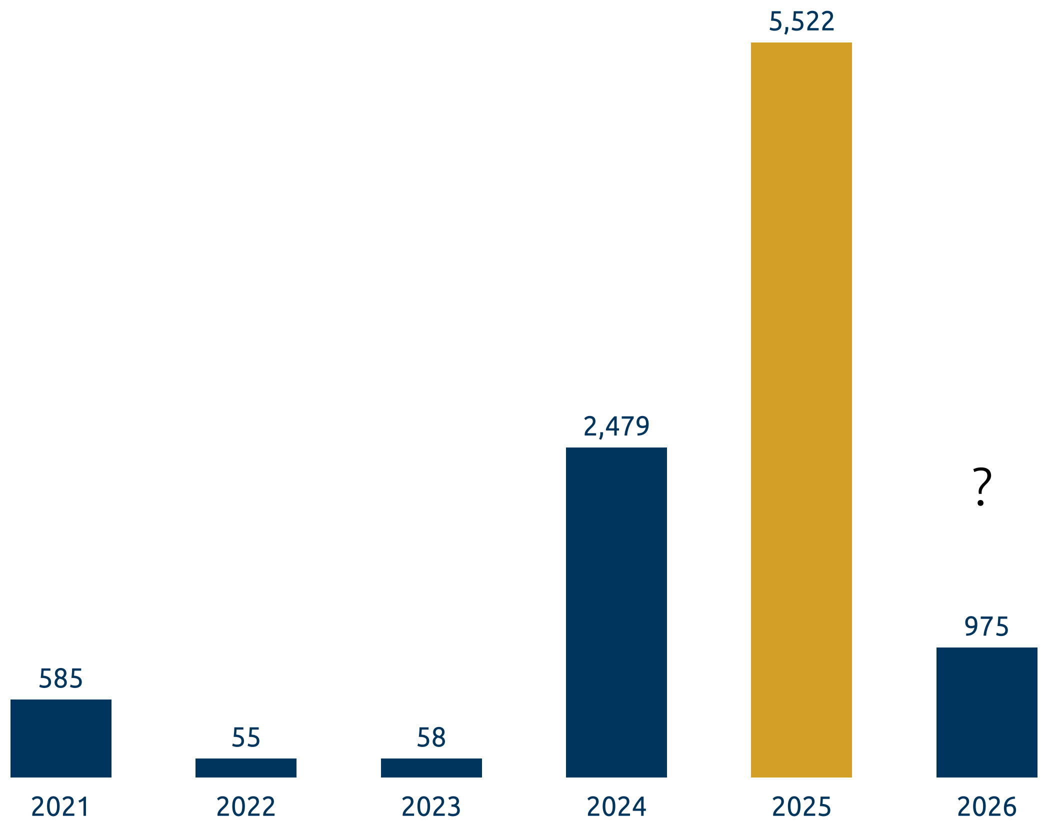
Buy-outs are reshaping insurer balance sheets — the WTP transition turns capital management into market positioning

- **ASR leads on actual closed volume** — four deals across 25–26, €1.6bn Tandartsen buy-out; over €3.1bn of transaction value.
- **Billion-euro deals defined 2025** — three mega-transactions dominated the market: Tandartsen (ASR), FrieslandCampina (Achmea, €1.5bn) and Nedlloyd (Athora, €0.95bn).
- **Athora and NN also active** — Athora keeps a steady flow (Nedlloyd and Trespa in 2025, AT&T in 2026); NN lands Metro (€0.58bn) in 2026.
- **Consolidation is accelerating** —four large insurers (ASR, Athora, Achmea, NN) are driving market consolidation through 25–26.
- **Athora accelerates buy-out strategy:** 4 deals announced for 2026 (~€5,7 bn)

€5,522 mln
2025 record volume

€975 mln
2026 year-to-date

Annual buy-out volume (€ mln)



Cumulative buy-out volume 2021–2026: **€9.7 bn**

Source: company disclosures and Triple A analysis

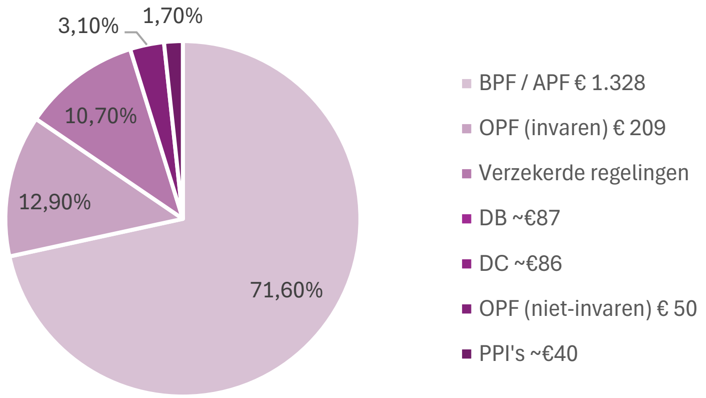
Dutch Pension reform WTP

- Dutch Pension Reform ('23) creates significant growth opportunities for large and mid-sized Dutch life insurers:
- On the one hand, through significant **DC accumulation** (inflows);
- On the other, through a sharp rise in **annuities decumulation** (fixed and variable annuities).

AuM split per scheme

~€1.800 bn

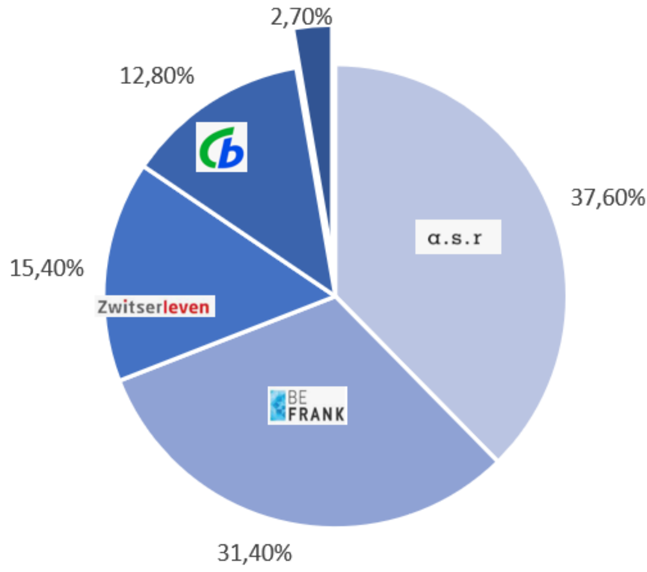
Total AuM



AuM split per type of fund

Uitvoerder	EUR mld.	%
BPF (97,6%) / APF (2,4%)	€1.328	73,8%
OPF (invaren)	€209	11,6%
Verzekerde regelingen DB DC	 ~€87 ~€86	9,6%
OPF (niet-invaren)	€50	2,8%
PPI's	~€40	2,2%
Totaal	**~€1.800**	**100%**

PPI market (40bn)



Source: Deloitte Nederlandse Pensioen- en Verzekeringsmarkt Outlook 2024, DNB Q3 2023

WTP Buy-out Overview

Complete overview of buy-outs under the Future of Pensions Act (WTP)

ASR	Athora	Achmea	NN
Ernst & Young 2024 | €1.200 mln	Atradius 2021 | €460 mln	FrieslandCampina 2025 | €1.500 mln	Henkel 2021 | €125 mln
Coram 2024 | €68 mln	A.C. Nielsen 2022 | €55 mln		Will Niemeijer 2024 | €246 mln
Tandartsen 2025 | €1.600 mln	Aon 2023 | €58 mln		Calpam 2024 | €45 mln
British American Tobacco 2025 | €632 mln	Yara 2024 | €650 mln		Metro 2024→2026 | €580 mln
Staples 2025 | €660 mln	Pensura 2024 | €235 mln		
Kring Bavaria 2026 | €225 mln	Koopvaardij 2024 | €35 mln		
	Nedlloyd 2025 | €950 mln		
	Trespa 2025 | €180 mln		
	AT&T 2026 | €170 mln		
Total: **€4.4 bn**	Total: **€2,8 bn (plus extra €5.7bn)**	Total: **€1.5 bn**	Total: **€1.0 bn**
Target: €8 bn	Target: 30–40% share	Target: €4–6 bn	

Cumulative total: €9,7 bn

Pipeline

BP *(likely. Athora)*	Ecolab	Delta Lloyd *(likely. Athora)*	Campina *(likely. Athora)*	Dow
Value TBD	€140 mln (est.)	€3,000 mln (est.)	€1,300 mln (est.)	€2,000 mln (est.)

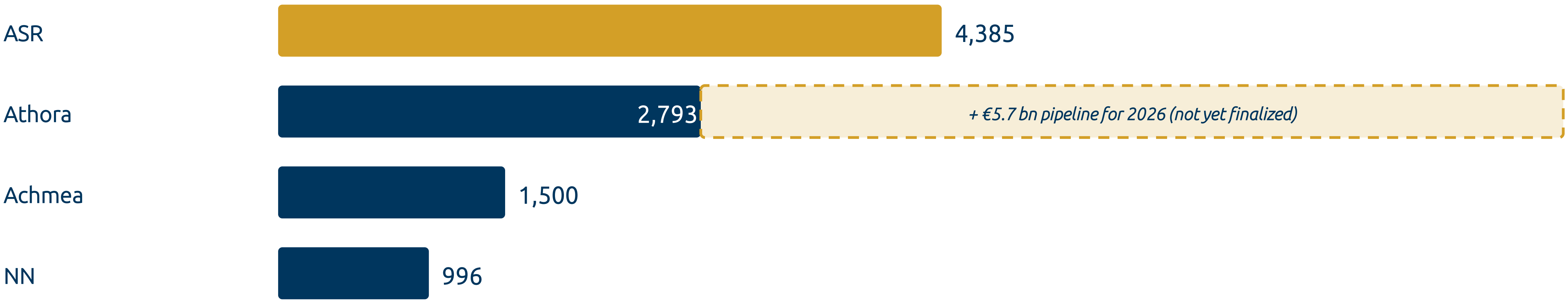
News: Athora has announced four incoming buy-outs worth ≈ €5.7 bn — the next major move in the WTP market.

** Amounts in EUR millions. Overview based on internal research.*

WTP Buy-out Overview

Market volumes and pipeline under the Future of Pensions Act (WTP)

Cumulative buy-out volume by insurer (€ mln)



Buy-out pipeline — estimated transaction values

Athora in 2026: 4 incoming buy-outs ≈ €5.7 bn

€6.4 bn+

Estimated value across 5 named pipeline deals (BP value still TBD)

Disclosed targets & strategy by insurer

- **ASR:** €8 bn premium volume during 2024–2027.
- **Achmea:** €4–6 bn premium volume during 2024–2027.
- **Athora:** No target disclosed; strategy emphasizes growth backed by capital injections from its parent company.
- **NN Life:** No target disclosed; may selectively engage in buy-outs above a double-digit IRR (>12% IRR).

BP
Athora (likely)
Value TBD

Ecolab
Insurer TBD
€140 mln

Delta Lloyd
Athora (likely)
€3,000 mln

Campina
Athora (likely)
€1,300 mln

Dow
Insurer TBD
€2,000 mln

** Amounts in EUR millions. Pipeline values are estimates based on internal research.*

Unlock annuity market from FPR pension funds

2023 Dutch reform – From DB to DC-like pensions — at retirement, FPR members choose how their pension is paid

AuM of FPR funds is around € 125-150 bn ➔ Annuities existing pensioners €10-20bn in 2026-2027

➔ Annual annuity inflow of €3-5bn per year in coming decades

DB ➔ DC-like | Since 2023 members now gain a choice at retirement between a variable and a fixed pension.

SPR · Solidarity pension scheme
Collective risk-sharing — no individual choice at retirement.

FPR · Flexible pension scheme — CHOICE LIVES HERE
Individual choice at retirement applies here.

AT RETIREMENT WITHIN FPR — TWO PATHS

DEFAULT · set by the fund
VARIABLE PENSION
Moves with investment results, smoothed over ~5 years via a risk-sharing reserve (RDR).

VS

ALTERNATIVE · via shopping right
FIXED PENSION
Use the shopping right to buy an immediate fixed annuity — locked, predictable income for life.

IMPLEMENTATION IN PRACTICE — four routes to offer the fixed-pension option

1 "Every man for himself"
Open market · individual policy
Members exercise the shopping right alone — no fund support or choice guidance. Unstructured process with low pick-up rates.
First to market: physiotherapists & veterinarians.

2 "Semi-collective outside the fund"
Via a preferred insurer
Fund selects an insurer and pre-agrees how fixed-annuity offers and guidance reach members.
Preparing: Akzo Pf, Rabobank, Shell.

3 "Collectively within the fund, own management"
Fund self-administers
No fund has opted in — unwilling to administer and report two annuity types.
Not chosen to date.

4 "Collectively insured within the fund"
(Re)insurance · ring-fenced
Fund keeps members in-house via a (re)insurance contract, ring-fencing assets and liabilities.
Not yet observed.

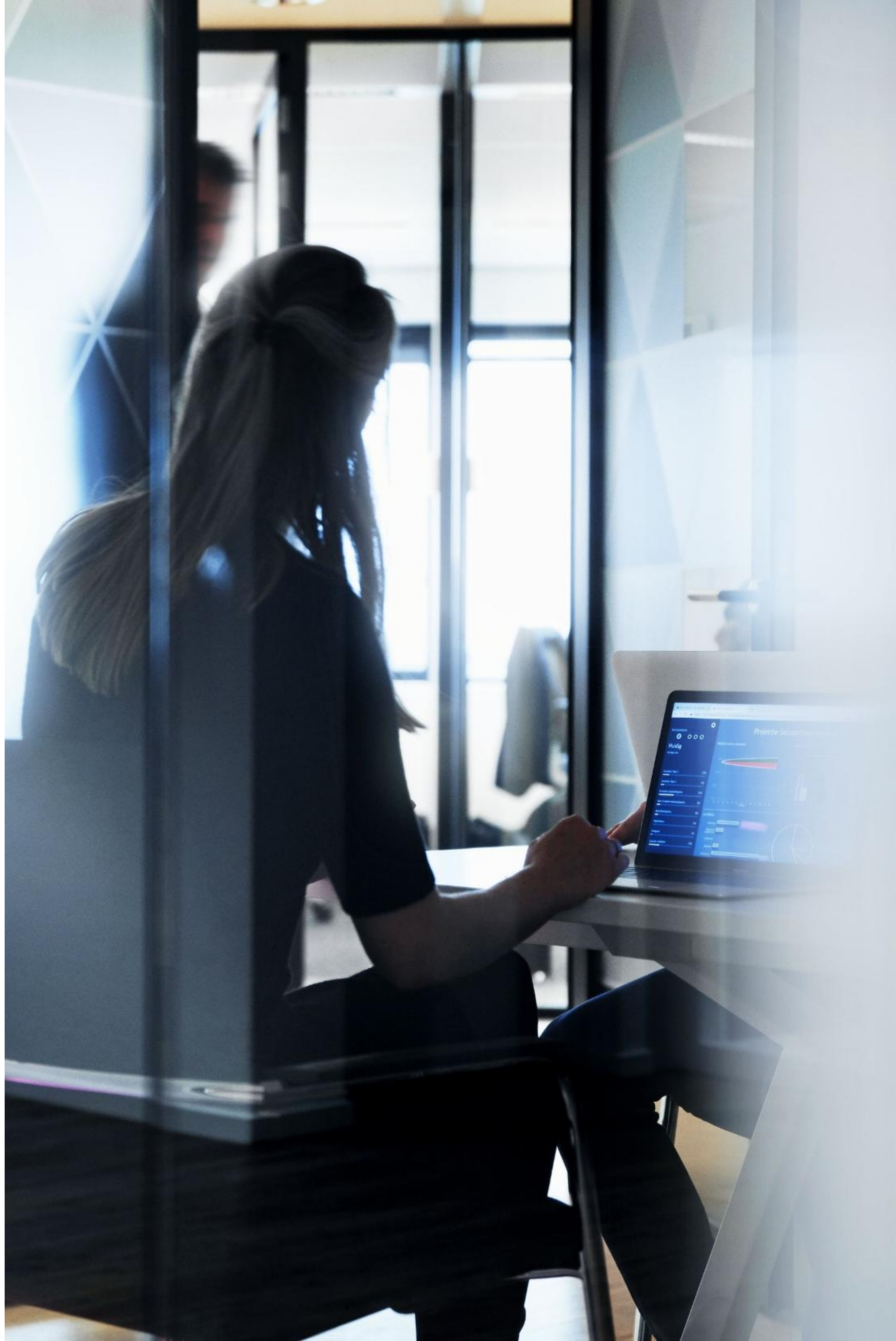
Transition statistics - Overview of FPR funds

2025 Q4	Data pension funds Amounts in thousands of euros			estimate of JV '24	estimate	estimate			Pension Pro WTP revi
Type	**Verkorte naam**	**Coverage ratio %**	**AuM**	**AuM ~ pensioners**	**Inflow ~ pensioners**	**Annual retirement AuM inflow**	**Premium per member**	**Admin cost per member**	**PUO**
OPF	Rabobankorganisatie	129,4%	23.454.531	8.000.000	4.558	1.395.854	498.100	242	AZL
BRF	Huisartsen	137,4%	9.259.701	4.390.205	1.397	772.552	300.743	439	Achmea PS
OPF	Achmea	147,9%	9.425.428	1.961.962	1.639	395.136	211.281	223	Achmea PS
OPF	Shell	135,4%	25.247.612	14.896.944	423	342.560	12.000	408	Achmea PS
BPF	Zorgverzekeraars	134,8%	5.536.565	1.280.832	1.817	239.323	131.346	204	Achmea PS
BRF	Fysiotherapeuten			1.417.000	1.552	239.005	82.950	214	Achmea PS
OPF	SNS Reaal Groep	135,7%	3.367.277	754.291	812	130.649	59.947	649	Blue Sky
OPF	APF	130,1%	5.108.276	2.669.552	706	121.936	87.500	322	Achmea PS
BRF	Dierenartsen	125,2%	1.646.514	621.000	357	106.458	47.122	694	Achmea PS
OPF	IBM Nederland	138,5%	3.498.439	1.532.733	360	98.285	15.344	339	Zelfadministrerend
OPF	ING Bank CDC fonds	153,9%	3.928.214	197.100	943	91.132	363.771	282	AZL
BRF	Apothekers	130,9%	1.884.287	562.295	232	77.700	44.962	1.077	Visma Idella
OPF	Thales	137,8%	1.711.793	597.262	208	55.727	39.806	535	Appel
OPF	Robeco	168,4%	865.644	108.801	135	37.842	17.142	2.137	Achmea PS
OPF	Alliance	131,4%	628.835	273.254	218	28.733	15.321	531	Achmea PS
OPF	Avery Dennison	145,0%	443.078	145.738	92	18.997	10.066	1.550	Achmea PS
OPF	Lloyd's Register Nederland	131,7%	276.312	78.304	59	16.456	8.562	1.843	Visma Idella
BRF	Verloskundigen	138,8%	440.247	36.284	163	10.011	17.442	723	Visma Idella
OPF	Witteveen & Bos	142,2%	222.755	17.228	104	7.887	13.421	631	Appel
BPF	Groothandel	143,9%	331.024	47.759	1.075	7.018	33.533	232	AZL
OPF	Flexsecurity	123,7%	81.932	-		-		98	AZL
BPF	Personeelsdiensten	250,7%	679.526	16.377		-		34	PGGM
OPF	Shell Nederland				579	-	81.444	414	Achmea PS
	Totaal		98.037.990	39.604.920	17.426	4.193.259			

Transition statistics - Overview of APF FPR circles

2025 Q4	Data pension funds			estimate of JV '24	estimate	estimate			Pension Pro WTP revi
	Amounts in thousands of euros								
Type	**Verkorte naam**	**Coverage ratio %**	**AuM**	**AuM ~ pensioners**	**Inflow ~ pensioners**	**Annual retirement AuM inflow**	**Premium per member**	**Admin cost per member**	**PUO**
APF Achmea	Kring 3 - Stabiliteit (Achmea)	114,2%	29.252	1.284	83	1.398	2.891	390	Achmea PS
APF Achmea	Kring 4 - Koopkracht (Achmea)	160,7%	132.276	7.676	67	6.230	3.806	631	Achmea PS
APF Stap	Kring Eastman (Stap)	125,1%	177.273	21.843	49	7.772	3.382	1.468	Visma Idella
APF Achmea	Kring HP Nederland (Achmea)	143,3%	239.649	32.745	29	10.345	4.571	1.523	Achmea PS
APF Achmea	Kring ES Nederland (Achmea)	143,0%	259.251	38.514	19	11.037	4.855	1.650	Achmea PS
APF Nationale	Kring AFM (De Nationale)	141,6%	301.143	17.546	84	14.180	17.341	823	AZL
APF Nationale	Kas Bank	135,2%	334.592	79.951	78	15.231		2.259	AZL
APF Achmea	Kring Chemours (Achmea)	152,8%	360.252	65.180	17	14.754	8.101	1.390	Achmea PS
APF Achmea	Kring Grolsch (Achmea)	135,5%	387.436	136.120	71	14.490	2.120	288	Achmea PS
APF Achmea	Kring DB evenwicht (Achmea)	138,8%	424.019	228.973	63	9.752		324	Achmea PS
APF Stap	Pensioenkring IFF (Stap)	147,6%	469.423	101.495	118	20.665	13.780		Visma Idella
APF Achmea	Kring Deutche Bank NL (Achmea)	135,9%	477.479	110.945	93	18.327	14.475	678	Achmea PS
APF Stap	Pensioenkring Astellas (Stap)	142,9%	480.370	88.734	86	20.251	15.597	1.051	Visma Idella
APF HNPF	Kring CK1 (Hnp)	124,4%	486.631	18.664	672	23.398	24.057	508	Visma Idella
APF Stap	Kring TotalEnergies NL (Stap)	126,4%	506.366	145.477	68	18.044	14.515	636	Visma Idella
APF Achmea	Kring Sligro (Achmea)	145,8%	578.991	59.044	520	25.997	23.211	212	Achmea PS
APF Nationale	Kring B (De Nationale)	128,9%	604.301	114.380	201	24.496	11.556	595	AZL
APF Achmea	Kring equensWorldline (Achmea)	124,8%	672.360	211.579	99	23.039	9.280	525	Achmea PS
APF Achmea	Cap Gemini Nederland	141,8%	687.589	66.159	777	31.072	34.880	418	Achmea PS
APF HNPF	Pensioenkring Xerox (Hnp)		738.579	392.510	108	17.303		424	Visma Idella
APF Achmea	Kring RBS (Achmea)	161,4%	845.059	147.594	75	34.873		3.072	Achmea PS
APF HNPF	Pensioenkring Van Lanschot (Hnp)	130,4%	884.851	241.175	182	45.798		2.143	Visma Idella
APF HNPF	Pensioenkring Randstad (Hnp)	113,0%	895.419	89.761	607	40.283		1.191	Visma Idella
APF HNPF	Pensioenkring Wolters Kluwer NL (Hnp)	138,8%	1.122.856	683.484	288	64.484	11.359	660	Visma Idella
APF Achmea	Kring HPE (Achmea)	137,5%	1.613.281	703.043	206	45.512	5.190	282	Achmea PS
APF Achmea	Kring 1 - DC (Achmea)				2.165	-	191.801	191	Achmea PS
APF Nationale	Kring DC (De Nationale)				54	-		84	AZL
APF HNPF	Kring flexible regeling (Hnp)				352	-	26.993	151	Visma Idella
	Totaal		13.708.698	3.803.877	7.229	558.731			

Agenda



2020 SII Review (1 of 2)

Part 1 of 2 – Provisions & SCR, proportionality and reporting – with sub-themes and key dates

1 Technical Provisions & SCR

- New application forms available in MijnDNB for both standard formula and PIM insurers from 1 Jul 2026:
    - insurer-specific RCS (USA-RCS) within VA.
    - Phasing-in of new rate extrapolation method.
    - Classification of equity investments as long-term and under statutory programs.

- VA use / end form 4 Jan 2027; phase-in by 4 Dec 2026.

2 Proportionality Framework

SNCU / SNCG status

Notification via MijnDNB; DNB reviews and may object.

Pre-application from 1 Oct 2026; measures only usable after formal approval.

Review timeline 4 months (for submissions up to 31 Jul 2027), 2 months thereafter.

Grandfathering up to 4 years if similar measures were applied before 28 Jan 2025.

Non-SNC proportionality measures

Available to Non-SNC insurers, subject to eligibility criteria (Del. Reg. art. 327b–h).

Application from 1 Oct 2026; on same terms.

Practical guidance

Updated factsheet summarizing the proportionality framework.

Published by 1 Sep 2026.

3 Reporting & Disclosure

Taxonomy (XBRL)

EIOPA Taxonomy 2.10.0 final 30 Jun 2026.

Applicable from 30 Jan 2027 (ITS 2023/894 & 2023/895)

First reporting under new taxonomy: Q1 2027 quarterly, FY2027 annual.

Applies also to non-calendar year reporters after implementation.

Single RSR

One periodic supervisory report.

Application from Q4 2026

ORSA

New content requirements apply from entry into force

Covers solvency needs, capital and technical provisions

Forward-looking: projections already reflect upcoming changes

Audit scope

Solo audit practice unchanged

Internal-model insurers: standard-formula SCR estimation templates not in scope of external audit.

Group audit rules still pending

Source: DNB, “2020 herziening Solvency II” (18 June 2026), Annex 1

2020 SII Review (2 of 2)

Part 2 of 2 – Remaining supervisory changes, converging on a staged 2026–2027 timeline

4 Group Supervision

- DNB flags group-status changes before 1 Jul 2026
- Application from Q4 2026 for simplified treatment of non-material participation.

5 Governance

- Notify supervisor of changes in management and key function holders.
- Include identity changes and underlying reasons.
- Applies to existing (incumbent) roles.
- Can be reported via the designated DNB supervisor.

6 Sustainability

- Sustainability plan required from act entry
- Reviewed by DNB as part of supervision.
- No strict format requirements yet, must be proportionate to size, complexity, and risk profile
- Further EC guidance not before 1 Oct 2027

7 Macroprudential Supervision

- Liquidity risk plans to be submitted to DNB in Q3 2027.
- Exemption for SNCUs and approved institutions.
- Template for quantitative data currently under consultation.

8 Preparatory Crisis Plan (VCP)

- Further guidance on VCP to be provided by DNB in Q1 2027 (Dir. (EU) 2025/1)
- Clarification on scope and simplified requirements.
- Selected insurers required to submit VCP from Q3 2027.

KEY MILESTONES 2026 → 2027

1 Jul 2026	1 Oct 2026	Q4 2026	30 Jan 2027	Q1 2027	Q3 2027
Forms & taxonomy work begin	Proportionality pre-application	Single RSR & group simplification	Revised rules apply	First 2.10.0 report; VCP guidance	Liquidity plans; VCP submissions

Source: DNB, “2020 herziening Solvency II” (18 June 2026), Annex 1

The LRMP–Volatility Adjustment Linkage

New for 2027 – Article 144a ties any insurer's use of the Volatility Adjustment to a liquidity "war book"

1 VOLATILITY ADJUSTMENT

Adds a spread to the risk-free discount rate to smooth the balance sheet — lifting the solvency ratio during market stress.

2 LIQUIDITY RISK MANAGEMENT PLAN

New **Article 144a** liquidity plan must prove cash flows are robust enough that you are never forced to sell the assets backing the VA.

3 SUPERVISORY IMPACT

Regulator tests whether VA use is prudent. Liquidity gaps in a 1-in-200 event → the VA "credit" can be challenged or limited.

Regulator's logic: To retain the **Volatility Adjustment, an insurer** must demonstrate it can **hold assets** to maturity under **stress – without resorting to forced sales**

WHY IT MATTERS — the illiquidity logic

- As long-term investors, insurers can hold to maturity and ride out temporary volatility — the VA reflects this.
- A liquidity crisis that forces bond sales while spreads are wide turns the VA from theoretical into a real loss.
- The 2020 Review tightens the rules to stop "artificial" solvency from an unfunded VA benefit.

VA-SPECIFIC OBLIGATIONS — what you prove

- Liquidity analysis: show cash flows are strong enough that you are not forced to sell the assets providing the VA benefit.
- Monitor the benefit: confirm asset liquidity is sufficient to back the liabilities the VA is applied to.
- Stress testing: model VA spread-widening scenarios and prove you can hold positions through them.

Source: DNB / EIOPA – Solvency II 2020 Review, Article 144a & finalised RTS

LRMP: Submission, Frequency & Scope

What & how often – EIOPA technical standards set the plan's contents, update cycle and scope — live from 30 January 2027

WHAT THE PLAN MUST CONTAIN

1. **Cash-flow projection** — Incoming vs. outgoing flows over short, medium and long-term horizons.
2. **Liquidity buffer** — A pool of liquid assets, with haircuts applied so cash value is not overstated in a crisis.
3. **Indicators & triggers** — Quantitative early-warning indicators and hard triggers for tightening liquidity.
4. **Response actions** — A pre-defined menu of management actions — halt new business, draw credit lines.
5. **VA justification** — Demonstrate assets backing VA liabilities can be held to maturity under stress.

REPORTING & SUPERVISION

- Full LRMP kept internally within the risk-management / governance system.
- Summary plus liquidity stress-test results reported via the Regular Supervisory Report (RSR).
- Regulators (BaFin, ACPR, DNB…) review it; liquidity gaps can limit VA use.

FREQUENCY — a living document

- Reviewed and updated at least annually, aligned to the ORSA cycle with Board sign-off.
- Ad-hoc update on any material change in the liquidity risk profile.

WHO IS IN SCOPE

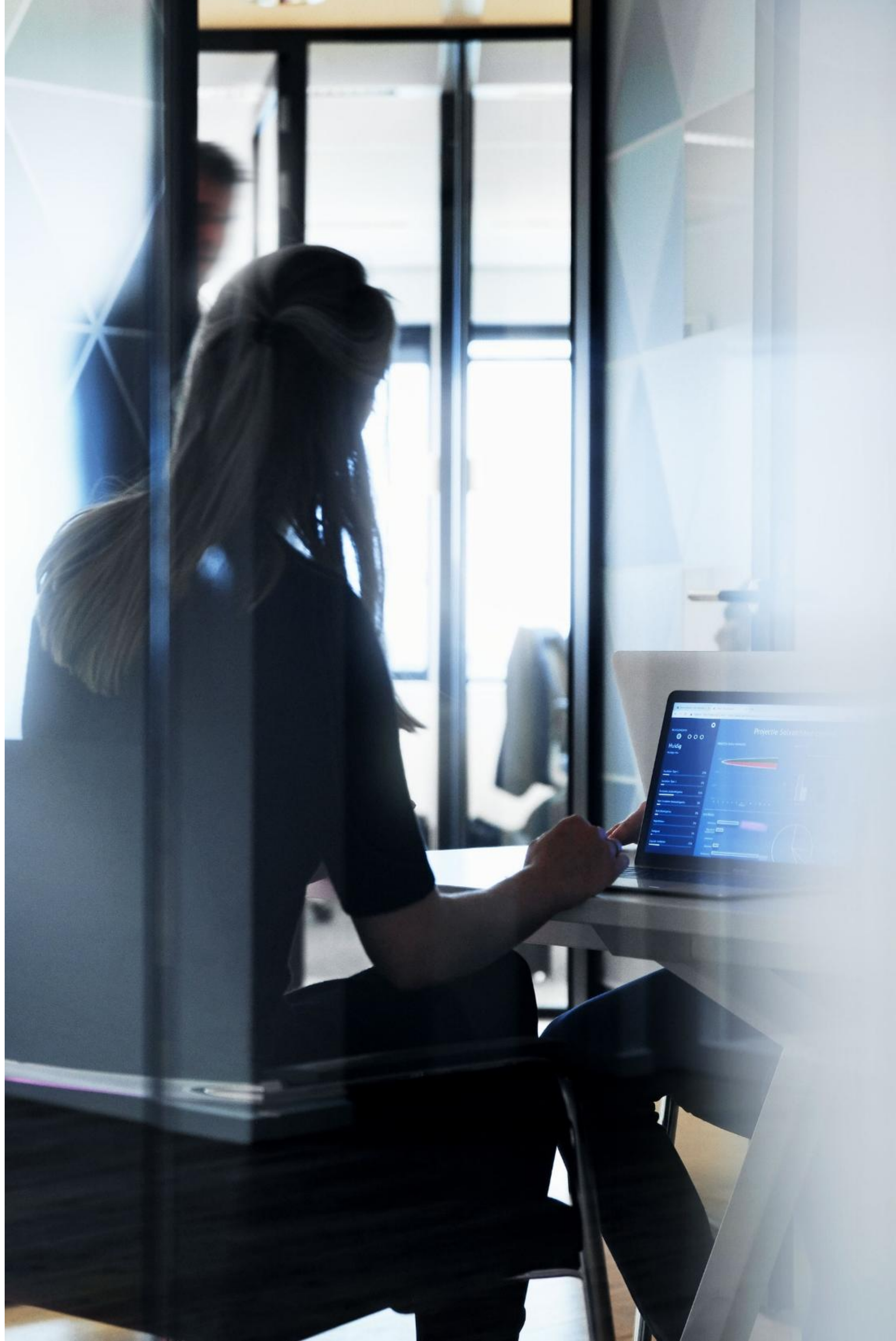
- VA users — mandatory, detailed LRMP.
- Large / complex insurers — mandatory (based on size and complexity of asset-liability mismatch).
- Small & Non-Complex (SNCPs) — exempt / simplified, unless the SRP flags a specific risk.

KEY DATES & ONGOING COMPLIANCE TO NEW LIQUIDITY RULES

30 Jan 2027	Annual	Each RSR	Ad-hoc
LRMP enters application (Day 1)	Review aligned to ORSA + Board	Summary + stress tests to regulator	Update on material profile change

Source: DNB / EIOPA – Solvency II 2020 Review, Article 144a & finalised RTS

Agenda



Conclusion

- The major Dutch insurers have demonstrated **very good performance** over the past few years.
- **Favorable economic conditions**, among other factors, have contributed significantly to this.
- To fulfill the commitments made to shareholders and debt holders, it is require increase **inflow of new annuities** invest in **more risky assets** (i.e. private debt).

Improved risk management strategies and processes will need to developed to cope with increased liquidity risks

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Agenda

13:30 – 14:15	Developments Capital Generation, ALM & Liquidity risk
14:15 – 15:00	Liquidity Risk Management Plan & Prudent Person Principle
15:00 – 15:30	Break
15:30 – 16:15	Interest-only mortgages
16:15 – 17:00	Demystifying Private Credit
17:00	Drinks

Liquidity Risk Management Plan & Prudent Person Principle

Loïs Stijsiger

TRIPLE A
RISK FINANCE

Liquidity Risk Management Plan

Intro | Solvency II Liquidity Risk Management Plan

New Solvency II Directive following the 'Solvency II 2020 Review' → implementation in januari 2027

Official Journal
of the European Union

EN
L series

2025/2

8.1.2025

DIRECTIVE (EU) 2025/2 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 27 November 2024

amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision, and amending Directives 2002/87/EC and 2013/34/EU

Introduction of Article 144a: Liquidity risk management

- **Separate requirement** on liquidity risk management
- **Focus on short-term liquidity** analyses of assets and liabilities
  (mid and long term potentially in scope, depending on size and risk profile)
- Liquidity **risk indicators** to be monitored
- LRMP to be **submitted to the regulator**

LRMP | Requirements SII Directive

Art 144a sub

1. Maintain sufficient liquidity	Towards **policyholders and other counterparties** Under **stress scenarios**
2. Set-up LRMP	Set-up and regular updates Projection of **cash flows of (all relevant) assets and liabilities** **Short term liquidity analyses** (mid and long term if requested) Develop and keep up to date liquidity **risk indicators**
3. Submit LRMP	**Regulatory submission** (similar to RSR)
4. Proportionality exemption	LRMP exemption for SNCU by definition LRMP exemption for non-SNCU after regulatory approval
5. Combine with VA analyses	LRMP takes **VA into account** Assess potential constraints not consistent with VA application

LRMP | EIOPA Regulatory Technical Standard (RTS)

EIOPA-BoS-25/386 (nov 2025)	
1. Definitions	Short-term: 3 months, mid- and long-term: > 3 months
2. Criteria mid- and long-term analysis	Mid- and long-term analysis for groups with total assets > 20 bln | Other: risk profile & proportionality
3. LRMP contents and structure	Mainly: Assumptions, CF projections, Liquid asset buffers, Risk indicators
4. Assumptions CF projections	BE and stress: sources of liquidity risk and size of stress scenarios
5. Results of CF projections	Results of CF projections of all assets and liabilities (base and stress)
6. Buffers of liquid assets	Quantitative and qualitative information on buffers of liquid assets | Breakdown to types of liquid asset
7. Risk indicators	Quantitative and qualitative information on risk indicators used | Reflect risk profile and risk tolerance
8. Overall assessment of liquidity risk	Conclusions on sufficient liquidity and within risk tolerance
9. Frequency of update LRMP	At least annually and following triggers
10. Content and frequency group LRMP	Same requirements for group | Reflect any transferability restrictions
11. Intra-group transactions	Impacts of significant risk concentrations and intra-group transactions

Cash flow projections | Points of attention

Cash flow projection resulting in insight of liquidity, e.g.

- All relevant assets and liabilities
- Technical provisions, new business, fixed income assets, dividends, etc.
- Reinsurance impact
- Base and stress scenarios
  - Best estimate assumptions
  - Stress: CAT risk, inflow, lapse, etc.

➔ Partly based on TP, SCR and ORSA, but focus on liquidity

➔ Indications by International Association of Insurance Supervisors (IAIS)

https://www.iais.org/2022/11/iais-finalises-liquidity-metrics-as-an-ancillary-indicator-for-its-global-monitoring-exercise/

Cash flow projections | IAIS examples

Cash inflows	Cash outflows
Operating inflows	**Operating outflows**
Premiums and deposits (renewal / new business)	Claims and liabilities
Reinsurance recoverables	Expenses
…	…
Investing inflows	**Investing outflows**
Principal and interest	Asset purchase
Dividends	Collateral pledged
…	…
Financing inflows	**Financing outflows**
Capital contributions	Shareholder dividends
Debt issuance	Debt maturities / servicing
…	…

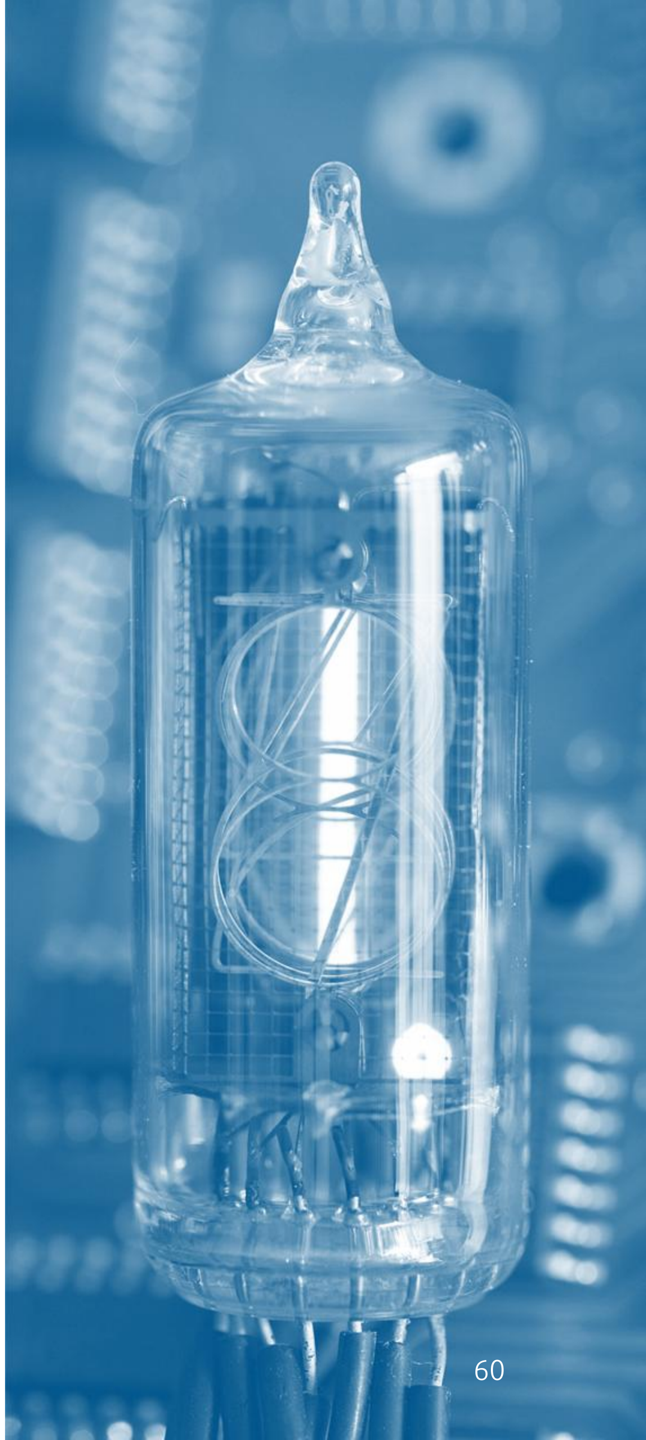
Risk indicators | IAIS Points of attention

Indicators and risk tolerance levels

- Definition of sources of liquidity → *consider haircuts and stress scenarios!*
- Definition of liquidity needs → *consider stress scenarios!*
- Minimum threshold absolute amounts EUR → *frequent (re)calibration*

IAIS proposes: Insurance Liquidity Ratio (ILR)

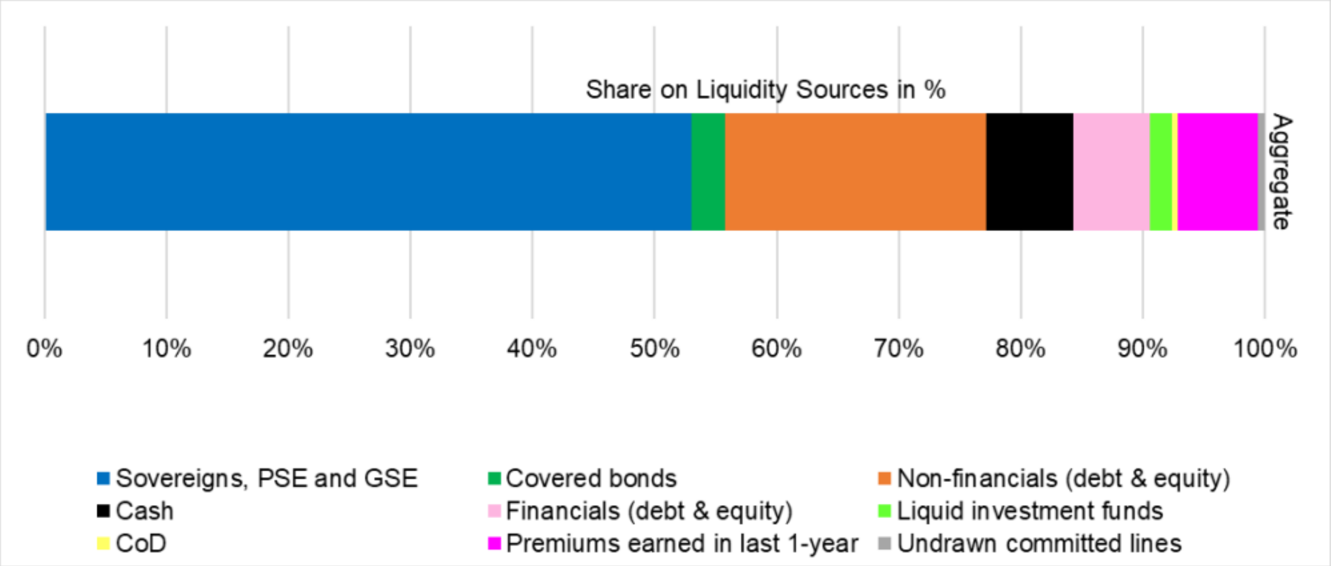
$$\rightarrow ILR = \frac{Liquidity\ sources}{Liquidity\ needs}$$



Sources of liquidity | IAIS Points of attention

→ IAIS indication of Sources of liquidity

Figure 2 - 1Y ILR Liquidity sources (YE21 data)



Source: IIM 2022 data collection

Sources of liquidity | IAIS Points of attention

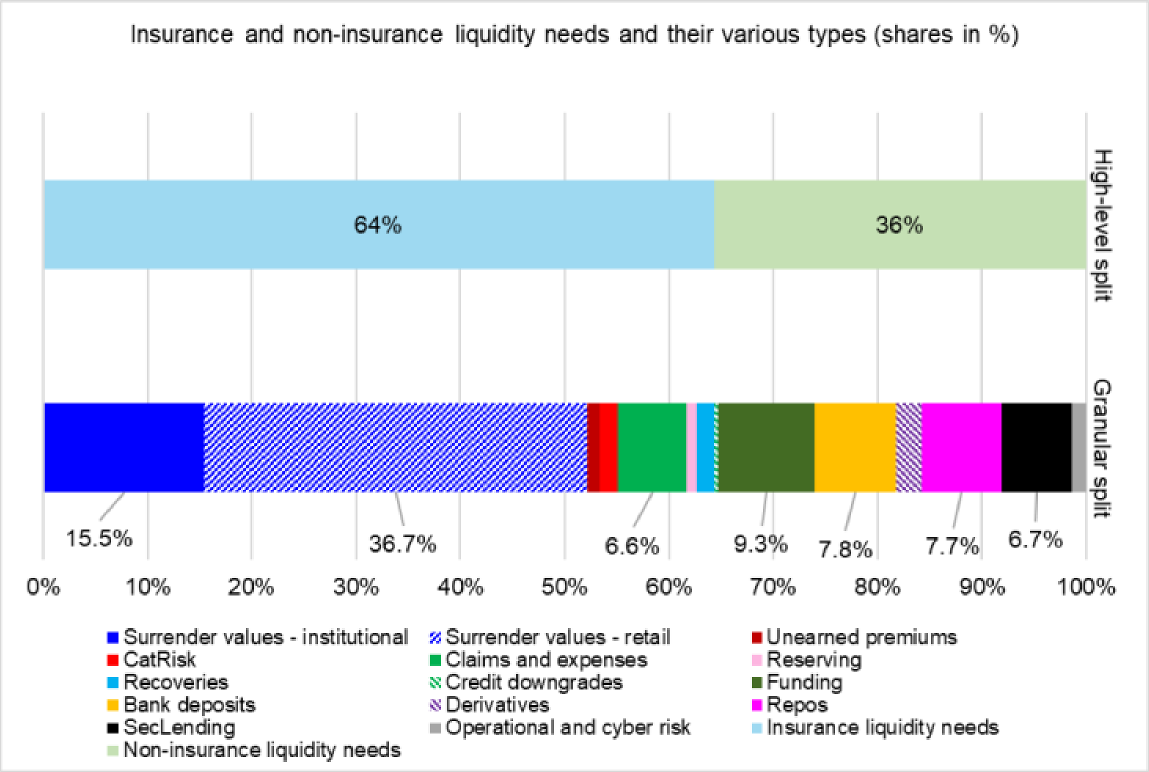
➔ IAIS indication of Sources of liquidity

Factors 3M time horizon	Factors 1Y time horizon	Liquidity Sources
100%	100%	Cash
95%	100%	Sovereigns rated AA- and above
95%	100%	Sovereigns in local currency
75%	85%	Sovereigns rated A- and above
60%	70%	Sovereigns rated BBB- and above
75%	85%	GSE securities senior to preferred shares rated above A-
50%	70%	Investment-grade covered bonds
60%	70%	Investment-grade PSE debt
50%	70%	Non-financials: Investment-grade corporate debt securities
40%	50%	Non-financials: Common equity
40%	50%	Financials: Investment-grade corporate debt securities
30%	40%	Financials: Common equity
40%	50%	Certificates of Deposit
10%	10%	Undrawn committed lines
15%	25%	Investment funds: Liquid mutual and MMFs
10%	25%	Investment funds: Liquid ETFs
20%	85%	Non-life net earned premiums in the last year

Liquidity needs | IAIS Points of attention

➔ IAIS indication of liquidity needs

Figure 4 - ILR Liquidity needs using ILR 1Y factors (YE21)



Source: IIM 2022 data collection

Monitoring | Liquidity ratio indicator(s) per reporting date

Monitoring of indicators taking into account

- Sources of liquidity ⇔ after stress / risks
- Liquidity needs ⇔ after stress / risks

Regular monitoring of EUR liquidity within risk tolerance, e.g.

- Implementation focus on definitions, data process, risk factors and monitoring process

	Base	After stress	Threshold	Conclusion
Sources of liquidity	1.000	900	600	✓
Liquidity needs	500	600		
Liquidity ratio	**200%**	**150%**	**100%**	✓

Illiquids and prudent person principle

Illiquids and PPP | EIOPA & DNB

EIOPA recommends improvements in the supervision of the 'Prudent Person Principle' following peer review

EIOPA, 2-5-2024

DeNederlandscheBank

Aandachtspunten bij beleggen in private assets

DNB, 21-12-2023

DeNederlandscheBank

2 Private credit in opmars: alternatieve financieringsbron, maar risico's beperkt in beeld?

DNB, 26-5-2026

Illiquids and PPP | Why invest in illiquid assets?

Search for yield

- Illiquidity premium
- Low interest rate levels past years

Capital efficiency

- Higher returns for relatively lower Solvency capital requirements

Diversification

- Less correlation with other asset classes
- Private vs. public markets

Sustainability

- More focus on sustainability in investments
- Impact investments, infrastructure, etc.

Illiquids and PPP | Prudent Person Principle

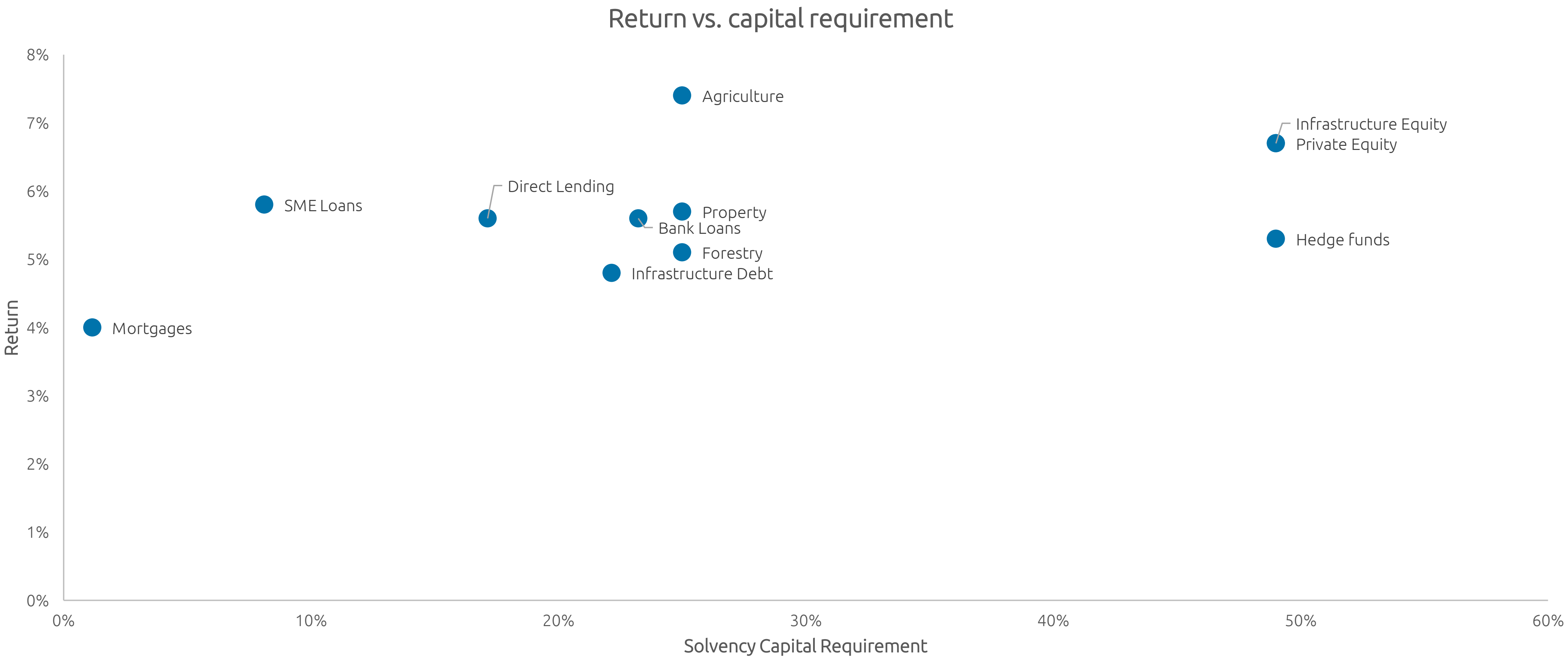
Solvency II Directive: insurers must adopt an investment policy that complies with the prudent person principle (PPP)

⇨ No specific definition of what constitutes compliance with the prudent person principle; it is an open-ended standard

DNB: implementation of PPP based on three themes

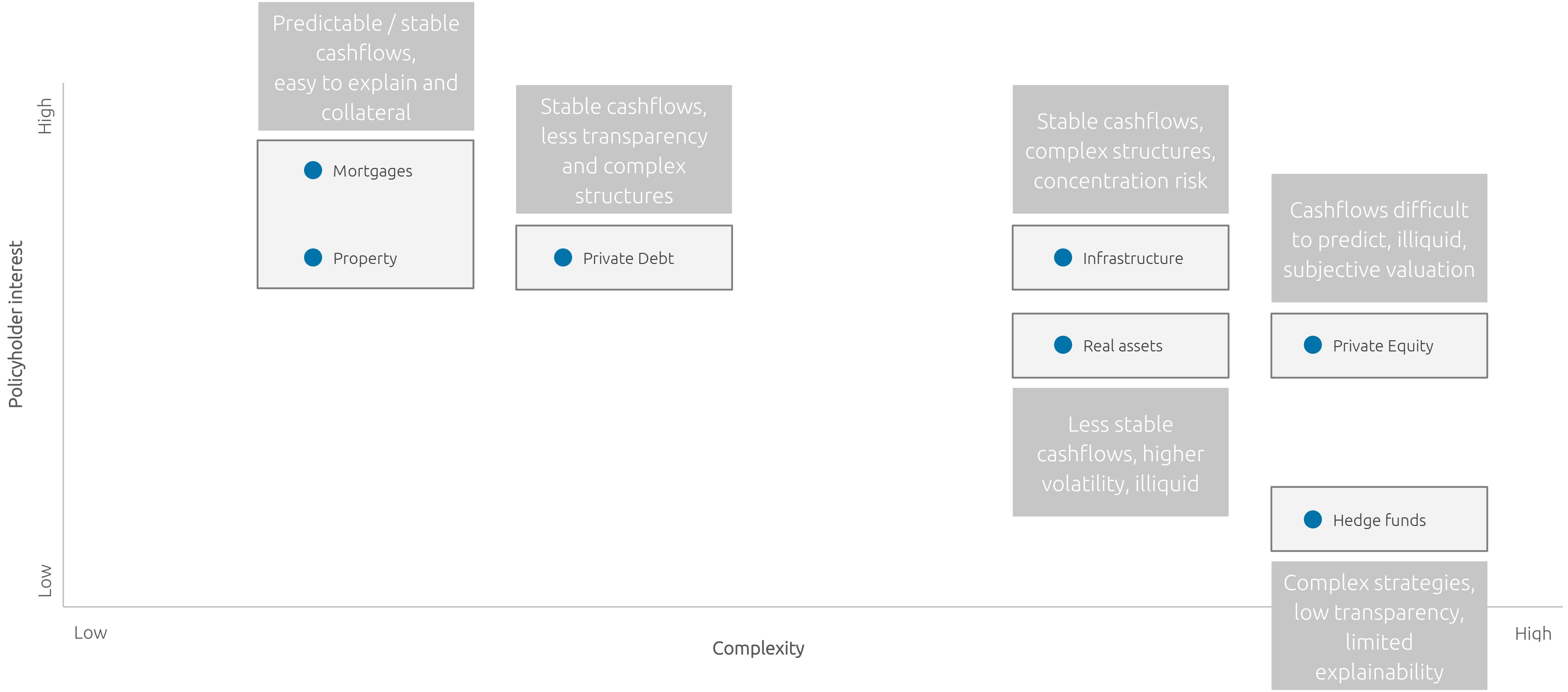
Governance	Suitability	Policyholder interests
• Risks of investments are recognized, measured, managed controlled and reported • Insurer itself maintains an overview of the risks, not only the external advisor or asset manager	• Investments are assessed based on security, quality, liquidity and return • In general, unregulated investments should be minimized to a prudent level • Investments should be diversified	• Nature and duration of investments are aligned with the liabilities • Investments support the other policy objectives (such as sustainability) • Insurer remains sufficiently liquid and solvent at all times in order to meet its short- and long-term obligations

Illiquids and PPP | Illiquid asset types – *Risk / Return*



Illiquids and PPP | Illiquid asset types – *PPP*

Illiquids and PPP | Illiquid asset types – *PPP*



Illiquids and PPP | Risks for insurers

Liquidity is low for most illiquid assets

Valuation is difficult due to the lack of public trading information → illiquidity premium uncertain

Higher **complexity**, lower **transparency** → uncertainty about risks, more reliance on advisors and asset managers

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Interest-only mortgages

Arie van der Plas

TRIPLE A
RISK FINANCE

Interest Only Mortgages | Introduction

Supervisory expectations

EUROPEAN CENTRAL BANK
EUROSYSTEM

DeNederlandscheBank
EUROSYSTEEM

AFM

ECB and DNB view Interest Only Mortgages (IOM) as a potential systemic risk, especially under stressed economic conditions.

ECB & DNB expectations:

- De-risk the IO portfolio and reduce IOM portfolio volume, especially where concentrations in maturity arise, and
- Implement IOM specific risk management practices,
- proactively mitigate involved credit risks,

AFM expectations:

- Importance of duty of care and specific attention for vulnerable IOM clients.
- Periodically obtain client data on income and collateral.

Interest Only Mortgages | IOM on the agenda for over 10 years now

Where DNB started with first explorations in 2015, now in 2026 most banks are required to take action

2015
First **DNB** questionnaires on potential risks associated with IO.

2016
First **ECB** letters on incorporation the risk of IO in staging/expected credit loss.
AFM brings attention to mortgage providers on IO.

2017
Follow-up of banks in alignment with Join Supervisory Teams.

2018
Development of risk segmentation matrix by **AFM** and start of **NVB** campaign 'Aflossingsblij'.

2019
AFM pilot on client activation at largest banks. Focus on high- risk clients.
ECB update de-risking strategy

2020
Extension of **AFM** client activation to all mortgage provider.

2021
New **ECB** letters with detailed expectations on IO remediation, incorporating ESG in the IO expectations.
AFM research on vulnerable clients.

2022
Iterations of systemic banks with **ECB** on IO remediation plans and execution.
AFM deadline on client outreach.

2023
First attempts by systemic banks incorporating IO in IRB models. Continuation of IO remediation plans.
ECB feedback letter and submission of updated IO de-risking plans by systemic banks.

2024
Iterations of systemic banks with **ECB** on IO remediation plans. First preliminary ECB feedback on incorporation in IRB models.
System banks pilot on Client Outreach for lower risk clients.
DNB request for information for non-significant banks and issuance of DNB IO letters.

2025
Submission of remediation/de-risking Plan to **DNB**.
ECB directed Client Outreach system banks lower risk clients.
DNB Additional expectations to LSIs to ensure consistent supervisory treatment across the Dutch Banking sector and IO reduction targets.
ECB feedback on IRB model redevelopments incorporating IO

2026
Update to IO de-risking strategies by systemic banks towards **ECB**,
ECB definition of IRB model remediation plans.
DNB submission of de-risking and risk management remediation plans by end of June 2026.
AFM additional guidance on Duty of Care for I/O clients

Interest Only Mortgages | NL is an outlier

Banks are expected to manage their IOM exposures proactively and de-risk their balance sheet

Relative position of The Netherlands in Europe

- One of the highest levels of household debt as a percentage of net disposable income across Europe
- High Loan-to-Value (LTV) financing
- Average share of IOM is currently ~45%
- No minimum down payment required
- No requirements to periodically share income statements
- Reliance on future Pension schemes and increase in property values

- IO production in The Netherlands has lowered considerably over the past years, but IOM stock in portfolio's remains high.
  - For new mortgages, the relative benefit of IOM on monthly costs diminished when interest rates increased
  - 'Doorstromers' can often continue to benefit from their tax benefits on IOM from the past

Figure: The Netherlands is one of the outliers in terms of IO mortgages in Europe

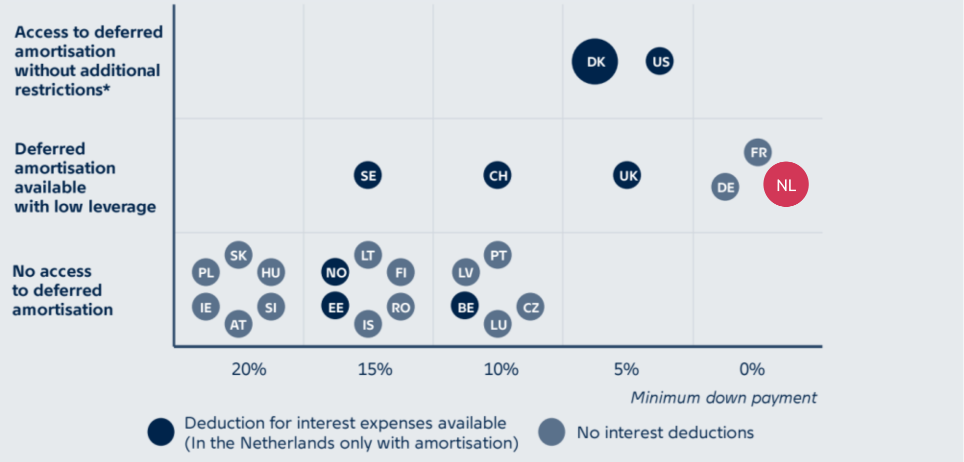
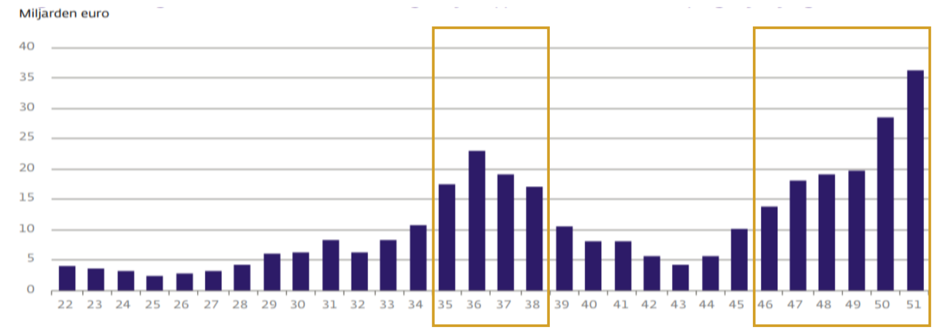


Figure: Maturity peaks in the Dutch mortgages portfolio



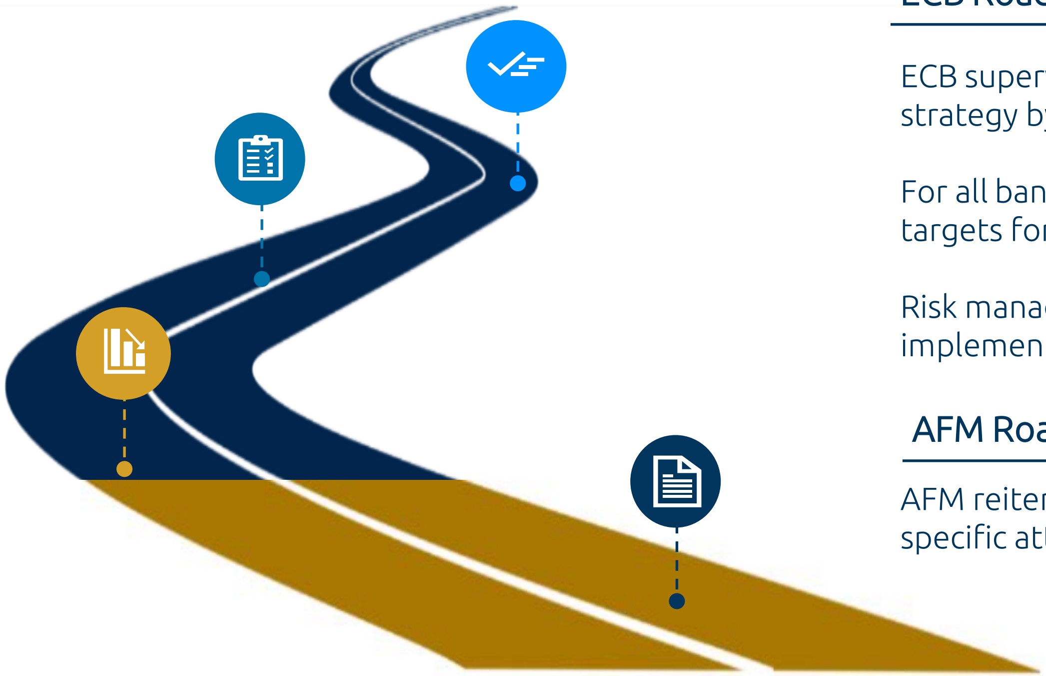
Interest Only Mortgages | Timelines

Key milestones for ECB and DNB supervised banks

Where ECB has pushed systemic banks into execution already, DNB is now going fast forward as well

DNB Roadmap

1. DNB specific **IOM reporting** per end of March 2026
2. The **De-risking plan** must be submitted with explicit reduction targets mid 2026 and execution needs to **start accordingly**
3. **Gap analysis** and a **plan of approach** need to be submitted with respect to the (new) expectations
4. **Full compliance to the expectations is expected as of 30 June 2027**



ECB Roadmap

ECB supervised banks have updated their de-risking strategy by March 31, 2026

For all banks, these plans incorporate reduction targets for the period 2025 – 2028

Risk management expectations are being implemented in 2026

AFM Roadmap

AFM reiterated the importance of duty of care and specific attention for vulnerable IOM clients.

Interest Only Mortgages | First visible Market Developments

Systemic Banks made their first move, LSI banks will follow

Market Developments

Rabobank: **Implementation per May 11**
- IO cap of 30% LTV
- Maximum absolute IO amount of EUR150.000

Existing clients: Not affected
Adjustments (e.g. moving/increase): Impacted
Refinancing at maturity: Impacted
Exceptions for specific situations

ABN AMRO Bank **Implementation per June 1**
- IO cap of 30% LTV
- Maximum absolute IO amount based on property value and label
  - ABN AMRO: 150.000 – 500.000
  - Florius: 150.000

Existing clients: Not affected
Adjustments (e.g. moving/increase): Impacted
Refinancing at maturity: Not affected

ASN Bank **Implementation per May 11**
- IO cap of 30% LTV
- No maximum absolute IO amount

Existing clients: Not affected
Adjustments (e.g. moving/increase): Impacted
Refinancing at maturity: Impacted from 1/1/2030 onwards
Exceptions for specific situations

ING Bank **Implementation per July 23**
- IO cap of 30% LTV
- Maximum absolute IO amount based on property value
  - 150.000 – 500.000

Existing clients: Not affected
Adjustments (e.g. conversion/increase): Impacted
Second mortgage: Impacted
Refinancing at maturity: Not affected

Market Developments LSI Banks

Triodos Bank **Implementation per July 1**
- IO cap of 30% LTV
- No maximum absolute IO amount

Existing clients: Not affected
Adjustments (e.g. moving/increase): Impacted
Refinancing at maturity: Not affected
Exceptions for specific situations

Measures expected from other banks are not communicated yet

Other measures implemented:

- **Pricing adjustments:** Increase in mark-up for interest only
- **Prepayments:** Removal of prepayment penalties

Interest Only Mortgages | Improving Risk Management

Most expectations have not been implemented yet

Key expectations

- In case of concentration risk, explicit reduction in volume of IOM (see measures on previous slide)
- Improvement of risk management practices specific to IO:
  - Periodic updates of financial information
  - More frequent and more extensive collateral valuations
  - More stringent creditworthiness assessments, especially where maturity is beyond pension age and life expectancy
  - Earlier classification of increased credit risk and unlikeliness to pay/default
  - Adjustments to internal models for regulatory capital (AIRB) and provisioning (IFRS9)

Financial Costs:

- ➢ (Temporary) Pillar 2 capital add-on to mitigate concentration risk
- ➢ Increase in credit maintenance and monitoring costs
- ➢ Increase in workload for business, credit risk management and IT
- ➢ Earlier detection of potential risks increases expected loss, provisions and capital

Financial Opportunities:

- ➢ Higher spreads
- ➢ Growth in IO volume
- ➢ Portfolios for sale at a discount

Interest Only Mortgages | What risks to anticipate

Are your risk management practices sufficiently addressing the risks anticipated by ECB/DNB?

Credit Risk
- Expected loss
- Required capital (SCR credit)
- Risk adjusted returns

Interest Rate Risk
- Interest sensitivity
- Matching of liabilities
- Basis risk

Spread Risk
- Higher volatility
- Mismatch book vs market value
- Impact of stress scenarios on spreads

Prepayment Risk
- Matching of liabilities
- Negative convexity
- Uncertainty in cashflows

Liquidity Risk
- Uncertainty of prepayments
- Reinvestment risk

Climate Risk
- Aggregation of risks

Agenda

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15:00 – 15:30	Break
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16:15 – 17:00	Demystifying Private Credit
17:00	Drinks

KKL Partners

European Pension & Insurance Solutions

Demystifying Private Credit

Amsterdam, June 2026

Private credit from an insurance perspective

High return from a variety of risk premia:

- Risk free rate (incl. term premium)
- Credit risk premium (exceeds expected credit losses)
- Illiquidity premium
- Complexity premium (reflecting the challenges of originating and managing the loans)

Low volatility protects the insurer’s capital ratio

- External valuations based on amortised costs / fair value
- Only impairment of a loan leads to a significant loss
- This results in a very low observed volatility at fund level

The main SII charge is for credit default risk

- SII capital charge for credit default, interest rate & FX risk
- Interest rate risk is managed/mitigated at the balance sheet level (so doesn’t impact capital efficiency)
- European/FX hedged funds have zero net FX exposure (i.e. no capital charge for FX risks)

Unrated Loans have a favourable capital treatment

- In general, private credit investments are unrated
- Under Solvency II "no rating is better than a low rating"
- This is a reflection of the number of risk mitigating measures in private credit

Direct lending

Corporate Bonds (Public)	Feature	Direct Lending
Public capital markets	**Market**	Private markets
IG 3,5% - 4%, HY 5% - 6%	**Return (EU)**	Senior 5.5% - 6.5%, Direct Lending 8% - 9%
Liquid & actively traded	**Liquidity**	Illiquid (limited secondary market)
Market-priced	**Pricing**	Periodic / model-based valuation
Limited (especially in investment grade)	**Covenants**	Strong covenants
Often unsecured (especially IG bonds)	**Security**	Typically senior secured (some mezzanine)
Relatively low	**Complexity**	Higher (legal structuring, due diligence)
Interest + credit spread	**Sources of return**	Additional illiquidity & compexity premium
Official rating	**Rated**	Unrated

Defaults are not necessarily losses

Fast and decisive action result in low realised losses			
	Direct Lending	**Leveraged Loans**	**HY Bonds**
Default rate (est)	1% - 4%	2% - 5%	2% - 5%
Recovery (est)	70% - 100%	50% - 70%	30% - 50%
Realised loss	0.5%	1.1%	2.4%

Source: Morgan Stanley (realised loss rates 2017-2025), Goldman Sachs

UK monitors First Brands and Tricolor collapses for private credit risks

Failures of two US companies reliant on asset-based lending prove 'useful case studies', Financial Conduct Authority says

Private credit isn't the problem – concentration is

Diversification is the foundation of good investing

Europe needs more private credit, not less

While problems with the financing source are emerging, the region needs to diversify from bank funding

Barclays takes £228mn hit from collapse of UK mortgage lender MFS

Bank to limit complex lending activities and reduce exposure to highly leveraged corporates

Blue Owl struck by $5.4bn of redemption requests

Private credit firm caps withdrawals after investors attempted to pull more than 40% from one fund

Private credit won't spark the next financial crisis

A lower leverage ratio and limited links to banks mean that the sector is unlikely to pose a systemic threat

Source: FT

Looking at the risk factors beyond the headlines

Quality of the manager

- Good managers are extremely focussed on underwriting standards
  > Strong collateral & other guarantees, in combination with covenants to protect credit quality
- Have prime access to deals in their (niche) market
- Have extensive workout capabilities; often PM's have a background in distressed debt

Fears of AI disruption

- Are loans to software companies as solid as they used to be?
- How many AI players will survive? How strong is collateral from AI datacentres and other infra?

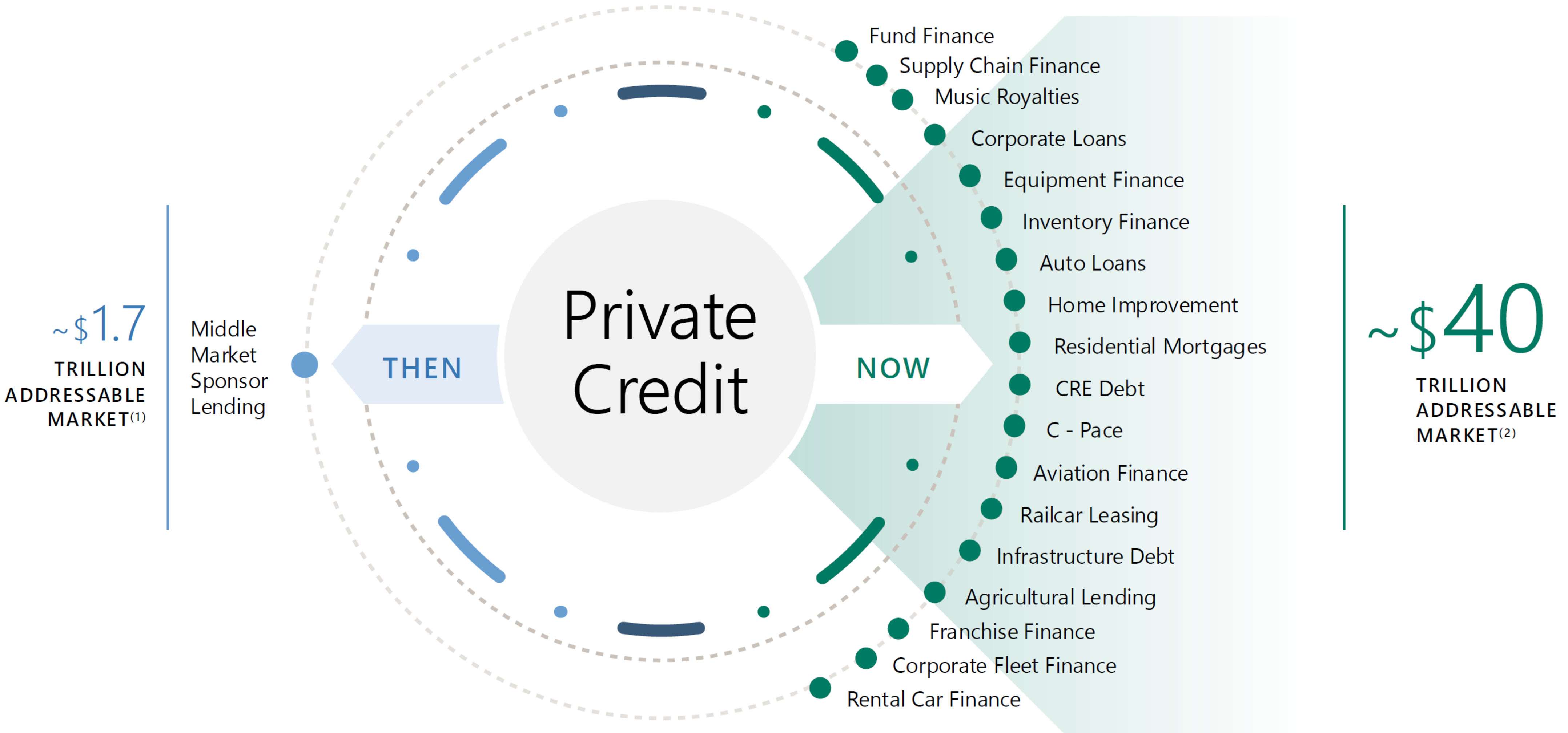
Perceived liquidity

- Semi-liquid structures are created for small wealth management in/outflows
- Not to be confused with real liquidity - usually a 5% liquidity gate, easily hit by retail behaviour
- Works best for short term, high cash generating structures, with a low retail investor base

Leverage

- European institutional investors hardly ever use leverage
- US and retail investors like leverage share classes (30% - 100% leverage)

There is more to private credit than direct lending



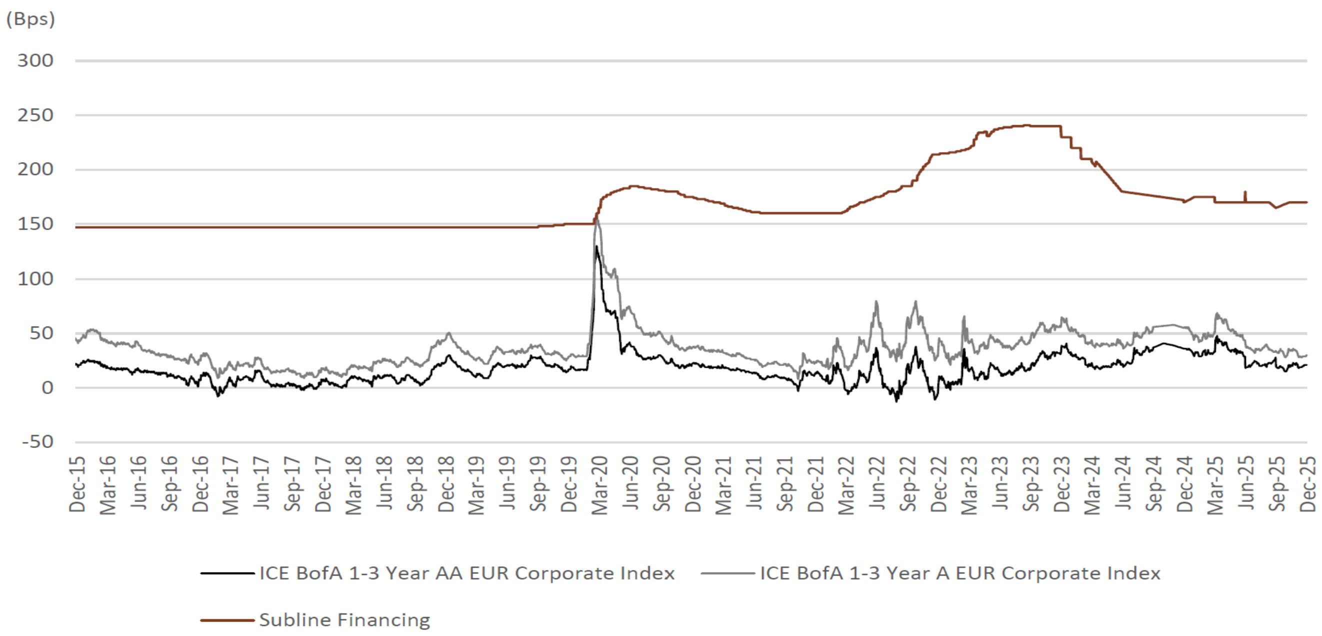
Source: Apollo, Preqin Global Private Debt Report 2024

Subscription Line Finance

Subscription Line Finance

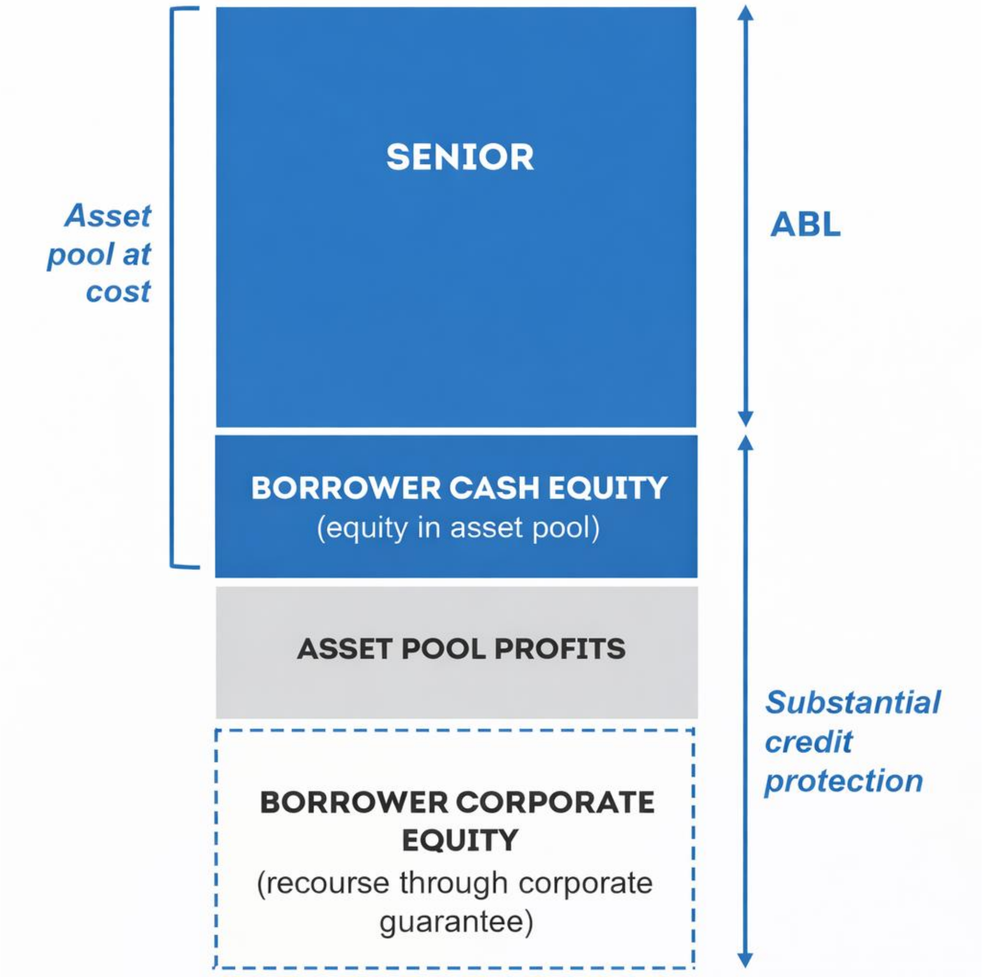
- Bridge loans to private equity funds, based on outstanding commitments from institutional investors
- AA rated, highly standardized & scalable. Much shorter duration/higher liquidity
- Term loan structure (unlike the revolving credit facilities banks provide)
- Lower return, but great return on SII capital. Very attractive for insurance companies
- $1tr market. No historical defaults in over 30 years (except 2 cases of fraud)

Sub-line Financing Indicative Margin Spreads*



Source: NLC December 2025

Asset Based Lending



- **Substantial Credit Protection**
  - From the underlying assets

  \+ Borrower cash equity (first loss)

  \+ Asset pool profits

  \+ Corporate guarantee

- **Cash Generating Assets**
  - Even in high stress scenarios

  (e.g. 3x base case losses)

- **Covenant Heavy**
  - Typically > 10 covenants
  - On asset performance, concentration & Business financials

Source: Pollen Street
For indicative purpose only

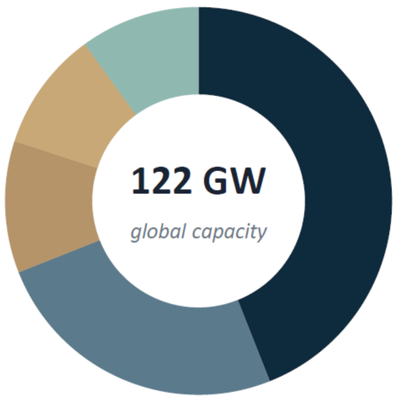
Private ILS

Private ILS on Data Centers provides an interesting opportunity

- Hyperscaler buildout is creating unprecedented insured values per site ($5bn+ per site)
- insurer single-site limits are fixed around USD 500m (hard ceiling set by capital adequacy rules)
- Not like CAT risk. Driven by fire, water, equipment failure instead of hurricane or earthquake
- Scarcity is reflected in the pricing. 10-12% net IRR (after conservatively modelled losses)
- The capacity gap is structural. Investor capital is the natural source of incremental capacity
- Hyperscale capacity is heavily clustered, but can be diversified across the major hubs

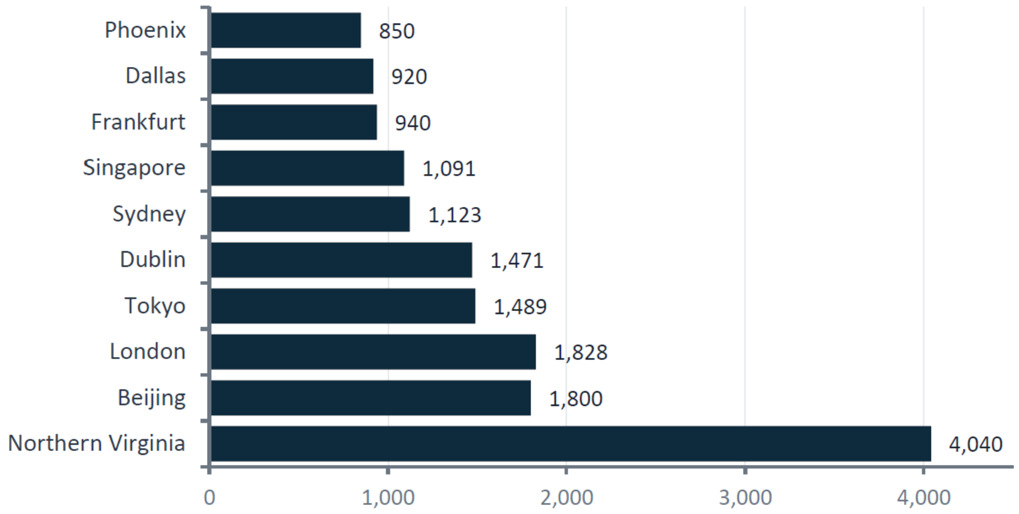
Regional split of global capacity

Operating capacity, end-2024 — total 122 GW



Top 10 metros by hyperscale capacity (MW)

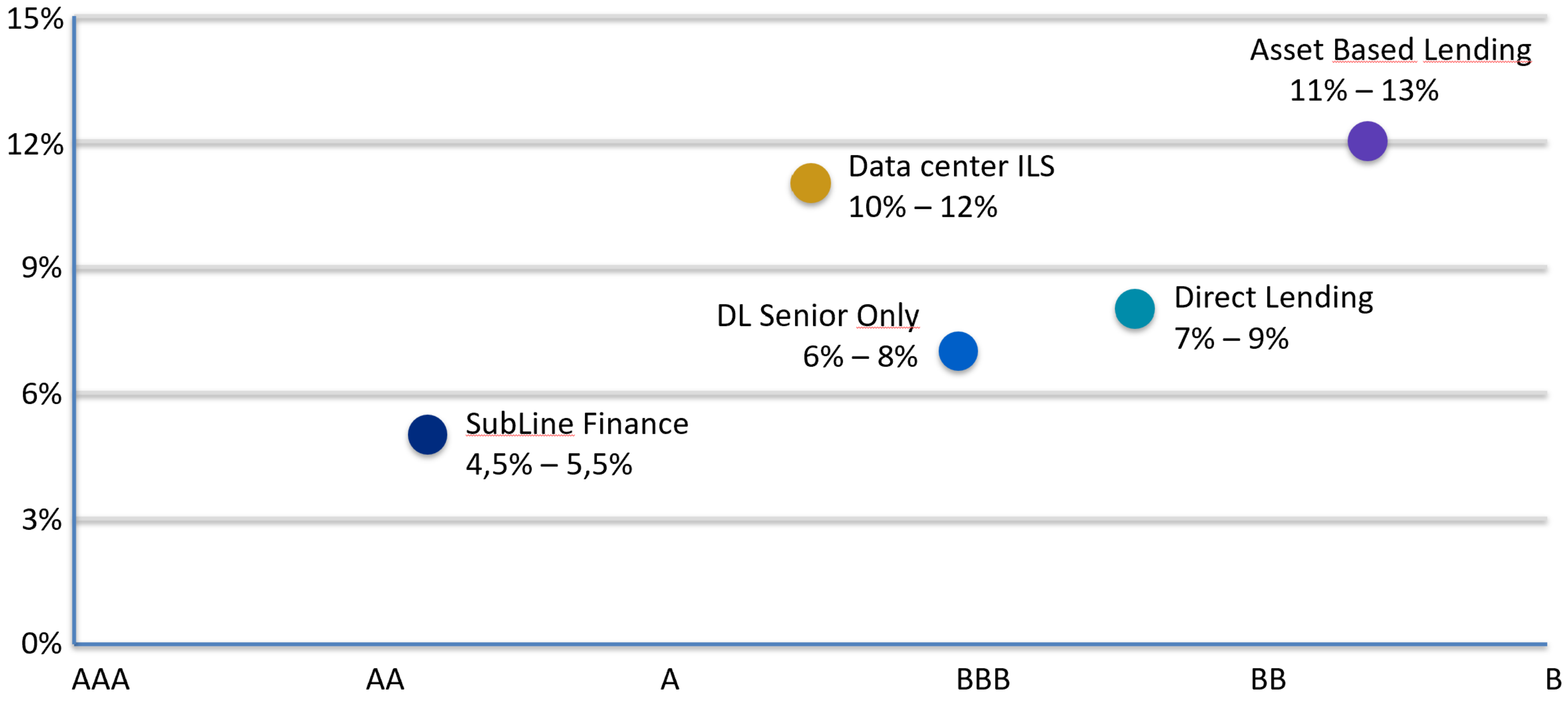
Northern Virginia alone exceeds all major European hubs combined



Source: Euler ILS Partners

Diversification for superior risk adjusted return

Indicative net return vs. ('shadow') rating per asset class



Source: KKL, market data 2025
For indicative purpose only

Conclusion

Private Credit has matured and is here to stay

Complexity mainly due to risk management mechanism

Structurally high risk premia

Fast and decisive action result in lower loss given defauls

Diversification is best practice

And leads to a superior risk adjusted return

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Thank you

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