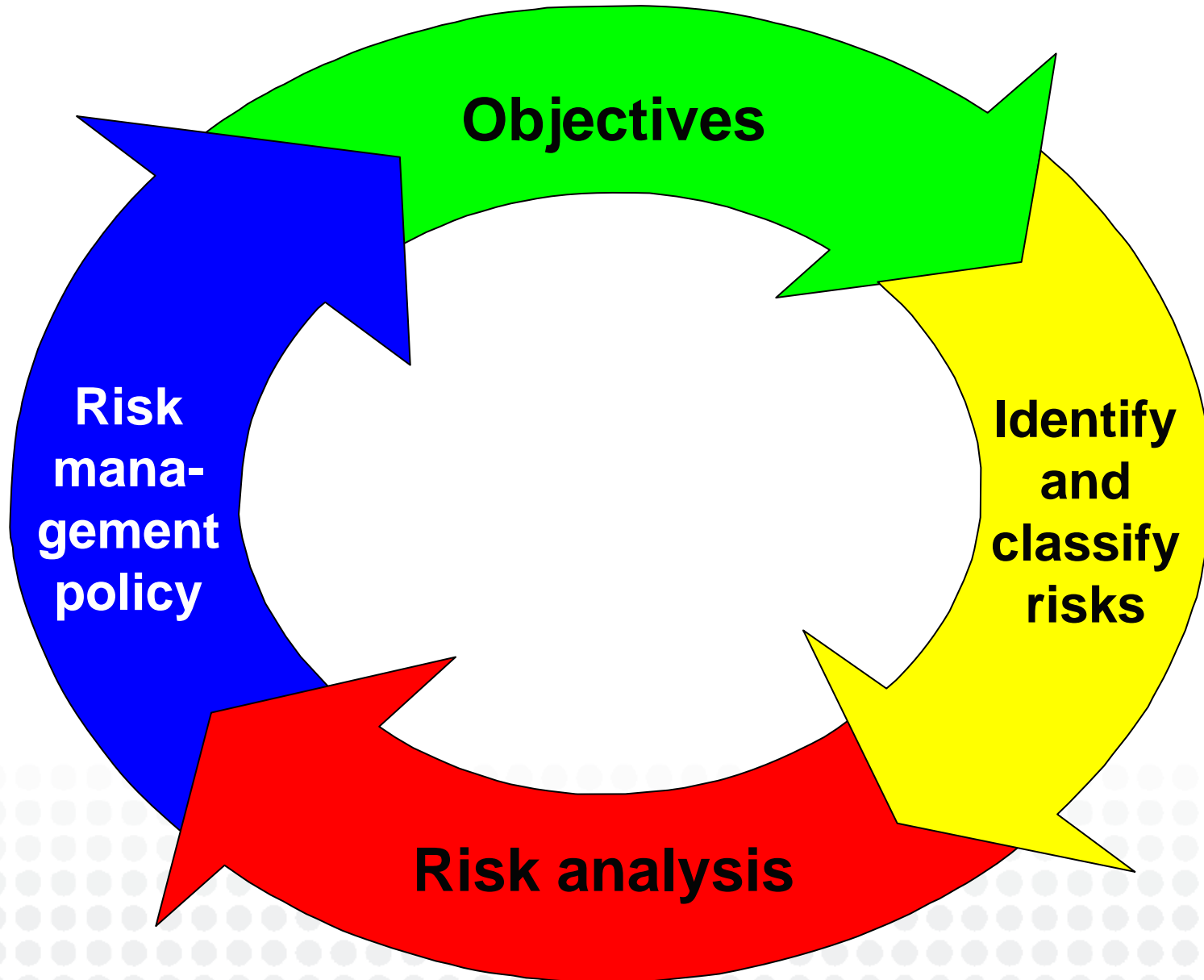


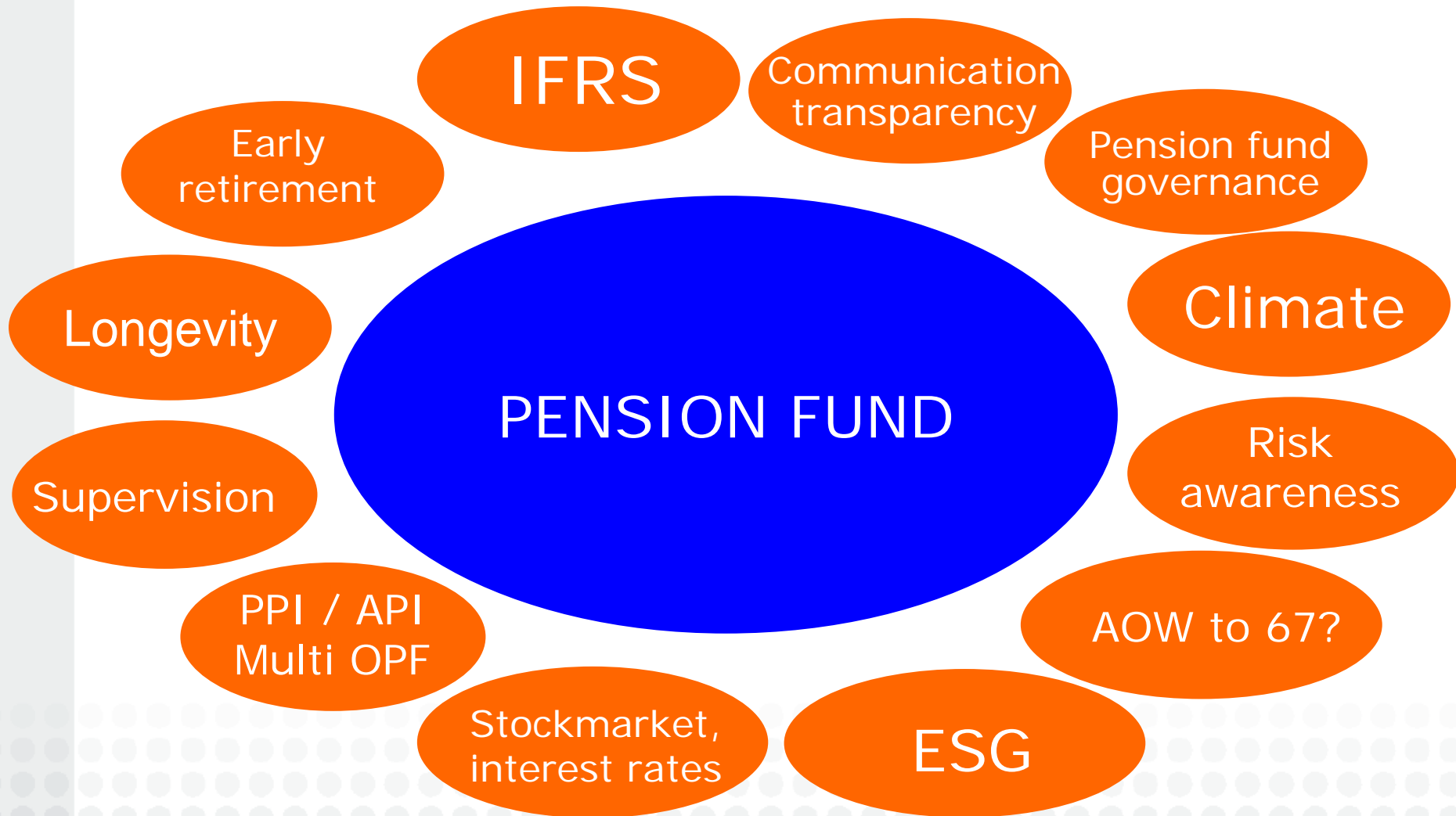
Better pensions: The benefits of collective thinking

Alwin Oerlemans

FSA Congres – The Perfect System

Concertgebouw Amsterdam, 21 april 2010





Benefits collective thinking

- Efficient execution
 - Administration
 - Asset management
 - Governance & risk control
- Long term approach
 - Use of illiquid investments
 - Intergenerational risk sharing
- Collective risk sharing
 - Inflation risk
 - Longevity risk
 - Investment risk

Governance is complex



Being “In control”



Risk management approach



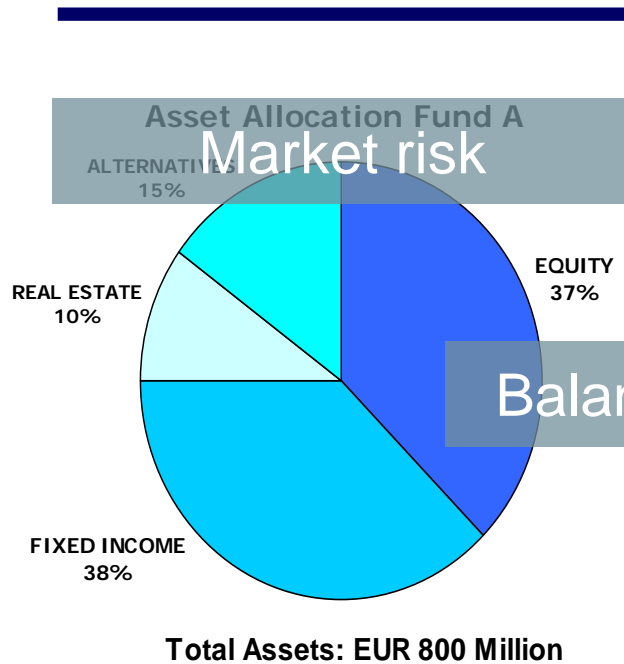
- Principles based approach
- Forward looking
- Checks-and-balances (3 lines of defense)
- Continued training & education

Use systematic approach

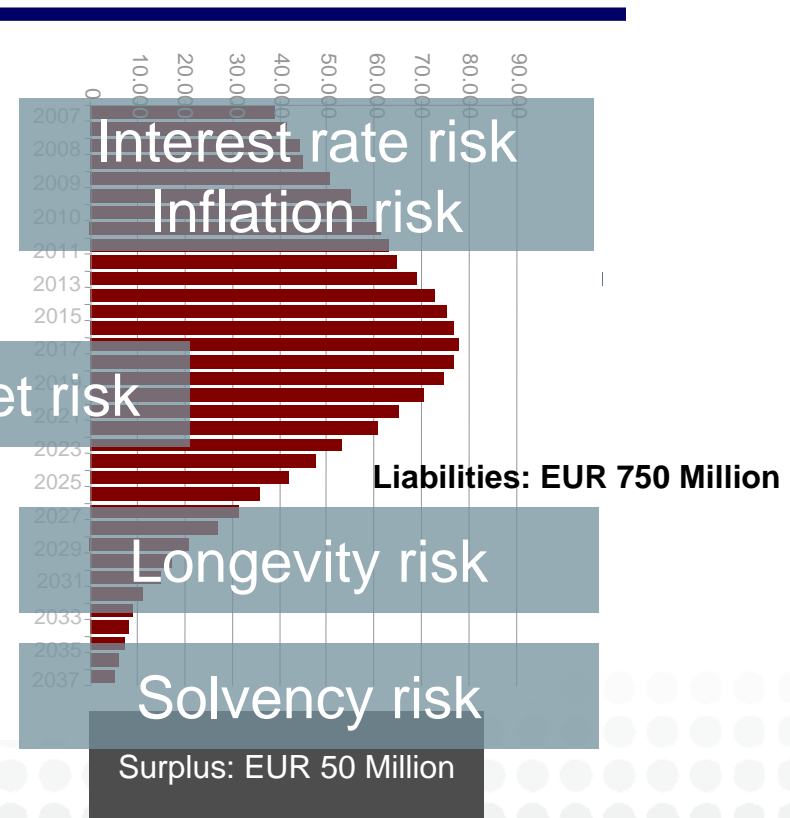


Integral balance sheet management

Assets



Liabilities



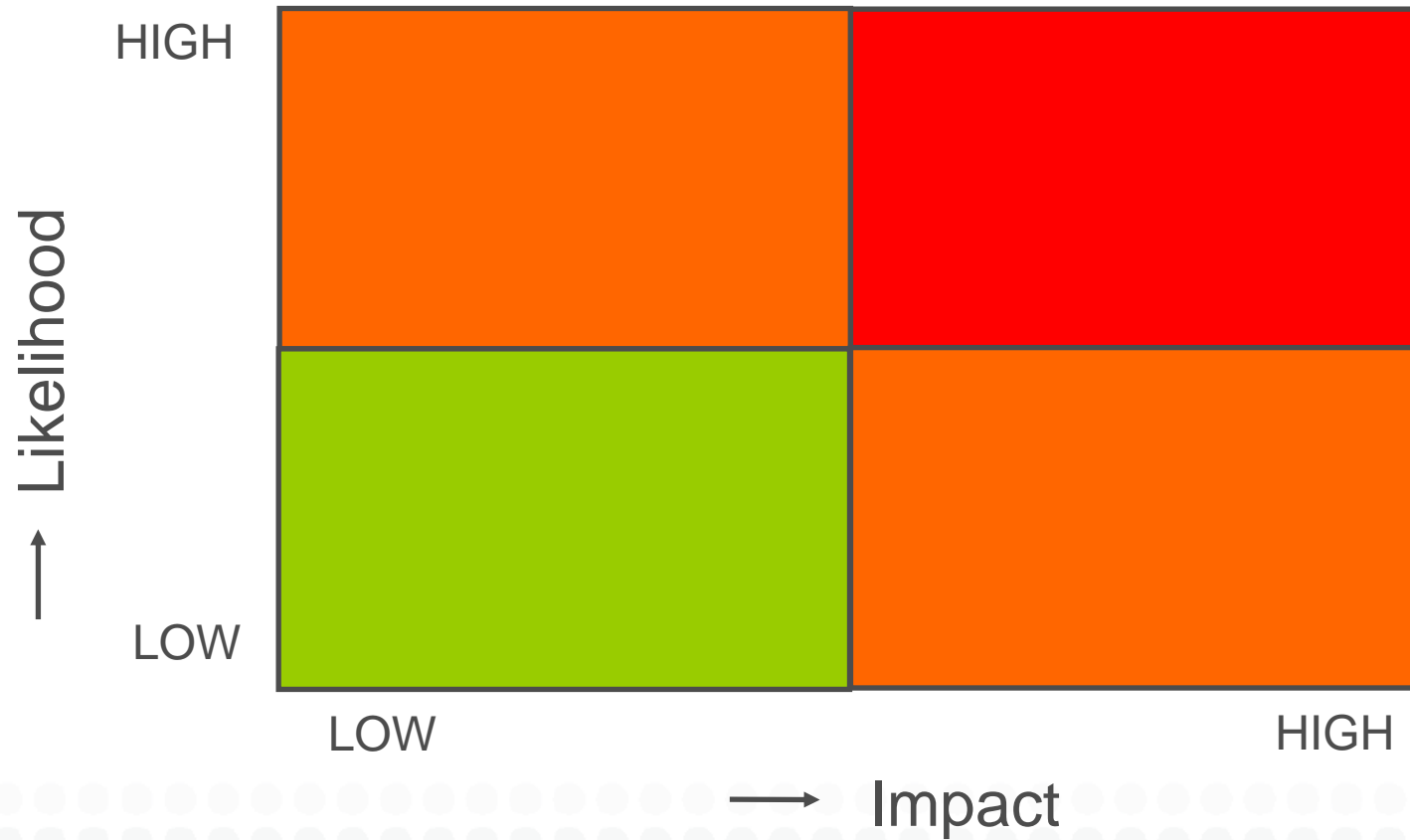
Include non financial risks

- Strategic risk
- Operational risk
- Compliance risk
- Financial reporting risk
- Financial risk

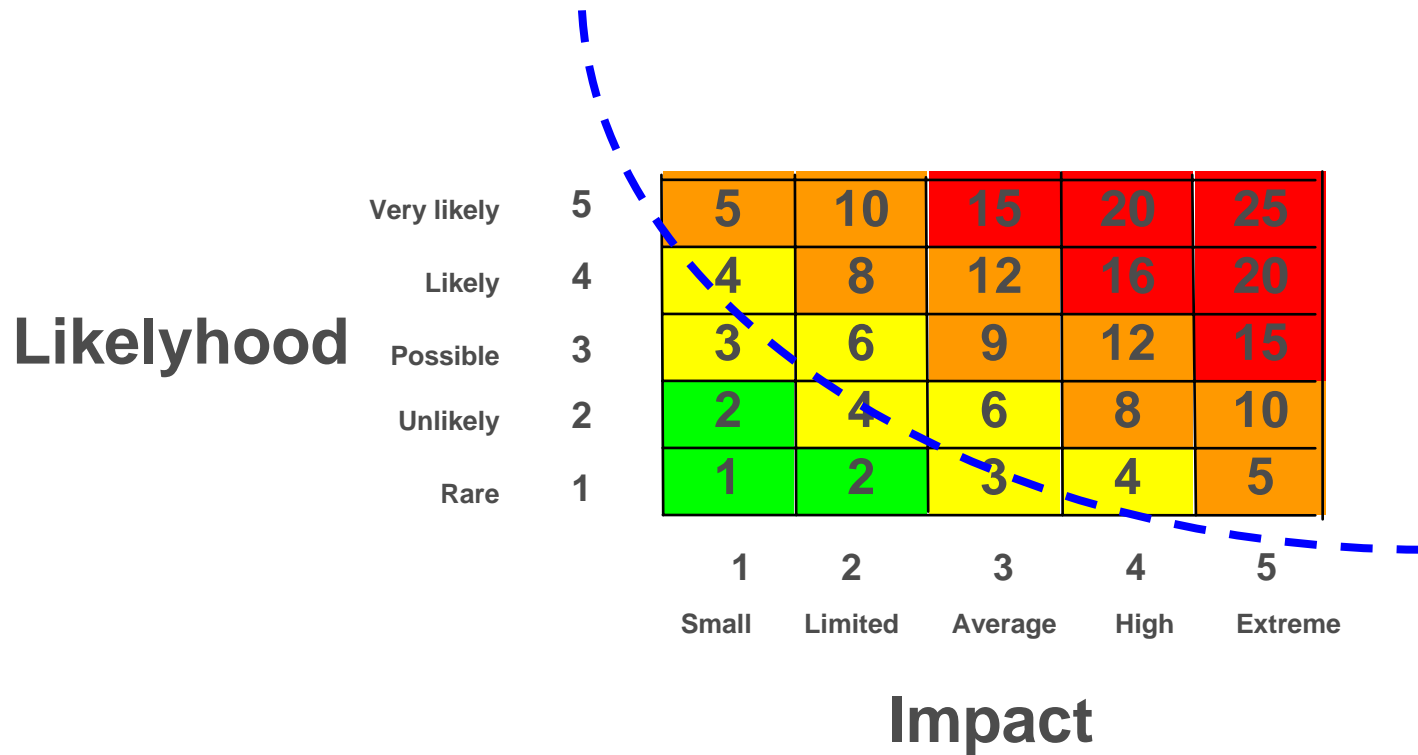


COSO
ERMF
Basel II
FTK
Solvency II

Likelihood-impact analysis



FIRM: Risk scoring



Risk management policy

	Inherent risk			
Risk control	1. Low	2. Limited	3. Significant	4. High
1. Low	√			
2. Medium		√		
3. Strong			√	
4. Very strong				√

Collect benefits of collective thinking



- Pension fund boards “in control”
- Integral risk managements focuses on both financial and non financial risk
- Integral risk management enables to:
 - Analyze strategic scenarios
 - To understand the nature and size of different risks
 - To implement appropriate mitigating procedures
 - To communicate with all stakeholders on their risk exposure



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