LIFETRI GROEP BV

S0LVENCY & FINANCIAL CONDITION REPORT

2023

lifetri

Summary

This Solvency and Financial Condition Report (SFCR) provides public quantitative and qualitative disclosures for Lifetri Groep B.V. (Lifetri Groep) on Solvency II as required by the Solvency II legislation[1]. For a more elaborate discussion of some of the contents, we refer to Lifetri's Annual Report.

This SFCR is the single SFCR publication of Lifetri Groep, and pertains to all relevant regulated entities:

- Lifetri Groep B.V.
- Lifetri Verzekeringen N.V.
- Lifetri Uitvaartverzekeringen N.V.

The amounts disclosed in this SFCR are consistent with the amounts in the Annual Report, in thousands of euros unless stated otherwise.

Content

Chapter A 'Business and performance' describes the overall business profile and structure of Lifetri Groep. It also provides insight into the underwriting and investment performance of Lifetri Groep.

Chapter B 'Governance system' explains the organisational governance structure and looks into the role and execution of key Solvency II functions.

Chapter C 'Risk profile' analyses Lifetri's exposure to financial and non-financial risks and explains the risk mitigation techniques in place.

[1] As required by the Delegated Regulation (EU) 2015/35/Annex XX 'Structure of the Solvency and Financial Condition Report and Regular Supervisory Report', this SFCR follows the required standard chapter layout. The subjects addressed are based on Directive 2009/138/EC/ and (amended) Directive 2014/51/EU section 3 – Public Disclosures (articles 51-56), Delegated Regulation (EU) 2015/35 and (amended) Delegated Regulation (EU) 2016/467 chapter XII Public Disclosures (articles 292-298). Furthermore, the figures presented in this report are in line with the supervisor's reported Quantitative Reporting Templates (QRT). Lifetri Groep is required to submit the QRT to its supervisor De Nederlandsche Bank (DNB).

Chapter D 'Valuation for solvency purposes' elaborates on the differences in presentation and measurement of balance sheet elements between Solvency II and Dutch Generally Accepted Accounting Principles (DGAAP').

Chapter E 'Capital management' discusses the composition of available and Eligible Own Funds and the calculation of the Solvency Capital Requirement (SCR).

ELIGIBLE OWN FUNDS

Solvency II requires to hold Eligible Own Funds for covering Solvency Capital Requirement. The Eligible Own Funds are classified in three tiering categories. The tiering classification is prescribed in the Solvency II Legislation, as not all own-fund items are considered to be able to fully absorb losses in the event of liquidation proceedings. Tier 1 own-fund items are the highest-grade capital and Tier 3 items are the lowest grade capital.

	31 December 2023	31 December 2022
Tier 1 Capital	168,275	114,771
Tier 2 Capital	62,219	60,028
Tier 3 Capital	-	-
Eligible Own Funds	**230,494**	**174,799**

Solvency II distinguishes between three tiers of own funds (Tier 1, 2 and 3) and restricts the use (eligibility) of Tier 2 and Tier 3 capital in the determination of the solvency level. For Lifetri Groep the part of core capital comprising deferred tax assets (DTA) is Tier 3 capital. Eligible own funds are smaller than available own funds due to restrictions on Tier 2 and Tier 3 capital in place.

At the end of 2023 eligible own funds amounted to € 230.5 million.

Available Own Funds

Available own funds is the availability of capital to cover the Solvency Capital Requirement.

	31 December 2023		31 December 2022	
Share capital		**258,897**		**173,897**
Reconciliation reserve	-90,622		-65,828	
Subordinated liabilities	77,005		73,738	
Net deferred tax assets[1]	77,305		75,646	
Available own funds		**322,586**		**257,453**

1 The net deferred tax assets for calculating available own funds relates to SII valuation.

SOLVENCY CAPITAL REQUIREMENT

	31 December 2023		31 December 2022	
Market risk	61,373		72,410	
Counterparty risk	8,813		8,394	
Life underwriting risk	104,295		104,007	
Diversification	-37,908		-41,155	
BSCR		**136,573**		**143,656**
Operational risk		6,294		5,902
LACDT		-18,430		-29,501
Total solvency capital requirement		**124,437**		**120,057**
Eligible own funds		**230,494**		**174,799**
Solvency II ratio		185%		146%
Minimum capital required ratio		416%		307%

Lifetri's capital management aims to protect policyholders' rights and being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri wishes to hold an extra buffer apart from the technical reserves and the regulatory solvency capital required (SCR). The target solvency level is set at 160%, while the norm solvency level is set at 135%.

Lifetri Groep was adequately capitalised at year-end 2023 with a Solvency II ratio of 185% based on the Standard Formula.

DEVELOPMENTS

Introduction

In 2023, the net result of Lifetri Groep improved to € -20.8 million, compared to € -79.6 million in 2022. The Solvency II ratio increased from 146% end of 2022 to 185% on 31 December 2023.

The accounting principles of Lifetri are, apart from some smaller exceptions, in line with the Solvency II valuation principles. This means that fair value movements of both assets and liabilities are recognized in the profit and loss account. Given the long term nature of its funeral liabilities, the duration of Lifetri's assets is (far) beyond the Last Liquid Point of 20 years that is applied in the Solvency II discounting curve for the liabilities. The assets of Lifetri are therefore more sensitive to interest rate movements than the Solvency II (and Dutch GAAP) liabilities. As a consequence and despite the fact that Lifetri in general has no appetite for interest rate risk, both Lifetri's net result as well as the development of the Solvency II ratio is dependent on the rate developments on the financial markets. The strong interest rate increases in 2023 therefore were again a determining factor in Lifetri's results.

The net loss in 2023 was mainly driven by the impact of rising interest rates on both assets and technical provisions. The sharp interest rate increases in the past 2 years, in combination with the gradually decreased UFR in the Solvency II discount curve and Lifetri's accomplishments in building up its strategic asset allocation, has led to a situation where the discrepancy between the Solvency II lens and the "economic" lens has become smaller. In the second half year of 2023 Lifetri has taken first steps to bring the interest rate hedge closer to the Solvency II Liabilities by shortening the duration of the assets. As a consequence the Solvency II ratio sensitivity will further reduce. Lifetri will continue its endeavours to reduce the Solvency II sensitivity. The ambition is to maximize the Solvency II interest rate sensitivity to 15% on a 50bps shock of the curve.

The volatility of the Solvency II ratio is translated in Lifetri's capital management policy and consequently in the capital steering levels. These steering levels include significant buffers on top of the Solvency II threshold of 100%, safeguarding that Lifetri always delivers on the promises towards policyholders and always has capacity to absorb rare and unlikely stress scenarios as required by Solvency II. Should the ratio however drop to levels below Lifetri's minimum zone of 135%, the norm solvency, Lifetri is pleased with the long-term commitment of its shareholder to support the Solvency II ratio. In 2023 the shareholder injected € 85 million in Lifetri because of the pressure on the Solvency II ratio following the sharp increases in interest rates.

Total operating expenses in 2023 have decreased from € 28.0 million in 2022 to € 26.5 million in 2023, especially due to lower project cost following completion in 2022 of multi-year projects. In 2022 both the migration of the Klaverblad portfolio to the Lifetri administration system and the implementation of a new back-end system for the pension business were finalized. In 2023 Lifetri finalized the migration programs with the transfer of the Nuvema policies to the target infrastructure, resulting in a modern, no legacy, IT landscape for all funeral and pension clients. Investment expenses are € 4.0 million higher than 2022 due to the further build up towards the strategic asset allocation, and increased use of derivatives.

Shareholder's funds increased from € 180.2 million to € 244.4 million as of year-end 2023, including capital injections amounting to € 85.0 million in 2023.

Lifetri's Solvency II ratio increased from 146% at the end of 2022 to 185% by the end of 2023. The negative impact following the spiked interest rates in 2023 was largely compensated by capital injections from the shareholder and capital generation. The regular annual update of non-economic assumptions had a relatively small negative impact on the ratio, especially due to a change in the assumption with respect to the loss-absorbing capacity of the deferred tax position.

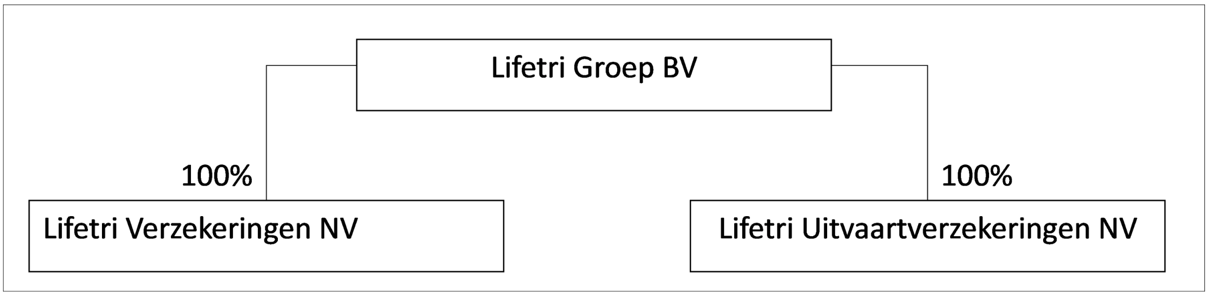
A. Business and performance

This chapter of the SFCR contains general information on Lifetri Groep, a simplified group structure and Lifetri Groep's financial performance.

A.1 BUSINESS

Group structure and ownership

The group structure as at 31 December 2023 is as follows:



Lifetri Groep consists of two entities,: Lifetri Verzekeringen N.V. (Lifetri Verzekeringen) and Lifetri Uitvaartverzekeringen N.V. (Lifetri Uitvaartverzekeringen). These two entities acquire and service individual life insurance policies and pensions.

A.1.1. Market environment

In the year 2023, the world was confronted with various challenges: the continuation of the Russian invasion of Ukraine, the intensified Israeli-Palestinian conflict, causing continued high inflation, rising interest rates and volatile financial markets. These developments impacted Lifetri in its investments and capital management.

Even in this challenging macro environment, the life market offered plenty of growth opportunities as demand for guarantees remains strong. Strong capital backing and solid risk management allows Lifetri to play an important role in fulfilling in the long term. Our promise is to offer Dutch customers the financial means to live the retired life they deserve and to protect our customers and their heirs for the often high funeral expenses.

Pension reform

The upcoming pension reform in the Netherlands will be the main driver of growth for Lifetri. After a long period of preparations, end of 2022 the Dutch House of Representatives approved on a new pension law. In the 1st half year of 2023 the law also passed the Senate, which means it came into force per 1 July 2023. This will result in an unprecedented change in the Dutch pension schemes in the next 5 years.

Anticipating the new pension law, (the boards of) pension funds have started exploring alternatives and will take final decisions on the transition of the current accrued entitlements to the new system. This is a complex task where many scenarios need to be assessed and complex calculations need to be done. All to ensure that the pension fund makes sure that the allocation of the available resources is fair. Lifetri strongly believes, that guaranteed solutions will be part of the considerations and often can be in the interest of (specific groups of) the funds participants. Our unique proposition positions us well to grow our business on the back of this reform.

A.1.2. Business strategy

Lifetri's sole focus is to offer long term guarantees and uses the 'service book concept' as a business model. Lifetri is focused on providing optimal service to existing clients. The growth should come from adding additional "closed books" to the platform. Lifetri pursues a long term, growth-oriented strategy with a focus on the Dutch pension value transfer market for defined benefit (DB) pensions. Lifetri does not source new individual customers and as a result of that does not have to allocate resources to marketing. Complexity and new legacy are prevented by focusing on "paid up" entitlements and consequently do not distract from the core business of the company.

Although in 2023 transaction volumes in general in the Netherlands were still low, Lifetri expects a large increase of demand for guarantee-books, especially in the pension area, in the years to come.

To make sure that Lifetri is well prepared to absorb the expected growth in demand and to safeguard that the wishes of the pension fund and its participants can be properly fulfilled, over the last years Lifetri has diligently built a solid organization based on four principles.

1. Patient shareholder

Focus and solid reputation

- Sixth Street has over $130 to $ 135 billion in insured assets under management (AuM).
- Aligned vision on Lifetri's growth strategy, 360* supportive shareholder, providing capital both for growth and to increase policyholders' security in periods of volatility.

2. Proven and modern life and pension administration

No legacy and complete focus on guarantees

- Fully dedicated in helping pension funds in their transition of their customers to a new future.
- Seamless transition, with continuity of participants in mind.
- Proven migration skills.
- Future proof, modern administration platform.

3. Flexible and bespoke solutions with clear conditions

Bespoke solutions together with our partners

- Best conditions and leading in HICP inflation coverage.
- Strong partnerships with reinsurers, general pension fund, pension administrator, and migration specialist to make sure that maximum flexibility can be offered.

4. Knowledgeable and experienced employees

People first and central to everything we do

- Experienced staff with proven track records in Insurance and pensions.

A.1.3. Progress on strategy

Strong progress on most important strategic objectives

In 2023, Lifetri again made significant progress in achieving its long-term strategic goals and also achieved satisfactory results on the shorter-term deliverables of the business plan.

Plans have been defined and executed in each of the following areas:

1. continued implementation of the strategic asset allocation;
2. partnering and innovation to accommodate needs of pension funds of all individual life insurances;
3. realisation of the full migration of all individual life insurances; and
4. development of staff and organization.

1. Continued implementation of the strategic asset allocation mix

As the main constituent of Lifetri's revenue model, the execution on the strategic asset allocation and consequently the gradual improvement of the risk-adjusted return profile is imperative. By selecting and adding new managers to the platform and by tight oversight of their performance, the 2023 goals on asset returns have been realised. On top of that, policies that support the implementation have been enhanced with features of new instruments, and adjusted following the impact of the significantly changed interest rate environment on the composition of the balance sheet. Furthermore, rebalancing assets, managing liquidity constraints due to the use of derivatives, enhancing insights of tax impacts, and improving the management of our network of investment managers, clearing brokers and custodians were focus areas.

2. Partnering and innovation to accommodate needs of pension funds

Lifetri's approach to provide pension funds with tailor-made solutions has been further extended with the addition of innovative combined offerings with selected partners. Blended solutions of conditional entitlements on the one hand and guarantees for specific participants on the other have been developed. Furthermore, longevity risk solutions to efficiently leverage and adapt our balance sheet to the potential needs of pension funds have been fully embedded.

3. Realisation of the full migration of all individual life insurances

In 2023, Lifetri finalised the migration of the former Nuvema policies to the target IT infrastructure. With the decommissioning of the legacy IT infrastructure and applications afterwards, Lifetri has now achieved its goal of a fully cloud based, no legacy, IT infrastructure.

4. Development of staff and organization

Engagement

- Engagement is the most important KPI by which work at Lifetri is measured and assessed. The measurement consists of 28 questions and can be completed by all employees.
- High commitment is important because this is a strategic pillar of success. Involved employees largely determine the organization's success. High commitment fuels company pride and ensures that employees are retained in the organization and that Lifetri is seen as an interesting employer on the labour market.
- The objective is to achieve a score of 4 out of 5. This ambition is within sight at 3.95 In 2023, the upward trend that started in 2022 has continued.

Current workforce

Current workforce consists of 78 employees (FTE). In 2023, 16 vacancies are filled, of which 2 filled through internal promotion. 9 employees have left Lifetri. The objective related to absenteeism is having an absenteeism percentage that is below the CBS average for the financial sector which was the case in 2023 4.3% (2002: 5.9%).

Education and training

Of all employees employed in 2023, 82% have completed education or training. This consists of professional training, sustainable employability such as career development and team development.

A.1.4. ESG ambitions and progress

Well-being of customers, employees, and all other stakeholders is an important cornerstone in everything that Lifetri does. Lifetri also takes care of the planet by investing responsibly, pursuing a sustainable society for current and next generations.

ESG Ambitions

While Lifetri shaped the contours of its sustainability ambition in 2022 using the ESG themes as can be found below, first steps were taken in 2023 to create a basis to be used for formulating concrete objectives. Inspired by the self-assured mission and with the aim of making the sustainability policy concrete, three sustainability themes have been identified.

Building on its self-assured mission, the UN Sustainable Development Goals (SDG) 3, 4 and 13 and its Responsible Investing policy, Lifetri set the first ESG (Environment Social Governance) ambitions and themes.

Good employer

This theme fits well within the values of Lifetri. Self-assured also implies that employees feel welcomed and respected. That inclusivity is not a target, but a given. An inspirational environment, where creativity and learning are important competences. Such an environment is essential for Lifetri to attract a divers and highly skilled workforce. This is essential to be and remain successful. Lifetri's ambition is to empower people by:

- having meaningful dialogue;
- facilitating lifelong learning; and
- being aware of the Lifetri DNA.

Lifetri aims to be a diverse and inclusive organization, because we believe that these are the organizations of the future. We strive to create an environment where all our employees are given equal and fair opportunities and where everyone feels valued and secure. We aim for diversity not only in terms of back ground (gender, nationality, age, educational background, religion, sexual orientation etc), but also across personal experiences, characteristics and the different skills that people bring. In terms of gender diversity, Lifetri formulated the following objective for the coming years: the ambition by 2027 is to have at least 33% female in the SB, the MB and the leadership team. Currently, the leadership team consists for 25% of female members and 75% of male members.

Client centricity

Lifetri is focused on supporting customers to make conscious decisions. Comprehensible information and communication is imperative to safeguard that customers – consciously – make choices that are in line with their objectives and desires.

Sustainable future for current and future generations

Within the theme Sustainable future for current and future generations Lifetri focuses on the impact of climate change. Key focus areas of Lifetri are the reduction of greenhouse gases and preservation of biodiversity, as both are essential for a liveable world. To make a meaningful contribution Lifetri has set the following ambitions:

- by 2050, Lifetri is a net zero carbon issuer; and
- Lifetri supports biodiversity preservation, by participating in engagement programs organized by branch organizations like Verbond van Verzekeraars and the IMVO.

Progress

Throughout 2023, Lifetri concentrated on four specific areas to make substantial progress in defining realistic and ambitious targets aligned with our objectives:

1. Further integration of ESG in investment process

Our Responsible Investing policy underscores the importance of integrating Environmental, Social, and Governance (ESG) factors as a vital component of our investment process. In the selection process of external asset managers, Lifetri emphasizes ESG integration alongside various criteria, such as the presence of a responsible investing policy and a clear ESG ambition.

Moreover, a consistent screening process for all investments on all three criteria (E, S and G) should be in place. The ESG screening done by the external asset managers in combination with accompanying actions to move to these ambitions should be well documented and reported. These responsible investments aspects are assessed by Lifetri at the moment of selecting the asset managers and in the periodic evaluation process of external managers thereafter.

2. Identify current ESG screening ratio on assets

As of 31 December 2023, 93% of Lifetri's assets underwent annual ESG screening. This percentage is divided into internally managed assets and externally managed assets.

% ESG Screening	(internally managed assets)	(externally managed assets)	(all assets)
Lifetri Verzekeringen	100%	89%	93%
Lifetri Uitvaartverzekeringen	100%	88%	92%

3. Identify current SFDR classifications in investment portfolio

Additionally, as stated in the Responsible Investing policy, Lifetri prefers investing in SFDR Article 8 (or 9) strategies. By the end of 2023, 47% of the externally managed assets of Lifetri Verzekeringen met the criteria for SFDR 8 (or 9) classification and 49% for Lifetri Uitvaartverzekeringen. Given that Lifetri allocates a significant portion of its assets to private markets, it acknowledges the challenge faced by asset managers in fully complying with SFDR requirements in these markets.

Lifetri maintains ongoing dialogue with its external asset managers to align their ambitions with the goal of constructing sustainable portfolios.

4. Reduce carbon footprint of Own operations and investment portfolio

To assess its own carbon footprint, Lifetri has appointed an external company and is currently in the process of calibrating the 2022 data. Lifetri anticipates being able to report its operational carbon emissions in its 2024 annual report, including the emission-decreasing potential. Subsequently, Lifetri will plan and implement measures, as well as set mid-term and long-term targets to achieve its ambition of becoming net-zero by 2050.

Aligned with its aspiration to become a net-zero carbon issuer by 2050, Lifetri is committed to reducing the carbon footprint of its investment portfolio and internal operations. In order to identify the investment portfolio's carbon footprint, Lifetri relies heavily on data provided by its external managers. While these managers are aligned, obtaining sufficient data will require time. Lifetri continues to engage with the asset managers on the delivery of such data and the priority on their roadmap.

Preparing for CSRD Implementation and reporting

With the Corporate Sustainability Reporting Directive (CSRD) now in effect, Lifetri is gearing up for sustainability reporting in accordance with the CSRD standard starting from 2025. To facilitate this, an external consultant has been enlisted to assist Lifetri with the preparation on the CSRD implementation, starting from January 2024 onwards. This process consists of the following steps.

1. Performing a double materiality assessment to identify material sustainability matters, including validation with both internal and external stakeholders.
2. Identify the reporting requirements, both quantitative and qualitative.
3. Create an implementation roadmap to realize all necessary and desired elements to prepare Lifetri on the CSRD.

A.2 UNDERWRITING PERFORMANCE

Lifetri did not underwrite any new business in 2023. The business plan and the projections included one pension buy-out for 2023. The shown underwriting performance below reflects the performance of the existing portfolio.

The following tables present the underwriting performance for the year 2023 and comparatives for the year 2022.

Underwriting income and expenses

	2023		2022	
Insurance premiums earned				
Gross premiums	73,596		83,447	
Outgoing reinsurance premiums	-15,892		-14,411	
Net premiums earned		**57,704**		**69,036**
Claims and benefits paid				
Gross claims and benefits paid	-48,531		-46,737	
Reinsurers' share claims	15,013		13,576	
Net claims and benefits paid		**-33,518**		**-33,161**
Change in insurance liabilities				
Gross change in insurance liabilities	-87,037		607,904	
Reinsurers share	-4,280		17,708	
Net change in insurance liabilities		**-91,317**		**625,612**

Life insurance liabilities

	Insurance with profit participation	Other life insurance	Total
Premiums written			
Gross	32,914	40,682	73,596
Reinsurers' share	-	15,892	15,892
Net	32,914	24,790	57,704
Premiums earned			
Gross	32,914	40,682	73,596
Reinsurers' share	-	15,892	15,892
Net	32,914	24,790	57,704
Claims incurred			
Gross	-6,906	-34,283	-41,189
Reinsurers' share	-	-15,013	-15,013
Net	-6,906	-19,270	-26,176
Expenses incurred			
Administrative expenses	-1,270	-17,372	-18,642
Investment management expenses	-958	-12,429	-13,387
Acquisition expenses	-69	-803	-872
Overhead expenses	-481	-6,461	-6,942
Total	-2,778	-37,065	-39,843
Total amount of surrenders	1,279	1,569	-2,998

A.3 INVESTMENT PERFORMANCE

The tables below provide information on the various sources of investment income per asset category.

Investment income and expenses

	2023	2022
Interest from bonds	11,378	12,143
Interest from mortgages	12,362	11,521
Interest from cash	5,170	-352
Income investment funds	23,120	9,937
Interest on derivatives	-4,845	1,693
Interest on repos	-103	0
Interest on long term liabilities	-268	-8
Interest on subordinated debt	-4,194	-4,200
Total other investment income and interest expense	**42,620**	**30,735**

A.4 PERFORMANCE OF OTHER ACTIVITIES

There are no other activities.

A.5 ANY OTHER INFORMATION

No other information needs to be reported.

B. System of Governance

This chapter contains information on the system of governance of Lifetri Groep and includes a description of the main roles and responsibilities of committees and key functions within Lifetri Groep.

In this chapter, where we refer to “Lifetri Groep”, we refer to the group, and to the individual regulated entities.

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

B.1.1. The corporate governance structure

The corporate governance structure for Lifetri Groep comprises of the various bodies with their different role/policy/meeting and composition/duties and rights/tasks and powers and reporting. The structure for Lifetri Groep consists of three bodies: the Shareholders’ Meeting (the highest body), the Management Board (hereafter MB) and the Supervisory Board (hereafter SB).

Lifetri Groep B.V. is the sole shareholder of Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen.

The Management Boards of the two subsidiaries of Liftri Groep consist of the same members as the Management Board of Lifetri Groep.

The Supervisory Boards of the two subsidiaries of Liftri Groep consist of the same members as the Supervisory Board of Lifetri Groep.

B.1.1.1. The Shareholder's meeting

The role of the shareholder is laid down in the articles of association (in Dutch 'statuten'). The articles of association determine that the Shareholders' meeting, which is the body of the company formed by shareholders or others entitled to vote, shall take place at least once a year. Other meetings shall be held as often as the MB or SB deem necessary. Under the articles of association, the shareholder has a number of rights. Examples thereof are nomination of the MB, nomination of the SB, adopting the annual accounts and decisions regarding transfer of the company.

B.1.1.2. The Management Board

The MB is responsible for deciding on as well as the implementation of the general policy of Lifetri Groep. The MB consists of a Chief Executive Officer (CEO), Chief Investment Officer (CIO), and Chief Financial & Risk Officer (CFRO) with the CEO being the chair of the Board. The MB meetings are once every week.

The Management Board of Lifetri Groep currently consisted of:

P.D.A. Wits, CEO

J.P.M. Rijken, CIO

R. Zomer, CFRO

B.1.1.3. The Supervisory Board and committees

In 2023, the SB held eleven meetings: five regular meetings and six ad-hoc meetings, which was used to discuss matters that required the attention of the SB in between regular meetings. The members of the MB are usually invited to attend the meetings, as well as such managers of the company for presenting topics to the SB.

The overall attendance rate of SB members at SB meetings during 2023 was more than 90%. The chairman of the SB has regular contact with the CEO outside meetings. The same applies to the chairman of the ARC with the CFRO.

Main topics discussed during the meetings were the governance of the company, the strategy and funding of the company, the budget and business plan, the financial performance including capital and interest rate managment specifically in relation to the volatility of the solvency ratio, the main risks to which the company is exposed, the design and effectiveness of risk management and internal control systems, the investment plan, IT security risks, the development of business activities, including ESG progress, investments and pension buy-in / buy-out opportunities, as well as the competitive environment, the relationship with the external regulators, including the Dutch Central Bank (DNB) and the Dutch Authority for Financial Markets (AFM) and the performance and functioning of the SB and of the MB.

The SB spent considerable time discussing proposed changes in the composition of the MB. After a diligent process and careful consideration, Rutger Zomer, replacing Menno Harkema, was appointed as CFRO by the shareholder, following approval from the Dutch Central Bank (DNB). Furthermore, in Q1 2024, the SB dedicated time to discuss its own composition. The SB considered it prudent that one of the non-independent SB members, Rohan Singhal, stepped down on February 16, 2024.

Audit and Risk committee and Nomination and Remuneration committee

The SB has established two committees: The Audit and Risk committee (ARC) and the Nomination and Remuneration committee (RemCo).

The following SB members are members of the Committees:

ARC:	*RemCo:*
Henk Eggens, Chairman	Andrew Birrell, Chairman
Andrew Birrell	Peter Borgdorff

The ARC met five times. The other SB members have a standing invitation to attend the ARC meetings. The CEO, the CFRO, the internal auditor and the external auditor are usually invited to the meetings, as well as such managers for presenting topics to the ARC. The Risk, Compliance and Actuarial function are regularly invited to attend and present to the ARC. The second and third line also met in private sessions with the ARC during the year to discuss any topics they wish to raise.

Main topics discussed in the ARC during 2023 were the annual financial statements 2023 and the related report from the external auditor, the external auditor’s plan for the year 2022, the quarterly performance reports, the Own Risk Solvency Assessment (ORSA), the Systematic Integrity Risk Analysis (SIRA), reports from the second line functions (i.e. risk, compliance and actuarial risk), reports from internal audit, including audit findings and the internal audit plan, as well as the relationship with the internal and external auditor and their independence.

The RemCo met twice during 2023. Main topics discussed were the implementation of the remuneration policy for the MB and for the organization, the performance review for 2022, and the remuneration and performance objectives for 2023.

The SB would like to thank the MB and the organization for the work performed during 2023.

The Supervisory Board of Lifetri Groep currently consists of:

Peter Borgdorff, Chairman

Andrew Birrell

Henk Eggens

B.1.1.4. Asset Liability and Capital Committee

The ALCO is a permanent committee to the MB. Its purpose is that (1) the committee implements and executes investments decisions (including interest rate hedges), within the scope as approved by the MB within the MB approved governance and policies, (2) the committee advises and submits proposals to the MB on possible investments and on capital outside the approved scope, and that (3) the committee monitors and reports on relevant subjects. The ALCO meets at least once every two months. The ALCO consist of the following members: CFRO, CIO, head of Asset Management, head of Actuarial reporting and the second line Risk Manager. The CFRO acts as Chairman of the ALCO and the CIO as vice-Chairman. The voting members of the ALCO are the CFRO, CIO, Manager Asset Management and Manager Balance Sheet Management.

B.1.1.5. Risk & Compliance Committee

The Risk & Compliance Committee (RCC) is a special MB meeting dedicated to the 2nd line (financial and non-financial) Risk Management and Compliance. The RCC meets every quarter.

B.1.2. Three lines of defence

The responsibilities for managing risks follow the governance structure of Lifetri Groep, which is based on three Lines of Defence (3LoD).

The first line of defence is the business itself, which is responsible for adherence with applicable laws and regulations, and for its own internal control of all activities and underlying processes.

The business is responsible for:

- Identifying and managing risks and handling incidents which impact the risk profile.
- Applying the risk management framework.
- Executing and monitoring an effective administrative organization & internal controls (AO/IC).
- Complying to all applicable laws and regulations.

The measures of internal control are amongst others: guidelines, committee structures, monitoring and segregation of duties, adequate AO/IC and countervailing checks and balances.

The second line risk management has as its primary responsibility supporting the business with and providing advice for the completeness and accuracy of risk identification. Second line provides countervailing power by challenging, evaluating, monitoring, and reporting independently about the risks. The second line key governance functions have a special focus on whether the internal control measures are adequate to mitigate risks. The second line Actuarial Function provides an objective, independent review and opinion on the calculation of technical provisions and sensitivity, the data quality, assumptions and IT systems used by the insurer for capital calculations, the best estimates, the Solvency II position, the underwriting policy (pricing and acceptance policy) and reinsurance arrangements. Second line compliance advises the organization on the objective to meet requirements of laws and regulations and monitors if the business activities actually comply with these requirements.

The third line of defence is the Internal Audit function, which gives reasonable assurance on the design, existence and operating effectiveness of the internal control system of the first and second lines of defence.

The Supervisory Board's duties, powers and working methods are regulated in the 'Supervisory Board charter'. The SB supervises the MB and its key functions and is informed at least annually or earlier if needed on the topics of risk management, laws and regulations and adherence thereof.

The Solvency II key functions are independent, report directly to the MB and have direct access to the ARC/SB for escalations.

B.1.3. Remuneration policy

Lifetri's remuneration policy is sufficiently interesting to attract, retain and promote well-qualified employees. All this is closely linked to sound and controlled operations and is aimed at the longer term. This means, among other things, that the remuneration should not encourage employees to take excessive risks, which could compromise the careful handling of stakeholder interests. Incentives should also be built into the remuneration policy, aimed at rewarding behaviour and results that are in line with the long-term interests of Lifetri and its stakeholders.

The remuneration policy provides scope for variable remuneration for the Management Board and (to a limited extent) the senior management. The variable remuneration for this group consists of a monetary payment and honours behaviours and results in line with goals that are important to stakeholders and can therefore contribute to continuity and value creation. The criteria on which the variable remuneration is based are established on a yearly basis and comprise of at least 50% non-financial factors. As for the variable remuneration for Nominated Posts, an appropriate proportion is paid out over time. Where the variable remuneration is performance-related, the total amount of the variable remuneration is based on a combination of the assessment of the performance of the person concerned, and of their business unit, and on the total results of the company or the group to which the company belongs. The structure of the variable remuneration should not and will not encourage the taking of undesirable risks or the short-term maximization of returns for the individual.

In accordance with Section 1:121 of the Financial Supervision Act, the maximum payable variable remuneration for the Management Board and (to a limited extent) the senior management in the year of payment never amounts to more than 20% of the fixed annual remuneration. This variable remuneration is allocated annually in arrears based on the achievement of targets set in writing in advance, based on both financial and non-financial criteria. The first 60% of the variable remuneration is paid with the salary payment in the month following the adoption of the financial statements. The remaining 40% is paid out three years later. A claw-back clause is applicable. For all other staff the variable remuneration is limited to 25% of a monthly salary.

B.2 FIT AND PROPER REQUIREMENTS

The legal fit and proper requirements apply to the persons who effectively run the business. To this end, the members of the Management Board and the Supervisory Committee are also screened by the Regulator (DNB). The internal Screening Policy ("Regeling Screening") sets out the specific requirements on fit and proper.

B.2.1. Expertise and reliability

The education policy enables employees to follow the training necessary for the performance of their respective positions. The company ensures that SB, MB and managers are suitable (knowledge, skills and professional conduct) for the performance of their duties and that all employees are competent. The objective is to guarantee the right level of training and experience (level of expertise) of Lifetri Groep's employees. Permanent education is instrumental in guaranteeing the right level.

In its education policy, Lifetri Groep has determined which specific training requirements it sets at least for certain functions, how it enables the MB, management and employees to follow training courses and how it makes it possible to acquire sufficient knowledge, skills (expertise) and professional competence for the performance of their duties.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

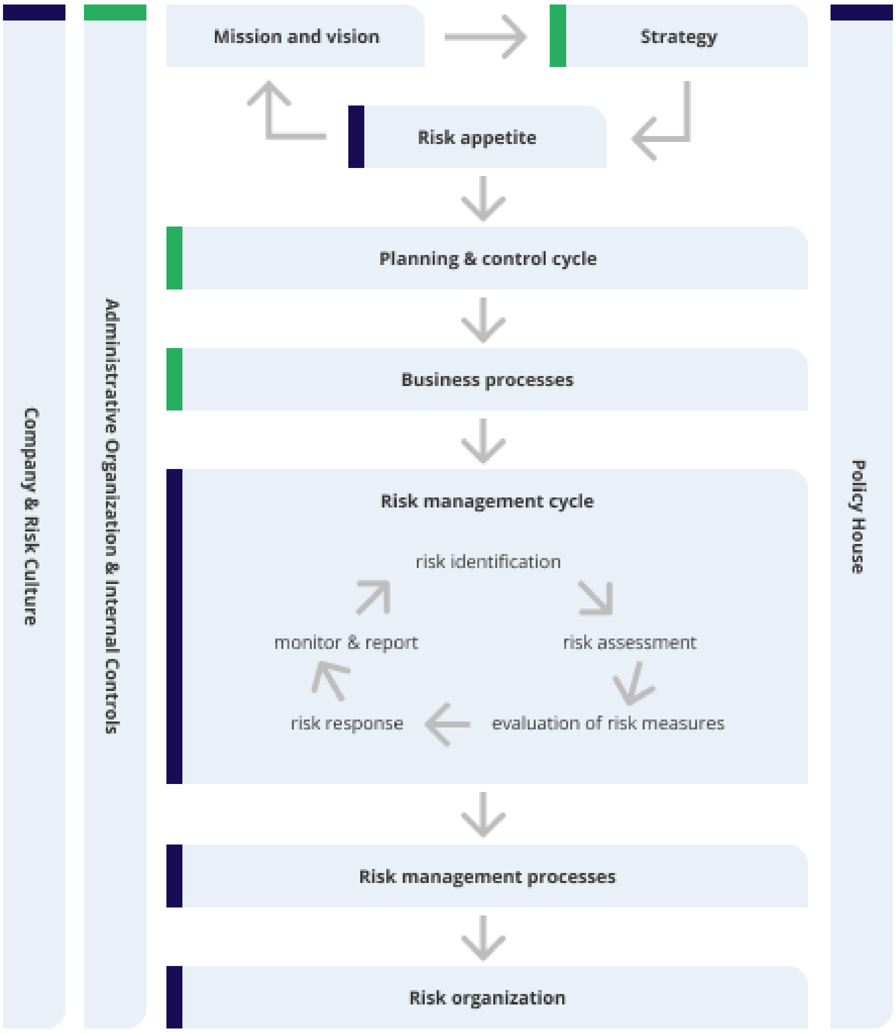
B.3.1. Risk management framework

The risk management framework in the figure below represents the governance structure, risk appetite, risk policies, risk management processes and internal controls that Lifetri has in place to manage its risks, in relation to the strategy and business processes.

The top of the framework shows that on the one hand, a top-down approach is applied for Risk management with the mission, vision and strategy as a starting point. The business strategy and financial strategy are combined in the Business Plan. The Business Plan contains a multiyear projection of both capital and solvency requirements. The process of establishing risk appetite statements and tolerances is completed alongside the business and financial planning process.

Further down, the insurer’s business processes are the basis for a periodic bottom-up risk management cycle. The frequency and timing are risk-based, depending on the level and type of inherent risks in each (group of) process(es). Each process owner also has the responsibility to maintain an adequate set of administrative organization and set of internal controls (AO/IC).

The risk organization represents the responsibilities for managing risks at various levels and key functions at Lifetri. The governance structure with Three Lines of Defence (3LoD) is the basis for risk management & compliance at Lifetri.



B.3.1.1. Risk appetite

During the annual strategic process the risk appetite is ascertained and updated if needed. Risk appetite is the aggregate level and types of risk Lifetri is willing to take within its capacity to achieve its strategic objectives and business plan. Risk appetite therefore reflects the willingness to optimally exploit our opportunities and minimize hazard to an acceptable level. Both risk strategy and risk appetite should be reviewed at least annually.

The risk appetite contains a number of qualitative and quantitative risk appetite statements and is defined for both financial and non-financial risks and compliance. The risk appetite statements are supported by risk tolerances for material risk types. This ensures plans and risk appetite are appropriately aligned.

The risk appetite statements (RAS) are reviewed periodically to ensure their continuing relevance in providing guidance to the business. The risk appetite statements are established by the Management Board and approved by the Supervisory Board. Breaching a risk tolerance level serves as a red alert for management: the risk position must be reduced, or the Management Board may decide otherwise, with a substantiation of the decision.

The RAS is included in the appendices to show the risk appetite and tolerance (if applicable) per risk type.

The figure also contains the risk management cycle. The Risk management cycle is aimed at identifying and mitigating the inherent risks of the insurer which are material, and as such increases the likelihood that Lifetri's strategy and objectives are achieved.

B.3.1.2. Risk identification

The Management Board, line management and process owners identify the inherent risks which could occur and subsequently determine the risk measures and/or controls to mitigate these risks. Risks can be identified or updated as a result from:

- a planned or triggered risk assessment or other risk management processes ;
- quarterly discussions with managers;
- key control monitoring results;
- observations; and
- incident notifications.

Specifically, for financial risks, the inherent risks can result from scenario analysis and or stress testing (e.g. for the ORSA). Identified risks are documented in Lifetri's risk & control framework.

B.3.1.3. Risk assessment and risk rating (net risks)

Identified risks need to be assessed by the 1st line considering existing risk measures or controls (net risks). Risk are assessed quantitatively as much as possible. For example financial risks are quantified in line with Solvency II requirements unless otherwise specified in separate policy documents.

If this Is not possible or cumbersome for example for non-financial risks or compliance risks, the risks are scored through a qualitative method (likelihood x impact). The outcomes of this scoring are shown in a heat map as illustrated below.

	Likelihood	Unlikely	Possible	Likely	Certain
Impact		1	2	3	4
Very high impact	4	M (4)	H (8)	VH (12)	VH (16)
High impact	3	M (3)	M (6)	H (9)	VH (12)
Average impact	2	L (2)	M (4)	M (6)	H (8)
Low impact	1	L (1)	L (2)	M (3)	M (4)

For non-financial risks the risk assessment criteria used to rate the non-financial risks. Financial risks, on the other hand, are rated according to their applicable risk appetite statements, tolerances, limits and the intervention ladder (as included in the Capital & Dividend Policy).

For all risk categories, risk management or compliance supports and challenges the individual risk assessments and the aggregated risk profile. In case the residual risks in Lifetri's risk profile are not acceptable or exceed the established risk appetite limits, management determines improved risk measures or controls.

B.3.1.4. Risk mitigation

To mitigate the impact of inherent risks and reduce the net risks within risk appetite limits management determines and implements risk measures and/or internal controls. Management ascertains periodically if risk measures and controls are sufficient in design to ensure that the net risks remain within risk appetite limits and or are accepted. This can be done by performing for example:

- a Strategic Risk Assessment (SRA);
- Risk Control Self-Assessments (RCSA);
- Financial scenario analysis and stress testing; and
- Systematic Integrity Risk Analysis (SIRA).

For risk mitigation in general, there are four basic risk responses which a company can choose to manage risks.

- Avoid: risks are completely avoided by discontinuing or not starting activities that could incur the risk.
- Mitigate: risks are mitigated by taking measures to limit the risk (reduce or control). On the one hand, this can be done by implementing new (internal) controls or strengthening existing controls. Mitigating actions must be implemented by the first line and be specific, measurable, attainable, relevant, timely (SMART) and cost effective in relation to the risk. On the other hand, the severity or probability of risks can be reduced i.e. strategic risks can be reduced by diversifying through a mix of products, markets and or technology.
- Transfer: the financial consequences of risks can be transferred to third parties. The insurer takes out insurance programs or contracts when the exposure of possible losses or damages as a result of risk events is such that it would be inconvenient or prohibitive to ultimately charge these costs to the Profit and Loss Account. The transferring of risk does not eliminate the risk and reputation effects are not transferable.
- Accept: management may decide to accept a residual risk. For risks that are identified by governments and supervisors, the response cannot be to accept the risk. Risk acceptance needs to be adequately documented and approved in the RCC Management Board meeting.

While choosing one or more of the risk response strategies the following factors are considered.

- The nature and size of the business of Lifetri.
- The risk level and risk categories which the Management Board finds acceptable for Lifetri.
- The capacity of Lifetri, both financially and organizationally, to compensate the consequences of risks when they occur.
- The costs of implementing and executing additional risk measures or controls in relation to the likelihood and impact of risks.
- Lifetri's core values, reputation and generally accepted principles in Dutch society.

In case the existing risk measures or controls are not sufficient to maintain residual risks within acceptable risk appetite limits, management determines improved risk measures or controls. This is documented in the issue list.

B.3.1.5. Monitoring and evaluation

To ensure that risk measures and internal controls operate effectively throughout the year, periodic monitoring is necessary. Lifetri applies a risk-based approach for monitoring risk measures and internal controls. This means that risk measures and (key) controls for (very) high risks are monitored more frequently than for risks with a low score.

The key controls are periodically monitored and evaluated by the process owners to ascertain whether they work as intended and operate effectively. The outcomes are recorded in the risk & control framework (a.k.a. risk & control matrix) which are maintained by the process owners.

Key control evaluation can be done for example by:

- periodic key controls testing by the managers; and
- ad hoc review of the effectiveness of key controls by the 2nd line key functions.

B.3.1.6. Reporting

Periodic reports are prepared for the various risk categories, which are discussed in the relevant governance bodies. The reporting calendar managed by Finance contains an overview of these reports and other key management information.

In general, each of the 3LoD have their own report(s) as follows.

- 1st line reporting: The managers of the departments issue various management reports which analyze and explain the performance of financial and non-financial indicators for responsibility area. Depending on the nature of the report the frequency is monthly or quarterly. The monthly and quarterly ALCO Report combines input from Finance, Balance Sheet Management and Asset Management.
- 2nd line reporting: Reports by the 2nd lines of defence, i.e. Risk management, Compliance and the Actuarial Function, and contain an independent 2nd line review on the 1st line. Risk Management and Compliance prepare the Risk Management & Compliance report on a quarterly basis. The Actuarial Function issues an annual Actuarial Function report.
- 3rd line reporting: internal audit has its own reports which are discussed with the SB / ARC.

Depending on the nature of the report they are discussed in the Management Board, Management Board-RCC, ALCO or SB/ARC. The Financial Risk Management report is specifically discussed in the Asset Liability Capital Committee (ALCO) and Management Board. The outcomes and possible improved risk responses resulting from these discussions are recorded in the meeting minutes and action list of the respective governance bodies.

B.3.2. Risk organisation

We refer to the chapter on governance for the general reporting lines and committees regarding risk management. The second line risk management activities are carried out by the risk management team and the compliance officer (see B.4.1). Their roles and responsibilities are briefly described below.

- Risk manager with focus on financial risk management and Risk Management Function holder (2nd line, RMF). The risk manager oversees all risks, both financial and non-financial risks, but will have a specific focus on financial risk management. The main attention areas for quantitative financial risk management are:
  - Underwriting risk;
  - Asset Liability Management (ALM);
  - Investment risk (securities and derivates);
  - Liquidity and concentration risk;
  - Re-insurance and other de-risking methods; and
  - Financial risks resulting from working with intermediaries or other third parties.
- Non-Financial Risk Manager (2nd line, NFRM). The NFRM is responsible for the 2nd line non-financial risks i.e. operational risks, IT risks, outsourcing risks (incl. Cloud applications), legal risks. Where needed he/she advises and supports the Management Board on strategic risks, environment risks and governance risks.

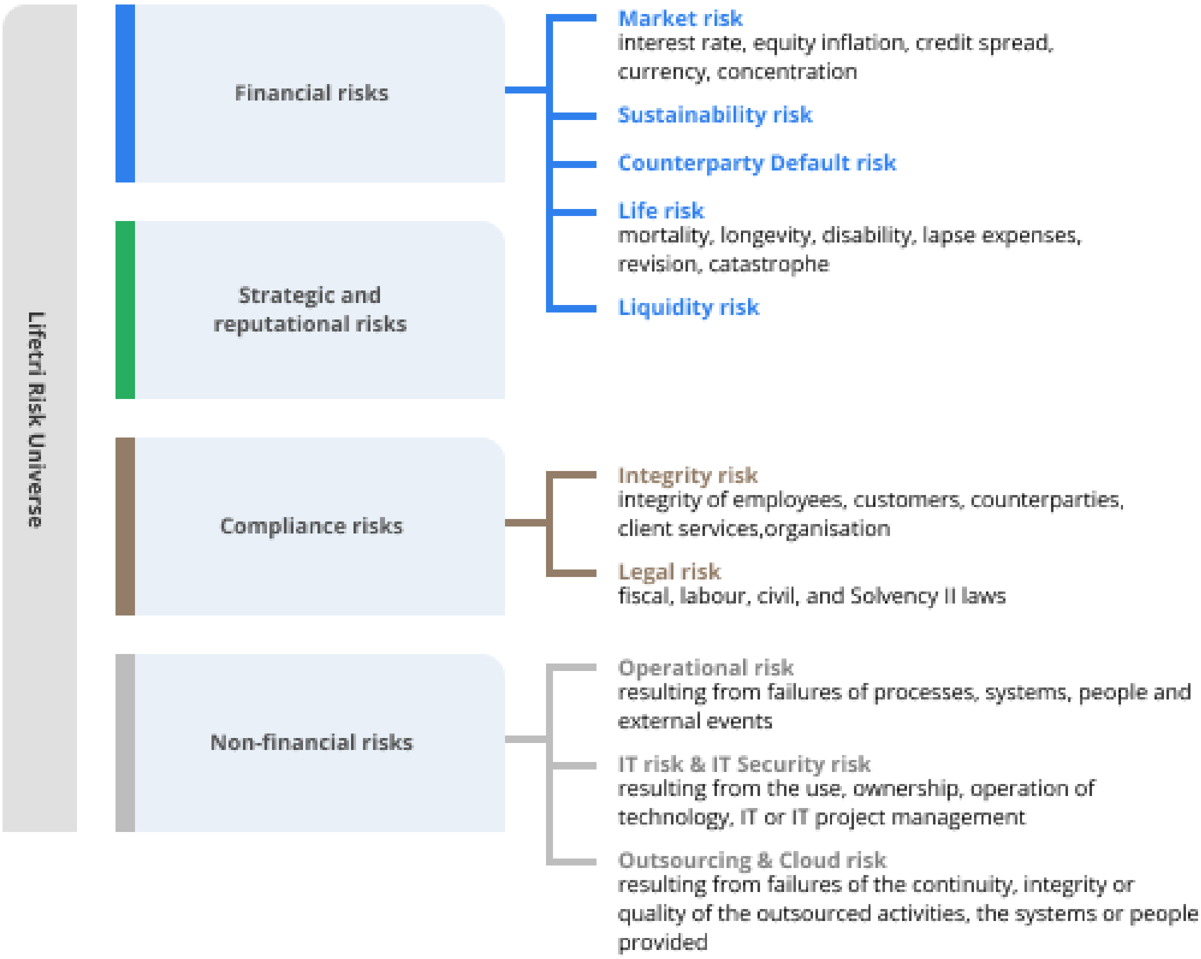
For IT and information security risks the NFRM works closely with the (Chief) Information Security Officer ((C)ISO) and the Data Protection Officer (DPO), which entails that the NFRM is expert on information security and GDPR (AVG).

B.3.3. Risk universe and risk categories

The financial risk types which Lifetri Groep uses are in line with the Solvency II regulation, and also recognize that different types of investment instruments can result in more than one risk category. The financial risks follow the Solvency II categorisation of market risks (interest rate, credit spread, currency, concentration, property and equity), counterparty default risk and actuarial life risks (mortality, longevity, disability, lapse, expenses, revision and catastrophe). In addition, Lifetri has included liquidity risk in its risk universe.

The other risk types are generally more qualitative in nature.

The non-financial risk types include: operational risk (caused by failures of processes, systems, people or external events), IT risk (including information security, continuity, integrity and availability of information systems and processes), outsourcing and cloud computing risk. Compliance risk types include legal risk and integrity risk.



B.3.4. Own Risk and Solvency Assessment

Lifetri Uitvaartverzekeringen has a national Basic regime license, Lifetri Verzekeringen has an EU Solvency II license. The ORSA is mandatory only for Lifetri Verzekeringen and Lifetri Groep.

The main goal of the annual ORSA process is to show the continuous compliance with the prescribed capital requirements. The Management Board is involved in directing the ORSA as part of the strategic planning of Lifetri. In the ORSA the insurer assesses its risk profile and solvency position. For this purpose, the ORSA report contains a review and conclusions of the solvency position, balance sheet, scenario analyses, stress testing and outcomes. Note that the norm and target levels for the solvency ratio are determined based on stress tests for capital market developments.

The outcomes of the best estimate scenario in the ORSA analysis show the target solvency level is adequate and Lifetri Groep is able to transfer its obligations at a relevant market rate. A wide set of scenarios has been tested. Relevant scenarios are a permanent low interest rate scenario, a steep increase in interest rates, sharp increase in inflation, and a scenario of a severe credit crisis. Lifetri also carried out an analysis of climate risk to the balance sheet.

The second line Actuarial Function (AF) checks the applicability of the SII standard model. The MB approves the ORSA, and the SB is informed of the rsults. The ORSA process is carried out once a year. In case of a major change of the risk profile, an extra ORSA needs to be performed.

B.4 INTERNAL CONTROL SYSTEM

B.4.1. Compliance function

The main principle is that Compliance (2nd line) is responsible for signalling the introduction of new laws and regulations of governments and supervisory authorities. The 1st line is responsible for the implementation of new laws and regulations and being compliant to existing laws and regulations. Compliance can advise the 1st line about the interpretation of (new) laws and regulations, but cannot be held responsible for the adequate application thereof. Compliance has an independent monitoring function (2nd line).

There are two exceptions to the main principle that Compliance is responsible for signalling new laws and regulations. Firstly, for fiscal laws, labor laws and civil laws. The second exception to the aforementioned principle applies to Solvency II. Within Lifetri, Balance Sheet Management, the 2nd line Financial Risk Manager (FRM) and Finance are required to have specific knowledge on Solvency II. Balance Sheet Management, the FRM and Finance are therefore responsible for signaling changes in the SII framework. Balance Sheet Management, FRM and Finance report periodically to the CFRO on these changes or on an as-needed basis.

B.4.2. Internal control framework

To ensure that risk measures and internal controls operate effectively throughout the year, periodic monitoring is necessary. Lifetri applies a risk-based approach for monitoring risk measures and internal controls. This means that risk measures and (key) controls for (very) high risks are monitored more frequently than for risks with a low score.

The key controls are periodically monitored and evaluated by the process owners to ascertain whether they work as intended and operate effectively. The outcomes are recorded in the risk & control framework (a.k.a. risk & control matrix) which are maintained by the process owners.

Key control evaluation can be done for example by:

- periodic key controls testing by the managers; and
- ad hoc review of the effectiveness of key controls by the 2nd line key functions.

B.4.4 DPO

Lifetri Groep has a Data Protection Officer (DPO) to independently monitor the privacy of data.

The DPO shall be involved where business changes may have privacy consequences. To give substance to this, the DPO is involved in the formulation of policy, product development and changes involving personal data.

B.4.3. External auditor

KPMG is the appointed external auditor.

B.5 INTERNAL AUDIT FUNCTION

The Internal Audit Function (hereafter (IAF) provides opinions and recommendations on the quality of internal control and internal processes, and the effectiveness of risk management. The task of the IAF is to assess if the system of governance, risk management and internal control at Lifetri is effective in design and operation. In this manner the IAF contributes to a systematic evaluation of risk measures for the business activities of Lifetri.

PwC is hired to perform the IAF.

B.6 ACTUARIAL FUNCTION

One of the key responsibilities of the Actuarial Function (hereafter AF) is to provide an objective, independent review and opinion on the calculation of technical provisions and sensitivity, the data quality, assumptions and IT systems used by the insurer for capital calculations, the best estimates, the Solvency II position, the underwriting policy (pricing and acceptance policy) and reinsurance arrangements. The Actuarial Function is also required to issue a formal actuarial report which documents all material tasks that have been undertaken by the actuarial function, their results, clearly identifying any deficiencies and giving recommendations as to how such deficiencies could be remedied. The AF is performed by Triple A Risk Finance.

B.7 OUTSOURCING

Lifetri has an active outsourcing policy. The policy lays down criteria for the selection of outsourcing parties, as well as the requirements of a proper selection process. The cloud/operating platform has been outsourced (MS Azure), including various related services. Running a cloud/operating platform is not core business for Lifetri. By means of outsourcing Lifetri is able to focus on their core business. Various administrations are fully or partially outsourced such as the investment administration, salary administration, and parts of the pension administration. In addition, Lifetri uses the services of various external asset managers.

B.8 ANY OTHER INFORMATION

Other material information about the system of governance does not apply.

C. Risk Profile

This chapter of the SFCR contains information on the risk profile of Lifetri Groep.

C.1 UNDERWRITING RISK

Underwriting risk represents the uncertainty in Lifetri's solvency position due to unexpected fluctuations in timing, frequency or severity of insured events or timing and amount of claim settlements and expenses.

- Mortality: Risk of loss resulting from higher-than-expected mortality rates, which results in earlier death claims.
- Longevity: The risk of loss as a result of lower-than-expected mortality rates. Longevity risk exists due to the increasing life expectancy trends and can result in payout levels that are higher than what the insurer originally accounts for.
- Lapse: The risk of a loss as a result from unanticipated (higher or lower) rate of policy lapses, terminations, changes to paid-up status (cessation of premium payment), surrenders or mass lapse event.
- Expenses: The risk of a loss as a result of higher than expected expenses and or inflation.
- Catastrophe: The risk of loss resulting from extreme or irregular events resulting in higher mortality rates which results in earlier death claims.

The Solvency II required capital for the life underwriting risk is the highest of all risks. At the end of 2023, the SCR for life underwriting risk was € 104.3 million. Lapse risk and expense risk are the highest risks with the life risks. The longevity risk is reduced due to the longevity reinsurance with Hannover Re.

Life risk

	Lifetri Verzekeringen	Lifetri Uitvaart verzekeringen	Lifetri Groep
Mortality	31,468	8,976	40,444
Longevity	16,269	28	16,297
Disability	0	0	0
Lapse	12,040	18,719	30,759
Expences	43,011	16,700	59,711
Revision	0	0	0
Catastrophe	12,150	773	12,923
Diversification	-42,072	-11,796	-55,839
Life underwriting risk	**72,866**	**33,400**	**104,295**

C.2 MARKET RISK

Market risk includes all the risks as a result of losses on financial investments caused by adverse price movements. The relevant market risks for Lifetri are the following:

- Interest risk: The risk that is introduced by the influence of interest rate changes on both the valuation and future cash flow from investments in relation to the valuation of the Lifetri liabilities.
- Equity risk: The risk that is introduced by a sudden fall in equity values including a symmetric adjustment which corrects the equity shock for the difference between the current level of global equity prices and a long term average.
- Credit spread risk: Risk of loss arising from the widening of market spreads due to actual, or perceived, increase in risk.
- Currency risk: Risk due to movements in relative value of currencies.
- Concentration risk: Risk of Solvency II position deterioration from default of a single counterparty to which Lifetri has a significant exposure.

Due to the investments in different asset classes as well as the changes in interest rates 2023 SCR market risk decreased from € 72.4 million to € 61.4 million.

Market risk

	Lifetri Verzekeringen	Lifetri Uitvaart-verzekeringen	Lifetri Groep
Interest risk	679	7,816	1,880
Equity risk	20,975	2,996	23,971
Property risk	0	0	0
Credit spread risk	35,171	5,082	40,254
Currency risk	0	0	0
Concentration risk	0	0	0
Diversification	-4,062	-2,408	-4,732
SCR Market risk	**52,763**	**13,486**	**61,373**

Sensitivity on Solvency II ratio

	2023
Shock	
Interest rate - parallel +50 bps	-34%
Interest rate - parallel -50 bps	+34%
Equity shock -10% relative shock	-3%
Government bonds +30 bps increase in spreads[1]	-30%
Mortgages +70 bps increase in spreads[1]	-19%
VA -1 bp	-3%

1 Standalone shock, no offset in VA.

C.3 CREDIT RISK

Counterparty default risks for government bonds are limited by rating based limits per sovereign (BBB- or better rated), default risk for other instruments by relatively small issuer limits. Credit risk on the credit portfolio is managed by limiting the Solvency Capital Requirement (SCR) for spread risk as a percentage of the credit investments.

Credit risk in the form of counterparty default risk is the risk of loss arising from default of a borrower or a transaction counterparty (note that credit spread risk is a market risk, see above). Counterparty default risk may result from the likelihood or probability that one of those involved in a transaction might default on its contractual obligation. Counterparty risk can exist in credit, investment, trading transactions including retail mortgages and reinsurance contracts.

The Solvency II required capital of counterparty default risk increased in 2023 from € 8.4 million to € 8.8 million.

C.4 LIQUIDITY RISK

Liquidity risk is comprised of:

- Cash flow Liquidity: Risk of being unable to meet obligations to policyholders or other creditors arising from a lack of available liquidity. Most of Lifetri's payments to policyholders have a long-term time horizon and are predictable; therefore this liquidity risk is limited.
- Asset Liquidity: Risk of being unable to sell a given asset at short-notice to fulfil collateral requirements and or shocks in the liability cash flows.
- Expected Profit in Future Premiums: The expected profit which is part of the own funds but will only be realized as the future premiums are paid.

Liquidity risk is managed first by a minimum cash requirement for all predictable outgoing cash flows for a short-term period of one month. Given the net inflow of premiums this is trivial in practice. Secondly a liquidity stress test is defined to make sure a significant part of the investment portfolio can be liquidated in a matter of days.

C.5 OPERATIONAL RISK

Within operational risk, Lifetri has identified IT Risk and Outsourcing and Cloud risk as separate risks because of the extensive use of, and dependence on IT. The following sub risks fall in this category:

- Operational risk: The risk of losses as a result of shortcomings in or failures of internal processes, systems and people, or from external events.
- IT risk: The risk that the continuity, integrity or availability (CIA) of the business processes and the information services is inadequately supported by IT systems, services and personnel. The IT risk relates to the following topics:
  - IT and technology strategy
  - Information security
  - Continuity, integrity and availability of information systems and processes
- Outsourcing and Cloud risk: Outsourcing may result in the risk that the continuity, integrity or quality is impaired of the activities outsourced to third parties, or of the systems or people provided by these third parties. Cloud technology is seen by supervisory authorities as a form of outsourcing. Cloud risks may result when an insurer makes use of an on-demand service model (e.g. SaaS-based) for the delivery of IT services (e.g. data storage, applications, e-mail, IT infrastructure), which are often based on virtualisation and/or distributed computer environments.

At the end of 2023, the SCR operational risk was € 6.3 million (2022 € 5.9 million). Operational risks are managed from multiple perspectives, including culture, economic, regulatory and accounting.

C.6 OTHER MATERIAL RISKS

Lifetri has identified two additional categories of risk, i.e. strategic & reputation risks and compliance risks. Solvency II does not require insurance companies to hold capital for strategic & reputation risks.

C.6.1. Strategic risks

Strategic risk and reputation risk: In general, strategic and reputation risks are risks that jeopardize the achievement of the strategic objectives of a company and/or have a negative impact on the reputation of the company. For the (life) insurance industry, key drivers for strategic risk can be the rapid pace through which business models change and may become obsolete. The category focuses on the long-term risks which may result from strategic choices, dependencies of stakeholders, changes in competition, markets, politics, the economy or the external environment in general.

Strategic risks are identified in collaboration between the Management Board and the Risk Management & Compliance department. All of these risks are monitored periodically. The underlying action plans are challenged on their rigor and depth in order to address the risks at hand and reduce the residual risks to an acceptable level.

C.6.2. Compliance risks

Compliance risk is the risk of legal or supervisory sanctions, material, financial or reputation loss which an organization may incur as a result from a failure to adhere to laws and regulations. Laws and regulations include internal policies, charters and codes of conduct.

Compliance risks consist of two categories: Integrity risk and Legal risk. The Compliance Universe shows for each law or regulation if it applies to integrity or not. Integrity related laws and regulations have a direct impact on the Integrity risk. Other laws and regulations fall under the Legal risk category.

- Integrity risk: The Integrity risk relates to the integrity of employees, customers, counter parties (including intermediaries), the financial services provided by Lifetri, and of the Lifetri organization.
    - Integrity of employees: The integrity of employees including temporary staff (contractors) deals with the question whether employees are fit and proper; and it focuses on competences, remuneration, conflicts of interest, integrity sensitive jobs, fraud prevention and other integrity related issues.
    - Integrity of clients: This topic deals with client acceptance, client due diligence, monitoring of unusual transactions and checks against sanction lists.
    - Integrity of third parties: This focuses on the integrity of third parties when entering into and exiting a business relationship, fraud prevention and other integrity related issues. Third parties consist of all parties with which Lifetri cooperates but excluding clients. Insurance intermediaries and re-insurers are included in this definition of third parties.
    - Integrity of financial services: This focuses on providing careful and diligent products or services to clients (duty of care towards and providing information to clients), complaints, PARP and Marketing.

  - Integrity of the organization: This deals with the internal governance of the organization, asset management, dealing with sensitive information of the company and financial markets, operating the proper license, reporting to supervisors, adherence with anti-trust laws, financial laws & regulations, privacy, information security and prevention of cybercrime.

Risks are managed by the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes.

- Legal risk: The Legal risk relates to (non-compliance with) laws and regulations which does not involve integrity. It relates to fiscal, labour, civil and Solvency II laws and regulations.
  - Fiscal laws: This consists of all fiscal regulations applicable to the insurance undertaking (Value Added Tax, wage tax, corporate tax) for which non-compliance can directly result in a fine.
  - Labour laws: This consists of the risk of non-compliance with labour laws (employment contract, CAO (collective employees' agreement), working conditions) which may result in liabilities and claims for the employer.
  - Civil law: Civil law is related to legal entities, annual financial statements, agreements and contracts, insurance, liability, tenancy law and copyright which may result in liabilities towards third parties or clients.
  - Solvency II: Solvency II is a European directive which focuses on the organization and business operations of insurance undertakings in general. The Solvency II (SII) framework consists of three pillars. Pillar 1 focuses on quantifiable risks and capital requirements. Pillar 2 relates to, among other things, the required key Solvency II functions i.e. RMF, compliance and internal control, AF, Internal Audit Function. Pillar 3 consists of requirements for publishing information and reports to the supervisory authorities.

Lifetri's risks are identified in collaboration between the Management Board and the Risk Management & Compliance department. All of these risks are monitored periodically. The underlying action plans are challenged on their rigor and depth in order to address the risks at hand and reduce the residual risks to an acceptable level.

C.7 ANY OTHER INFORMATION

No other information is applicable.

D. Valuation for Solvency Purposes

INTRODUCTION

This chapter of the SFCR contains information on the valuation for solvency purposes of assets, insurance liabilities and other liabilities of Lifetri Groep and explains the differences with their valuations in the 2023 Financial statements of Lifetri Groep.

The tables below provide a reconciliation between the local GAAP and Solvency II balance sheets.

Reconciliation Local GAAP balance sheet and Solvency II balance sheet

	Dutch GAAP	Reclass	Revaluation	Solvency II
Property, plant & equipment held for own use	**169**			**169**
Bonds	534,544	0		534,544
Mortgages	429,121	0		429,121
Investment funds	560,625	173,754		734,379
Derivatives	27,153	46,788		73,940
Investments	**1,551,443**			**1,771,985**
Deferred tax asset	77,726		-421	77,305
Reinsurance recoverables	0	-49,606		-49,606
Receivables (trade, not insurance)	-20,121	36,080		15,959
Insurance and intermediaries receivables	1,285	-171		1,113
Cash and cash equivalents	0	65,662		65,662
Cash	311,207	-311,207		0
Deposits other than cash equivalents	0	47,864		47,864
Tax and social security contributions	12,134	-12,134		0
Any other assets, not elsewhere shown	0	0		0
Total assets	**1,933,842**	**-2,971**	**-421**	**1,930,450**
Subordinated liability	**78,637**		**-1,632**	**77,005**
Technical provisions	1,494,723	0		1,494,723
Reinsurers' share	49,606	-49,606		0
Net insurance liabilities	**1,544,329**	**-49,606**		**1,494,723**
Reinsurance recoverables	0			0
Provisions other than technical provisions	0			0
Pension benefit obligations	212			212
Deferred tax liabilities	0		0	0
Derivatives	0	46,788		46,788
Insurance & intermediaries payables	8,998	-136		8,863
Group companies	0	0		0
Payables (trade, not insurance)	57,296	-1,714		55,581
Tax and social security contributions	0	0		0
Any other liabilities, not elsewhere shown	0	1,698		1,698
Total liabilities	**1,689,472**	**-2,971**	**-1,632**	**1,684,870**
Excess of assets over liabilities	**244,370**	**0**	**1,211**	**245,581**

D.1 ASSETS

Financial assets and other liabilities (not being technical provisions) are categorised into the following fair value hierarchy.

	Level 1	Level 2	Level 3	Total
Bonds	479,783	54,762	-	534,544
Mortgage loans	-	429,121	-	429,121
Investment funds	-	299,308	261,317	560,625
Derivatives	-	**27,153**	-	**27,153**
At 31 December 2023	**479,783**	**810,343**	**261,317**	**1,551,443**

	Level 1	Level 2	Level 3	Total
Bonds	427,423	39,937	-	467,359
Mortgage loans	-	530,459	-	530,459
Investment funds	79,235	271,692	125,743	476,669
Derivatives	-	**-100,878**	-	**-100,878**
At 31 December 2022	**506,658**	**741,209**	**125,743**	**1,373,610**

Published prices in active markets (Level 1)

Level 1 only uses quoted prices (unadjusted) in active markets for identical assets and liabilities. An active market is one in which transactions take place with sufficient frequency and volume so that prices are regularly available. Examples are equity securities, bonds and investment funds listed on active markets.

Measurement method based on significant observable market inputs (Level 2)

Level 2 uses inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If an asset or liability has a given contractual term, a Level 2 input variable must be observable for practically the full term of that asset or liability. Level 2 involves the following input variables:

- Quoted prices for similar (i.e. not identical) assets/liabilities in active markets;
- Input variables other than quoted prices observable for the asset (for example, interest rates and yield curves observable at customary intervals, volatility, early redemption spreads, loss ratio, credit risks and default percentages);
- Input variables arising mainly from, or confirmed by, observable market data by correlation or other means (market-confirmed inputs).

Examples of assets or liabilities at Level 2 are financial instruments measured using discounted cash flow models. These are based on observable market swap yields, on investment property measured using observable market data and quoted debt instruments or equity securities in a non-active market.

Measurement method not based on significant observable market inputs (Level 3)

Level 3 uses inputs for the asset or liability that are not based on significant observable market data. Unobservable inputs can be used if observable inputs are not available, so fair value can still be measured at the reporting date in situations where there is no or almost no active market for the asset or liability.

D.2 TECHNICAL PROVISIONS

The provision for insurance liabilities is calculated on basis of SII principles. The Solvency II provision for insurance liabilities is calculated based on the interest rate structure published by the regulatory authority, including volatility adjustment and ultimate forward rate.

The Solvency II provision is the sum of:

- The present value of the future annual payments plus the future costs of the insurances minus the gross premiums on the basis of best estimate assumptions.
- The required risk margin, given the calculated solvency capital requirement on the basis of the risks quantified for Lifetri Groep.

D.3 OTHER LIABILITIES

Other liabilities, under local GAAP, included the interest payable on cash held in bank accounts.

Payables, trade not insurance, are valued at face value for SII purposes.

D.4 ALTERNATIVE METHODS FOR VALUATION

Lifetri Groep does not apply alternative methods for valuation.

D.5 ANY OTHER INFORMATION

No other information is applicable.

E. Capital Management

INTRODUCTION

This chapter of the SFCR contains information on the capital management of Lifetri Groep, including the reconciliation of Dutch local GAAP (Local GAAP) equity to Solvency II Own Funds, Minimum Capital Requirement ('MCR') and Solvency Capital Requirement ('SCR').

Lifetri's capital management aims to protect policyholders' rights, comply with regulatory requirements, and ensure that financial setbacks can be absorbed without endangering the continuity of the business and strategy. Therefore, Lifetri holds an additional buffer, apart from the technical reserves and the regulatory solvency capital requirement (SCR). The target solvency level is set at 160%, while the norm solvency level, our internal minimum level, is set at 135%. These levels have been affirmed in 2023.

Lifetri has very long dated liabilities and operates in an environment that is regulated by Solvency II. The Solvency II framework demands the use of certain parameters that deviate from the financial markets, most notably with respect to the interest rate curve that is used to discount liabilities. As there are no observable interest rates for (very) long-term liabilities, the regulatory authorities prescribe the use of the so-called ultimate forward rate (UFR) in the interest rate curve. This means that discount rates beyond a certain point (the last liquid point) converge to this UFR. The last liquid point for Euro is set at 20 years. As a result, in the current situation that the UFR is higher than the market rate, the value of liabilities due in 20 years and beyond is lower than the value based on market rates. The UFR is part of the EIOPA Long-Term Guarantee measures that were aimed at reducing the effect of artificial volatility for long-term insurance products.

The observable interest rates in the financial markets deviate significantly from the EIOPA interest rate structure. As per end 2023, the thirty-year swap was 2.33% whereas the EIOPA rate was 2.70%, and the fifty-year swap was 2.06% whereas the EIOPA rate was 2.95%.

In its interest risk hedging policy, Lifetri chooses to:

- minimise the volatility of the Interest Rate Risk due to interest fluctuations;
- mitigate curve-risk sensitivity due to deviation between the Solvency II curve beyond the LLP and the economic curve;
- mitigate convexity risk; and
- aim at a target SCR ratio sensitivity in a 50bps parallel shock.

The ambition is to keep the Solvency II interest rate sensitivity below 15% on a 50bps shock of the curve.

Lifetri does not have an appetite for inflation risk. The inflation guarantees in the pension liabilities are hedged on a cash flow basis with the derivatives. Based on Solvency II the liabilities are slightly overhedged. The inflation risk in the expense provisions is hedged with inflation linked bonds, where Lifetri considers the central banks to manage the inflation rates to a long-term objective of 2% over time.

Lifetri reinsures its longevity risk up to 85%.

E.1 OWN FUNDS

E.1.1. Headlines of the Capital Policy

The management of capital is governed by the Capital Management & Dividend Policy. The measure for adequacy of the capital position is the regulatory Solvency II ratio, defined as the ratio of eligible Own Funds (OF) over the Solvency Capital Requirement (SCR). The Capital Policy is aimed at being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri Groep wishes to hold an extra buffer apart from the technical reserves and the regulatory solvency capital (SCR). The target solvency level is set at 160% of SCR. The target solvency ratio is determined as follows.

- An amount equal to the internal norm solvency of 135%.
- An additional buffer to be able to absorb market volatility, and not fall below the internal norm solvency. The primary measure to determine the buffer is a 1-in-10 year combined shock of the current investment portfolio, swap rates and VA impact. In case a single shock (without VA impact) is higher, this shock will be applied.

The SCR ratio determines a detailed capital intervention ladder in the Capital Management & Dividend Policy. Above the target solvency level, no actions are needed, below the minimum solvency level measures will be taken and in between both levels actions are being considered and prepared. A short-term measure to increase available capital is a capital injection; a short-term measure to decrease the SCR is a de-risking of market risks from the investment portfolio. Other medium and long-term measures like retaining profits (withholding dividend), cost reduction, pricing, outsourcing, reinsurance and strategic measures are listed in the capital policy. In practice, management intervention actions may further prevent risks.

E.1.2. The Solvency of Lifetri Groep

	31 December 2023	31 December 2022
Share capital	**258,897**	**173,897**
Reconciliation reserve	-90,622	-65,828
Subordinated liabilities	77,005	73,738
Net deferred tax assets[1]	77,305	75,646
Available own funds	**322,586**	**257,453**

1 The net deferred tax assets for calculating available own funds relates to SII valuation.

	31 December 2023	31 December 2022
Market risk	61,373	72,410
Counterparty risk	8,813	8,394
Life underwriting risk	104,295	104,007
Diversification	-37,908	-41,155
BSCR	**136,573**	**143,656**
Operational risk	6,294	5,902
LACDT	-18,430	-29,501
Total solvency capital requirement	**124,437**	**120,057**
Eligible own funds	**230,494**	**174,799**
Solvency II ratio	185%	146%
Minimum capital required ratio	416%	307%

Solvency II distinguishes between three tiers of own funds (Tier 1, 2 and 3) and restricts the use (eligibility) of Tier 2 and Tier 3 capital in the determination of the solvency level. The positive difference between assets and liabilities, when valued on a Solvency II basis, constitutes core capital. For Lifetri Groep the part of core capital comprising deferred tax assets (DTA) is Tier 3 capital. Eligible own funds are smaller than available own funds due to the restrictions in place.

E.1.3. Solvency and risk appetite

The management of capital is governed by the Capital Management & Dividend Policy. The measure for adequacy of the capital position is the regulatory Solvency II ratio, defined as the ratio of eligible own funds (OF) over the solvency capital requirement (SCR). The capital policy is aimed at being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri Groep wishes to hold an extra buffer apart from the technical reserves and the regulatory solvency capital.

At the end of 2023, eligible own funds amounted to € 230.5 million.

The SCR ratio determines a detailed capital intervention ladder in the Capital Management & Dividend Policy. Above the target solvency level, no measures are needed; below the minimum solvency level measures will be taken, and in between these levels' actions are being considered and prepared.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Solvency Capital Requirement and Minimum Capital Requirement are given in paragraph E.1.2.

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

Lifetri Groep has not used the duration-based equity risk sub-module during the reporting period.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

Lifetri Groep does not apply an internal model.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

In 2022 and 2023 interest rates unprecedently increased, putting pressure on Lifetri's Solvency II ratio. In October, the internal norm level of Lifetri Verzekeringen was breached, requiring management to take actions. The Solvency capital requirement of Lifetri Verzekeringen was € 3.6 million below the required capital. The reported solvency ratio of Lifetri Verzekeringen for month-end October was therefore slightly below the 100%. This was however anticipated and restored with a capital injection mid November to above the norm ratio of 135%. With a further capital injection, the capital position was strengthened to a ratio of 176% by the end of 2023. To reduce the dependency of future capital injections by our shareholder, management has decided to reduce the Solvency II interest rate sensitivities to shifting assets closer to the Solvency II own funds.

E.6 ANY OTHER INFORMATION

There is no other material information regarding capital management.

Contact and legal information

Lifetri Groep B.V.
Bisonspoor 3002
3605 LT Maarssen
www.lifetri.nl
Commercial Register number 70148821

Appendix

Quantitative Reporting Templates

This appendix includes certain Quantitative Reporting Templates (‘QRTs’) of Lifetri Group, required to be reported to DNB and to be publicly disclosed:

S.02.01.01.01

Balance sheet

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	R0010		
Deferred acquisition costs	R0020		
Intangible assets	R0030		
Deferred tax assets	R0040	77.305.107,24	77.726.111,61
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060	168.533,74	168.533,74
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1.354.603.003,07	1.134.061.514,13
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090		
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130	534.544.473,24	534.544.473,24
Government Bonds	R0140	534.544.473,24	534.544.473,24
Corporate Bonds	R0150		
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180	734.379.007,24	560.625.058,31
Derivatives	R0190	73.940.293,94	27.152.753,93
Deposits other than cash equivalents	R0200	11.739.228,65	11.739.228,65
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230	429.120.725,82	429.120.725,82
Loans on policies	R0240		
Loans and mortgages to individuals	R0250	429.120.725,82	429.120.725,82
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270	-49.605.843,42	-
Non-life and health similar to non-life	R0280		
Non-life excluding health	R0290		
Health similar to non-life	R0300		
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-49.605.843,42	-
Health similar to life	R0320		
Life excluding health and index-linked and unit-linked	R0330	-49.605.843,42	-
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360	1.113.473,55	20.000,00
Reinsurance receivables	R0370		
Receivables (trade, not insurance)	R0380	15.958.599,73	17.662.853,71
Own shares (held directly)	R0390		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410	101.786.676,35	275.082.239,83
Any other assets, not elsewhere shown	R0420		
Total assets	R0500	1.930.450.276,08	1.933.841.978,84
Liabilities			
Technical provisions - non-life	R0510		
Technical provisions - non-life (excluding health)	R0520		
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540		
Risk margin	R0550		
Technical provisions - health (similar to non-life)	R0560		
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580		
Risk margin	R0590		
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1.494.722.949,65	1.544.328.793,07
Technical provisions - health (similar to life)	R0610		
Technical provisions calculated as a whole	R0620		
Best Estimate	R0630		
Risk margin	R0640		
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	1.494.722.949,65	1.544.328.793,07
Technical provisions calculated as a whole	R0660		
Best Estimate	R0670	1.399.043.134,54	
Risk margin	R0680	95.679.815,11	
Technical provisions - index-linked and unit-linked	R0690		
Technical provisions calculated as a whole	R0700		
Best Estimate	R0710		
Risk margin	R0720		
Other technical provisions	R0730		
Contingent liabilities	R0740		
Provisions other than technical provisions	R0750		
Pension benefit obligations	R0760	212.364,21	212.364,21
Deposits from reinsurers	R0770		
Deferred tax liabilities	R0780	-	-
Derivatives	R0790	46.787.540,01	-
Debts owed to credit institutions	R0800		
Financial liabilities other than debts owed to credit institutions	R0810		
Insurance & intermediaries payables	R0820	8.719.999,58	8.998.482,74
Reinsurance payables	R0830	142.591,16	142.591,16
Payables (trade, not insurance)	R0840	55.581.304,39	57.153.104,44
Subordinated liabilities	R0850	77.005.185,00	78.636.984,87
Subordinated liabilities not in Basic Own Funds	R0860		
Subordinated liabilities in Basic Own Funds	R0870	77.005.185,00	78.636.984,87
Any other liabilities, not elsewhere shown	R0880	1.697.773,88	-
Total liabilities	R0900	1.684.869.707,88	1.689.472.320,49
Excess of assets over liabilities	R1000	245.580.568,20	244.369.658,35

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410		32.914.246,11		40.682.251,25					73.596.497,36
Reinsurers' share	R1420				15.892.476,22					15.892.476,22
Net	R1500		32.914.246,11		24.789.775,03					57.704.021,14
Premiums earned										
Gross	R1510		32.914.246,11		40.682.251,25					73.596.497,36
Reinsurers' share	R1520				15.892.476,22					15.892.476,22
Net	R1600		32.914.246,11		24.789.775,03					57.704.021,14
Claims incurred										
Gross	R1610		6.905.768,94		41.625.171,43					48.530.940,37
Reinsurers' share	R1620				15.012.541,18					15.012.541,18
Net	R1700		6.905.768,94		26.612.630,25					33.518.399,19
Expenses incurred	R1900		2.778.676,00		37.064.372,04					39.843.048,04
Administrative expenses										
Gross	R1910		1.270.124,68		17.371.702,47					18.641.827,15
Reinsurers' share	R1920									
Net	R2000		1.270.124,68		17.371.702,47					18.641.827,15
Investment management expenses										
Gross	R2010		958.146,02		12.429.026,34					13.387.172,36
Reinsurers' share	R2020									
Net	R2100		958.146,02		12.429.026,34					13.387.172,36
Claims management expenses										
Gross	R2110									
Reinsurers' share	R2120									
Net	R2200									
Acquisition expenses										
Gross	R2210		69.803,19		803.196,81					873.000,00
Reinsurers' share	R2220									
Net	R2300		69.803,19		803.196,81					873.000,00
Overhead expenses										
Gross	R2310		480.602,11		6.460.446,42					6.941.048,53
Reinsurers' share	R2320									
Net	R2400		480.602,11		6.460.446,42					6.941.048,53
Balance - other technical expenses/income	R2510									
Total technical expenses	R2600									39.843.048,04
Total amount of surrenders	R2700		1.278.549,76		1.568.770,24					2.847.320,00

Impact of long term guarantees measures and transitionals

			Impact of the LTG measures and transitionals (Step-by-step approach)								
		Amount with Long Term Guarantee measures and transitionals	Without transitional on technical provisions	Impact of transitional on technical provisions	Without transitional on interest rate	Impact of transitional on interest rate	Without volatility adjustment and without other transitional measures	Impact of volatility adjustment set to zero	Without matching adjustment and without all the others	Impact of matching adjustment set to zero	Impact of all LTG measures and transitionals
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions	R0010	1.494.722.949,65	1.494.722.949,65	-	1.494.722.949,65	-	1.390.021.491,34	-104.701.458,31	1.390.021.491,34	-	-104.701.458,31
Basic own funds	R0020	245.580.568,20	245.580.568,20	-	245.580.568,20	-	167.697.323,27	-77.883.244,93	167.697.323,27	-	-77.883.244,93
Excess of assets over liabilities	R0030	245.580.568,20	245.580.568,20	-	245.580.568,20	-	167.697.323,27	-77.883.244,93	167.697.323,27	-	-77.883.244,93
Restricted own funds due to ring-fencing and matching portfolio	R0040	-	-	-	-	-	-	-	-	-	-
Eligible own funds to meet Solvency Capital Requirement	R0050	230.494.387,48	230.494.387,48	-	230.494.387,48	-	178.584.854,33	-51.909.533,15	178.584.854,33	-	-51.909.533,15
Tier 1	R0060	168.275.460,96	168.275.460,96	-	168.275.460,96	-	107.727.113,42	-60.548.347,54	107.727.113,42	-	-60.548.347,54
Tier 2	R0070	62.218.926,52	62.218.926,52	-	62.218.926,52	-	70.857.740,91	8.638.814,40	70.857.740,91	-	8.638.814,40
Tier 3	R0080	-	-	-	-	-	-	-	-	-	-
Solvency Capital Requirement	R0090	124.437.853,03	124.437.853,03	-	124.437.853,03	-	141.715.481,83	17.277.628,79	141.715.481,83	-	17.277.628,79
Solvency Capital Requirement ratio	R0120	185,23%	185,23%	0,00%	185,23%	0,00%	126,02%	-59,21%	126,02%	0,00%	-59,21%

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	0,01	0,01			
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020					
Share premium account related to ordinary share capital	R0030	258.897.414,00	258.897.414,00			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts to be deducted at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds to be deducted at group level	R0080					
Preference shares	R0090					
Non-available preference shares to be deducted at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares to be deducted at group level	R0120					
Reconciliation reserve	R0130	-90.621.953,05	-90.621.953,05			
Subordinated liabilities	R0140	77.005.185,00			77.005.185,00	
Non-available subordinated liabilities to be deducted at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	77.305.107,24				77.305.107,24
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Non-available own funds related to other own funds items approved by supervisory authority to be deducted	R0190					
Minority interests at group level	R0200					
Non-available minority interests to be deducted at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included via Deduction and Aggregation method when a combination of methods is used	R0260					
Total of non-available own funds to be deducted	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	322.585.753,20	168.275.460,96		77.005.185,00	77.305.107,24
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds to be deducted at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400	-			-	-
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	R0410					
Institutions for occupational retirement provision	R0420					
Non-regulated undertakings carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the Deduction and Aggregation method (D&A), exclusively or in combination with method 1						
Own funds aggregated when using the Deduction and Aggregation method and combination of methods	R0450					
Own funds aggregated when using the Deduction and Aggregation method and combination of methods net of IGT	R0460					
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sectors and own funds from undertakings included via D&A method)	R0520	322.585.753,20	168.275.460,96	-	77.005.185,00	77.305.107,24
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sectors and own funds from undertakings included via D&A method)	R0560	230.494.387,48	168.275.460,96	-	62.218.926,52	-
Total available own funds to meet the minimum consolidated group SCR	R0530	245.280.645,96	168.275.460,96	-	77.005.185,00	
Total eligible own funds to meet the minimum consolidated group SCR	R0570	176.765.729,10	168.275.460,96	-	8.490.268,14	
Total eligible own funds to meet the consolidated group SCR (including own funds from other financial sectors, excluding own funds from undertakings included via D&A method)	R0800	230.494.387,48	168.275.460,96		62.218.926,52	
Total eligible own funds to meet the group SCR (excluding own funds from other financial sectors, including own funds from undertakings included via D&A method)	R0810	-				
Total eligible own funds to meet the total group SCR (including own funds from other financial sectors and own funds from undertakings included via D&A method)	R0660	230.494.387,48	168.275.460,96	-	62.218.926,52	-
Consolidated part of the Group SCR (excluding CR for other financial sectors and SCR for undertakings included via D&A method)	R0820	124.437.853,03				
Minimum consolidated Group SCR	R0610	42.451.340,69				
Capital requirements (CR) from other financial sectors	R0860					
Consolidated Group SCR (including CR for other financial sectors, excluding SCR for undertakings included via D&A method)	R0590	124.437.853,03				
SCR for undertakings included via D&A method	R0670					
Group SCR (excluding CR for other financial sectors, including SCR for undertakings included via D&A method)	R0830					
Total Group SCR (including CR for other financial sectors and SCR for undertakings included via D&A method)	R0680	124.437.853,03				
Ratio of Eligible own funds (R0560) to the consolidated part of the Group SCR (R0820) - ratio excluding other financial sectors and undertakings included via D&A method	R0630	185%				
Ratio of Eligible own funds (R0570) to Minimum Consolidated Group SCR (R0610)	R0650	416%				
Ratio of Eligible own funds (R0800) to the Consolidated group SCR (R0590) - ratio including other financial sectors, excluding undertakings included via D&A method	R0840	185%				
Ratio of Eligible own funds (R0810) to the Group SCR (R0830) - ratio excluding other financial sectors, including undertakings included via D&A method	R0850	185%				
Ratio of Total Eligible own funds (R0660) to the Total group SCR (R0680) - ratio including other financial sectors and undertakings included via D&A method	R0690	185%				

Reconciliation reserve

		Value
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	245.580.568,20
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	336.202.521,25
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	
Other non-available own funds	R0750	
Reconciliation reserve	R0760	-90.621.953,05
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	146.754.950,17
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	146.754.950,17

S.25.01.04.01

Basic Solvency Capital Requirement

Article 112	Z0010	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	61.372.907,12	61.372.907,12	
Counterparty default risk	R0020	8.813.398,24	8.813.398,24	
Life underwriting risk	R0030	104.295.401,81	104.295.401,81	
Health underwriting risk	R0040	-	-	
Non-life underwriting risk	R0050	-	-	
Diversification	R0060	-37.908.111,80	-37.908.111,80	
Intangible asset risk	R0070	-	-	
Basic Solvency Capital Requirement	R0100	136.573.595,36	136.573.595,36	

S.25.01.04.02

Calculation of Solvency Capital Requirement

Article 112	Z0010	No

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	6.294.203,76
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	18.429.946,09
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	R0200	124.437.853,03
Capital add-ons already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Consolidated Group SCR	R0220	124.437.853,03
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	
Minimum consolidated group solvency capital requirement	R0470	42.451.340,69
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated undertakings carrying out financial activities	R0530	
Capital requirement for non-controlled participations	R0540	
Capital requirement for residual undertakings	R0550	
Capital requirement for collective investment undertakings or investments	R0555	
Overall SCR		
SCR for undertakings included via D&A method	R0560	
Total group solvency capital requirement	R0570	124.437.853,03

Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Ranking criteria (in the group currency)							
							Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings, insurance holding	Underwriting performance	Investment performance	Total performance
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
LEI/724500K2PEN9FD2YI408	NETHERLANDS	Lifetri Levensverzekeringen N.V.	Life undertakings	N.V.	Non-mutual	De Nederlandsche Bank	1.703.628.872,38			55.786.857,82		-74.065.276,37	37.943.120,45	-36.122.155,92
LEI/5493005FJ2RKG5BV4M52	NETHERLANDS	Lifetri Uitvaartverzekeringen N.V.	Life undertakings	N.V.	Non-mutual	De Nederlandsche Bank	236.117.540,28			17.809.639,54		1.361.114,83	12.077.434,09	13.438.548,92
LEI/724500DA1YIJ2AN4HD37	NETHERLANDS	Lifetri Groep B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	De Nederlandsche Bank			338.599.077,13		-	-	-	

Undertakings in the scope of the group

			Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation		
Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking	Covered by internal model for Group SCR calculations	Type of VA being used in the group internal model
C0020	C0010	C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280
LEI/724500K2PEN9FD2YI408	NETHERLANDS	Lifetri Levensverzekeringen N.V.	100,00%	100,00%	100,00%	several centralised departments, including key functions	Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation		Total/NA
LEI/5493005FJ2RKG5BV4M52	NETHERLANDS	Lifetri Uitvaartverzekeringen N.V.	100,00%	100,00%	100,00%	several centralised departments, including key functions	Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation		Total/NA
LEI/724500DA1YIJ2AN4HD37	NETHERLANDS	Lifetri Groep B.V.	100,00%	100,00%	100,00%	several centralised departments, including key functions	Dominant	100,00%	Included into scope of group supervision		Method 1: Full consolidation		Total/NA