LIFETRI VERZEKERINGEN NV

ANNUAL REPORT

2024

lifetri

Contents.

Lifetri Verzekeringen

Lifetri Verzekeringen N.V. (hereafter: Lifetri Verzekeringen) prepares its financial statements based on Dutch generally accepted accounting principles.

The text in the Management Report refers to Lifetri Groep as a whole.

1. About Lifetri

1.1 AT A GLANCE

As the only Dutch insurer solely dedicated to providing guarantees to our customers, we stand out in simplicity and focus. By specializing in offering (paid up) guarantees we streamline operations, reduce complexity and ensure our customer's long-term needs are met.

In Q4 2024 the shareholder of Lifetri, Sixth Street, and Achmea have decided to start a strategic partnership through a joint venture in the Dutch pension and life market aiming to combine the pension and life portfolios of both Achmea and Lifetri. The transaction creates a top three Dutch pension and life insurance provider, serving over 2.1 million customers with growth opportunities in the pension buy-out market and a combination of asset management capabilities. The joint venture is expected to go live in the second half of 2025. Pending the following approvals; declaration of no objection by DNB, ACM and approval by the Working Council.

Currently Lifetri services approximately 550,000 term life and funeral insurance customers and provides pension guarantees to (former) employees of Allianz Nederland and Klaverblad cooperation with a total of € 1.7 billion in AuM. In total Lifetri's liabilities amount to € 1.6 billion.

We employ 63 insurance and pension professionals, of which many have a wealth of relevant experience in the insurance and pension fund industry. We are well established in the Dutch society, with Dutch management under Dutch supervision.

Lifetri is sufficiently capitalized with € 248.4 million of own funds and a Solvency II ratio of 157% at the end of 2024.

1.2 MESSAGE FROM THE CEO

Strategic partnership between Achmea, Sixth Street and Lifetri, results in a strong insurer which is well positioned to re-enter the PRT market again.
Since its establishment in 2019, Lifetri's strategic goal is to offer long term guarantees to policyholders, with a strong focus on the market for Dutch pension risk transfer for defined benefit pensions ("PRT market"). Because of the slower than expected development of this market in general and Lifetri's commercial results on actual transactions specifically, Lifetri in the first half of 2024 reconsidered its commercial approach to further ensure readiness for when opportunities would materialize. Lifetri and its shareholder continued to believe in the long-term potential of the PRT market. Strategic explorations therefore were aimed to make sure that Lifetri would become part of a – especially for this market opportunity important - larger, stronger and better diversified balance sheet. Furthermore a new set-up ideally should take away Lifetri's limited brand recognition and short history in the PRT space.

I am very proud that in the end of 2024 this strategic reorientation led to the announcement of a strategic partnership between Achmea, Sixth Street and Lifetri in the field of pension and life insurance. The joint venture, which will operate under the name Achmea Pension & Life Insurance, will rank among the top three Dutch pension and life insurance providers in terms of customer base. It is my strong conviction that this transaction is in the interest of all stakeholders involved.

- For our employees, this transaction means that they will join Achmea. An established, future-proof employer with a strong focus on personal development and career opportunities.
- For our policyholders, this transaction means that our customer services will continue under the Centraal Beheer brand, which offers a digital platform with an integrated range of insurance, savings and investment products.
- For our shareholder and bondholders, this transaction means that the joint venture will be well positioned to seize growth opportunities in the pension buy-out market.

I am delighted to see how dedicated Achmea, Lifetri and Sixth Street are currently cooperating to make sure that the announced transaction ultimately can be closed and to ensure that integration activities are well prepared.

In terms of financial performance, the continued volatility in the Solvency II ratio was again an important area of attention. The solvency ratio of Lifetri Group decreased from 185% to 157%, including the impact of the UFR step down in the beginning of January 2024. Lifetri's very long dated liabilities lead to a discrepancy between economic and regulatory lenses given the Last Liquid Point in the Solvency II framework at 20 years. To reduce sensitivities, in 2024 interest rate hedges were brought closer to the regulatory framework. Despite these measures Lifetri's Solvency II ratio however remains volatile as a result of VA basis risk (different impact of spread movements on investments compared to the VA on the liabilities) and second order impact of interest rates on the SCR and on the Risk Margin. Lifetri will continue its endeavors to stabilize the ratio where possible, also in preparation of the joint venture. In 2024 the shareholder again showed its long term commitment to the platform with a capital injection of € 50 million.

I am very much looking forward to 2025. The announcement of the strategic partnership with Achmea marks the start of a renewed and exciting future for Lifetri, our employees, our policyholders and all other stakeholders. We expect the closing of the transaction to take place in the second half of 2025.

Rutger Zomer,

Chief Executive Officer

1.3 COMPOSITION OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The composition of the Supervisory Board (SB) and the Management Board (MB) of Lifetri Groep BV as per 8 April 2025 is shown hereafter.

Supervisory Board

P.J.C. Borgdorff, Chairman

A.S. Birrell

P.M. Engelberts

H. Eggens

Management Board

R. Zomer CEO

J.P.M. Rijken, CIO

C.K. Madsen, CRO

Changes in the composition of the Supervisory Board during 2024

- Mr. R. (Rohan) Singhal: stepped down as member of the Supervisory Board in February 2024
- Ms. P.M. (Pauline) Engelberts: appointed as member of the Supervisory Board in August 2024

Changes in the composition of the Management Board during 2024

- Mr. P.D.A. (Philippe) Wits: stepped down as CEO in June 2024
- Mr. R. (Rutger) Zomer: appointed as CEO, including responsibility for the finance domain in July 2024 (previously CFRO)
- Mr. C.K. (Chris) Madsen: appointed as CRO in August 2024

In performing their duties, the MB and SB are supported by a company secretary.

Lifetri Groep BV,

Bisonspoor 3002

3605 LT Maarssen

www.lifetri.nl

2. Strategy

2.1 MARKET ENVIRONMENT

In 2024, the world continued to face challenges on many fronts, including the prolonged Russian invasion of Ukraine, further intensification of Israeli-Palestinian conflict, as well as the presidential election in the US, all of which impacted the global economy and financial markets. After an initial economic shock induced by war and trade deglobalization over 2022-2023, inflationary pressure have eased and central banks started to decrease interest rates in the second half of 2024. Monetary policy, inflation and interest rates are particularly relevant to Lifetri economics.

The Dutch market for pension risk transfers presents significant growth opportunities for insurers, driven by a strong demand for guarantees.

The enforcement of the new Dutch pension law in July 2023 is an important catalyst for pension risk transfers, expected to drive market growth through 2028 (the compliance deadline for the law). A number of pension risk transfers, with close to 3.5 billion AuM together, have materialized in 2024, confirming the viability of insured solutions as a value proposition to pension funds.

Although Lifetri has not actively pursued commercial opportunities in the pension risk transfer market in 2024, it strongly believes in the market's potential and in the value of insured solutions for specific groups of pension funds participants.

2.2 BUSINESS STRATEGY

Lifetri’s strategic goal was to offer long term guarantees to policyholders, with a strong focus on the market for Dutch pension risk transfer for defined benefit pensions (“PRT market”). Because of the slower than expected development of this market in general and Lifetri’s commercial results on actual transactions specifically, Lifetri in the first half of 2024 reconsidered its commercial approach to further ensure readiness for when opportunities would materialize. Lifetri and its shareholder continued to believe in the long-term potential of the PRT market.

Strategic explorations therefore were aimed to make sure that Lifetri would become part of a – especially for this market opportunity important - larger, stronger and better diversified balance sheet. Furthermore a new set-up ideally should take away Lifetri's limited brand recognition and short history in the PRT space.

In Q4 of 2024 this strategic reorientation led to the announcement of a strategic partnership between Achmea, Sixth Street and Lifetri in the field of pension and life insurance. The joint venture, which will operate under the name Achmea Pension & Life Insurance, will rank among the top three Dutch pension and life insurance providers in terms of customer base.

2.3 SUSTAINABILITY

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
Inspired by the self-assured mission and with the aim of making the sustainability policy concrete, three sustainability themes have been identified. These themes are:

1. Lifetri is a good employer for its employees.
2. Lifetri applies a client centric approach in its operations.
3. Lifetri aims to provide a sustainable future for current and future generations.

Good employer
This theme fits well within the values of Lifetri. It 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 and maintain a diverse and highly skilled workforce. This is essential to 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 background (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. With the appointment of a female SB member in 2024 the percentage of female SB members is now 25%. Currently, the leadership team (MB and managers) 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 livable world.

To make a meaningful contribution Lifetri has set the ambition to become a net zero carbon company by 2050. Building on its mission, the UN Sustainable Development Goals (SDG) 3, 4 and 13 and its Responsible Investing policy, Lifetri has set the first ESG (Environment Social Governance) ambitions and themes. The ESG foundation and governance has further been strengthened in 2024 by establishing an ESG panel, in which ESG related topics that are relevant for Lifetri are discussed and has an advisory role for the Management Board. Further, a formal ESG policy is being created that, in contrast of the Responsible Investing Policy, spans the entire organizational scope.

Progress
Throughout 2024, Lifetri concentrated on several areas aligned with our objectives:

- Lifetri' s readiness for the Corporate Sustainability Reporting Directive (CSRD);
- Further strengthening Responsible Investing; and
- Identification of Lifetri's Carbon Footprint of own operations and investment portfolio.

1. Lifetri's readiness for CSRD Implementation and reporting
During 2024 several steps towards the CSRD implementation have been taken to prepare Lifetri for sustainability reporting. A Double Materiality Assessment (DMA) as well as a technical gap analysis have been executed and a high level implementation roadmap has been created.

Double Materiality Assessment
The sustainability topics from the CSRD together with a desk review resulted in a short list and the following clusters that have been assessed in several workshops: Climate Change and biodiversity loss, Own workforce - diversity & equality, Own workforce - working conditions, Workers in the value chain, Consumer interest, Privacy and Business Conduct.

During these workshops, assessments have been made per topic on the potential positive or negative impacts on Lifetri (financial materiality) and Lifetri's potential positive or negative impacts on the topic (impact materiality), including the identification of any risks and opportunities for Lifetri. All potentially material topics have been ranked according to their scale, scope, remediability and likelihood, whereas the risks and opportunities have been scored on their financial effect in terms of impact on resource use, relationships in the value chain as well as on their likelihood of occurrence. Based on these scores, all sustainability clusters have become material, on either the impact score, the financial score or on both.

These results have been validated by the Management Board of Lifetri as well as with the Supervisory Board and the ESG experts of the shareholder. For 2025, an update on the DMA as well as external stakeholder engagement is planned as a further step in preparation for the CSRD implementation. All necessary activities to become CSRD compliant have been identified and are planned accordingly.

2. Further strengthening Responsible Investing

The focus of 2024 has been to further integrate ESG in the investment process, improve asset screening and SFDR classifications as well as to identify the carbon footprint of multiple asset classes and related sustainability engagements with several investment managers.

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) is in place. The ESG screening done by the external asset managers are assessed by Lifetri and well documented and reported in both the asset manager selection and periodic evaluation process.

Finally, the responsible investing policy contains exclusions on Government bonds or state-owned corporates of countries sanctioned by the UN Security Council and / or the European Union or subject to an arms embargo, that is updated on a yearly basis. The same counts for companies appearing on one or more sanctions lists (United Nations, European Union, United States, United Kingdom, the Netherlands), companies with one or more Ultimate Beneficiary Owners appearing on a sanctions list or in breach with the UN Global Compact.

Current ESG screening ratio and SFDR asset classification

As of December 31, 2024, 91% of Lifetri's assets underwent annual ESG screening. This percentage is divided into 100% internally managed assets and 86% externally managed assets.

Additionally, Lifetri invests in SFDR Article 8 (or 9) strategies. By the end of 2024, 42% of the externally managed assets of Lifetri Verzekeringen met the criteria for SFDR 8 (or 9) classification and 49% for Lifetri Uitvaartverzekeringen.

	2024		2023	
	LTV	LTU	LTV	LTU
% of assets with annual ESG screening				
- Internally managed	100%	100%	100%	100%
- Externally managed	86%	86%	89%	88%
Total annual screening	91%	90%	93%	92%
% of externally managed assets with SFDR article 8 or 9 classification	42%	49%	47%	49%

Given the fact 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. Nevertheless, Lifetri is pleased that the majority of its portfolio demonstrates a strong commitment to sustainability. Lifetri maintains ongoing dialogue with its external asset managers to align their ambitions with the goal of constructing more sustainable portfolios.

3. Carbon footprint of own operations and investment portfolio

Aligned with its aspiration to become a net-zero carbon company by 2050, Lifetri is committed to reducing the carbon footprint of its investment portfolio and internal operations. Given the fact that the impact of and the potential reduction on the investment portfolio is much larger than on our own operations, focus for 2024 has been on the investment portfolio. In order to identify the carbon footprint of Lifetri's investment portfolio, we rely heavily on external data. Lifetri has been engaging with several external asset managers to identify financed emissions for its asset classes and the alignment with industry standards and methodologies for calculating financed emissions like the Partnership for Carbon Accounting Financials (PCAF). The intention is to have this included in next year's annual report, although there will be some data quality issues left due to maturity differences between asset managers and challenges regarding availability of reliable data.

To assess its own carbon footprint, Lifetri partners with an external company. We put effort in identifying the operational carbon emissions over 2023 and 2024 but require more time to come up with a proper and reliable baseline measurement that can function as the basis for future disclosures, including to identify the emission-decreasing potential.

Responsible Investing Council meeting frequency and topics

Lifetri's Responsible Investing Council (RI Council) met once in 2024, discussing various topics and advising the Asset & Liability Committee (ALCO) where pertinent. These discussions included CSRD compliance, the exclusion list concerning government-related exposures.

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, both internal and external.
- 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 recognised 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 3.96 in December 2024 with 82% response rate. This is the highest score since we started measuring. The upward trend that started in 2022 has continued. This is remarkable given

that in 2024 it was decided to discontinue commercial ambitions and finding a 'new port' became the most important objective.

Current workforce

The current workforce at the end of December consists of 63 employees (59 FTE). In 2024, 3 vacancies have been filled. 13 employees (12,1 FTE) have left Lifetri.

The absenteeism percentage in 2024 was 1,64% which in considerably lower than the objective. The CBS average for the financial sector 2,8%.

Education and training

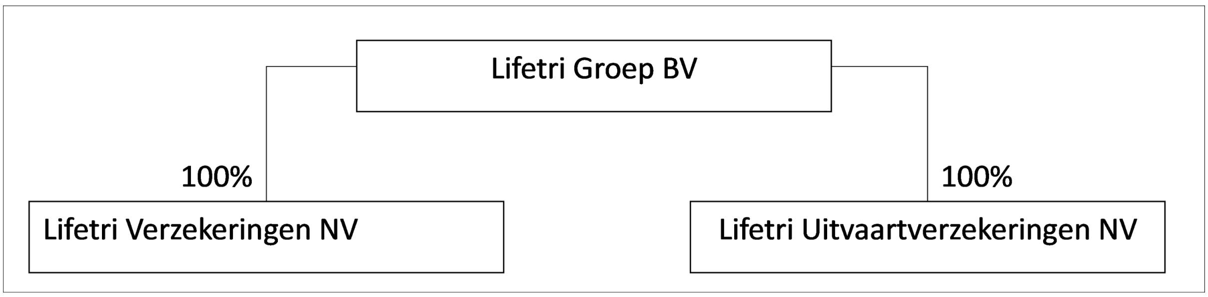
Of all employees employed in 2024, 79% have completed education or training in 2024. This consists of professional training, sustainable employability such as career development and team development.

3. Governance and risk

3.1 GOVERNANCE (INCLUDING REMUNERATION)

Group structure
Lifetri Groep BV (Lifetri Groep) has two operating companies: 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.

Lifetri Groep, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen have unity of management. The following report describes the main activities during the year for the group (Lifetri Groep, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen). With due respect to and in compliance with the articles of association, charters and characteristics of each legal entity, Lifetri Groep is organisationally managed as a whole.



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.

3.2 RISK MANAGEMENT

Risks are inherent in daily business. Lifetri Groep applies risk management processes to keep the risk within acceptable levels. These levels are defined in Lifetri Groep's risk appetite statements and limits. Also refer to Risk management .

Organisation

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

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.

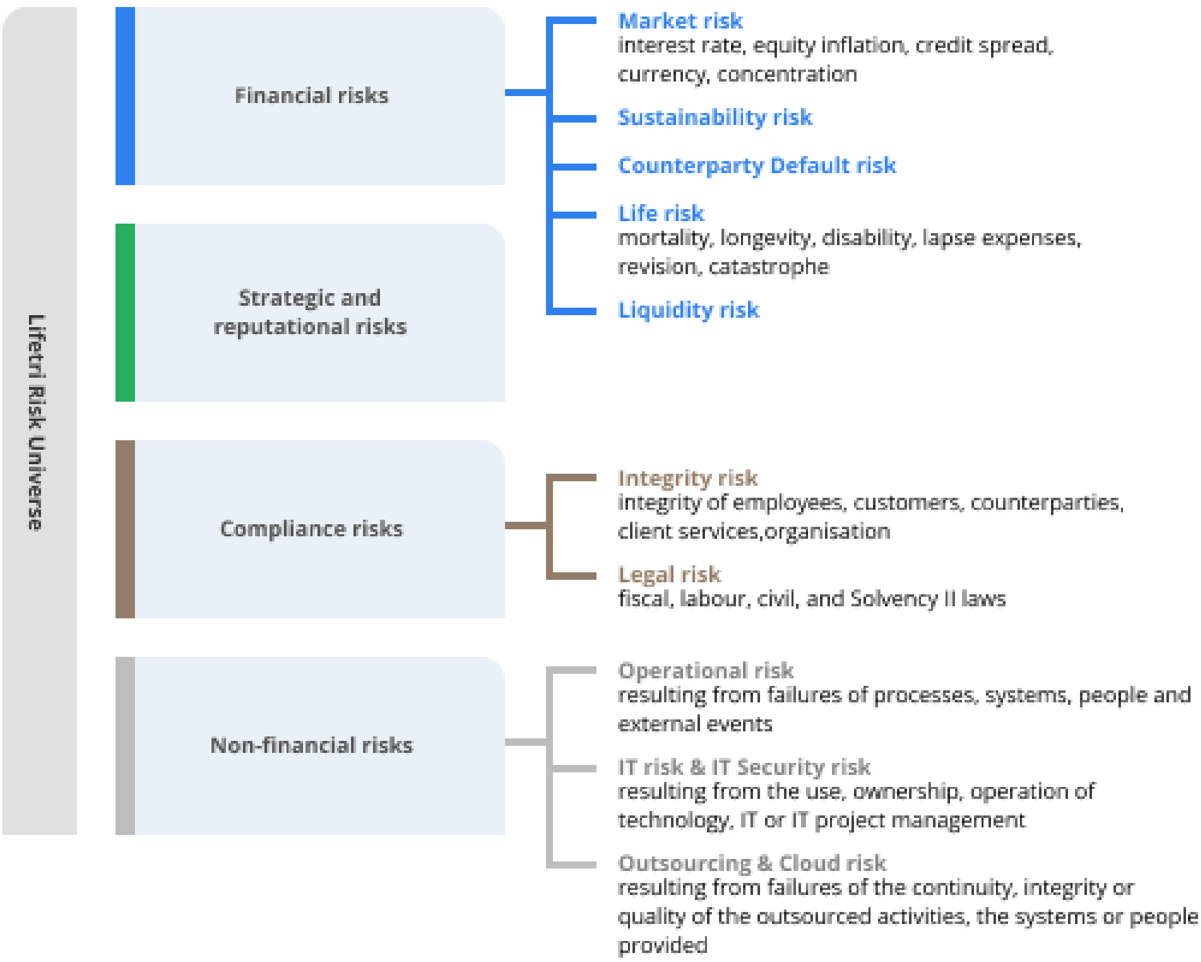
The Supervisory Board's duties, powers and working methods are regulated in the 'Supervisory Board charter'. The SB supervises the MB and its key functions and is informed at least annually or earlier if needed on the topics of risk management, laws and regulations and adherence thereof.

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

Lifetri risk universe

Lifetri Groep management, with the independent opinion of second line Risk Management and Compliance, determines the different risk types to which Lifetri Groep is, or could be, exposed (hereafter risk universe).

This risk universe is based, among other things, on relevant laws and regulations (e.g. Solvency II) and on Lifetri Groep's risk profile. Lifetri Groep's risk universe is divided in four major risk categories: strategic and reputational risks, financial risks, non-financial risks and compliance risks. The risk categories are divided in main risk types with detailed sub risks; see the figure below.



The financial risk types which Lifetri Groep uses are in line with the Solvency II regulation, and 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, liquidity and equity), counterparty default risk and actuarial life risks (mortality, longevity, disability, lapse, expenses, revision and catastrophe). In 2023, Lifetri extended the financial risks with sustainability risk.

During the normal course of business, Lifetri Groep uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, Lifetri Groep has instituted a policy including a general and a private transactions code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of Lifetri Groep.

Lifetri Groep applies derivatives, including interest rate swaps, inflation swaps, forward exchange contracts and purchased swaptions to control its risks. Lifetri Groep does not trade in financial derivatives.

Risk management contains information on the relevant risks of Lifetri Groep and is described in detail in the risk management paragraph, including the above mentioned exposures to the financial instruments risks and the derivatives applied to mitigate these risks.

The non-financial risk categories 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 categories include legal risk and integrity risk.

The Digital Operational Resilience Act (DORA) touches on many of these elements. During 2024, DORA compliance was a key focus area for IT leading to further documentation, controls and reporting, and Lifetri is preparing for the data request that De Nederlandsche Bank (DNB) is expected to issue in the second quarter of 2025 to close the current gaps. The required information has been identified, and we are ready to provide complete and timely responses to this obligation.

Risk appetite statements and limits

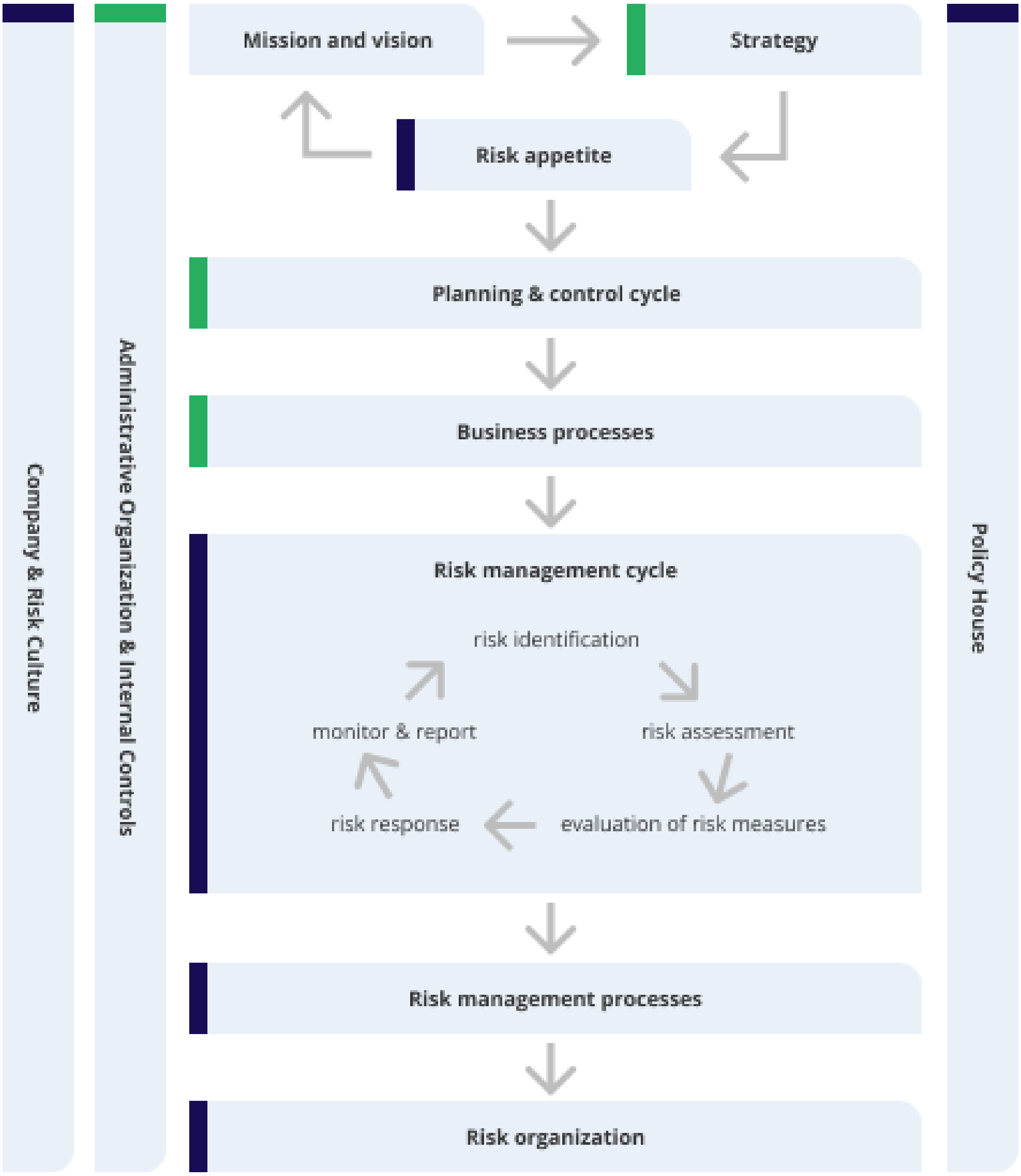
The risk appetite of Lifetri Groep is described in the risk appetite statements (RAS) which include qualitative statements as well as quantitative measures with respect to earnings, capital, risk measures, liquidity and relevant measures related to operational and IT risks. The risk appetite statements are reviewed annually 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.

In 2024, the MB updated the RAS and identified specific key risk indicators to be complied with and/or monitored in regular reports. Specifically, interest rate was assigned a risk limit in terms of a maximum sensitivity of the SII-ratio to a change in interest rates.

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. The risk management cycle is a continuous process.

The risk management cycle below depicts the risk management process.



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.

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

Annually, the MB updates the Strategic Risk Assessment to analyse the risks that might jeopardize Lifetri's strategic objectives. Risk management facilitates the SRA for the Management Board alongside the business and financial planning process. Due to the change in focus of the strategy, the currently identified strategic risks are related to retention of staff and realisation of cost savings.

The Strategic Risk Assessment is an important source of the risk scenarios in the annual Own Risk & Solvency Assessment (ORSA). The main goal of the ORSA is to support an understanding of the current risk profile of the business and anticipated changes over the strategized time horizon. It also helps understand how the risk profile of the business might change under different adverse scenarios. This will help shape the risk and capital management of the business. Lifetri has included scenarios to reflect its change in strategy, including combined scenarios.

The climate risk analysis showed that Lifetri is not exposed to material climate-related risks.

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 three Lines of Defence have their own report(s) as follows:

First line reporting

The managers of the departments issue various management reports which analyse and explain the performance of financial and non-financial indicators for the 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.

Second line reporting

Reports by the 2nd lines of defence, i.e. Risk Management, Compliance and the Actuarial Function, 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.

Third line reporting

Internal audit has its own reports which are discussed with the SB / ARC.

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

Operational set-up and risks

Lifetri Groep has company policies to support the effective governance and risk management of Lifetri Groep. Lifetri Groep has organised this in a Policy House that documents which company policy documents are required.

In addition, Lifetri Groep has a number of regulations (‘regelingen’) which describe in detail how certain policies are performed, such as the Incident regulation. Finally, Lifetri Groep has several elaborate documents (‘uitwerkingen’) which record the outcomes or results of applying policy processes e.g. risk appetite statements (RAS), the Systematic Integrity Risk Analysis (SIRA) and the Own Risk and Solvency Assessment (ORSA).

The Policy House is reviewed each year for completeness or possible necessary changes and is formally endorsed in the Risk & Compliance Committee. All policies, such as the Code of Conduct, are mandatory for all employees.

Continuous compliance with laws and regulations is an important focus at an insurer. Where appropriate non-compliance issues are analysed and proactively solved.

The General Data Protection Regulation (GDPR) does not stipulate retention periods for personal data, but minimum and maximum periods follow from other legislation (e.g. on taxes). Information should not be retained longer than needed for the purpose for which it was collected or used. Lifetri Groep has a Data Protection Officer (DPO) to independently monitor the privacy of data.

Lifetri Groep depends on third party providers for administration and IT services and other back-office functions. Any interruption in these services could imply a risk to Lifetri Groep’s performance and reputation. Outsourcing risk is controlled intensively and critical outsourcing services are reported to DNB.

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) divided by the Solvency Capital Requirement (SCR). The Capital Management & Dividend Policy is aimed at being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri Groep wishes its subsidiaries to hold an extra buffer in addition to the technical reserves and the regulatory solvency capital. The group’s target solvency level is set at 170% (LTU 165%), while the norm solvency level is set at 140% (LTU 135%). The underpinning of the target and lower limits is provided in the Capital

Management & Dividend Policy and re-assessed annually. Lifetri Groep applies the standard formula to calculate the regulatory capital requirements.

Both solvency levels are part of a more detailed capital intervention ladder in the Capital Management & Dividend Policy. Above the target solvency level, no measures are needed; below the lower limit measures will be taken, and in between these 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 such as retaining profits, cost reduction, pricing, outsourcing, reinsurance and strategic measures are listed in the Capital Management & Dividend Policy. In practice, management intervention actions may further prevent risks.

4. Business developments

4.1 KEY FIGURES

	2024	2023
Equity	206,863	205,533
Eligible own funds	162,259	166,127
Solvency capital required (SCR)	121,824	94,407
Solvency II ratio	133%	176%
Net premiums earned	37,981	40,730
Total claims and benefits general account	27,637	26,176
Total operating expenses	20,950	23,596
Result after tax	-48,670	-30,080

4.2 FINANCIAL DEVELOPMENTS

Introduction

Due to rising interest rates and the effect on the volatility of its Solvency ratio, Lifetri moved from managing its balance sheet on mainly an economic basis to managing it on a hybrid basis, mixing economic and solvency rationale. Given some material and less economic elements in the Solvency II framework, such as the Ultimate Forward Rate (UFR), the last liquid point which is the basis of the interest rate projection and the extrapolation method of the interest rate curve, insurers' Solvency II balance sheets and ratios react to the impact of these elements, generating volatility. This volatility is amplified by the specific characteristics of Lifetri's balance sheet with very long dated pension and funeral liabilities.

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 target zone of 140%, the norm solvency, Lifetri is pleased with the long-term commitment of its shareholder to support the Solvency II ratio.

Results

In 2024, the net result of Lifetri Verzekeringen was € -48.7 million, compared to € -30.1 million in 2023. The Solvency II ratio decreased from 176% end of 2023 to 133% on 31 December 2024.

The accounting principles of Lifetri and its operating entities are largely 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 or loss account. Given the long term nature of its funeral liabilities, the duration of Lifetri's assets is (far) beyond the Last Liquid Point (LLP) 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 in the financial markets.

The net loss in 2024 was mainly driven by the impact of changes of interest rates on assets and insurance liabilities, and the step-down of the Ultimate Forward Rate (UFR); these negative effects were partly offset by updated long-term expense assumption, aligned to the industry approach to expense modelling.

Compared to prior year, the net result decreased on significantly lower investment result, which includes investment income, and realized and unrealized gains and losses on investments. At the same time, market impacts on insurance liabilities (primarily effect of changes of discount rate), were less stringent in 2024 than in 2023.

Total operating expenses decreased from € 23.6 million in 2023 to € 21.0 million in 2024, especially due to suspension of commercial activities. Project expenses in 2024 were mainly related to strengthening of key processes, including governance, investment process, risk management, capital and interest rate risk management.

The main drivers of the change in the Solvency II ratio of Lifetri Verzekeringen in 2024 were the step-down of the Ultimate Forward Rate (UFR), development of interest rates, additional required capital driven by the use of shorter-term swaps and swaptions and by lower loss-absorbing capacity of deferred taxes. These negative effects were partly offset by investment income from illiquid assets, effect of updated long-term expense assumptions and capital injected by the shareholder.

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 Verzekeringen’s minimum zone of 140% (2023: 135%), the norm solvency, Lifetri is pleased with the long-term commitment of its shareholder to support the Solvency II ratio. In 2024 the shareholder injected € 50.0 million in Lifetri Verzekeringen because of the pressure on the Solvency II ratio.

Despite interest rate developments, equity remained broadly in line with prior year, due to capital injections amounting to € 50.0 million in 2024.

4.3 ASSET MANAGEMENT

In 2024, Lifetri made a strategic shift in its investment approach in line with the strategic repositioning of Lifetri, prioritizing balance sheet stability over further re-risking in response to new strategic developments. This marks a significant evolution in its investment strategy, reflecting the company's focus on maintaining a robust financial position while continuing to support its existing clients.

Both the European Central Bank (ECB) and the Federal Reserve (FED) began lowering interest rates after a prolonged period of rate hikes. This shift in monetary policy created a favourable environment for capital markets.

Across all asset classes, performance met or exceeded expectations, driven by strategic asset allocation decisions and favourable market conditions. Asset classes such as commercial real estate loans, direct lending, and private equity continued to deliver strong results.

Given the ample market liquidity in 2024, Lifetri's liquidity position remained strong, supported by liquidity facilities and the continued use of repo arrangements. The liquidity stress test framework, previously enhanced in 2023, proved effective, ensuring Lifetri's readiness for various interest rate scenarios.

In alignment with its updated strategy, Lifetri maintained its focus on asset diversification while stabilizing its balance sheet. The company opted to hold its current asset allocations steady rather than expanding investments in interest-sensitive asset classes.

These strategic adjustments reflect Lifetri's ongoing commitment to prudent asset management and the support of long-term value creation for its stakeholders.

Please refer to paragraph for a more detailed insight of the composition of Lifetri’s investments.

4.4 CAPITAL MANAGEMENT

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 170%, while the norm solvency level, our internal minimum level, is set at 140%. These levels have been effective since December 2024. The norm level for the solvency ratio is is comprised of two components: a quantified buffer to be able to absorb market volatility, and not fall below the statutory solvency requirement of 100%. The primary measure to determine the buffer is represented by a combined shock of the current investment portfolio, swap rates (including impact value guarantees to policyholders (VOG)) and VA impact reflecting at least an 90th percentile event, taking into account current economic conditions. The second component is a buffer to absorb any ancillary risks not reflected in the quantified buffer.

The target level for the solvency ratio is the Minimum internal solvency plus an additional buffer. The buffer is comprised of two components: a quantified buffer to be able to absorb market volatility, and not fall below the Minimum internal solvency. The primary measure to determine the buffer is represented by a combined shock of the current investment portfolios, swap rates and VA impact reflecting at least an 80th percentile event, taking into account current economic conditions. In case not all relevant risks are captured by the quantified buffer, a buffer to absorb the ancillary risks can be added by the Management Board.

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 2024, the thirty-year swap was 2.2% whereas the EIOPA rate was 2.4%, and the fifty-year swap was 1.9% whereas the EIOPA rate was 2.7%.

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
- stay within a 15% limit for the SCR ratio sensitivity in a 50bps parallel shock.

In 2024 the UFR decreased from 3.45% to 3.30%, putting pressure on Lifetri’s Solvency II ratio. During the year capital injections were received totalling € 50 million to strengthen Lifetri's solvency to 157% at the end of 2024.

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%.

4.5 OUTLOOK

On November 28th, 2024, Achmea, Sixth Street and Lifetri announced the intended formation of a joint venture. The announced joint-venture, to be organized after completion of regulatory approvals, will benefit from strong capabilities in the field of risk and capital management, asset management and customer-focused solutions, and will provide an extra alternative for funds considering pension risk transfers in the Netherlands.

Together with Sixth Street and Achmea, in 2025 Lifetri will prepare for the closing of the transaction and ensuing integration including securing the necessary approvals. The closing of the transaction is expected in the second half of 2025. At that time, ownership of Lifetri will shift from ELG Holding Ltd. to the joint venture – a Netherlands based insurer.

Given that this could substantially change the future of Lifetri, it is not possible to give more specifics in terms of an actual business outlook.

Maarssen, 8 April 2025

Rutger Zomer

Han Rijken

Chris Madsen

5. Financial statements

The financial statements concern the period 1 January 2024 – 31 December 2024 and have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the Annual Reporting Guidelines of the Dutch Accounting Standards Board. The notes from page 50 onwards form an integral part of these financial statements.

5.1 BALANCE SHEET

Balance sheet as per 31 December (Before appropriation of result)

	notes	2024		2023	
Financial investments					
Bonds	1	465,291		463,220	
Mortgages	2	383,639		378,626	
Investment funds	3	567,499		493,999	
Derivatives[1]	4	65,749		57,070	
Total financial investments			**1,482,179**		**1,392,915**
Deferred tax	5		**105,159**		**87,935**
Receivables					
Policyholders		138		836	
Intermediars		459		352	
Group companies		9,378		7,541	
Other receivables	6	11,425		13,992	
Total receivables			**21,399**		**22,720**
Other assets					
Cash	7	173,805		231,621	
Total other assets			**173,805**		**231,621**
Total assets			**1,782,542**		**1,735,192**

1 Correction of error reclassification derivatives liabilities.

Overview of adjustments for comparison purposes, refer to section Correction of errors (see page 38) in the disclosure.

	notes	2024		2023	
Shareholders' equity					
Share capital		9,080		9,080	
Share premium		240,462		190,462	
Revaluation reserve		34,192		30,096	
Other reserves		-28,201		5,975	
Result before appropriation		-48,670		-30,080	
Total shareholders' equity	8		**206,863**		**205,533**
Subordinated debt intra-group	9		**64,024**		**63,893**
Net insurance liabilities					
For own risk		1,386,870		1,337,704	
Reinsurers' share		53,582		49,606	
Total net insurance liabilities	10		**1,440,452**		**1,387,310**
Other liabilities					
Direct insurance liabilities		2,250		1,519	
Payables		9,766		45,342	
Derivatives liabilities[1]	4	59,187		31,563	
Total other liabilities	11		**71,203**		**78,423**
Accruals	12		**0**		**33**
Total equity and liabilities			**1,782,542**		**1,735,192**

1 Correction of error reclassification derivatives liabilities.

5.2 STATEMENT OF PROFIT OR LOSS

	notes	2024	2024	2023	2023
Technical account life insurance					
Insurance premiums earned					
Gross premiums		53,656		55,787	
Outgoing reinsurance premiums		-15,675		-15,057	
Net premiums earned			37,981		40,730
Investment income					
Other investment income	13	49,718		45,655	
Realized gains on investments	14	4,225		617	
Total investment income			53,943		46,272
Unrealised gains on investments	15		46,528		280,015
Claims and benefits paid					
Gross claims and benefits paid		-43,303		-41,189	
Reinsurers' share claims		15,666		15,013	
Net claims and benefits paid	16		-27,637		-26,176
Changes in insurance liabilities					
Gross change in insurance liabilities		-49,174		-79,543	
Reinsurers share		-3,976		-4,280	
Net change in insurance liabilities			**-53,150**		**-83,822**
Operating expenses					
Management and personnel expenses; depreciation of assets		-19,264		-21,887	
Commissions and profit-sharing received from reinsurers		-1,687		-1,709	
Total operating expenses	17		-20,950		-23,596
Investment expense					
Administrative and interest expense	18	-22,582		-19,304	
Realised losses on investments	14	-44,292		-249,482	
Total investment expense			**-66,875**		**-268,786**
Unrealised losses on investments	15		**-35,432**		**-760**
Investment income attributable to non-technical account			-1,836		6,670
Result technical account life insurance			**-67,429**		**-29,452**
Non-technical account life insurance					
Result technical account life insurance			**-67,429**		**-29,452**
Investment income attributable from technical account			1,836		-6,670
Result before tax			**-65,593**		**-36,122**
Income tax	19		16,923		6,042
Result after tax			**-48,670**		**-30,080**

5.3 CASH FLOW STATEMENT

	notes		2024		2023
Cash flow from operational activities					
Result after tax		-48,670		-30,080	
Adjusted for:					
Change in insurance liabilities	10	49,166		79,432	
Change in reinsurance liabilities		3,976		4,280	
Fair value changes through profit or loss	1, 2, 3, 4	-5,538		-111,640	
Changes in:					
Receivables	6	1,321		54,574	
Transaction of insurance liabilities	10	0		-1,326	
Liabilities	11, 9, 12	-31,334		41,826	
Deferred tax	5	-17,224		-11,296	
Paid interest		-3,413		-3,413	
Total cash flow from operating activities			**-51,715**		**22,356**
Cash flow from investing activities					
Investments and purchases:					
Bonds	1	-31,919		-133,320	
Mortgages	2	-12,833		-20,726	
Investment funds	3	-92,825		-236,806	
Net derivatives	4	-7,315		-39,438	
Disposals and redemptions:					
Bonds	1	0		88,600	
Mortgages	2	24,637		121,781	
Investment funds	3	48,417		178,773	
Net derivatives	4	15,736		1,157	
Total cash flow from investing activities			**-56,101**		**-39,980**
Cash flow from financing activities					
Capital contribution	8	50,000		82,500	
Total cash flow from financing activities			**50,000**		**82,500**
Net increase/decrease in cash			-57,816		64,876
Cash and cash equivalents beginning of period			231,621		166,744
Cash and cash equivalents end of period	7		**173,805**		**231,621**

5.4 ACCOUNTING PRINCIPLES

Lifetri Verzekeringen with a statutory seat in Amsterdam, is a limited liability company under Dutch law, Chamber of Commerce registration number 27117921. 100% of the shares of Lifetri

Verzekeringen are held by Lifetri Groep B.V. The main activities of Lifetri Verzekeringen, with its registered office in Maarssen, consist of selling and managing life insurance policies in the Dutch market including pensions, term insurance and funeral insurance. Funeral insurance policies are sum insurance.

General

The consolidated financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the Annual Reporting Guidelines of the Dutch Accounting Standards Board and in particular, Guideline 605.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to Lifetri Groep and the asset has a cost price or value of which the amount can be measured reliably.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of Lifetri Groep. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. However, in circumstances where the transaction does not significantly change the economic reality of an asset or liability, this asset or liability remains recognised on the balance sheet. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which Lifetri Groep does not have the legal ownership, this fact will be disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when Lifetri Groep has transferred the significant risks and rewards of ownership of the goods to the buyer.

Functional currency

The financial statements are presented in euros, which is Lifetri Groep's functional and presentation currency. All amounts have been rounded to the nearest thousand.

Correction of errors

After adoption of the 2023 financial statements, a material error were identified with respect to derivative investment. As per 31 December 2023, the presentation of derivative investment was presented on a net basis on the face of the balance sheet, this should have been presented as an asset for its asset portion and as liability for its liability portion. The impact on shareholders' equity is nil as per 31 December 2023. The impact on the net result/result after tax for the year 2023 is nil. Further, the comparative figures for the year 2023 have been restated.

Please refer to section 5.1 of financial statement for restatement made on face of balance sheet and note 4 for changes made to derivatives disclosure.

The total assets for 2023 increased by € 32 million from € 1.70 billion to € 1.73 billion and total equity and liabilities increased by € 32 million from € 1.70 billion to € 1.73 billion. The balance sheet impact is an increase in € 32 million for derivative financial asset and a corresponding € 32 million increase in derivative financial liability.

Going concern principle

The financial statements of Lifetri Verzekeringen have been set up assuming a going concern basis. This is based on the reasonable assumption that Lifetri Verzekeringen is, and will be, able to continue its normal course of business in the foreseeable future. Relevant facts and circumstances relating to the financial position on December 31, 2024, were assessed to reach the going concern assumption. The main areas assessed are the financial position, liquidity and solvency. Considering all these areas management concluded that the going concern assumption for Lifetri Verzekeringen is appropriate for preparing the financial statements.

Financial reporting period

The financial statements cover the period from 1 January 2024 and ended at the balance sheet date of 31 December 2024.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of financial statements, the nature and estimated effects of the events are disclosed in the financial statements.

Use of estimates

The preparation of the financial statements requires the Management Board to make estimates and assumptions that can influence the application of accounting principles and the reported value of assets and liabilities. The actual results may differ from these estimates. These relate primarily to the following:

Included among the material (or potentially material) reported amounts and disclosures that require extensive use of estimates are the fair value of certain investment funds, mortgages, derivatives, the measurement of (re)insurance contracts and deferred tax.

A detailed explanation of the estimates and assumptions is given in the relevant notes to the consolidated financial statements.

When making judgements, estimates and assumptions, Lifetri has taken into consideration the current macro-economic context.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Fair value hierarchy
Financial assets and liabilities are categorized into the fair value hierarchy based on the inputs used in the valuation techniques used.

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.

Equipment
Depreciation is recognised in the profit or loss account on a straight-line basis at 20% annually over the estimated useful lives of each item of the tangible fixed assets, considering any estimated residual value of the individual assets.

Recognition of financial investments
A financial investment is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the instrument has a cost price or value of which the amount can be measured reliably. Financial investments that are not recognised in the balance sheet are considered as off-balance sheet items.

A financial investment is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability been transferred to a third party.

Investment income and expenses are allocated to the respective period to which they relate.

Bonds
Bonds are measured at fair value. Listed bonds in active markets are categorized at fair value level 1, Listed bonds in less active markets as well as bond strips are categorized at fair value level 2 or level 3. Changes in the fair value of investments are recorded in the profit or loss account. In addition, for non-liquid bonds a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount equal to the positive accumulated fair value changes less any provision for deferred tax.

Mortgages
Changes in the fair value of mortgages are recorded in the profit or loss account. For mortgages without frequent market quotations, a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount of the positive accumulated fair value changes, less any provision for deferred tax.

Mortgages are measured at fair value. The morgages are valued at the amount for which they could be exchanged between knowledgeable and willing independent parties in an arm's length transaction. If no observable prices for the mortgage loans are available, it is required to make as much use as possible of relevant information from the market when determining the fair value of the mortgage loans. It stipulates that if the fair value cannot be determined on the basis of quoted prices in an active market (Level 1), it should be determined on the basis of observable market data of comparable market instruments (Level 2).

The Level 3 valuation method should only be applied when insufficient observable and relevant market data is available to perform a full valuation based on observable inputs. In that case the value of each loan part is calculated using the following steps.

1. Determining the contractual cash flows per mortgage loan part based on the mortgage loan (part) characteristics, adjusted for expected prepayments by applying a constant prepayment rate (CPR).
2. Determining the discount factor using mortgage loan rates in the primary market as of the valuation date for mortgage loans with similar characteristics as the mortgage loan (part) to be valued.
3. Discounting the cash flows with the relevant discount rate.
4. Determining mortgage loan part value.

For loans in arrears and default, an adjustment is made to the cash flows to reflect the higher probability of default and loss-given-default.

The valuation of the mortgages is measured conform article 75 of the Solvency II Directive (2009/138/EC), applying to the valuation of mortgage loans.

Change in accounting policy with respect to 'Specification fair value hierarchy' of mortgages
The mortgage investment portfolio within Lifetri was classified as a level 2 financial investment as the majority of the data input to determine the valuation was based on level 2 data. On 26th March 2025, the Verbond Van Verzekeraars published a memo on guidelines for mortgage valuation principles and level classification. In this guideline, it is explicitly stated that mortgage investments should be classified as level 3 asset, as any level 3 data is used to determine the valuation of mortgage loans. The presentation in the financial statements is adjusted accordingly for 2023 and 2024.

Investment funds
Participations in investment funds without significant influence are measured at fair value. Listed investment funds in active markets are categorized at fair value level 1, non-listed investment funds is categorized at fair value level 2 or level 3. The valuation of the non-listed investment funds is provided by the external managers and must be in line with our accounting principles.

In the case of illiquid investment funds, where the market valuation is based on the previous period, the net asset value is corrected with the capital calls and withdrawals that occurred and are applicable where the due date is after the market valuation date.

The participations in investment funds include private equity, trade finance, corporate and commercial real estate debt. The fair value of these funds is determined on the basis of valuation techniques using objective current market data, with or without the use of standard models such as discounted cash flow models. In case the underlying annual report of the investment fund is based on amortised cost, Lifetri values those funds at redemption value.

Changes in the fair value of investments are recorded in the profit or loss account. In addition, for non-liquid investment funds a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount equal to the positive accumulated fair value changes less any provision for deferred tax.

Derivatives

Derivatives are measured at fair value based on the Annual Reporting Guidelines of the Dutch Accounting Standards Board. The hierarchy as described above is used to categorise the derivatives. Listed derivatives in active markets are categorised at fair value level 1, non-listed derivatives are categorised at fair value level 2 or 3. The fair value of the non-listed derivatives is calculated based on the interest rate structure published by the regulatory authority. The price of the warrants is based on the price of the underlying security.

Changes in the fair value of investments are recorded in the profit or loss account. In addition, for non-liquid derivatives a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount equal to the positive accumulated fair value changes less any provision for deferred tax.

Derivatives are primarily used for hedging interest rate, inflation and currency risks. Derivatives are measured at fair value through profit or loss. Lifetri does not apply hedge accounting.

Receivables and other financial instruments

Receivables and other financial instruments are initially recognised at fair value and subsequently measured at amortised costs, using the effective interest rate method, less impairment. A provision is created in case debtors have financial difficulties, on an individual basis. Receivables related to reinsurance contracts are short-term receivables from reinsurance companies. The carrying values of the receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

Cash

Cash represents directly available funds held in bank accounts, cash collateral and other short-term highly liquid investments. Cash is measured at nominal value. If cash is not readily available, this fact is considered in the measurement.

Equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under equity. Payments to holders of these instruments are deducted from equity as part of profit distribution.

Financial instruments that are designated as financial liability by virtue of economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

The purchase of own shares is deducted from the other reserves.

Share premium

Amounts contributed by the shareholder of Lifetri Groep in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of Lifetri Groep.

Revaluation reserve

Fair value changes of financial investments are recognised in the profit or loss account. For financial assets without frequent market quotations a revaluation reserve is recognised for the cumulative unrealised fair value changes reported in the profit or loss account, after deduction of deferred tax.

The revaluation reserve is established for such assets with a corresponding charge against other reserves. The revaluation reserve is established per individual positive asset. If an asset is sold, any revaluation reserve pertaining to that asset is released and credited to other reserves.

Subordinated debt

The subordinated debt is measured at amortised cost, net of transaction cost incurred, based on the effective interest rate method.

Provisions

A provision is recognised if the following applies:

- Lifetri Groep has a legal or constructive obligation, arising from a past event;
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Insurance liabilities

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 expected value equal to 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.

The provision for insurance liabilities is calculated on the basis of the Solvency II principles.

Assumptions

Lifetri Groep uses the following assumptions:

If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or if the period over which the cash outflows are discounted is not longer than one year.

Best Estimate assumptions

The technical provisions are calculated on valuation date 31 December 2024 which is the end date of the reporting period and consequently the starting point for projecting the future cashflows that are used to calculate the technical provisions. In June 2024 Lifetri's Management Board decided to close the company for new business and invoked the Future Management Action (FMA) as the company's strategy shifted from actively pursuing new business through pension buy-outs to finding a buyer to purchase (parts) of the Lifetri portfolio. This is because managing the Lifetri portfolio is not sustainable on a stand-alone basis.

The assumptions underlying the future cashflows are therefore set based on the presumption that Lifetri will pursue finding a buyer to purchase (parts) of the Lifetri portfolio.

The Best Estimate assumptions represent the (weighted) average of possible outcomes of an uncertain event. The assumptions are split into economic and operating assumptions.

Economic assumptions

The assumed risk free curve is the risk free structure as provided by EIOPA. The EIOPA risk free interest structure is based on the swap rate at valuation date and with the following adjustments, (between brackets the corresponding figures per 31 December 2023):

• Reduction by 10bps (10bps) to account for credit risk adjustment;

• Extrapolation from year 20 (last liquid point) to the ultimate forward rate of 3.30% (3.45%) with convergence in year 60 using the Smith-Wilson extrapolation method; and

• Including the Volatility Adjustment of 23bps (20bps) as provided by EIOPA to the spot rates for the first 20 years.

• The applied long-term inflation rates are obtained from the Harmonised Index of Consumer Prices excluding Tobacco (HICPxT).

Operating assumptions

Operating or non-economic assumptions capture the uncertainties related to decrements as a result of underwriting. These assumptions were set using statistical analyses on recent experience factoring in expected future trends. The operating assumptions are updated once per year and are set by Lifetri's Finance & Control department.

Mortality and longevity

Lifetri sets its mortality assumptions based on the expected mortality rates of the general Dutch population as published by the Dutch Actuarial Society, Het Koninklijk Actuarieel Genootschap. As from 2024 onwards this is the Prognosetafel AG 2024. The mortality rates are multiplied by product specific experience factors to obtain Lifetri product specific best estimate mortality expectations. The experience factors are specific by age, gender and product group and measured on number of mortalities.

Lapses and paid-ups

A policy becomes paid-up at the moment when a policyholder decides to terminate the contractual payments before the end of the policy term. A policy lapses when a policyholder decides to terminate the contractual payments before the end of the policy term and agrees to receive the applicable contractually agreed surrender value.

For individual and funeral policies the lapse and paid-up assumptions are based on the elapsed duration of the policy and historical observations for each product.

Although we have observed outgoing value transfers (lapses on an individual level) for the pensions portfolio, the lapse rates for the pensions portfolio are assumed to be zero as the amount transferred is not significant to the size of the portfolio.

Expenses

The expense assumption must give a true and fair view of the costs that are necessary to be able to settle the portfolio. This is based on the current business design after invoking the FMA in June 2024.

The expenses included in the Technical Provisions reflect this new strategy and are based on the Long Term Target expenses as part of a potential buyer's portfolio, the additional expenses that Lifetri faces during the transitional period towards the sale of the portfolio and the period during which Lifetri assumes this project to complete, i.e. two years since invoking the FMA, so until 31 May 2026.

The expenses that Lifetri incurs can be split into five categories:

- norm-expenses;
- investment expenses;
- expense overrun;
- one-off expenses; and
- acquisition expenses

The norm-expenses are the expected expenses that a prospective buyer would incur when managing Lifetri's existing portfolio as part of their larger portfolio.

The investment expenses cover the expenses for managing the asset portfolio to obtain the risk free yield to service the portfolio. The investment expenses are 7.5bps of the technical provisions. The investment expenses exceeding the cost to run a risk-free portfolio are funded with additional spread gained.

The expense overrun is determined by comparing the norm-expenses with the actual expenses from the budget.

The one-off expenses are zero as there are no non-structural expenses foreseen in the budget.

Acquisition expenses are zero as Lifetri no longer sells any new business following the FMA in June 2024.

Inflation and indexation

Two types of inflation are distinguished in the models:

- The expense inflation curve; and

- The indexation of the pension benefits of the (former) members of the SPANG pension fund and Klaverblad Pensions.

Both types of inflation are based on the projected HICPxT index. The indexation of the pension benefits of the pension benefits of Allianz (SPANG) at 1 January of each year is contractually agreed and equals 59% of the increase of the HICPxT index at 31 October of the previous year. This contractual indexation is fully hedged on an economic basis.

The indexation of the pension benefits of Klaverblad at 1 January of each year is contractually agreed and equals 37.91% of the increase of the HICPxT index at 31 October of the previous year. This contractual indexation is fully hedged on an economic basis.

Whereas in 2022 and 2023 inflation rates have shown a rapid increase resulting in high inflation (10%+) rates across the European Union, in 2024 inflation rates stabilised again towards the long term ECB target of 2% per annum.

Currently, Lifetri hedges already a large proportion of the expense inflation risk. Even though the inflation risk was hedged within the risk appetite of Lifetri, the impact of the increase in inflation was more severe than anticipated given the unprecedented increase, the second order impact to the SCR and the third order impact to the risk margin.

In order to mitigate the inflation risk on the short term an ultimate forward inflation rate (UFI) is introduced. The UFI ensures stable expense inflation on the long term and mitigates the overreaction of the market currently observed. The UFI is set equal to the ECB target at 2% and is also in line with the inflation level that is used in the construction of the UFR used in the Solvency II risk-free rate.

The use of an ultimate forward inflation rate is considered a common approach by market participants to mitigate artificial volatility from short term market movements on the balance sheet. When the markets converge to the target inflation of the central banks, Lifetri will hedge the inflation risk fully and decrease the impact of the UFI as the need for the inflation UFI ceases to exist.

Profit sharing

Lifetri holds two types of funeral policies in its entities LTV and LTU: profit sharing funeral policies (only at LTV) and non-profit sharing funeral policies (both at LTV and at LTU). The proft sharing funeral policies at LTV can be split into two types:

1. Profit sharing on base of the REH-return (Rente Eerste Hypotheek)
2. Profit sharing on basis of the U-rate

The REH is the mortgage interest with a term of 5 years. Therefore, the REH is set equal to the 5-year forward plus the REH spread. The REH spread is modelled as the outcome of an AR (1) model. The parameters for this model are based on the historical spreads, taking into account the break in the trend as of 2008 and 2016.

For both types of profit sharing the expected profit sharing return is determined. The time value of the profit sharing option is calculated with a stochastic model.

The u-spread is determined as the difference between the "deel u"-yield at the valuation date and the weighted average forward rates. The difference between the risk-free rate and the u returns are in line with each other. More than the difference between the REH and the risk-free rate. Therefore the u-spread is assumed to be the same during projection.

Reinsurance liabilities

Reserves, plus any other liabilities (such as amounts due reinsurers), less any other assets arising from reinsurance transactions for the reinsured part of business.

Reinsurance premiums, commissions and benefits, as well as the technical provisions for reinsurance contracts are accounted for in the same way as the direct insurance policies for which the reinsurance has been taken out. The share of reinsurers in the technical provisions and benefits to which Lifetri is entitled to under its reinsurance contract deducted from the gross technical provisions and gross claims. The short-term claims on reinsurers are included under receivables. These claims are dependent of the expected claims and benefits arising from the relevant reinsurance contracts.

The valuation of amounts paid by and to reinsurers, is done in accordance with the terms of the reinsurance contracts. Obligations from reinsurance mainly concern premiums payable for reinsurance contracts. These premiums are recognized as an expense over the period in which they are due.

Deferred taxes

Deferred tax assets and liabilities are measured at nominal value. Deferred taxes concern the tax claim that rests on all qualifying differences between commercial valuations and valuations for tax purposes of assets and liabilities multiplied by the current company tax rate of 25.8%, as well as the amount for which the reserves permitted for tax purposes have been created. A deferred tax asset is only recognised in so far as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference can be utilised. The provisions are created in relation to a lower valuation for tax purposes of equities, bonds, derivatives, investment funds, (re) insurance liabilities and mortgages.

Deferred tax assets are recognized for temporary differences, carry forward of unused tax losses and carry forward of unused tax credits when, in the opinion of management, it is probable that they can be utilized.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if Lifetri Groep has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable company, or the same fiscal unity.

Short-term liabilities

The short-term liabilities have an expected term of a maximum of one year. The carrying values of the current liabilities approximate their respective fair values, given the short maturities of the positions. The liability recognised for cash collateral received on repurchase agreements is presented under short-term liabilities. As per 31 December 2024 (2023 nil at year-end) the repurchase facility hasn't been used.

Contingent liabilities and legal proceedings

In the normal course of business Lifetri is involved in regulatory inspections, claims and proceedings from policyholders and from (former) employees.

Only if this will lead to an outflow of cash, which is reliable to estimate, a provision is taken into account for these cases.

Insurance premiums earned for own account

Premiums earned for our own account consist of regular gross premiums and single premiums minus outgoing reinsurance premiums.

Investment income

This includes the proceeds realised gains on investments such as bonds.

Unrealised gains or losses on investments

All changes in the fair value of financial investments are recognised directly in the profit or loss account. For gains on investments without frequent market quotations, a revaluation reserve is recognised within the equity.

Claims and benefits paid

The benefit payments own account consists of the total liabilities arising from the payment of pensions and funeral policies minus the amounts to be received from the re-insurers.

Change in insurance liabilities

The change in insurance liabilities is equal to the difference between the opening balance and the final balance of the insurance liabilities including re-insurers' share. This item therefore includes all the effects of financial transactions, adjustments to economic actuarial principles and deviations between actual and the previously applied assumptions.

Operating expenses

Operating expenses are determined on a historical basis and are allocated to the financial year to which they relate.

Investment expenses

Investment expenses are determined on a historical basis and are allocated to the financial year to which they relate. This includes interest expenses and the proceeds realised losses on investments.

Cost allocation

Lifetri Groep allocates expenses to its business portfolios, namely the pension portfolio, and the individual life insurance book, using allocation keys such as based on FTEs, AuM (Asset under Management), or a general allocation key, depending on the part of the organization where expenses are incurred. Subsequently, the expenses for the individual life insurance book are allocated to the operating entities, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen, mainly based on the size of the portfolio serviced by each of the entities.

Result technical account life insurance

Part of the income from investments is allocated to the technical result; its realised return percentage on the investments is calculated on the average balance of the technical provision. When determining the allocated return on investments, the interest income from cash is included.

Income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is calculated on the result in accordance with the profit or loss account at a tax rate of 25.8%, with due consideration to the tax facilities. Lifetri Groep is at the head of a fiscal unity which also includes Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen.

Credit facility

Lifetri has a credit facility that can be used for multiple purposes including investment purposes, balance sheet management and short-term cash flow management. Interest regarding the credit facility are recognised to the profit or loss account.

Cashflow statement

The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash of Lifetri Groep during the financial year from cash flows arising from operating activities, investing activities and financing activities. Cash includes cash and investments that are readily convertible to a known amount of cash without significant risk of changes in value. The cash flows from investing activities primarily comprise changes in investment securities. Financing activities include all cash flows from transactions involving the issuing of own shares and paid share premium. Cash flows from operating activities include all other activities, which belong to the principal revenue-generating activities. The cash flows in foreign currencies have been converted at the exchange rate on the transaction date.

Related parties

All legal entities, natural persons and other related companies that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities, natural persons and other related companies that can control Lifetri Groep are considered to be a related party. In addition, statutory directors, other key management of Lifetri Groep or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes as far as they are not transacted under normal market conditions. The nature, extent and other information are disclosed if this is necessary in order to provide a true and fair view.

5.5 PROFIT APPROPRIATION

The Management Board proposes to charge the result of € -48.7 million to the other reserves within the shareholder's funds. The Supervisory Board has approved this proposal.

5.6 NOTES TO THE FINANCIAL STATEMENTS

Financial investments

During the normal course of business, Lifetri Verzekeringen uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, Lifetri Verzekeringen has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of Lifetri Verzekeringen.

Lifetri Verzekeringen applies derivatives, including interest rate swaps, inflation swaps, forward exchange contracts, purchased swaptions to control its risks. Lifetri Verzekeringen does not trade in financial derivatives.

Risk management contains information on the relevant risks of Lifetri Verzekeringen and is described in detail in the risk management paragraph, including the above mentioned exposures to the financial instruments risks and the derivatives applied to mitigate these risks.

Specification fair value hierarchy

2024	Level 1	Level 2	Level 3	Total
Bonds	465,291	-	-	465,291
Mortgage loans	-	-	383,639	383,639
Investment funds	-	254,956	312,543	567,499
Derivatives	**-**	**65,749**	**-**	**65,749**
Financial investments	**465,291**	**320,705**	**696,182**	**1,482,179**
Derivatives liabilities	**-**	**-59,187**	**-**	**-59,187**
Net financial investments	**465,291**	**261,518**	**696,182**	**1,422,992**

Based on the accounting policy change, the 'Specification fair value hierarchy' has decreased by € 384 million (2023 € 378 million) for level 2 mortgage loans and increased by € 384 million (2023 € 378 million) for level 3 mortgage loans.

2023	Level 1	Level 2	Level 3	Total
Bonds	429,338	33,883	-	463,220
Mortgage loans	-	-	378,626	378,626
Investment funds	-	254,782	239,218	493,999
Derivatives	-	**57,070**	-	**57,070**
Financial investments	**429,338**	**345,734**	**617,843**	**1,392,915**
Derivatives liabilities	-	**-31,563**	-	**-31,563**
Net financial investments	**429,338**	**314,172**	**617,843**	**1,361,352**

1. Bonds

	2024	2023
At 1 January	**463,220**	**400,652**
Purchases	31,919	133,320
Disposals	0	-88,600
Movement of accrued interest	234	1,816
Fair value changes through profit or loss	-30,081	16,033
At 31 December	**465,291**	**463,220**

Cost price of bonds at 31 December 2024 amounts € 660.0 million (2023: € 628.0 million). All bonds classify as governant bonds in 2024.

Bonds by country

	2024	2023
Austria	23,951	15,523
Belgium	222,330	234,894
Germany	35,633	36,074
France	95,870	110,309
Italy	68,083	66,421
Netherlands	8,809	-
Spain	10,615	-
Total bonds	**465,291**	**463,220**

Bonds by credit rating

	2024	2023
AAA	8,809	-
AA	377,784	396,800
A	10,615	-
BBB	68,083	66,421
Total bonds	**465,291**	**463,220**

Remaining term of the bonds

	2024	2023
0-10 year	38,468	5,615
10-20 year	72,222	71,603
20-30 year	134,109	59,316
30-40 year	36,847	123,681
40-50 year	183,646	203,006
Total bonds	**465,291**	**463,220**

2. Mortgages

	2024	2023
At 1 January	**378,626**	**473,139**
Purchases	12,833	20,726
Redemption and sales	-24,637	-121,781
Fair value changes through profit or loss	16,818	6,541
At 31 December	**383,639**	**378,626**

Cost price of mortgages at 31 December 2024 amounts € 443.8 million (2023: € 455.0 million). There is currently no indication that a (constant) default rate must be applied for mortgages that are current. All mortgages are issued in the Netherlands.

Motgages market value by loan to value

	2024	2023
0%-60%	304,841	260,107
60%-70%	43,920	69,037
70%-80%	22,488	25,927
80%-90%	10,595	14,152
90%-100%	1,794	8,885
>100%	0	519
Total mortages	**383,639**	**378,626**

All the mortgages are without National Mortgage Guarantee.

3. Investment funds

	2024	2023
At 1 January	**493,999**	**412,394**
Purchases	92,825	236,806
Disposals	-48,417	-178,773
Fair value changes through profit or loss	29,092	23,572
At 31 December	**567,499**	**493,999**

Investment funds by sub-asset class

	2024	2023
Corporate debt developed markets	293,536	269,907
Trade finance debt	87,679	81,587
Commercial real estate debt	94,951	90,662
Private equity	91,333	51,844
Total investment funds	**567,499**	**493,999**

Cost price of investment funds at 31 December 2024 amounts € 510.1 million (2023: € 465.0 million).

Investment funds include closing-end funds in:

- Corporate debt developed markets: mid-term loans to companies mainly situated in Europe and North-America;
- Trade finance debt: short-term loans to companies mainly situated in Europe and NorthAmerica;
- Commercial real estate debt: mid-term financing to companies for real estate located in Europe; and
- Private equity: minority interests in companies via fund- and co-investor constructions, mainly in Europe and North-America.

4. Derivatives

Derivatives split in assets and liabilities

	2024	2023
Derivatives (assets)	65,749	57,070
Derivatives liabilities	-59,187	-31,563
Total net derivatives	**6,562**	**25,507**

Movement schedule

	2024	2023
At 1 January	**25,507**	**-76,453**
Purchases	7,315	39,438
Disposals	-15,736	-1,157
Movement of accrued interest	1,911	-2,045
Fair value changes through profit or loss	-12,435	65,723
At 31 December	**6,562**	**25,507**

Cost price of derivatives at 31 December 2024 amounts € 22.3 million (2023: € 37.8 million). Based on the conditions of the interest linked swaps, the inflation linked swaps and the foreign exchange contracts the company is required to deposit collateral or receive collateral on the basis of fair value. Deposit collateral is disclosed in note 6 Other receivables and received collateral is disclosed in note 11 Other liabilities.

Derivatives by type

	2024	2023
Interest linked swaps	54,023	8,938
Inflation linked swaps	0	709
Swaptions	7,418	36,868
Warrants	4,308	9,505
Foreign exchange contracts	0	1,050
Total derivatives (assets)	65,749	57,070
Interest linked swaps	-32,464	-23,957
Inflation linked swaps	-25,983	-7,605
Foreign exchange contracts	-740	-
Total derivatives liabilities	-59,187	-31,563
Total net derivatives	**6,562**	**25,507**

Derivatives by type in nominal

	2024	2023
Interest linked swaps	495,000	1,040,000
Inflation linked swaps	-284,110	-450,470
Swaptions	7,425,000	4,675,000
Warrants	500	500
Foreign exchange contracts	170,806	129,071
Total net derivatives	**7,807,196**	**5,394,101**

Remaining term of the derivatives

	2024	2023
0-10 year	12,085	44,166
10-20 year	13,173	-2,096
20-30 year	-8,618	-2,128
30-40 year	-9,393	488
40-50 year	-684	-14,923
Total net derivatives	**6,562**	**25,507**

5. Deferred tax

	2023	Movement through P&L	2024
Deferred acquisition costs	377	-115	262
Subordinated loan		-	
Valuation differences insurance liabilities	-46,705	9,811	-36,894
Unused tax losses	57,194	2,182	59,376
Equalisation reserve	-	-	-
Reinsurance liability	12,798	1,026	13,824
Valuation differences financial investments	64,272	4,320	68,591
Total deferred tax	87,935	**17,224**	105,159

The deferred tax assets relate to the recognised unused tax loss carry-forwards and deductible temporary differences. The deferred tax will be realized within realisable future. All tax loss carry-forewards are included in this amount.

The unused tax losses are arised out realised temporary differences of financial investments and are dependent on future taxable profits. For the following amounts relating to deductible temporary differences the realization of the deferred corporate income tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

	Gross amounts	2024 Deferred tax	Gross amounts	2023 Deferred tax
Deferred until market recovery or maturity	177,454	45,783	119,153	30,741
Unused tax losses	230,141	59,376	221,682	57,194
Total deferred tax	**407,595**	**105,159**	**340,835**	**87,935**

6. Other receivables

	2024	2023
Mortgage deposit	5,376	1,923
Tax reclaims	308	309
Collateral at bank	5,735	11,739
Other	5	20
Total Short term receivables	**11,425**	**13,992**

All receivables have an estimated maturity shorter than one year.

7. Cash

	2024	2023
Money market fund	98,172	140,745
Due from banks	74,979	88,573
Cash at mortgage manager	653	2,302
At 31 December	**173,805**	**231,621**

For an amount of € 64.6 million (2023: € 123.3 million) cash are not freely available. This amount is used as collateral for the derivatives and the open mortgage proposals in our investment portfolio.

Cash pool

The Rabobank accounts of Lifetri Verzekeringen are included in the Lifetri Groep cash pool provided by Rabobank. The Lifetri Groep cash pool consists of the Rabobank accounts of Lifetri Groep, Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen.

8. Shareholder's funds

	Share capital	Share premium	Revaluation reserve	Other reserve	Result before appropriation	Total
At 1 January 2023	**9,080**	**107,962**	**16,142**	**86,200**	**-66,271**	**153,113**
Result current year	-	-	-	-	-30,080	-30,080
Result prior year	-	-	-	-66,271	66,271	-
Share premium contribution	-	82,500	-	-	-	82,500
Transfer between equity classes	-	-	13,954	-13,954	-	-
At 31 December 2023	**9,080**	**190,462**	**30,096**	**5,975**	**-30,080**	**205,533**
At 1 January 2024	**9,080**	**190,462**	**30,096**	**5,975**	**-30,080**	**205,533**
Result current year	-	-	-	-	-48,670	-48,670
Result prior year	-	-	-	-30,080	30,080	-
Share premium contribution	-	50,000[1]	-	-	-	50,000
Transfer between equity classes	-	-	4,096	-4,096	-	-
At 31 December 2024	**9,080**	**240,462**	**34,192**	**-28,202**	**-48,670**	**206,863**

1 Due to current and expected interest developments the shareholder contributed with a capital injection of € 50.0 million.

Authorized capital

The authorized capital amounts to € 11,350,000 (2023: € 11,350,000), divided into shares of € 454. The total number of issued and paid up shares is € 9,080,000 (2023: € 9,080,000).

Share premium

The share premium concerns the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par value). The share premium is freely distributable.

Revaluation reserve

The revaluation reserve relates to financial investments without frequent market quotations from active markets. For unrealised results reported in the income statement, the revaluation reserve is recognised with a corresponding charge against other reserves.

9. Subordinated debt

The subordinated debt is valued at amortised cost. The nominal value of the subordinated debt is € 65.0 million similar as at 31 December 2023 and is issued on 1 December 2021 by Lifetri Groep with a duration of ten years. First callable after 5 years at a fixed rate of 5.25% paid annually in arrears on 31 May in each year. After the reset date at 31 May 2027 the interest is calculated based on the 5 Year Mid Swap Rate plus a margin of 5.304 per cent. The loan is considered Tier 2 for regulatory purposes.

	2024	2023
At 1 January	**63,893**	**63,761**
Amortisation	132	132
At 31 December	**64,024**	**63,893**

10. Insurance liabilities

	2024	2023
Best estimate	1,330,578	1,260,169
Risk margin	56,292	77,536
Reinsurers' share	53,582	49,606
At 31 December	**1,440,452**	**1,387,310**

The reinsurance contract is a longevity reinsurance. The value of the reinsurance contract reflects the difference between the future reinsurance premiums and the reinsurance claims and includes the accrual for the fees Lifetri Verzekeringen has to pay.

	2024	2023
At 1 January	**1,387,310**	**1,304,924**
Reinsurance	3,976	4,280
UFR step down	22,555	-
Model change	-457	-3,001
Unwind	45,254	57,358
New business	-	-1,355
Existing business	-1,700	-16,581
Economic assumptions	3,419	37,043
Non-economic assumptions	-19,903	4,642
other	0	-
At 31 December	**1,440,452**	**1,387,310**

11. Other liabilities

	2024	2023
Direct insurance liabilities	2,250	1,519
Payables		
Deposits derivatives	7,570	43,271
Deposits mortgages	2,105	2,067
Creditors	90	4
Total payables	9,766	45,342
Derivatives liabilities	59,187	31,563
Total other liabilities	**71,203**	**78,423**

All other liabilities have a duration of less than one year. The deposits for the derivatives are related to collateral for derivatives, which is largely monthly settled. Direct insurance liabilities consist mainly of policyholders, due that premiums are collected several working days in advance of the period they are earned.

12. Accruals

	2024	2023
Accruals for investments	-	33
Total accruals	**-**	**33**

13. Other investment income

	2024	2023
Interest from bonds	12,439	10,196
Interest from mortgages	9,523	10,866
Income investment funds	25,712	20,190
Interest from cash	2,044	4,402
Total other investment income	**49,718**	**45,655**

14. Realised gains and losses on investments

	2024	2023
Realised gains on investments	4,225	617
Realised losses on investments	-44,292	-249,482
Total realised gains and losses on investments	**-40,067**	**-248,864**

	2024	2023
Bonds	-	-131,047
Mortgages	-	-26,904
Investment funds	736	-8,637
Derivatives	-44,292	-81,986
Cash	3,489	-291
Total realised gains and losses on investments	**-40,067**	**-248,864**

15. Unrealised gains and losses on investments

	2024	2023
Unrealised gains on investments	46,528	280,015
Unrealised losses on investments	-35,432	-760
Total unrealised gains and losses on investments	**11,096**	**279,255**

	2024	2023
Bonds	-30,081	147,080
Mortgages	16,818	33,445
Investment funds	28,356	32,209
Derivatives	-5,351	66,237
Cash	1,354	284
Total unrealised gains and losses on investments	**11,096**	**279,255**

16. Claims and Benefits paid

	2024		2023
Mortality claims	21,754	20,045	
Pensions	21,549	21,143	
Reinsurers share	-15,666	-15,013	
Net claims and benefits paid		**27,637**	**26,176**

Lifetri Verzekeringen has reinsured 85% of its longevity risk.

17. Operating expenses

	2024		2023
Staff expenses	9,743	9,492	
External hires, advice and procurement of services	3,810	6,387	
Audit expenses	730	674	
General and administrative expenses	769	558	
Office expenses	289	224	
ICT	3,258	3,927	
Housing expenses	385	261	
Marketing expenses	188	272	
Depreciation	93	93	
Staff-, overhead- and depreciation costs		**19,264**	**21,887**
Commission costs intermediaries	1,687	1,709	
Total operating expenses		**20,950**	**23,596**

The auditor's fees and average number of employees have been accounted for in Lifetri Groep B.V.'s annual report. No personnel is employed by Lifetri Verzekeringen. Cost were allocated from Lifetri Group for € 21.6 million. This cost allocation includes also investment expenses.

18. Administrative and interest expense

	2024		2023
Investment management expenses	8,801	11,978	
Interest on derivatives	10,369	3,819	
Interest on repos	-	99	
Interest on subordinated debt	3,413	3,408	
Total administrative and interest expense		**22,582**	**19,304**

19. Income tax

	2024		2023
Deferred tax	17,224	11,296	
Current tax	-301	-5,254	
Total income tax		**16,923**	**6,042**

The effective income tax rate is 25.8%. The table below shows a reconciliation of the expected income tax expense with the actual income tax expense.

	2024	2023
Result before tax	-65,593	-36,122
Applicable tax rate	25.8%	25.8%
Expected income tax expense	16,923	**9,320**
Effects of:		
Prior-year adjustements	10	-2,202
Other	-9	-1,076
Total income tax	**16,923**	**6,042**

During 2024 the income tax for current tax was 25.8%. For the upcoming years the tax rate of 25.8% is expected and used to calculate the deferred tax.

Fiscal unity

For income tax purposes Lifetri Verzekeringen is part of the fiscal unity which also includes Lifetri Groep, Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen. Because Lifetri Groep is at the head of the fiscal unity, Klaverblad has a current account relationship with Lifetri Groep. Amounts for income tax recognised at balance sheet date have been settled in this current account.

20. Contingent liabilities and legal proceedings

In the normal course of business Lifetri Group is involved in regulatory inspections, claims and proceedings from policyholders and from (former) employees. Only if this will lead to an outflow of cash, which is reliable to estimate, a provision is taken into account for these cases.

21. Off-balance sheet items

Capital commitments

At 31 December 2024 Lifetri Verzekeringen is committed to provide funding for investments:

- For the private debt portfolio, the commitment for a capital contribution is € 187.7 million (2023 € 253.5 million);
- For the mortgage loans portfolio, the capital contribution amounts up to € 0 million (2023 € 18.2 million).

Credit facility

At 31 December 2024 the amount of the credit facility amount to € 94.5 million. As per 31 December 2024 the credit facility was undrawn and fully available.

22. Related parties

Transactions with related parties have occurred at arm's length basis. This includes allocation of costs, intragroup debt and intercompany positions.

23. Subsequent events

The Solvency II ratio of Lifetri does not include any contingent liability potentially arising from products sold, issued, or advised on by Lifetri in the past as the potential liability cannot be reliably quantified at this point.

On 24 September 2024 EIOPA published an update to its deep, liquid, and transparent (DLT) assessment. This analysis included changes to the swap tenors used in the construction of the euro risk-free rate discount curve. From 1 January 2025 onwards tenors 13 and 19 are deemed deep, liquid and transparent (DLT) in addition to the existing tenors 1-12, 15 and 20. This change – although only a technical change – impacts the dynamics in the extrapolation of the Solvency II curve resulting in an estimated decrease in the ratio of 5%.

The ratio of LTV was below the internal minimal required ratio at year-end, Lifetri has received a capital contribution of € 10 million from the shareholder in March 2025 to reach the desired minimum level in line with the Capital and Dividend policy.

The board has evaluated all events and transactions subsequent to 31 December 2024 through the date these financial statements were issued.

5.7 RISK MANAGEMENT

This paragraph contains information on the relevant risks of Lifetri Verzekeringen.

Underwriting risk

Underwriting risk represents the uncertainty in Lifetri's Solvency II 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. 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. The expected future buy-outs will increase the longevity and expense risk. The additional longevity risk will be re-insured up to 85%. At the end of 2024, the SCR for life underwriting risk was € 60.4 million (2023: € 72.9 million).

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 Verzekeringen 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.
- Credit spread risk: Risk of loss arising from the widening of market spreads due to actual, or perceived, increase in risk.
- Concentration risk: Risk of Solvency II position deterioration from default of a single counterparty to which Lifetri has a significant exposure.
- Currency risk: Risk due to movements in relative value of currencies.

Due to the investments in different asset classes as well as the changes in interest rates 2023 SCR market risk increased from € 52.8 million to € 93.6 million.

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 decreased in 2024 from € 7.6 million to € 5.6 million.

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.

Operational risk

Within operational risk, Lifetri Verzekeringen 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 2024, the SCR operational risk was € 6.0 million (2023 € 5.7 million). Operational risks are managed from multiple perspectives, including culture, economic, regulatory and accounting.

Other material risks

Lifetri Verzekeringen 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.

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.

Sustanaibility risks

To comply with the Corporate Sustainability Reporting Directive (CSRD) which now in effect, Lifetri Verzekeringen 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 Verzekeringen 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.

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 Verzekeringen, 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, Product Approval and Review Proces (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.
- Fraud risk: The Fraud risk relates to integrity in accordance with (legal) written and unwritten agreements. Lifetri considers violation of this as unacceptable. Fraud as a form of unethical conduct damages confidence in Lifetri, puts pressure on the affordability of insurance and is not acceptable from a social point of view. The aim of fraud control is to prevent fraud as much as possible. Lifetri achieves this by managing internal and external fraud risks as an integral part of business operations by preventing fraud an timely identifying, handling anfd reducing fraud.

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.

Solvency II
On 31 December 2024, the Solvency II level of Lifetri Verzekeringen was 133% (2023: 176%), which is below the internal target Solvency II level of 170%. The decrease of the Solvency II ratio

compared to 2023 was caused by both the loss in Eligible Own Funds and increase in SCR. The loss in Eligible Own Funds was due to lower interest rates and decrease in UFR from 3.45% to 3.30%. The increase in SCR was caused by a significant increase of the unusually low interest rate risk of December 2023 plus the inclusion of swaption renewal premium risk. Additionally the LAC DT factor was reduced from 50% at December 2023 to 28% at December 2024.

Lifetri Verzekeringen succeeded in significantly reducing its interest sensitivity compared to December 2023. As of December 2024, a fall of interest rates by 0.5% would have a positive impact on the Lifetri Verzekeringen Solvency II Ratio of 20% (2023: 38%), whereas an increase in rates by 0.5% would have a negative impact of 8% (2023: 40%).

In practice, management intervention actions may further prevent risks. Especially under the current volatile market circumstances this may result in Solvency II ratios that are at the lower end of the desired target range. The aim of Lifetri's capital management policy is to always have sufficient buffers in the system to secure the rights of our customers. In this policy the long-term commitment of the shareholder and its willingness to support the Solvency II coverage ratio once the norm Solvency II would be breached, is an important cornerstone. This enables Lifetri to take economic decisions to stabilise the ratio.

Own funds and Solvency II requirement

		2024		2023
Shareholder's funds		**206,863**		**205,533**
Subordinated liability valuation difference	-265		984	
Excess asset over liabilities		**206,598**		**206,517**
Subordinated liabilities	64,381		62,567	
Total own funds		**270,979**		**269,083**
Eligible own funds		**162,259**		**166,127**
- of which Tier 1 unrestricted	101,347		118,923	
- of which Tier 1 restricted	-		-	
- of which Tier 2	60,912		47,204	
- of which Tier 3	-		-	
Solvency capital requirements		**121,824**		**94,407**
Solvency II ratio		**133%**		**176%**

Available own funds (AOF) and Eligible own funds (EOF)

	2024		2023	
	AOF	EOF	AOF	EOF
Tier 1	101,347	101,347	118,923	118,923
Tier 2+3	169,632	60,912	150,160	47,204
Tier 2	64,381	60,912	62,567	47,204
Tier 3	105,251	-	87,593	-
Total own funds	**270,979**	**162,259**	**269,083**	**166,127**

Available own funds

	2024		2023	
Share capital		249,542		199,542
Reconciliation reserve	-148,195		-80,619	
Subordinated liabilities	64,381		62,567	
Net deferred tax assets	105,251		87,593	
Available own funds		**270,980**		**269,084**

Solvency capital requirement

	2024		2023	
Market risk	93,625		52,764	
Counterparty risk	5,649		7,599	
Life underwriting risk	60,385		72,867	
Diversification	-34,337		-30,512	
BSCR		**125,322**		**102,718**
Operational risk		5,988		5,671
LACDT		-9,486		-13,982
Total solvency capital requirement		**121,824**		**94,407**
Eligible own funds		162,259		166,127
Solvency II ratio		133%		176%
Minimum Capital required ratio		264%		323%

Sensitivity on Solvency II ratio

	2024	2023
Shock		
Interest rate - parallel +50 bps	-8%	-40%
Interest rate - parallel -50 bps	20%	+38%
Equity shock -10% relative shock	-1%	-3%
Government bonds +30 bps increase in spreads[1]	-19%	-30%
Mortgages +70 bps increase in spreads[1]	-16%	-19%
VA -1 bp	-2%	-3%

1 Standalone shock, no offset in VA.

Lifetri Verzekeringen N.V.

Maarssen, 8 April 2025

Management Board

R. Zomer, CEO

J.P.M. Rijken, CIO

C.K. Madsen, CRO

Supervisory Board

P.J.C. Borgdorff, Chairman

A.S. Birrell

H. Eggens

P.M. Engelberts

6. Other Information

6.1 APPROPRIATION RESULT ACCORDING TO THE ARTICLES OF ASSOCIATION

According to Lifetri Verzekeringen's articles of association, the results are at the disposal of the Shareholder's General Meeting.

6.2 INDEPENDENT AUDITOR'S REPORT

We refer for the independent auditor's report to the next page.

Independent auditor's report

To: The General Meeting of Shareholders and the Supervisory Board of of Lifetri Verzekeringen N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Lifetri Verzekeringen N.V. ("the company") as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the 2024 financial statements of Lifetri Verzekeringen N.V. based in Amsterdam. The financial statements comprise:

1 the balance sheet as at 31 December 2024;

2 the profit or loss account and the cash flow statement; and

3 the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of of Lifetri Verzekeringen N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Audit approach

Summary

Materiality
— Materiality of EUR 3.9 million. — Based on 2% of equity.

Risk of material misstatements related to Fraud & NOCLAR and Going concern
— Fraud risks: risk of management override of controls, identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'. — Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified. — Going concern: no significant going concern risks identified.

Key audit matters
— Valuation of insurance contract liabilities. — Valuation of hard to value financial assets — Assessment of recoverability of deferred tax asset.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 3.9 million (2023: EUR 4 million). The materiality is determined with reference to total equity and amounts to 2%. We consider equity as the most appropriate benchmark based on emphasis on net assets from regulators, management/shareholders and to align with materiality used for financial statements of financial institutions predominantly active in the life insurance business.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 185,000 (2023: EUR 200,000) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to the risk of fraud and non-compliance with laws and regulations

In section 5.7 of the annual report, the Management Board describes its response and procedures in respect of the risk of fraud and non-compliance with laws and regulations. As part of our audit, we have gained insights into the company and its business environment, and assessed the design and implementation and, where considered appropriate, tested the operating effectiveness of the company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the company's code of conduct, whistleblowing procedures, anti-fraud policy and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Management Board, the Supervisory Board and other relevant functions, such as Internal Audit, Legal Counsel, Compliance and the Actuarial

Function Holder and included correspondence with relevant supervisory authorities and regulators in our evaluation. We have also incorporated elements of unpredictability in our audit, such as:

— We tested (on a sample basis) personnel expense declarations by inspecting the supporting evidences;

— We requested external confirmations from fund managers with the ownership % for all mortgages and investment funds.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

— Wet op het financieel toezicht (Wft) (including the European Solvency II directives);

— Data privacy regulation (GDPR).

We assessed together, with our forensic specialist, the presumed fraud risk on revenue recognition as not significant, because of the following:

a) Insurance premium income: Premium is determined at inception of policy and is only adjusted for indexation based on public index or changes by policyholder (e.g. insured amount). Furthermore, this revenue is not subject to management judgements or estimates.

b) Investment income: All investments are held by the external custodian (Caceis) and managed by the external investment managers. Furthermore, this revenue is not subject to management judgements or estimates.

We identified the following fraud risk relevant to our audit and responded as follows:

Management override of controls

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as: controls around estimates related to valuation of insurance liabilities.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the company, including retrospective reviews of prior year's estimates.
- Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- Considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures.

We refer to the key audit matters set out below that provides information of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

We communicated our risk assessment, audit responses and results to the Management Board and the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Management Board has performed its going concern assessment evaluating the financial position, liquidity and solvency of Lifetri Verzekeringen N.V. as of Dec 31, 2024 and concluded that the going concern assumption is appropriate for preparing the financial statements. To assess the Management Board's assessment, we have performed, inter alia, the following procedures:

- We considered whether the of Management Board's assessment of the going concern risks, including the scenarios in the Own Risk Solvency Assessment (ORSA) and Preparatory Crisis Plan that was submitted to De Nederlandsche Bank N.V. (the Dutch Central Bank, DNB), includes all relevant information of which we are aware as a result of our audit, including the impact of other regulatory correspondence indicate a significant going concern risk; and
- We assessed the company's financial position and Solvency II ratio and the outlook for the coming 12 months and compared it to the internal minimum capital requirement as set by the Management Board in terms of indicators that could identify going concern risks;
- We assessed the company's liquidity position and liquidity forecast for the coming 12 months in terms of indicators that could identify going concern risks;
- We have discussed with management the potential impact of the announced shareholder transaction (which is still subject to approval by the authorities) between Sixth Street and Achmea for joint venture between Achmea Pensioen&Levensverzekeringen N.V. and Lifetri Groep B.V. i.e. the parent company of Lifetri Verzekeringen N.V. on the going concern assumption applied by the Management Board;
- We evaluated whether the Management Board's assessment of going concern, including the Solvency II ratio, is adequately disclosed in the annual report.

The outcome of our risk assessment procedures, including our consideration of findings from our audit procedures on other areas, did not give reason to perform additional audit procedures.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Management Board and the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

1. Valuation of insurance contract liabilities

Description

Insurance and investment contract liabilities (in short: insurance liabilities) amount to EUR 1,440 million as at 31 December 2024 representing 81% of total equity and liabilities. The valuation of the insurance liabilities involves limited management judgement as the valuation is based on contractual terms and conditions and locked-in assumptions. Management judgement is involved especially in setting the assumptions related to expenses, mortality experience factors and lapse rates. Given the financial significance and the level of judgement required, we considered this a key audit matter.

Our response

Our audit approach involved testing the design and implementation of internal controls for determining insurance contract liabilities, along with substantive audit procedures. In our audit we also considered the process around the validation and implementation of the models used to determine the valuation of the insurance contract liabilities. Our procedures over internal controls focused on controls around the analysis of change, governance, assumption setting and the review procedures performed by the Actuarial Function Holder on the insurance contract liabilities splited into own risk and reinsurers' share.

With the assistance of our actuarial specialists we performed the following substantive audit procedures:

- assessing the appropriateness of the data and verifying the accuracy and completeness of claim and policy data used in the valuation and assumption setting;
- assessing the appropriateness and adequacy of assumptions used in the valuation of insurance contract liabilities by reference to company, industry data, expectations of expense developments and corroborative inquiries with management and the Actuarial Function Holder;
- analysis of developments in actuarial results and movements in reserve adequacy during the year and corroborative inquiries with management and the Actuarial Function Holder in that regard;
- evaluation of the robustness of management's substantiation that the insurance contract liabilities are adequate as at 31 December 2024.
- evaluation of the appropriateness of the disclosures in Note 10 of the financial statements, as required by Part 9 of Book 2 of the Dutch Civil Code.

Our observation

We consider the valuation of the insurance contract liabilities to be appropriate. We also found the related disclosure to be adequate and refer to Note 10 of the financial statements.

2. Valuation of hard to value financial assets

Description

For non-listed investments quoted prices are not available and fair values are based on valuation techniques which often involve the exercise of judgement by management and the use of assumptions, estimates and valuation models. Where significant pricing inputs are unobservable, management has no reliable, relevant market data available in determining the fair value. For these investments estimation uncertainty can be high, This is mainly applicable to mortgages and non-listed investment funds. Given the financial significance and estimation uncertainties we considered the valuation of non-listed investments a key audit matter.

Our response

We assessed management's approach to the valuation for non-listed investments and performed the following procedures:

- evaluated the processes and controls governing the valuation of investments;
- inspected the supporting valuation documents prepared by management's external valuation experts;
- KPMG valuation specialists assisted us in challenging the appropriateness of the models and methodologies used by management in calculating fair values of mortgages. We tested the source data used and assessed the appropriateness of critical valuation parameters. Our valuation specialists independently calculated whether the fair value for the mortgage portfolio as a whole as determined by management is within the acceptable fair value range;
- Subsequent events testing was carried out for the investment funds, involving a comparison of the preliminary net asset value (NAV) with the NAV stated in the audited financial statements or the unaudited final Q4 statement.
- We performed back testing of investments where audited financial statements of 2024 of the investee company was not yet available; and
- evaluation of the appropriateness of the disclosures in Note 2 and 3 of the financial statements, against the requirements of Part 9 of Book 2 of the Dutch Civil Code.

Our observation

The results of our testing were satisfactory and we considered the fair value of hard to value investments to be appropriate. We also found the related disclosure to be adequate and refer to Note 2 and 3 of the financial statements.

3. Assessment of recoverability of deferred tax assets

Description

As disclosed in Note 5 of the financial statements, as at December 31, 2024 the company recorded deferred tax assets of EUR 105 million relating to tax losses incurred and temporary differences. The assessment of the recoverability of these deferred tax assets is dependent on the generation of future taxable income. Significant judgment and estimation is required to assess the sufficiency of future taxable income to utilize the recognized deferred tax assets. The company uses projections of future taxable income in order to assess the probability that the deferred tax assets will be realized. Predicting future taxable income is dependent on assumptions and judgments regarding future market conditions, realisible investment spreads and expected costs. The company determined that the realization of these deferred tax assets is probable. Given the high degree of judgment required in assessing the significant assumptions and judgments that are reflected in the projections of future taxable income, we considered this a key audit matter.

Our response

We assessed management's approach to the recoverability of deferred tax assets and performed the following procedures:

- obtained an understanding of the company's tax position per 31 December 2024 through inspecting the tax calculation prepared by the company and the correspondence with the tax authorities and advisors. We recalculated and reconciled the actual tax position;
- assessed the future profitability estimated by management using LACDT model. This model is approved by Actuarial Function Holder and together with our actuarial specialists, we assess the assumptions included in this model to verify the accuracy and substantiation of the recoverability of deferred tax assets;
- KPMG tax specialists assisted us and together we discussed the tax position with company's representative in charge of tax; and
- evaluation of the appropriateness of the disclosures in Note 5 of the financial statements, as required by Part 9 of Book 2 of the Dutch Civil Code.

Our observation

The results of our testing were satisfactory and we considered recoverability of deferred tax assets to be appropriate. We also found the related disclosure to be adequate and refer to Note 5 of the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements. The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Shareholders of Lifetri Verzekeringen N.V. as auditor of the company, as of the audit for the year 2018 and have operated as statutory auditor since the financial year 2018.

No prohibited non-audit services

Except for the below we have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

On 19 March 2025, we identified that in July 2024 a KPMG member firm had provided US FATCA and CRS filing tax compliance services for the financial year 2023 to Lifetri Verzekeringen N.V. and its related entity Lifetri Groep B.V. The services, which had been finalized, were administrative in nature and did not involve any management decision making for or participation in decision-making processes of the client. Further the services did not involve advocating the client's interests vis-à-vis the Tax Authorities. The work had no direct or indirect effect on the client’s financial statements, and we have estimated that the fees of these services in relation to the total audit fees charged are approximately 1%. In our professional judgment, we confirm that based on our assessment of the breaches, our objectivity and impartiality as auditor has not been compromised. We have discussed the above with the client’s Audit Committee which has agreed with our conclusion, given the nature and size of the beforementioned services.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board under supervision of the Supervisory Board is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at www.nba.nl/eng_oob_20241203. This description forms part of our auditor's report.

Utrecht, 8 April 2025

KPMG Accountants N.V.

A.R.B. de Bruin RA