Annual Report 2024

SRLEV N.V.

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1.1. Key Figures

Key Figures

In percentage / € millions	2024	2023
Regulatory Solvency II [1]	194%	210%
Net Result IFRS [2]	508	881
Gross inflows [2]	2,849	2,145
Direct investment income [2]	1,278	1,055

1 Regulatory Solvency II ratio 2024 is not final until filed with the regulator.
2 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

SRLEV and SRLEV N.V.

In this annual report, the name 'SRLEV N.V.' is used when referring to the company financial statements of SRLEV N.V. For the consolidated financial statements of the insurance business as a whole, the name 'SRLEV' is used.

The SRLEV's Board Report, as referred to in section 2:391 of the Dutch Civil Code includes the following chapters: Key Figures (chapter 1.1), Message from our CEO (chapter 1.2), Organisation (chapter 2), Strategy and Developments (chapter 3) and Corporate Governance (chapter 4), excluding Report of the Supervisory Board (chapter 4.3).

1.2. Message from our CEO

Dear stakeholders,

SRLEV delivered a strong set of commercial and financial results over 2024.

Commercially, we saw increased business volumes, up 32% supported by three new pension buy-outs, an increased market share in annuities and continued growth in number of employers and participants.

With the new pension law (Wtp) in force, we observe increased activity among pension funds that are considering a transfer of their existing liabilities to an insurance company. We assist them in understanding the consequences in a clear and client centric way. As a pure pension and life insurance specialist, SRLEV is very well positioned to capture the opportunities in this market. In 2024, the pension funds of Yara, Koopvaardij and Pensura decided to transfer all or part of their pension liabilities to Zwitserleven thereby providing a good solution for their participants.

We have also put great effort in informing and encouraging advisors and employers to start preparing for the conversion of current pension contracts towards Wtp proof contracts. Further delay in the conversion towards the ultimate implementation date could create capacity issues for the industry. We are supportive to delay the implementation date by one year to 2028 to alleviate capacity constraints and ensure a smooth transition.

The new brand campaign for Zwitserleven was highly successful and we have continued to invest in our portals to provide customers with a seamless experience and rebranded the website.

One of the key elements of our strategy is to increase recurring investment income through the repositioning of part of our investment portfolio towards assets, offering better risk-return characteristics. This allows us to offer attractive rates to our customers.

Our Solvency II ratio remained robust at 194%, with a positive contribution from OCG and management actions during the year. This was offset by shareholder capital distributions of € 310 million, investment deployment, market impacts and regulatory changes. Our strong capital position provides comfort to our customers and forms a solid platform to further develop our business.

As an institutional investor we continue to make a real world impact by making investments that are important for the transition to a sustainable society and economy. As an example, we participated in the capital raise of a fund that focuses on deep-tech investments in the Netherlands. End 2024, total impact investments amounted to € 5.7 billion.

Considerable effort is put into further increasing transparency on sustainability matters to customers and other stakeholders. Next to the implementation of CSRD regulation, we launched a sustainability dashboard allowing our customers to monitor the sustainability profile of their savings in our portals.

Three years after launching our Ambition 2025 strategy, we already achieved most of our targets one year ahead of schedule. The three value levers Growth, Operating Efficiency and

Capital & Investments were strong drivers for our substantially improved performance since 2021 and have created a strong foundation to further build on.

Growth opportunities arising from the new pension law are numerous in the coming years. Besides the buy-outs of various pension funds, participants in pension funds that opt for the transition towards a flexible contract will have the right to shop for a guaranteed insured pension scheme at retirement. It is also expected that certain companies will use the moment of transition to start offering an insured pension.

To remain successful we will step-up our efforts on customer experience, simplification of processes and optimal use of new technology such as Artificial Intelligence, with the support of our outstanding teams. This way, we will ensure that we will remain fit for the future.

I am very pleased with our performance in 2024 and would like to thank our customers and business partners for their continued trust. Special thanks go to our valued employees for their relentless support in realising our company's transformation and the Works Council for their constructive cooperation.

I look forward to working with the teams to continue building SRLEV into the leading pension solutions provider in the Netherlands.

Amsterdam, the Netherlands, 19 March 2025

Jan de Pooter, Chief Executive Officer

2. Organisation

2.1. About SRLEV

SRLEV N.V. is an insurance company that offers a variety of insurances. Pension products are offered under the main Zwitserleven brand and life insurance services are sold and provided under the Reaal brand. SRLEV primarily operates in the Netherlands.

SRLEV builds on a long heritage, stretching back more than 130 years. Complemented by the investment expertise and capital support of Athora Group and being part of Athora Netherlands, which aims to be a leading player in the Dutch pension and life insurance market.

With roughly 900 colleagues, SRLEV aims to fulfil its purpose 'A sustainable partner for life, taking care of your tomorrow'. It does this by providing attractive and stable benefits and guarantees at every stage of its customers' pension and retirement journey.

The overarching sustainability approach ensures that SRLEV delivers on its purpose in a sustainable way. SRLEV does so by investing in companies that make our planet a better place to live and by encouraging the sectors it invests in to act responsibly from an ecological, social and governance perspective. For more information on sustainability, see chapter 3.4 Sustainability.

Consequently, SRLEV aims to grow in a balanced way and to work towards a better world, so that its customers' future is truly carefree.

Legal Entities

SRLEV N.V. is a public limited company with a two-tier board structure consisting of an Executive Board and a Supervisory Board.

SRLEV N.V. is a full subsidiary of Athora Netherlands N.V. The members of the Executive Board of Athora Netherlands N.V. are also the members of the Executive Board of SRLEV N.V. Certain topics are managed and controlled from a consolidated perspective. To the extent applicable, information in this Board Report is therefore presented on Athora Netherlands level.

The figure below shows the simplified legal structure of Athora Netherlands N.V. and the position of SRLEV N.V. in this structure as per 31 December 2024.

2.2. Shareholder

SRLEV N.V. is a wholly owned subsidiary of Athora Netherlands N.V. The sole shareholder of Athora Netherlands N.V. is Athora Netherlands Holding Ltd.

Athora Netherlands Holding Ltd. is a full subsidiary of Athora Holding Ltd. (Athora Group).

Athora Group is a leading European savings and retirement group focused on the large and attractive traditional life and pensions market. Its ambition is to become the leading provider of guaranteed products in Europe.

Athora Group serves the needs of individual and corporate customers who continue to demand products offering safety of returns. It also provides innovative mergers & acquisitions and risk transfer solutions to other insurers to enhance their capital position or enact strategic change.

With supportive long-term shareholders and a strategic relationship with Apollo Global Management Inc. and its subsidiaries (Apollo), Athora Group can leverage the scale of Apollo's asset management platform.

Athora Group’s culture is founded on a clear set of values: Dare to be different, Seek simplicity, Care, and Do the right thing.

3. Strategy and Developments

3.1. Corporate Strategy

SRLEV is a pension and life insurance company focused on the Dutch market. It builds on more than 130 years of knowledge and experience. Through two strong consumer brands, Zwitserleven and Reaal, customers are offered attractive products and services that provide them with a good income for later.

With its clear and consistent focus on pensions, Zwitserleven is one of the best-known pension specialists in the Netherlands. Zwitserleven offers insured and PPI solutions for the pension savings phase (accumulation) and immediate annuities/pensions for the retirement phase (decumulation). In addition, pension buy-out solutions are available for pension funds looking to move to an insured solution.

Reaal has roots that go back more than 130 years. Currently, only immediate annuities are sold under this brand. A life service book is also managed under the Reaal brand, consisting of a wide range of life insurance policies, such as funeral, term life, endowments, annuity and unit linked products.

In 2021, SRLEV launched its Ambition 2025 programme by focusing on three pillars: Leading Growth, Efficient Operations and Financial Strength.

- Over the past years, SRLEV has grown organically and through acquisitions in the Dutch pension market. These include the acquisition of OG's second pillar pension portfolio in 2023. In addition, SRLEV has carried out several buy-out transactions in recent years.
  To facilitate this growth ambition, SRLEV has invested in its commercial capabilities by upgrading its portals and website to enhance customer experience, and rebranded Zwitserleven.

- By simplifying its operating model, SRLEV has become a more effective and efficient company. SRLEV implemented a functional organisation and established an Executive Committee, in which all relevant functions of the company are represented.
  Furthermore, the Operations and IT of the Life Service Book were transferred to TCS.

- SRLEV' capital position benefitted from increased operational capital generation in the past years. This was driven by the growth of investment income and reflects the repositioning of the investment portfolio towards assets, offering better risk-return characteristics.

With the successful execution of the Ambition 2025 programme, SRLEV has transformed into a pure life and pension insurer with strong capital generation and a solid balance sheet. This has laid a strong foundation for future success.

As part of its Horizon 2030 strategy, Athora Netherlands and therefore SRLEV will continue to build on the three foundational pillars to further transform into a Future Fit company. SRLEV will focus on developing the strength and expertise of its people, enhancing cross-functional collaboration and implementing new technologies to increase customer experience. Simplification of all processes will increase efficiency, improve agility and make our business more scalable.

3.2. Developments and Business Performance

Trends and Developments

The Wtp (Wet toekomst pensioenen / Future Pension Law) remained an important catalyst for change in the Dutch pension market. An increasing number of pension funds transferred their liabilities to insurance companies and SRLEV was able to capture a portion of that market.

SRLEV also increased its market share in immediate annuities/pensions, another important pillar of its growth strategy.

With its clear focus, strong capital position, dedicated workforce and commercial momentum, SRLEV is well-placed to benefit from the current market momentum and build a leading position in the pension market.

Business Performance in 2024

Athora Netherlands, and therefore SRLEV, has already realised most targets of its Ambition 2025 strategy, which is based upon three value creators: Growth, Operating Model, and Investments & Capital.

Leading Growth

In 2024, SRLEV made significant progress with the execution of our growth strategy in pensions. As part of this Growth strategy, SRLEV continued to invest in its Zwitserleven brand.

Zwitserleven launched its new brand campaign in March. With the campaign ‘It’s a feeling we share’ the pension insurer is taking a new direction. The well-known Zwitserleven feeling is no longer reserved for the person retiring, it is a feeling you share with the loved ones around you.

Zwitserleven was also successful in the execution of its digital strategy with the launch of a new rebranded website and upgraded customer portals.

This year the theme of the highly acclaimed annual Zwitserleven pension event was the new pension legislation (Wtp), as that is one of the biggest challenges for the Dutch pension sector.

Commercially, the Company saw increased business volumes in 2024, both organically and through pension buy-outs.

Healthy organic business flows in both the accumulation and decumulation space.

Pension buy-outs

Pension buy-outs of various sizes are an important part of the Company’s pension growth strategy.

SRLEV, through Zwitserleven, executed two pension buy-outs and a carve-out in the last quarter of 2024, representing approximately € 0.9 billion in pension assets.

This shows that SRLEV, as a pure life and pension insurer, is a trusted partner for pension funds in the transition to the new pension system under the Wtp. Pension buy-outs fit well with SRLEV's ambition to grow in pensions through Zwitserleven with innovative solutions. Athora Group has capital available to support this strategy.

Efficient Operations

Also in 2024, Athora Netherlands, and therefore SRLEV, continued to drive for efficiency gains in its operations an IT.

Through the merger of Proteq Levensverzekeringen N.V. into SRLEV N.V., Athora Netherlands further simplified its legal structure.

In August, the migration of Athora Netherlands’ data centres to TCS was completed, as part of its extended partnership with TCS.

Financial Strength

Continued Redeployment of Investment Portfolio

As part of its business strategy, SRLEV continued the gradual rebalancing of its investment portfolio, achieving an increase in investment income and operating capital generation (OCG) in 2024. Together with the continued diversification of investments, the investment management results—as a contribution to its overall performance— have shown further improvement over the past year.

Creating and Maintaining Stable Financial Resources

SRLEV’s Solvency II ratio remained robust at 194% at the end of 2024 (year-end 2023: 210%). Increased OCG was more than offset by shareholder capital distributions, investment deployment, market impacts and regulatory changes. SRLEV's capital position provides comfort to its customers and forms a solid and sustainable platform to further develop its business.

Furthermore, SRLEV exercised its right to redeem on 19 December 2024 the CHF 105 million undated callable subordinated bonds issued in 2011. The bonds were grandfathered under Solvency II as Restricted Tier 1 capital until 1 January 2026.

The new issue, related liability management exercise and call refinances all of Athora Netherlands’ Restricted Tier 1 capital into a single security, thereby extending the duration of its capital structure.

As a testament to SRLEV's transformation over the past couple of years, it was able to make quarterly capital distributions to its shareholder in 2024, totalling € 310 million.

2024 Milestones

January

- Athora Netherlands achieved 'Top Employer' certification for the third year in a row. This international quality mark is awarded annually to employers with an excellent HR policy. The list of top employers was announced by the Top Employers Institute.

March

- Zwitserleven launched its new brand campaign. With the campaign ‘A feeling we share’ the pension insurer is taking a new direction. The well-known Zwitserleven feeling is no longer reserved for the person retiring, it is a feeling you share with the loved ones around you.
- SRLEV reached a final settlement agreement with interest groups regarding investment-linked insurance policies.

April

- Zwitserleven announced it had become a partner of the Royal Concertgebouw Orchestra with effect from 1 January 2024. With the partnership, the Company wants to contribute to the future of one of the most renowned orchestras in the Netherlands.
- Athora Netherlands received the Leesman+ certificate and its offices Edge Amsterdam West and Torenburg in Alkmaar are among the top 7% of the best offices in the world.

May

- Todd Solash, President and Deputy CEO of Athora Group, was appointed to the Supervisory Board of SRLEV. Furthermore, former President and Deputy CEO of Athora Group Michele Bareggi stepped down from SRLEV’s Supervisory Board after having served his four-year term.

June

- On 30 June 2024, with retroactive effect as per 1 January 2024, Proteq Levensverzekeringen N.V. was merged into SRLEV N.V., further simplifying the legal structure of Athora Netherlands.

August

- The migration of our data centres to TCS was completed.

October

- More than 700 employees gathered at the Athora NEXT event in Amsterdam. This included an inspiration market where employees informed their colleagues about the latest developments in their area of expertise.

November

- SRLEV took over the pension rights and entitlements of Pension fund Yara Netherlands. This buy-out transaction involved about 2,000 participants and approximately € 650 million invested pension assets.

December

- An approximately € 235 million buy-out of Pension fund Pensura was executed, while also an approximately € 35 million carve-out of an early retirement plan of industry pension fund Koopvaardij was realised.

3.3. Financial Results and Capital Position

Financial Results

In € millions	2024	2023 [1]
Gross Inflows	2,849	2,145
Direct Investment Income	1,278	1,055
Net Result IFRS	508	881

1 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

Gross inflows increased by € 704 million to € 2,849 million compared to 2023. The growth was primarily attributed to multiple buy-outs, higher immediate annuity sales along with increased DC inflows.

Direct investment income consisting of interest received, dividends and rental income increased by € 223 million to € 1,278 million compared with 2023 (€ 1,055 million). The positive effect of the repositioning of the investment portfolio towards higher returning assets more than offset the impact of the run-off of the individual life investment portfolio.

The Net Result IFRS of € 508 million (2023: € 881 million) was mainly due to the positive Operating Result. The decrease of the IFRS net result compared to 2023 is mainly driven by the lower market variances.

Insurance Contracts

In € millions	31 December 2024	31 December 2023 [1]
Net Contractual Service Margin (combined reinsurance and insurance)	1,986	1,941

1 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

The Net Contractual Service Margin (combined reinsurance and insurance) increased by € 45 million (2024: € 1,986 million; 2023: € 1,941 million). In 2024, the CSM increased mainly due to the IFRS accounting treatment related to the change in discount rate, several pension buy-outs and methodology & non-market assumption changes. The above developments more than compensated the periodic release of Contractual Service Margin.

Capital Position

The estimated[1] Solvency II ratio of SRLEV decreased to 194% at year-end 2024 from 210% at year-end 2023.

More information about the capital position, items driving the change in solvency ratio and capital management can be found in chapter 7 'Managing Risks' in the consolidated financial statements.

Solvency II Position

In € millions / %	2024	2023
Eligible own funds	3,456	3,350
SCR	1,777	1,592
Solvency II Surplus	1,678	1,758
Solvency II ratio	194 %	210%

[1] Estimated: Solvency II ratio 2024 is not final until filed with the regulator

Sensitivity

In %-points	Solvency II ratio 2024	2023
10% lower mortality rates for all policies (longevity risk)	-6%	-7%
Interest +50 bps	-4%	-4%
Interest -50 bps	5%	5%
UFR -15 bps	-4%	-4%
UFR -50 bps	-17%	-17%
Excluding VA	-54%	-54%
Inflation +100 bps	0%	-2%
Equities -10%	-8%	-6%
Property -10%	-4%	-5%
Credit spreads Government Bonds +50 bps	1%	5%
Credit spreads Corporates/Mortgages +50 bps	9%	8%
All Credit spreads +50 bps	10%	14%

3.4. Sustainability

When this report was prepared, the Corporate Sustainability Reporting Directive (CSRD) had not yet been implemented in the Netherlands, but it expected to be applied retroactively.

SRLEV is in scope of the CSRD and would be required to report sustainability information based on European Sustainability Reporting Standards (ESRS). SRLEV is a wholly owned subsidiary of Athora Netherlands N.V. with registered office in Amstelveen, the Netherlands.

Athora Netherlands has prepared sustainability statements in line with articles 29 and 29a of the CSRD at a consolidated level in its annual report of 2024. SRLEV has been included in these consolidated sustainability statements and is thus exempted from providing individual sustainability information set out in article 29a of the CSRD.

For these consolidation sustainability statements and the accompanying limited assurance report of the independent auditor, reference is made to the Annual Report 2024 of Athora Netherlands N.V. on its website: https://www.athora.nl/en/investors/annual-reports/

3.5. Risk and Capital Management

Taking risks is an integral part of doing business and demands a consistent and transparent assessment of opportunities and threats, aimed at growth and continuity of the company.

SRLEV applies a Risk Management System that is aimed at a controlled and effective achievement of the strategic objectives. It relates risks to the strategic, financial and operational objectives as well as to the objectives in the areas of sustainability and reputation. The framework consists of organisational, control and culture components.

SRLEV implemented the 'Three Lines' control model including the Solvency II Key Functions and a risk committee governance structure. It contributes to the strengthening of the risk culture, taking responsibility for managing risks and internal control, and eventually to the further optimisation and integration of the risk management.

The Executive Committee, which is responsible for the Risk Management System, monitors that the desired culture and level of risk awareness are translated into identifiable aspects, such as desirable behaviour, details of the risk appetite or criteria for evaluation of employees.

This Board Report summarises our risk management and internal control system in brief. Chapter 7 'Managing Risks' contains more information on our capital and risk management.

Risk Management and Internal Controls

The implemented Integrated Control Framework (ICF), part of the Risk Management System, provides the basis for the internal control system consisting of key controls (process, general IT and application) and management controls measuring risk maturity and performance within SRLEV.

The management is responsible for day-to-day operations within the Risk Management System, including scheduled testing of operating effectiveness of key controls. The Management Controls, divided in different components, are assessed periodically by a management Self-Assessment and are monitored risk-based by second line Risk.

Capital Management

SRLEV aims for a robust capital position that contributes to both the confidence that clients have in the institution and access to financial markets. SRLEV considers a Solvency II ratio above 175% to be a normal going concern level as part of our risk appetite. Capital management practice - as laid out in the Capital Policy is to ensure that there is sufficient capital to meet obligations to policyholders in adverse scenarios. The second objective of the Capital Policy is to ensure that capital is deployed as efficiently and flexibly as possible to facilitate the execution of SRLEV's strategy.

Solvency II

SRLEV is subject to the Solvency II regulation. Solvency II provides a framework for a risk-based approach to assess and mitigate risks and the overarching objective is to strengthen policyholder protection. Under Solvency II, the supervision of the risks to which an insurer is exposed, and the management of those risks play a central role.

In accordance with Solvency II, SRLEV recognises four Key Functions. All Key Functions are segregated from each other and are not structured hierarchically in relation to each other. The Director Risk is the Risk Management Function Holder, the Director Actuarial Risks is the Actuarial Function Holder and the Director Compliance is the Compliance Function Holder. The Director Internal Audit Athora Netherlands is the Audit Function Holder.

The solvency of SRLEV is sensitive to changes in the parameters.

Sensitivities are performed to measure the impact of alternative scenarios such as market, interest rate and mortality movements.

Quantitative information about risks and sensitivities for Solvency II are described in Chapter 7 'Managing Risks' in the consolidated financial statements.

4. Corporate Governance

4.1. The Executive Board and Executive Committee

The Executive Board is the statutory board of SRLEV N.V. ('the Company"). The Executive Committee consists of the members of the Executive Board and other members appointed by the Supervisory Board at the proposal of the Executive Board.

In line with the large company regime, the Company is governed by a two-tier board comprising an Executive Board and a Supervisory Board. Both boards perform their duties and powers as laid down in the relevant laws and regulations, the Company's articles of association and additional regulations.

The Executive Board as a whole is charged with the management of the Company. The Executive Committee is responsible for the day-to-day management, strategy and operations. Notwithstanding the foregoing, the Executive Board remains responsible for certain matters as specified in the Regulations of the Executive Board and Executive Committee of Athora Netherlands, which internal regulations provide rules on internal affairs of the Company and more specifically of the Executive Board and Executive Committee. Also, the Executive Board remains accountable for the actions and decisions of the Executive Committee and has ultimate responsibility for the management of the Company and reporting to the Supervisory Board and the General Meeting.

The Executive Committee acts in accordance with the interests of the Company and its associated business, taking into account and carefully weighing the interests of all stakeholders. Certain resolutions of the Executive Board or Executive Committee require the approval of the Supervisory Board and/or General Meeting.

Composition, Appointment and Role

The Company is subject to the full large company regime under which the members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board may suspend or remove a member of the Executive Board (in case of a removal, after the General Meeting has been heard).

The Executive Committee consists of the members of the Executive Board and members appointed by the Supervisory Board at the proposal of the Executive Board.

At 31 December 2024 the Executive Committee consisted of the following members:

Composition, Appointment and Role

Name	Nationality	Position	Date of appointment
J.A. (Jan) de Pooter	Dutch	Chief Executive Officer (chair) (Executive Board)	8 July 2021
A.P. (Annemarie) Mijer-Nienhuis	Dutch	Chief Risk Officer (vice-chair) (Executive Board)	1 July 2020
E.P. (Etienne) Comon	French	Chief Capital & Investment Officer (Executive Board)	1 July 2021
J.H. (Jan-Hendrik) Erasmus	British, South African	Chief Financial Officer (Executive Board)	13 June 2022
B. (Bart) Remie	Dutch	Chief Technology & Operations Officer	12 January 2023
A.G. (Annemieke) Visser-Brons	Dutch	Chief Commercial Officer	13 January 2023

On 1 April 2025, Annemarie Mijer-Nienhuis will step down as Chief Risk Officer and vice-chair of the Executive Board. Eva van der Vorst has been appointed as Chief Risk Officer and member of the Executive Committee as of 1 August 2025. In the interim period, Jan-Hendrik Erasmus will serve as Chief Risk Officer in addition to his role as Chief Financial Officer of SRLEV.

J.A. (Jan) de Pooter – Chief Executive Officer & chair Executive Board and Executive Committee

Jan de Pooter (1969) studied business administration at the Amsterdam Academy and the VU University Amsterdam. From 2015 to 2020 he served as Chief Executive Officer (CEO) at Portuguese insurer Seguradoras Unidas (Tranquilidade). From 2005 to 2015, Mr. De Pooter held various leadership positions at Millennium bcp Ageas including Chairman of the Executive Board. He started his career as Operations Manager at Fortis Investments Nederland.

A.P. (Annemarie) Mijer-Nienhuis – Chief Risk Officer & vice-chair Executive Board and Executive Committee

Annemarie Mijer-Nienhuis (1970) holds a master's degree in Actuarial Mathematics and is a fellow of the Dutch Actuary Society. Mrs. Mijer-Nienhuis joined the company in 2020 from ABN AMRO where she served as Managing Director Central Risk Management. In 2015, she was appointed Chief Risk Officer and member of the Executive Board of Delta Lloyd Group. Prior to this, Mrs. Mijer-Nienhuis held various executive leadership positions in ING Group and Nationale-Nederlanden. In April 2019, she was appointed as member of the Supervisory Board (Chair Audit Committee) and in November 2023 Chair of the Supervisory Board at Klaverblad Verzekeringen. Mrs. Mijer-Nienhuis is a Certified Actuary of the Dutch Society of Actuaries and holds professional qualifications in Investment Analysis.

E.P. (Etienne) Comon – Chief Capital & Investment Officer

Etienne Comon (1973) holds a Ph.D. in economics from Harvard University. Mr. Comon started his career at Goldman Sachs where he held positions in corporate liability management, global structuring, and asset management.

As Chief Capital & Investment Officer (CCIO), he is within the Executive Board responsible for investments. He is member of the Supervisory Board at Actiam Funds. In December 2024, he was appointed as (non-executive) member of the Board of Directors of Athora Belgium S.A./ N.V.

J.H. (Jan-Hendrik) Erasmus – Chief Financial Officer

Jan-Hendrik Erasmus (1980) holds an Executive MBA (with distinction) from London Business School (United Kingdom) and an Honours degree in Actuarial Science from the University of Pretoria (South Africa). He is a Fellow of the Institute and Faculty of Actuaries in the UK and a Chartered Enterprise Risk Actuary.

Mr. Erasmus joined the Company in June 2022. Prior to that, Mr. Erasmus was the Group Chief Risk Officer of Aviva plc, where he was responsible for the Risk, Actuarial, Compliance, Financial Crime and Regulatory Affairs functions. Mr. Erasmus joined Aviva plc from NN Group, where he served as Chief Risk Officer and Member of the Management Board. He joined NN Group from the consulting firm Oliver Wyman where he was a Partner and head of the UK insurance practice.

B. (Bart) Remie – Chief Technology & Operations Officer

Bart Remie (1981) holds a MA Public Administration & Organisational Science and a BSc Cognitive Neuroscience, both from Utrecht University.

Mr. Remie has held various management positions at the Company and its predecessor companies, lastly as General Manager Operations & IT. He started as a trainee at SNS REAAL at the time when the Company was part of the SNS REAAL Group. Within the Executive Committee, Mr. Remie is responsible for Operations & IT.

A.G. (Annemieke) Visser-Brons – Chief Commercial Officer

Annemieke Visser-Brons (1970) studied Dutch Law at the Vrije Universiteit Amsterdam. Since 2023 Mrs. Visser-Brons is within the Executive Committee responsible for Commerce. Next to that she is also a member and since February 2025 chair of the Supervisory Committee of Zwitserleven PPI. From 2017 to 2022, Mrs. Visser-Brons was Director Pensions at Nationale-Nederlanden. Before that, Mrs. Visser-Brons held several managerial positions at Delta Lloyd from 2009 until 2017, including Director of Delta Lloyd Life Insurance N.V. She started her career at Aegon Netherlands.

Governing Rules

With the introduction of the Executive Committee in January 2023, the gender balance is 33% women and 67% men. From a diversity perspective, in terms of age, background and nationality, but also experience in different settings a good balance has been maintained.

For future appointments of Executive Board and Executive Committee members, the Company will take into account all laws and regulations and its diversity in terms of gender, age, experience, nationality and background. The principle of having at least 40% women or 40% men is applied in succession planning for the Executive Board and Executive Committee, Supervisory Board and senior leadership.

As part of the continuing education programme, the Executive Committee members participate in various education sessions. These sessions are sometimes attended together with the Supervisory Board members or with senior management and are provided by internal and external speakers. The topics this year were sustainability, CSRD, Artificial Intelligence, inside information and the Dutch pension system.

4.2. Supervisory Board

The Supervisory Board is responsible for supervising the Executive Board and Executive Committee, the policies, management and the general affairs of the Athora Netherlands group, as well as providing advice to the Executive Board and Executive Committee. Supervision includes monitoring the Company's strategy and realisation of the objectives, risk policy, integrity of business operations and compliance with laws and regulations.

The Supervisory Board may on its own initiative provide the Executive Board and Executive Committee with advice and may request any information from the Executive Committee that it deems appropriate for a proper fulfilment of its responsibilities. In performing its duties, the Supervisory Board weighs the interests of all stakeholders and acts in accordance with the interests of the Company and the business connected with it.

Meetings of the Supervisory Board

The Supervisory Board meets on a regular basis in accordance with an annual schedule, which in practice implies two-day meetings every two months on average. Decisions of the Supervisory Board are taken by unanimous vote where possible or, if not possible, by a majority of votes cast (unless a larger majority is required). The Supervisory Board has drawn up internal regulations to complement the Company's articles of association. Members of the Supervisory Board have declared their acceptance of these regulations and have undertaken a declaration of adherence.

Composition, Appointment and Role

The members of the Supervisory Board are appointed by the General Meeting upon nomination of the Supervisory Board. The General Meeting and the Works Council may recommend candidates for nomination

to the Supervisory Board. The Supervisory Board is required to nominate one-third of the Supervisory Board members on the enhanced right of recommendation ('versterkt recht van aanbeveling') of the Works Council and one-third of the Supervisory Board members on the enhanced right of recommendation ('versterkt recht van aanbeveling') of the General Meeting, unless the Supervisory Board objects to the recommendation on certain grounds.

At 31 December 2024 the Supervisory Board consisted of the following members:

Composition, Appointment and Role

Name	Nationality	Position	Date of appointment
R.M.S.M. (Roderick) Munsters	Dutch, Canadian	Chairman	8 September 2021 (chair per 1 October 2021)
J.M.A. (Hanny) Kemna	Dutch	Vice-chair	1 April 2020
E. (Elisabeth) Bourqui	Swiss, French, Canadian	Member	16 November 2021
F.G.H. (Floris) Deckers	Dutch	Member	1 April 2020
T.P. (Todd) Solash	American	Member	26 April 2024
H. (Henk) Timmer	Dutch	Member	20 September 2022

In April 2024, M.A.E. (Michele) Bareggi stepped down as Supervisory Board member after having served his four-year term.

R.M.S.M. (Roderick) Munsters

Roderick Munsters (1963) is chair of the Supervisory Board, chair of the Conflicts of Interest Committee, member of the Audit Committee and member of the Risk Committee. Mr. Munsters has gained extensive executive managerial experience at various financial institutions. From 2009 to 2015, he was Chief Executive Officer at Robeco Group. From 2005 to 2009, he was a member of the Executive Committee and Chief Investment Officer of ABP Pensioenfonds & APG All Pensions Group. From 1997 to 2005, Mr. Munsters was Managing Director and Chief Investment Officer at PGGM Pensioenfonds.

In addition to his function at the Company, Mr. Munsters is a member of the Advisory Board of the Dutch State Treasury Agency and a member of the Supervisory Board of Unibail-Rodamco-Westfield. Also, he is an independent non- executive director at BNY Mellon European Bank and Wisayah Global Investment Company. Mr. Munsters has both Dutch and Canadian nationality and holds a master's degree in Economics & Corporate Finance and in Financial Economics from Tilburg University.

J.M.A. (Hanny) Kemna

Hanny Kemna (1960) is vice-chair of the Supervisory Board, chair of the Remuneration and Nomination Committee, member of the Audit Committee and member of the Conflicts of Interest Committee.

In addition to her function at the Company, Mrs. Kemna is a member of the Supervisory Board of Ziekenhuis Groep Twente and a non-executive director for ASA International in the UK. She is also a member of the Audit and Risk Advisory Committee to the Board of Géant, an extraordinary member to the Board of the Dutch Court of Audit, a member of the Dutch Electoral Council and a member of the Supervisory Board of VvAA.

E. (Elisabeth) Bourqui

Elisabeth Bourqui (1975) is chair of the Risk Committee, member of the Conflicts of Interest Committee and member of the Remuneration and Nomination Committee. Mrs. Bourqui has held various board and senior management positions in the pension, asset management and consulting sector including CalPERS, ABB Group and Mercer. Mrs. Bourqui is currently CEO and co-founder at PNYX Group SA, an investment advisory firm. She is also a member of the Board of Directors at Bank Vontobel, Chair and member of the Board of Directors at Helsana HealthInvest AG and Board member at the Banque Cantonale Neuchâteloise, the Louis Jeantet Foundation, the Greenbrix Investment Foundation, the Swiss-Japan Chamber of Commerce, RUAG MRO Holding and Compenswiss. Mrs. Bourqui holds a master's degree in mathematics, and a Ph.D. in financial mathematics, from the Swiss Federal Institute of Technology in Zurich.

F.G.H. (Floris) Deckers

Floris Deckers (1950) is member of the Audit Committee and member of the Remuneration and Nomination Committee. Previously, he worked as CEO of Van Lanschot Bankiers and Senior Executive at ABN AMRO. In addition, Mr. Deckers has been chair of the Supervisory Board of Deloitte Netherlands as well as chair of the Supervisory Board of SBM Offshore. Mr. Deckers is currently a member of the Supervisory Board of Arklow Shipping Group Ireland, as well as of its Dutch subsidiary. He is Chairman at Utrecht Holdings N.V. and active as Board Member / Executive in a number of not-for-profit organisations.

T.P. (Todd) Solash

Todd Solash (1975) is member of the Remuneration and Nomination Committee and member of the Risk Committee. He is President and Deputy CEO of Athora Group. Mr. Solash was President and CEO of Corebridge Financial (formerly AIG Life & Retirement) where he was responsible for Individual Retirement and Life Insurance. Prior to that, he was Head of Individual Annuity at AXA Equitable Life Insurance Company. Earlier in his career, he consulted with major insurers and banks as a partner at Oliver Wyman Financial Services and held senior positions at Jefferson National Life (now part of Nationwide Life Insurance). Mr. Solash has degrees in Finance and Chemical Engineering from the University of Pennsylvania.

H. (Henk) Timmer

Henk Timmer (1961) is chair of the Audit Committee, member of the Risk Committee and member of the Conflicts of Interest Committee. He has held various management and board positions in the Dutch insurance and pensions sector, amongst others he was Chief Risk Officer and member of the Board of Directors at Achmea. Henk has an educational background in economics, audit and risk management.

4.3. Report of the Supervisory Board

Functioning of the Supervisory Board

The Supervisory Board aims to have a strong representation of diversity in terms of experience, gender, age, professional and cultural background. The Supervisory Board considers complementarity, collegial collaboration, independence and diversity to be conditions for a proper performance of duties by the Supervisory Board.

The gender balance in the Supervisory Board is 33% women and 67% men. There is diversity in terms of experience, age and professional and cultural background. The principle of having at least 40% women or 40% men is applied in succession planning for the Executive Board, Supervisory Board and senior leadership.

All members have confirmed the moral and ethical conduct declaration, which includes the need to make a balanced assessment of the interests of customers, shareholder(s), bondholders, employees and the society in which the Company operates. The regulations of the Supervisory Board explicitly provide that the Supervisory Board shall take into account the interests of the Company's stakeholders, such as the policy holders, the shareholder(s) and all employees.

Self-assessment

The Supervisory Board assessed its functioning in 2024 in order to evaluate the functioning of the Supervisory Board as a whole, the functioning of the individual committees, the individual supervisory directors, the relationship with the Executive Committee and the effectiveness of continuous education. The desired profile, composition and competences of the Supervisory Board has also been discussed.

Continuous Education

Members of the Supervisory Board are encouraged to maintain and develop their expertise at the required standard and enhance it where necessary. It is ensured that a programme of permanent education is available to the members of the Supervisory Board. This year, the Supervisory Board participated in trainings on sustainability, CSRD, Operations and IT, inside information and the Dutch pension system.

Important Topics and Key Discussions

The formal meetings of the Supervisory Board took place every two months (on average). Additional meetings and conference calls were held. The attendance rate at meetings and committees is high, demonstrating the strength of the Supervisory Board's commitment. None of the Supervisory Board members were frequently absent at these meetings, meaning that there was always a valid quorum.

During the formal meetings, the Supervisory Board was kept abreast of the strategy updates, capital and funding initiatives, risk appetite and commercial developments. In 2024, the Supervisory Board discussed and approved several items, such as topics related to the Business Plan, the merger of Proteq & SRLEV, CSRD requirements and the selection of a new external auditor. The Supervisory Board had multiple discussions and reflection sessions on the internal governance. Furthermore, the Supervisory Board was informed about the discussions and the resulting recommendations from committee meetings of the Supervisory Board.

The Company started on 1 February 2023 with a pilot to test an amended scope of the Governance Protocol dated 2 July 2021. During the pilot, the Company and Athora Group have continued to further work out and refine the terms of a final covenant. On 1 March 2024, the definitive principle-based framework (Covenant) entered into force and thereby replaced the rules of the Governance Protocol. The Covenant sets out the framework of principle-based interactions between Athora Netherlands and Athora Group.

The Supervisory Board safeguarded the corporate interest and properly weighed the interest of all stakeholders involved, such as policy holders, the shareholder(s), employees and bondholders. In addition, a strong focus of the Supervisory Board has been the governance framework under which the Company operates.

The Supervisory Board and the chairman of the Supervisory Board have been in regular contact with other stakeholders such as the Dutch Central Bank (DNB) and Dutch Authority for Financial Markets (AFM) on these topics.

Cooperation with Committees

The Supervisory Board has four committees: the Audit Committee, the Risk Committee, the Remuneration and Nomination Committee and the Conflicts of Interest Committee. Each member of the Supervisory Board has sufficient knowledge and experience to assess the main aspects of the Company's policy and to form an independent opinion of the basic risks.

Decisions regarding risk matters and audit matters are prepared by the Risk Committee and the Audit Committee respectively. These committees have been carefully composed with at least two members of these committees having extensive knowledge of the technical financial aspects of risk management and internal control / financial reporting / audits of insurers, respectively, to enable them to properly supervise these subjects.

- The Audit Committee discussed the audit scope, key audit matters, the external auditor's reports and the management letter of the external auditor. The independence of the external auditor and fees were also reviewed by the Audit Committee. The Audit Committee maintains regular contact with the external auditor through meetings between the chair of the Audit Committee and the external auditor. The Audit Committee discussed the annual plan and quarterly reports of the internal audit function. Furthermore, a project team, comprising members of senior management under the responsibility of the Audit Committee, steered the selection process of a new external auditor.
- The Risk Committee discussed the profile of the financial and non-financial risks related to the approved risk appetite. This included capital developments, operating capital generation and investment policy. The structure and operation of the risk control system was discussed, including compliance with relevant legislation and regulations. The Risk Committee noted and discussed the Company's consultations with DNB. Furthermore, the Risk Committee discussed amongst others the asset portfolio complexity and its management, liquidity management and credit default review.
- The Remuneration and Nomination Committee (ReNomCo) is responsible for supporting the Supervisory Board in overseeing the design of the remuneration policy and remuneration practices, their implementation and operation, and the preparation of decisions on remuneration. The ReNomCo also has tasks with regard to the selection and appointment of members of the Executive Committee and Supervisory Board. The ReNomCo prepared decisions on remuneration regarding the Executive Committee. The ReNomCo members have sufficient expertise with regard to (i) the remuneration policy and remuneration culture and the incentives created to control risk, capital and liquidity, and (ii) the nomination policy and nomination culture.
- The Conflicts of Interest Committee discussed and assessed (possible) related party transactions. The meetings of the committee take place in the presence of relevant key function holders. The committee is governed by the Company's Institutional Conflicts of Interest Policy.

The committees met in the presence of members of the Executive Committee. The external auditors were represented by mutual agreement at meetings of the Audit Committee and Risk Committee in 2024. Both the internal auditor and external auditor reported on the quality and effectiveness of governance, internal control and risk management. Cooperation between the Supervisory Board and the committees has been positive. The meetings of the committees elaborate on various subjects, so that the decisions of the Supervisory Board can be carefully prepared. The content of the meetings of the committees is fed back to the meeting of the Supervisory Board to ensure that the Supervisory Board members are kept informed and are well prepared to take balanced decisions.

The Supervisory Board is pleased with the commercial and financial results of SRLEV in 2024. This achievement reflects SRLEV's strong financial performance and commitment to deliver value to its customers, shareholder(s) and other stakeholders. The Supervisory Board welcomes progress made and looks forward to continued efforts to drive sustainable growth and profitability to further develop our business.

On behalf of the Supervisory Board, I would also like to convey my sincere thanks to Michele Bareggi, former member of the Supervisory Board and former CEO of Athora

Group. Michele was a dedicated and valued member of our board and we are grateful to have been able to draw on his expertise over the past four years. He made an important contribution to the supervision and growth of SRLEV.

The Supervisory Board appreciates the efforts made by the Executive Committee and all employees in 2024 and compliments them with the results achieved. We look forward to continuing our cooperation in 2025.

Amsterdam, the Netherlands, 19 March 2025

On behalf of the Supervisory Board,

Roderick Munsters, Chairman

4.4. Remuneration

Introduction

SRLEV N.V. is a full subsidiary of Athora Netherlands N.V. All employees are employed by Athora Netherlands. The Group Remuneration Policy Athora Netherlands applies to all employees working under the responsibility of Athora Netherlands. The costs of employees appointed to SRLEV are charged to SRLEV by Athora Netherlands. The remuneration information in this paragraph is presented on Athora Netherlands level and as far as it applies to SRLEV.

The remuneration paragraph describes the principles, governance and elements of the remuneration policies. It also gives an overview of the payment of (variable) remuneration in 2024, as well as the actual remuneration of the (former) members of the Executive Board and Supervisory Board in 2024.

Remuneration Policies

Vision

As a top employer, the objective of Athora Netherlands' human resource strategy is to create an inspiring environment to attract and engage future fit employees. For Athora Netherlands, a future proof workforce consists of a population of flexible, innovative and talented employees. Athora Netherlands invests in the development of its employees to achieve optimal performance. By developing the capabilities of its employees and focusing on Athora's values 'Care, Dare to be different, Seek Simplicity and Do the right thing', its employees are equipped to serve customers well. Athora Netherlands empowers its people to take control of their career growth and to be the best version of themselves. In this way, it strengthens the positioning of the Company as the sustainable pension provider in the Netherlands.

The total rewards package reflects the diversity of needs and preferences of Athora Netherlands' employees and ensures they are recognised and rewarded for their contributions that drive the Company forward. Athora Netherlands stands for transparency, fairness, inclusion and bias-free rewards, ensuring that everyone has equal opportunities to optimise their total rewards. This enables the Company to attract and retain people that support its sustainable business growth.

Athora Netherlands' sustainability strategy is aligned to its ambition and focused on climate, nature and people. From a human resource perspective, it aims to fulfil this through offering a fair and stable work environment, improving communities and limiting its footprint. This is clearly visible in its sustainable offices, work environment, (social) leave and mobility policies. Across all elements of its business model, Athora Netherlands commits to mitigating climate change and protecting and restoring nature, as well as promoting fair and equal treatment of people. It is transparent about its sustainability objectives and is committed to achieve those.

The Company is aware of its position within the broader society, the crucial role of the financial sector in the Netherlands and the importance of maintaining trust in this sector within society. Its remuneration is subject to several laws and regulations, set on national and European level, predominantly with the aim of reducing excessive risk taking. As such, the Company has a strong governance framework in place to ensure that employees are remunerated in a manner that is aligned with the interests of all stakeholders.

Group Remuneration Policy

The Company operates a balanced Group Remuneration Policy which is in line with its business and risk management strategy, its risk profile, objectives, risk management practices and the long-term interests and its performance. The Group Remuneration Policy is in accordance with and contributes to solid and effective risk management. It does not encourage risk-taking that is in breach of its policies and risk appetite. The Group Remuneration Policy has been drawn up in compliance with existing legislation and regulations and takes into account the long-term interests of the Company and its stakeholders. The Group Remuneration Policy and underlying remuneration policies are aligned with and approved by relevant corporate bodies including the Works Council and the Supervisory Board.

Athora Netherlands' Group Remuneration Policy applies to all employees working under the responsibility of Athora Netherlands and its subsidiaries and branch offices. The Group Remuneration Policy is published internally and on its website: www.athora.nl.

The Group Remuneration Policy contains annexes, which set out specific remuneration rules on remuneration in respect of the following (groups of) employees:

i. Above-CLA employees — senior management, being employees of Athora Netherlands and its subsidiaries and branches who do not fall under the scope of its collective labour agreement (CLA), excluding the members of the Supervisory Board and the Executive Board;
ii. A group of selected employees; in 2024 this is the asset management team (Investment Office).
iii. Members of the Executive Committee of Athora Netherlands.

Athora Netherlands' Group Remuneration Policy incorporates the requirements which apply to remuneration as included in the Dutch Civil Code, Dutch Financial Markets Supervision Act (Wet op het financieel toezicht or FMSA), the Commission Delegated Regulation (EU) 2015/35 (Solvency II) and the Guidelines on System of Governance of the European Insurance and Occupational Pensions Authority (EIOPA Guidelines), as applied to Athora Netherlands and all of its subsidiaries and branches.

Principles

The Company's remuneration policies are based on the following principles:

- It supports the Company's corporate strategy, and is aligned with the mission, vision and values of the Company;
- It is compliant with the applicable legal rules and regulations;
- It may not threaten the Company's ability to maintain an adequate capital base;
- It takes into account the interests of all stakeholders of the Company: customers, employees, shareholder and society;
- It is transparent, easy to understand and simple to execute;
- It is aligned with the Company's ambition to be a socially responsible and number one pension provider in the Netherlands;
- It fits the risk profile of the Company and of the relevant employee;
- It supports the attraction and retention of qualified employees that fit the job;
- It supports effective governance of remuneration and supervision thereof, and, where relevant, contains measures to prevent conflicts of interest;
- It encourages high team and company performance; and
- It is gender and age neutral. Jobs are weighted based on the job criteria. Remuneration is not taking into account personal characteristics other than job experience and performance. Women and men with comparable work experience, achievements and job level are given equal pay.

Applicability of Remuneration Policies for Executive Committee and Supervisory Board

The Executive Committee consists of four statutory members ("Executive Board") and two non-statutory members.

The Supervisory Board is responsible for the implementation and evaluation of this policy.

Increase of the compensation of the Executive Committee is possible in line with the remuneration policy for the Executive Committee, after adopting a proposal of the remuneration and nomination committee (ReNomCo) by the Supervisory Board.

The remuneration for Supervisory Board members is determined by the General Meeting. The remuneration for the Supervisory Board members consists of an annual Supervisory Board fee and an additional fee for each Supervisory Board committee in which the Board member participates. The remuneration package consists of fixed remuneration only.

Governance

Role of the Supervisory Board

The Supervisory Board, being the internal supervisory body of the Company, has the authority to approve the Group Remuneration Policy and shall supervise its implementation by the Executive Board. The Group Remuneration Policy was established by the Executive Board and approved by the Supervisory Board after, insofar as applicable, fulfilment of any rights of the Works Council.

The ReNomCo is responsible for supporting the Supervisory Board in overseeing the design of Athora Netherlands' remuneration policies, remuneration practices, their implementation and operation. The ReNomCo is responsible for the preparation of Supervisory Board decisions on remuneration, including decisions that may have consequences for the risks and risk control of the Company.

The Supervisory Board is also responsible for the implementation and evaluation of Athora Netherlands' remuneration policies as they apply to the members of the Executive Board, as adopted by the General Meeting.

Role of the Executive Board and the Executive Committee

The Executive Committee consists of statutory members (the Executive Board) and non-statutory members. According to the regulations, the approval of remuneration policies has been deposited by the Executive Board. The implementation, application and evaluation lie with the Executive Committee, insofar as it does not concern the Executive Committee members itself.

Role of the Working Group Remuneration

The Working Group Remuneration (WGR) consists of the directors and/or specialists of the HR, legal, financial risk & control, compliance, non-financial risk and audit departments. The WGR prepares and provides advice on remuneration-related policies, topics and procedural proposals which are subject to the decision of the Executive Board and/or the Supervisory Board.

Control Functions

The Company has functions that are considered control functions. Control functions are staff members that are responsible for the control and supervision of operations as well as the risks arising from those operations. In doing so, they operate independently from the organisation. Control functions may play an active role in drafting, applying and monitoring the Group Remuneration Policy. For this reason, officers in control functions are subject to additional rules aimed at safeguarding their independence in case they are eligible to receive variable remuneration. Where applicable, these rules are set out in the Remuneration Policies..

Identified Staff

Every year, the Company designates members of staff as 'Identified Staff' by using the Solvency II regulation. The provisions of its Group Remuneration Policy, CLA and any of the other Remuneration Policies apply equally to Identified Staff and staff not qualifying as Identified Staff. Exception to this is the payout of variable remuneration to Identified Staff, if applicable.

Elements of the Remuneration Policies

Annual Salary

Job functions are independently evaluated. The outcome of this evaluation results in a certain salary scale for such function, which is applied to the employees in scope. The individual's annual gross salary is based on the applicable salary scale, the level of expertise, years of experience and required skills.

The regular fixed remuneration consists of a fixed annual gross salary, which includes a holiday allowance of 8% and a 13th month payment of 8.33%.

According to the CLA, once a year an employee may receive a periodic increase. This periodic increase in salary is linked to the performance of the employee and its relative salary position.

In 2024, the process regarding the annual salary increase for the Above-CLA Employees has followed the process as described above for the employees that are subject to the CLA.

Pension

Employees participate in the Collective Defined Contribution (CDC) pension scheme of Athora Netherlands, which qualifies as a defined contribution scheme for IAS 19 purposes. This scheme is based on a pension accrual with an employee contribution of 4.5%. For employees who were employed by the Company as per 31 December 2017 and members of the Executive Committee with a salary exceeding the maximum pensionable salary for pension accrual, a compensation for the loss of pension accrual is applied. This can be used for individual pension savings. The Company does not award or grant discretionary pension awards or other pension arrangements than set out above.

Allowances

Employees may be entitled to fixed cash allowances in accordance with the governance framework as included in the Group Remuneration Policy. The allowances that have been granted, are often compensation for expired employment conditions (e.g. variable remuneration opportunity, pension accrual).

Performance Management

Performance management is a core business process, which links performance to remuneration. This process includes:

i. Setting and measuring KPIs, aligned with the long-term strategy and operational plan of the Company;
ii. Discussing and measuring competences with respect to the desired individual behaviour.

The performance management process is aimed to promote effective and ethical behaviour and to achieve sustainable results that contribute to the profitability of the organisation within the risk appetite framework. Company and individual goals are linked to one or more qualitative sustainability related objectives, such as people and client satisfaction, human capital development and sustainable growth.

The KPIs do not give incentive and/or reward excessive risk taking and/or unwanted behaviours relating to market conduct, reputational risks, conflicts of interest, etc. More than 50% of the KPIs are related to non-financial targets. The KPIs are defined on the following levels: organisational, departmental and personal. For the Control Functions, insofar as the KPIs are used to determine any Variable Remuneration, the KPIs used shall be independent from the performance of the operational units and areas that are submitted to their control. In the current remuneration policy there is no direct relation between performance on aforementioned sustainability-related performance metrics and the remuneration itself.

Variable Remuneration

Only for a limited group of employees (3%) in specific functional domains (e.g., trading, investments, treasury, or asset management), the relevant corporate bodies within the Company consider it important to offer variable remuneration to be able to recruit and retain qualified staff. The variable remuneration is allocated in such a way that it is not stimulating excessive risk taking and is within the limits of the applicable legislation. The variable remuneration is allocated based on financial and non-financial KPIs as well as performance on competences. The level of variable remuneration is maximised at 20% of the annual fixed salary in the event of stretched performance. Awarding is subject to a financial condition (knock out).

The variable remuneration is in cash only and applicable deferral rules are being observed.

Retention & Sign-on Bonus

Athora Netherlands exercises restraint when agreeing such arrangements as retention bonus or sign-on bonus. Such arrangements may be agreed only if this is in line with the Remuneration Policies and such arrangements are approved in accordance with applicable legislation, regulations and the Company's governance.

Other Benefits

The Company is committed to reduce its carbon footprint. Employees who are eligible to a lease car based on their position can choose between a 100% electric car or lease car allowance. In addition, Athora Netherlands stimulates the use of public transport by offering all staff a public transport card for their commute.

Hold Back & Claw Back

The Company has the power to hold back or claw back all or part of any variable remuneration awarded (in line with article 135 (6 and 8) and Book 2 of the Dutch Civil Code in connection with FMSA article 1:127 (2 and 3)) and Remuneration Policies.

Severance Payment

Athora Netherlands has a Social Plan, agreed with the trade unions, which is applicable in case of restructuring(s).

If and insofar a severance payment is due to an employee, such payment will be equal to the transitional fee within the meaning of article 7:673 of the Dutch Civil Code unless (i) the relevant employee can benefit from a different arrangement as explicitly agreed upon in an applicable social plan or (ii) otherwise determined at the discretion of the Executive Board or, where it relates to Above-CLA Employees or Identified Staff, the Supervisory Board. No severance payment is due and payable when a contract is terminated at the employees' own initiative, by serious culpable conduct or neglect by the employee or failure of the Company if the employee is considered day-to-day policy maker.

A severance payment to day-to-day policy makers, which also includes the members of the Executive Committee, may not be in excess of 100% of the fixed annual gross salary. For those employees, the contractual severance payment is capped at this maximum.

Overview Remuneration 2024

Fixed Remuneration

In accordance with the CLA, employees have received a collective salary adjustment per 1 January 2024, consisting of an increase of 4% plus a nominal amount of € 100,- (based on 36 hours). Based on the CLA, employees also received a periodic salary increase based on their performance on 1 February 2024, insofar the maximum of the scale was not reached. In March 2024 and July 2024, employees received a one-off payment of € 500,- net respectively gross.

For Above-CLA Employees, these increases and one-off payments were also applied.

Based on market comparison, the salaries of the Executive Board members were amended in 2024, in line with their applicable remuneration policy.

In 2024, three employees received a total annual remuneration exceeding € 1 million (in 2023: three employees). These employees work for Athora Netherlands N.V. and SRLEV N.V.

Variable Remuneration

In 2024, no variable remuneration for awarding performance was paid within SRLEV.

In 2024, Athora Netherlands did not use the right to apply a hold back and claw back.

Retention & Sign-on Bonus

In 2024, a total amount of € 21 thousand has been paid to two employees (2023: € 2.7 million to 41 employees) as retention bonus. No sign-on bonuses have been paid in 2024. This also includes employees of SRLEV.

Phantom Shares Allocation

On 1 January 2023, all employees in Athora Group (Executive Committee members excluded) received conditionally 100 phantom shares to celebrate the 5th anniversary of Athora Group. Each phantom share had a cash equivalent of € 15.70 at time of the award. The phantom shares vested on 1 July 2024 with a cash equivalent value of € 17.00 per share. Employees had the option to cash out or retain their phantom shares in accordance with the phantom share plan rules.

Pay Ratio

The Pay Ratio is defined as follows: Comparison of the highest total annual remuneration with the median annual remuneration of all other employees. This is in line with the Corporate Sustainability Reporting Directive (CSRD) definition (reporting requirement S1-16). For Athora Netherlands this pay ratio is 25.0 (2023: 18.1).

Gender Pay Gap

At Athora Netherlands job levels are determined based on know how, accountability and the required level of problem solving. As such, the background of the job holder is not taken into account. In line with its remuneration policy, men and women with comparable work experience, achievements and job level are given equal pay. See also: Remuneration Policy Principles.

Athora Netherlands analyses the existence of a possible salary gap between women and men (gender pay gap). The differences between the salaries of women and men are calculated on the basis of the gross hourly wage, to exclude differences caused by the fact employees work part-time or full-time. Besides base salary, also fixed allowances are included in the analysis. For 2024, this gender pay gap has increased and resulted for the year 2024 in 14.5% (2023: 11.4%), being the so-called unadjusted pay gap. If refined per salary scale the pay gap remains 1.4% (2023: 1.4%). The difference can be explained by the following factors: Women are overrepresented in positions in lower salary scales, whilst men are overrepresented in positions with higher salary scales. The average years of service of women is 15.1, this is lower compared to men with an average years of service of 16.4. Besides this, the average age of women is lower; 47.1 years versus 49.2 years for men.

Actual Remuneration (former) Members of the Executive Board and the Supervisory Board

The total actual remuneration in 2024 of the (former) members of the Executive Board (statutory members of the Executive Committee) is € 6,433 thousand (2023: € 4,974 thousand) and of the (former) members of the Supervisory Board is € 625 thousand (2023: € 625 thousand).

For more information about the actual remuneration of (former) members of the Executive Committee (statutory and non-statutory) and the (former) members of the Supervisory Board, reference is made to Note 15 Related parties (Intragroup balances with key management personnel of SRLEV).

Financial Statements

Financial Statements

5. Consolidated Financial Statements

5.1. Consolidated Statement of Financial Position

Before result appropriation and in € millions	Note [1]	31 December 2024	31 December 2023 [2]
Assets			
Property and equipment	1	-	14
Investments in associates	2	40	40
Investment property	3	830	986
Investments	4	57,597	59,362
Deferred tax	5	693	759
Reinsurance contract assets	10	3	13
Corporate income tax		23	31
Other assets	6	362	249
Cash and cash equivalents	7	2,931	328
Assets held for sale	3	131	-
Total assets		**62,611**	**61,782**
Equity and liabilities			
Share capital [3]		0	0
Reserves		3,962	3,715
Total shareholder's equity		**3,963**	**3,715**
Holders of other equity instruments		510	400
Total equity	8	**4,473**	**4,115**
Financial liabilities	9	13,216	14,946
Insurance contract liabilities	10	44,173	41,981
Reinsurance contract liabilities	10	186	210
Provision for employee benefits	11	135	143
Other provisions	12	47	117
Other liabilities	13	381	270
Total equity and liabilities		**62,611**	**61,782**

1 The references relate to the notes to the consolidated financial statements in Section 6.3
2 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.
3 The issued and paid-up share capital of SRLEV N.V. is € 45,000.

5.2. Consolidated Statement of Profit or Loss

In € millions	Note [1]	2024	2023 [2]
Insurance revenue	10	1,969	1,832
Insurance service expenses	10	-1,781	-1,656
Net expenses from reinsurance contracts held	10	-7	-13
Insurance service result	10	**181**	**163**
Result on investments	18	3,112	3,663
Share in result of associates		4	4
Impairment losses and reversals		1	1
Investment result	19	**3,116**	**3,668**
Insurance finance income or expenses		-2,634	-2,375
Reinsurance finance income or expenses		5	-131
Insurance finance income and expenses	19	**-2,629**	**-2,507**
Other income	20	7	2
Other operating expenses	21	-39	-130
Other finance result	22	-31	-36
Other income and expenses		**-63**	**-164**
Result before tax		**605**	**1,160**
Tax expense	23	-97	-279
Net result for the period		**508**	**881**
Attributable to:			
- Shareholder		480	853
- Holders of other equity instruments		28	28
Net result for the period		**508**	**881**

1 The references relate to the notes to the consolidated financial statements in Section 6.3
2 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

5.3. Consolidated Statement of Total Comprehensive Income

Consolidated Statement of Comprehensive Income

In € millions	Note [1]	2024	2023 [2]
Net result for the period		**508**	**881**
OCI not to be reclassified subsequently to profit or loss			
Changes in valuation of defined benefit pension plan	11, 24	8	8
Income tax relating to items that may never be reclassified	24	-2	-2
Net OCI never reclassified to profit or loss		**6**	**6**
OCI to be reclassified subsequently to profit or loss			
Net change in foreign currency translation reserve	24	-2	2
Changes in fair value	24	-2	2
Income tax relating to items that may be reclassified	24	1	–
Net OCI to be reclassified to profit or loss subsequently		**-4**	**3**
Other comprehensive income (net of tax)		**2**	**9**
Total comprehensive income (net of tax)		**510**	**890**
Attributable to:			
- Shareholder		482	862
- Holders of other equity instruments		28	28
Total comprehensive income		**510**	**890**

1 The references relate to the notes to the consolidated financial statements in Section 6.3
2 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

5.4. Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Total Equity 2024

In € millions	Issued share capital [1]	Share premium reserve	Sum other reserves	Retained earnings	Total share-holders' equity	Holders of other equity instruments	Total equity
Balance as at 1 January 2024	**0**	**2,787**	**2**	**926**	**3,715**	**400**	**4,115**
Other comprehensive income	–	–	-4	6	**2**	–	**2**
Net result 2024	–	–	–	508	**508**	–	**508**
Total comprehensive income 2024	**-**	**-**	**-4**	**514**	**510**	**-**	**510**
Interest on other equity instruments	–	–	–	-28	**-28**	–	**-28**
Capital injection	–	75	–	–	**75**	–	**75**
Capital distribution	–	-310	–	–	**-310**	–	**-310**
Issuance of other equity instruments	–	–	–	–	**-**	110	**110**
Other movements 2024	**-**	**-235**	**-**	**-28**	**-263**	**110**	**-153**
Total changes in equity 2024	**-**	**-235**	**-4**	**486**	**247**	**110**	**357**
Balance as at 31 December 2024	**0**	**2,552**	**-2**	**1,412**	**3,963**	**510**	**4,473**

1 The share capital issued is fully paid-up and comprises of 90 ordinary shares with a nominal value of € 500.00 per share for a total value of € 45,000.

The Executive Board proposes to the General Meeting of Shareholders to distribute no dividends on ordinary shares for 2024. Please refer to note 8 Equity for the disclosure of the material changes.

Consolidated Statement of Changes in Other Reserves 2024

In € millions	Revaluation reserve property and equipment	Fair value reserve	Foreign currency translation reserve	Sum other reserves
Balance as at 1 January 2024	**2**	**-**	**-**	**2**
Unrealised revaluations	-2	–	–	**-2**
Unrealised currency differences	–	–	-2	**-2**
Income tax	1	–	–	**1**
Total changes in equity 2024	**-2**	**-**	**-2**	**-4**
Balance as at 31 December 2024	**-**	**-**	**-2**	**-2**

Consolidated Statement of Changes in Total Equity 2023

In € millions	Issued share capital [1]	Share premium reserve	Sum other reserves	Retained earnings	Total share-holders' equity	Holders of other equity instruments	Total equity
Balance as at 1 January 2023	**0**	**2,739**	**-1**	**77**	**2,815**	**400**	**3,215**
Effect of legal merger between SRLEV and Proteq	–	48	–	-10	**38**	–	**38**
Adjusted balance as at 1 January 2023	**0**	**2,787**	**-1**	**67**	**2,853**	**400**	**3,253**
Other comprehensive income	–	–	3	6	**9**	–	**9**
Net result 2023	–	–	–	881	**881**	–	**881**
Total comprehensive income 2023	**-**	**-**	**3**	**887**	**890**	**-**	**890**
Interest on other equity instruments	–	–	–	-28	**-28**	–	**-28**
Other movements 2023	**-**	**-**	**-**	**-28**	**-28**	**-**	**-28**
Total changes in equity 2023	**-**	**-**	**3**	**859**	**862**	**-**	**862**
Balance as at 31 December 2023	**0**	**2,787**	**2**	**926**	**3,715**	**400**	**4,115**

1 The share capital issued is fully paid-up and comprises of 90 ordinary shares with a nominal value of € 500.00 per share for a total value of € 45,000.

Consolidated Statement of Changes in Other Reserves 2023

In € millions	Revaluation reserve property and equipment	Fair value reserve	Foreign currency translation reserve	Sum other reserves
Balance as at 1 January 2023	**2**	**-1**	**-1**	**-1**
Unrealised revaluations	–	2	–	**2**
Unrealised currency differences	–	–	2	**2**
Total changes in equity 2023	**-**	**1**	**2**	**3**
Balance as at 31 December 2023	**2**	**-**	**-**	**2**

5.5. Consolidated Cash Flow Statement

In € millions	2024	2023 [1]
Cash flow from operating activities		
Result before tax	605	1,160
Result before tax	**605**	**1,160**
Adjustments for non-cash items included in profit before tax:		
Depreciation and amortisation of non-current assets	–	1
Change in provision for employee benefits	–	3
Changes in provisions	-70	102
Impairment charges / (reversals)	-1	-1
Unrealised results on investments through profit or loss	-1,703	-3,507
Taxes		
Taxes paid / received	-24	-22
Change in operating assets and liabilities:		
Change in amounts due to banks	-452	-330
Change in investments property	34	-40
Change in investments	2,303	1,186
Change in other assets	-113	-18
Change in insurance and reinsurance contracts (held) assets and liabilities	2,179	1,460
Change in other liabilities	111	10
Net cash flow from operating activities	**2,870**	**5**
Cash flow from investment activities		
Net cash flow from investment activities	**-**	**-**
Cash flow from finance activities		
Capital injection	75	-
Capital distribution	-310	-
Issue of equity instrument	110	-
Redemption of subordinated loans	-113	-
Interest payment of subordinated notes	-28	-28
Net cash flow from financing activities	**-266**	**-28**
Net increase in cash and cash equivalents	**2,604**	**-23**
Cash and cash equivalents 1 January	328	351
Cash and cash equivalents as at 31 December	**2,931**	**328**
Additional disclosure with regard to cash flows from operating activities:		
Interest received	1,517	2,821
Dividends received	125	115
Interest paid	-532	-1,621

1 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

6. Notes to the Consolidated Financial Statements

6.1. Accounting Policies for the Consolidated Financial Statements

General Information

SRLEV N.V. (hereinafter referred to as "SRLEV") is a public limited liability company incorporated under Dutch law. SRLEV has its registered office located in Alkmaar, the Netherlands and has its principal place of business located at Edge West, Basisweg 10, 1043 AP Amsterdam, the Netherlands. The registration number at the Dutch Chamber of Commerce Trade is no. 34297413. The principal activities of SRLEV and its subsidiaries, divided in operating segments, are described in Section 6.4. SRLEV is a wholly owned subsidiary of Athora Netherlands N.V. with a registered office in Amstelveen, the Netherlands and Athora Netherlands N.V. is a wholly owned subsidiary of Athora Netherlands Holding Ltd. with a registered office in Dublin, Ireland, whose ultimate parent is Athora Holding Ltd. domiciled in Bermuda.

Adoption of the Financial Statements

The consolidated financial statements of SRLEV for the year ended on 31 December 2024 were authorised for publication by the Executive Board following the approval by the Supervisory Board on 19 March 2025. The financial statements will be submitted to the General Meeting of Shareholders for adoption.

Basis of Preparation

Statement of IFRS Compliance

SRLEV prepares its consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU). Pursuant to the option offered in article 2:362(8) of the Dutch Civil Code, SRLEV prepares its company financial statements in accordance with the same accounting policies as those used for the consolidated financial statements (refer to Section 9.1 Accounting policies to the company financial statements).

The financial statements are prepared on the going concern basis of accounting.

All amounts listed in the consolidated financial statements are in millions of Euros, unless stated otherwise. The key accounting policies and the changes herein used in the preparation of SRLEV's consolidated financial statements are set out in this section.

Relevant New Standards, Amended Standards and Interpretations of Existing Standards Effective as of 2024

New or amended standards become effective on the date specified in the relevant IFRS, but may allow early adoption. New or amended standards that become effective in 2024 and that are relevant to SRLEV are disclosed below.

Other Standards, Amendments and Interpretations

The following other standards, amendments and interpretations became effective on or after 1 January 2024:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current: no changes in liabilities' classification as a result of the amendment;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

These changes had no material impact on Athora Netherlands's consolidated financial statements.

Relevant New Standards, Amended Standards and Interpretations of Existing Standards Effective on or after January 2025

Relevant new standards, amendments to existing standards and interpretations, effective for reporting periods beginning on or after 1 January 2025, were not early adopted by SRLEV. New or amended standards that become effective on or after 1 January 2025 and that are relevant to SRLEV are disclosed below:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023). The impact of this amendment is being assessed and deemed not likely to be material.
- Annual improvements to IFRS standards volume 11 (issued on 18 July 2024). The impact of these improvements is being assessed and deemed not likely to be material.
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024. The impact of this amendment is being assessed and deemed not likely to be material.
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024). The impact of this amendment is being assessed and deemed not likely to be material.
- IFRS 18 – Presentation and Disclosure in Financial Statements (issued on 9 April 2024). In April 2024, the Board issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements.IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 with retrospective application. SRLEV is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024). The impact of this amendment is being assessed and deemed not likely to be material.

Changes in Policies, Presentation and Estimates

Changes in Accounting Policies

In 2024 there were no changes in accounting policies.

Changes in Financial Statement Presentation

The current presentation and disclosure tables differ from last year's annual report in some aspects. Where applicable, in accordance with IFRS, comparative figures have been included in the new presentation and disclosure tables format, to ensure comparability. These changes in presentation and disclosures have no impact on net result nor equity.

Changes in Accounting Estimates

The effects of significant changes in estimates are disclosed in the notes to the consolidated financial statements relating to the items concerned. The most significant changes in estimates concern the following items:

- Deferred tax (refer to Note 5 'Deferred Taxes')
- Insurance liabilities (refer to Note 10 'Insurance Contract Liabilities and Reinsurance Contract').
- Measurement of the fair value categorised as level 3 (refer to Note 25 'Fair Value Hierarchy').

General Accounting Policies

The accounting policies set out below have been applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements have been prepared in millions of Euros (€). The Euro is the functional and reporting currency of SRLEV. All financial data presented in Euros is rounded to the nearest million, unless stated otherwise. Calculations are made using unrounded figures. As a result, rounding differences can occur.

Upon initial recognition, transactions in foreign currencies are converted into Euros against the exchange rate at the transaction date.

Monetary items in the statement of financial position denominated in foreign currencies are translated into Euros at the exchange rate applicable at the reporting date. Exchange rate differences arising from these transactions and from converting monetary items in the statement of financial position denominated in foreign currencies are recognised in the statement of profit or loss within result on investments or gains and losses on financial instruments, depending on the item in the statement of financial position to which they relate.

The exchange rate differences of non-monetary items in the statement of financial position measured at fair value, with changes in the fair value recognised in the statement of profit or loss, are accounted for as part of these changes in the value of the related item in the statement of financial position. Exchange rate differences of non-monetary items in the statement of financial position measured at fair value, with changes in the fair value being recognised in other comprehensive income, are incorporated into shareholder's equity. Non-monetary items measured at historical cost are measured at the exchange rate applicable on the initial transaction date.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated at the exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rate at the date of transactions are used. Exchange rate differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve. On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss.

Accounting Based on Transaction Date and Settlement Date

All purchases and sales of financial instruments that have been settled in accordance with standard market practices are recognised at the transaction date, i.e., the date on which SRLEV commits itself to buying or selling the asset or liability. All other purchases or sales are recognised as forward transactions until they are settled.

Offsetting Financial Instruments

Financial assets and liabilities are offset and their net amounts are reported in the statement of financial position if the following conditions are met:

- a legally enforceable right to set off the recognised amounts exists,
- SRLEV intends to settle the items on a net basis, or to realise the asset and the liability simultaneously.

If either of these conditions are not met, amounts are not offset.

Estimates and Assumptions

The preparation of the consolidated financial statements requires SRLEV to make estimates and assumptions based on complex and subjective opinions and best estimates. In this process, management judges situations on the basis of available information and financial data that are likely to change in the future. Although estimates are made to the best of the management's knowledge, actual results will differ from these estimates and the use of other assumptions or data can lead to materially different results.

Estimates and underlying assumptions are reviewed on a regular basis. The resulting impact on accounting estimates is recognised in the period in which the estimate is revised or in the period of revision and future periods if the revision impacts both the reporting period and future periods. The main accounting policies involving the use of estimates concern the methods for determining liabilities arising from insurance contracts, the fair value of assets and liabilities, deferred tax assets and provisions. Also qualifying new investments as subsidiaries, associates or joint arrangements requires making judgement and applying assumptions.

Details of all critical accounting estimates and judgements are set out below.

Methods for determining liabilities arising from insurance contracts

Information about significant judgements and estimates made in relation to insurance and reinsurance contracts under IFRS 17 are captured in note 10. These include:

- Methods used to measure insurance contracts
- Actuarial assumptions
- Discount rates
- Risk adjustment for non-financial risk
- Amortisation of the contractual service margin

Fair value of financial instruments

In the determination of the fair value of financial instruments, the SRLEV's management reviews estimates and assumptions used, particularly those items categorised within Level 3 of the fair value hierarchy. Further details are included in note 25.

Valuation of investment properties and property for own use

Management uses non-affiliated external independent qualified appraisal services to determine the fair value of investment properties and property for own use, which utilises the Discounted Cash Flow (DCF) calculation method. The valuation model includes, amongst other items, the agreed rent for the signed leases, the market rent for currently vacant space, estimated rents for reletting of the space after lease term expiry and rental growth forecasts (see note note 25 and note 3).

Acquisition accounting

The identification and valuation of identifiable assets and liabilities and in particular, acquired in-force business and intangibles, arising from the SRLEV's acquisition of the new insurance portfolios and businesses require SRLEV to make a number of judgements and estimates. Further details are included in the Basis for Consolidation section below.

Deferred tax assets

Deferred tax assets are established for the tax benefit related to deductible temporary differences, carry forwards of unused tax losses and carry forwards of unused tax credits when, in the judgement of management, it is likely that SRLEV will receive the tax benefits. A change in accounting estimate could have a substantial effect on the value of the deferred tax asset. In determining the tax position, SRLEV has taken into account its estimate of the associated future expenses. Furthermore, management considers tax planning strategies to increase the likelihood that the tax assets will be realised. Further details are included in note 5.

Provisions

The determination of provisions is an inherently uncertain process involving estimates regarding amounts and timing of cash flows. Further details are included in notes 11 and 12.

Basis for Consolidation

Subsidiaries

Subsidiaries, i.e., all entities (including structured entities) that are controlled by SRLEV, are consolidated. Control over companies and entities is assumed to exist if all of the following conditions are met:

- SRLEV has power over a company or entity by means of existing rights that give SRLEV the current ability to direct the relevant activities of the company or entity;
- SRLEV has exposure or rights to variable returns from its involvement with the investee; and
- SRLEV has the ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are fully consolidated from the date on which control is transferred to SRLEV until the date this control ceases. The financial statements of these group companies are fully consolidated and aligned with the accounting policies applied by SRLEV.

Non-controlling interests and their results are presented separately in the consolidated statement of financial position and the statement of profit or loss.

Investments in Associates and Joint ventures

Associates are entities in which SRLEV can exercise significant influence on the operating and financial policies, but over which it has no control.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The consolidated financial statements include SRLEV's total share of profit of associates and joint ventures from the date that SRLEV acquires significant influence or joint control to the date that significant influence ceases to exist. The profit is accounted for using the equity method, after adjustments to comply with SRLEV's accounting policies, where needed.

Upon recognition, associates and joint ventures are initially accounted for at their acquisition price (including transaction costs) and subsequently measured using the equity method. This measurement also includes goodwill paid upon acquisition less accumulated impairment losses, if applicable.

Under the equity method, SRLEV's share of profit or loss of associates and joint ventures is recognised in the statement of profit or loss within share of profit of associates and joint ventures. Other changes in equity of associates and joint ventures are recognised directly in SRLEV's other comprehensive income.

If the carrying amount of the associate is nil, no further losses are accounted for, unless SRLEV has entered into commitments, made payments on its behalf or acts as a guarantor.

Elimination of Group Transactions

Intra-group transactions, intra-group balances and unrealised gains and losses arising from intra-group transactions are eliminated in the preparation of the consolidated financial statements.

Segment Information

The legal entity SRLEV constitutes the level at which financial performance is managed (IFRS result, operating capital generation, investments and Solvency II ratio). Commercial targets, pricing and service level are managed at the level of commercial lines. These commercial lines (Life Service Business and Pension Business) are assessed based on key performance indicators, most of which have commercial character. This information is based on the accounting policies used in the consolidated financial statements. For one-of intra-group transactions directed by SRLEV the required consolidation adjustments and eliminations are accounted for directly in the related commercial line.

Accounting Policies for the Statement of Financial Position

Property and Equipment

Owner-occupied Property

Owner-occupied property mainly comprises offices (land and buildings) and is measured at fair value (revaluation model) based on annual valuations performed by external, independent appraisers with adequate professional expertise and experience in the specific location and categories of properties.

Owner-occupied property is measured at fair value on an unlet or (partially) let basis, depending on the situation. The purpose of a valuation is to determine the value for which the asset would be sold in an orderly transaction between market participants at the measurement date. The capitalisation method and the reference method are used to determine this value. The capitalisation method uses an expected return at inception and the market rental value to determine the fair value of an asset. The reference method relies on other market transactions. Gains and losses on owner-occupied property include lease incentives, discount rates and expected vacancy, making allowance for the location, quality, age and liquidity of the property in question.

Increases in the fair value exceeding cost are added to the revaluation reserve in shareholder's equity, less deferred taxes. Positive revaluations, insofar as they result in the reversal of earlier impairments on the same asset, are credited to the statement of profit or loss. Decreases in fair value, insofar as they result in the reversal of prior positive revaluations of the same asset, are charged to the revaluation reserve. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Buildings are depreciated over their useful lives using a straight-line method, with a maximum of fifty years, taking into account any residual value. Land is not depreciated. Regular impairment tests are performed on land and buildings.

Repair and maintenance expenses are recognised within other operating expenses as incurred. Expenses incurred after the acquisition of an asset that increase or extend the future economic benefits of owner-occupied property in relation to their original use are capitalised and then depreciated.

Upon the sale of a property, the part of the revaluation reserve related to the property in question, which was recognised within shareholder's equity, is transferred to the retained earnings.

Other Property and Equipment

All other property and equipment are measured at cost net of accumulated depreciation and, if applicable, accumulated impairment losses. Cost includes all expenses directly attributable to the acquisition of the assets. Assets are depreciated on a straight-line basis over their useful lives, taking into account any residual value. The estimated useful life varies between three and ten years.

Repair and maintenance expenses are recognised in other operating expenses as incurred. Expenses incurred after the acquisition of an asset that increase or extend the future economic benefits of other property and equipment in relation to their original use are capitalised and subsequently depreciated.

Gains and losses on the sale of other property and equipment are defined as the balance of the recoverable amount less transaction costs and the carrying amount. These gains and losses are recognised within other income.

Right-of-use Assets

A lease is a contract, in which the right to use an asset is granted for an agreed-upon period in return for compensation. SRLEV applies the relief option allowed by IFRS 16 for short-term leases (12 months or less) and recognises the lease payments arising from these arrangements as expenses in the statement of profit or loss. For the leased assets (property and company cars) the right-of-use assets and lease liabilities are recognised.

The right-of-use asset is recognised if SRLEV has both right to direct the use of the identified asset and the right to obtain substantially all of the potential economic benefits from directing the use of an asset. Initially the right-of-use asset is recognised at an amount comprising:

- the amount at which the corresponding lease liability has been measured (refer to the section 'Other liabilities');
- prepaid lease payments at or before the commencement date, if any;
- initial direct costs incurred by SRLEV with regard to the lease, if any.

Subsequently SRLEV has chosen the cost model for measurement. The right-of-used assets are measured at amortised cost less accumulated depreciation and depreciated over the lease term using a straight-line method, taking into account the options to cancel or to extend the lease. At each reporting date the right-of-use assets are reassessed for impairment.

Investments in Associates and Joint ventures

For details, see section 'Basis for Consolidation' under 'Investments in Associates and Joint ventures'.

Investment Property

Investment property, comprising retail properties and offices, residential properties and land, is held to generate long-term rental income or capital appreciation or both. If a property qualifies as part investment property and part owner-occupied property, it is recognised within property and equipment if the owner-occupied part makes up no less than 20% of the total number of square metres. However, if the owner-occupied part makes up less than 20% of the total number of square metres, it is recognised within investment property.

Investment property is measured at fair value i.e., its value in a (partially) let state, including transaction costs, upon initial recognition. The fair value is based on valuations performed every year by independent external appraisers with adequate expertise and specific experience in property locations and categories.

The purpose of a valuation is to determine the value for which the asset would be sold in an orderly transaction between market participants at the measurement date. The capitalisation method is used to determine this value. This method uses an expected return since inception and the market rental value to determine the fair value of an asset. Gains and losses on investment property include lease incentives, discount rates and expected vacancy, but allowance is made for location, quality, age and liquidity of the property as well.

Changes in the fair value of investment property are recognised in profit or loss within result on investments. On disposal the difference between the sales proceeds and carrying value is recognised in the profit and loss account. Investment properties are classified as 'Held for sale' when it is highly probable that the carrying amount will be recovered principally through a sale transaction rather than through continuing use. The sale of an asset or a related set of assets is highly probable if:

- SRLEV is committed to a plan to sell these assets and has initiated activities to find a buyer;
- There is a sales effort to dispose of the assets at a price reasonably related to the current fair value;
- The sale is expected to take place within one year from the date of the 'Held for sale'classification.

Investment properties classified as 'Held for sale' are measured at fair value less costs to sell and are presented separately in the Statement of financial position.

Financial Assets

Initial recognition

The initial recognition of financial assets takes place at the moment SRLEV becomes a party to a financial instrument, i.e. on the transaction date. Initial measurement is done at fair value excluding transaction costs for investments recognised at fair value with changes in fair value recognised in the statement of profit and loss and including transaction costs for investments recognised at amortised cost and at fair value through net other comprehensive income. Subsequent measurement depends on the classification of the investment.

Business model assessment

SRLEV has determined its IFRS 9 Business Models for its financial assets. An IFRS 9 business model is the way SRLEV manages its financial instruments in order to generate cash flows. It is determined at a level that reflects how groups of financial assets are managed together rather than at an individual financial instrument level.

In order to determine the business models, SRLEV has assessed the objectives of each business model and the activities undertaken. In doing so, SRLEV has considered all relevant information, including how investment decision are taken, how the performance is measured and how risks are managed and reported to SRLEV's management.

IFRS 9 defines the following Business Model:

- Hold to collect;
- Hold to collect and sell;
- Other (including managed on a fair value basis).

SRLEV's Business Model assessment resulted in FVTPL measurement as the investments are managed on a fair value basis, except for private loans related to the savings mortgages for which SRLEV has applied the FVTPL designation. SRLEV does not have a hold-to-collect-and-sell business model.

Classification and subsequent measurement

The classification of financial assets at initial recognition is based on the combination of the Business Model, the SPPI test and in certain cases the financial instrument can be designated to be measured at fair value through profit or loss (“FVTPL”) to prevent an accounting mismatch.

A debt instrument, within a business model whose objective is hold-to-collect, will collect contractual cash flows and its contractual terms will pass the Solely Payments of Principal and Interest test. The SPPI test requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Share and similar investments are recognised at fair value upon inception and subsequently measured at fair value with changes in fair value recognised in the statement of profit and loss.

Derivatives are recognised at fair value upon inception and subsequently measured at fair value as well. SRLEV recognises derivatives with a positive fair value as assets and derivatives with a negative fair value as liabilities. Changes in the fair value of derivatives are accounted for in the statement of profit or loss as gains and losses on financial instruments.

Loans and advances due from banks concern receivables from banks with a remaining maturity of one month or more, not including interest- bearing securities. These receivables are measured at FVTPL Mandatory, following the IFRS 9 Business model 'other' as they are managed on a fair value basis.

After initial measurement, SRLEV measures financial instruments which are classified as at FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets. Interest and dividends earned or paid on these instruments are recorded separately in interest income and dividend income.

Financial assets at amortised cost are measured at amortised cost (including transaction costs) based on the effective interest method. Interest income, foreign currency differences and impairments are recognised in the statement of profit or loss. Realised gains and losses are also recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or;
- SRLEV has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either: (a) SRLEV has transferred substantially all the risks and

rewards of the asset; or (b) SRLEV has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Modification

If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognised, SRLEV has assessed whether there has been a significant increase in the credit risk of the financial instrument by comparing:

a. the risk of a default occurring at the reporting date (based on the modified contractual terms); and
b. the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

Write Offs

A write of is a direct reduction of the carrying amount of a financial asset resulting from uncollectibility. A financial asset is considered uncollectible if SRLEV has no reasonable expectations of recovery and has ceased any further enforcement activities.

Credit exposure relating to FVTPL Designation

SRLEV has applied the FVTPL designation on the private loans related to the savings mortgages. There is no material credit exposure to the private loans related to the savings mortgages, as they are settled together with related mortgage loans. The loan commitments are designated as at FVTPL and are exposed to a limited credit risk.

Investments for Account of Third Parties and Liabilities from Investments for Account of Third Parties (Fair Value Through Profit or Loss)

These investments relate to the third parties' share in the investments of investment funds with opposite daily redeemable financial obligations to these third parties at the same amount and are measured at fair value through profit or loss. Any related gains and losses are recognised in the statement of profit or loss as gains and losses on financial instruments. These investment funds are consolidated since Athora Netherlands controls these funds and is exposed to these funds' gross variable results, which are mainly attributable to investments for account of policyholders.

SRLEV's exposure to risks arising from these financial instruments is limited since the beneficial ownership rests with these third parties and participants. The value of corresponding liabilities equals the fair value of the underlying investments.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments such as money market funds that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value and are measured at fair value. The fair value is equivalent to the nominal value.

Taxes

Corporate Income Tax

Corporate income tax relates to payable or recoverable tax on the taxable profit for the reporting period and taxes due from previous periods, if any. Current tax receivables and payables are measured using the tax rate applicable at the reporting date or the tax rate applicable to the previous period the taxes due relate to.

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for tax losses carried forward and for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This is based on the tax rates that will apply in the period in which the deferred tax assets or tax liabilities are settled.

Deferred tax assets and liabilities are measured at the undiscounted amount expected to be received or paid. Deferred tax assets are only recognised to the extent sufficient taxable profits are expected to be available which these temporary differences can be utilised. Deferred taxes are recognised for temporary differences between the carrying amount and the value for tax purposes.

Deferred tax assets are assessed at the reporting date; if it is no longer likely that the related taxable profit will be achieved, the asset is reduced to its recoverable value. Deferred tax assets and liabilities are presented on a net basis to the extent that they relate to the same tax authority and that they are settled simultaneously.

Tax Group

Athora Netherlands N.V. and its Dutch subsidiaries, including SRLEV N.V., form a tax group for corporate income tax and value added tax (VAT) and as a result are jointly and severally liable for the fiscal unity's corporate income tax and VAT liabilities.

Athora Netherlands has applied the mandatory exception to recognise and disclose information about deferred tax assets and liabilities arising from Pillar Two income taxes.

Reinsurance Contracts Held Assets and Liabilities

Inbound Reinsurance Contracts

Other insurers use these contracts to transfer the insurance risk associated with their own insurance contracts to SRLEV. These contracts qualify as inbound reinsurance contracts; the obligations from the insured risk and the deposit component are recognised as normal liabilities within insurance contracts in accordance with IFRS 17.

Outbound Reinsurance Contracts

By virtue of these contracts, SRLEV is compensated for losses incurred on its own insurance contracts. Because of the transfer of significant insurance risks, the entire contract qualifies as an outbound (re)insurance contract. The liabilities from insurance risks and the deposit components are recognised as reinsurance contracts held liabilities in accordance with IFRS 17. The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the assets for remaining coverage and the assets for incurred claims. The assets for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) the remaining CSM at that date. The receivables depend on the expected claims recoveries.

The amounts receivable from (claim recoveries), and payable to (premium) reinsurance companies are determined in accordance with the terms and conditions of each reinsurance contract and recognised in the period in which they incurred. Receivables from reinsurers are assessed for potential impairment due to credit risk, at the reporting date. The current outstanding amounts are presented under reinsurance contracts held assets or reinsurance contracts held liabilities depending on the balance of each group of reinsurance contracts.

Holders of Other Equity Instruments

Other equity instruments comprise of perpetual Tier 1 Capital loans provided by its parent company Athora Netherlands N.V. Redemption of these loans is scheduled at specific dates, for the first time five years after they were issued. The agreed terms meet the requirements in the EU's Solvency II regulations for Tier 1 Capital loans. These regulatory requirements imply that the borrower (SRLEV) has a unilateral right not to pay interest or repay the principal to the investors. Based on these terms, the loans do not qualify as a liability at SRLEV and consequently they are recognised within equity.

Interest on this loan is recognised directly via equity instead of via the statement of profit or loss. The interest payment on these instruments is recognised as a deduction on equity once the payment is declared.

Financial Liabilities

Classification

SRLEV classifies its financial liabilities into one of the following categories:

- Financial liabilities at amortised cost (subordinated debt, borrowings and amounts due to banks); or

- Financial liabilities at FVTPL (liabilities from investments for account of third parties and derivatives).

Subsequent measurement and gains and losses

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method. Interest expenses, foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, SRLEV estimates future cash flows considering all contractual terms of the liability.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value. Net gains and losses, including any interest expenses and foreign gains and losses, are recognised in profit of loss.

For embedded derivatives refer to 'Embedded options and guarantees in insurance contracts' in the section 'Life insurance'.

Derecognition and contract modification

SRLEV generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. SRLEV also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition, any difference between the carrying amount and the redemption value based on the effective interest method is recognised in the statement of profit or loss.

Contingent Liabilities and Commitments

SRLEV's commitments consist of the following three categories:

- Undrawn loans commitments from regular business
- Capital commitments for future investments
- Loan commitments relating to savings mortgages

For the undrawn loan commitments, SRLEV is potentially exposed to credit risk at reporting date. The undrawn loan commitments are measured at fair value through profit or loss to prevent an accounting mismatch when the loan is drawn.

For capital commitments in the future, it is expected that the allocation of funding towards the further integration of sustainability into SRLEV's investment processes will increase in the coming years in order to keep up with, for instance, additional regulatory and legal requirements. The transition to a low-carbon and renewable energy economy creates the risk of financial loss in the investment portfolio (e.g., business models becoming obsolete). Moreover, there is the risk of financial loss in the investment portfolio caused by extreme weather conditions (e.g., prolonged droughts, floods and storms). SRLEV has identified both these transition and physical risk as material for its investments.

The loan commitments relating to savings mortgages are designated at FVTPL and are exposed to a limited credit risk.

Insurance Contract Liabilities

Insurance contract liabilities arise from insurance contracts. Insurance contracts are contracts that concern the transfer of significant insurance risk. These contracts can also involve investment risks. SRLEV issues life insurance contracts. SRLEV recognises insurance contract liabilities from the earliest of the beginning of the coverage period or the date on which the first payment of the policyholder becomes due or when a group of contracts become onerous.

Classification of Insurance Contracts

SRLEV issues life insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders if a specified uncertain future event adversely affects the policyholder.

Contracts held by SRLEV, under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts held. These reinsurance contracts held also meet the definition of insurance contracts for purposes of IFRS 17.

The insurance and reinsurance contracts also expose SRLEV to financial risk.

There are three measurement models available under IFRS 17 for the measurement of insurance contracts, these include the General Measurement Model ('GMM'), Variable Fee Approach ('VFA') and the Premium Allocation Approach ('PAA'). The GMM is the default approach. The VFA is an adjusted version of the GMM applied for contracts with direct participation features. This approach is for contracts where substantially investment-related services are provided.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception (or transition date for the policies in force at the transition date):

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items,
- SRLEV expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items, and
- SRLEV expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Insurance contracts with investment-related services issued by SRLEV tend to meet the requirements to be considered direct participating contracts. These insurance contracts are measured applying the VFA. The VFA assessment has been made based on the facts and circumstances at the transition to IFRS 17.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. The GMM, is used for the measurement of the contracts without direct participation features. SRLEV does not measure any of the contracts applying the PAA.

In the table below the life portfolio and the measurement model that SRLEV applies are presented:

Measurement Method Applied

	Measurement method applied	
Product	**GMM**	**VFA**
Individual traditional insurance policies	☑	
Individual insurance policies in investment units	☑	☑
Group insurance policies	☑	☑
Group insurance policies in investment units	☑	☑

Separating Components from Insurance and Reinsurance Contracts

The starting point for grouping insurance contracts for measurement purposes, is the IFRS 17 insurance contract. SRLEV assesses the terms of the insurance contracts to determine if any non-insurance components need to be separated from the insurance contracts when applying IFRS 17.

SRLEV assessed whether the insurance contracts contain components which must be accounted for under another IFRS standard rather than IFRS 17. Possible non-insurance components include:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument (i.e., distinct embedded derivatives).
- investment components (i.e., payments made to the policyholder in all scenarios) that are not highly inter-related with the insurance component(s) within the insurance contracts, and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction (i.e., distinct investment components).
- good or service other than insurance contract if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder (i.e., distinct goods or services other than insurance contract services).

The SRLEV insurance contracts do not include any of the above distinct non-insurance components set out above, and therefore even though some of the insurance contracts include embedded derivatives and/or investment components these are not separated from the insurance components because they are not distinct. SRLEV therefore applies IFRS 17 to all components of the (host) insurance contract.

Aggregation and Recognition of Insurance and Reinsurance Contracts held

Insurance contracts and reinsurance contracts held are aggregated into groups for measurement purposes. Groups of (re)insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into cohorts based on the issue date (not grouping contracts issued more than 3 months apart in the same group) and each cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the cohort.

The same cohorting mechanism is used for reinsurance contracts held, except that the groups for reinsurance contracts held are based on the cost or gain of reinsurance instead of profitability.

SRLEV does not apply the exemption granted by the European Commission's Accounting Regulatory Committee to exempt certain groups of insurance contracts from annual cohort requirements.

Contracts are grouped together based on the nature of the (predominant) risk covered in the contract. Mortality and longevity risk are used as the basis for the identification of separate portfolios. Multi-cover contracts that are not separated are grouped based on their predominant risk.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains SRLEV practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group. This applies to contracts issued which are required by European regulation to be priced on a gender-neutral basis.

Each group of reinsurance contract comprises one contract.

A direct insurance contract issued is initially recognised by SRLEV from the earliest of:

- the beginning of its coverage period (i.e., the period during which SRLEV provides services in respect of any premiums within the boundary of the contract),
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts with the same characteristics are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

The recognition date for direct insurance contracts and reinsurance contracts held differ. A reinsurance contract is recognised on the following dates:

- Proportional reinsurance contracts: The date on which any underlying insurance contract is initially recognised. This applies to the SRLEV quota share reinsurance contracts.
- Other reinsurance contracts: The beginning of the coverage period of the reinsurance contract. However, if SRLEV recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. SRLEV do not have significant non-proportional reinsurance contracts.

Initial Measurement of Insurance and Reinsurance Contracts

On initial recognition, SRLEV measures a group of insurance contracts as the total of the:

- fulfilment cash flows, and
- Contractual Service Margin (CSM).

The fulfilment cash flows comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk, as explained below.

Future Cash Flows

The estimates of future cash flows are based on a probability weighted average of the full range of possible outcomes determined from the perspective of SRLEV, provided the estimates are consistent with observable market prices for market variables; and reflect conditions existing at the measurement date.

SRLEV objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then SRLEV uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

The estimates of future cash flows reflect SRLEV view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, SRLEV takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. SRLEV N.V. derives cost inflation assumptions on fixed staff costs from the current Collective Labour Agreement. For the projection of attributable expense to the future, expense inflation assumptions are applied. Which takes into account expected price inflation. Inflation regarding expense assumptions is considered a financial assumption if an observable market input is used and non-financial if not.

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group. The contract boundary for the insurance and reinsurance contracts are determined as follows:

Insurance contracts:

- Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which SRLEV can compel the policyholder to pay premiums or has a substantive obligation to provide insurance contract services which includes insurance coverage and any investment related or investment return services as required by IFRS 17.

A substantive obligation to provide services ends when SRLEV:

- has the practical ability to reassess the risks of the policyholder and can set a price or level of benefits that fully
- reflects those reassessed risks; or
- has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to SRLEV, which may include both insurance and financial risks, but exclude lapse and expense risks.

Reinsurance contracts:

- Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which SRLEV is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully
- reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

For contracts with renewal periods, an assessment is performed of whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by considering all the risks covered for the policyholder by the company, that would be considered when underwriting equivalent contracts on the renewal dates for the remaining service. An insurance contract liability or insurance contract asset relating to expected premiums or claims outside the boundary of an insurance contract or a reinsurance contract, are not included in the measurement of that contract. Such amounts relate to future insurance contracts. An assessment is made whether a renewal meets the definition of a modification, in terms of IFRS 17, where the existing insurance contract is derecognised and the renewal recognised as a new insurance contract.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on SRLEV substantive rights and obligations and, therefore, may change over time.

Acquisition Cash Flow

Insurance acquisition cash flows within the contract boundary, are included within the measurement of the insurance contracts. The insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort. The cash flows arise from selling, underwriting or starting a (group of) insurance contracts include costs directly attributable to individual contracts and groups of contracts; and costs directly attributable to the portfolio of insurance contracts to which the group belongs.

The insurance acquisition cash flows directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), are allocated to that group and to the groups that will include renewals of those contracts.

Insurance acquisition cash flows that are directly attributable to a portfolio but not to a group of contracts, are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts. At the end of each reporting period SRLEV assesses the recoverability of an asset for insurance cash flows if facts or circumstances indicate the asset may be impaired. SRLEV recognises an impairment loss in profit or loss and reduces the carrying amount of an asset for insurance acquisition cash flows so that the carrying amount does not exceed the expected net cash inflow for the related group of insurance contracts. A reversal of an impairment loss is recognised in profit or loss, to the extent that the impairment conditions no longer exist or have improved.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. SRLEV generally allocates insurance acquisition cash flows and maintenance and administration costs to groups of contracts based on the number of expected to be in-force contracts within each group. Other costs are recognised in profit or loss as they are incurred.

Investment Management Expenses

Investment Management Expenses represent a separate category of costs. Under IFRS 17, cash flows are attributed to insurance contracts if they directly relate to the execution of these insurance contracts and that the investment activities enhance policyholder benefits from insurance coverage as required by IFRS 17.B65(ka)(i-iii). It is SRLEV's view that only insurance contracts with explicit profit sharing and/or investment returns have policyholder benefits that are enhanced by investment returns and therefore the measurement of only these contracts allows for expected investment management expenses. All investment management expenses not allocated to these products are reported in profit or loss as they are incurred in the reporting period.

At each reporting date, SRLEV revises investment management expenses allocated to group of contracts to reflect any changes in assumptions that determine the inputs to the allocation method used.

Discount Rate

The IFRS 17 discount rates should reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts and be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity.

SRLEV applies the top-down approach to determine the discount rates. The discount rates exclude the factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts.

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. SRLEV's IFRS 17 curves are constructed as a risk-free rate and a portfolio specific spread that is based on the illiquidity premium of the reference portfolio. The reference portfolio is adjusted to eliminate factors that are not relevant for the insurance liability, for example market risk and expected and unexpected credit risk. Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

When the present value of future cash flows is estimated by stochastic modelling, the cash flows are discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

SRLEV generally determines the risk-free rates using the observed mid-price swap yield curves. The yield curve is interpolated between the Last Liquid Point (LLP) of 30 years and an ultimate forward rate of 2%, which is determined based on 20-years moving average and reflects long-term real interest rate and inflation expectations. SRLEV applies a LLP of 30 years and considers market information not liquid enough for longer maturities. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on significant changes to long-term expectations.

To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves and UFR are adjusted by an illiquidity premium (ILP). ILPs are generally determined by a (credit) risk-corrected spread that is derived from SRLEV's own asset allocation. The short term ILP is based on current asset allocation and point-in-time (PiT) benchmark gross spreads and is assumed to converge to a long-term ILP which is based on strategic asset allocation and through-the-cycle (TtC) average historical benchmark gross spreads.

Non-performance risk of SRLEV is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer. In the current and prior reporting periods there are no expected risks related to non-performance.

Refer to Note 10 Insurance contract liabilities and reinsurance contracts held liabilities for the yield curve that is applied for discounting the cash flows.

Risk Adjustment

This risk adjustment is determined based on the cost of capital approach. The cost-of-capital rate represents the additional reward that investors would require for exposure to the non-financial risk. Applying a cost of capital technique, SRLEV determines the risk adjustment for non-financial risk by applying a cost-of-capital rate to the amount of capital required for each future reporting date and discounting the result using risk-free rates adjusted for illiquidity. The cost of capital in the risk adjustments is set at 4%. The risk adjustment is calculated on SRLEV level and allocated to portfolios and groups of insurance contracts.

The risk adjustment for non-financial risk on reinsurance contracts held, is the amount of risk being transferred by SRLEV to the reinsurer. To determine the risk adjustments for non-financial risk for reinsurance contracts, SRLEV applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results. An explicit risk adjustment for non-financial risk is estimated separately from other estimates and is taken into account in determining the fulfilment cash flows.

The risk adjustment is the compensation the entity requires for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment for non-financial risk reflects all life underwriting risks associated with insurance contracts of which the most important are mortality risk, longevity risk, disability and morbidity risk, lapse risk, expense risk and catastrophe risk. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by SRLEV, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined in a similar manner as Solvency II, by using a correlation matrix technique. The diversification benefits include the effects from diversification among different portfolios of insurance contracts that belong to the same legal entity. There are no diversification benefits assumed between SRLEV, its parent Athora Netherlands, its subsidiaries and Athora Group.

The required capitals are based on the required capitals for each risk under Solvency II, since Solvency II represents the regulatory regime in which SRLEV operates and holds capital. However, to reflect the requirements under IFRS 17, the Solvency II capitals are adjusted to include only underwriting risks. Therefore, operational risks and counter party risk on reinsurance, that are included in the measurement of the risk adjustment under Solvency II, are excluded from the risk adjustment under IFRS 17.

The change in the risk adjustment is not disaggregated between change related to non-financial risk and the effect of the time value of money.

Refer to Note 10 Insurance contracts liabilities and reinsurance contracts held liabilities for additional information on the risk adjustment.

Contractual Service Margin (CSM)

The CSM of a group of insurance contracts represents the unearned profit that SRLEV will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss, or as an adjustment to goodwill or a gain on a bargain purchase if the contracts are acquired in a business combination. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

The initial measurement of the CSM is the same regardless of the measurement model being applied (i.e., VFA versus GMM).

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date.

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then SRLEV recognises the cost immediately in profit or loss as an expense.

Subsequent Measurement of Insurance and Reinsurance Contracts

Fulfilment Cash Flows

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

Changes in fulfilment cash flows are recognised as follows:

- Changes relating to future services: Adjustment against the CSM as set out below (or recognised in the insurance service result in profit or loss if the group is onerous).

- Changes relating to current or past services: Recognised in the insurance service result in profit or loss.
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows: Recognised as insurance finance income or expenses.

To measure a group of reinsurance contracts held, SRLEV applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications. The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset or liability for remaining coverage and the asset for incurred claims not yet settled by the reinsurer. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

SRLEV measures the estimates of the present value of future cash flows of reinsurance contracts using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

Contractual Service Margin (CSM)

SRLEV has made an accounting policy choice not to change the treatment of accounting estimates made in previous interim financial statements, prepared applying IAS 34, when applying IFRS 17 in subsequent interim financial statements and in the annual reporting period. As a result, SRLEV will apply period-to-period reporting within the financial statements based on a quarterly interim reporting. This policy choice is applied to all groups of insurance contracts it issues and groups of reinsurance contracts it holds.

The subsequent measurement of the CSM is dependent on the measurement model applied to the group of insurance contracts. A distinction is made between the contracts without direct participating features (i.e., GMM contracts), and the groups of insurance contracts with direct participating features (i.e., VFA contracts). For the insurance contracts without direct participating features, a distinction is to be made between the direct contracts and the reinsurance contracts held.

Without direct participating features - Direct contracts (GMM)

The carrying amount of the CSM at each reporting date for a group of direct insurance contracts without direct participating features, is the carrying amount at the start of the year, adjusted for:
- the CSM of any new contracts that are added to the group in the year.
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition.
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows that exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component, or
  - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss.
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services comprise:
- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition.
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;

- differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year.
- changes in the risk adjustment for non-financial risk that relate to future services. SRLEV does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. As a result of the policy choice, the CSM is adjusted for the change related to non-financial risk, measured at current discount rates. Both non-financial changes and effect of the time value of money will adjust the CSM.

The release of the CSM in a reporting period reflects the insurance contract services provided, which for a group of insurance contracts without direct participating features represents the insurance coverage and investment return services (if applicable).

A group of insurance contracts without direct participation features will include contracts with investment return services if all of the following criteria are met:
- an investment component exists, or the policyholder has a right to withdraw an amount (i.e., the policyholder has a right to receive a surrender value or refund of premiums on cancellation of a policy or transfer an amount to another insurance provider).
- SRLEV expects the investment component or amount the policyholder has a right to withdraw to include an investment return (an investment return could be below zero, for example, in a negative interest rate environment).
- the entity expects to perform investment activity to generate that investment return.

Without direct participating features – Reinsurance contracts held (GMM)

The carrying amount of the CSM at each reporting date for a groups of reinsurance contracts held, is the carrying amount at the start of the year, adjusted for:
- the CSM of any new contracts that are added to the group in the year.
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition.
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts, provided that the reinsurance contract held is entered into before or at the same time as the onerous underlying insurance contracts are recognised. The adjustment to the CSM is determined by multiplying:
    - the amount of the loss that relates to the underlying contracts;
    - the percentage of claims on the underlying contracts that SRLEV expects to recover from the reinsurance contracts.
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts. After SRLEV has established a loss-recovery component, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component.
- the amount recognised as insurance revenue because of the services received in the year.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then SRLEV uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract. This method is based on the coverage units of the reinsurance contract, similar to the CSM release of the reinsurance contracts.

A loss-recovery component is recognised or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

With direct participating features (VFA)

Direct participating contracts are contracts under which SRLEV's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items.
- a variable fee in exchange for future services provided under the conditions of the contracts, being the amount of SRLEV's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. SRLEV provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, SRLEV adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. SRLEV then adjusts any CSM for changes in the amount of SRLEV's share of the fair value of the underlying items, which relate to future services, as explained below. SRLEV does not apply the risk mitigation option, which allows for mitigation of an accounting mismatch between the presentation of the impact of financial risks on underlying instruments versus the impact of financial risks on the related insurance products.

The carrying amount of the CSM at each reporting date for groups of insurance contracts with direct participating features, is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year.
- the change in the amount of the SRLEV's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
    - a decrease in the amount of SRLEV's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
    - an increase in the amount of SRLEV's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses);
- changes in fulfilment cash flows that relate to future services include the changes relating to future services as specified above for contracts without direct participation features (measured at current discount rates) and changes in financial risks that do not arise from underlying items – e.g. the effect of financial guarantees;
- the amount recognised as insurance revenue because of the services provided in the year.

The release of the CSM in a reporting period reflect the insurance contract services provided, which for a group of insurance contracts with direct participating features represents the insurance coverage and investment related services.

Derecognition and Modification of Insurance and Reinsurance Contracts

An insurance contract is derecognised when it is extinguished – i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled.

SRLEV also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then SRLEV treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

When a contract is derecognised from within a group of contracts:

1. the fulfilment cash flows are adjusted to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.
2. the CSM is adjusted for the change in fulfilment cash flows (unless the decrease in the fulfilment cash flows is allocated to the loss component of the liability for remaining coverage of the group of insurance contracts).
3. the number of coverage units is adjusted for the expected remaining insurance contract services considering the coverage units derecognised.

If the contract is transferred to a third party, the CSM adjustment in (2) above is the amount of the fulfilment cash flow adjustment relating to future services less the premium charged by the third party.

If the original contract is modified resulting in a derecognition, the CSM adjustment in (2) above is the amount of the fulfilment cash flow adjustment related to future service adjusted for the premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, a hypothetical premium is applied.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) are included in the carrying amount of the related portfolios of contracts.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Insurance finance income or expenses comprise changes in the carrying amount of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risks and changes therein, unless any such changes for groups of direct participating contract are adjusted for the CSM.

SRLEV does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Provision for Employee Benefits

Short-term Employee Benefits

Short-term employee benefits include salaries, short paid leave, profit-sharing and bonus schemes. These are accounted for in the statement of profit or loss over the period in which the related services are rendered. In the event that employees have not made use of their entitlements at the end of the period, a liability is formed for the nominal amount.

Pension Benefits

General

All currently employed personnel is hired by Athora Netherlands N.V. Athora Netherlands' main pension scheme is a defined contribution scheme administrated by Stichting Pensioenfonds SNS REAAL. New staff is included in this scheme. In addition, a number of defined benefit plans were acquired from insurance companies in the past. The members of those schemes are referred to as members with deferred pension rights or retirees.

Defined Contribution Schemes

According to this pension scheme, defined contributions are paid to separate entities, primarily to Stichting Pensioenfonds SNS REAAL, an independent pension fund. Besides the defined contributions, SRLEV has no obligation to make additional payments to the scheme to make up for deficits resulting from actuarial or investment risk.

Defined Benefit Schemes

A number of defined benefit schemes for (former) employees still exists. These plans are no longer available for the new employees. The net liability related to these schemes is represented by the difference between the present value of the future liabilities to pay the participants' pensions (gross pension entitlements) and the value of the qualifying assets of these schemes. Qualifying assets are investments relating to insurance contracts of insurance companies which are not part of SRLEV.

A net asset due to a surplus is recognised only if SRLEV has the ability to use the surplus to generate future economic benefits (asset ceiling). The excess amount above the asset ceiling will be deducted from the surplus through other comprehensive income.

Gross Pension Entitlements from Defined Benefit Schemes

These are calculated annually by an external actuary according to the projected unit credit method and discounted using rates based on returns from investment-grade corporate bonds (AA rating) with a maturity corresponding to the time of benefit payments to the members. In principle, this method distributes the pension costs evenly over the period in which an employee renders services to SRLEV.

Self-administered Defined Pension Schemes

Entitlements from these schemes are insured at SRLEV. The investments under these schemes are held by SRLEV; if they do not qualify as plan assets, they are presented as investments (general account).

Other Long-term Employee Benefits

These refer to jubilee benefits and to discounts granted for bank and insurance products to (former) employees after the date of their retirement. The amount of the obligation is based on the present value of the discounts offered after the retirement date, taking into account actuarial assumptions about mortality and interest. Furthermore, an obligation for reimbursement of medical expenses is recognised. A liability for the expected expenses of these reimbursements during the period of employment is recognised according to the methods used to determine the defined pension schemes obligations. To qualify for these benefits, an employee's contract is required to run until his or her retirement age and it is to span a specified minimum period.

Retention Bonus

Retention bonuses are employee benefits. The vesting and payment of retention bonuses are subject to certain conditions and law and regulations, which contains deferred payment for Identified Staff. The employees receive a retention bonus only if they remain with the entity for the specified period. The expected cost of bonus payments is recognised in the statement of profit or loss during this specified period as employees render service. Retention bonuses are recognised under staff costs as short-term employee benefits with the exception of the deferred part, which is recognised as other long-term employee benefits.

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment. Termination benefits are recognised as staff costs in the statement of profit or loss.

Provisions

General

Provisions are recognised if there is a legally enforceable or constructive obligation arising from events in the past, the settlement of which is likely to require an outflow of assets, and a reliable estimate of the obligation can be made.

Provisions are measured at the present value of the expected future cash flows. Additions and any subsequent releases are recognised in the statement of profit or loss.

Legal Provisions

At the reporting date, SRLEV recognises a provision for the estimated liability with respect to ongoing legal proceedings. The provision comprises an estimate of the payments due in the course of the legal proceedings, to the extent that it is more likely than not that an obligation exists at the reporting date. A provision is recognised if the obligation can be reliably estimated.

Other Liabilities

Other liabilities include creditors, amounts payable to reinsurers, other taxes and accrued liabilities as well as interest accrued on financial instruments that are measured at amortised cost.

Accounting Policies for the Statement of Profit or Loss

Income and expenditure are allocated to the period to which they relate. Costs are recognised in the cost category to which they relate.

Income

Income represents the fair value of the services, after elimination of intra-group transactions within SRLEV. Income is recognised as described in the following sections.

Insurance Service Result

Insurance Revenue

SRLEV recognises insurance revenue, as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which SRLEV expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses as expected to be incurred at the start of the reporting period,
- In addition, SRLEV allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. SRLEV recognises the allocated amount as insurance revenue and an equal amount as insurance service expenses.

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year.

The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

The release of the CSM in a reporting period reflects the insurance contract services provided, which for a group of insurance contracts without direct participating features, represents the insurance coverage and investment return services (if applicable).

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

SRLEV establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis. The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows (consisting of the insurance claims, expenses and intrinsic value of options and guarantees) plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of SRLEV's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Insurance Service Expense

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on detection of critical illness.
- Amortisation of insurance acquisition cash flows: This is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net Expenses from Reinsurance Contracts held

Net expenses from reinsurance contracts held comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

SRLEV recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. The allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services that SRLEV expects to receive, and comprises the following items:

- A release of the CSM, measured based on coverage units received.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims to be recovered in the period as expected at the start of the period.

For a group of reinsurance contracts covering onerous underlying contracts, SRLEV establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals or recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that SRLEV expects to recover from the reinsurance contracts.

Investment Result

Result on investments consists of interest, dividends, rental income and fair value gains and losses. Interest income for all interest-bearing instruments includes coupons earned on debt instruments and is recognised on an accrual basis. Dividend income is recognised in the income statement when a right to receive payment is established. Rental income consists from investment property is recognised as income on a straight line basis for the duration of the lease agreement. Fair value gains and losses includes the net gains on financial assets at FVTPL, net gains on derecognition of financial assets and liabilities at amortised cost and fair value gains on investment property.

Insurance Finance Income and Expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

SRLEV does not disaggregate insurance finance income and expense between profit or loss and other comprehensive income.

Other Income

Commission Income

Fee and commission income comprises primarily asset management fees, which are in scope of IFRS 15.

Asset management fee comprises fees received on contracts with external parties related to the asset management activities of the investment portfolio as well as the tactical asset allocation according to the mandate agreed upon. It also includes fees relating to the valuation of the outstanding assets and the related (financial) administration of all assets. Given that these services are provided and consumed during the year the fees are recognised over time.

Fees related to commission received as reward by external parties for insurance contracts signed by SRLEV's intermediaries and fees received for administrative services. Depending on the underlying contract, the fees are recognised at a point in time or over time.

Commission Expense

Commission expenses and management fees are accounted for as fee and commission expense to the extent that they are related to the services received in the reporting period.

Commission costs related to transactions in general account financial instruments is included in the amortised cost of this instrument, unless the instrument is measured at fair value through profit or loss, in which case the commission is included in the result.

Expenses

Expenses are recognised in the statement of profit or loss on the basis of a direct relationship between costs incurred and the corresponding economic benefits. If future economic benefits are expected to occur in different reporting periods, expenses are recognised in the statement of profit or loss based on a systematic allocation method. Expenses are directly recognised in the statement of profit or loss if they do not generate any future economic benefits.

Other Finance Result

This item primarily comprises interest expenses related to interest on subordinated bonds and private loans issued by SRLEV. Interest expenses are recognised in the statement of profit or loss based on the effective interest method.

Pension and other staff costs

Costs of Defined Contribution Schemes

The regular contributions in the defined contribution schemes qualify as net periodic costs in the year in which they are due and are recognised within the employee benefits expense. Employee contributions are deducted from this expense.

Income and Expense Associated with Defined Benefit Schemes

The following items are recognised in the statement of profit or loss for defined benefit schemes:

- periodic pension costs relating to the members of the scheme who are still employed by Athora Netherlands and render services to SRLEV;
- costs of improvement (or costs relating to deducted value of entitlements returned) of these pension schemes, insofar as they relate to past employment;
- gains and losses on settlement of pension entitlements; and
- net interest on the net defined benefit liability (or asset).

Net Interest on Defined Benefit Schemes

Net interest is calculated based on the actuarial discount rate used to determine the present value of the gross pension entitlements. This net liability (or asset) is determined at the start of the annual reporting period, taking into account possible changes resulting from contributions from SRLEV or employees and benefits paid out during the year.

Interest costs consist of actuarial interest costs corresponding to the gross defined benefit liability, the fixed return on qualifying investments (calculated as the present value of the gross defined benefit entitlements covered by the insurance contracts minus the net present value of future service costs, using the same assumptions as applied in the calculations of the defined benefit liability) and interest on the excess above the asset ceiling, which is determined if a defined benefit asset exists.

Recognition in Other Comprehensive Income

The following revaluations of the net pension liability (or asset) are recognised in other comprehensive income:

- actuarial gains and losses;
- gains on qualifying investments of defined benefit schemes actually realised during the year, net of the fixed gains and losses based on the actuarial discount rate that is included in the net interest from defined benefit schemes; and
- the effect of asset ceiling, if a defined benefit asset exists.

Revaluations are not reclassified to the statement of profit or loss in the next reporting period, but they can be reclassified to another component of equity, e.g., settlement of pension entitlements.

Contingent Liabilities and Commitments

Contingent liabilities are liabilities not recognised in the statement of financial position because the existence is contingent on one or more uncertain events that may or may not occur in the future not wholly within the control of SRLEV. It is not possible to make a reliable estimate of such liabilities. For the accounting principle for loan commitments reference is made to the accounting policies of the financial liabilities.

The maximum potential credit risk arising from pledges and guarantees is stated in the notes. In determining the maximum potential credit risk, it is assumed that all the counterparties will no longer live up to their contractual obligations and that all the existing collateral is without value.

Cash Flow Statement

The cash flow statement is prepared according to the indirect method, and distinguishes between cash flows from operational, investment and financing activities. Cash flows in foreign currency are converted at the exchange rate applicable on the transaction date. With regard to cash flow from operations, operating results before tax are adjusted for gains and losses that did not result in income and payments in the same financial year and for movements in provisions and accrued and deferred items.

Investments in subsidiaries and associates are stated under cash flow from investing activities. The cash and cash equivalents available at the acquisition date are deducted from the purchase price. In the context of the cash flow statement, cash and cash equivalents are equal to the balance sheet item cash and cash equivalents.

6.2. Pension Risk Transfers, Acquisitions and Disposals

Acquisitions and Mergers

On 30 June 2024, with retrospective effect from a legal perspective as per 1 January 2024, the entities SRLEV N.V. and Proteq Levensverzekeringen N.V. merged. As a result of this legal merger, Proteq ceased to exist as a separate entity and SRLEV acquired all assets and liabilities of Proteq under universal title of succession as at 30 June 2024. SRLEV will continue the activities of Proteq. The main reason for the merger is to realise administrative and regulation cost savings.

This merger is considered to be a common control transaction, as SRLEV and Proteq were both wholly owned subsidiaries of Athora Netherlands N.V. IFRS 3 Business combinations is not applicable for common control transactions. Applying the “pooling of interest method", the carrying values of the statement of financial position and the statement of profit or loss are combined in these financial statements as if they have been a single entity in 2024 and prior periods. The accounting policies of SRLEV and Proteq were uniform and the assets and liabilities were acquired at their carrying values. No goodwill or new intangible assets are recognised. The carrying values of Proteq’s financial statements are the same as the carrying values of Proteq that are included in Athora Netherlands’ consolidated financial statements.

The reconciliation of the consolidated statement of position as per 31 December 2023 and the acquisition balance sheet of Proteq are as follows:

Before result appropriation and in € millions	SRLEV 31 December 2023	Proteq 31 December 2023 1	SRLEV Merged 31 December 2023
Assets			
Property and equipment	14	-	14
Investments in associates and joint ventures	40	-	40
Investment property	986	-	986
Investments	58,789	573	59,362
Deferred tax	736	24	759
Reinsurance contract assets	13	-	13
Corporate income tax	30	1	31
Other assets	249	-	249
Cash and cash equivalents	326	2	328
Total assets	**61,182**	**600**	**61,782**
Equity and liabilities			
Share capital [2]	0	3	0
Reserves	3,652	60	3,715
Total shareholder's equity	**3,652**	**63**	**3,715**
Holders of other equity instruments	400	-	400
Total equity	**4,052**	**63**	**4,115**
Financial liabilities	14,814	131	14,946
Insurance contract liabilities	41,580	401	41,981
Reinsurance contract liabilities	210	-	210
Provision for employee benefits	143	-	143
Other provisions	117	-	117
Other liabilities	265	5	270
Total equity and liabilities	**61,182**	**600**	**61,782**

1 The accounting values of the assets and liabilities acquired as at 1 January 2024 are equal to the values as presented in the balance sheet as per 31 December 2023 before the merger.
2 The issued and paid-up share capital of SRLEV N.V. is € 45,000

The reconciliation of the consolidated statement of profit or loss of 2023 is as follows:

In € millions	SRLEV 2023	Proteq 2023	SRLEV Merged 2023
Insurance revenue	1,824	8	1,832
Insurance service expenses	-1,650	-6	-1,656
Net expenses from reinsurance contracts held	-13	-	-13
Insurance service result	**161**	**2**	**163**
Result on investments	3,635	28	3,663
Share in result of associates	4	-	4
Impairment losses and reversals	1	-	1
Investment result	**3,640**	**28**	**3,668**
Insurance finance income or expenses	-2,369	-6	-2,375
Reinsurance finance income or expenses	-131	-	-131
Insurance finance income and expenses	**-2,501**	**-6**	**-2,507**
Other income	2	-	2
Other operating expenses	-130	-	-130
Other finance result	-36	-	-36
Other income and expenses	**-164**	**-**	**-164**
Result before tax	**1,136**	**24**	**1,160**
Tax expense or benefit	-279	1	-279
Net result for the period	**857**	**24**	**881**
Attributable to:			
- Shareholder	829	24	853
- Holders of other equity instruments	28	-	28
Net result for the period	**857**	**24**	**881**

Pension Risk Transfers

2024

Buy-out Pensioenfonds Yara Nederland

On 1 November 2024, SRLEV acquired the pension rights and entitlements of Pensioenfonds Yara Nederland (Yara). The acquisition of the pension rights and entitlements does not constitute a business nor a transfer of an insurance portfolio, therefore the acquired pension rights and entitlement are accounted for as new business issued in accordance with IFRS 17 Insurance Contracts.

For initial recognition of the insurance contracts issued, and in accordance with its accounting policies, SRLEV has used the consideration received of € 650 million as a proxy for premiums received.

Buy-out pension liabilities of Pensioenfonds Pensura

On 11 December 2024, SRLEV acquired the pension rights and entitlements of Pensioenfonds Pensura. The acquisition of the pension rights and entitlements does not constitute a business nor a transfer of an insurance portfolio, therefore the acquired pension rights and entitlement are accounted for as new business issued in accordance with IFRS 17 Insurance Contracts.

For initial recognition of the insurance contracts issued, and in accordance with its accounting policies, SRLEV has used the consideration received of € 235 million as a proxy for premiums received.

Carve-out net early retirement liabilities of Koopvaardij Industrial Pension Fund

On 11 December 2024, SRLEV acquired the pension rights and entitlements of Koopvaardij Industrial Pension fund (Koopvaardij). The acquisition of the pension rights and entitlements does not constitute a business nor a transfer of an insurance portfolio, therefore the acquired pension rights and entitlement are accounted for as new business issued in accordance with IFRS 17 Insurance Contracts.

For initial recognition of the insurance contracts issued, and in accordance with its accounting policies, SRLEV has used the consideration received of € 35 million as a proxy for premiums received.

2023

Acquisition of insurance contracts from Onderlinge Levensverzekering-Maatschappij 's-Gravenhage UA

In August 2023, SRLEV acquired a pillar II pension portfolio, and a closed pension plan of the employees from Onderlinge Levensverzekering-Maatschappij 's-Gravenhage UA (hereafter OG) and of the Levensverzekeringsmaatschappij de Hoop. This investment is accounted as an asset acquisition.

The pillar II pension portfolio consists of collective pension schemes for small and medium enterprises that offer employees and directors major shareholder a guaranteed capital at retirement which can be used to buy an annuity. The pillar II pension portfolio is the main part of this transaction. The invested pension assets relating to the acquired insurance portfolio were transferred from OG to SRLEV, at a consideration of € 241 million.

For initial recognition of the acquired insurance portfolio, and in accordance with its accounting policies, SRLEV has identified groups of insurance contracts and calculated a contractual service margin of € 23 million, using the consideration received of € 241 million as a proxy for the received premiums.

Acquisitions

There were no acquisitions of businesses in 2024 and 2023.

Disposals

There were no disposals of businesses in 2024 and 2023.

6.3. Notes to the Consolidated Financial Statements

1. Property and Equipment

Statement of Changes in Property and Equipment 2024

In € millions	Land and buildings for own use	IT equipment	Total
Accumulated acquisition costs	–	–	**–**
Accumulated depreciation and impairments	–	–	**–**
Balance as at 31 December	**–**	**–**	**–**
Balance as at 1 January	**14**	**–**	**14**
Reclassifications	-14	–	**-14**
Impairment (reversals)	1	–	**1**
Balance as at 31 December	**–**	**–**	**–**

Statement of Changes in Property and Equipment 2023

In € millions	Land and buildings for own use	IT equipment	Total
Accumulated acquisition costs	30	1	**31**
Accumulated depreciation and impairments	-16	-1	**-17**
Balance as at 31 December	**14**	**–**	**14**
Balance as at 1 January	**30**	**–**	**30**
Reclassifications	-17	–	**-17**
Depreciation	–	–	**-1**
Revaluations	1	–	**1**
Balance as at 31 December	**14**	**–**	**14**

In 2024, the occupancy rate of the Alkmaar office building fell below 20% and therefore has been reclassified as an investment property in accordance with IAS 40, with total amount of € 14 million. This transfer will not impact the profit and loss statement, as the carrying value at the transfer date approximates the fair value. Additionally, the revaluation reserve previously held in other comprehensive income (OCI) has been released, as the property was sold and transferred at the end of 2024. As a result, their fair value is now zero. For the inputs to the fair values, see Note 25 Fair Value Hierarchy.

For the lease liabilities relating to the Right-of-Use assets, see Note 13 Other Liabilities.

2. Investments in Associates

Associates

This item comprises SRLEV's investment in CBRE Property Fund Central and Eastern Europe (CBRE PFCEE).

CBRE PFCEE's share capital consists entirely of ordinary shares and SRLEV holds an interest in those shares. CBRE PFCEE operates as a joint fund under Dutch law (in Dutch: fonds voor gemene rekening) and invests in commercial real estate in Central and Eastern Europe. The statutory objective of CBRE

PFCEE is to invest in real estate directly or indirectly with the main focus on maximising the rental income. The shares of the associate are not listed.

Overview of Investments in Associates as per 31 December

Name	Country of incorporation	Measurement method	% of ownership interest 2024	% of ownership interest 2023
CBRE Property Fund Central and Eastern Europe (CBRE PFCEE)	Netherlands	Equity	30 %	30 %

Statement of Changes in Investments in Associates

In € millions	2024	2023
Balance as at 1 January	**40**	**38**
Result of associates and joint ventures	–	4
Dividends received	-3	-2
Revaluations	4	–
Balance as at 31 December	**40**	**40**

The information below was derived from CBRE PFCEE's financial statements. CBRE PFCEE's financial year ends on 31 December 2024. The financial statements have been prepared in accordance with IFRS. It does not represent the share of SRLEV in its profits.

Condensed Statement of Financial Position of CBRE PFCEE

In € millions	2024	2023
Non-current assets	168	158
Current assets	12	14
Total assets	**181**	**172**
Current liabilities	3	25
Non-current liabilities	57	25
Total liabilities	**59**	**50**
Net assets	**121**	**122**

Condensed Statement of Profit or Loss of CBRE PFCEE

In € millions	2024	2023
Income	26	23
Expenses	9	8
Result continued operations	**17**	**15**
Tax expense	8	3
Net result continued operations	**10**	**12**

3. Investment Property

Statement of Changes in Investment Property 2024

In € millions	Investment Property	ROU: Investment property	Total
Balance as at 1 January	**985**	**1**	**986**
Reclassifications	14	-	**14**
Investments	1	-	**1**
Divestments	-39	-	**-39**
Revaluations	-2	-	**-2**
Properties held for sale	-131	-	**-131**
Balance as at 31 December	**829**	**1**	**830**

Statement of Changes in Investment Property 2023

In € millions	Investment Property	ROU: Investment property	Total
Balance as at 1 January	**1,012**	**-**	**1,012**
Reclassifications	17	-	**17**
Investments	59	1	**60**
Divestments	-20	-	**-20**
Revaluations	-83	-	**-83**
Balance as at 31 December	**985**	**1**	**986**

Investment property mainly consists of offices, logistical warehouses and retail properties.

The rental income from operating leases of the investment property is reported in Note 18 Result on Investments.

The divestment of investment properties in 2024 include both office and residential properties of € 39 million, whereas such sales of investment properties in 2023 was € 20 million.

The future lease payment (excluding service costs and VAT) to be received for investment property (with a definite contract period) for a period of up to one year is € 49 million; for a period of one to two years is € 45 million; for a period of two to three years is € 34 million; for a period of three to four years is € 33 million; for a period of four to five years is € 26 million; for a period of longer than five years is € 74 million.

4. Investments

Breakdown of Investments

In € millions	Measurement category	2024	2023
For general account:			
Bonds	FVTPL Mandatory	16,832	13,902
Other private loans	FVTPL Mandatory	6,066	4,741
Mortgages	FVTPL Mandatory	3,434	3,367
Private loans linked to savings mortgages	FVTPL Designated	3,042	3,325
Deposits	FVTPL Mandatory	2	3
Total debt instruments		**29,377**	**25,338**
Shares and similar investments	FVTPL Mandatory	1,822	6,862
Derivatives	FVTPL Mandatory	3,792	6,507
Loans and advances due from banks	FVTPL Mandatory	2,606	3,066
Total investments for general account		**37,597**	**41,773**
For account of policyholders:			
Shares and similar investments	FVTPL Mandatory	13,169	12,110
Bonds	FVTPL Mandatory	379	482
Total investments for account of policyholders		**13,548**	**12,592**
For account of third parties:			
Shares and similar investments	FVTPL Mandatory	6,452	4,997
Total investments for account of third parties		**6,452**	**4,997**
Total Investments		**57,597**	**59,362**

The investments for general account are the investments for own account of SRLEV. All investments are measured at fair value with changes in the fair value recognised in the statement of profit or loss.

Shares and similar investments for the general account concern investments in alternative funds. Derivatives are used for interest rate risk and foreign exchange risk mitigation (see Note 26 Hedging). Loans and advances due from banks consist mainly of cash collateral receivable, repurchase/reverse repurchase agreements, deposits and loans to banks.

For more information about the private loans linked to savings mortgages see Note 14 Guarantees and Commitments.

Some investments have been posted as collateral for amounts due to derivatives and for repurchase agreements. The carrying amount (fair value) of investments posted as collateral at 31 December 2024 was € 1,780 million (2023: € 2,714 million). The collateral received for derivatives are reported in paragraph 7.8 Liquidity Risk.

Total investments decreased in 2024 by € 1,765 million compared to 2023. The rise in total debt instruments can be attributed to a € 2,930 million increase in bonds. This increase was driven by a net inflow of € 2,400 million in corporate bonds and asset backed securities and a positive revaluation of € 400 million due to a decline in long-term interest rates. The change in shares and similar investments in 2024 is due to the reclassification of € 5,331 million of units in money market funds to cash and cash equivalents.

Investments for account of policyholders include investments under unit-linked policies for an amount of € 13,264 million (2023: € 11,790 million) and separate investment deposits for separate accounts amounting to € 284 million (2023: € 802 million).

As a consequence of the consolidation of investments funds, the investments for account of policyholders within these funds are represented by the underlying investments. Refer to the section "Underlying items" within Note 10 Insurance Contract Liabilities and Reinsurance Contract for more information.

The third party investments comprise solely of shares and similar investments and largely consist of Cardano funds and investments for the account of participants of Zwitserleven PPI.

Statement of Changes in Investments

	Investments for general account		Investments for account of policyholders		Investments for account of third parties		Total	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance as at 1 January	**41,773**	**45,448**	**12,592**	**11,689**	**4,997**	**2,431**	**59,362**	**59,568**
Purchases and advances	32,623	57,145	1,094	1,591	718	4,891	**34,436**	**63,627**
Disposals and redemptions	-29,344	-57,416	-1,688	-2,117	-399	-2,869	**-31,431**	**-62,402**
Fair value changes	-2,435	-3,630	1,533	1,436	1,136	545	**234**	**-1,649**
Foreign currency differences	260	105	15	7	–	–	**275**	**112**
Interest/Dividends	-1,147	-910	-8	-10	–	–	**-1,155**	**-920**
Accrued Interest	1,197	1,028	10	-4	–	–	**1,207**	**1,024**
Reclassifications	-5,331	–	–	–	–	–	**-5,331**	**-**
Balance as at 31 December	**37,597**	**41,773**	**13,548**	**12,592**	**6,452**	**4,997**	**57,597**	**59,362**

Investments for general account have decreased by € 4,176 million compared to 2023. This was caused mainly due to the reclassification of units in money market funds from shares and similar investments to cash equivalents of € 5,331 million. This change has been made to align the classification with their operational use. In previous years, units in money market funds were used to reduce risk exposure, but are currently used to manage liquidity. Consistent with 2023, shares and similar investments and loans and deposits portfolios have only unlisted investments and the bonds portfolio has more than 85% in listed investments.

Investments for account of policyholders increased by € 956 million compared to 2023. This was mainly driven by positive market movements in fair value and a reduction in disposals in 2024

Investments for account of third parties increased by € 1,455 million compared to 2023. This was driven by the WTW's Dutch Premium Pension Institution (PPI) migration (€ 1,600 million) for 2024 and positive market movements in fair value resulting from an increase in MSCI. While the acquisition took place in April 2023, Athora Netherlands has changed the conclusions on whether it has control over the financial investments in 2024 due to a change in the silo conclusion, after the legal merger in December 2023, there was a system migration in 2024, which is why this year's figures reflect this migration. For further details on the transition refer to Note 6.2 Pension Risk Transfers, Acquisitions and Disposals in the Consolidated Financial Statements and Note 1 Subsidiaries in the Company Financial Statements.

Derivatives

Breakdown of Derivatives

	Positive value		Negative value		Balance	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Derivatives	3,792	6,507	5,368	7,987	**-1,577**	**-1,481**
Total	**3,792**	**6,507**	**5,368**	**7,987**	**-1,577**	**-1,481**

In 2024, there was a reduction in derivatives on both sides of the balance sheet, primarily due to the compression of interest rate swaps. However, this decline did not impact the total ending balance. The variations compared to 2023 are attributed to market movements.

For the breakdown on the negative value of derivatives refer to Note 9 Financial Liabilities. For more information about derivatives see Note 18 Result on Investments and Note 26 Hedging.

Loans and Advances due from Banks

Breakdown of Loans and Advances Due from Banks

In € millions	**2024**	**2023**
Collateral	2,558	2,420
Repurchase agreements	19	574
Deposits	1	2
Loans to banks	29	71
Balance as at 31 December	**2,606**	**3,066**

This item relates mainly to loans and advances due from banks other than interest-bearing securities. Of the total amount of € 2,606 million (2023: € 3,066 million), € 2,577 million has a remaining term to maturity of less than three months (2023: € 2,994 million).

In 2024, the ending balance of loans and advances have decreased due to an outflow of € 600 million of reverse repurchase agreement. These agreements are used to invest short-term cash.

The receivable from provided collateral increased due to a change in the value of the reverse repurchase agreements for which it relates to.

5. Deferred Tax

Origin of Deferred Tax 2024

In € millions	1 January	Change through profit or loss	Change through equity	Other move-ments	31 December
Capitalised acquisition costs Insurance activities	**19**	-2	-	-	**17**
(Investment) property and equipment	**-71**	-3	1	-	**-74**
Investments	**153**	-16	-	-	**137**
Derivatives	**489**	-88	-	-	**401**
Insurance contracts	**78**	102	-	-	**180**
Provision for employee benefits	**2**	1	-2	-	**1**
Carry forward losses	**36**	15	-	-	**50**
Other	**53**	-68	-	-4	**-19**
Total	**759**	**-61**	**-2**	**-4**	**693**

Origin of Deferred Tax 2023

In € millions	1 January	Change through profit or loss	Change through equity	Other move-ments	31 December
Capitalised acquisition costs Insurance activities	**20**	-1	-	-	**19**
(Investment) property and equipment	**-80**	9	-	-	**-71**
Investments	**357**	-205	-	-	**152**
Derivatives	**777**	-287	-	-	**490**
Insurance contracts	**-62**	141	-	-	**79**
Provision for employee benefits	**3**	1	-3	-	**1**
Carry forward losses	**-**	36	-	-	**36**
Other	**4**	35	-	14	**53**
Total	**1,019**	**-271**	**-3**	**14**	**759**

The total amount of change in deferred tax through profit or loss is € -61 million (2023: € -271 million). This amount is due to temporary differences (2024: € -75 million; 2023: € -314 million) and capitalisation of a deferred tax asset for carry forward losses (2024: € 15 million; 2023: € 36 million). The impact of non-recoverable deferred tax assets in 2023 is € 7 million. See also Note 23 Income Tax.

The total non-recoverable deferred tax assets is per year-end 2024 € 19 million.

For valuation differences on investment property of € 16 million the corresponding amount of deferred tax of € 4 million is not recognised.

For carry forward losses of € 66 million the corresponding amount of deferred tax of € 15 million is not recognised. Of the fiscal losses of € 66 million, € 1 million will expire per year-end 2026, € 1 million will expire per year-end 2027, € 1 million will expire per year-end 2029 and € 63 million has no expiry date.

6. Other Assets

Breakdown of Other Assets

In € millions	2024	2023
Receivables from intermediaries	10	34
Receivables from group companies	11	25
Other accrued assets	55	37
Accrued assets	**76**	**96**
Other taxes	-1	3
Other receivables	287	149
Total	**362**	**249**

The increase in other accrued assets is mainly due to an increase in accrued investment income. The increase in other receivables is a result of an increase in investment receivables. The receivables are expected to be recovered within twelve months after reporting date.

7. Cash and Cash Equivalents

Breakdown of Cash and Cash Equivalents

In € millions	2024	2023
Cash at bank	239	328
Money market funds classified as cash equivalents [1]	2,692	-
Total	**2,931**	**328**

1 Due to a change in 2024. SRLEV presents the holdings in units of Money Market fund under the reporting category Cash and Cash Equivalents, reflecting their primary purpose for short-term working capital liquidity needs. The change aligns the classification with the operational use of these holdings and will be applied prospectively without restating the comparatives.

Cash at bank are at the company's free disposal.

SRLEV and its subsidiaries have a joint credit facility of € 5 million in total with ABN AMRO.

In 2024, there was a reclassification of € 5,331 million from shares in similar investments to units in money market funds classified as cash equivalents. Out of the € 5,331 million, € 2,700 million was sold and the remaining is classified as cash equivalents. Refer to Note 4 Investments for further information on the reclassification.

8. Equity

Breakdown of Equity

In € millions	2024	2023
Equity attributable to Shareholder	3,963	3,715
Equity attributable to Holders of Other equity instruments	510	400
Total	**4,473**	**4,115**

The share capital issued is fully paid-up and comprises of 90 ordinary shares with a nominal value of € 500.00 per share for a total value of € 45,000.

In 2024, SRLEV received a capital injection of € 75 million via a share premium payment from its shareholder Athora Netherlands N.V.

In 2024, SRLEV made a capital distribution of € 310 million via the share premium reserve to its shareholder.

In December 2024, SRLEV was provided a perpetual Tier 1 Capital Subordinated loan by its parent company Athora Netherlands. The € 110 million subordinated loan is perpetual and is classified as equity instrument and consequently recognised as part of equity as there is no contractual obligation for SRLEV, as issuer of the loan, to repay the principal or to pay interest.

The notes are first callable after six years and each interest payment date thereafter, subject to conditions to redemption. The coupon is fixed at 7% per annum until the first call date and payable annually in arrears on 17 December in each year, commencing on 17 December 2025. Interest on this loan is recognised directly via equity instead of via the statement of profit or loss.

In December 2021, SRLEV was provided a perpetual Tier 1 Capital Subordinated loan by its parent company Athora Netherlands. The € 50 million subordinated loan is perpetual and is classified as equity instrument and consequently recognised as part of equity as there is no contractual obligation for SRLEV, as issuer of the loan, to repay the principal or to pay interest.

The notes are first callable after five years and each interest payment date thereafter, subject to conditions to redemption. The coupon is fixed at 4.44% per annum until the first call date and payable annually in arrears on 23 December in each year, commencing on 23 December 2021. Interest on this loan is recognised directly via equity instead of via the statement of profit or loss.

In June 2020, SRLEV was provided a perpetual Tier 1 Capital loan by its parent company Athora Netherlands N.V. The € 100 million subordinated loan is perpetual and is classified as equity instrument and consequently recognised as part of equity as there is no contractual obligation for SRLEV, as issuer of the loan, to repay the principal or to pay interest.

The notes are first callable after five years and each interest payment date thereafter, subject to conditions to redemption. The coupon is fixed at 6.50% per annum until the first call date and payable annually in arrears on 30 June in each year, commencing on 30 June 2021. Interest on this loan is recognised directly via equity instead of via the statement of profit or loss.

In July 2017, SRLEV was provided a perpetual Tier 1 Capital loan by its parent company Athora Netherlands N.V. The € 250 million subordinated loan is perpetual and is classified as equity instrument and consequently recognised as part of equity as there is no contractual obligation for SRLEV, as issuer of the loan, to repay the principal or to pay interest.

The notes are first callable after five years and each interest payment date thereafter, subject to conditions to redemption. The coupon is fixed at 7.75% per annum until the first call date and payable annually in arrears on 30 March in each year. Interest on this loan is recognised directly via equity instead of via the statement of profit or loss.

9. Financial Liabilities

The tables below provide a detailed breakdown and statement of changes for all financial liabilities of SRLEV, along with a comprehensive analysis of each category.

Breakdown of Financial Liabilities

In € millions	Measurement category	2024	2023
Subordinated debt	Amortised cost	598	712
Liabilities from investments for account of third parties	FVTPL Designated	6,452	4,997
Derivatives	FVTPL Mandatory	5,368	7,987
Amounts due to banks	Amortised cost	797	1,249
Total		**13,216**	**14,946**

Statement of Changes in Financial Liabilities

	Subordinated debt		Liabilities from investments for account of third parties		Derivatives		Amounts due to banks		Subtotal	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance as at 1 January	**712**	**705**	**4,997**	**2,431**	**7,987**	**13,166**	**1,249**	**1,579**	**14,946**	**17,881**
Purchases and advances	–	–	718	4,891	-4	-582	-4,190	-7,326	-3,476	-3,017
Disposals and redemptions	-113	–	-399	-2,869	-13	329	3,737	6,996	3,212	4,456
Fair value changes	–	–	1,136	545	-3,066	-5,344	–	–	-1,930	-4,799
Foreign currency differences	–	7	–	–	286	172	1	-1	286	178
Interest Paid	-30	-29	–	–	–	–	-11	-33	-41	-62
Accrued interest	29	29	–	–	178	248	11	33	219	310
Balance as at 31 December	**598**	**712**	**6,452**	**4,997**	**5,368**	**7,987**	**797**	**1,249**	**13,216**	**14,946**

In 2024, there was a reduction in derivatives across both sides of the balance sheet primarily driven by the netting of interest rate swaps. This reduction, along with market movements throughout the year explains the difference compared to 2023. For further information on derivatives see Note 4 Investments and Note 26 Hedging.

Subordinated Bonds

Breakdown of Subordinated Bonds

				Carrying amount		Nominal value	
In € millions	**Coupon**	**Maturity**	**First call date**	**2024**	**2023**	**2024**	**2023**
SRLEV N.V. (Swiss Franc)	mid-swap plus 5.625%	July 2011 - perpetual	December 2024	–	114	–	113
Total				**–**	**114**	**–**	**113**

In July 2011, SRLEV N.V. issued CHF 105 million in perpetual subordinated bonds. In December 2024, SRLEV redeemed the outstanding amount of CHF 105 million notes.

Subordinated Private Loans

Breakdown of Subordinated Private Loans

In € millions	Coupon	Maturity	First call date	2024	2023
Athora Netherlands N.V.	7.750%	2016-2025	December 2025	140	140
Athora Netherlands N.V.	3.600%	2018-2028	June 2028	180	180
Athora Netherlands N.V.	2.250%	2021-2031	April 2026	278	278
Total				**598**	**598**

On 29 December 2015, Athora Netherlands N.V. granted a loan to SRLEV N.V. in the amount of € 140 million. The loan is a 10-years Solvency II Tier 2 capital subordinated loan with the possibility of interest deferral, early repayment and variation. The loan bears a fixed interest rate of 7.750% annually.

In June 2018, Athora Netherlands N.V. granted a loan to SRLEV N.V. in the amount of € 180 million. The loan is a 10-years Solvency II Tier 2 subordinated loan with a maturity date at 19 June 2028. The loan is first callable after 5 years with a first call date at 19 June 2023. The loan bears a fixed interest coupon of 3.600% per annum. The option to redeem the loan has not been exercised.

In April 2021, Athora Netherlands N.V. granted a loan to SRLEV N.V. in the amount of € 275 million. The loan is a 10.25-year Solvency II Tier 2 subordinated loan, first callable after 5 years, with the possibility of interest deferral, early repayment and variation. The loan bears a fixed interest coupon of 2.250% per annum.

Amounts Due to Banks

Breakdown of Amounts Due to Banks

In € millions	2024	2023
Due on demand	797	1,072
Repurchase agreements	–	177
Total	**797**	**1,249**

The amount of € 797 million (2023: € 1,072 million) due on demand relates to received cash collateral of several counterparties. The fair value of derivatives by these counterparties decreased (less positive) in 2024.

As of 2024, SRLEV has no outstanding repurchase agreements.

10. Insurance Contract Liabilities and Reinsurance Contracts Held Assets and Liabilities

As per 31 December 2024, the total amount of insurance contract liabilities is € 44,173 million (2023: € 41,981 million). The reinsurers' liabilities amount to € 186 million (2023: € 210 million). The Reinsurance contracts held assets amount to € 3 million (2023: € 13 million).

SRLEV sells individual life insurance policies in the retail and SME markets and corporate insurance policies in the entire corporate market in the Netherlands. The Life Service Business portfolio mainly consists of unit-linked insurance policies, savings-based mortgage policies, term assurance policies (ORV) and life annuity insurance policies providing regular payments for the remainder of the holder's life. The Pension Business insurance portfolio mainly consists of traditional contracts, group policies with separate accounts and of group unit-linked policies.

Insurance Contracts

The next table provides an overview of the product portfolio and the measurement method applied:

Breakdown of Insurance Contract Liabilities and Measurement Method Applied

	GMM		VFA		Total	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Individual traditional insurance policies	8,957	9,618	–	–	**8,957**	**9,618**
Individual insurance policies in investment units	668	703	2,749	2,739	**3,416**	**3,442**
Group insurance policies	19,717	17,802	15	6	**19,732**	**17,808**
Group insurance policies in investment units	1,424	1,941	10,643	9,172	**12,067**	**11,113**
Total	**30,767**	**30,064**	**13,406**	**11,917**	**44,173**	**41,981**

Statement of Changes in Insurance Contracts by Remaining Coverage and Incurred Claims 2024

In € millions	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excl. Loss component	Loss component		
Insurance contract liabilities	41,421	63	497	**41,981**
Balance as at 1 January 2024	**41,421**	**63**	**497**	**41,981**
CSM recognised for services provided	-176	–	–	**-176**
Change in risk adjustment for non-financial risk expired	-22	–	–	**-22**
Expected incurred claims and other insurance service expenses	-1,767	–	–	**-1,767**
Recovery of insurance acquisition cash flows	-5	–	–	**-5**
Insurance revenues	**-1,969**	**–**	**–**	**-1,969**
Incurred claims and other insurance services expenses	–	-7	1,740	**1,733**
Amortisation of insurance acquisition cash flows	5	–	–	**5**
Losses and reversal of losses on onerous contracts	–	41	–	**41**
Adjustments to liabilities for incurred claims	–	–	2	**2**
Insurance service expenses	**5**	**34**	**1,742**	**1,781**
Insurance service result	**-1,964**	**34**	**1,742**	**-188**
Net finance expenses from insurance contracts	2,634	1	–	**2,634**
Total change in the statement of profit or loss	**670**	**35**	**1,742**	**2,446**
Investment components and premium refunds	**-1,210**	**–**	**1,210**	**–**
Premiums received	2,718	–	–	**2,718**
Claims and other insurance service expenses paid, including investment components	–	–	-2,955	**-2,955**
Insurance acquisition cash flows	-18	–	–	**-18**
Total cash flows	**2,700**	**–**	**-2,955**	**-254**
Balance as at 31 December 2024	**43,581**	**98**	**494**	**44,173**
Insurance contract liabilities	43,581	98	494	**44,173**

Insurance revenues consist of insurance revenue for contracts measured under the fair value approach (2024: € -1,735 million; 2023: €-1,722 million) and all other contracts (2024: € -234 million; 2023: € -110 million).

Net finance expenses for insurance contracts in 2024 increased due to the regular accrual of liabilities, increased capital gains from VFA products and decreasing interest rates in 2024. Furthermore, updating the Strategic Asset Allocation (SAA) resulted in an increase in the ILP, lowering the future cash flows and risk adjustment.

Statement of Changes in Insurance Contracts by Remaining Coverage and Incurred Claims 2023

In € millions	Liabilities for remaining coverage Excl. Loss component	Loss component	Liabilities for incurred claims	Total
Insurance contract liabilities	40,084	37	510	**40,632**
Balance as at 1 January 2023	**40,084**	**37**	**510**	**40,632**
CSM recognised for services provided	-174			**-174**
Change in risk adjustment for non-financial risk expired	-22			**-22**
Expected incurred claims and other insurance service expenses	-1,632			**-1,632**
Recovery of insurance acquisition cash flows	-4			**-4**
Insurance revenues	**-1,832**	**-**	**-**	**-1,832**
Incurred claims and other insurance services expenses	-	-6	1,615	**1,609**
Amortisation of insurance acquisition cash flows	4	-	-	**4**
Losses and reversal of losses on onerous contracts	-	32	-	**32**
Adjustments to liabilities for incurred claims	-	-	11	**11**
Insurance service expenses	**4**	**26**	**1,626**	**1,656**
Insurance service result	**-1,828**	**26**	**1,626**	**-176**
Net finance expenses from insurance contracts	2,375	-	-	**2,375**
Total change in the statement of profit or loss	**547**	**26**	**1,626**	**2,199**
Investment components	**-1,169**	**-**	**1,169**	**-**
Premiums received	1,970	-	-	**1,970**
Claims and other insurance service expenses paid	-	-	-2,808	**-2,808**
Insurance acquisition cash flows	-12	-	-	**-12**
Total cash flows	**1,958**	**-**	**-2,808**	**-850**
Balance as at 31 December 2023	**41,421**	**63**	**497**	**41,981**
Insurance contract liabilities	41,421	63	497	**41,981**

Statement of Changes in Insurance Contracts by Measurement Component 2024

In € millions	Estimates PV of future CF	Risk adjustment non-financial risk	Contractual Service Margin (CSM) Contracts under FVA	Other contracts	Total CSM	Total
Insurance contract liabilities	39,193	899	1,789	99	**1,889**	**41,981**
Balance as at 1 January 2024	**39,193**	**899**	**1,789**	**99**	**1,889**	**41,981**
CSM recognised for services provided	–	–	-160	-16	**-176**	**-176**
Change in risk adjustment non/ financial risk for risk expired	–	-22	–	–	**-**	**-22**
Experience adjustments	-33	–	–	–	**-**	**-33**
Total changes that relate to current services	**-33**	**-22**	**-160**	**-16**	**-176**	**-230**
Contracts initially recognised in the year	-218	88	–	134	**134**	**4**
Changes in estimates that adjust the CSM	-131	-17	105	42	**147**	**-**
Changes in estimates that result in losses and reversal of losses	33	3	–	–	**-**	**37**
Total changes that relate to future services	**-316**	**75**	**105**	**176**	**282**	**41**
Adjustments to liabilities for incurred claims	2	–	–	–	**-**	**2**
Total changes that relate to past services	**2**	**-**	**-**	**-**	**-**	**2**
Insurance service result	**-347**	**53**	**-55**	**161**	**106**	**-188**
Net finance expenses from insurance contracts	2,621	–	7	6	**14**	**2,634**
Total change in the statement of profit or loss	**2,273**	**53**	**-47**	**167**	**120**	**2,446**
Premiums received	2,718	–	–	–	**-**	**2,718**
Claims and other insurance service expenses paid, including investment components	-2,955	–	–	–	**-**	**-2,955**
Insurance acquisition cash flows	-18	–	–	–	**-**	**-18**
Total cash flows	**-254**	**-**	**-**	**-**	**-**	**-254**
Balance as at 31 December 2024	**41,212**	**953**	**1,742**	**266**	**2,008**	**44,173**
Insurance contract liabilities	41,212	953	1,742	266	2,008	**44,173**

Movements in the lines Contracts initially recognised in the year and Premiums received include the acquisitions of insurance portfolios and regular Direct Ingaande Pensioenen (DIP)/annuities. For a more detailed explanation of the acquisitions, reference is made to paragraph 6.2 'Pension Risk Transfers, Acquisitions and Disposals'.

Movements in CSM are mainly driven by regular CSM recognition/unwind which is more than offset by positive impacts from contracts initially recognised, market variances and non-market assumption changes calculated on locked-in discount curves.

Statement of Changes in Insurance Contracts by Measurement Component 2023

			Contractual Service Margin (CSM)			
In € millions	**Estimates PV of future CF**	**Risk adjustment non-financial risk**	**Contracts under FVA**	**Other contracts**	**Total CSM**	**Total**
Insurance contract liabilities	37,493	881	2,206	52	**2,258**	**40,632**
Balance as at 1 January 2023	**37,493**	**881**	**2,206**	**52**	**2,258**	**40,632**
CSM recognised for services provided	–	–	-167	-7	**-174**	**-174**
Change in risk adjustment non/ financial risk for risk expired	–	-22	–	–	**-**	**-22**
Experience adjustments	-23	–	–	–	**-**	**-23**
Total changes that relate to current services	**-23**	**-22**	**-167**	**-7**	**-174**	**-219**
Contracts initially recognised in the year	-85	30	–	62	**62**	**7**
Changes in estimates that adjust the CSM	249	14	-253	-10	**-263**	**-**
Changes in estimates that result in losses and reversal of losses	28	-3	–	–	**-**	**25**
Total changes that relate to future services	**192**	**41**	**-253**	**52**	**-201**	**32**
Adjustments to liabilities for incurred claims	11	–	–	–	**-**	**11**
Total changes that relate to past services	**11**	**-**	**-**	**-**	**-**	**11**
Insurance service result	**181**	**19**	**-420**	**45**	**-375**	**-176**
Net finance expenses from insurance contracts	2,370	–	3	2	**5**	**2,375**
Total change in the statement of profit or loss	**2,550**	**19**	**-417**	**47**	**-370**	**2,199**
Premiums received	1,970	–	–	–	**-**	**1,970**
Claims and other insurance service expenses paid	-2,808	–	–	–	**-**	**-2,808**
Insurance acquisition cash flows	-12	–	–	–	**-**	**-12**
Total cash flows	**-850**	**-**	**-**	**-**	**-**	**-850**
Balance as at 31 December 2023	**39,194**	**899**	**1,789**	**99**	**1,888**	**41,981**
Insurance contract liabilities	39,194	899	1,789	99	1,888	**41,981**

Underlying items

Insurance Contracts - Underlying Items

In € millions	2024	2023
Shares and similar investments	12,597	11,069
Total	**12,597**	**11,069**

This table sets out the composition and the fair value of the underlying items of the direct participating insurance contracts that are measured using the VFA. These underlying investments relate to unit-linked contracts and separate accounts that, in-part, qualify for the criteria of the VFA. The underlying investments are unit-linked investment funds of which a part is consolidated by Athora Netherlands.

The balance of the underlying items of direct participating insurance contracts is included in the total balance of investments for account of policyholders in note 4 Investments of € 13,548 million (2023: € 12,592 million).

The part of Investments for Account of Policyholders that are backing contracts measured under the General measurement model (GMM) are not included in this overview.

Reinsurance Contracts Held

Statement of Changes in Reinsurance Contracts by Remaining Coverage and Incurred Claims 2024

In € millions	Assets for remaining coverage			
	Excl. Loss recovery component	Loss recovery component	Assets for incurred claims	Total
Reinsurance contract held assets	13	–	–	**13**
Reinsurance contract held liabilities	340	-1	-130	**210**
Balance as at 1 January 2024	**327**	**-1**	**-130**	**197**
CSM recognised for services provided	–	–	–	**-**
Change in risk adjustment for non-financial risk expired	2	–	–	**2**
Expected incurred claims and other insurance service expenses	522	–	–	**522**
Allocation of reinsurance premium paid	**524**	**-**	**-**	**524**
Recoveries of incurred claims and other insurance service expenses	–	–	-517	**-517**
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	–	–	**-**
Amounts recoverable from reinsurers	**-**	**-**	**-517**	**-517**
Net income or (expenses) from reinsurance contracts held	**524**	**-**	**-517**	**7**
Net finance expenses from reinsurance contracts	-5	–	–	**-5**
Total change in the statement of profit or loss	**519**	**-**	**-517**	**2**
Premiums ceded	-533	–	–	**-533**
Amounts received	–	–	517	**517**
Total cash flows	**-533**	**-**	**517**	**-15**
Balance as at 31 December 2024	**314**	**-**	**-130**	**183**
Reinsurance contract held assets	3	–	–	**3**
Reinsurance contract held liabilities	317	–	-130	**186**

Net income or expenses from reinsurance contracts held only consists of contracts measured under the fair value approach (2024: € 524 million; 2023: € 528 million).

Statement of Changes in Reinsurance Contracts by Remaining Coverage and Incurred Claims 2023

In € millions	Assets for remaining coverage			
	Excl. Loss recovery component	Loss recovery component	Assets for incurred claims	Total
Reinsurance contract held assets	8	–	–	**8**
Reinsurance contract held liabilities	225	-1	-130	**94**
Balance as at 1 January 2023	**217**	**-1**	**-130**	**86**
CSM recognised for services provided	3	–	–	**3**
Change in risk adjustment for non-financial risk expired	3	–	–	**3**
Expected incurred claims and other insurance service expenses	522	–	–	**522**
Allocation of reinsurance premium paid	**528**	**–**	**–**	**528**
Recoveries of incurred claims and other insurance service expenses	–	–	-516	**-516**
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	1	–	**1**
Amounts recoverable from reinsurers	**–**	**1**	**-516**	**-515**
Net income or (expenses) from reinsurance contracts held	**528**	**1**	**-516**	**13**
Net finance expenses from reinsurance contracts	131	–	–	**131**
Total change in the statement of profit or loss	**659**	**1**	**-516**	**144**
Premiums ceded	-549	–	–	**-549**
Amounts received	–	–	516	**516**
Total cash flows	**-549**	**–**	**516**	**-33**
Balance as at 31 December 2023	**327**	**–**	**-130**	**197**
Reinsurance contract held assets	13	–	–	**13**
Reinsurance contract held liabilities	340	–	-130	**210**

Statement of Changes in Reinsurance Contracts by Measurement Component 2024

			Contractual Service Margin (CSM)		
In € millions	**Estimates PV of future CF**	**Risk adjustment non-financial risk**	**Contracts under FVA**	**Total CSM**	**Total**
Reinsurance contract held assets	13	–	–	-	**13**
Reinsurance contract held liabilities	502	-346	54	**54**	**210**
Balance as at 1 January 2024	**489**	**-346**	**54**	**54**	**197**
CSM recognised for services received	–	–	–	-	-
Change in risk adjustment non/ financial risk for risk expired	–	2	–	-	**2**
Experience adjustments	4	–	–	-	**4**
Total changes that relate to current services	**4**	**2**	**-**	**-**	**7**
Contracts recoveries of losses on onerous underlying contracts	–	–	–	-	-
Changes in estimates that adjust the CSM	76	–	-76	**-76**	-
Total changes that relate to future services	**76**	**-**	**-76**	**-76**	-
Net expenses from reinsurance contracts	**81**	**2**	**-76**	**-76**	**7**
Net finance expenses from reinsurance contracts	-5	–	–	-	**-5**
Total change in the statement of profit or loss	**76**	**2**	**-76**	**-76**	**2**
Premiums ceded	-533	–	–	-	**-533**
Claims received	517	–	–	-	**517**
Total cash flows	**-15**	**-**	**-**	**-**	**-15**
Balance as at 31 December 2024	**550**	**-344**	**-22**	**-22**	**183**
Reinsurance contract held assets	3	–	–	–	**3**
Reinsurance contract held liabilities	553	-344	-22	-22	**186**

Changes in estimates that adjust the CSM are mainly driven by market variances and Non-Market Assumption Changes calculated on locked-in discount curves.

Statement of Changes in Reinsurance Contracts by Measurement Component 2023

In € millions	Estimates PV of future CF	Risk adjustment non-financial risk	Contractual Service Margin (CSM) Contracts under FVA	Total CSM	Total
Reinsurance contract held assets	8	–	–	-	**8**
Reinsurance contract held liabilities	708	-347	-266	**-266**	**94**
Balance as at 1 January 2023	**699**	**-347**	**-266**	**-266**	**86**
CSM recognised for services received	–	–	3	**3**	**3**
Change in risk adjustment non/ financial risk for risk expired	–	3	–	-	**3**
Experience adjustments	6		–	-	**6**
Total changes that relate to current services	**6**	**3**	**3**	**3**	**12**
Contracts recoveries of losses on onerous underlying contracts	–	–	1	**1**	**1**
Changes in estimates that adjust the CSM	-314	-2	317	**317**	**-**
Total changes that relate to future services	**-314**	**-2**	**317**	**317**	**1**
Net expenses from reinsurance contracts	**-308**	**1**	**320**	**320**	**13**
Net finance expenses from reinsurance contracts	132	–	–	-	**131**
Total change in the statement of profit or loss	**-176**	**1**	**320**	**320**	**144**
Premiums ceded	-550	–	–	-	**-550**
Claims received	516	–	–	-	**516**
Total cash flows	**-34**	**-**	**-**	**-**	**-34**
Balance as at 31 December 2023	**489**	**-346**	**54**	**54**	**197**
Reinsurance contract held assets	13	–	–	–	**13**
Reinsurance contract held liabilities	502	-346	54	54	**210**

SRLEV has longevity reinsurance contracts to reduce SRLEV's longevity risk and positively affecting the Solvency II ratio for SRLEV. In 2023 a price reset for the period after 31 December 2023 was agreed with the reinsurer that mainly explains the movement in the CSM during 2023.

Estimate of Cash Flows

General

The assumptions used for estimating underwriting cash flows are the same as the assumptions used for the estimations of Solvency II cash flows. All these assumptions are reviewed at least annually. The most important assumptions are described here below.

Mortality and Longevity Assumptions

Mortality risk indicates the risk for the company of the policyholder dying earlier than expected. In the case of a life benefit, the longevity risk for SRLEV is that the policyholder might live longer than expected. Assumptions about mortality/longevity and policy behaviour that are used in estimating future cash flows are set by product type, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

To derive the longevity assumptions, SRLEV uses the latest model published by the Netherlands Actuarial Association (Projection table AG2024) which combines mortality rates of several European countries with those of the Netherlands. The assumptions are reviewed at least annually. SRLEV further reviews and if required updates the empirical figures for portfolio mortality on the basis of research into observed mortality within the portfolio.

Expense Risk

Expense risk is the risk of a loss arising from experience of expenses being different than expected. SRLEV is exposed to the level, trend or volatility of these costs. Insurance liabilities include estimates of expenses that are attributable in fulfilling insurance contracts. These expenses relate to managing and settling insurance liabilities, including managing the accompanying assets and reinsurance contracts. The relevant expenses can be broken into:

- operating expenses, such as administration expenses and claim handling expenses
- investment management expenses, such as internal costs related to assets and fees paid by Athora Netherlands to asset managers and
- recurring commissions.

The basis for projecting the operation expenses are the recurring costs of the operational plan for each support department and each business line and expectations about wage increases and inflation. Investment management expenses are assigned to the insurance liabilities based on the expected strategic asset allocation.

Disability and Morbidity

The Life insurance portfolio is exposed to the risk of being (partially) unable to work for a limited period or on a permanent basis because of disability. The assumptions about disability-morbidity that are used in estimating future cash flows are set by product type, reflecting recent experience and the profiles of the policy holders.

Lapse and Surrender Rates

Lapse risk reflects the impact of policyholders' behaviour, such as surrender (the policyholder terminates the policy before the maturity date) or conversion to a paid-up status (the policyholder terminates the regular premium payment before the maturity date). In general the assumptions used depend on issue year, policy year, product types and sales channels.

Yield Curve

The next table provides an overview of the discount rate curve used for estimating the cash flows.

Discount Rate Curves

In %	1 year	5 years	10 years	15 years	20 years	30 years	50 years
2024							
Liquid	3.26%	3.19%	3.35%	3.43%	3.37%	3.12%	2.99%
Illiquid	3.52%	3.44%	3.60%	3.68%	3.61%	3.36%	3.23%
2023							
Liquid	4.33%	3.31%	3.40%	3.49%	3.43%	3.21%	3.05%
Illiquid	4.57%	3.55%	3.64%	3.73%	3.67%	3.45%	3.29%

Liquidity per Product Type

Product Type	Liquidity
Annuity	Illiquid
Funeral	Illiquid
Term life	Illiquid
Savings mortgage	Liquid
Separate accounts	Illiquid
Collective traditional	Liquid
Savings insurance	Liquid
Unit linked	Illiquid

The savings mortgage product types are valued using the ExILP curve, i.e., no illiquidity premium is applied.

For more details regarding the construction of the discount rate reference is made to paragraph 6.1 Accounting policies for the Consolidated Financial Statements, section Insurance liabilities - Discount rate.

Sensitivity Analysis

To provide insight in the risk the company is exposed to, a sensitivity on the discount rate and the resulting impact on equity is a € -573 million decrease (based on a 25 basis points parallel decrease over the full discount rate curve).

Risk Adjustment

Risk Adjustment - Corresponding Confidence Level

Applying a cost of capital technique, SRLEV has developed a model to determines the confidence level that correspondents with the risk adjustment. The required capitals in this model assumed to be normally distributed in line with the assumptions underlying the Solvency II standard formula. The risks in different years are assumed to be independent. The confidence level is based on a multi year horizon and the standard deviation corresponds with a 70.2% confidence level (2023: 70,2%).

For more details regarding the construction of the risk adjustment reference is made to paragraph 6.1 Accounting policies for the Consolidated Financial Statements, section Insurance liabilities - Risk adjustment.

Contractual Service Margin

Recognition of CSM in Insurance Result

The CSM is recognised in the statement of profit or loss during the coverage period of the insurance contracts, based on the defined coverage units representing the quantity of service provided. Coverage units are assessed and revised annually. SRLEV determines the coverage units as follows:

Coverage Units per Product Type

Product Type	Coverage units
Annuity	Annuity amount
Funeral	Sum assured
Term life	Sum assured
Savings mortgage	Sum assured
Separate accounts	Sum assured
Collective traditional	Reinsurance: Maximum cover Insurance: Sum insured
Savings insurance	Sum assured
Unit linked	Sum assured

Statement of Changes in Assets for Insurance Acquisition Cash Flows

In € millions	2024	2023
Balance at 1 January	**14**	**8**
Amounts incurred during the reporting period	22	26
Amounts derecognised and included in the measurement of insurance contracts	-18	-12
Impairment losses and reversals	-4	-8
Balance at 31 December	**14**	**14**

Acquisition costs amount to € 14 million (2023: € 14 million) and comprise the direct and indirect costs associated with acquiring an insurance contract.

Acquisition expenses not yet allocated at balance sheet date are expected to be included in the measurement of insurance contracts over the next year.

Assets for insurance acquisition cash flows are presented in the carrying amount of the related portfolio of insurance contracts liabilities.

The following table provides a maturity analysis of the insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur.

Breakdown of Insurance and Reinsurance Contracts Maturity Analysis 2024

In € millions	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
Insurance contract liabilities	2,447	2,413	2,455	2,575	2,554	51,064	**63,508**
Insurance contract assets	–	–	–	–	–	–	**-**
Total insurance contracts	**2,447**	**2,413**	**2,455**	**2,575**	**2,554**	**51,064**	**63,508**
Reinsurance contracts held liabilities	23	24	24	25	25	918	**1,038**
Reinsurance contract held assets	1	1	–	–	–	–	**3**
Total reinsurance contracts	**24**	**25**	**24**	**25**	**25**	**918**	**1,041**

Breakdown of Insurance and Reinsurance Contracts Maturity Analysis 2023

In € millions	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years	Total
Insurance contract liabilities	2,730	2,449	2,320	2,369	2,353	47,452	**59,673**
Insurance contract assets	–	–	–	–	–	–	**-**
Total insurance contracts	**2,730**	**2,449**	**2,320**	**2,369**	**2,353**	**47,452**	**59,673**
Reinsurance contracts held liabilities	21	21	22	22	23	838	**947**
Reinsurance contract held assets	10	1	–	–	–	–	**11**
Total reinsurance contracts	**31**	**22**	**22**	**22**	**23**	**838**	**958**

The components of new business for insurance contracts issued is disclosed in the table below.

Breakdown of Individual Life Insurance Contracts Initially Recognised in the Year

	Profitable contracts		Onerous contracts		Total	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Insurance acquisition cash flows	-14	-8	-3	-4	**-18**	**-12**
Claims and other insurance service expenses payable	-2,564	-1,301	-306	-391	**-2,870**	**-1,692**
Estimates of present value of cash outflows	**-2,579**	**-1,309**	**-309**	**-395**	**-2,888**	**-1,704**
Estimates of present value of cash inflows	2,798	1,394	309	395	**3,106**	**1,789**
Risk adjustment for non/financial risk	-85	-23	-3	-7	**-88**	**-30**
Contractual service margin	-134	-62	–	–	**-134**	**-62**
Losses recognised on initial recognition	**-**	**-**	**-4**	**-7**	**-4**	**-7**

The disclosure of when the CSM is expected to be in profit or loss in future year is presented below.

Breakdown of Release of CSM on Insurance Contracts per 2024

In € millions	< 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	> 20 years	Total
Insurance contract liabilities	137	455	420	296	217	484	**2,008**
Reinsurance contract held liabilities	-1	-3	-4	-3	-3	-8	**-22**

The contractual service margin by remaining term provides the expected maturity of the balance sheet amount of the contractual service margin at the end of the period. The actual release of the contractual service margin that will be recognised in the profit and loss account in future years will differ as the release will be impacted by the development of the contractual service margin due to new contracts sold, interest accreted and changes in estimates.

The net CSM (reinsurance and insurance netted) increased by € 45 million (2024: € 1,986 million; 2023: € 1,941 million)as the regular CSM unwind which is is more than offset by positive impacts from contracts initially recognised, market variances and Non-Market Assumption Changes calculated on locked-in discount curves.

Breakdown of Release of CSM on Insurance Contracts per 2023

In € millions	< 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	> 20 years	Total
Insurance contract liabilities	140	453	409	282	195	408	**1,888**
Reinsurance contract held liabilities	2	7	9	8	7	20	**54**

The amounts from insurance contract liabilities that are payable on demand are set out below.

Breakdown of Insurance Contract Liabilities Payable on Demand

	Amount payable on demand		Carrying amount	
In € millions	2024	2023	2024	2023
Insurance contracts	23,767	26,282	44,173	41,981

11. Provision for Employee Benefits

Breakdown of Provision for Employee Benefits

In € millions	2024	2023
Pension commitments	135	143
Total	**135**	**143**

Pension Commitments

Defined Contribution Scheme

The pension scheme to which SRLEV employees are entitled is a collective defined contribution scheme, which is accounted for as a defined contribution scheme in accordance with IAS 19 Revised. Under this scheme, Athora Netherlands N.V. pays a fixed amount to Stichting Pensioenfonds SNS REAAL.

Defined Benefit Schemes

SRLEV has several legacy pension schemes with pension entitlements of current and former employees of SRLEV and the companies it acquired over the years. Most of these legacy pension schemes have been insured by SRLEV and few with other insurance companies.

The fair value of the plan assets of these plans is determined based on different methodologies. Investments relating to pension schemes that are included in a separate investment account are offset against the present value of defined benefit obligations. Non-separated investments are recognised within investments in the statement of financial position.

The total benefit expenses for SRLEV of these defined benefit schemes are expected to be approximately € 4.6 million in 2025 (2024: € 4.5 million). Obligations for additional indexation rights are included in the provision and will be released after payment to the insurer.

Regarding the several defined benefit schemes, as explained below, there are no changes with respect to terms and conditions. These defined benefit schemes are closed schemes, so no new participants are added.

These defined benefit schemes are closed schemes and therefore they can continue and do not have to make a transition to a pension scheme conform the new pension system in the context of the Future Pensions Act. Some pension schemes still have to change slightly, because they contain for some participants a indexation of the pension entitlements that is equal to the indexation applied by the Stichting Pensioenfonds SNS REAAL. This indexation will no longer exist after the transition of the pension scheme at Stichting Pensioenfonds SNS REAAL.

No further information is currently available about any other changes of these pension schemes.

Pension Scheme Former AXA and Winterthur (Defined Benefit Scheme)

The accrual of new pension rights of former employees of Winterthur, UAP, Equity & Law (E&L) and Guardian have been transferred to the Stichting Pensioenfonds SNS REAAL as from 1 January 2009.

The schemes of Winterthur, UAP and Equity & Law (E&L) are insured with SRLEV N.V., without the investments being separated; instead they are recognised within investments in the statement of financial position and included in the balance sheet item Investments.

The Guardian pension scheme is insured externally. No direct investment allocation is held in relation to the Guardian pension scheme. Therefore, the fair value of the pension plan assets cannot be determined based on a certain investment allocation. The fair value of the plan assets is based on the accrued pension benefits and actuarial rates.

The indexation of the pension entitlements of inactive participants, except for the Winterthur scheme, is equal to the indexation applied by the Stichting Pensioenfonds SNS REAAL. The indexation of the pension entitlements of inactive participants of the Winterthur scheme is an unconditional indexation based on the price index.

The pension entitlements of active participants are unconditionally indexed based on the salary index. Active participants are here defined as employees of SRLEV that actively accrue pension benefits in the Stichting Pensioenfonds SNS REAAL.

In the event that the coverage ratio of the Winterthur scheme falls below the agreed limit of 105%, an additional contribution will be made by the employer.

After offsetting the fair value of the investments, € 44 million has been included in the provision for pensions for the former AXA and Winterthur pension schemes (2023: € 46 million). In 2025, the total benefit expenses of these defined benefit schemes are expected to amount to € 1.4 million (2024: € 1.4 million).

Pension Scheme Zwitserleven (Defined Benefit Scheme)

As of 1 January 2010, the accrual of new pension entitlements of the employees of former Zwitserleven N.V. was transferred to Stichting Pensioenfonds SNS REAAL. The rights of inactive participants built up in the past and active former participants remain part of the former pension scheme of Zwitserleven.

Until 2025 the conditional indexation of the pension rights of inactive participants is determined using the return on investment and potential technical results. If the return is insufficient, the indexation may be lower than the indexation of Stichting Pensioenfonds SNS REAAL. From 2025 onwards, the indexation will in principle be equal to the indexation of Stichting Pensioenfonds SNS REAAL. The pension rights of active former participants are unconditionally indexed based on the salary index.

The pension scheme of Zwitserleven is self-administered. For this pension scheme, the present value of the pension obligations of € 69 million (2023: € 74 million) has been included in the provision for employee benefits. There is no separate investment account. The benefit expenses of the defined benefit scheme of Zwitserleven are expected to amount to € 2.3 million in 2025 (2024: € 2.3 million).

Other Pension Schemes

The accrual of new pension rights of former employees of Zürich, NHL, Helvetia and DBV has been transferred to Stichting Pensioenfonds SNS REAAL. The pension rights of former employees of Zürich and DBV built up in the past are insured internally by SRLEV, without the investments being separated; instead they are recognised within investments in the statement of financial position and included in the balance sheet item Investments.

The pension rights of former employees of NHL and Helvetia built up in the past are insured externally. No direct investment allocation is held in relation to these pension schemes. Therefore, the fair value of the pension plan assets cannot be determined based on a certain investment allocation. The fair value of the plan assets of NHL is based on the accrued pension benefits and actuarial rates and the value of the indexation depot. As the value of the assets in the investment account is lower than the discounted value of the funded insured benefits under the insurance contract, the fair value of plan assets is set to the discounted value of the funded insured benefits, increased with the indexation depot and the current account. Regarding the NHL pension scheme the asset ceiling is applied. The fair value of the plan assets of Helvetia is based on the accrued pension benefits and actuarial rates. In all of these pension schemes no more pension rights, other than indexation, are accrued. As per 2019 the guarantee costs for the NHL pension plan are included in the fair value of the plan assets.

The indexation of the pension entitlements of inactive participants, except for the Zurich and NHL schemes, is equal to the indexation applied by the Stichting Pensioenfonds SNS REAAL. The indexation of the pension entitlements of inactive participants of the Zurich and NHL schemes is an unconditional indexation based on the price index. The pension entitlements of active participants are unconditionally indexed based on the salary index.

After offsetting the fair value of the investments, € 22 million (2023: € 21 million) has been included in the provision for pensions for these other pension schemes. In 2025, the total benefit expenses of the other defined benefit schemes are expected to amount to € 0.8 million (2024: € 0.8 million).

Overview Pension Commitments

Breakdown of Pension Commitments

In € millions	2024	2023
Present value of defined benefit obligations	152	161
Less: Fair value of plan assets	-18	-19
Effect of asset ceiling	2	1
Present value of the net liabilities	**135**	**143**

Statement of Changes in Present Value of Defined Benefit Obligation

In € millions	2024	2023
Present value as at 1 January	**161**	**167**
Increase and interest accrual through profit or loss	5	6
Actuarial gains or losses due to changes in financial assumptions through Other Comprehensive Income	-8	-1
Actuarial gains or losses due to changes in demographic assumptions through Other Comprehensive Income	-1	1
Actuarial gains or losses due to experience adjustments through Other Comprehensive Income	1	-2
Benefits paid	-7	-7
Other movements through profit or loss	–	-3
Present value as at 31 December	**152**	**161**

Statement of Changes in Fair Value of the Plan Assets

In € millions	2024	2023
Fair value as at 1 January	**19**	**19**
Investment result through profit or loss	1	1
Return on plan assets	–	1
Investment result	**–**	**2**
Premiums	6	5
Benefits paid	-7	-7
Fair value as at 31 December	**18**	**19**

The expected return on investments through profit or loss has been netted with the actuarial rate of interest (in accordance with IAS 19 Revised). The difference between the actual interest result and the actuarial rate of interest is recognised in Other Comprehensive Income.

Breakdown of Fair Value of the Plan Assets

In € millions	2024	2023
Cash and cash equivalents	4	4
Insurance contract	14	15
Balance as at 31 December	**18**	**19**

The plan assets Insurance contracts consist of the paid-up value based on the actuarial principles.

Reconciliation of the Effect of the Asset Ceiling

In € millions	2024	2023
Balance as at 1 January	**1**	**–**
Remeasurements on the effect of asset ceiling through Other Comprehensive Income	–	1
Balance as at 31 December	**2**	**1**

Statement of Changes in Other Comprehensive Income

In € millions	2024	2023
Balance as at 1 January	**49**	**43**
Actuarial gains or losses directly taken to Other Comprehensive Income pension commitments	8	8
Deferred taxes	-2	-2
Balance as at 31 December	**55**	**49**

The Main Actuarial Parameters at Year-end

In percentages	2024	2023
Discount rate	3.42%	3.16%
Rate of return on assets	Equal to discount rate	Equal to discount rate
Mortality	"Prognosetafel AG 2024" with 2024 mortality experience rates	"Prognosetafel AG 2022" with 2022 mortality experience rates
Increase accrued pension rights - Active	future wage inflation curve	future wage inflation curve
Increase accrued pension rights - Inactive	future price inflation curve	future price inflation curve

The discount rate is based on current market conditions. The expected rate of return on assets is equal to the discount rate.

The assumptions for pension increases during and after active period have been updated to better reflect expected future experience of the schemes. It has been assumed that accrued benefits of active participants will be increased annually based on a future wage inflation curve which is based on the development of the wage inflation as used for the annually increase of the benefits of current employees.

The current and future pension payments will be increased annually based on a future price inflation curve which reflects future price inflation that is taking into account the most recent recovery plan of Stichting Pensioenfonds SNS REAAL and assuming the current financial position of the pension fund is one year ahead of this recovery plan.

Sensitivity Present Value of Pension Obligations 2024

	31 December 2024	
In € millions / %	Change in € millions	Change in %
Discount rate 2.92% (-0.5%)	11	7%
Discount rate 3.92% (+0.5%)	-10	-6%

Sensitivity Present Value of Pension Obligations 2023

	31 December 2023	
In € millions / %	Change in € millions	Change in %
Discount rate 2.66% (-0.5%)	12	8%
Discount rate 3.92% (+0.5%)	-11	-7%

12. Other Provisions

Other provisions have been formed mainly for the settlement of legal and other claims.

Statement of Changes in Other Provisions

	Other provisions	
In € millions	**2024**	**2023**
Balance as at 1 January	**117**	**15**
Additions	4	104
Withdrawal	-71	-1
Released to results	-3	-1
Balance as at 31 December	**47**	**117**

No amount (2023: € 70 million) of the other provisions is expected to be settled within twelve months after the balance sheet date.

On 21 March 2024, SRLEV reached a settlement with the consumer organisations regarding the investment-linked insurance policies sold by its group company SRLEV and predecessors. A provision of € 95 million regarding this settlement is recognised in 2023 that reflects the best estimate of the outflow of resources. In 2024, an amount of € 70 million has been reclassified from other provisions to other liabilities, following the agreement between SRLEV and the policyholders within the consumer organisations. Please refer to Note 14 Legal Proceedings for more details.

13. Other Liabilities

Breakdown of Other Liabilities

In € millions	2024	2023
Debts to group companies	13	13
Debts in relation to direct insurance	3	12
Debts to reinsurers	8	9
Investment transactions to be settled	243	139
Other payables	113	94
Accrued interest	–	1
Lease liabilities	1	1
Total	**381**	**270**

In 2023, SRLEV reached a Unit-linked settlement with consumer organisations, involving € 95 million set aside as a provision. In 2024, as per the signed contracts, an amount of the € 70 million has been reclassified from the provision to other payables, following the agreement between SRLEV and the policyholders within consumer organisations.

The increase in investment transactions to be settled is primarily due to the increase in investment transactions to be settled, driven by the withholding tax obligations to be settled with policyholders.

With exception of the lease liabilities, the other liabilities are expected to be settled within twelve months after reporting date.

14. Guarantees and Commitments

Commitments

At year-end 2024, SRLEV N.V. had commitments to invest € 2,297 million in investment funds (2023: € 1,799 million). These funds may in due course call these commitments (capital calls) when specific conditions are met. These capital calls have been taken into account in the company's liquidity management.

At year-end 2024, there is no residual commitment in SRLEV N.V. (2023: € 2 million) to invest in properties in the Netherlands and abroad.

Guarantee Schemes

SRLEV N.V. has guaranteed certain obligations arising under an insurance contract between N.V. Pensioen ESC, a subsidiary of SRLEV N.V., and a third party related to the defined benefit plan of that party for the term of the contract. The contract between N.V. Pensioen ESC and the third party stipulates that the financial position of N.V. Pensioen ESC, including the indexation reserves, will be guaranteed by Athora Netherlands N.V. in the event the Solvency II ratio of SRLEV N.V. should fall below 100%. SRLEV N.V.'s Solvency II ratio was 194% at year-end 2024. Given that the fair value of the separated assets exceeds the technical claims and benefits, this contract does not give rise to any additional technical claims and benefits in the statement of financial position.

As per 1 January 2019, the Recovery and Resolution insurance companies Act (Wet herstel en afwikkeling van verzekeraars) came into force. This also affects Athora Netherlands N.V. The Recovery and Resolution insurance companies Act will enable insurance companies and DNB to be better prepared for a crisis situation and gives DNB tools to - in the interest of policyholders and public interest - intervene in case of a failing insurance company. Athora Netherlands has prepared a preparatory crisis plan (voorbereidend crisisplan) in accordance with the requirements of the Recovery and Resolution insurance companies Act; this plan has been filed with DNB.

In 2012, SRLEV N.V. revised separate account contracts before the end date of the contracts to make the deficits arising from issued guarantees more manageable. Agreement was reached with customers, in which process customers funded the increased charges of longevity risk while SRLEV N.V. bore part of the interest deficit. At year-end 2024, there are no liabilities associated with this separate accounts restructuring (2023: € 1 million). The customers' liability in respect of this restructuring was zero at year-end 2024 (2023: € 1 million).

Guarantees Received and Given

The notional amount of the mortgages guaranteed under the National Mortgage Guarantee Fund (in Dutch: NHG) by SRLEV N.V. amounted to € 237 million at year-end 2024 (2023: € 250 million).

The fair value of the collateral of the mortgages was € 7,660 million at year-end 2024 (2023: € 7,362 million). The fair value of the mortgages was € 3,434 million at year-end 2024 (2023: € 3,367 million).

With regard to savings mortgage insurances, issued by SRLEV N.V. to customers and linked to savings mortgage loans that customers have taken out with various financial institutions, SRLEV N.V. has entered into various security arrangements with these institutions. The credit default risk that SRLEV N.V. runs on these institutions with regard to the outstanding accrued savings amounts is covered by assignment and retro-assignment arrangements amounting to € 2,715 million (2023: € 2,993 million), rights of pledge amounting to € 223 million (2023: € 226 million) and netting arrangements amounting to € 101 million (2023: € 125 million). At year-end 2024, the unsecured portion of the outstanding accrued savings value amounted to € 23 million (2023: € 30 million).

Under the so-called 'Fortuinplan' arrangement mortgage receivables have been pledged an independent security trustee that holds a right of pledge for the benefit of policyholders for the equivalent value of insurance contract liabilities. The value of these insurance contract liabilities at year-end 2024 was € 33 million (2023: € 39 million).

Additional Commitments

SRLEV entered into a long-term contract with Cardano with regard to asset management activities. The future contractual payments amount to approximately € 191 million (2023: € 187 million), of which € 31 million (2023: € 26 million) will be due within 1 year and € 111 million (2023: € 98 million) in the period between 1 and 5 years. Early termination of the contract will result in the additional fees linked to the remaining duration of the contract.

Netherlands Reinsurance Company for Losses from Terrorism

In 2025, SRLEV N.V. will take a 14.71% share in the Life cluster (2024: 14.71%) of the Netherlands Reinsurance company for Losses from Terrorism (Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V.). In 2025, the guarantee will be € 10 million (one third of total guarantee of € 29 million) for the Life cluster (2024: € 10 million (one third of total guarantee of € 29 million)) and total premiums will amount to € 1 million (2024: € 1 million).

Legal Proceedings

General

SRLEV is involved in litigation and other binding proceedings related to, but not limited to, disputes concerning the products and services of its subsidiaries and its position as principal, employer and taxpayer. Although it is not feasible to predict the outcome of current or threatened legal proceedings, management believes on the basis of currently available information and after taking legal advice in general, the outcome of these proceedings is unlikely to have any material adverse effects on SRLEV's financial position, operating results or reputation.

Investment-linked Insurance Policies

SRLEV has a portfolio of investment-linked insurance policies (also referred to as: unit-linked policies) which consists of a variety of products with distinct characteristics and different versions of contractual documentation.

Since 2006, there has been widespread public attention for costs and risks related to investment-linked insurance policies as well as the question of whether insurance companies provided adequate information to their current and prospective investment-linked policyholders.

In 2013, Vereniging Woekerpolis.nl initiated a collective action against SRLEV regarding two investment-linked insurance products.

By judgement of 20 December 2017, the District Court of Noord-Holland denied almost all of the requested declaratory decisions. Both Vereniging Woekerpolis.nl and SRLEV filed an appeal against the judgement of the District Court. The appeal proceedings were put on hold.

On 21 March 2024, SRLEV reached a settlement with consumer organisations, Consumentenbond, ConsumentenClaim, Wakkerpolis, Woekerpolis.nl, and Woekerpolisproces, regarding investment-linked insurance policies sold by SRLEV and its predecessors. The settlement relates to all investment-linked insurance policies of customers affiliated with one of the consumer organisations and is subject to a 90% acceptance rate among the affiliated policyholders that have received an individual proposal for compensation. The settlement includes that the collective action against SRLEV will be discontinued upon execution of the settlement and no new legal proceedings may be initiated by the consumer organisations. It is expected that the settlement agreement will be executed in the course of 2025. Refer to note 12 and note 13 for more information on the amount included in other liabilities and other provisions.

15. Related Parties

Identification of Related Parties

Parties qualify as a related party if one of the parties has the power to exercise control or significant influence on the other in terms of deciding on financial or operational issues.

SRLEV's related parties are its ultimate parent Athora, Apollo (key minority shareholder of Athora), its parent Athora Netherlands N.V., its affiliates and SRLEV's key management personnel and their close family members. Unless stated otherwise, transactions with related parties are conducted at arm's length.

Intra-group Balances and Transactions

Intra-group Balances and Transactions

	Athora Netherlands		Apollo		Affiliates		Total	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Positions								
Assets								
Corporate income tax	23	31	–	–	–	–	**23**	**31**
Other assets (receivables from group companies)	–	13	–	–	11	12	**11**	**25**
Equity and liabilities								
Equity (holders of other equity instruments)	510	400	–	–	–	–	**510**	**400**
Insurance liabilities (reimbursement right)	230	240	–	–	–	–	**230**	**240**
Subordinated private loans	598	598	–	–	–	–	**598**	**598**
Other liabilities	13	13	13	–	–	–	**26**	**13**
Transactions								
Issuance of other equity instruments	110	–	–	–	–	–	**110**	**-**
Capital injection	75	–	–		–	–	**75**	**-**
Capital distribution	-310	–	–	–	–	–	**-310**	**-**
Other income and expenses								
Other finance result	-23	-22	–	–	–	–	**-23**	**-22**
Fee and commission expenses	–	–	-52	-36	–	–	**-52**	**-36**
Staff cost	-125	-117	–	–	–	–	**-125**	**-117**
Other operating expenses	-71	-44	–	–	–	–	**-71**	**-44**

The main intra-group balances and transactions between SRLEV, Athora Netherlands, Athora, Apollo and affiliates in 2024 were:

- In 2024, SRLEV received a capital injection of € 75 million via a share premium payment from its shareholder Athora Netherlands N.V.
- In 2024, SRLEV made a capital distribution of € 310 million via the share premium reserve to its shareholder.
- In December 2024, SRLEV was provided a perpetual Tier 1 Capital Subordinated loan of € 110 million by its parent company Athora Netherlands.
- In 2024 and 2023, SRLEV had no intra-group positions and transactions with its ultimate parent Athora.
- Apollo provides SRLEV with investment management services as asset manager for the Apollo funds. The fees charged by Apollo have been externally benchmarked and is considered to be at arm's length.

Intra-group Balances and Transactions with Key Management Personnel of SRLEV

The key management personnel consists exclusively of the members of the Executive Committee and the Supervisory Board. This applies to Athora Netherlands N.V. and also to SRLEV N.V.

In 2024, the composition of the Supervisory Board has changed. One member of the Supervisory Board has resigned after having served his four-year term and one new member has been appointed to the Supervisory Board.

The Executive Committee comprised six members at 31 December 2024 (31 December 2023: six members). The Supervisory Board comprised six members at 31 December 2024 (31 December 2023: six members).

Actual Remuneration (former) Members of the Executive Committee

The following table provides a breakdown of the total remuneration of the Executive Committee, including former and existing key management.

Breakdown of Remuneration (Former) Members of the Executive Committee

In € thousands	2024	2023
Short-term employee benefits	7,069	5,417
Post-employment benefits	148	147
Termination benefits	-	236
Total	**7,218**	**5,801**

The short-term employee benefits consist of fixed remuneration, social contributions and expense allowances.

The post-employment benefits consist of pension contributions.

The termination benefits consist of contractual agreed severance payments to former members of the Executive Committee, including the salary until the end of the notice period without the obligation to perform work. This is in line with the applicable Executive Committee remuneration policy and applicable legislation.

Reference is made to Section 6.1 for the relevant paragraph regarding accounting principles of employee benefits.

Loans, Advances and Guarantees

There are no loans, advances or guarantees outstanding on 31 December 2024 (and 2023) and/or granted to members of the Executive Committee during 2024.

Actual Remuneration (former) Members of the Supervisory Board

The following table provides an overview of the total remuneration of the (former) Supervisory Board members (excluding 21% VAT on invoices).

Breakdown of Remuneration (Former) Members of the Supervisory Board

In € thousands	2024	2023
Total fixed actual remuneration for Supervisory Board members	515	515
Total remuneration related to membership Supervisory Board Committees	110	110
Total	**625**	**625**

Loans, Advances and Guarantees

There are no loans, advances or guarantees outstanding on 31 December 2024 (and 2023) and/or granted to members of the Supervisory Board during 2024.

Other Intra-group Balances and Transactions

Athora Group maintains a number of active share plans and schemes, which includes a Management Equity Plan, a Long-Term Incentive Plan and an Employee Co-invest Plan.

Some (former) members within the Supervisory Board were already part of management within Athora Group and continue participating in one or more of these plans. These plans and its requirements did not have an impact on the Company's financial statements.

16. Interests in Non-consolidated Structured Entities

SRLEV invests in non-consolidated structured entities, such as investment funds, in the form of investments, credit guarantees or liquidity obligations.

The table below breaks down the carrying amount of the assets and liabilities relating to SRLEV with its involvement classified by type of transaction and the maximum exposure to losses of the non-consolidated structured entities and the relative size of those entities.

Non-consolidated Structured Entities 2024

In € millions	Carrying amount assets	Carrying amount liabilities	Maximum exposure to losses	Total assets of entities	Total liabilities of entities
Private stocks	493	–	558	15,629	11,464
Investment Funds	1,252	3	2,464	6,684	1,458
Total	**1,745**	**3**	**3,022**	**22,313**	**12,921**

Non-consolidated Structured Entities 2023

In € millions	Carrying amount assets	Carrying amount liabilities	Maximum exposure to losses	Total assets of entities	Total liabilities of entities
Private stocks	450	-	461	3,014	3,014
Investment Funds	1,009	5	2,509	5,573	5,573
Total	**1,459**	**5**	**2,970**	**8,587**	**8,587**

The maximum exposure to losses with respect to commitments and guarantees is the notional amount. The notional amount does not represent the expected losses or reflect unrealised losses (if applicable). These commitments and guarantees are conditional and present the maximum losses that SRLEV could suffer on its involvement in non-consolidated structured entities, without considering the impact of any mitigating action or compensating influence of other financial instruments. Reference is made to Note 14 for more information about guarantees and commitments.

17. Events after the Reporting Date

There are no events after reporting date which should be disclosed in the financial statements.

18. Result on Investments

Breakdown of Result on Investments

In € millions	2024	2023
Result on investments for general account	1,572	2,221
Result on investments for account of policyholders	1,539	1,442
Result on investments for account of third parties	1,136	544
Result on liabilities from investments for account of third parties	-1,136	-544
Total	**3,112**	**3,663**

Breakdown of Result on Investments

In € millions	2024 General account	2024 Account of policy-holders	2024 Total	2023 General account	2023 Account of policy-holders	2023 Total
Investment property						
- Rental income	55	–	**55**	50	–	**50**
- Fair value changes	–	–	**-**	-83	–	**-83**
Subtotal	**55**	**-**	**55**	**-33**	**-**	**-33**
Shares and similar investments						
- Dividend income	100	1	**101**	114	1	**115**
- Fair value changes	144	1,547	**1,691**	191	1,427	**1,618**
- Foreign currency differences	71	–	**71**	-58	–	**-58**
Subtotal	**314**	**1,548**	**1,862**	**247**	**1,427**	**1,674**
Debt instruments						
- Interest	1,134	16	**1,151**	919	17	**936**
- Fair value changes	225	-7	**219**	528	8	**536**
- Foreign currency differences	274	–	**274**	-211	–	**-211**
Subtotal	**1,634**	**10**	**1,643**	**1,236**	**25**	**1,261**
Derivatives						
- Interest	-354	–	**-354**	-269	–	**-269**
- Fair value changes	161	–	**161**	805	–	**805**
- Foreign currency differences	-369	–	**-369**	201	–	**201**
Subtotal	**-561**	**-**	**-561**	**737**	**-**	**737**
Other						
- Interest	84	–	**85**	104	–	**104**
- Dividend income	25	–	**25**	–	–	**-**
- Fair value changes	94	-7	**87**	–	-6	**-6**
- Foreign currency differences	6	–	**6**	–	–	**-**
Subtotal	**210**	**-7**	**203**	**104**	**-5**	**99**
Total investment income	**1,652**	**1,550**	**3,202**	**2,291**	**1,447**	**3,738**
Direct operating expenses	99	11	**110**	89	4	**93**
Attributable to insurance service expenses	-20	–	**-20**	-19	–	**-19**
Total expenses	**79**	**11**	**90**	**70**	**4**	**74**
Total investment result	**1,572**	**1,539**	**3,112**	**2,221**	**1,442**	**3,663**

Result on Investments for General Account

Total investment result shows a decrease of € 551 million compared to 2023. This decline is influenced by a reduction in the fair value of derivatives, driven by rising short-term rates affecting interest rate swaps and falling long-term rates leading to negative revaluations.

The line item category "Other" relates to investment results on loans and advances to banks, amounts due to banks and funding. The movement in interest income was driven by a lower collateral position in 2024. The movement in dividend income and fair value changes between 2024 and 2023 was driven by an increase in short-term interest rates, which have resulted in higher dividends and improved FX results on money market funds.

Direct operating expenses of € 99 million in 2024 (2023: € 89 million) include expenses incurred related to investment property (2024: € 17 million, 2023: € 17 million).

Result on Investments for Account of Policyholders

The positive revaluation result mainly relates to the performance of the MSCI indices which shows an increase in 2024 compared to prior year. We refer to Note 4 Investments for information about the policyholders investments.

Result on (Liabilities from) Investments for Account of Third Parties

The positive result of € 1,136 million (2023: € 544 million) mainly consists of unrealised revaluations as result of positive market movements. We refer to Note 4 Investments for information about the third party investments.

Result on Derivatives

The negative revaluation in 2024 totalling € 207 million was mainly driven by the interest rate derivatives which saw a negative result, due to the upward movement in the long term swap rate, following a decline in 2023. The FX result resulted in a € 369 million loss due to the strength of the US Dollar, which led to losses in derivatives and gains in hedged items.

19. Investment Result and Insurance Finance Income and Expenses

Breakdown of Investment Result and Insurance Finance Income and Expenses

In € millions	2024	2023
Investment result	3,116	3,668
Insurance finance income and expenses	-2,629	-2,507
Total investment result and insurance finance income and expenses	**487**	**1,161**

Total Investment result and insurance finance income and expenses in 2024 of € 487 million (2023: € 1,161 million) was influenced by a positive market return accretion of assets over liabilities, supported by the repositioning towards higher returning assets. Market variance in 2023 was more positive compared to 2024 due to a more beneficial update of the ILP on the liability discount curve in line with the yearly SAA update. The ALM policy of Athora Netherlands aims to mitigate financial risk through hedging of assets and liabilities thereby achieving appropriate resilience in its Solvency II position over time.

20. Other Income

Other income includes fees and commissions from asset management, advisory services, brokerage activities, and other related services.

Breakdown of Other Income

In € millions	2024	2023
Fee and commission income:		
- Management fees	11	5
- Other activities	36	33
Total fee and commission income	**47**	**38**
Fee and commission expenses	19	19
Subtotal	**28**	**19**
Attributable to insurance service expenses	21	17
Total	**7**	**2**

21. Other Operating Expenses

The other operating expenses overview reconciles to the statement of profit or loss. Staff costs and depreciation are explained in more detail in the next paragraph.

Breakdown of Other Operating Expenses

In € millions	2024	2023
Staff costs	-160	-167
Other expenses	-74	-145
Subtotal	**-233**	**-313**
Attributable to insurance acquisition costs	22	26
Attributable to other insurance service expenses	173	157
Total	**-39**	**-130**

Staff Costs

Breakdown of Staff Costs

In € millions	2024	2023
Salaries	-81	-74
Pension costs	-16	-18
Social security contributions	-11	-10
Other staff costs	-52	-65
Total	**-160**	**-167**

Breakdown of Pension Costs

In € millions	2024	2023
Pension contributions based on defined contribution	-12	-14
Employee contributions	1	1
Total based on defined contributions	**-12**	**-13**
Increase of present value defined benefit plans	-4	-5
Total	**-16**	**-18**

Salaries

Salary costs in 2024 included several salary adjustments and bonuses. See 4.4 Overview Remuneration for further information.

Other Staff Costs

The other staff costs relate to staff costs recharged by Athora Netherlands N.V. The reduction in these costs is primarily due to a decrease in temporary staff costs.

Number of Internal FTEs

	2024	2023
Number of Internal FTEs	**834**	783

Other Expenses

Breakdown of Other Expenses

In € millions	2024	2023
IT systems	-21	-19
Housing	-2	-2
Marketing and public relations	-2	-3
External advisors	-14	-8
Other costs	-34	-114
Total	**-74**	**-145**

In 2023, the other costs relate to outsourced services and contributions and a recognition of a provision as a result of the settlement of investment-linked insurance policies, please refer to Note 12 Other Provisions for more details.

22. Other Finance Result

Breakdown of Other Finance Result

In € millions	2024	2023
Issued Debts	-6	-6
Private loans	-24	-24
Other interest and investment expenses	-1	-7
Total	**-31**	**-36**

In 2024, other interest and investment expenses related to bonds have decreased compared to 2023, primarily driven by a reduction in interest expenses associated with reverse repurchase agreements.

23. Income Tax

Breakdown of Tax Expense / Benefit

In € millions	2024	2023
In financial year	-34	-8
Other	-2	–
Corporate income tax due	**-37**	**-8**
Due to temporary differences	-75	-314
Due to carry forward losses	15	36
Non-recoverable deferred tax assets	–	7
Deferred tax	**-61**	**-271**
Total tax (expense) / benefit	**-97**	**-279**

The corporate income taxes are irrevocable for the years up to and including 2022.

Reconciliation Between the Statutory and Effective Tax Rate

In € millions	2024	2023
Statutory income tax rate	25.8%	25.8%
Result before tax	605	1,160
Statutory corporate income tax amount	**-156**	**-299**
Effect of participation exemption	55	19
Deductible interest Tier 1	7	7
Non-deductible expenses	-1	-1
Recoverability adjustment of deferred tax assets	-4	7
Other items	1	-11
Total tax (expense) / benefit	**-97**	**-279**
In %		
Effective tax rate	**16.0%**	**24.6%**

The effective tax rate of 16.0% differs compared to the nominal rate of 25.8%. This is mainly caused by the effect of participation exemption in 2024.

In May 2023, the International Tax Reform — Pillar Two Model Rules was issued, which amended IAS 12 Income Taxes. SRLEV has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

Per 2024, SRLEV is subject to the requirements of Pillar Two Model Rules and reviewed the impact for any of the jurisdictions in which it operates. The Pillar Two Model Rules provide for Transitional Safe Harbour Rules that alleviate the compliance burden on entities during a three year transition period if specific requirements are met. For 2024, SRLEV relies on the Safe Harbour rules and calculated an effective tax rate above 15% and determined that it is not subject to Pillar Two income taxes for its Dutch operations. SRLEV determined that it will also not be subject to Pillar Two in respect of its foreign subsidiaries. Pillar Two Safe harbour calculation for foreign subsidiaries will be prepared at jurisdictional basis.

24. Income tax effects relating to Other Comprehensive Income

Breakdown of Income Tax Effects Relating to Other Comprehensive Income

	Before tax amount		Tax (expense) benefit		Net of tax amount	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Changes in valuation of defined benefit pension plan	8	8	-2	-2	**6**	**6**
Changes in fair value	-2	2	1	-	**-2**	**1**
Net change in foreign currency translation reserve	-2	2	-	-	**-2**	**2**
Total other comprehensive income	**4**	**12**	**-2**	**-3**	**2**	**9**

The changes in valuation of defined benefit pension plan of € 8 million mainly consists of actuarial gains or losses due to changes in financial assumptions and due to experience adjustments.

25. Fair Value Hierarchy

The following three hierarchical levels are used to determine the fair value of financial instruments and non-financial instruments when accounting for assets and liabilities at fair value and disclosing the comparative fair value of assets and liabilities:

- Level 1: Level 1 includes assets and liabilities whose value is determined by quoted (unadjusted) prices in the primary active market for identical assets or liabilities. Financial instruments in this category primarily consist of sovereign bond securities, corporate bond securities, mutual funds and the majority of equities, excluding all private equity holdings.
- Level 2: Level 2 includes assets and liabilities valued using quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in markets that are considered less active or valuation techniques where all significant inputs are directly or indirectly observable from market data.
  Where use is made of broker quotes and no information as to the observability of inputs is provided by the broker, the investments are classified as follows:
  - Where the broker quote is binding, or where the broker price is validated by using internal models with market observable inputs and the values are similar, the investment is classified level 2.
  - In circumstances where internal models are not used to validate broker prices, or the observability of inputs used by brokers is unavailable, the investment is classified as level 3. This category primarily includes derivatives, loans and advances from banks, loans and deposits and unlisted debt securities.
- Level 3: This category includes all assets and liabilities for which the valuation technique includes inputs that are not based on observable data and where the unobservable inputs have a significant effect on the valuation of the assets and liabilities. Fair value, in the first instance, is calculated using recognised pricing services, market participants or other sources. When market quotations are not available, a model-based approach (typically discounted cash flow) is used to determine fair value. Once valuations are performed, appropriate validation and review is completed to ensure the most appropriate valuation is applied at period end. This category primarily includes investment properties, private securities, residential mortgage loans, private credit, private equity and investment funds.

The table below shows an analysis of assets and liabilities measured at fair value on a recurring and non-recurring basis, categorised by fair value hierarchy in level 1, level 2 and level 3 for 2024 and 2023. Property and financial assets and liabilities not measured at fair value and whose carrying amount is a reasonable approximation of fair value are not classified by level.

Fair Value Hierarchy 2024

In € millions	Carrying amount [1]	Fair value			
		Level 1	Level 2	Level 3	Total
Property measured at fair value:					
Land and buildings for own use		–	–	–	**-**
Investment property		–	–	830	**830**
Total		**-**	**-**	**830**	**830**
Investments measured at fair value:					
- Debt instruments		14,721	942	13,714	**29,377**
- Shares and similar investments		63	–	1,759	**1,822**
- Derivatives		–	3,679	113	**3,792**
- Loans and advances due from banks		2,558	45	4	**2,606**
- Investments for account of policyholders		13,314	1	233	**13,548**
- Investments for account of third parties		6,452	–	–	**6,452**
Total		**37,108**	**4,667**	**15,822**	**57,597**
Financial assets not measured at fair value:					
Other assets	**362**	–	–	–	**362**
Cash and cash equivalents	**2,931**	2,931	–	–	**2,931**
Total	**3,293**	**2,931**	**-**	**-**	**3,293**
Financial liabilities measured at fair value:					
Derivatives		–	5,288	81	**5,368**
Total		**-**	**5,288**	**81**	**5,368**
Financial liabilities not measured at fair value:					
Subordinated debt	**598**	576	–	–	**576**
Amounts due to banks	**797**	–	–	–	**797**
Other liabilities	**381**	–	–	–	**381**
Total	**1,776**	**576**	**-**	**-**	**1,754**

1 The carrying amount of the financial assets and financial liabilities is shown including accrued interest.

Fair Value Hierarchy 2023

In € millions	Carrying amount [1]	Fair value			
		Level 1	Level 2	Level 3	Total
Property measured at fair value:					
Land and buildings for own use		–	–	14	**14**
Investment property		–	–	986	**986**
Total		**–**	**–**	**999**	**999**
Investments measured at fair value:					
- Debt instruments		12,618	872	11,848	**25,338**
- Shares and similar investments		5,390	–	1,472	**6,862**
- Derivatives		–	6,461	46	**6,507**
- Loans and advances due from banks		2,420	641	6	**3,066**
- Investments for account of policyholders		12,316	20	256	**12,592**
- Investments for account of third parties		4,997	–	–	**4,997**
Total		**37,741**	**7,993**	**13,627**	**59,362**
Financial assets not measured at fair value:					
Other assets	**249**	–	–	–	**249**
Cash and cash equivalents	**328**	–	–	–	**328**
Total	**577**	**–**	**–**	**–**	**577**
Financial liabilities measured at fair value:					
Derivatives		–	7,975	13	**7,987**
Total		**–**	**7,975**	**13**	**7,987**
Financial liabilities not measured at fair value:					
Subordinated debt	**712**	669	–	–	**669**
Amounts due to banks	**1,249**	–	–	–	**1,249**
Other liabilities	**270**	–	–	–	**270**
Total	**2,231**	**669**	**–**	**–**	**2,188**

1 The carrying amount of the financial assets and financial liabilities is shown including accrued interest.

Valuation techniques used and valuation processes for level 2 and level 3 valuations

Land and Buildings for Own Use

The fair value of Property for own use is based entirely on valuation by independent qualified appraisers. The valuation is based on market observations and various calculation methods, such as the 'Discounted cash flow' method. The fair value of land and buildings for own use is measured on the basis of semi-annual appraisals. The main parameters for these appraisals are rentable fair value and expected yield. For 100% of the total fair value of Property for own use, the valuation was carried out by an independent valuer during 2024.

Investment Property

Investment properties are valued at least semi-annually by independent external valuers, being appropriately qualified and experienced appraisers in the countries concerned with excellent breadth and depth of experience in the valuation of the type of asset concerned. Valuations were performed in accordance with guidance issued by the International Valuation Standards Council.

Due to the characteristics of the inputs for both valuation methods, all investment properties are classified as level 3. The fair value is determined on an income approach that considers the agreed rent for the signed leases, the market rent for currently vacant space and estimated rents for re-letting of the space after lease term expiry. The discount rate for the subject properties has been applied under consideration of the overall risk profile of each subject property on a case-by-case basis.

The valuation technique, the significant unobservable inputs and their range are included in the table below:

Valuation Technique Investment Property

Investment property	Valuation technique	Significant unobservable inputs	Range weighted average 2024	2023
Commercial office / Logistics	Market Rent Capitalisation	Net Initial Yield (NIY)	4%-7%	4%-9%
		Occupancy rate	53%-100%	53%-100%
		Weighted Average Lease Term (WALT)	1-19	2-20
Residential	DCF	Expected market growth	2%-6%	2%-5%
		Occupancy rate	98%-100%	98%-100%
		Risk adjusted discount rate	5%-8%	4%-7%

Shares and Similar Investments

Private equity holdings are valued using a range of techniques, including earnings multiples, forecast cash flows and price-to-earnings ratios which are deemed to be appropriate but unobservable.

For equity securities the valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the illiquidity of the equity securities, and the revenue and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of the investee.

The estimate is adjusted for the net debt of the investee. The significant unobservable input is the adjusted market multiple. The estimated fair value would increase (decrease) if expected market rental growth were higher (lower); occupancy rates were higher (lower) and the risk-adjusted discount rate was lower (higher). Investment funds are valued by external fund managers subject to regulatory oversight and guidance. These external managers have experience in pricing these 'difficult to value' assets which have limited, if any, observable data. The valuation approach will mirror those outlined above for equity securities and debt securities depending on the nature of the underlying investments in the funds.

The valuation technique, the significant unobservable inputs and their range are included in the table below:

Valuation Technique Shares and Similar Investments

Valuation technique	Significant unobservable inputs	Range weighted average 2024	2023
Multiple techniques amongst others: - Earnings multiples, - forecast cash flows and - price to earnings	Discount rate	10%-20%	9%-20%
	TEV/EBITDA	6x-14.5x	0.8x-12.6x

For unlisted equity, the valuation techniques used vary depending on the nature of the investment. Reasonably possible alternative valuations for these investments have been calculated by reference to the approach taken, as appropriate to the business sector and investment circumstances and as such the following inputs have been considered:

- for valuations derived from earnings multiples, consideration is given to the risk attributes, growth prospects and financial gearing of comparable businesses when selecting an appropriate multiple; and
- the discount rates used in discounted cash flow valuations.

The sensitivity of the fair value of equity securities is calculated as the movement in fair value of the equity securities in the event of a general shock in the market. In this calculation, the look through principal is taken into account.

Sensitivity as a Result of a Shock Applied

	Impact on shareholder's equity	
In € millions	**2024**	**2023**
Equity securities		
Equities -10%	-120	-90

Bonds, Loans and Deposits

SRLEV holds commercial mortgage loans, mezzanine debt as well as privately placed bonds and structured debt products. These have been classified as level 3 because they are not traded on an active market and are valued either using valuations of similar privately or publicly held assets, which include a significant unobservable liquidity adjustment, or are validated against internal models.

Private credit instruments are valued by external investment managers using primarily discounted cash flow models and yield methods, whereby cash flows are discounted and modelled based on yield spread movements in comparable market yields as well as company specific factors. The fair value is estimated considering (i) current or recent prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets adjusted by a liquidity factor. Credit spreads represent the premium above the benchmark reference instrument required to compensate for lower credit quality; higher spreads lead to a lower fair value.

Mezzanine and mortgage loans are valued using a cash equivalency method which utilises a discounted cashflow analysis to arrive at the net present value for a loan based on a market equivalent rate. This technique takes into account the fair value of the underlying real estate to determine the quality of the loan. The current fair value of the real estate can be obtained through a current valuation or through other techniques such as forecasting based on real estate indices, survey data, collateral-specific and variables (loan-to-value ratio, refinancing risk, etc.). The valuation technique, the significant unobservable inputs and their range are included in the table below:

Valuation Technique Fixed Income Investments

			Range weighted average	
Investment property	**Valuation technique**	**Significant unobservable inputs**	**2024**	**2023**
Bonds, loans, deposits	DCF	Discount rate	3.6%-30%	4%-27%
		Recoverability	65.6%-100%	71 %
		TEV/EBITDA	3x-20x	2x-21x
Mortgage loans	DCF	Discount rate[1]	2.5%-5.5%	3%-6%

1 Based on lending market rates corrected for origination and market costs for hedging pipeline risks.

For debt securities, reasonably possible alternative assumptions have been determined in respect of Athora Netherlands' credit investment by flexing credit spreads. The sensitivity analyses of the fair value of the fixed income securities are calculated as the fair value movement of the fixed income securities in the event of change of interest rate and credit spread.

Sensitivity as a Result of Changes in Parameters

	Impact on shareholder's equity	
In € millions	**2024**	**2023**
Fixed income securities		
Interest +50 bps	-156	-156
Interest -50 bps	165	166
Credit spreads Government Bonds +50 bps	-2	-2
Credit spreads Corporates/Mortgages +50 bps	-198	-192
All Credit spreads +50 bps	-200	-195

Derivatives (assets and liabilities)

The fair value of nearly all derivatives is based on observable market inputs, such as market interest rates and foreign exchange rates. The fair value of a number of non-publicly traded derivatives depends on the type of instrument and is based on a discounted value model or an option valuation model. SRLEV holds derivatives that have been classified as level 3 because they are not traded on an active market and are valued either using valuations of similar privately or publicly held assets, which include a significant unobservable liquidity adjustment, or are validated against internal models.

Derivative are valued using primarily discounted cash flow models and yield methods, whereby cash flows are discounted and modelled based on yield spread movements in comparable market yields as well as company specific factors. The fair value is estimated considering a net present value calculated using discount rates derived from quoted futures with similar characteristics.

Loans and Advances due from Banks

The fair value of loans and advances due from banks has been estimated based on the discounted value of the future cash flows, using the prevailing interest rate plus a risk premium. The risk premium is based on the credit risk assumed by the market for holding such instruments issued by SRLEV, differentiated by maturity and type of instrument. The carrying amount of any amount that is due within one month is considered to be a reasonable approximation of the fair value.

The table below shows the movements in property and financial instruments measured at fair value and classified in level 3.

Statement of Changes in Level 3 Property and Financial Instruments

In € millions	2024	2023
Balance as at 1 January	**14,617**	**14,287**
Transfer to level 3	–	18
Fair value changes	617	38
Purchases and advances	5,114	5,012
Disposals and redemptions	-3,636	-4,422
Other	-15	1
Transfer from level 3	-8	-317
Balance as at 31 December	**16,688**	**14,617**
Total gains and losses included in profit or loss	**617**	**38**

Reclassification Between Levels 1, 2 and 3

Reclassifications Between Categories in 2024

In € millions	to Level 1	to Level 2	to Level 3	Total
From:				
Based on published stock prices in an active market (Level 1)	–	–	–	**-**
Based on observable market data (Level 2)	–	–	–	**-**
Not based on observable market data (Level 3)	7	2	–	**8**

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Reclassifications Between Categories in 2023

In € millions	to Level 1	to Level 2	to Level 3	Total
From:				
Based on published stock prices in an active market (Level 1)	–	9	–	**9**
Based on observable market data (Level 2)	7	–	18	**25**
Not based on observable market data (Level 3)	9	290	–	**299**

For assets that are measured at fair value in the financial statements on a recurring basis, Athora Netherlands determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The decrease of €291 million from 2023 to 2024 in level 2 instruments is due to a one-time reclassification of derivatives from Level 3 to Level 2 that occurred in 2023. During 2024, €8 million was reclassified out of level 3 instruments towards levels 1 and 2.

26. Hedging

SRLEV uses various strategies for its insurance business to hedge its interest rate, market and currency risks. Under IFRS, derivatives are recognised at fair value in the statement of financial position, while changes in their fair value are recognised through profit or loss. SRLEV does not apply hedge accounting.

SRLEV uses derivatives to protect the fair value of own funds and regulatory solvency against undesired market developments. Examples include:

- hedging interest rate risks arising from return guarantees made to policyholders;
- hedging interest rate risks arising from obligations to share surplus interest with policyholders;
- hedging interest rate risks arising from the difference in maturities between investments and liabilities;
- hedging currency risks on investments and liabilities denominated in foreign currencies.

27. List of Principal Subsidiaries

Overview of Principal Subsidiaries

Name	Country of incorporation and place of business	Nature of business or industry	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares directly held by the group (%)
GVR500 Building B.V.	The Netherlands, Utrecht	Property management	100	100
RE Young Urban Housing B.V.	The Netherlands, Amstelveen	Property management	100	100
REAAL De Ruyterkade B.V.	The Netherlands, Utrecht	Property management	100	100
REAAL Wognumsebuurt B.V.	The Netherlands, Utrecht	Property management	100	100
REAAL Woningen I B.V.	The Netherlands, Utrecht	Property management	100	100
Bellecom N.V.	Belgium, Brussels	Property management	100	100
N.V. Pensioen ESC	Curaçao, Willemstad	Pension fund	100	100
PDC Industrial Center 143 Sp. z.o.o	Poland, Warsaw	Property management	100	100
Dumenza Sp. Z.o.o	Poland, Warsaw	Property management	100	100
RE NL Holding 1 S.à.r.l.	Luxembourg, Luxembourg	Property management	100	100
Athora Lux Earth Holdings 1 S.A.	Luxembourg, Luxembourg	Property management	100	100
Athora France Sky Holdings 1 SASU	France, Paris	Property management	100	100
Cardano Index Funds	The Netherlands, Rotterdam	Investment management	range	range
Rabo Dutch Mortgages Fund Yellow*	The Netherlands, Amsterdam	Investment management	n/a	n/a
Share Debt Programme I*	The Netherlands, Amsterdam	Investment management	n/a	n/a
Dutch Mortgage Investment Fund 2020*	The Netherlands, Amsterdam	Investment management	n/a	n/a
Athora Lux Invest*	Luxembourg, Luxembourg	Investment management	n/a	n/a

*These entities are consolidated by SRLEV based on the IFRS 10 control criteria, hence they are disclosed as subsidiaries. They are investment funds with SRLEV as the only investor, however due to their legal form they do not issue share capital. As a result the disclosure of percentage of shares owned is not applicable

In 2024, REAAL Kantoren I B.V., REAAL Winkels I B.V., REAAL Winkels II B.V. and RE Griftlaan Zeist B.V. have been liquidated.

6.4. Segmentation

Segment Information

The legal entity SRLEV constitutes the level at which financial performance is managed (IFRS result, operating capital generation, investments and Solvency II ratio). Commercial targets, pricing and service level are managed at the level of commercial lines. These commercial lines (Life Service Business and Pension Business) are assessed based on key performance indicators, most of which have commercial character.

7. Managing Risk

Introduction

This section provides an overview how SRLEV manages risk. The section describes our Risk Management System, Governance and Control framework, and our Capital Management Framework. The last paragraph provides insight in our management of the various risk types, categorised in line with the Solvency II taxonomy; Life underwriting, Market, Counterparty Default, Liquidity, Operational & Compliance Risk.

7.1. Risk Management System

General

SRLEV has implemented a Risk Management System (see figure Risk Management) to ensure a controlled environment and enable effective achievement of the strategic objectives. It relates risks to the strategic, financial and operational objectives as well as to the objectives in the areas of sustainability and reputation. The framework consists of organisational, controlling and culture components. The management of SRLEV recognises that transparency is a vital element in effective risk management. The Executive Committee, which is responsible for setting the Risk Management System, monitors that the desired culture and level of risk awareness are translated into identifiable aspects, such as desirable behaviour, details of the risk appetite or criteria for evaluation of employees.

The guidelines in the Risk Management System enable risk assessments to be performed properly and efficiently. These guidelines apply to the entire organisation. SRLEV encourages an open corporate culture in which risks are to be discussed, employees feel responsible to share knowledge on risks and (pro)active risk management is appreciated.

The implemented Integrated Control Framework (ICF), part of the Risk Management System, provides the basis for the internal control system consisting of key controls (process, general IT and application) and management controls measuring risk maturity and performance within SRLEV.

The management of Business Lines and Functions is responsible for day-to-day operations within the Risk Management System, including scheduled testing of operating effectiveness of key controls. The Management Controls, divided in different components, are assessed periodically by a management Self-Assessment and are monitored risk-based by second line Risk.

Overview

In the Risk Management System, specific Solvency II requirements such as the Key Functions and the Own Risk and Solvency Assessment (ORSA) are incorporated. The SRLEV Risk Management System operates an integrated approach for risks that the organisation is or could be exposed to, with Risk Management being an integral part of the decision-making process. Major decisions of the Executive Committee have to be accompanied by a Key Function opinion.

The core of the SRLEV Risk Management System consists of a Governance part and a Risk management part. In the governance part, starting from the SRLEV Mission and business strategy, the Risk Strategy and Risk Appetite are derived. The components Risk Policy, Risk Taxonomy and Risk Organisation are necessary conditions to enable these strategic risk processes. To ensure an integrated approach the first line (Business Lines and Functions) and the second line key functions use the same risk taxonomy, operations are covered by the Risk Appetite and are aligned by a policy structure.

Governance including an adequate Risk Culture, is conditional for performing risk management on operational level, with as its core a control cycle of risk identification-measurement- mitigation and continuous monitoring and reporting. The Risk Management Process is supported by the ICF, built up from several components that together form the basis for sound and controlled business operations and hence for visibly being in control of SRLEV and its Business Lines and Functions. The ICF measures maturity and performance of risk management and ensures steering on correct and complete risk reports.

The internal reports are a part of (the operation of) the Risk Management Process. The reports on recognised types of risks are input for the integrated risk reports, enabling Key Risk Indicator (KRI) monitoring and drawing management attention to deviations of the risk appetite.

SRLEV performs Risk Self Assessments (RSA), in particular to enable change and transformation, and Strategic Risk Assessments (SRA), coordinated by the Risk Management Function (RMF). An ORSA is incorporated in the SRLEV Risk Management System, enabled and coordinated by the RMF, and is performed at least annually, for which the Executive Committee is accountable.

To ensure SRLEV manages its key risks, the risk taxonomy covers all material risk types including strategic & emerging, market, credit, liquidity, underwriting, operational, compliance and reputational risk. These risks are further described in section 7.2 'Risk Management Governance' under 'Risk Taxonomy'. Market, credit, underwriting and operational risks are measured using the Solvency II standard model, and the relative size of these risks is presented in section 7.4 'Capital Management' under 'Risk Profile'. Operational and compliance risks are described in section 7.9 Compliance and Operational Risk.

On a yearly basis the Executive Committee discusses the top risks that may jeopardise our strategic ambitions, referred to as the Strategic risk assessment. The key risks are:

- Adverse economic developments – such as a resulting economic downturn;
- Transforming the earnings model – in particular the pace and control of change and keeping cost control;
- Capturing growth opportunities – in meeting growth expectations (e.g. given uncertainties within new pension legislation, Wtp);

For all key strategic risks appropriate analyses are being made, for example within the ORSA and as part of business planning relevant responses are captured to mitigate these risks.

7.2. Risk Management Governance

Mission

We are a sustainable partner for life, taking care of your tomorrow. This feeds into our strategy to be a leading player in the pension and life insurance market. With this focus as starting point a Risk Strategy is set out that contributes to a sustainable growth of SRLEV, for the benefit of all its stakeholders.

SRLEV takes its role in society seriously, whereby sustainability forms an integral part of the strategy and business operations. SRLEV believes that responsible corporate behaviour with respect to sustainability is key to deliver long-term value for policyholders, employees, shareholder and the wider society. Sustainability trends and changes in regulation may also introduce considerable financial risks (on assets) and non-financial risks (e.g., reputational) and need careful management and consideration. SRLEV aims to set the example and will actively but cautiously target sustainable investments.

SRLEV wishes to offer competitively priced products in efficient business processes and pursues a customer-centric strategy, with Zwitserleven positioned clearly in the pension market. The focus on Pensions allows for a more agile and lean operation bringing costs to a lower required level.

Risk Strategy

SRLEV has derived a Risk Strategy, a supporting set of objectives following from the SRLEV's mission to achieve the strategic goals. As main principles SRLEV has defined a robust capital position, sustainable capital generation and sound and controlled business operations. A robust and strong capital position contributes to the trust in the company of customers, employees, society and financial markets.

The Risk Strategy contains the key guiding principles and statements used when setting the Risk Appetite for each risk category from the risk taxonomy. The risk appetite is the extent to which SRLEV is prepared to accept/take risks in pursuit of realising its strategic objectives. As an insurance company and Asset manager, SRLEV deliberately takes Insurance (Underwriting) risks and Market risks aiming for returns. In doing so, taking Credit (investments) risk and Liquidity risk may contribute to those returns. Operational and Compliance risks are inherent risks that have to be controlled and managed, as they are part of SRLEV's license to operate and support being able to successfully execute our strategy.

SRLEV guarantees future payments to its customers and therefore needs adequate reserving and a robust capital position. SRLEV maintains a buffer above the regulatory requirement to absorb temporary volatility and provide more certainty to its customers.

Risk Appetite

The Risk Appetite Statement (RAS) of SRLEV is divided into the Risk Appetites per risk type and the underlying Risk Tolerances. The Risk Appetite Statements are set at least annually by the Executive Committee and confirmed by the Risk Committee (RC) of the Supervisory Board.

Risk Appetite Framework

Risk Appetite is defined at Athora Netherlands level, including SRLEV. The risk tolerances-part contains measures for the maximum risk that SRLEV is willing to accept. These measures are defined for various sub-risks and are split into risk triggers (comparable to hard limits) and risk indicators (comparable to soft limits).

When implementing the strategy, the Executive Committee gives guidelines to the Business Lines for establishing Operational plans, taking into account the set Risk Tolerance in the Risk Appetite. This helps the Business Lines and Functions optimise risk and return when developing the best possible products and services.

The evaluation of the Risk Tolerance in the Risk Appetite, consists of several steps, including risk identification, the selection of measures, risk mitigation, risk criteria, reporting and monitoring.

Risk Culture

Culture and conduct in general play a vital role in steering a company, and specifically in adequate risk management. Both are considered standard elements in performance evaluation meetings and in annual performance objectives. SRLEV has awareness programmes in place that focus on how employees hold each other accountable for their conduct and how they can escalate matters if necessary.

SRLEV's values are Drive for results, Seek simplicity, Care, Dare to be different and Do the right thing. These contribute to simpler, better and above responsible operations, with more care for customers and the world around us. This ensures a clear link with Culture and defined behaviours.

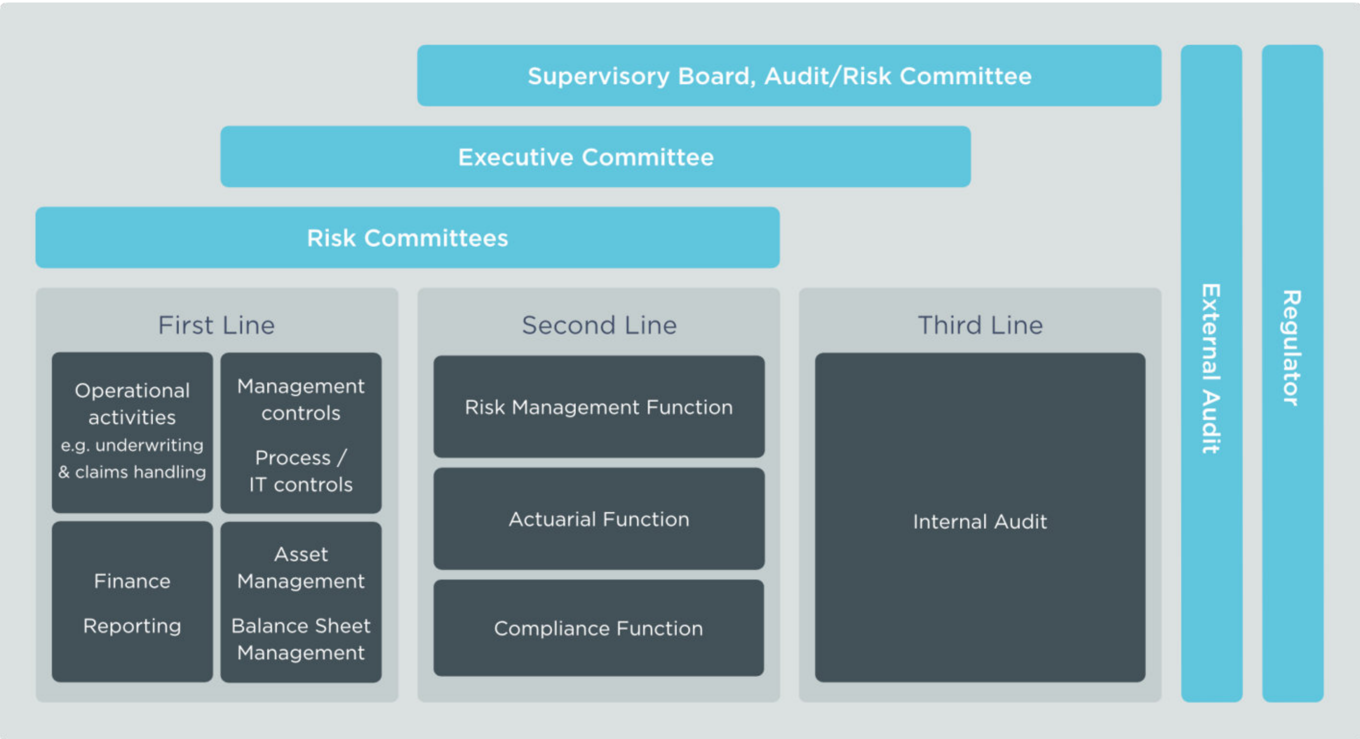
SRLEV realises that the tone at the top is defining for Risk Culture, which makes communication and exemplary behaviour determinant. SRLEV encourages an open corporate culture in which risks are to be discussed, employees feel responsible to share knowledge on risks and where (pro) active risk management is appreciated. Exemplary behaviour, the openness for discussion of dilemmas, practicability of policy and transparency are inseparably linked to an open corporate culture.

Risk Culture is also embedded in the organisation by risk management being an integral part of the organisational processes and decision-making of SRLEV. Decision-making is clear, explicit, and in line with the Risk Policy and Risk Appetite of SRLEV. The management teams promote awareness of risks and are supported by the second line departments. The management teams are responsible for ensuring that risk decisions are made in accordance with the delegated authorisations, in consultation with all second line Solvency II key functions.

Furthermore, SRLEV ensures that senior management and employees on key functions at all times are fit and proper to fulfil their job. Finally, the Remuneration Policy of Athora Netherlands discourages taking undesired and irresponsible risks focused on short-term profit and personal gain.

Risk Organisation

SRLEV implemented the 'Three Lines' control model including the Solvency II Key Functions and a risk committee governance structure. It contributes to the strengthening of the Risk Culture, taking responsibility for managing risks and internal control, and eventually to the further optimisation and integration of the risk management.



Three Lines Model

First Line: Risk Taker

Business plans are prepared in the first line. With this preparation, the first line operationalises the (risk) strategy, focusing on the primary process (i.e., underwriting, claims handling, preparing financial accounts) of the business and on investment activities.

Within the policy framework and subject to internal procedures and risk limits, it is the objective of the risk taker to achieve an optimum risk/return. Consequently, risks are managed by identifying, measuring, mitigating and monitoring them and report whether the risks remain within the risk appetite of Athora Netherlands and its underlying entities, including SRLEV.

Furthermore risks are managed through Risk Self Assessments (RSA) which are carried out at a more strategic and tactical level (e.g. to enable change and transformation), while Risk Control Self Assessments (RCSA) enable process control, all part of our ICF.

Second Line: Risk Management

The second line has a monitoring role in respect of the risk management actions and activities carried out by the first line. The second line assesses actions in the first line and is responsible for monitoring the overall risk profile to be in line with the risk appetite.

The second line is also responsible for formulating the Risk Management System and setting Risk Policies. The first line is responsible for the execution of these policies. The second line assesses policy compliance on a regular basis, using risk reports, reports on management and process key controls and own observations. Furthermore, the second line sets the mandates in line with the risk appetite. It also defines basic principles and preconditions for risk models and the control framework and supports central decision-making bodies. The data used, including models, assumptions and techniques, are validated periodically.

The three second line departments of Athora Netherlands, including SRLEV, resort under the Chief Risk Officer (CRO). The CRO is a member of the Executive Committee.

Third Line: Internal Audit

Audit Athora Netherlands is the independently operating audit function: Audit Athora Netherlands provides assurance and consulting services, helping Athora Netherlands to accomplish its objectives by evaluating and improving the effectiveness of governance, risk management and control processes.

Audit Athora Netherlands does not take part in determining, implementing or steering of Athora Netherlands' risk appetite, risk management processes and risk responses. Audit Athora Netherlands reports to the chairman of the Executive Committee of Athora Netherlands and has direct access to the Chairman of the Audit Committee of the Supervisory Board of Athora Netherlands.

Audit Athora Netherlands performs risk-based audits on SRLEV's risk management processes, including their design and how well they are working, on the management of key risks, including the effectiveness of the controls and other activities, and on the reliability and appropriateness of risks and reporting of risk and control status. This means formulating an opinion on whether the organisation's risk management methodology is understood by key groups or individuals involved, including the Executive Committee and the Audit Committee. Further, Audit assesses whether risk management processes are sufficient to protect the assets, reputation, and ongoing operations of the organisation.

Risk Committees

In addition to the risk management organisation, Athora Netherlands (and therefore SRLEV) has established Risk Committees to manage risks effectively, in line with regulatory expectations. Athora Netherlands has established the following Risk Committees: Financial Risk Committee (FRC), Investment and Balance Sheet Committee (IBSC), Operational Risk and Compliance Committee (ORC Athora Netherlands) and Product & Client Committee (P&CC). Decisions of the ORC Athora Netherlands are leading for the Business Lines and Functions in the area of sound and controlled business operations at which level further details regarding Operational Risk and Compliance are discussed. Decisions of the P&CC are leading for the Business Lines in the area of Product, Marketing, Customer/Clients and Pricing.

Key Functions

In accordance with Solvency II Athora Netherlands recognises four Key Functions. The Functions carry out activities on behalf of insurance entities of Athora Netherlands, including SRLEV. All Key Functions are segregated from each other and are not structured hierarchically in relation to each other. The second line Key Functions report to the CRO. The Director Risk is the Risk Management Function Holder, the Director Actuarial Risks is the Actuarial Function Holder and the Director Compliance is the Compliance Function Holder. The Director Audit Athora Netherlands is the Audit Function Holder.

The Risk Management Function (RMF) coordinates the Enterprise Risk Management Report (ERM Report), an integrated report on the overall risk profile including Key Takeaways from the three second line Key Functions (Risk Management Function, Actuarial Function and Compliance Function). Besides the major risks within Athora Netherlands it shows strategic developments and emerging risks. The ERM Report presents insight in our risk profile compiled on the basis of the information obtained from monitoring reports, risk dashboards, RAS, Internal Control Statements, reports by internal and external regulators, incidents and issues reported, and own assessments & perceptions. The report is discussed in the risk committees, in the Executive Committee and in the Risk Committee of the Supervisory Board.

The Actuarial Function (AF) annually provides the Risk Asset Assurance Report, aimed at providing a sufficient level of assurance that the Solvency II-figures, and Solvency II and IFRS sensitivities, are determined adequately and reliably. This report is submitted to the Executive Committee and the Audit Committee of the Supervisory Board.

The AF opines on the adequacy of the Technical Provision used for Solvency II purposes. It furthermore assesses the reliability and adequacy of Underwriting and Reinsurance programmes. The Actuarial Function Report (AFR) is submitted to the Executive Committee and the Audit Committee of the Supervisory Board.

The main purpose of the Compliance Function is to support management in conducting its business operations in a controlled, honest and sound manner, and with regard to the risks which in this context are a threat to achieving the strategic objectives, obligations arising from laws and regulations, insights from social discussions and guidelines imposed by regulators. The Compliance Function provides regularly, as part of the ERM Report, a report on the most important Compliance Risks of SRLEV to the Executive Committee and the Risk Committee of the Supervisory Board.

Risk Policy

SRLEV has an integrated risk management policy structure. The entire policy structure is accessible to employees through the internal policy site. The policy structure ensures the timely identification and assessment of risks and adequate monitoring and reporting of the material risks, both on board and workplace level. The Risk Policy is structured in levels, the aim is to give insight in the cascading from (Solvency II) legislation, (second line) risk policy, corresponding processes and (first line) implementation. Adherence to the Risk Policies is tested through the use of Management Controls which link to the key requirements in the Risk Policies. Periodically the Risk Policies are assessed, adjusted if necessary and approved following regular governance.

Risk Taxonomy

SRLEV provides insight into the risks for the business itself and for its stakeholders in order to manage these risks within the indicated tolerance levels. This includes both behaviour related and financial aspects of Risk Management. Clarity is crucial to ensure adequate risk management. In order to clarify the communication and management of risks, the risk taxonomy includes an extensive list of mutually exclusive risk types to which SRLEV is or could be exposed.

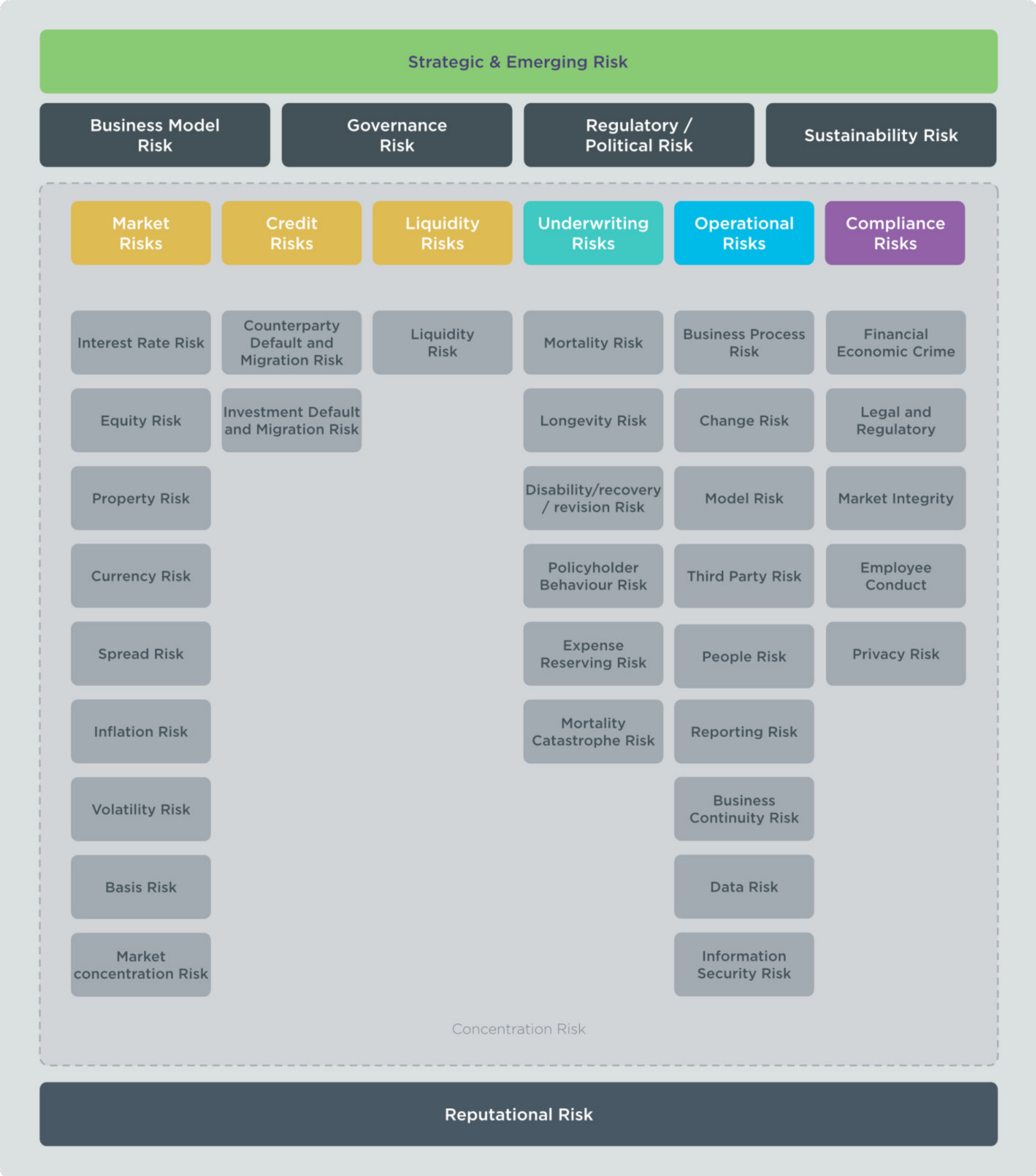
SRLEV has defined and structured different risk types, partly based on applicable laws and regulations (such as Solvency II Standard Formula), and on the international ORX Reference Taxonomy.

As part of its strategy, SRLEV deliberately takes Underwriting risks and Market risks aiming for returns. As a consequence, taking Credit (investments) risk and Liquidity risk may contribute to those returns. Compliance risk and Operational risks are inherent risks that have to be controlled and managed.

Strategic and emerging Risks

Strategic and emerging risks relate to future business and society developments and may eventually materialise as one of the main or sub risk types. Strategic and emerging risks are monitored in the ERM Report. In the risk assessment on the Operational Plans several internal and external strategic development scenarios are taken into account.

SRLEV recognises several strategic risks, from which Business model risk, Governance risk and Sustainability risks are most notable. Emerging risk is a newly developing or changing risk that may evolve to one of the main or sub risk types, and which is perceived to have a potential significant impact on SRLEV's financial strength, competitive position or reputation. Identifying and assessing emerging risks are incorporated in the risk management system.



Risk Taxonomy

SRLEV applies the Solvency II Standard Formula. Not all of the risk categories are part of the Solvency Capital Requirement (SCR) calculation. The SCR calculation does not contain Liquidity, Model and Compliance Risk.

The risk categories will be explained in more detail in the next paragraphs.

To give more insight in the risks the company is exposed to, sensitivities are determined on best effort basis for different underwriting and market risks in paragraph 7.5 and further. For underwriting risks and spread risks the sensitivities shown are the estimated impact on own funds without recalculating the SCR after shock. For the other market risks the sensitivities shown are the estimated impact on own funds including the estimated impact on the SCR market and life underwriting risk after shock.

7.3. Risk Management Control

Risk Management Control can be described as the methodology, procedures and processes in place to be demonstrably in control. These risk management control instruments and their results are captured within the Integrated control Framework (ICF). Both the first and second line departments have been assigned a responsibility in this process.

Risk Management Cycle

Financial and non-financial risks are managed following the risk management cycle: risk identification, risk measurement, risk mitigation, risk monitoring and risk reporting.

Risk Identification

Risks are identified to its strategic objectives and at all levels within the organisation. Several different approaches are used such as risk assessments, analysis of incidents, and leveraging the experience of employees and competitors, including the consideration of emerging risks. Risk identification is both considered from top-down and bottom-up bases. SRLEV maintains a Risk Taxonomy to facilitate the risk identification process. The Risk Taxonomy also serves as the basis for risk control, risk oversight activities and risk reporting as this includes all material risk types.

Risk Measurement

In order to understand the magnitude of the exposure of the identified risks, risks are measured. The measurement of risks supports the risk management process through quantitative controls and limits. Risk measurement involves either or both qualitative and quantitative approaches depending on the nature of the risk and taking account of expert judgement and considering both normal and stressed scenarios. The level of risk is measured before and after considering additional mitigating measures.

Risk Mitigation Activities

The risk mitigation activities (avoid, transfer, mitigate and accept) are aimed at controlling risks within the boundaries set by the risk appetite.

Risk Monitoring

In order to ensure that risks stay within the risk appetite, they are monitored. Within the monitoring activities both the first line and second line take their role. Given the outcome of the monitoring activities SRLEV will determine the most appropriate course of action. The goal of risk monitoring is to ensure that SRLEV carefully controls its risk-taking decisions as well as its total risk profile.

Risk Reporting

The primary objective of risk reporting – defined as all regular and ad hoc reports by first and second line – is to create internal risk transparency and meet external disclosure requirements. Objectives are to provide stakeholders with accurate and timely information about the risk profile by means of concise and understandable messages, whereby SRLEV design reports to meet recipients' needs and to facilitate informed decision-making.

Integrated Control Framework

The Integrated Control Framework (ICF) is SRLEV's internal control system and is part of its Risk Management System. The objective of the ICF is to provide reasonable assurance regarding the design, effectiveness and efficiency of SRLEV's management activities, operations and processes, the reliability of SRLEV's financial, operational, internal and external reporting, and compliance with regulatory requirements.

The ICF contains core components that form the basis for a sound and controlled operational environment within SRLEV. For all components within the ICF, standards are defined and periodically evaluated that outline the key requirements that should be met to achieve the level of control according to the agreed risk appetite levels.

The ICF measures the maturity of risk management via risk assessments and by assessing management controls and process key controls. The improvement and optimisation of the ICF is a continuous process. SRLEV's organisation develops and changes over time and the ICF continuously adapts to new situations.

Process Controls and Management Controls

Process Controls

Periodically the effectiveness of process key controls is tested according to a predefined schedule. The first line quarterly performs testing activities for key controls. Results are reported within first line risk reports which are reported to the Operational Risk Committee (ORC) of the different organisational units and to the ORC Athora Netherlands (ORCA). The review results are discussed with, reported to and followed up by responsible management. The second line in addition performs an independent quality review on the first line test reports and provides maturity scores on the quality of the testing files. First line testing and second line quality monitoring of key controls demonstrate the right level of maturity.

Management Controls

Management controls (i.e., entity level controls) provide an understanding and insight in the maturity level of risk management and risk control in the different organisational units. Management controls are designed on the basis of key requirements in all relevant risk policies (both financial and non-financial) that cover relevant legislation (e.g., WFT, Solvency II, Wtp, DORA, etc). The individual management controls are assessed and evidenced annually by those responsible. The second line challenges the outcomes and review results are reported, on an aggregated level, to the ORCA.

In 2024, SRLEV extended the Management Control framework to cover all risk policies, making a clear connection between key requirements derived from these translated into management controls. This enables SRLEV to demonstrably assess adherence to the key elements of all risk policies.

The professional standards and scoping used for testing by SRLEV's first and second line are assessed by the external auditor in order to, as much as possible, make use of these testing procedures for audit purposes.

Risk Management Process

In this section for Underwriting Risk, Market Risk and Counterparty Default Risk the Risk Management Process is elaborated. For Liquidity Risk and Operational and Compliance Risk this is included in sections 7.8 and 7.9.

Underwriting Risk

SRLEV assesses new underwriting risks continuously and manages existing underwriting risks, for both new business and for the existing portfolio.

Operational Plan

Derived from the SRLEV strategy, the Operational Plan (OP) sets targets with respect to volume and value of new business and the existing portfolio. The OP describes the planned development of the insurance portfolio together with the related capital requirement for the next three years taking into account an assigned risk budget or available capital. The OP sets out in broad terms whether SRLEV wants to enter new markets, which forms of distribution will be used, whether new (forms of) insurance products will be developed, and which products will be adjusted or terminated. It also lays down possible measures relating to acceptance and the mitigation of claims.

Product Developments, Pricing and Acceptance

In accordance with the OP, new or adjusted products are developed following the Product Approval and Review Process (PARP). Starting from the customer's interests the target group, coverage and terms and conditions are determined. This is the basis for the best estimate risk premium, taking into account options and guarantees, capital requirements and the internal pricing curve. Furthermore, criteria related to profitability and risk control measures (acceptance criteria, clauses, any reinsurance) must be met.

The Product & Client Committee (PCC), in which Solvency II second line Key Functions are represented, is responsible for approval of new products, including the pricing. A selling product review is performed regularly, existing products follow a risk-based product review calendar.

Technical Provisions

The Actuarial Function assesses the Solvency II Technical Provision and expresses an opinion on its reliability and adequacy at least once a year.

Parameter Study

The evaluation for long-term policies (Life, Disability) of the underwriting parameters (e.g., mortality, lapses, disability, recovery) takes place by a parameter study. The aim of this study is to value the existing insurance portfolio and set the cost price of new Life insurance policies. Thereby relevant information on portfolio developments is taken into account.

Portfolio Analysis

Portfolio analysis is aimed to optimise risks and returns within the risk policy structure. This can lead to new strategic insights in areas such as entering new markets or terminating products. The analysis is based on the impact of underwriting risks following from various measures, e.g., Solvency II own funds, long-term profitability, SCR and the VNB. Based on the risk appetite, SRLEV mitigates underwriting risks primarily by means of diversification and reinsurance.

Market Risk

Our ALM policy covers the management of market risk, counterparty default (credit) risk and liquidity risk, which sets out the requirements to manage our ALM risks and how to find the optimal risk-return balance in our asset portfolio. For this purpose the starting point is the current and projected balance sheet, capital outlook, and macro-economic assumptions. This serves as a basis for defining a Strategic Asset Allocation (SAA), which is in turn used to translate specific investment activities into an investment plan and investment mandates for selected asset managers, taking into account amongst others the risk tolerances in the Risk Appetite Statements (RAS), Solvency II ratio, the tax position and the long-term risk exposure. When finalising the SAA, specific attention is paid to the availability of sufficient expertise in the segments in which investments are held. All investments are monitored by means of reports on performance and capital.

Investments are made in accordance with the prudent person principle and in the interest of the policyholders. The prudent person principle forms part of the ALM policy. Investments are made exclusively in assets and instruments for which the risks are properly identified, measured, monitored, managed, controlled and reported, and also align with our sustainability policy.

The way SRLEV has organised its investment governance and oversight for both Own Account and Unit Linked ensures that the investment process operates in the context of (and ensures consistency with) the nature and duration of the insurance and re-insurance liabilities, the strategic and financial plans, the Risk Strategy and ensures that the overall risk position remains within the Risk Appetite Statement and other risk limits.

SRLEV monitors market risk close and for risk mitigation, instruments are used such as interest rate swaps, inflation swaps, bond futures, forward contracts, interest rate swaptions and fixed income investments.

Sensitivity Analyses and Stress Tests

Stress tests provide information on how sensitive investments and liabilities are to interest rate risk and other market risk. These risks are quantified (and monitored) on a regular basis.

For interest rate risk several parallel and non-parallel shocks are defined. For market risk a number of combined scenarios is determined with (different) simultaneous shocks to the various sub-market risks.

These market risk scenarios are monitored and reported on a regular basis, and if deemed necessary adjustments are made to existing market risk exposures (e.g., interest rate risk). The aim is to mitigate interest rate risk through hedging, to achieve appropriate resilience in SRLEV capital position over time.

This approach reflects the sensitivity of the entire statement of financial position (of fixed cash flows, options, risk margin and required capital) drawn up.

Credit Risk - Counterparty Default Risk

In addition to the calculation of SCR Counterparty Default Risk, SRLEV has developed a complementary Credit Risk Policy for internal use. This risk is measured, amongst others, in terms of Loss at Default (LAD) and encompasses all instruments/exposures with credit exposures that are in scope for SCR Credit Spread, SCR Concentration Risk and SCR Counterparty Default Risk. Appropriate internal limits have been incorporated in the Risk Management Policy Market, Liquidity and Credit Risk (ALM Policy) and must be adhered to.

Sustainability Risk

Sustainability Risk is a risk type in our risk taxonomy but it is also a risk factor that can impact other risk categories such as market risk, operational risk, insurance risk and compliance risk.

On Athora Netherlands level. a materiality assessment has identified material financial sustainability risks which are associated with the investment portfolio of Athora Netherlands, including the one of SRLEV. To manage these risks, clear criteria for risk avoidance and selection have been defined in the sustainable investment policy. Each investment and investment proposal is allocated to one of the following categories:

- Impact
- Sustainable
- Adapting
- At Risk
- Non-adapting
- Harmful
- Violating international standards

Key Risk Indicators have been defined and are monitored measuring the market value of investments and limiting investments within certain categories. The portfolio status is being reported monthly in the investment portfolio monitoring report.

Investments that are deemed worse than at risk should in principle be avoided or divested. Investments that are deemed at risk are monitored closely and active ownership can be used to make those investments at least adapting over time.

Athora Netherlands performs a climate change stress test annually, in which several climate change scenarios are included. For each investment in the portfolio and each scenario, a Climate Value at Risk (CvaR) is calculated. The climate change stress test result is included in the Own Risk and Solvency Assessment (ORSA) and the results feed our sustainable investment policy and KRI setting.

7.4. Capital Management

Definition

Capitalisation refers to the extent to which SRLEV has capital available to cover unforeseen losses and to achieve the strategic objectives of the company. SRLEV manages its capitalisation within limits set in the Risk Appetite Statements.

Annually the Capital & Funding Plan is produced as part of the Integrated Management Plan. Monthly and quarterly monitoring enables SRLEV taking timely action if capitalisation would deteriorate.

Capital Policy

SRLEV aims for a robust capital position, which contributes to both the confidence that clients have in the institution and access to financial markets. SRLEV targets a Solvency II ratio of 175% or higher on a going concern basis. The objective of the Capital Policy is to ensure that there is sufficient capital to fulfil obligations towards policyholders and other stakeholders under adverse scenarios. The available capital of SRLEV has to meet internal risk appetite standards as well as external requirements of regulators, rating agencies and also includes commercial considerations. Capitalisation generally refers to the relationship between risk-bearing activities and available regulatory capital (own funds). The second objective of the Capital Policy is to ensure that capital is used as efficiently and flexibly as possible to facilitate the implementation of SRLEV's strategy. One of the possible utilisations of capital that SRLEV may consider is capital distribution to the shareholder in the form of (interim) dividend, share buy-back or capital repayment from the reserves. The timing, the form and the amount of potential capital distribution are subject to various qualitative and quantitative considerations, prevailing market conditions and outlook thereof. SRLEV may also consider more frequent than annual capital distribution and makes related decisions on a case by case basis. In 2024, SRLEV executed four capital distributions to its shareholder.

Management uses the Integrated Management Plan, including Capital and Funding Plan, Balance Sheet Assessments, Risk Dashboards, ORSA, Preparatory Crisis Plan and Risk Reporting for managing the capital position. The Capital and Funding Plan describes the medium-term activities relating to capital and funding, including a five-year solvency forecast.

Regulatory Framework

Solvency II is a risk-based regime consisting of three pillars. Pillar 1 regulates the capital requirements. Insurers should be capitalised adequately to mitigate their risks. Therefore, this pillar introduces two risk weighted measures: the Minimum Capital Ratio (MCR), and the Solvency Capital Ratio (SCR). Pillar 2 demands an adequate level of risk management and governance. Pillar 3 establishes standards of transparency. The European Directive for the amendment of Solvency II has come into force on 28 January 2025 and will have to be implemented into Dutch law before end of January 2027. At this stage it is not possible to estimate the impacts of these amendments.

ORSA

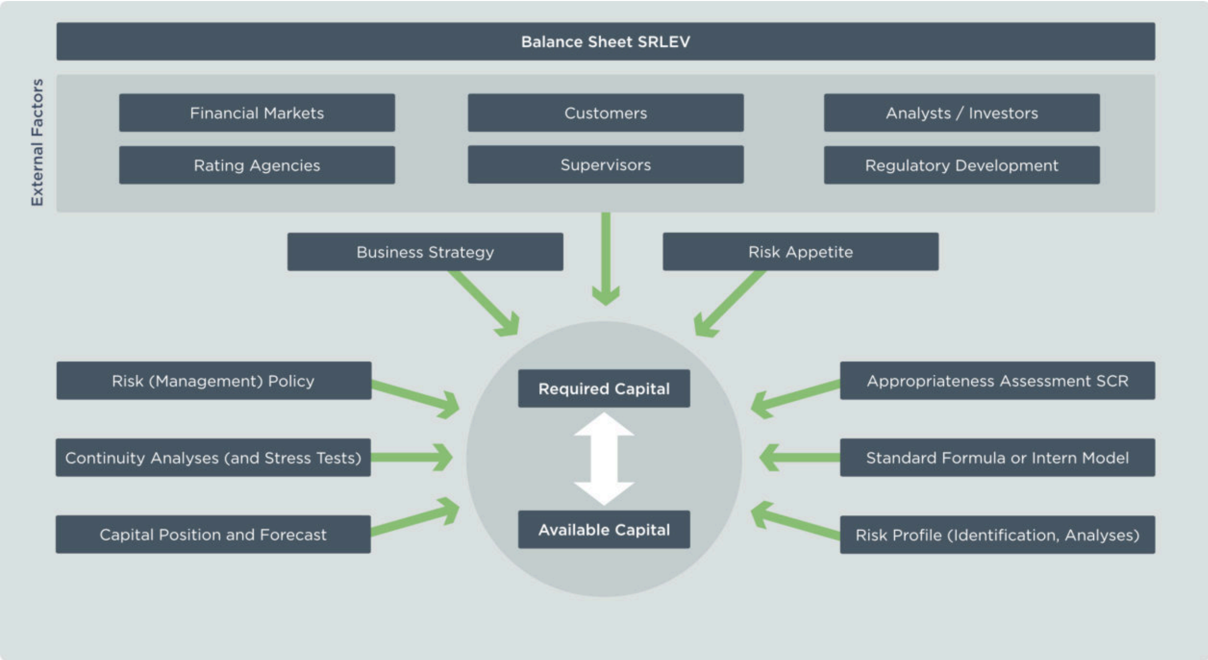
As part of its risk-management system SRLEV conducts its own risk and solvency assessment (ORSA). That assessment includes:

- the overall assessment of solvency taking into account the specific risk profile, approved risk tolerance limits and the business strategy of SRLEV;
- the significance in which the risk profile of SRLEV deviates from the assumptions underlying the SCR calculated with the standard formula.

The ORSA is an integral part of SRLEV's management control cycle and is filed with the regulator.

ORSA Process

The ORSA considers external factors, the business strategy, future developments, the risk profile and risk appetite to assess the amount and quality of capital. An overview is shown in the figure below.



ORSA Process

SRLEV performs the ORSA annually and if any significant change in its risk profile occurs. The Executive Committee is accountable and actively involved. The appropriateness of the risk measurement is assessed and adequacy of capital is tested against a range of stressed scenarios thereby considering the possible effect of management actions.

Scenario Tests and Mitigating Actions

Our key identified (strategic) risks are subject to a range of stress scenarios, which are severe but plausible, to test the financial position of SRLEV. This is in contrast to the Preparatory Crisis Plan, in which the scenarios should be severe enough to create a direct threat to the going concern of SRLEV.

In addition as part of the ORSA mitigating management actions are identified and the impact is being assessed.

Main Conclusions

SRLEV concludes that the standard formula is an appropriate risk management for SRLEV's risk profile and SRLEV's solvency is adequate for protecting its policy holders. Risks that are out-of-scope of the standard formula have been identified in risk assessments, examined in stress scenarios and mitigated by managerial actions where appropriate. The quality of SRLEV's capital is sufficient. SRLEV complies with capital requirements and has sufficient liquidity. SRLEV has improved operating capital generation and expects to further improve this by moving towards its strategic asset allocation, making the organisation more efficient and simultaneously growing the pension business.

Preparatory Crisis Plan

On 1 January 2019 the new law on Recovery and Resolution of insurers (Wet herstel en afwikkeling van verzekeraars) came into force in The Netherlands. As a result of this law SRLEV has established a Preparatory Crisis Plan. In a Preparatory Crisis Plan an insurance group identifies its core businesses and sets out the possible key recovery measures to be taken in a situation of financial distress. The Preparatory Crisis Plan includes early warning indicators for emerging crises, a crisis management governance framework and the management actions SRLEV has at its disposal in a crisis situation to maintain its core businesses viable for the future. The effectiveness of the management actions is evaluated using different stress scenarios.

Capital Position

The estimated Solvency II ratio of SRLEV is strong at 194% at 31 December 2024 (210% at 31 December 2023). For more details see the Analysis of Change (AOC) of the Solvency II ratio below.

Solvency II Ratio

SRLEV falls under the Solvency II regulatory framework and complies with the guidance notes on the interpretation of Solvency II as published by the supervisory authorities EIOPA and DNB.

For internal purposes, SRLEV estimates the Solvency II position on a monthly basis and calculates the Solvency II position on a quarterly basis. SRLEV calculates its solvency capital requirement under Solvency II using the standard formula, applying the Volatility Adjustment (VA) and thus making use of the possibility of applying long-term guarantee measures. SRLEV does not apply the Matching Adjustment. The required and available capital (own funds) under Solvency II are determined on the basis of information at year-end. The yield curve used, including the Ultimate Forward Rate (UFR), Credit Risk Adjustment (CRA) and VA, is published by EIOPA. For the Euro the UFR was 3.30% in 2024.

Under Solvency II, available capital or eligible own funds is divided into three tiers. The own funds prior to tiering restrictions are referred to as available own funds. The tiering restrictions reflect the ability to absorb capital losses, with Tier 1 being the highest capital quality and Tier 3 the lowest.

The following table shows the breakdown of the eligible own funds, starting from shareholder's equity:

Breakdown Own Funds

In € millions	2024	2023
Shareholder's equity	4,473	4,115
Reconciliation IFRS-Solvency II	-837	-679
Capital subordinated loan	-528	-418
Subordinated liabilities	1,101	1,082
Total available own funds	**4,208**	**4,101**
Tiering restriction	-752	-751
Total eligible own funds	**3,456**	**3,350**

The key items of the reconciliation between IFRS shareholder’s equity and Solvency II own funds are:

Reconciliation Differences IFRS-Solvency II

The reconciliation encompasses the following main differences in measurement under Solvency II and under IFRS:

- Technical provisions – Under Solvency II the technical provisions are measured using Solvency II parameters. With respect to economic parameters used, the main differences are the interest rate curve and the cost of capital.
- The difference in the interest rate curves arising from different IFRS Illiquidity Premium (109 bps, 2023: 99 bps) versus the Solvency II Volatility Adjustment (23 bps, 2023: 20 bps) and differences in the Last Liquid Point are the main drivers for the development of the reconciliation of IFRS and Solvency II. The difference also stems from the exclusion of Operational Risk in the calculation of IFRS 17 Risk Adjustment as compared to Solvency II Risk Margin.
- Deferred Tax Assets – Due to differences in the calculation method and the resulting recoverability and in the valuation of assets and liabilities the resulting DTA position is different.
- Reinsurance Recoverable / Technical Provision – In Solvency II the reinsurance recoverable of the longevity reinsurance contracts is presented separately on the balance sheet. Under IFRS the reinsurance recoverable is presented under the technical provision. Mainly due to differences in

the effects to the risk margin or risk adjustment the impact for IFRS is less positive than Solvency II Eligible Own Funds.

Subordinated Liabilities

Under Solvency II the available own funds include subordinated debt including accrued interest with regard to this debt. The subordinated liabilities are determined based on own credit standing (credit spread determined at pricing date).

Tiering Restriction

The use of own funds of different tiers is subject to certain limits under Solvency II. These limits are related to the required capital or Tier 1 capital, and are applied to define the eligible own funds. These limits cause a difference between the available own funds and the eligible own funds.

For SRLEV the Tier 1 and Tier 3 restriction remained applicable during 2024. The Tier 1 restriction consists of a maximum of 20% restricted Tier 1. The Tier 2 plus Tier 3 restriction consists of a maximum of 50% of the SCR while the Tier 3 restriction consists of the net DTA position restricted to maximum of 15% of the SCR. Ineligible own funds increased from € 717 million at year-end 2023 to € 752 million at the end of 2024.

Breakdown Tiering

	Tier 1		Tier 2	Tier 3	Total
In € millions	**Unrestricted**	**Restricted**			
Eligible own funds to meet the Group SCR 2024	2,088	522	579	267	**3,456**
Eligible own funds to meet the Group SCR 2023	2,043	511	572	225	**3,350**

The table below shows the eligible own funds, the Solvency Capital Requirement and the resulting Solvency II ratio.

Solvency II Ratio

In € millions / percentages	2024 [1]	2023 [2]
Total eligible own funds	3,456	3,350
SCR	1,777	1,592
Solvency II Surplus	1,678	1,758
Solvency II ratio	194%	210%

1 Regulatory Solvency II ratio 2024 is not final until filed with the regulator.
2 Figures as filed with the regulator.

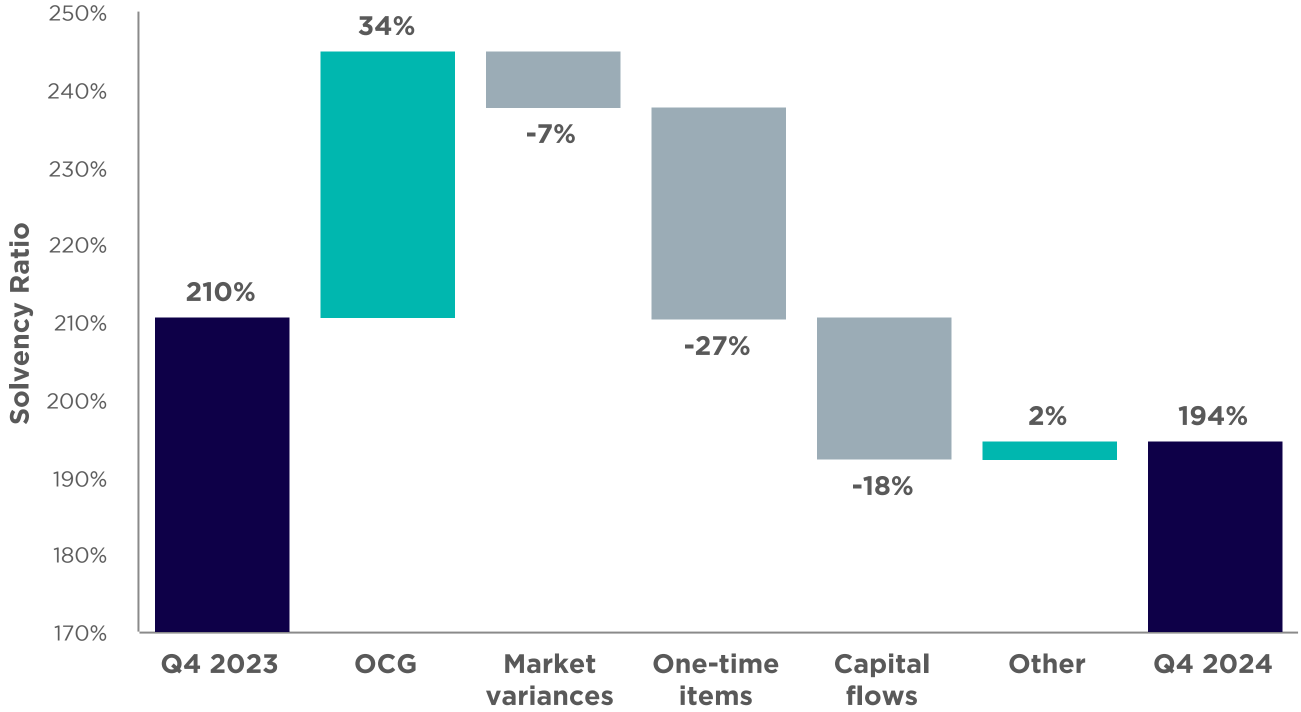
Development Solvency II Ratio

The development of the Solvency II ratio is explained by the analysis of change as presented in the graph below. The movement consists of the categories Operating Capital Generation, Market Impacts, One-off items, Capital flows and Other.

- Operating Capital Generation is a long-term and stable metric. Elements are the expected release of risk margin and SCR, the expected excess return assets over liabilities, the expected UFR drag and the (insurance) experience variance.
- Market Impacts includes movements in assets and liabilities due to changes in economic environment, other than the expected part in the operating capital generation. Next to these movements, also the change caused by the Volatility Adjustment is taken into account.
- One-off items include the impact of events like changes in coverage of the longevity reinsurance contracts, the UFR decrease, Balance Sheet Management actions like investment deployments, interest rate hedge adjustments and changes in models and assumptions.

- Capital flows, e.g., capital injections, issuance of (subordinated) loans, coupon payments on (subordinated) loans and capital remittance.
- Other, includes the difference in actual changes in the Deferred Tax Asset and Deferred Tax Liability versus the tax included in the operating capital generation.

Analysis of Change Solvency Ratio



The Solvency II ratio of SRLEV remained robust at 194% (2023: 210%). Strong Operating Capital Generation and the contribution from management actions were offset by shareholder capital distributions, investment deployment, market impacts and regulatory changes:

- Operating Capital Generation (OCG) in FY2024 increased to € 522 million (+34%-points Solvency II ratio) from € 457 million in 2023. OCG is supported by increased investment income and includes the solvency effects of several pension buy-outs.
- Market variances had a negative impact of 7%-points, including a strong appreciation of the US Dollar versus the Euro which increased the value of our USD investments and led to an increased required solvency capital.
- One-off items includes the continued investment activity including replacement of maturing investments which increased the Solvency Capital Requirement (SCR) leading to a reduction of the Solvency II ratio of 19 %-points. The repositioning of the investments will contribute to further growth of OCG. The Changes in Regulatory parameters decreased the Solvency II ratio by 8 %-points. This included the annual EIOPA update of the reference portfolio combined with the decrease of the Ultimate Forward Rate from 3.45% to 3.30%.
- Capital flows: decreased the Solvency II ratio by 18 %-point. Financing actions in the first half, including a capital injection from Athora Netherlands and liability management exercises added +3%-points. This was offset by € 310 million of capital distributions, which reduced the Solvency II ratio by 18%-point, and regular interest costs on debt instruments which reduced the Solvency II ratio by 4%-points.

Solvency Capital Requirement

In € millions	2024	2023
Life underwriting risk	1,050	1,022
Market risk	1,705	1,443
Counterparty default risk	79	101
Diversification	-594	-566
Basic Solvency Capital Requirement	**2,241**	**1,999**
Operational risk	155	147
Loss-absorbing capacity of technical provisions	-	-
Loss-absorbing capacity of deferred taxes	-618	-554
Net Solvency Capital Requirement	**1,777**	**1,592**

Diversification reflects that not all risks will materialise at the same time and at their full magnitude resulting in diversification between different risk types.

Interest rate shocks can also have an impact on the loss-absorbing capacity of technical provisions (LAC TP). Article 83 of the Delegated Regulations requires to report this impact separately from the SCR Interest rate scenario. In case of an interest-up, Solvency II regulation prescribes a zero LAC TP.

When determining the Net Solvency Capital Requirement, the loss-absorbing capacity of deferred taxes may be set of against the Basic Solvency Capital Requirement. SRLEV has examined whether, following a loss of the same size as the (pre-tax) SCR shock, future profits will be sufficient to be able to recover, partially or fully, the change in deferred tax assets caused by that loss.

For Solvency II and IFRS the recoverability of the DTA is tested using the same model and assumptions. The non-recoverable amount for IFRS is based on a single scenario of the recoverability calculation, and for Solvency II the non-recoverable amount is based on the weighted average of multiple scenarios, including future new business. Both for IFRS and Solvency II the DTA is fully recoverable.

Relevant regulation and current guidance (Delegated Regulation, Level 3 guidelines, Dutch Central Bank Q&A's and IAS12) is taken into account in the development of the LAC DT methodology.

The risk categories are explained in more detail in the next section. To give more insight in the risks the company is exposed to, sensitivities are determined on best effort basis for different underwriting and market risks in the next sections. For underwriting risks and spread risks the sensitivities shown are the estimated impact on own funds without recalculating the SCR after shock. For the other market risks the sensitivities shown are the estimated impact on own funds including the estimated impact on the SCR market and life underwriting risk after shock.

7.5. Life Underwriting Risk

Risks - General

The underwriting risk is the risk that the own funds, earnings or solvency are insufficient to make payments to policyholders (either now or in the future) from premium and/or result on investments due to incorrect and/or incomplete assumptions (mortality, longevity, morbidity, policyholder' behaviour, catastrophes, interest and expenses) used in the development of the product and the determination of its premium. The interest rate risk related to insurance products is part of the market risk.

SCR Life Underwriting Risk

Risk Categories

The underwriting risk in the Life business includes the sub-risk categories of mortality risk, longevity risk, lapse risk, catastrophe risk and expense risk. It may include disability and recovery risk to a limited degree. SRLEV is also exposed to interest rate risk in the context of guarantees for both IFRS and Solvency II.

Mortality Risk and Longevity Risk

The risk most typically associated with Life insurance policies is mortality and longevity risk. These risks mainly affect the duration and timing of the payment of the insured cash flows. Mortality risk indicates the risk for the company of the policyholder dying earlier than expected. In the case of a life benefit, the longevity risk for SRLEV is that the policyholder might live longer than expected.

To derive the longevity assumptions, Athora Netherlands uses the latest model published by the Netherlands Actuarial Association (AG2024).

Disability-morbidity Risk

The Life insurance portfolio is exposed to the risk of policyholders being (partially) unable to work for a limited period or on a permanent basis because of disability. The financial impact is dependent on the age, the sum insured and the disability percentage of the policyholder.

Lapse Risk

Lapse risk reflects the impact of policyholder' behaviour, such as surrender (the policyholder terminates the policy before the maturity date) or conversion to a paid-up status (the policyholder terminates the regular premium payment before the maturity date).

Life Expense Risk

SRLEV is exposed to expense risk as actual expenses may exceed expense loadings included in the pricing calculation. This relates to changes in the level, trend or volatility of the costs related to the fulfilment of insurance or reinsurance contracts.

In line with expected developments SRLEV uses an run-off model related to Non-Pension products and a going concern model related to Pension products to derive the expense assumptions. This means the cost assumptions take into account expected developments in portfolio.

Life Catastrophe Risk

With respect to Life insurance, in the event of a catastrophe the risks are primarily in the group insurance portfolio. Participants in a group contract often work at the same location or undertake joint activities, which brings about a concentration of risk. Concentration risk has been partly offset by reinsurance.

Interest Rate Guarantee Risk

In traditional insurance policies and unit-linked investment policies with an interest rate guarantee, SRLEV bears the interest rate risk on the investments that are held to cover the obligations to policyholders. When a benefit or annuity payment is due, SRLEV pays the policyholder a predetermined nominal amount.

The following table indicates which risks are associated with specific products for the Life insurance portfolio of SRLEV.

Products in the Life Insurance Portfolio (Solvency II)

Product	Product features: Guarantee	Product features: Profit-sharing	Risks per product: Mortality	Longevity	Catastrophe	Lapse	Expense	Disability
Savings-based mortgage	Mortgage interest		☑		☑	☑	☑	
Life annuity	Regular payment			☑			☑	
Term insurance	Insured capital	[1]	☑		☑	☑	☑	
Traditional savings	Insured capital	☑	☑	☑	☑	☑	☑	
Funeral insurance	Insured capital	☑	☑	☑	☑	☑	☑	
Individual insurance policies in investment units	[2]		☑	☑	☑	☑	☑	
Group insurance policies in cash	Regular payment / Insured capital	☑	☑	☑	☑	☑	☑	☑
Group insurance policies in investment units			☑	☑	☑	☑	☑	☑
Group insurance policies with separate accounts	Regular payment / Insured capital [3]	☑		☑	☑	☑	☑	☑

1 Partly company profit-sharing
2 In some insurance guaranteed minimum yield applies at maturity
3 End of contract date contract contributory is not mandatory

Life Insurance Portfolio

The life insurance portfolio contains individual and group life insurance policies.

The individual insurance portfolio mainly consists of unit-linked insurance policies, savings mortgage policies, endowments and other savings policies, term life policies, funeral policies and life annuity insurance policies providing regular payments for a fixed period or for the remainder of the holder's life.

Individual life policies were sold as policies with a fixed sum insured and policies with a benefit in units (unit-linked and universal life insurance). The traditional products were sold with or without profit-sharing. The unit linked policies are with or without guarantees.

The group life insurance portfolio consists of both traditional contracts where the investment risk is borne by the insurer, investment insurance (unit linked and universal life) and separate accounts, where the investment risk is borne by the customer. The separate accounts have an interest guarantee whereby at the current low interest rates this option has value for the customer.

The total portfolio is spread over policies with mortality risk and policies with longevity risk. To illustrate the product portfolio the following table provides an overview of the IFRS insurance revenue and the IFRS insurance contract liabilities of the various insurance categories.

Scope of Various Insurance Categories

	Insurance revenue		Insurance contract liabilities	
In € millions	**2024**	**2023**	**2024**	**2023**
Individual traditional insurance policies	495	514	8,957	9,618
Individual insurance policies in investment units	68	74	3,416	3,442
Group insurance policies	945	866	19,732	17,809
Group insurance policies in investment units	460	378	12,067	11,112
Total	**1,969**	**1,832**	**44,173**	**41,981**

Co-insurance Life

SRLEV has entered into several co-insurance contracts with one or more other insurers. Risk assessments for those contracts are based on the information provided by the administrating company and on an annual basis.

Life Reinsurance

SRLEV has an integrated reinsurance programme for the life and disability portfolios. A Catastrophe reinsurance contract for mortality and disability was concluded as an umbrella cover for the different sub portfolios together. Terrorism is covered via a reinsurance pool (NHT).

A material part of longevity risk associated with the insured portfolio is mitigated through indemnity-based Quota Share reinsurance agreements. For these risk transfers SRLEV is working with a strong panel of reinsurers that align with our strategic goals and demonstrate strong partnership capabilities. These reinsurers provide adequate capacity and have shown commitment to deliver high-quality service and collaboration. The effects of these longevity risk transfers have been incorporated into the Solvency Capital Requirement (SCR) calculations. The remaining longevity exposure aligns with SRLEV's risk appetite.

SCR Life Underwriting Risk and Sensitivities

The table below shows the SCR of the underwriting risk Life. In these calculations only the policies which are negatively affected by these sensitivities are taken into account.

SCR Life Underwriting Risk

In € millions	**2024**	**2023**
Mortality risk	180	177
Longevity risk	496	466
Disability-morbidity risk	19	19
Lapse risk	229	220
Life expense risk	558	553
Life catastrophe risk	175	179
Diversification	-609	-592
SCR Life underwriting risk	**1,050**	**1,022**

The SCR life is sensitive for interest rate movements. The decrease of interest rates leads to an increase of the liabilities, increasing the SCR life.

Mortality Risk

The capital requirement for mortality risk is equal to the loss in basic own funds resulting from an instantaneous permanent increase of 15% in the mortality rates used for the calculation of the technical provisions. The increase in mortality rates will apply only to insurance policies for which the increase in mortality rates leads to an increase in technical provisions, without risk margin, being the best estimate provision.

Longevity Risk

The capital requirement for longevity risk is equal to the loss in basic own funds resulting from an instantaneous permanent decrease of 20% in the mortality rates used for the calculation of the technical provisions. The conditions for the calculation are the same as those specified in relation to mortality risk, although in this case it concerns an increase in the best estimate provision in the event of a falling mortality rate. The groups whom this concerns will generally be those that are not affected by the mortality risk.

Disability-morbidity Risk

The capital requirement for disability-morbidity risk is equal to the loss in basic own funds resulting from the following combination of instantaneous permanent changes:

- an increase of 35% in the disability rates which are used in the calculation of the technical provisions in the following 12 months;
- an increase of 25% in the disability rates which are used in the calculation of the technical provisions in all months thereafter;
- a decrease of 20% in the recovery rates which are used in the calculation of the technical provision for all years.

Lapse Risk

The capital requirement for life lapse risk is equal to the largest of the following capital requirements:

- The capital requirement for the risk of a permanent increase in lapse rates. This is equal to the loss in basic own funds of insurance and reinsurance undertakings that would result from an instantaneous permanent increase of 50%.
- The capital requirement for the risk of a permanent decrease in lapse rates. This is equal to the loss in basic own funds of insurers and re-insurers that would result from an instantaneous permanent decrease of 50%.
- The capital requirement for mass lapse risk. This is equal to the loss in basic own funds that would result from a discontinuance of 40% of the policies.

The largest capital requirement for Athora Netherlands was for the mass lapse risk per year-end 2024.

Life Expense Risk

The capital requirement for life expense risk is equal to the loss in basic own funds that would result from the following combination of instantaneous changes:

- an increase of 10% in the amount of expenses included in the calculation of the technical provisions;
- an increase of 1% in the cost inflation rate (expressed as a percentage) used for the calculation of the technical provision.

To manage the economic risk of an increase in inflation rates, SRLEV put in place an inflation hedging programme, in line with the company's Risk Appetite.

The capital charge for life expense risk is calculated without taking the impact of these inflation linked swaps into account, given the difference that may exist between future realisation of expense inflation and future realisation of Euro HICPxT inflation.

Life Catastrophe Risk

The capital requirement for life catastrophe risk is equal to the loss in basic own funds resulting from an instantaneous permanent increase of 0.15% to the mortality rates in the following twelve months.

The increase in mortality rates will apply only to insurance policies for which the increase in mortality rates leads to an increase in technical provisions, without risk margin, being the best estimate provision.

Sensitivities

The value of the insurance portfolio is sensitive to changes in the underwriting parameters used for calculating the fair value of liabilities. In order to obtain information on these sensitivities, the effects of changes in mortality rates, surrender rates (including conversions to non-contributory policies) and expense assumptions, including inflation, are calculated separately. The mortality sensitivity is disclosed below.

The key sensitivities of the Solvency II ratio to changes in the underwriting parameters are the sensitivities to longevity, expense and inflation risk. Due to the long-term nature of the Life insurance portfolio these sensitivities are sensitive for interest rate movements.

The longevity risks are reduced through a reinsurance treaty. The remaining longevity exposure at-risk of SRLEV is in line with the internal risk appetite. The impact of these transfers of longevity risk have been reflected in the SCR calculations.

To reduce the economic risk of an increase in inflation rates, SRLEV put in place an inflation hedging programme, in line with the company's Risk Appetite. The programme is providing a reduction in the sensitivity of best estimate liabilities and own funds to changes in inflation expectations. The impact of the inflation linked swaps have not been taken into account in the SCR expense calculation.

The Solvency II ratio sensitivities for underwriting parameters are based on the estimated impact on own funds without recalculating the SCR after shock.

Sensitivity as a Result of Changes in Underwriting Parameters

	Solvency II ratio	
In %-points	**2024**	**2023**
10% lower mortality rates for all policies (longevity risk)	-6%	-7%

7.6. Market Risk

Risks - General

Market changes may materially impact on the value of the assets and liabilities of the insurance business. To manage the mismatch between the assets and liabilities an Asset and Liability Management (ALM) framework, including Strategic Asset Allocation process, is in place in order to optimise between risks and returns and ensure that SRLEV's operations remain within its risk appetite.

Market risk is the risk arising from changes in the level or volatility of market prices of financial instruments which impact on the value of the assets and liabilities of SRLEV. The ALM-framework aims to properly reflect the structural mismatch between assets and liabilities, with respect to the duration thereof.

The following sub-market risks have been defined: interest rate, equity, property, spread, inflation, basis, concentration, currency and volatility risk. SRLEV achieves its financial objectives by managing these risks adequately. This is done by reducing losses due to movements in the level and/or volatility of market prices of financial assets, liabilities and financial instruments.

in addition to Solvency II (standard model) market risk classification, SRLEV recognises three additional market risks, namely inflation, volatility and basis risk.

SCR Market Risk

Exposure to market risk is measured under the Solvency II regime using adverse movements in financial variables. The main driver of market risk is the Solvency Capital Requirement for spread risk and to lesser extent the Solvency Capital Requirements for equity and interest rate risk.

The relevant types of market risk in Solvency II are displayed in the table below:

SCR Market Risk

In € millions	2024	2023
Interest rate risk	131	99
Equity risk	891	651
Property risk	245	261
Spread risk	715	651
Concentration risk	0	76
Currency risk	64	97
Diversification	-341	-392
SCR market risk	**1,705**	**1,443**

Interest Rate Risk

Interest rate risk is a key component of SRLEV's market risk profile. Interest rate risk arises when the interest rate sensitivities of the assets and liabilities are different and it is expressed as movements in the capital position if market rates change.

Nominal Insurance Liabilities by buckets

The tables below present nominal cash flows arising from insurance liabilities, net of reinsurance (liabilities) by maturity segment.

Cash Flows from Insurance Business 2024

In € millions	< 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	> 20 years	Total
Insurance liabilities	1,642	5,873	6,483	5,763	4,886	14,489	**39,136**
Total	**1,642**	**5,873**	**6,483**	**5,763**	**4,886**	**14,489**	**39,136**

Cash Flows from Insurance Business 2023

In € millions	< 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	> 20 years	Total
Insurance liabilities	1,556	5,527	6,067	5,418	4,555	12,993	**36,116**
Total	**1,556**	**5,527**	**6,067**	**5,418**	**4,555**	**12,993**	**36,116**

The table excludes the portfolio on account of policyholders. The portfolio on account of policyholders is not relevant in this context, since the value accumulated in the investment funds is paid to policyholders on the policy's maturity date. The accrued balances of savings policies and savings-based mortgages are neither taken into account as these are offset. The cash flows from the underwriting provisions concern cash flows with a nominal guarantee.

This does not include cash flows driven by options and guarantees and the risk margin. The cash flows arising from the underwriting provisions are estimated on a best estimate basis. Assumptions are made of mortality, disability, surrender and costs. A change in assumptions can alter the view of the cash flows in the table. The cash flow projections do not include future profit-sharing.

Solvency Capital Requirement

The capital requirement for interest rate risk in the standard formula of Solvency II is determined on the basis of two scenarios in which the risk-free yield curve is exposed to shocks affecting both assets and liabilities. The first scenario is 'interest rate up' and the second 'interest rate down'. The capital requirement for interest rate risk is defined by the scenario which has the most negative impact on basic own funds. The sign of the SCR interest rate shock (up or down) is based on the net SCR interest rate risk in accordance with Solvency II legislation and the gross SCR interest rate risk determines the size of SCR interest rate risk.

The interest rate scenario used for the up and down Solvency II shocks are prescribed; being in effect a non-parallel up shock with a minimum of 100 bps and a non-parallel down shock, both shocks decreasing for longer maturities and both without re-applying the UFR.

SCR Interest Rate Risk

In € millions	2024	2023
SCR interest up shock	-131	-99
SCR interest down shock	0	-48
SCR interest rate risk	**-131**	**99**

Sensitivities

SRLEV uses a scenario-based approach to control the sensitivity of solvency to market conditions, such as interest rates and spreads. The key solvency metric to express the risk is based on the regulatory solvency reported to the Dutch Central Bank (DNB). This method is chosen because SRLEV has decided to use regulatory solvency as the principal factor in managing market risks.

For the Euro the calculated target UFR for 2024 was 3.30.%. Per 1 January 2025 the applicable UFR will remain 3.30%, this will not affect solvency.

The table below shows the sensitivity of the Solvency II ratio to changes in interest rates as a result of a decrease or an increase by 0.50% of the interest rates (maintaining the UFR at 3.45%), decreases in the UFR of 0.15% and 0.5%, the impact of the VA on the Solvency II ratio and the increase in inflation of 1%.

Sensitivity

	Solvency II ratio	
In %-points	**2024**	**2023**
Interest +50 bps	-4%	-4%
Interest -50 bps	5%	5%
UFR -15 bps	-4%	-4%
UFR -50 bps	-17%	-17%
Excluding VA	-54%	-54%
Inflation +100 bps	-%	-2%

Due to the long-term nature of the Life and Pension insurance portfolio the Solvency II ratio is sensitive to interest rate movements. This sensitivity is mitigated by the use of long-term assets and, additionally, interest rate derivatives to hedge the insurance cash flows including those for guarantees and profit-sharing in the life insurance portfolio, so that the exposure is within pre-defined risk appetite levels. Moreover, the expected fixed cash flows from technical provisions are matched with fixed-income investments as much as possible.

SRLEV's interest rate hedging policy aims to ensure that obligations towards policyholders are fulfilled in both the short-term and the long-term. In addition, it aims to enable its providers of capital to receive a reasonable return (in terms of fair value) that is in line with SRLEV's risk exposure and to stabilise the solvency ratio. SRLEV manages its interest rate risk by stabilising the Solvency II ratio after an interest rate shock.

Equity Risk

The SCR for equity risk is equal to the loss in fair value of the basic own funds in the event of a sudden shock to equities including a so-called symmetric adjustment. This adjustment corrects the equity shock for the difference between the current level of global equity prices and a long-term average and can vary between a minus 10% adjustment and a plus 10% adjustment.

SCR for equity risk consists of type 1 and type 2 equities. Type 1 equities are equities listed in regulated markets which are members of the EEA or OECD. Type 2 equities are equities listed in countries other than members of the EEA and/or OECD, non-listed equities, private equities, hedge funds, commodities and other alternative investments.

The SCR for equity risk is defined as the aggregation of the capital requirement for type 1 equities and the capital requirement for type 2 equities, allowing a correlation of 0.75 between types 1 and 2.

SRLEV does not apply the transitional arrangement for type 1 equities.

The table below shows the SCR for equity risk.

SCR Equity Risk

In € millions	2024	2023
Type 1 equities	122	101
Type 2 equities	796	572
Diversification	-27	-22
Equity risk	**891**	**651**

The equity risk of SRLEV increased mainly due to asset deployments in private equity.

The equities classification includes participations in funds that invest in other types of securities like money market funds and other (non-investment grade) fixed income funds. The market sensitivities are adjusted to reflect the underlying risk under Solvency II for a more economic approach (‘look through’), including the impact of the shock on the liabilities.

The table below shows the sensitivity of the Solvency II ratio for an equity down shock.

Sensitivity

	Solvency II ratio	
In %-points	**2024**	**2023**
Equities -10%	-8%	-6%

Property Risk

Property risk is defined as the sensitivity of the value of assets and liabilities to changes in the level or volatility of the market prices of real estate.

The SCR for property risk is equal to the loss in the basic own funds that would result from an instantaneous decrease of 25% in the value of property. Property consists of direct property (e.g., buildings and investments in owner-occupied properties) and indirect interests in property (through investment funds). SRLEV applies the look-through approach in determining the SCR for property risk also taking the effect of any leverage on the Net Asset Value of property funds into account.

The table below shows the SCR for property risk:

SCR Property Risk

In € millions	2024	2023
Property Risk	245	261

The equities classification includes participations in funds that invest in other types of securities. The ALM policy and the market sensitivities are adjusted to reflect the underlying risk under Solvency II based on an economic approach ('look through'). The table below shows the sensitivity of the Solvency II ratio for a property down shock.

Sensitivity

	Solvency II ratio	
In %-points	2024	2023
Property -10%	-4%	-5%

Spread Risk

Spread risk is defined as the sensitivity of the value of assets and liabilities to changes in the level or volatility of the credit spread above the risk-free interest rate term structure. The spread risk for the insurance business arises in the fixed-income investment portfolio, which includes securitisations, loans, corporate and government bonds that are sensitive to changes in credit risk surcharges. Increasing credit risk surcharges have a negative effect on the fair value of underlying bonds.

The SCR for spread risk is determined by calculating the impact on the eligible own funds due to the volatility of credit spreads over the term structure of the risk-free rate. The required capital for spread risk is equal to the sum of the capital requirements for bonds, loans and structured products. The capital requirement takes into account the fair value, the modified duration and the credit quality category.

SCR Spread Risk

In € millions	2024	2023
Bonds and loans	691	637
Securitisation positions	25	13
Spread risk	**715**	**651**

Spread risk increased mainly due to new asset deployments.

Credit risk surcharges are also a source of basis risk in the valuation of insurance liabilities. The basis risk relates to the risk of a mismatch between the interest rate used in the valuation of the liabilities and the interest rate used for the asset portfolio. This basis risk mainly emanates from the risk that movements in the interest rate on the EU government bonds held in portfolio will not be in line with movements in the swap rate.

Under the Solvency II regime the swap curve with a prescribed Ultimate Forward Rate (UFR) is used when discounting insurance liabilities, adjusted for credit risk (CRA) and a Volatility Adjustment (VA). The VA moves along with the credit spreads, but still substantial basis risk exists because the VA is based on a reference portfolio instead of SRLEV's own asset portfolio, and also a 65% scaling factor is applied to determine the VA. For managing market risks a number of combined scenarios is determined with (different) simultaneous shocks to risk categories. In this scenario-based approach among others credit spreads, volatility (interest rate volatility and equity volatility) and best estimates for the VA are taken into account.

While interest rate risk regarding the Solvency II ratio is well matched, there remains volatility as the credit risk profile of SRLEV differs from the profile implied by the Volatility Adjustment (VA). The basis risk is still material, in case of lower spreads for high quality bonds (e.g., German and Dutch) and higher spreads for riskier bonds, the Solvency II Ratio in general increases.

Under Solvency II an increase of credit spreads also leads to an increase of the Volatility Adjustment impacting the value of the liabilities. Athora Netherlands determined that an increase of all credit spreads of 50 bps leads to an increase of the VA of 21 bps, an increase of 50 bps on corporates to an increase of the VA of 11 bps and an increase of 50 bps on government bonds to an increase of the VA of 9 bps.

Sensitivity

	Solvency II ratio	
In %-points	**2024**	**2023**
Credit spreads Government Bonds +50 bps	1%	5%
Credit spreads Corporates/Mortgages +50 bps	9%	8%
All Credit spreads +50 bps	**10%**	**14%**

The following overview includes the debt Instruments by rating category.

Breakdown of Debt Instruments Profile (Rating)

In € millions	**2024**		**2023**	
AAA	4,958	17%	4,475	18%
AA	4,160	14%	3,646	14%
A	5,908	20%	4,857	19%
BBB	3,296	11%	1,520	6%
< BBB	216	1%	308	1%
Not rated	10,839	37%	10,532	42%
Total	**29,377**	**100%**	**25,338**	**100%**

In 2024, Athora Netherlands continued its investment deployment strategy which is reflected in the increase of the AA and A rated investments in the debt Instruments portfolio (2024: 34%, 2023: 34%) and a decrease of AAA rated investments (2024: 17%, 2023: 18%). These are higher risk investments.

Concentration Risk

Concentration risk is defined as all risk exposures associated with a potential loss that is significant to endanger the solvency or financial position of insurance and reinsurance undertakings.

A concentration risk charge is prescribed under Solvency II when the issuer exposure exceeds a certain percentage threshold of the asset base depending on the credit rating of the issuer and the type of investment. The SCR for concentration risk is calculated on the basis of single name exposure.

SRLEV still holds substantial investments in German and Dutch government bonds and supranational issuers which are excluded from (the Solvency II scope of) concentration risk.

The table below shows the SCR for concentration risk:

SCR Concentration Risk

In € millions	2024	2023
Concentration risk	0	76

Concentration risk disappeared due to no investments exceeding the investment size threshold.

Currency Risk

Currency risk is defined as the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or volatility of exchange rates. The currency risk of SRLEV is caused by a combination of investments and liabilities in foreign currencies that are not perfectly matched.

SRLEV's policy is to hedge currency risk as we do not expect structural excess returns from being exposed to currency risk.

The effects of changes in foreign exchange markets on the net result, own funds and solvency are measured periodically using scenario analysis. The Solvency II currency exposure is determined using the look-through principle regarding investment funds. This results in slightly higher currency exposure.

The table below provides an indication of SRLEV's foreign exchange exposure including loans.

Currency Exposure Including Loans (Net Exposure)

	Net balance exposure		Hedge derivatives	
In € millions	2024	2023	2024	2023
US Dollar	7,374	5,219	-7,655	-5,308
Pound Sterling	441	-	-471	-
Australian Dollar	112	129	-107	-139
Swedish Crown	70	83	-82	-85
Canadian dollar	12	-	-	-
Other	49	1,706	-9	-1,665
Total	**8,058**	**7,137**	**-8,324**	**-7,196**

The SCR for currency risk is equal to the loss in the basic own funds that would result from an instantaneous change in the value of the foreign currency against the local currency. For each foreign currency this involves taking the maximum of the impact on the basic own funds of a 25% increase or 25% decrease in the value of the currency. The total SCR for currency risk is then obtained by the sum of the 'individual' currencies.

SCR Currency Risk

In € millions	2024	2023
Currency risk	64	97

Currency risk decreased mainly due to the repayment of a subordinated loan noted in foreign currency.

The currency risk originates mainly from the decrease in projected asset management fees for the unit linked portfolio in case of a currency shock.

Volatility Risk

The volatility risk is the risk of losses due to changes in (implied) volatilities (interest rate and equity) and is measured separately. It is addressed in the market sub risks as described before. SRLEV is sensitive to volatility on both sides of the balance sheet. The volatility risk is reduced because the volatility of the swaptions on the asset side has an offsetting effect on the embedded options on the liability side.

Basis Risk

Basis risk is the financial risk that offsetting investments in a hedging strategy will not experience price changes in entirely opposite directions from each other. This imperfect correlation between the two investments creates the potential for excess gains or losses in a hedging strategy, thus adding risk to the position.

Diversification

Not all risks will materialise at the same time and at their full magnitude, resulting in diversification between different risk types. Solvency II prescribes a correlation matrix for the diversification effect in the SCR Market Risk module in order to aggregate the results of the types of market risks. This leads to a lower amount of total Market Risk compared to the sum of the individual market risk types. Solvency II furthermore prescribes that a downward SCR interest rate shock will be more correlated with an equity, spread and property shock compared to an upward interest rate shock.

7.7. Counterparty Risk

Risks - General

SRLEV defines counterparty risk as the risk of potential losses of own fund as a result of defaults of counterparties and debtors of Athora Netherlands within the next twelve months.

The SCR Counterparty Default Risk covers risk-mitigating contracts such as reinsurance arrangements, derivatives, security lending and repos, and cash at bank, retail mortgages and receivables from intermediaries, as well as any other credit exposures not covered by the SCR Spread Risk.

For each counterparty, the overall credit risk exposure of SRLEV to that counterparty is measured, irrespective of the legal form of its contractual obligations. Its calculation also takes into account collateral or other security held by or for the account of SRLEV and the risks associated therewith.

Fixed-income Investment Portfolio

The counterparty risk within the fixed-income investment portfolios of SRLEV is the risk that an issuer of a bond or a debtor of a private loan no longer meet its obligations. SRLEV has an internal Risk Policy Counterparty Risk that sets limits to exposure to counterparties, including fixed income investments, in terms of loss give default.

Counterparty exposure limits are one of the constraints when the strategic asset allocation is determined in the context of ALM for each Investment Category. Counterparty exposure limits are also considered when setting up mandates with asset managers.

Derivatives Exposure

The counterparty risk related to the fair value of the derivatives held by SRLEV with a counterparty is managed by means of a Credit Support Annex (CSA) agreement in accordance with standard industry practice. These agreements stipulate that derivatives are mark-to-market daily, i.e., collateral (in liquid instruments) must be exchanged on a daily basis based on the underlying fair value of the derivatives to cover the counterparty default risk.

Reinsurance

SRLEV pursues an active policy with respect to the placement of reinsurance contracts, using a panel consisting of reinsurers with solid ratings. Our panel of reinsurers consists of partners who are involved for many years and are distinguished companies. Long-term relationships with the reinsurers are important in order to maintain stability, continuity and understanding of the underlying underwriting portfolio. General principle is that all reinsurers have a minimum credit rating of A.

Mortgage Portfolio

SRLEV is exposed to counterparty risk on its mortgage portfolio by possible default of mortgagors. The counterparty risk is, however, mitigated by properties held as collateral. Part of this portfolio is guaranteed by the National Mortgage Guarantee Fund (NHG). The average Loan to Value ratio has improved due to (early) payment of the outstanding mortgage balance and an increase in Dutch housing prices.

Overview Mortgages

In € millions	2024	2023
Mortgages < 75% of foreclosure value	3,067	2,999
Mortgages 75% < > 100% of foreclosure value	122	111
Mortgages > 100% of foreclosure value	4	12
Mortgages with National Mortgage Guarantee	241	245
Residential mortgage in the Netherlands	**3,434**	**3,367**

Savings Mortgages

SRLEV's portfolio contains various savings mortgages insurance policies, financed both internally and externally. The majority of the portfolio are savings mortgages with cession/retrocession arrangements, sub-participation agreements and pledged collateral.

SCR Spread risk will be applicable in case of no additional collateral and pledged collateral (50% of the charge). SCR CDR Type 1 will be applicable for the term contracts (future parts).

SCR Counterparty Default Risk

The SCR counterparty default risk module reflects the potential loss as a consequence of defaults and deterioration in the credit standing of counterparties over a 12-month period. The SCR for the counterparty default risk is determined by aggregating the capital requirements of type 1 and type 2 exposures.

Type 1 exposures are exposures that have low diversification effects and for which the counterparty is likely to have an external rating. Solvency II treats the following as type 1 exposures:

- risk-mitigation contracts, including reinsurance arrangements, special purpose vehicles (SPVs), insurance securitisations and derivatives;
- cash at bank;
- deposits with ceding undertakings;
- commitments received by an insurance or reinsurance undertaking which have been called up but are unpaid;
- legally binding commitments which the insurer has provided or arranged and which may create payment obligations depending on the credit standing of a counterparty.

Securities lending and repo programmes in which SRLEV participates are also treated as a type 1 exposure. The capital requirement for counterparty default risk on type 1 exposures depends on the loss-given-default (LGD) and the probability of default (PD) of every single name exposure. The PD depends on the creditworthiness of the single name exposure.

Type 2 exposures consist of all exposures to which the capital requirement for spread risk is not applicable and which are not of type 1. In general, these are diversified exposures which do not have an external rating. Solvency II explicitly mentions the following exposures in the context of type 2:

- receivables from intermediaries;
- policyholder debtors;
- mortgage loans which meet a set of requirements.

The capital requirement for counterparty default risk on type 2 exposures as defined by EIOPA is equal to the sum of 90% of the LGD of receivables from intermediaries due for more than three months and 15% of the LGD of other type 2 exposures.

The SCR for counterparty default risk is determined by aggregating the capital requirements for type 1 and type 2 exposures with a correlation of 0.75. This gives rise to diversification between type 1 and type 2 capital requirements because not all risks will materialise at the same time and at their full magnitude.

Counterparty Default Risk

In € millions	**2024**	**2023**
Type 1 exposures	64	82
Type 2 exposures	19	24
Diversification	-4	-5
SCR counterparty default risk	**79**	**101**

SCR counterparty risk decreased, mainly due to a smaller derivative and cash position.

7.8. Liquidity Risk

Risks - General

Liquidity risk is defined as the risk that SRLEV has insufficient liquid assets to meet its financial obligations in the short-term, in a going concern situation or in times of a stress situation, or if obtaining the necessary liquidity would mean incurring unacceptable costs or losses.

The liquidity risk is monitored and managed both at consolidated level and at legal entity level.

Policy

The policy of SRLEV is to have more liquidity available than it is required to hold based on internal risk management minimum levels. The objective of the internal risk management minimum levels (i.e. the level of required liquidity) is to ensure that SRLEV is able to fulfil its obligations towards policyholders and all legal obligations.

The liquidity risk policy uses three sources of liquidity:

1. the cash position;
2. the liquidity buffer; and
3. the liquidity contingency policy.

Cash Position

The cash position is built up from the cash management process from investments management and cash management process from underwriting and operating activities. In the investments cash management process all cash flows from investments are managed by our investment managers.

SRLEV has taken into account that all obligations to policyholders must be respected and that these obligations will be paid throughout the underwriting and other operating cash management process. If at any time these obligations exceed the premium income additional cash will be transferred from the investment cash management process. Equally, when premiums exceed the payments in the operational cash management process, cash will be transferred to the investments cash management process, for the purpose of the investing excess cash (temporarily).

Available liquidity

Together with the cash position, other liquid assets form the overall liquidity position of the entity. This level of overall available liquidity of SRLEV includes available assets with appropriate haircuts and is compared to the required liquidity in the form of a liquidity coverage ratio (LCR). Furthermore, SRLEV applies liquidity tiering and assigns a liquidity value for various time horizons and scenarios. Monitoring of the liquidity position is an important part of the daily activities of SRLEV.

Liquidity Contingency Policy

The last source of liquidity relates to a situation in which the available liquidity turn out to be insufficient. In case of such a contingency, SRLEV has implemented a Crisis Management Team (CMT) structure and a predefined set of potential management actions. The CMT must take timely action in rapidly deteriorating liquidity circumstances in order to avoid default or bankruptcy that could occur in the worst case and/or to settle all of the obligations under the insurance portfolio in an orderly manner.

Monitoring

To monitor and estimate the liquidity position, covering the requirements of collateral and the funding necessities coming from investment commitments and other discretionary investment activities, a weekly liquidity overview is calculated compares available and required liquidity (which together form the LCR). This liquidity overview is focused on the time horizons ranging from T+0 (operational level) to T+3m (tactical level).

Portfolio Tiering Breakdown

Asset Liquidity Tiering	Asset Type	Liquidity
Tier 1 (<3y)	Money Market Funds	Very High
	EUR Sovereigns AAA	
	EUR Sovereigns AA	
	Reverse Repurchase Operation	
Tier 2 (<3y)	EUR Sovereigns A	High
	EUR Sovereigns BBB	
	JPY Sovereigns	
Tier 3 (<3y)	Other Sovereigns	Medium
	SSA Securities	
	SSA Securities others and covereds	
Tier 4 (<3y)	EUR ABS	Low
	NL WSW & SSA Loans (avg duration <3yrs)	
	>3y other sovereigns	
	>3y EUR sovereigns AAA/AA/A/BBB	
Tier 5 (Short duration credit)	Dual Recourse Loans	Low
Tier 6	Commercial Papers	Low
(Externally Managed)	Cash, MMF and <3y IG	
	Liquid Credit	
	Cash and Cash equivalent at Luxembourg funds	
Tier 7	Mortgages	Very Low

Collateral Requirements

The daily requirement for variation margin in the derivatives portfolio is the main source of liquidity risk for SRLEV, in this sense trying to anticipate the variation margin that would need to be posted under a stress scenario is critical in the liquidity management. This stress scenario is, based on the 99.5% Value at Risk of the different risk factors that affect the fair value of the derivatives in the portfolio. A minimum liquidity reserve for variation margin is calculated for the time horizons under the scope of the liquidity overview.

Collateral Requirements

Diversified margin requirement in shock scenario	
Liquidity reserves for variation margin	Variation margin: Interest Rate shock
	Variation margin: Inflation shock
	Variation margin: Currency shock
	Variation margin: Credit Spread shock
	Variation margin: Sovereign spread shock

Funding Plan

The remaining liquid resources available after covering the reserve for variation margin are measured to establish if they can be used for addressing other cash demands such as discretionary investment activities and funding different mandates. In this part there is also an assessment of the potential necessity to use other instruments included in the liquidity toolkit of the Investment office, like leverage or repurchase agreements, in the case that all the liquidity provided by the assets is consumed.

Collateral for Securities Lending and Repurchase Agreements and Derivatives

SRLEV has entered the ISDA(International Swaps and Derivatives Association) and similar master netting agreements that do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the agreements a right to set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of SRLEV or the counterparties, or following other predetermined events. In addition, SRLEV and its counterparties do not intend to realise the assets and settle the liabilities simultaneously or to settle them on a net basis.

SRLEV does not offset any other financial assets and financial liabilities in its statement of financial position.

The financial assets and financial liabilities set out in the table below are subject to an enforceable master netting agreement or similar agreement that covers similar financial instruments.

Financial Assets and Liabilities 2024

		Related amounts not off-set		
In € millions	**Gross carrying amount**	Recognised financial instruments	Cash collateral (received) pledged	**Net amount**
Financial assets				
Derivatives	3,792	-2,933	-785	74
Receivables from reversed repo counterparties	19	-19	–	–
Total financial assets	**3,811**	**-2,952**	**-785**	**74**
Financial Liabilities				
Derivatives	-5,368	2,933	2,433	-2
Total financial liabilities	**-5,368**	**2,933**	**2,433**	**-2**

SRLEV received collateral from third parties by virtue of derivative exposures. Received cash collateral is mainly invested in short-term bonds and money-market funds.

Financial Assets and Liabilities 2023

		Related amounts not off-set		
In € millions	**Gross carrying amount**	Recognised financial instruments	Cash collateral (received) pledged	**Net amount**
Financial assets				
Derivatives	6,507	-5,487	-964	56
Receivables from repo counterparties	574	-574	–	–
Total financial assets	**7,081**	**-6,061**	**-964**	**56**
Financial liabilities				
Derivatives	-7,987	5,487	2,386	-114
Payables to reversed repo counterparties	-177	177	–	–
Total financial liabilities	**-8,164**	**5,664**	**2,386**	**-114**

Maturity Schedule for Financial Liabilities

The table below shows the undiscounted cash flows from the principal financial liabilities by contract maturity date.

Liquidity Calendar Financial Liabilities 2024

In € millions	**< 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**> 5 years**	**Total**
Subordinated debt	–	–	140	180	278	**598**
Derivatives	56	47	246	4,830	189	**5,368**
Amounts due to banks	797	–	–	–	–	**797**
Lease liabilities	–	–	–	1	–	**1**
Total	**854**	**47**	**387**	**5,011**	**467**	**6,765**

Liquidity Calendar Financial Liabilities 2023

In € millions	**< 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**> 5 years**	**Total**
Subordinated debt	–	–	–	320	392	**712**
Derivatives	5	8	393	7,497	85	**7,987**
Amounts due to banks	1,149	100	–	–	–	**1,249**
Lease liabilities	–	–	–	–	1	**1**
Total	**1,154**	**108**	**393**	**7,817**	**478**	**9,949**

7.9. Compliance Risk and Operational Risk

Non Financial Risks - General

Management of the first line is responsible for the overall risk management cycle in their organisational units from identification to monitoring and management of action plans. They report about the status of both operational and compliance risk to the Operational Risk and Compliance Committee Athora Netherlands (ORCA). Compliance and Operational Risk, as second line departments, monitor and provide advice to management on compliance risk and operational risk. The risk reports including Operational and Compliance Risks are also discussed in the Executive Committee and the Risk Committee of the Supervisory Board. Within the Product & Client Committee, Compliance advises on the development, evaluation and approval of products in accordance with laws, regulations, the AFM criteria and criteria related to treating customers fairly.

Compliance Risk

Compliance risk is the risk that an organisation is potentially able to suffer legal or regulatory sanctions, material financial loss, or loss of reputation as a result of non-compliance with applicable laws, regulations, rules, self-regulatory standards, codes and unwritten rules.

Non-compliance with integrity- and/or conduct related rules can potentially lead to regulatory action, financial loss and/or damage to the reputation of SRLEV, for example fines, compensation, disciplinary action, imprisonment or exclusion proceedings.

Laws and regulations within scope pertain amongst others to those laws and regulations as supervised by the Authority for the Financial Markets (AFM), the Dutch Central Bank (DNB), the Authority for Consumers and Markets (ACM) and the Data Protection Authority (AP) for aspects related to non-financial risks. This includes the Dutch Financial Supervision Act (Wft), the Money Laundering and Terrorist Financing (Prevention) Act (Wwft), the Dutch Sanctions Act (Sanctiewet), as well as relevant European laws such as Solvency II and guidance from the Dutch Association of Insurers and other relevant bodies.

Operational Risk

Operational risk represents the risk of an economic loss, a negative reputational or supervisory impact resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risks include the risk of a material misstatement in SRLEV's financial reporting and legal risks, but excludes strategic and business risks. Operational risk events can lead to adverse consequences beyond a pure financial loss. The assessment of possible reputational impacts following an operational event is an explicit part of the operational risk management process.

Operational risks are inherent in all of SRLEV's insurance products, activities, processes and systems and the management of operational risk is a fundamental element of SRLEV's risk management framework. Operational (and compliance) risks are inherent risks that do not provide more returns when taking more risk and have to be controlled and managed. The responsibility of SRLEV also extends to managing risks for outsourced activities. SRLEV recognises the following types of operational risk categories: Business Process risk, Change risk, Model risk, Third Party risk, People risk, Reporting risk, Business Continuity risk, Data risk and Information Security risk 'Exposure to Non-financial Risks' for recent developments).

Exposure to Non-Financial Risks

Continuous attention to the quality of process and control design, testing of effectiveness of controls, monitoring compliance, reporting and analysis tooling and process ownership enables the organisation to manage and monitor compliance and operational risks in an efficient and effective manner. Based on the monitoring of all risk types, the main developments and risk events are described in the following paragraphs. SRLEV's management is of the opinion that the management actions and programmes in place sufficiently address and mitigate these risks.

Compliance Risk

General developments

In 2024 the monitoring of compliance risks by means of the Integrated Control Framework and the risk based monitoring programme of the Compliance Function was further enhanced. Furthermore, the Compliance Function has developed expertise in sustainability/ESG. The Compliance Function has a methodology in place in order to prioritise monitoring and training & awareness topics, which includes the assessment of controls taking into account internal and external developments which may have a leverage on compliance risks. Some of the key internal and external developments include: SRLEV's ambition, artificial intelligence, buy-outs, conflict of interests related party transactions, customer centricity, Digital Operational Resilience Act, digitalisation, outsourcing and outsourced 1st line processes, Wtp, data protection and sustainability.

Financial Economic Crime

Although, for a Pension- and Life insurer, the financial economic crime risks are considered to be low, anti-money laundering compliance will remain a strategic priority. Therefore, SRLEV will continue enhancing its anti-money laundering procedures, taking into account any potential Compliance and/or Internal Audit findings. SRLEV has indicators in place with regard to financial economic crime such as the number of high risk classified clients and/or business partners. We are operating within the acceptable norms.

Legal and Regulatory

SRLEV has a framework in place to track the implementation of legislative requirements in order to be in control of this risk. SRLEV is in general on track with the implementation of new or changed legislation. Progress is monitored on quarterly basis by business, with oversight by the second line functions. SRLEV is exposed to potential governance risks. SRLEV has a dedicated Institutional Conflicts-of-Interest Policy including a concrete procedure for addressing these risks. On 1 March 2024, the principle-based framework (Covenant) entered into force which replaced the pilot Governance Protocol.

In 2024, both DNB and AFM conducted on-site inspections and thematic (sectoral) research as part of their supervisory activities. DNB's on-sites covered amongst others (i) buy-outs, (ii) ESG, and (iii) governance and risk management of private assets. The on-sites related to buy-outs and ESG have been completed, while the results and any necessary actions by SRLEV and/or consequences regarding the private assets on-site are still pending. Meanwhile, AFM focused on "Tone at the Top" with an emphasis on customer interests and submitted specific information requests covering several topics, including transition communication. The follow-up on information requests related to transition communication is currently ongoing, for which the necessary actions and/or consequences are still pending. Where applicable, actions by SRLEV will be defined and implemented to address any regulatory findings from DNB or AFM.

Market Integrity

Adequate choice guidance standards ('keuzebegeleiding') are an important component for SRLEV and its customers. The open standard for choice guidance allows pension providers to design it in a way that is suitable for the participant. In Q4 2024, the AFM conducted an exploratory study on the implementation of the choice guidance standard and shared its observations and recommendations with SRLEV, which it is taking at hand to incorporate.

The transition communication processes are recognised as a challenging aspect for the entire insurance and PPI sector. To enhance the effectiveness of these processes and address any difficulties, including potential workarounds, SRLEV is increasing management focus and scaling up capacity to prevent any potential regulatory follow up.

SRLEV is drafting solutions and mitigating measures, related to the sector-wide 'grey spots' issue that poses a potential risk of inadequate pensions and potential future class action claims on behalf of customers.

Risks remain in the non-accruing investment-linked policy file, due to the combined effects of intermittent media exposure, political opinion, court judgements and inaction on the part of customers. The client base is continuously addressed through SRLEV's aftercare programme.

Employee Conduct

SRLEV places great importance to fostering a culture of integrity and trust within the organisation. By prioritising ethical behaviour and adherence to regulations, SRLEV not only protects its reputation but also ensures the long-term sustainability of its business. A strong commitment to compliance empowers employees to act responsibly, ultimately enhancing customer confidence and reinforcing the company's dedication to transparency and accountability.

Privacy

As part of the 2024 Compliance Annual Plan, SRLEV places a high priority on privacy. Therefore, several years after the implementation of the GDPR, SRLEV has established a steering committee to further enhance privacy measures where necessary and further strengthen (some parts of) privacy by design.

Operational Risk

General developments

During the year risks are monitored via reports that compare risks against the risk appetite as set by first and second line and when necessary, mitigating measures are initiated to improve the risk profile.

During the last years the organisation further improved controls by streamlining and automating processes, which was reflected in the ICF in the further increase of automated controls versus manual controls. In 2024, the change portfolio contained a number of programmes derived from the Strategic roadmap perspective (such as the integration of the former WTW PPI systems and regulatory requirements (such as Wtp, DORA, CSRD). Risk Self Assessments (RSA) were consistently performed to identify potential risks, which created the basis for actions and mitigating measures to manage the change risk.

Actions derived from the 2023 RSA internal Fraud which was conducted across SRLEV with senior management and experts were largely resolved and followed up during 2024 and are planned to be resolved in 2025.

SRLEV promotes awareness to cyber security threats, also with its third party suppliers. Despite our Security Operations Center facing an increasing number of sophisticated and aggressive hacking and fraud attempts, SRLEV did not experience any significant cybercrime incidents in 2024, and our main suppliers also reported no such incidents.

Business Process Risk

Strategic and license-to-operate driven projects like DORA, Wtp have been the primary drivers for Business Process Risk from a resourcing and knowledge perspective. This has its impact on staff, IT Infrastructure and maintenance plus execution of the ICF. During 2024 we experienced a number of operational incidents which were properly handled and acted upon.

The outstanding action points were actively managed and reduced. Simplification of access and maintenance of processes plus automation of controls will further facilitate an effective, efficient and up-to-date process landscape.

Change Risk

Overall SRLEV has an acceptable level of Change Risk with a significant Change portfolio to manage. Implementation of key change programmes like strategic outsourcing, Retirement Platform, CSRD, Transforming Actuarial Processes, DORA and Wtp are examples that require management attention to gain / attain staff with the right knowledge and skills, allocate capacity and to shift priorities where needed. Progress of the strategic roadmap is actively monitored and reported upon. Risk Self Assessments (RSA) are a helpful tool to manage Change risk within the programmes and is actively used for all major change programmes.

Model Risk

SRLEV continuously updates the compact model risk overviews to maintain good insight in the model landscape and its model risk. Model risk is mitigated by follow-up through validations, re-validations and solving second line findings. Ongoing model assessments on reporting, (asset) valuation and pricing models, following a risk-based approach and internal governance, provides the model owners and model users guidance towards mitigating model risk.

Third Party Risk

Monitoring and governance regarding outsourcing within SRLEV remains a key area of risk attention. Next to ownership of outsourcing management within business lines, a central vendor management team further develops monitoring and reporting standards to enhance the oversight SRLEV has on outsourcing partners.

The approach of SRLEV is to outsource activities in those areas in the customer value chain where an external service provider can provide added value. When specific activities for outsourcing have been identified, a risk analysis is part of the preparation phase. In case of cloud services an additional risk analysis is performed to manage the risks particularly related to cloud. The results of the risks analyses are reflected in the contracts with the service providers. SRLEV successfully outsourced LSB Operations and part of IT Infrastructure to TCS.

The Digital Operational Resilience Act implementation also impacts the management of third parties. For example, full Insight in (security) vulnerabilities with third parties is being improved, also as part of DORA. The DORA implementation is dependent on third parties with respect to contract renewals / amendments. Overall progresses in line with expectations. A DORA readiness audit report issued December 2024 rated satisfactory. Internal risk policy on third party management has been updated leading to requirements to be implemented like third party incident reporting.

People Risk

Effective resourcing is essential for the execution of strategy and to qualitatively maintain business as usual activities including a healthy balance on in- and external FTEs. To improve and retain a fit company culture, culture aspects are embedded within the strategy programme, improving collaboration between teams and attention for diversity. In 2024 several organisational transitions were realised to create efficiency and enhance effectiveness.

Sourcing of employees with required skills, knowledge and competences remains key next to retaining talent. Employee Survey results show positive trend, also supported by the signing of the Collective Labor agreement with the Unions.

Reporting Risk

Effective and timely external reporting, including the implementation of new reporting requirements, in particular CSRD are the focus of (future) reporting risk. SRLEV put lots of effort in the CSRD reporting, including Risk assessments whereby any material gaps have been identified and resolved. Within CSRD reporting sustainability related data remains a key area of focus also as this closely links to the Sustainability strategy of SRLEV.

The initiative to further streamline and automate the models underlying the financial reporting process is an intensive process which is foreseen to be finalised in 2025. The overall reporting process during 2024 did not reveal issues or material incidents.

Business Continuity Risk

As part of our standard procedures, fallback tests were conducted, and, as in the past, yielded successful results. In addition continuity plans are in place and we have regular crisis trainings to prepare for any risk of discontinuity. The increased reliance on third parties remains a key attention point going forward in managing business continuity.

Data Risk

Over the past year, the data risk has been considered minimal. In response to the progress of GenAI pilots to a scale-up phase and the ongoing development of new AI/GenAI applications across SRLEV, the organisation has evaluated its data governance structure, including controls and reporting. The recommendations are addressing the rapidly changing and emerging technology, and further adjustments will be made to ensure readiness in line with ongoing developments.

Information Security Risk

In 2024, SRLEV implemented significant changes as part of its strategy, including launching a new website and customer portals, and outsourcing its IT infrastructure. The organisation successfully migrated its data centres and updated its IT control framework. The impending Digital Operational Resilience Act and DNB's maturity assessment have influenced the organisation's control framework, showcasing its ability to adapt to evolving circumstances. Despite facing an increasing number of sophisticated hacking and fraud attempts, SRLEV did not experience any significant cybercrime incidents in 2024, and its main suppliers also reported no such incidents. The organisation has undertaken various activities to raise awareness of cybercrime, including phishing campaigns, cybersecurity games, news updates, board trainings, and crisis management workshops. Additionally, SRLEV has actively monitored the security testing and posture of external suppliers and exposed itself to simulated attacks for valuable insights. The Security Operations Centre was reinforced with additional resources and tools, and extra measures were implemented to address the evolving threat landscape. Mitigating cybercrime risk remains a top priority for SRLEV and will continue to be a focal point for its Board and Risk Committees in the near future.

Over 2024 no major IT security incidents were identified at SRLEV.

SCR Operational Risk

Operational risk is the risk of losses caused by weak or failing internal procedures, weaknesses in the action taken by personnel, weaknesses in systems or because of external events. This takes into account legal risks, but risks that are a consequence of strategic decisions or reputational risks are disregarded. The technical provision for own risk is part of the calculation of the SCR operational risk.

The basic capital requirement for operational risk is calculated by taking the maximum of (a) the capital requirement for operational risks on the basis of earned premiums and (b) the capital requirement for operational risks on the basis of technical provisions and adding 25% of the expenses incurred in respect of unit linked business.

SCR Operational Risk

In € millions	2024	2023
SRLEV	155	147

Operational risk increased due to the increase of the technical provision.

8. Company Financial Statements

8.1. Company Statement of Financial Position

Before result appropriation and in € millions	Note [1]	31 December 2024	31 December 2023 [2]
Assets			
Property and equipment		–	14
Investments in associates		40	40
Subsidiaries	1	9,928	9,194
Receivables from group companies	2	1,298	1,356
Investment property	3	276	314
Investments	4	41,048	44,491
Deferred tax		718	787
Reinsurance contracts held assets		3	13
Corporate income tax		28	36
Other assets	5	73	98
Cash and cash equivalents	6	2,135	188
Assets held for sale	3	50	-
Total assets		**55,597**	**56,530**
Equity and liabilities			
Issued share capital [3]		0	0
Share premium reserve		2,552	2,787
Legal reserves		107	82
Other reserves		-2	2
Retained earnings		1,307	844
Total shareholder's equity		**3,964**	**3,715**
Holders of other equity instruments		510	400
Total equity	7	**4,474**	**4,115**
Financial liabilities		6,569	9,908
Insurance contract liabilities		44,024	41,821
Reinsurance contracts held liabilities		186	210
Provision for employee benefits		135	143
Other provisions		47	117
Other liabilities	8	163	217
Total equity and liabilities		**55,597**	**56,530**

1 The references next to the balance sheet items relate to the notes to the company statement of financial position in Section 9.2.
2 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals of the consolidated financial statements.
3 The issued and paid-up share capital of SRLEV N.V. is € 45,000. Due to negative equity in some subsidiaries, share capital is corrected and transferred to the share premium account.

8.2. Company Statement of Profit or Loss

In € millions	Note [1]	2024	2023 [2]
Insurance revenue		1,946	1,809
Insurance service expenses		-1,758	-1,634
Net expenses from reinsurance contracts		-7	-13
Insurance service result		**181**	**163**
Result on investments		2,412	3,230
Share in result of subsidiaries [3]	11	704	447
Impairment losses and reversals		1	1
Investment result		**3,116**	**3,677**
Insurance finance income or expenses		-2,634	-2,375
Reinsurance finance income or expenses		5	-131
Insurance finance income and expenses		**-2,629**	**-2,507**
Other income		7	3
Other operating expenses		-39	-131
Other finance result		-31	-36
Total other income and expenses		**-62**	**-164**
Result before tax		**606**	**1,169**
Tax expense		-96	-288
Net result for the period		**509**	**881**
Attributable to:			
- Shareholder		481	853
- Holders of other equity instruments		28	28
Net result for the period		**509**	**881**

1 The references next to the income statement items relate to the notes to the company statement of profit or loss in Section 9.2.
2 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.
3. The impact of negative equity in some subsidiaries is adjusted in investment result of subsidiaries.

8.3. Company Statement of Total Comprehensive Income

Company Statement of Comprehensive Income

In € millions	2024	2023 [1]
Net result for the period	**509**	**881**
OCI not to be reclassified subsequently to profit or loss		
Changes in valuation of defined benefit pension plan	8	8
Income tax relating to items that never be reclassified	-2	-2
Net OCI never reclassified to profit or loss	**6**	**6**
OCI to be reclassified subsequently to profit or loss		
Net change in foreign currency translation reserve	-2	2
Changes in fair value	-2	2
Income tax relating to items that may be reclassified	1	-
Net OCI to be reclassified to profit or loss subsequently	**-4**	**3**
Other comprehensive income (net of tax)	**2**	**9**
Total comprehensive income (net of tax)	**512**	**890**
Attributable to:		
- Shareholder	484	862
- Holders of other equity instruments	28	28
Total comprehensive income	**512**	**890**

1 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

8.4. Company Statement of Changes in Equity

Company Statement of Changes in Equity 2024

In € millions	Issued share capital [1]	Share premium reserve	Legal reserves	Sum other reserves	Retained earnings	Total share-holders' equity	Holders of other equity instruments	Total equity
Balance as at 1 January 2024	**0**	**2,787**	**82**	**2**	**844**	**3,715**	**400**	**4,115**
Other comprehensive income	–	–	–	-4	6	**2**	–	**2**
Net result 2024	–	–	–	–	509	**509**	–	**509**
Total comprehensive income 2024	**-**	**-**	**-**	**-4**	**516**	**512**	**-**	**512**
Interest on other equity instruments	–	–	–	–	-28	**-28**	–	**-28**
Capital injection	–	75	–	–	–	**75**	–	**75**
Capital distribution	–	-310	–	–	–	**-310**	–	**-310**
Issuance of other equity instruments	–	–	–	–	–	**-**	110	**110**
Other movements	–	–	25	–	-25	**-**	–	**-**
Other movements 2024	**-**	**-235**	**25**	**-**	**-53**	**-263**	**110**	**-153**
Total changes in equity 2024	**-**	**-235**	**25**	**-4**	**463**	**249**	**110**	**359**
Balance as at 31 December 2024	**0**	**2,552**	**107**	**-2**	**1,307**	**3,964**	**510**	**4,474**

1 The share capital issued is fully paid-up and comprises of 90 ordinary shares with a nominal value of € 500.00 per share for a total value of € 45,000.

The Executive Board proposes to the General Meeting of Shareholders to distribute no dividends on ordinary shares for 2024. Please refer to note 8 Equity in the consolidated financial statements for the disclosure of the material changes.

Statement of Changes in Other Reserves 2024

In € millions	Revaluation reserve property and equipment	Fair value reserve	Foreign currency translation reserve	Sum other reserves
Balance as at 1 January 2024	**2**	**-**	**-**	**2**
Unrealised revaluations	-2	–	–	**-2**
Unrealised currency differences	–	–	-2	**-2**
Income tax	1	–	–	**1**
Total changes in equity 2024	**-2**	**-**	**-2**	**-4**
Balance as at 31 December 2024	**-**	**-**	**-2**	**-2**

Company Statement of Changes in Equity 2023

In € millions	Issued share capital [1]	Share premium reserve	Legal reserves	Sum other reserves	Retained earnings	Total share-holders' equity	Holders of other equity instruments	Total equity
Balance as at 1 January 2023	**0**	**2,739**	**73**	**-1**	**-69**	**2,742**	**400**	**3,142**
Adjustment legal merger between SRLEV and Proteq	–	48	–	–	-10	**38**	–	**38**
Adjusted balance as at 1 January 2023	**0**	**2,787**	**73**	**-1**	**-6**	**2,853**	**400**	**3,253**
Other comprehensive income	–	–	–	3	6	**9**	–	**9**
Net result 2023	–	–	–	–	881	**881**	–	**881**
Total comprehensive income 2023	**-**	**-**	**-**	**3**	**887**	**890**	**-**	**890**
Interest on other equity instruments	–	–	–	–	-28	**-28**	–	**-28**
Other movements	–	–	9	–	-9	**-**	–	**-**
Other movements 2023	**-**	**-**	**9**	**-**	**-37**	**-28**	**-**	**-28**
Total changes in equity 2023	**-**	**-**	**9**	**3**	**850**	**862**	**-**	**862**
Balance as at 31 December 2023	**0**	**2,787**	**82**	**2**	**844**	**3,715**	**400**	**4,115**

1 The share capital issued is fully paid-up and comprises of 90 ordinary shares with a nominal value of € 500.00 per share for a total value of € 45,000.

Statement of Changes in Other Reserves 2023

In € millions	Revaluation reserve property and equipment	Fair value reserve	Foreign currency translation reserve	Sum other reserves
Balance as at 1 January 2023	**2**	**-1**	**-1**	**-1**
Unrealised revaluations	–	2	–	**2**
Unrealised currency differences	–	–	2	**2**
Total changes in equity 2023	**-**	**1**	**2**	**3**
Balance as at 31 December 2023	**2**	**-**	**-**	**2**

8.5. Company Cash Flow Statement

In € millions	2024	2023 [1]
Cash flow from operating activities		
Result before tax from continued operations	606	1,169
Result before tax	**606**	**1,169**
Adjustments for non-cash items included in profit before tax:		
Depreciation and amortisation of non-current assets	–	1
Change in provision for employee benefits	–	3
Changes in provisions	-70	102
Impairment charges / (reversals)	-1	-1
Unrealised results on investments through profit or loss	-1,589	-3,552
Retained share in the result of associates	-700	-443
Taxes		
Taxes paid / received	-20	-22
Change in operating assets and liabilities:		
Change in amounts due from banks	–	1,206
Change in amounts due to banks	-423	-317
Change in investments property	24	8
Change in investments	2,143	1,575
Change in other assets	83	60
Change in insurance and reinsurance contracts (held) assets and liabilities	2,190	1,480
Change in other liabilities	-54	-79
Net cash flow from operating activities	**2,190**	**1,191**
Cash flow from investment activities		
Capital injection subsidiaries	–	-15
Investment in subsidiaries	-97	-1,145
Capital distribution from subsidiaries	36	–
Sale and disposal of subsidiary	86	49
Net cash flow from investment activities	**24**	**-1,111**
Cash flow from finance activities		
Capital injection	75	–
Capital distribution	-310	–
Issue of other equity instruments	110	–
Redemption of subordinated loans	-113	–
Interest payment of subordinated notes	-28	-28
Net cash flow from financing activities	**-266**	**-28**
Net increase in cash and cash equivalents	**1,948**	**52**
Cash and cash equivalents 1 January	188	136
Cash and cash equivalents as at 31 December	**2,135**	**188**
Additional disclosure with regard to cash flows from operating activities:		
Interest received	1,282	2,383
Dividends received	83	78
Interest paid	532	1,621

1 The comparative figures are adjusted in relation to the merger between SRLEV N.V. and Proteq Levensverzekeringen N.V. For more information relating to the legal merger, please refer to Section 6.2 Pension Risk Transfers, Acquisitions and Disposals.

9. Notes to the Company Financial Statements

9.1. Accounting Policies to the Company Financial Statements

General

Basis of Preparation

Pursuant to the option offered in article 2:362(8) of the Dutch Civil Code, SRLEV prepares its company financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. These are the same accounting policies as those used for the consolidated financial statements (refer to Section 6.1 Principles for the preparation of the consolidated financial statements).

Applicable Accounting Policies

Where applicable, for items not described in this section, the accounting policies applied for the company financial statements are the same as those described in the section 6.1 Accounting policies for the consolidated financial statement. SRLEV has initially applied IFRS 17 and IFRS 9 from 1 January 2023. These standard have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. A part of the impact of the transition to IFRS 9 is reflected through SRLEV's subsidiaries.

For the items not separately disclosed in the notes to the company financial statement, reference is made to the notes in the section 6.3 Notes to the consolidated financial statements.

Subsidiaries

Subsidiaries are companies and other entities in which SRLEV N.V. has the power, directly or indirectly, to govern the financial and operating policies and that are controlled by SRLEV N.V. Subsidiaries are recognised using the equity method of accounting.

Movements in the carrying amounts of subsidiaries due to changes in their revaluation, cash flow, fair value and profit-sharing reserves are recognised in shareholder’s equity.

Movements in the carrying amounts arising from the share of result of subsidiaries are recognised in accordance with the accounting policies of SRLEV N.V. in profit or loss. The distributable reserves of subsidiaries are recognised in retained earnings.

Receivables from and Debts to Group Companies

Loans (including subordinated loans) to and from group companies are measured at amortised cost.

Legal Reserve

The legal reserve is a statutory reserve in accordance with Section 2:373(4) of the Dutch Civil Code and is therefore not freely distributable. For more information we refer to Section 9.2, Note 7 Legal Reserves.

9.2. Notes to the Company Financial Statements

1. Subsidiaries

Statement of Changes in Subsidiaries

In € millions	2024	2023
Balance as at 1 January	**9,194**	**7,638**
Acquisitions	97	1,145
Capital issue	–	15
Capital distribution	-36	–
Disposals and redemptions	-59	-49
Revaluations	58	2
Result	700	443
Other movements	-27	–
Balance as at 31 December	**9,928**	**9,194**

The amount of € 97 million (2023: € 1,145 million) presented as acquisitions concerns investments in Athora Lux Invest of € 97 million (2023: € 1,145 million). Athora Lux Invest is an umbrella investment fund with sub-funds, in which SRLEV is the only investor. At the end of 2024 several sub-funds specialised in commercial real estate, middle market direct lending, large cap lending and leveraged loans were controlled by SRLEV.

In 2023, capital issue concern a share premium payment to RE NL Holding 1 S.à.r.l. of € 13 million and Dumenza Sp. Z.o.o. of € 5 million. Share capital of RE NL Holding 1 S.à.r.l. increased with € 1 million and share capital of Athora France Sky Holdings 1 SASU decreased with € 5 million.

In 2024, RE Young Urban Housing B.V. made a capital distribution of € 13 million via the share premium reserve to its shareholder SRLEV N.V. REAAL Wognumsebuurt B.V. (€ 7 million), REAAL Woningen I B.V. (€ 9 million), REAAL De Ruyterkade B.V. (€ 5 million) and RE NL Holding 1 S.à.r.l. (€ 2 million) made a capital distribution via the other reserves to its shareholder.

In 2024, the amount of € 59 million (2023: € 49 million) presented as disposals and redemptions concerns redemptions in Rabo Dutch Mortgages Fund Yellow of € 43 million (2023: € 46 million) and Dutch Mortgage Investment Fund of € 16 million (2023: € 3 million). Rabo Dutch Mortgages Fund Yellow and Dutch Mortgage Investment Fund are investment funds controlled by SRLEV specialised in acquiring mortgages. SRLEV is the only investor in the funds.

Included in Revaluations in 2024, there were four subsidiaries with negative equity of € 61 million where the negative equity was fully reduced against the intercompany loans with these subsidiaries.

Other movements represents the liquidation of four wholly owned subsidiaries. Refer to Note 27 List of Principal Subsidiaries in the Consolidated Financial Statements.

2. Receivables from Group Companies

Breakdown of Receivables from Group Companies

In € millions	2024	2023
Collateralised loans	928	988
Loans	343	334
Receivables	26	34
Balance as at 31 December	**1,298**	**1,356**

Loans

In € millions	Coupon	Maturity	2024	2023
GVR 500 Building B.V.	5.750%	2012 - 2032	8	45
Bellecom N.V.	3.300%	2019 - 2029	24	22
PDC Industrial Center 143 Sp. z o.o	3.120%	2022 - 2032	17	16
Athora France Sky Holdings 1 SASU	3.600%	2022 - 2032	71	69
RE NL Holding 1 S.à.r.l.	4.400%	2022 - 2032	46	44
RE NL Holding 1 S.à.r.l.	9.850%	2022 - 2032	13	12
Athora Lux Earth Holdings 1 S.A.	2.750%	2021 - 2031	56	68
Athora Lux Earth Holdings 1 S.A.	5.530%	2023 - 2032	38	43
Dumenza sp. z.o.o.	5.110%	2023 - 2033	16	15
Athora Lux Invest	4.348%	2024 - 2025	55	–
Total			**343**	**334**

3. Investment Property

Statement of Changes in Investment Property

In € millions	2024	2023
Balance as at 1 January	**314**	**335**
Reclassifications	14	17
Investments	1	7
Divestments	-29	-15
Revaluations	25	-29
Other movements	1	–
Properties held for sale	-50	–
Balance as at 31 December	**276**	**314**

In 2024, six properties were reclassified as held for sale with total amount of € 131 million, including two properties from SRLEV company, accounting for € 50 million.

4. Investments

The investments comprise solely of investments measured at FVTPL.

Breakdown of Investments

In € millions	Measurement category	2024	2023
For general account:			
Bonds	FVTPL Mandatory	16,575	13,579
Other private loans	FVTPL Mandatory	518	613
Mortgages	FVTPL Mandatory	41	46
Private loans linked to savings mortgages	FVTPL Designated	3,042	3,325
Deposits	FVTPL Mandatory	2	24
Total debt instruments		**20,178**	**17,587**
Shares and similar investments	FVTPL Mandatory	1,329	4,984
Derivatives	FVTPL Mandatory	3,780	6,429
Loans and advances due from banks	Amortised cost, FVTPL Mandatory	2,363	3,059
Total investments for general account		**27,650**	**32,059**
For account of policyholders:			
Shares and similar investments	FVTPL Mandatory	13,168	12,109
Bonds	FVTPL Mandatory	231	322
Total investments for account of policyholders		**13,398**	**12,431**
Total Investments		**41,048**	**44,491**

Statement of Changes in Investments

	Investments for general account		Investments for account of policyholders		Total	
In € millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance as at 1 January	**32,059**	**37,368**	**12,431**	**11,507**	**44,490**	**48,875**
Purchases and advances	28,200	48,371	1,094	1,572	**29,294**	**49,943**
Disposals and redemptions	-26,320	-50,093	-1,673	-2,082	**-27,993**	**-52,175**
Fair value changes	-2,588	-3,790	1,538	1,435	**-1,049**	**-2,355**
Foreign currency differences	94	60	8	–	**102**	**60**
Cash movements	-525	-421	-2	-2	**-526**	**-423**
Accrued Interest	671	640	1	2	**672**	**642**
Dividend Received/Negative Distribution	-58	-76	–	-1	**-58**	**-77**
Reclassifications	-3,885	-	–	–	**-3,885**	**-**
Balance as at 31 December	**27,650**	**32,059**	**13,398**	**12,431**	**41,048**	**44,490**

5. Other Assets

Breakdown of Other Assets

In € millions	2024	2023
Receivables from intermediaries	10	34
Other accrued assets	52	36
Accrued assets	**62**	**69**
Other receivables	11	29
Total	**73**	**98**

The increase in other accrued assets is mainly due to an increase in accrued investment income. The receivables are expected to be recovered within twelve months after reporting date.

6. Cash and Cash Equivalents

Breakdown of Cash of Cash Equivalents

In € millions	2024	2023
Cash at bank	128	188
Money market funds classified as cash equivalents [1]	2,007	-
Total	**2,135**	**188**

1 Due to a change in 2024. SRLEV present the holdings in units of Money Market fund under the reporting category Cash and Cash Equivalents, reflecting their primary purpose for short-term working capital liquidity needs. The change aligns the classification with the operational use of these holdings and will be applied prospectively without restating the comparatives.

Cash at bank are at the company's free disposal.

7. Equity

Issued Share Capital

The issued share capital has been fully paid-up and consists of ordinary shares with a nominal value of € 500.00 per share. 90 ordinary shares had been issued at 31 December 2024 (2023: 90).

Breakdown of Issued Share Capital

	Number of ordinary shares		Amount of ordinary shares (in € thousands)	
In € millions	**2024**	**2023**	**2024**	**2023**
Authorised share capital	450	450	225	225
Share capital in portfolio	360	360	180	180
Issued share capital as at 31 December	**90**	**90**	**45**	**45**

Legal Reserves

The total shareholder's equity as per 31 December 2024 amounts to € 3,964 million (2023: € 3,715 million) of which € 107 million (2023: € 78 million) is restricted for dividend pay-out due to the requirements in Section 2 of the Dutch Civil Code to hold legal reserves for unrealised gains for revaluation of property in own use, profits and capital increases in associates and joint ventures and unrealised gains on investments that are accounted FVTPL and have no frequent market quotation and share capital of SRLEV and its subsidiaries. The legal reserves are determined by applying RJ 240.224c that has become effective with the implementation of IFRS 17. RJ 240.224c allows under certain conditions to reduce the Dutch legal reserves from the positive revaluations of investments by the unrealised value increase of insurance contract liabilities. In addition to these legal reserves also other requirements are considered in determining whether equity can be distributed (see section 7.4 on Capital Management).

8. Other Liabilities

Breakdown of Other Liabilities

In € millions	2024	2023
Debts to group companies	15	86
Debts in relation to direct insurance	3	12
Debts to reinsurers	8	9
Investment transaction to be settled	49	36
Other payables	87	73
Accrued interest	–	1
Total	**163**	**217**

The other liabilities are expected to be settled within twelve months after the reporting date.

9. Guarantees, Commitments and Contingent Liabilities

For details on off-balance sheet commitments, see Note 14 Guarantees and Commitments of the consolidated financial statements.

10. Related Parties

Intra-group Balances between SRLEV N.V. and Subsidiaries

In € millions	2024	2023
Positions		
Assets		
Loans and advances	343	334
Collateralised securities	928	988
Receivables	26	34
Accrued interest (Other assets)	18	12
Liabilities		
Other liabilities	15	81
Transactions		
Capital issue to subsidiaries	–	15
Capital distribution from subsidiaries	36	–
Movements receivables	-8	9
Movements collateralised securities	-60	-29
Movements Loans and advances	9	36
Movements accrued interest	6	8
Movements other liabilities	-66	-30
Other income and expenses		
Interest loan and receivables	38	37

For details on the intra-group balances and transactions between SRLEV, Athora Netherlands, Athora and Affiliates, including the board remuneration, see Note 15 Related parties of the consolidated financial statements.

11. Share in Result of Subsidiaries and Associates

Breakdown of Share in Result of Subsidiaries

In € millions	2024	2023
REAAL De Ruijterkade B.V.	-1	-1
REAAL Woningen I B.V.	–	-1
GVR 500 Building B.V.	-6	1
RE Young Urban Housing B.V.	1	–
Bellecom N.V.	-2	-2
Rabo Dutch Mortgages Fund Yellow	103	45
Dutch Mortgage Investment Fund 2020	49	18
Share Debt Programme	22	25
Athora Lux Invest	564	436
PDC Industrial Center 143 Sp. z o.o	-4	-2
Dumenza Sp. Z o.o	–	1
RE NL Holding 1 S.à.r.l.	–	-7
Athora Lux Earth Holdings 1 S.A.	-5	-33
Athora France Sky Holdings 1 SASU	4	-1
CBRE Property Fund Central and Eastern Europe	4	4
Other	-24	-37
Total	**704**	**447**

12. Audit Fees

Pursuant to Section 382a(3) of Book 2 of the Dutch Civil Code, the company has availed itself of the exemption from disclosing the audit fees in the annual report. These disclosures have been included in the Annual Report 2024 of Athora Netherlands N.V.

13. Result Appropriation

For the provisions of the articles of association governing the appropriation of profit or loss reference is made to Section Other information.

The Executive Board proposes to the General Meeting of Shareholders to add the positive result for 2024 of € 508 million to the retained earnings of SRLEV N.V.

In accordance with the resolutions of the General Meeting of Shareholders of SRLEV N.V. and Proteq Levensverzekeringen N.V., both held on 27 March 2024, the positive results for 2023 of € 857 million of SRLEV N.V. and € 24 million of Proteq Levensverzekeringen N.V. have been added to the retained earnings of SRLEV N.V. and Proteq Levensverzekeringen N.V. respectively.

As a result of the merger of SRLEV N.V. and Proteq Levensverzekeringen N.V., Proteq Levensverzekeringen N.V. ceased to exist and in SRLEV the financial statements are combined as if they have been a single entity in 2024 and prior periods. Therefore, in the company statement of changes in equity the total of the positive results for 2023 of € 881 million has been added to the retained earnings of SRLEV N.V.

Amsterdam, the Netherlands, 19 March 2025

The Supervisory Board

R.M.S.M. (Roderick) Munsters

E. (Elisabeth) Bourqui

F.G.H. (Floris) Deckers

J.M.A. (Hanny) Kemna

T.P. (Todd) Solash

H. (Henk) Timmer

The Executive Board

J.A. (Jan) de Pooter

A.P. (Annemarie) Mijer-Nienhuis

E.P. (Etienne) Comon

J.H. (Jan-Hendrik) Erasmus

Other Information

Provisions in Articles of Association Governing the Appropriation of Profit or Loss

Article 36 Profit and Loss; general

1. The profits shall be at the free disposal of the general meeting.
2. If the general meeting does not resolve to distribute profit of such financial year, that profit will be added to the general reserves.
3. The company may only make distributions to shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law. The reserves created in accordance with article 35 by the management board are not subject to distribution to shareholders and other persons who are entitled to profit distribution.
4. Profits will be only distributed after adoption of the annual accounts showing that this is justified.

Article 37 Profit and Loss; distributions

1. Dividends shall be payable within fourteen days following their adoption, unless the general meeting determines another date on the proposal of the management board.
2. Dividends which have not been collected within five years after they became due and payable shall revert to the company.
3. The general meeting may resolve that dividends shall be distributed in whole or in part in a form other than cash.
4. Interim distributions shall be made if the general meeting so determines on the proposal of the management board, including an interim distribution of reserves, subject to due observance of the provisions of section 2:105 subsection 4 Civil Code.
5. A deficit may only be offset against the reserves prescribed by law, to the extent permitted by the law or by these articles of association.

EY
Shape the future
with confidence

Independent auditor's report

To: the shareholder and the supervisory board of SRLEV N.V.

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

Our opinion

We have audited the accompanying financial statements 2024 of SRLEV N.V. (hereinafter: SRLEV or the Company), based in Alkmaar, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of SRLEV as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company statements of financial position as at 31 December 2024
- The following statements for 2024: the consolidated and company statements of profit or loss, total comprehensive income and changes in equity and the consolidated and company cash flow statements
- 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 SRLEV in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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 for professional accountants).

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

Information in support of our opinion

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 following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

SRLEV is a life insurance company with Athora Netherlands N.V. as holding company. SRLEV is structured in several components, mainly for the purpose of holding investments. In 2024 SRLEV N.V. and Proteq Levensverzekeringen N.V. legally merged in a transaction under common control. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€ 59 million (2023: € 56 million)
Benchmark applied	1.5% of total shareholder's equity as at 31 December 2024 (2023: 1.5% of total shareholder's equity)
Explanation	We consider SRLEV's total shareholder's equity, solvency, and the ability to meet policyholder liabilities, key indicators for the users of its financial statements. As such, we have based materiality on total shareholder's equity.

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 in excess of € 3 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

SRLEV is at the head of a group of entities and is structured in components. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the components within the group at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group.

We have:
- performed audit procedures ourselves at SRLEV N.V. level and
- selected components, including investments managed in Luxembourg, to perform audits for group reporting purposes because we identified a significant risk of material misstatement for one or more account balances and/or disclosures in respect of areas such as like fair value measurement of investments and related disclosures

This resulted in a coverage of 100% of the result before tax, 100% of insurance revenue, 100% of total assets and 100% of total shareholder's equity.

We performed site visits to meet with the EY component team in Luxembourg, observed the component operations, discussed the group risk assessment and the risks of material misstatements. We reviewed and evaluated the adequacy of the deliverables from all component teams and reviewed key working papers to address the risks of material misstatement. We held planning meetings, key meetings required based on circumstances and closing meetings with all component teams. During these meetings and calls, amongst others, the planning, procedures performed based on risk assessments, findings and observations were discussed and any further work deemed necessary by the primary or component team was then performed.

By performing the audit work mentioned above at the components within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a client in the financial services industry. We included specialists in the areas of IT audit, forensics, sustainability, legal and income tax and have made use of our own actuaries and experts in the areas of valuation of technical provisions and valuation of unlisted investments.

Our focus on climate risks and the energy transition

Climate change and the energy transition are high on the public agenda and lead to significant change for many businesses and society. The executive board of SRLEV has reported in the Sustainability paragraph (section 3.4 of the Board report) how the Company is addressing climate-related and environmental risk also taking into account related regulatory and supervisory guidance and recommendations.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the possible effects of the energy transition are taken into account in accounting estimates and significant assumptions, including those related to the estimation of liabilities related to insurance contracts and investments, as well as in the design of relevant internal control measures by SRLEV. Furthermore, we read the SRLEV's Board Report and considered whether there is any material inconsistency with the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the accounting estimates or significant assumptions used in preparing the financial statements per 31 December 2024.

Our focus on fraud and non-compliance with laws- and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control including the risk assessment process and the executive board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.
We refer to Section 7.9 of the financial statements for the executive board's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. In our risk assessment we considered the potential impact of amongst others organizational changes. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 6.1 to the consolidated financial statements, section 'Estimates and Assumptions'. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

We specifically evaluated the significant judgments and decisions made in preparing the following accounting estimates, also considering the presumed risks of fraud in recognition of related revenues:

- Insurance contract liabilities and related insurance revenue: assumptions about expenses (including inflation, allocation of costs and investment expense) and the Illiquidity Premium (ILP) reflected in the discount rate (reference is made to our key audit matter 'Estimates used in the calculation of insurance contract liabilities').
- Investments recognized at fair value with changes in fair value recognized in the statement of profit and loss (result on investments), in particular 'other private loans' (reference is made to our key audit matter 'Fair value measurement of illiquid investments'); and

- The expected spreads assumptions used in the calculation of the OCG, LAC/DT (Solvency II) and the DTA recoverability assessment (reference is made to Note 7.4 Capital Management' to the consolidated financial statements). We addressed this amongst others by assessing the company's methodology; the feasibility of transition to the Strategic Asset Allocation; and by benchmarking spreads with independent sources and challenging expert judgement used.

We considered available information and made enquiries of relevant executives, directors (including internal audit, legal, compliance, actuarial function and risk management) and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the executive board, inspecting the integrity risk analysis (SIRA), reading minutes, inspection of internal audit, compliance and risk management reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters, communicated with and inspected correspondence with regulatory and supervisory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. In this context, we refer to Section Compliance Risk Note 7.9 for information about regulatory matters in 2024. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in Note 6.1. Accounting Policies for the Consolidated Financial Statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the executive board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future. We discussed and evaluated the specific assessment with the executive board exercising professional judgment and maintaining professional skepticism.

We considered whether the executive board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, also focusing on whether the Company will continue to meet the regulatory solvency requirements. To this end, we also inspected the Own Risk & Solvency Assessment (ORSA). If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, we removed the key audit matters 'Initial application of IFRS 17 / 9' and the 'Valuation of Unit-Linked provision' due to the settlement reached as disclosed under 'Legal Proceedings' in Note 14 to the consolidated financial statements.

Fair value measurement of illiquid investments	
Risk	SRLEV invests in various asset classes and continued the re-risking of the investment portfolio in 2024. Almost all financial assets and derivative liabilities are carried at fair value in the balance sheet with changes in fair value recognized in profit or loss. Of the total financial assets and derivatives liabilities measured at fair value, 36% and 100% respectively, is related to investments for which no published prices in active markets are available. Fair value measurement can be subjective, especially in areas of the market reliant on model-based valuation. Valuation techniques for mortgages, loans, investment property and for non-listed equities, bonds and derivatives involve setting various assumptions regarding pricing factors which requires management judgment. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value. Associated disclosures are complex and dependent on high quality data. In this context, we take into account the possibility that management can override internal control measures and other unauthorized forms of influencing the financial reporting process, specifically relating to the fair value measurement of other private loans. We therefore consider the fair value measurement of investments a key audit matter. Specific areas of our audit focus included the valuation of Level 2 assets (non-listed investment with observable input for valuation) and Level 3 assets (non-listed investment without observable input for valuation) where valuation techniques are applied in which significant unobservable inputs are used. We refer to the General Accounting Policies (Note 6.1) on Estimates and Assumptions and Note 25 Fair Value Hierarchy of the notes to the consolidated financial statements.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of the Company's accounting policies related to the fair value measurement of investments in accordance with IFRS 13 Fair Value Measurement and current market practice. We evaluated the design and tested operating effectiveness of the controls over valuation. In addition, we carried out the following specific activities: ▸ Considered the company's valuation working group report and minutes and held discussions with management to update our understanding of the changes in the investment portfolio. ▸ Tested the valuation, whereby our audit procedures included, among others, back testing procedures and involving our valuation specialists to evaluate the valuation methodologies used with respect to the company's policies, valuation guidelines, and industry practice and comparing a sample of valuation inputs used against benchmarks. Specifically for the other private loan portfolio, we reconciled the valuations with external valuation reports where applicable. We also performed independent investment valuations on a sample basis to evaluate management's recorded values.

Fair value measurement of illiquid investments	
	Finally, we evaluated the related disclosures in accordance with IFRS 7 Financial instruments: disclosures and IFRS 13 Fair Value Measurement.
Key observations	Based on our procedures performed, we consider the fair value of illiquid investments to be within a reasonable range.

Estimates used in the calculation of insurance contract liabilities	
Risk	SRLEV has insurance contract liabilities of €44.2 billion representing 76% of the Company's total liabilities, of which €30.8 billion is measured based on the general measurement model (GMM) and €13.4 billion is measured based on the variable fee approach (VFA) (Note 10 paragraph called 'Insurance Contracts'). The measurement of insurance contract liabilities involves judgment over uncertain future outcomes, mainly the ultimate total settlement value of long-term liabilities, including any guarantees provided to policyholders. SRLEV values the insurance contract liabilities for GMM and VFA as the sum of: (a) The present value of the fulfilment cash flows (the probability weighted future cash flows to fulfil the contract), increased with a risk adjustment for non-financial risks and (b) The contractual service margin (CSM) which represents the unearned profitability for the group of insurance contracts Complex (actuarial) models and calculation tools are used to determine the insurance contract liabilities, where it is important that the design and configuration are adequate, the assumptions used are suitable, and the source data used is accurate and complete. The use of other actuarial techniques and assumptions can lead to materially different outcomes of estimates regarding the insurance contract liabilities. When determining the result from insurance-related services, including revenues from insurance-related services, the same processes, tools, and assumptions are used. In this context, we take into account the possibility that management can override internal control measures and other unauthorized forms of influencing the financial reporting process. We therefore regard the estimates used in calculating the insurance contract liabilities including CSM as a key audit matter. We consider the discount rate applied to discount the expected future cash flows, including the Illiquidity Premium (ILP) reflected in that discount rate, a significant estimate. The valuation of insurance contract liabilities requires significant judgment in determining the assumptions about future expenses, including the scalability of ongoing expenses and inflation, and in determining the risk adjustment including the Cost of Capital percentages and risk drivers applied for determining future risk capitals. Finally, the CSM release in the reporting period and the release from the provision for expected benefits, claims and other costs related to insurance services, are important drivers in determining the revenue from insurance-related services. We refer to the Accounting Policies for the Statement of Financial position (6.1) on Insurance Contract Liabilities and Note 10 Insurance Contract Liabilities and Reinsurance Contracts held Assets and Liabilities in the notes to the consolidated financial statements.
Our audit approach	Our audit procedures included assessing the appropriateness of the company's accounting policies related to the measurement of insurance liabilities in accordance with IFRS 17 "Insurance contract liabilities". We evaluated the design and tested operating effectiveness of

Estimates used in the calculation of insurance contract liabilities	
	relevant controls over the calculation of insurance contract liabilities including CSM as well as relevant controls safeguarding the reliability of source data. We involved our actuarial specialists to assist us in performing audit procedures in this area. This included among others consideration of the appropriateness of the mortality, longevity, expense (including inflation), lapse assumptions and discount curves used in the valuation of the insurance contract liabilities. As part of these procedures, we evaluated company and industry data, and expectations of developments in this respect. We evaluated whether the assumptions and methods used to determine estimates are appropriate and have been applied consistently. Our key audit procedures included an evaluation of the methodology that the company uses for calculating liabilities related to insurance contracts and understanding and evaluating the design of related internal control measures. In addition, we carried out the following audit procedures: ▸ Testing the accuracy and completeness of basic data as used in the valuation of the estimated future cash flows, by reconciling it to source systems. ▸ Evaluating the nature, timing, and completeness of changes in key assumptions, models, and methods including their impact on financial reporting. ▸ Evaluating the scope, depth, and results of model validation work that the company has performed for used (valuation) models and other calculation tools. ▸ Performing numerical analyses, including an analysis of changes in the present value of future cash flows from period to period, where based on our knowledge of the company and experience in the sector we assessed whether the changes are a good reflection of developments in the reporting period. ▸ Testing the assumptions used, such as assumptions regarding expenses, including the scalability of ongoing expenses and inflation, based on company-specific and sector-specific experience data and expected market developments and trends. With regard to the discount curves used, we specifically evaluated the level of the illiquidity premium (ILP) applied, by challenging the representativeness of the methodology and key assumptions used, and benchmarking of the spreads that are used as input to the ILP. ▸ Regarding the release of the CSM and the release from the provision for expected benefits, claims, and other costs related to insurance services for the groups of insurance contracts that have been accounted for under the GMM, we have tested the assumptions used by the company, performed numerical analyses on the results, assessed the coverage units and the amount of CSM allocated and calculated the CSM release independently for a selection of groups of insurance contracts. We evaluated SRLEVs' disclosures in relation to insurance contract liabilities in accordance with IFRS 17 Insurance contracts.
Key observations	We consider the estimates used in the calculation of insurance contract liabilities to be within a reasonable range.

Reliability and continuity of the information technology and systems	
Risk	SRLEV is highly dependent on its IT systems and IT infrastructure for the continuity of the operations and preparation of its financial statements. As disclosed in section 3.2 of the Board Report, SRLEV has migrated its data centres and part of the IT infrastructure to Tata Consultancy (TCS). Taking into account the significance of the IT systems and IT infrastructure for SRLEV's process of preparation of its annual accounts, we considered the reliability of the information technology and systems a key audit matter.
Our audit approach	IT audit professionals are an integral part of the audit team and assessed the reliability and continuity of the IT environment to the extent necessary for the scope of our audit of the financial statements. Our audit was not primarily designed to express an opinion on the continuity and reliability of SRLEV's automated data processing (or parts thereof). As part of our audit procedures, we have assessed the changes in the IT systems and IT infrastructure and have tested the reliability and continuity of the IT environment within the scope of the audit of the financial statements. Our procedures included evaluating the design and testing operating effectiveness of controls with regards to IT systems and processes relevant for financial reporting as well as additional (substantive) procedures if deemed necessary. For outsourced IT infrastructure we have evaluated the relevant reports on the description, design and operating effectiveness of controls, as well as related agreed-upon-procedures reports on controls at TCS. In response to the (inherent) increased frequency and severity of cyber incidents and heightened concerns from regulators and other stakeholders about cybersecurity attacks and breaches, we have evaluated cybersecurity risks as part of our annual audit procedures. Our main focus during this audit was to gain an understanding of the cybersecurity risks at SRLEV and the actions taken by the Company to address these risks.
Key observations	Our testing of IT systems and controls and substantive work performed, enabled us to rely on the IT systems and controls impacting financial reporting in 2024.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

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

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

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 substantially less than the scope of those performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information 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 supervisory board as auditor of SRLEV on 29 October 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

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

Description of responsibilities regarding the financial statements

Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the executive board is responsible for such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going concern basis of accounting unless the executive board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The executive 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 misstatements, whether due to fraud or error 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 on the basis of 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.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:
- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 19 March 2025

EY Accountants B.V.

Signed by M. Koning

Additional Information

Principles Gross Inflows

Definition and usefulness of Gross Inflows

Gross Inflows provide an indication for the business volumes through our insurance entity and comprise Written Insurance Premiums.

SRLEV N.V.

Basisweg 10, Amsterdam

Postbus 274, 1800 BH Alkmaar

ATHORA