Solvency Financial Condition Report 2024

Athora Netherlands N.V.

Table of Contents

Summary

Introduction

This Solvency Financial Condition Report (SFCR) of Athora Netherlands provides insight in Athora Netherlands' business performance, our system of governance, risk profile and capital management.

Approach

Athora Netherlands discloses most of the information that is required to be included in the SFCR in its Annual Report. Information that is included in the Annual Report is not duplicated in this document. This document includes all information required to be disclosed in the SFCR, either through a specific reference to the Annual Report 2024 or as supplemental information to the Annual Report 2024.

Content

The structure of the SFCR has been prepared in accordance with annex XX of the Solvency II Directive Delegated Acts. The subjects addressed are based on articles 51 to 56 of the Solvency II directive and articles 292 up to 298 of the Delegated Acts. Furthermore, the figures presented in this report are in line with the Annual Quantitative Reporting Templates as reported to DNB. This report of Athora Netherlands N.V. uses the name 'Athora Netherlands' for the consolidated insurance business as a whole. The SFCR of Athora Netherlands is a combined report which includes the solo insurance entity SRLEV N.V. (hereafter: SRLEV).

In this document the following topics are covered:

- Chapter A describes the business and performance of Athora Netherlands and of its solo entities.
- Chapter B discusses the system of governance.
- Chapter C contains the risk profile.
- Chapter D starts with a description of the method of valuation of the Solvency II balance sheet, followed by the various balance sheet items which are explained in relation to the IFRS financial statements.
- Chapter E provides a more detailed explanation of the own funds, Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) under Solvency II.
- The Quantitative Reporting Templates that are disclosed per legal entity are added in annex II.

The solvency amounts disclosed in this document are not final until filed with the regulator.

In this report the shown figures of Athora Netherlands are consolidated figures and figures of SRLEV are unconsolidated.

All amounts in this report are prepared in millions of euros which is the functional currency of Athora Netherlands and its underlying entities.

Summary

Business and Performance

The table below shows the eligible own funds, the Solvency Capital Requirement and the resulting Solvency II ratio for Athora Netherlands. For the SRLEV Solvency position, see chapter E Capital Management.

Solvency II Ratio

In € millions / percentages	2024[1]	2023[2]
Total eligible own funds	3,576	3,326
Consolidated group SCR	1,779	1,616
Solvency II Surplus	1,798	1,709
Solvency II ratio	201%	206%

1 Regulatory Solvency II ratio 2024 is not final until filed with the regulator
2 Figures as filed with the regulator

Athora Netherlands' Solvency II ratio remained strong in 2024 at 201% (YE2023: 206%). The increase in Solvency II Operating Capital Generation (OCG) of € 522 million (FY2023: € 457 million) was driven by a strategic shift towards higher return investments. The positive contribution of OCG and management actions were offset by shareholder capital distributions of € 310 million, investment deployment, market impacts and regulatory changes:

- Operating Capital Generation (OCG) in 2024 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 5%-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 repositioning of the investment portfolio which increased the Solvency Capital Requirement (SCR) contributing to a reduction of the Solvency II ratio of 19%-points. The repositioning of the investments will contribute to further growth of OCG. 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 7%-points. Financing actions in the first half, including a capital injection from Athora Group and liability management exercises added +11%-points. In the second half Athora Group supported Athora Netherlands with a capital injection to support the successful buy-out transaction which added +4%-points. These items were offset by € 310 million of capital distributions, which reduced the Solvency II ratio by 18%-points, and regular interest costs on debt instruments which reduced the Solvency II ratio by 4%-points.

Further information is included in section 8.4.6 Capital Position in the 2024 Annual Report of Athora Netherlands as well as the SRLEV 2024 Annual Report (section 7.4.6).

On 30 June 2024 the entities SRLEV and Proteq merged. As a result of this legal merger, Proteq ceased to exist as a separate entity and SRLEV acquired all assets and assumed all liabilities of Proteq as at 30 June 2024. The legal merger is effective as of 30 June 2024 and is retrospectively applied from 1 January 2024 in the accounting records, as the financial information of Proteq will be included in SRLEV's 2024 annual report. SRLEV will continue the activities of Proteq.

The 'Milestones' 2024 page at the end of this chapter highlights the main developments in 2024.

Further information about Business and Performance has been included in chapter A Business and performance.

System of Governance

Athora Netherlands implemented a consistent and efficient risk management system in which specific Solvency II requirements such as the Key Functions and the Own Risk and Solvency Assessment (ORSA) are incorporated. It operates an integrated approach, with risk management integral part of the decision-making process.

In order to maintain a sound and controlled organisation, the associated risks were addressed, managed and monitored according to the Athora Netherlands risk management procedures.

No material changes applied to the system of governance in 2024.

Further information about System of Governance has been included in chapter B 'System of Governance'.

Risk Profile

Managing Sensitivities

The solvency of Athora Netherlands is sensitive to changes in the parameters used for calculating the value of insurance liabilities. These relate to mortality risk, longevity risk, expense risk (including inflation) and surrender risk, since these insurance risks proved to have most impact on the SCR.

In addition to these insurance or underwriting risks, the other key risk is market risks predominantly driven by interest rate and (credit) spread risk. Sensitivities are performed to measure the impact of alternative scenarios such as market and interest rate movements.

Quantitative information about risks and related sensitivities for Solvency II have been described in chapter C ‘Risk profile’.

Valuation for Solvency purposes

The assets and liabilities in the Solvency II balance sheet are recognised and measured at fair value in accordance with the Solvency II regulation.

The following significant differences in measurement under Solvency II and under IFRS exist:

- Technical provisions – Under Solvency II the technical provisions are measured using Solvency II parameters, taking into account current market estimates. With respect to economic parameters used, there are differences regarding the interest rate curve and the cost of capital;
- 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.

To determine the capital requirements at consolidated level, Athora Netherlands applies the 'Accounting consolidation based method', according to which the capital requirements are calculated based on the Solvency II consolidated balance sheet.

Further information about valuation and an explanation of various balance sheet items and differences between Solvency II and IFRS has been included in chapter D ’Valuation for Solvency purposes’.

Capital Management

Capitalisation refers to the extent to which Athora Netherlands and its underlying legal entities have capital available to cover unforeseen losses and to achieve the strategic objectives of the company. See section 8.4.2 Capital Management in the 2024 Annual Report of Athora Netherlands for further information on the Capital Policy.

Athora Netherlands manages its capitalisation within limits set in the Risk Appetite Statements and sets annual targets culminating in a Capital & Funding Plan. Athora Netherlands assesses its capitalisation regularly. Further information about Capital Management is included in chapter E ’Capital Management’.

Please refer to the Annual Report 2024 of Athora Netherlands, in which further information has been included on the capital position and developments during 2024. A separate 2024 Annual Report for SRLEV is available for further information on SRLEV.

Events after the Reporting Date

Reference is made to section 7.3 Note 18 'Events after the reporting date' in the Annual Report 2024 of Athora Netherlands for further information.

Amsterdam, 19 March 2025

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.
- Athora Netherlands reached a final settlement agreement with interest groups regarding investment-linked insurance policies.

April

- Athora Netherlands/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 Athora Netherlands. Furthermore, former President and Deputy CEO of Athora Group Michele Bareggi stepped down from Athora Netherlands' Supervisory Board after having served his four-year term.
- Edwin van den Oever was appointed as new CEO of Zwitserleven PPI, the premium pension institution of Athora Netherlands.

June

- Athora Netherlands completed a tender offer on its existing Tier 2 notes resulting € 284 million of Fixed to Fixed Rate Subordinated Notes due 2031 being redeemed.
- 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 Athora Netherlands' data centres to TCS was completed.

September

- The migration of WTW's PPI portfolio to Zwitserleven PPI's platform 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

- Athora Netherlands 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.
- Athora Netherlands successfully completed a new bond issue and liability management exercise, refinancing its Restricted Tier 1 capital.

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.

A. Business and Performance

A.1. Business

Name and contact details

Business Information

Reporting reference date:	31 December 2024
Group undertaking name:	Athora Netherlands N.V.
Solo undertaking name:	SRLEV N.V.
Address:	Basisweg 10, Amsterdam
Contact:	Robert ter Weijden +31(0) 683713889
Shareholder:	Athora Netherlands Holding Limited 2nd Floor, IFSC House Custom House Quay Dublin, D01 R2P9, Ireland
Supervisor:	De Nederlandsche Bank Frederiksplein 61, 1017 XL Amsterdam +31(0) 205249111
External auditor:	EY Accountants B.V. Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam +31(0) 884071000

About Athora Netherlands

Athora Netherlands N.V. is the holding company of an insurance company and a Premium Pension Institution (Premie Pensioen Instelling or PPI) with strong positions in the Dutch life and pension markets. Pension products are offered under the main Zwitserleven brand and life insurance services are sold and provided under the Reaal brand.

Legal Entity

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

As a holding company, Athora Netherlands N.V. has no material, direct business operations, but employs all personnel and services the business with staff and IT support. The principal assets of Athora Netherlands N.V. are the equity interests it holds in its operating subsidiaries.

The figure below shows the simplified legal structure of Athora Netherlands N.V. as per 31 December 2024:

Shareholder

Athora Netherlands Holding Ltd. is the sole shareholder of Athora Netherlands N.V. 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.

Our Brands

Zwitserleven

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

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.

Acquisitions and Mergers

In 2024, the pension funds of Yara, Koopvaardij and Pensura decided to transfer all or part of their pension liabilities to Zwitserleven.

Reference is made to section 7.2 'Acquisitions and Disposals' in the Annual Report 2024 of Athora Netherlands for any other material information regarding the acquisitions and disposals of Athora Netherlands.

Developments

On 30 June 2024 the entities SRLEV and Proteq merged. As a result of this legal merger, Proteq ceased to exist as a separate entity and SRLEV acquired all assets and assumed all liabilities of Proteq as at 30 June 2024. The legal merger is effective as of 30 June 2024 and is retrospectively applied from 1 January 2024 in the accounting records, as the financial information of Proteq will be included in SRLEV's 2024 annual report. SRLEV will continue the activities of Proteq.

Reference is made to the section 3.2 'Developments and Business Performance' in the Annual Report 2024 of Athora Netherlands for further information regarding the business and performance of Athora Netherlands.

Events after the Reporting Date

Reference is made to section 7.3 Note 18 'Events after the reporting date' in the Annual Report 2024 of Athora Netherlands for further information.

A.2. Underwriting Performance

See A.3. below.

A.3. Investment Performance

Athora Netherlands' operating results, which include investment performance and underwriting results from both Athora Netherlands and its subsidiary SRLEV, are analysed comprehensively. The investment performance has improved through strategic portfolio rebalancing and diversification, resulting in increased investment income and operating capital generation.

For information on underwriting and investment performance, reference is made to the section 3.2 ‘Developments and Business performance’ in the Annual Report 2024 of Athora Netherlands and section 3.2 'Developments and Business performance’ in the Annual Report 2024 of SRLEV. For the underwriting performance, further reference is made to QRT S.05.01.02 ‘Premiums, claims and expenses by line of business’ and QRT S.05.02.04 ‘Premiums, claims and expenses by country’. For information on income and expenses from investments by asset class, details are disclosed in section 7.3 Note 20 ‘Investment Result’ in the Annual Report 2024 of Athora Netherlands.

A.4. Performance of Other Activities

Other material income and expenses incurred over 2024 are disclosed in section 7.3 Note 21 'Other income' in the Annual Report 2024 of Athora Netherlands.

A.5. Any Other Information

No other disclosures are applicable.

B. System of Governance

Introduction

This chapter contains information on the system of the governance in addition to governance information included in chapter 5 'Corporate Governance' in the Annual Report 2024 of Athora Netherlands and chapter 4 'Corporate Governance' in the Annual Report 2024 of SRLEV. The additional information includes a description of the main roles and responsibilities of the Key Functions and outsourcing.

B.1. General Information on the System of Governance

For a description of the structure of Athora Netherland's administrative, management and supervisory body, reference is made to the Corporate Governance section and the Report of the Supervisory Board, both included in the Annual Report 2024 of Athora Netherlands and to the website: https://www.athora.nl/en/about-us/organisation/governance/.

These sources also describe the main roles and responsibilities of these bodies, provide a brief description of the segregation of responsibilities within these bodies. Athora Netherlands' risk management and internal control system is aligned with the nature, scale and complexity of the organisation.

No material changes applied to the system of governance in 2024.

Reference is made to the section 'Managing Risks' of the 2024 Annual Report of Athora Netherlands for a description of how the risk management and internal control systems and reporting procedures are implemented.

Roles and Responsibilities of Key Functions

Reference is made to sections B3 to B6 of this report for information regarding the roles and responsibilities of Key Functions and to chapter 8 Managing Risks (section 8.2 'Risk Management Governance') of the Annual Report 2024 of Athora Netherlands.

Remuneration

The remuneration paragraph in the Annual Report 2024 of Athora Netherlands (chapter 5.4 Remuneration) describes the principles, governance and elements of the remuneration policies within Athora Netherlands. 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.

Material transactions

Reference is made to section 7.3 Note 16 'Related Parties' in the Annual Report 2024 of Athora Netherlands for further information regarding Athora Netherlands' related parties and the transactions and positions with its related parties.

B.2. Fit and Proper Requirements

The requirements on suitability for employees who effectively run Athora Netherlands or have Key Functions have been extensively described in their specific job profiles. The job profiles reflect the required experience and expertise of the Key Functions. The job profiles are frequently reviewed. All employees (including directors and senior management) are obliged to take the oath financial sector within three months of their appointment. The oath also reflects the required suitability and integrity of the (key)functions.

As part of its legal duties, the Dutch Central Bank (DNB) assesses the suitability and integrity of prospective statutory directors. The suitability and integrity of prospective second tier senior managers are assessed within Athora Netherlands. This internal assessment is subject to approval by the DNB. Employees with Key Functions are also assessed on suitability and integrity within Athora Netherlands. Athora has a Risk Policy Fit & Proper in place which covers the pre-employment screening of employees and the suitability and reliability screening of the Key Functions and the second tier management.

Within Athora Netherlands instruments are in place to assess and direct employees (including employees with Key Functions) on suitability and integrity during their employment. The screening on suitability and integrity is performed in accordance with the Key Functions fit and proper policy. Athora Netherlands and senior management in particular, also have the responsibility to detect and report signals of unreliable behaviour of employees. Employees whose integrity is in doubt can be imposed with a disciplinary action in accordance with the Risk Policy Disciplinary Actions Employees.

B.3. Risk Management System including the Own Risk and Solvency Assessment

Risk Management System General

Athora Netherlands has implemented 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. Further information is included in section 8.1 'Risk Management System' in the Annual Report 2024 of Athora Netherlands.

The risk management policy in Athora Netherlands ensures timely identification, assessment, monitoring, and reporting of various risks, structured from Solvency II legislation to implementation, and is reviewed annually. The company employs a robust process involving risk identification, measurement, mitigation, monitoring, and reporting to maintain risks within set limits and support informed decision-making. Further information is included in section 8.2 'Risk Management Governance' in the Annual Report 2024 of Athora Netherlands.

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 Athora Netherlands' 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.

Key functions

In accordance with Solvency II, Athora Netherlands recognises four Key Functions. The Functions carry out activities on behalf of all insurance entities of Athora Netherlands. All Key Functions are segregated 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.

See sections B.4 to B.6 for further information.

ORSA

As part of its risk-management system, Athora Netherlands conducts its own risk and solvency assessment (ORSA). The assessment includes:

- the overall assessment of solvency taking into account the specific risk profile, approved risk tolerance limits and the business strategy of Athora Netherlands;
- the significance in which the risk profile of Athora Netherlands deviates from the assumptions underlying the SCR calculated with the standard formula.

The ORSA is an integral part of Athora Netherlands' management control cycle and is filed with the regulator. Athora Netherlands performs the ORSA at least annually to ensure continuous capital adequacy.

In its ORSA, Athora Netherlands concludes that the standard formula is an appropriate risk management for Athora Netherlands' risk profile and Athora Netherlands' 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 Athora Netherlands' capital is sufficient. Athora Netherlands complies with capital requirements and has sufficient liquidity.

Further information is disclosed in section 8.4 'Capital Management' under 'ORSA' in the Annual Report 2024 of Athora Netherlands.

B.4. Internal Control System

Integrated Internal Control System

The Integrated Control Framework (ICF) is Athora Netherlands' 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 Athora Netherlands' management activities, operations and processes, the reliability of Athora Netherlands' financial, operational, internal and external reporting, and compliance with regulatory requirements.

Further information is included in section 8.3 'Risk Management Control' under 'Integrated Control Framework' in the Annual Report 2024 of Athora Netherlands.

Process Controls and Management Controls

Athora Netherlands periodically tests the effectiveness of process and management controls, with first line performing quarterly tests and second line conducting independent quality reviews, ensuring compliance with relevant legislation and internal policies, and reporting results to organisational risk committees.

Further information is included in section 8.3 'Risk Management Control' under 'Process Controls and Management Controls' in the Annual Report 2024 of Athora Netherlands.

Compliance Function

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, through:

- Systematic identification and analysis of Integrity Risks;
- Drafting and communicating understandable and clear policies, frameworks, guidelines procedures and measures with regard to Compliance Risks;
- (Pro) actively promoting within Athora Netherlands, a culture of integrity and openness;
- Stimulating the Athora Netherlands organisation in adhering to relevant laws and regulations, codes of conduct, policies and (internal) standards and monitoring and design, implementation and operation of the first line responsibility. Monitoring by the Compliance Function focuses on laws and regulations related to integrity and behaviour;
- Challenging both solicited and unsolicited proposals, advises, steering information and management in relation to Integrity and Compliance Risks;
- Reporting to Executive Board and Supervisory Board on adherence to laws and regulations and with regard to identified risks, shortcomings and which remedial measure were taken or are required to be taken.

The Compliance Function is established as a pure second line function within the Risk Organisation. It carries out its activities on behalf of all entities of Athora Netherlands and performs its tasks independently and takes into account the interests of all its relevant stakeholders. The Compliance department is positioned under the Director of Compliance, with leadership provided by the CRO. The Legal department is positioned under the General Counsel Office, with leadership provided by the CEO. In order to ensure the independent role of the Compliance Function Holder (CFH), several safeguards have been implemented, amongst others that the CFH (a) is represented in the relevant risk committees (the Operational Risk and Compliance MTs, PMP, P&CC and RC-SB); (b) has periodic bilateral meetings with the CEO and an escalation line to the CEO and if deemed necessary by the CFH, to the Chairman of the Supervisory Board; and (c) the Annual Compliance Plan and budget of the Compliance Function is subject to approval by the Executive Committee and the Risk Committee of the Supervisory Board.

B.5. Internal Audit Function

Internal Audit Athora Netherlands is the independently operating audit function. Internal 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.

Internal Audit Athora Netherlands does not take part in determining, implementing or steering of Athora Netherlands' risk appetite, risk management processes and risk responses. Internal 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.

Internal Audit Athora Netherlands performs risk-based audits on Athora Netherlands' 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, Internal Audit assesses whether risk management processes are sufficient to protect the assets, reputation, and ongoing operations of the organisation.

B.6. Actuarial Function

The Director Actuarial Risks is accountable for the Actuarial Function (AF). The main responsibilities of the AF are to coordinate the calculation of the technical provision, to express an opinion on the overall underwriting policy, to express an opinion on the adequacy of reinsurance arrangements and to contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the own risk and solvency assessment.

In order to ensure an independent opinion of the AF, safeguards have been implemented. The AF is represented in various risk committees. That is, in particular, the RC-SB, FRC, P&CC and PMP. The representation and escalation procedure are registered in the mandates of the committees. The AF co-operates closely with the Risk Management Function. The Director Actuarial Risks reports to the CRO, and the AF holder has a direct escalation line to both Executive Committee and the Chairman of the Supervisory Board. Position, rights and authorities of the AF are defined and approved on by the Executive Committee.

B.7. Outsourcing

Athora Netherlands has outsourced several business activities to improve its operational efficiency. The responsibility and accountability for the results of the activities performed by the service suppliers remains with Athora Netherlands. To manage the outsourcing risk Athora Netherlands has a outsourcing policy in place to safeguard controlled and sound business operations. The policy contains requirements and guidelines under which activities can be performed by an external service provider. The policy is applicable for all legal entities operating within Athora Netherlands.

The performance of the outsourcing of activities is regulated by a contract. The contract contains the conditions under which the service provider must operate. This includes quality standards, continuity guarantees and reporting requirements. The exit clauses are also taken up to guarantee a smooth hand over in case the activities have to be taken back by Athora Netherlands. Compliance by the service provider to the treaty is monitored through regularly discussions with the service provider and includes the option of conducting an audit by Athora Netherlands Internal Audit.

Athora Netherlands distinguishes between the following main outsourcing categories:

- Outsourcing of business processes to external service providers (Business Process Outsourcing). This relates to primary processes and ancillary processes.
- Outsourcing to other legal entities within Athora Netherlands. Control principles are applied in proportionality to the intra-group relation. This applies for example for Key Functions.
- Outsourcing of IT processes and/or assets to external service providers and/or suppliers. This concerns software development (customisation), management of IT components, housing of IT, or external hosting and management.
- Outsourcing of insurance activities to authorised agents.
- Outsourcing of asset management services.

B.8. Any Other Information

No other disclosures are applicable.

C. Risk Profile

Introduction

This chapter highlights the key risks encountered by Athora Netherlands, such as market, credit, insurance, operational, and liquidity risks.

Risk Taxonomy

Athora Netherlands' Risk Taxonomy provides a framework to identify, manage, and communicate various risks, ensuring they remain within acceptable tolerance levels. This framework includes defined risk types based on laws, regulations, and strategic goals, covering financial, compliance, operational, strategic, and emerging risks. Further information is included in section 8.2 'Risk Management Governance' under 'Risk Taxonomy' in the Annual Report 2024 of Athora Netherlands. The Annual Report section also includes information on risk sensitivities.

The risk management process, including the use of the prudent person principle, processes regarding concentration risk and risk mitigation, is included in section 8.3.4 Risk Management Process in the 2024 Annual report of Athora Netherlands.

The tables below show a breakdown of the SCR of Athora Netherlands and of its solo entity SRLEV.

Further information, including the development of the capital position, is explained in section 8.4.6 Capital Position in the 2024 Annual report of Athora Netherlands and in section 7.4.6 in the 2024 Annual Report of SRLEV.

Solvency Capital Requirement at 31 December 2024

In € millions	SRLEV	Athora Netherlands
Life underwriting risk	1,050	1,050
Market risk	1,705	1,693
Counterparty default risk	79	80
Diversification	-594	-593
Basic Solvency Capital Requirement	**2,241**	**2,230**
Operational risk	155	153
Loss-absorbing capacity of technical provisions	-	-
Loss-absorbing capacity of deferred taxes	-618	-615
Net Solvency Capital Requirement	**1,777**	**1,768**
Capital requirements of other financial sectors		10
SCR for undertakings included via D&A		-
Consolidated Group SCR		**1,779**

Solvency Capital Requirement at 31 December 2023

In € millions	SRLEV	Athora Netherlands
Life underwriting risk	1,022	1,040
Market risk	1,443	1,449
Counterparty default risk	101	104
Diversification	-566	-575
Basic Solvency Capital Requirement	**1,999**	**2,019**
Operational risk	147	147
Loss-absorbing capacity of technical provisions	-	-
Loss-absorbing capacity of deferred taxes	-554	-557
Net Solvency Capital Requirement	**1,592**	**1,608**
Capital requirements of other financial sectors		8
SCR for undertakings included via D&A		-
Consolidated Group SCR		**1,616**

Capital Requirements of other financials sectors refer to holdings which are subject to a different regime than Solvency II. Capital requirements of other financial sectors includes the Zwitserleven PPI.

C.1. Underwriting Risk

Underwriting risk refers to the risk of insufficient funds, earnings, or solvency to cover payments due to inaccurate assumptions in product development and premium setting.

Further information is included in section 8.5 'Life Underwriting Risk' in the Annual Report 2024 of Athora Netherlands and in section 7.5 'Life Underwriting Risk' in the Annual Report 2024 of SRLEV.

C.2. Market Risk

Market Risk refers to the potential risk of market price changes on assets and liabilities managed through an ALM framework.

Further information is included in section 8.6 'Market Risk' in the Annual Report 2024 of Athora Netherlands and in section 7.6 'Market Risk' in the Annual Report 2024 of SRLEV.

C.3. Counterparty Default Risk (Credit Risk)

Counterparty Default Risk refers to the risk of potential loss of own funds due to defaults by counterparties and debtors within the next twelve months.

Further information is included in section 8.7 'Counterparty Risk' in the Annual Report 2024 of Athora Netherlands and in section 7.7 'Counterparty Risk' in the Annual Report 2024 of SRLEV.

C.4. Liquidity Risk

Liquidity risk refers to the risk of insufficient liquid assets to meet short-term financial obligations or incurring high costs to obtain liquidity.

Further information is included in section 8.8 'Liquidity Risk' in the Annual Report 2024 of Athora Netherlands and in section 7.8 'Liquidity Risk' in the Annual Report 2024 of SRLEV.

Expected Profit Included in Future Premiums

The Expected Profit Included in Future Premiums (EPIFP) is defined as the profit that is included in the future premiums. The determination of the EPIFP should be based on the assumption that future premiums are no longer received as from the reporting date, regardless of any contractual obligations of the policyholder. The EPIFP represents the difference between the best estimate provision without profitable future premiums (but including non-profitable future premiums) and the normal best estimate.

Expected Profit Included in Future Premiums

In € millions	2024	2023
SRLEV	654	693
Athora Netherlands	**654**	**701**

C.5. Non-financial Risk (including Operational Risk)

Non-financial risk involves managing operational and compliance risks, with first-line management responsible for the risk cycle and second-line departments providing monitoring and advice.

Further information is included in section 8.9 'Compliance Risk and Operational Risk' in the Annual Report 2024 of Athora Netherlands and in section 7.9 'Compliance Risk and Operational Risk' in the Annual Report 2024 of SRLEV.

C.6. Other Material Risks

There are no other material risks to be disclosed.

C.7. Any Other Information

No other disclosures are applicable.

D. Valuation for Solvency Purposes

Introduction

This chapter outlines the solvency valuation of Athora Netherlands' consolidated assets, insurance liabilities, and other liabilities, and clarifies the differences between these valuations and those reported in the Annual Reports 2024 of Athora Netherlands and SRLEV.

Solvency II Reporting Framework

Solvency II Accounting Principles

In the consolidated Solvency II balance sheet the name 'Athora Netherlands' is used when discussing the consolidated activities of Athora Netherlands, its insurance entities and other entities.

The main accounting policies used in the preparation of the consolidated Solvency II balance sheet are set out in this section where different from IFRS.

General Accounting Policies

The following policies have been applied in the course of preparing Solvency II consolidated balance sheet:

- Going concern basis: Athora Netherlands' business will be continued for the foreseeable future;
- Accrual basis: the effects of transactions and other events and circumstances on a reporting entity's economic resources and claims in the periods in which those effects occur, even if the resulting cash receipts and payments occur in a different period;
- Materiality concept: information is viewed as material if omitting it or misstating it could influence decisions that users make on the basis of Solvency II consolidated balance sheet. Materiality of an item depends on its amount, nature or combination of both.

Functional Currency and Reporting Currency

The euro is the functional and reporting currency of Athora Netherlands. All financial data presented in euros is rounded to the nearest million, unless stated otherwise.

Further details on the accounting policies applied to the conversion of transactions and translation of items in the statement of financial position denominated in foreign currencies are provided in the section below entitled 'Foreign currencies'.

Foreign Currencies

Upon initial recognition, transactions in foreign currencies are converted into euros against the exchange rate at the transaction date. Items in the Solvency II consolidated balance sheet denominated in foreign currencies are translated into euros at the exchange rate applicable at the reporting date.

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 Athora Netherlands 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 Solvency II consolidated balance sheet, if a legally enforceable right to set off the recognised amounts exists, as well as an intention to settle the items on a net basis, or to settle the asset and the liability simultaneously. If these conditions are not met, amounts are not offset.

Estimates and Assumptions

The preparation of Solvency II consolidated balance sheet requires Athora Netherlands to make estimates using assumptions. These estimates have impact the reported amounts of assets and liabilities and the contingent assets and liabilities at the reporting date. In this process, management judges situations on the basis of available information and financial data that could potentially change in the future. Although estimates are made to the best of the management's knowledge, actual results may 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 impact of changes in 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 provisions for bad debts, the fair value of assets and liabilities, and impairments.

Basis for Consolidation

Subsidiaries and Scope of Consolidation

To determine the capital requirements at consolidated level, Athora Netherlands applies the 'accounting consolidation based method', according to which the capital requirements are calculated based on the Solvency II consolidated balance sheet.

Group Companies

According to Solvency II, Athora Netherlands ("the Group") is defined as a parent company and its participations: subsidiaries and the entities in which the parent or its subsidiaries hold a participation, as well as undertakings linked to each other by:

- Management on a unified basis pursuant to a contract or provisions in the memorandum or articles of association;
- Participation in the administrative, management or supervisory bodies.

The Group is based on the establishment of a strong and sustainable financial and operational relationship among those undertakings. This establishment may have legal as well as constructive character. The method according to which the Group companies are accounted for in the consolidated Solvency II balance is determined by the influence exercised by the parent company as well as the activities of the Group company.

Since SRLEV is a wholly owned subsidiary of Athora Netherlands, Athora Netherlands can indirectly exercise the influence on all participations of SRLEV. As a result, all these participations are included in the consolidation scope, as if they were direct participations of Athora Netherlands.

Full Consolidation

Under Solvency II full consolidation has to be applied to the subsidiaries of the parent company that are:

- Insurance or reinsurance companies;
- Insurance holding companies;
- Ancillary services undertakings.

Subsidiaries are the participations, on which Athora Netherlands might directly or indirectly exercise the dominant influence:

- Participations in which Athora Netherlands directly or indirectly holds more than one half of the voting rights;
- Entities, in which Athora Netherlands does not hold majority voting rights, but that are managed by Athora Netherlands on a unified basis pursuant to a contract or provisions in the memorandum or articles of association;
- Entities, in which Athora Netherlands does not hold majority voting rights, but the administrative, management or supervisory bodies of which comprise the same people as Athora Netherlands;
- Entities on which Athora Netherlands might exercise dominant influence in a different way.

The consolidation also encompasses the proportional share of the other undertakings according to the relevant sectoral rules in relation to holdings in related undertakings which are investment fund managers or institutions for occupational retirement provisions. The consolidation is applied from the date on which Athora Netherlands gains dominant influence until the date this influence ceases. The other types of subsidiaries are not consolidated under Solvency II – they are accounted for based on equity method (refer to the section below).

Adjusted Equity Method

Participations at the adjusted equity method are initially measured at their acquisition price (including transaction costs) and subsequently increased with Athora Netherlands' share of equity of these participations. Equity of the related participations is determined according to Solvency II principles.

The adjusted equity method is applied to the subsidiaries of Athora Netherlands that do not qualify to be fully consolidated (refer to the section above) as well as entities in which Athora Netherlands has significant influence, but in which no dominant influence can be exercised. The existence of the significant influence is assumed as:

- Representation on the board of directors or equivalent governing body of the investee;
- Participation in the policy-making process;
- Material transactions between the investor and the investee;
- Interchange of managerial personnel;
- Provision of essential technical information.

The participations are recognised in the Solvency II consolidated balance sheet from the date on which Athora Netherlands gains dominant or significant influence until the date this influence ceases. The application of the adjusted equity method depends on the activities of the entity:

- Participations in associated insurance companies and associated companies providing ancillary services are accounted for with adjusted equity method based on Solvency II principles;
- If the application of adjusted equity method is impracticable for the companies not operating in finance industry, the IFRS equity method may be used after eliminating the goodwill and the intangible assets that cannot be sold.

Elimination of Group Transactions

The Solvency II consolidated balance sheet is prepared net of any intra-group transactions.

Consolidation Process

The consolidation process constitutes the part of the larger control framework within Athora Netherlands' accounting and as such is a subject to detailed testing to ensure the correctness of the work performed. The intra-group transactions, due to the presence of specific national and international legislation along with exposure to certain risks, are also strictly controlled and monitored by a number of internal and external stakeholders.

With regard to Zwitserleven Pension Premium Institution (Zwitserleven PPI) and Pensioen ESC (ESC), in order to recognise these subsidiaries with Solvency II "Method 1 - sectoral rules", the assets and liabilities are eliminated from the balance sheet and the participations of Athora Netherlands in these subsidiaries are recognised.

Fair Value of Assets and Liabilities

Assets and liabilities are recognised and measured in accordance with the Solvency II regulations.

Assets are measured at the amount for which they could be exchanged between knowledgeable, willing parties in an arm's length transaction. Liabilities are measured at the amount for which they could be settled between knowledgeable, willing parties in an arm's length transaction. In determining the fair value, Solvency II applies the principles of IFRS 13 (with the exception of own credit rate adjustment for financial liabilities).

The fair value of non-financial assets is determined based on the "highest and best use" concept. This concept takes into account the economic benefits, that would be generated either by best use of the asset by Athora Netherlands or by selling the asset to another party. Furthermore, the "highest and best use" concept is based on the use of the asset that is physically, legally and financially viable. The fair value of a non-financial asset based on the "highest and best use" concept is determined regardless of the actual Athora Netherlands' intention to utilise the asset.

The fair value of financial instruments is based on a hierarchy that categorises the inputs to the valuation techniques used to measure fair value.

The fair value hierarchy gives the highest priority to quoted, unadjusted prices in active markets for identical assets or liabilities and the lowest priority to alternative valuation models:

- Quoted market price in active markets for the same assets

  Quoted prices from exchanges, brokers or pricing institutions are observable for all financial instruments in this valuation category. In addition, these financial instruments are traded on an active market, which allows the price to accurately reflect current and regular market transactions between independent parties. The investments in this category mainly concern listed equities and bonds, including investment funds on behalf of policyholders, underlying investments of which are listed;
- Quoted market price in active markets for similar assets

  This category includes financial instruments for which no quoted prices are available but fair value of which is determined using models where the parameters include available market inputs. These instruments are mostly privately negotiated derivatives and private loans. This category also includes investments whose prices have been supplied by brokers but for which the markets are inactive. In these cases, available prices are largely supported and validated using market inputs, including market rates and actual risk premiums related to credit rating and sector classification;
- Alternative valuation methods

  The financial instruments in this category have been assessed individually. The valuation is based on management's best estimate, taking into account most recently known prices. In many cases analyses prepared by external valuation agencies are used. These analyses are based on data unobservable in the market, such as assumed default rates associated with certain ratings.

Solvency II Presentation of Assets and Liabilities

Solvency II requires the balance sheet template to be used. Athora Netherlands presents its assets and liabilities according to these standards.

The IFRS balance sheet items have been mapped in accordance with the Solvency II classifications and may differ in classification from the published IFRS consolidated financial statements 2024 of Athora Netherlands.

From IFRS to Solvency II Assets at 31 December 2024

In € millions	IFRS	Policy differen-ces	Sectorial Rules and D&A	Statutory accounts valuation	Solvency II valuation	Reclassifi-cation adjust-ments	Delta
Assets							
Goodwill and intangible assets	3	-	-	3	-	-	-3
Deferred tax assets	701	-	-	701	1,000	-	299
Property, plant & equipment held for own use	20	-	-	20	20	-	-
Investments	26,209	-	14	26,222	27,247	1,025	-
Assets held for index-linked and unit-linked contracts	13,548	-	-150	13,398	13,398	-	-
Loans and mortgages	12,590	-	-	12,590	11,567	-1,024	1
Reinsurance recoverables	3	-186	-	-183	-700	-	-516
Receivables	376	-	11	387	487	-	100
Cash and cash equivalents	264	-	-14	250	250	-	-
Any other assets, not elsewhere shown	14,308	-6,452	-5,295	2,562	2,562	-	-
Total assets	**68,022**	**-6,638**	**-5,434**	**55,950**	**55,832**	**-**	**-118**
Liabilities							
- Life	28,608	-186	-	28,421	29,257	-	835
- Index-linked and unit-linked	15,484	-	-150	15,334	14,563	-	-771
Provisions other than technical provisions	33	-	-	33	33	-	-
Pension benefit obligations	427	-	-	427	427	-	-
Deferred tax liabilities	-	-	-	-	7	-	7
Derivatives	5,371	-	-	5,371	5,371	-	-
Debts owed to credit institutions	798	-	-	798	798	-	-
Payables	391	-	10	401	1,063	-	662
Subordinated liabilities	977	-	-	977	967	-	-9
Any other liabilities, not elsewhere shown	11,746	-6,452	-5,295	1,594	1,594	-	-
Total liabilities	**63,834**	**-6,638**	**-5,434**	**51,761**	**52,485**	**-**	**724**
Excess of assets over liabilities	**4,189**	**-**	**-**	**4,189**	**3,347**	**-**	**-842**

In case the Solvency II measurement is equal to the IFRS measurement, we refer to section 7.1 'Accounting Policies for the Consolidated Financial Statements' of the Annual Report 2024 of Athora Netherlands for information concerning the valuation and changes in IFRS policies.

The IFRS balance sheet total in the Annual Report 2024 of Athora Netherlands differs from the total statutory accounts value in the Solvency II balance sheet. The differences of the IFRS balance sheet versus the statutory accounts values in the Solvency II balance sheet is explained by policy differences and applying sectorial rules and D&A, as described below.

The excess of assets over liabilities differs from the total equity reported under IFRS due to classification variances related to Tier 1 capital.

Policy Differences

The difference between the IFRS balance sheet and the Statutory accounts value stems from consolidation and presentation differences between Solvency II and IFRS, as presented in the table above.

The difference under Any other assets and Any other liabilities is mainly driven by the investments and liabilities for account of third parties regarding the responsible index funds. Given that Athora Netherlands is the largest investor in these funds, it has 'control' over the relevant activities of these funds. Through the application of IFRS 10, Athora Netherlands has to fully consolidate these funds, as a result of which the minority share of third parties (other investors in these funds) is also included in the balance sheet as an investment. The counterpart on the liabilities side are the liabilities towards third parties arising from these investments. Under Solvency II, where IFRS 10 is not applied for consolidation, these investments are recognised in the balance sheet of Athora Netherlands in proportion to the participation in the funds.

The reclassification between Technical provisions life and Reinsurance recoverables is due to the Longevity reinsurance contract. Under Solvency II the negative reinsurance recoverable regarding the longevity contract is netted with the other reinsurance recoverables and presented on the balance sheet. Under IFRS the reinsurance recoverable regarding the longevity contract is presented under the Technical provisions life and therefore netted with the corresponding technical provision.

Sectorial Rules and D&A

The differences between the IFRS balance sheet and the Statutory accounts value stems from the de-consolidation of subsidiary Zwitserleven PPI N.V. (PPI) and the treatment of N.V. Pensioen ESC (ESC) under D&A (Deduction and Aggregation).

Reclassification Adjustments

Athora holds saving mortgages, financed both internally and externally. The majority of the portfolio represents savings mortgages with cession/retrocession arrangements, sub-participation agreements and pledged collateral.

The classification of the asset side of the various private loans linked to saving mortgages is adjusted depending on the contractual agreements.

Under IFRS the valuation and classification remains unadjusted under the Other loans and mortgages. This results in a reclassification from Other loans and mortgages to Loans and mortgages to individuals, Other investments, Deposits other than cash equivalents and Derivatives. The classification of the liability side remains unadjusted both under IFRS and Solvency II.

D.1. Assets

In case the Solvency II measurement is equal to the IFRS measurement please refer to section 7.1 'Accounting Policies for the Consolidated Financial Statements' of the Annual Report 2024 of Athora Netherlands.

Deferred Tax Assets and Liabilities

A deferred tax asset (DTA) is the amount of income taxes recoverable in the future arising from deductible temporary differences between the carrying amount of an asset or liability and its tax base. Athora Netherlands has recognised no deferred tax assets arising from the carry forward of unused tax losses. A deferred tax liability (DTL) is the amount of income tax payable arising from taxable differences between the carrying amount of an asset or liability and its tax base

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 amounts recognised in Solvency II balance sheet. This is based on the tax rates applicable at the reporting date and 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 recognised if sufficient taxable profits are expected to be available in the near future against which these temporary differences can be settled. 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 would be reduced to its recoverable value.

In the Solvency II balance sheet, all items are measured at their market value, which can be estimated either through mark-to-market or mark-to-model techniques. As in the Solvency II balance sheet unrealised gains and losses are recognised, the corresponding deferred tax liability or asset is recognised simultaneously. For calculating the amount of deferred taxes, local income tax regulations apply. The corporate income tax rate in 2024 is 25.8%.

Athora Netherlands is with its subsidiaries, SRLEV and Zwitserleven PPI a so called fiscal unity. 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 the base result of the recoverability calculation, whereas for Solvency II the non-recoverable amount is based on the weighted average of multiple scenarios, for spread assumptions, future new business and insurance portfolio movements. This could lead to a different amount of non-recoverable DTA in Solvency II in comparison to IFRS.

The update of the economic data (mostly relating to interest rates and spreads) resulted in DTA being fully recoverable for Solvency II and IFRS.

The underlying method of calculating the deferred tax assets and liabilities is the same for IFRS and for Solvency II; the tax value of assets and liabilities is compared with the amounts recognised in the balance sheet. Under IFRS the tax value of assets and liabilities is compared to the amounts recognised and measured based on IFRS. Respectively, under Solvency II, the tax values of assets and liabilities are compared to the amounts recognised and measured based on Solvency II.

IFRS to Solvency II Tax Position at 31 December 2024

In € millions	SRLEV	Other	Athora Netherlands
IFRS tax position	**693**	**8**	**701**
Tax adjustments for:			
Difference in the valuation of assets	263	154	**417**
Difference in the valuation of technical provisions	361	-296	**65**
Difference in the valuation of other liabilities	-330	141	**-189**
SII tax position	**987**	**6**	**993**

For a further explanation of the IFRS tax position we refer to section 7.3 Note 6 'Deferred Tax' in the Annual Report 2024 of Athora Netherlands and section 6.3 Note 5 'Deferred Tax' in the Annual Report 2024 of SRLEV.

Property, Plant and Equipment held for Own use

This balance sheet item comprises owner-occupied property, IT equipment and other property and equipment.

Owner-occupied Property

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

According to the valuation model the asset is measured at its fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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 is used to determine this value. This method uses an expected return at inception and the market rental value to determine the fair value of an asset. 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.

Other Property and Equipment

IT equipment and other property and equipment is measured at fair value determined based on the highest and best use by Athora Netherlands (amount of economic benefits generated by Athora Netherlands utilising the asset).

Repair and maintenance expenses incurred after the acquisition of an asset that increase or extend the future economic benefits of assets in relation to their original use are capitalised.

Assets are depreciated on a straight-line basis over their useful lives, taking into account any residual value.

Investments

The Solvency II balance sheet item comprises the following items:

- Property (other than for own use);
- Participations;
- Equities;
- Bonds;
- Collective investments undertakings;
- Derivatives;
- Deposits other than cash equivalents.

Refer to section 7.3 Note 5 'Investments' in the Annual Report 2024 of Athora Netherlands and section 6.3 Note 4 'Investments' in the Annual Report 2024 of SRLEV for more information on investments.

Property (other than for own use)

Investment property, comprising retail properties and offices, residential properties and land, is held to generate long- term rental income and capital appreciation. 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. 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 qualifies as a long-term investment and is measured at fair value, i.e., its value in a (partially) let state. 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.

Participations

This item comprises the subsidiaries and associates of Athora Netherlands, that are not consolidated in the Solvency II consolidated balance sheet. These participations are recognised and measured according to the (adjusted) equity method.

Equities

The listed equities are measured at fair value based on quoted prices in an active market for the same assets The unlisted equities are measured at fair value based on available market information (quoted market prices in active markets for similar assets). If these data are not available, the fair value is determined based on alternative valuation methods.

Bonds

On the Solvency II balance sheet bonds are divided into following categories:

- Government bonds;
- Corporate bonds;
- Structured notes;
- Collateralised securities.

The fair value of government bonds and corporate bonds is based on quoted prices in an active market for the same assets. If there is no active market, the fair value is derived from quoted market prices in active markets for similar assets.

As there are generally no active markets for structured notes and collateralised securities, their fair value is determined based on from quoted market prices in active markets for similar assets. If the data is not available, the fair value is determined based on alternative valuation methods.

The fair value of the bonds includes the accrued interest.

Collective Investment Undertakings

This item comprises investments in investment fund units, the fair value of these funds is determined based on alternative valuation methods.

Derivatives

Derivatives are recognised at fair value upon inception. The fair value of the derivatives is based on a present value model or an option valuation model (alternative valuation methods). Athora Netherlands recognises derivatives with a positive market value as assets and derivatives with a negative market value as liabilities.

Deposits other than Cash Equivalents

These assets concern receivables from banks with a remaining maturity of one month or more and the saving components of mortgages. The fair value of the amounts receivable with the maturity of less than 12 months is assumed to equal their nominal value. The fair value of saving components of mortgages is determined with alternative valuation models.

The following table shows the value of the investments broken down by Solvency II and IFRS valuation. For more information on the measurement and valuation of investments see section D.4 Alternative Methods of Valuation.

Breakdown of Investments at 31 December 2024

	SRLEV		Other		Athora Netherlands	
In € millions	**SII**	**IFRS**	**SII**	**IFRS**	**SII**	**IFRS**
Property (other than for own use)	326	326	634	634	961	**961**
Holdings in related undertakings, including participations	9,924	9,967	-9,871	-9,913	54	**54**
Equities	–	–	2	2	2	**2**
Bonds	17,543	17,503	-711	-671	16,832	**16,832**
Collective Investments Undertakings	3,336	3,336	1,242	1,242	4,578	**4,578**
Derivatives	3,821	3,780	13	13	3,833	**3,793**
Deposits other than cash equivalents	81	3	–	–	81	**3**
Other investments	906	–	–	–	906	**-**
Investments	**35,938**	**34,916**	**-8,691**	**-8,694**	**27,247**	**26,222**

The property (other than for own use) under the category 'Other' consists of property held by subsidiaries of SRLEV. Holdings in related undertakings, including participations in the category 'Other' relate to the elimination of investments in subsidiaries on consolidated level. The bonds under the category 'Other' are related to investments by subsidiaries of SRLEV and the consolidation of SRLEV. SRLEV presents funding to subsidiaries as collateralised securities, on the consolidated level the underlying mortgages are presented. The amount of collective investments undertakings in 'Other' represents investments in liquidity funds by Athora Netherlands and subsidiaries of SRLEV.

Refer to section 7.3 Note 5 'Investments' in the Annual Report 2024 of Athora Netherlands and section 6.3 Note 4 'Investments' in the Annual Report 2024 of SRLEV for more information regarding the investments.

Property (other than for own use)

For more on the valuation of property other than for own use, see section D.4 Alternative Methods of Valuation

Holdings in Related Undertakings, including Participations

The holdings in related undertakings of Athora Netherlands consist of the subsidiaries Zwitserleven PPI N.V. and N.V. Pensioen ESC (ESC) and the associate CBRE Property Fund Central and Eastern Europe (CBRE PFCEE).

To recognise the subsidiary Zwitserleven PPI in accordance with Solvency II method 1: sectoral rules, the assets and liabilities are eliminated from the balance sheet and the participation of Athora Netherlands in this subsidiary is recognised. This differs from the IFRS consolidated balance sheet of Athora Netherlands. Please refer to column "Sectorial Rules and D&A" in section D Valuation for Solvency Purposes for the impact of the deconsolidation.

To recognise ESC according to the Solvency II method D&A (Deduction and Aggregation) the assets and liabilities are eliminated from the balance sheet and the participation of Athora Netherlands in the subsidiary ESC is recognised. This differs from the IFRS consolidated balance sheet of Athora Netherlands.

For an overview of the related subsidiaries of Athora Netherlands and SRLEV see Annex I.

Equities

Equities mainly relate to investments in unlisted participations by Athora Netherlands and investments by subsidiaries of SRLEV. For a more detailed description of the market risk related to equities and the distinction between type 1 and type 2 equities, see section C.2 Market Risk.

Bonds

Government Bonds

Government bonds mainly consists of bonds issued by the European and Japanese government and international institutions.

Corporate Bonds

Corporate bonds mainly consists of bonds issued by European and American companies which are active in different sectors.

Collective Investments Undertakings

The collective investments undertakings consists of different investment funds, among others, money market funds and debt funds.

Derivatives

Derivatives are held as part of asset and liability management and risk management. Private loans linked to saving mortgages are partly reclassified to derivatives (see section D Valuation for Solvency Purposes).

Deposits other than Cash Equivalents

The difference between the Solvency II value and the IFRS value is due to the reclassification of private loans linked to saving mortgages.

Other Investments

Other investments include private loans linked to saving mortgages which are recognised as other investments under Solvency II but not under IFRS. Refer to section D Valuation for Solvency Purposes.

Assets Held for Index-linked and Unit-linked Contracts

This item corresponds to the investments for account of policyholders that are measured at fair value, which is determined based on quoted prices in an active market for the same assets. If there is no active market, the fair value is derived from quoted market prices in active markets for similar assets. If the data is not available, the fair value is determined based on alternative valuation models.

The assets held for index-linked and unit-linked contracts include investments under unit-linked policies and separate investment deposits for corporate pension contracts.

There is no differences between the IFRS valuation and the Solvency II valuation, sectorial rules and deduction and aggregation (D&A) are also taken into account. For further information we refer to section D. Valuation for Solvency Purposes - Introduction.

Loans and Mortgages

On the Solvency II balance sheet loans and mortgages are divided into following categories:

- Loans on policies;
- Loans & mortgages to individuals;
- Other loans & mortgages.

The fair value of the loans & mortgages includes the accrued interest.

Further information is disclosed in section 7.3 Note 5 'Investments' in the Annual Report 2024 of Athora Netherlands for more information regarding loans of Athora Netherlands,

Loans on Policies

This item corresponds to the loans issued with life insurance policies as collateral. Since there is no active market for these loans, the fair value is either derived from quoted market prices in active markets for similar assets. If the data is not available, the fair value is determined based on alternative valuation methods.

Loans and Mortgages to Individuals

The mortgages are measured at fair value, determination of which is based on alternative valuation models. These models rely primarily on the customer interest rates on the primary market. These interest rates are corrected for miscellaneous surcharges such as surcharges for price rate risks and origination costs. The adjustments for prepayments are taken into account in the cash flow projection and an add-on for interest-only mortgages also taken into account. This method is referred to as the top-down approach.

Other Loans & Mortgages

Since this item comprises loans and mortgages, for which there is no active market, the fair value is either derived from quoted market prices in active markets for similar assets. If the data is not available, the fair value is determined based on alternative valuation methods.

The difference in loans and mortgages between the Solvency II value and the IFRS value is due to a difference in classification for private loans linked to saving mortgages (see section D Valuation for Solvency Purposes - Introduction).

The Mortgages Valuation Model consists of two parts: the projection of the expected future cash flows, where prepayment is also taken into account, and the determination of the spread on top of the risk-free interest rate curve (Swap mid-price) for the purpose of discounting the cash flows. This spread will be obtained based on the consumer tariffs for the available fixed interest rate terms. Then the consumer tariffs are adjusted for expected prepayment. There is a discount for the origination costs and price offer risk and an add-on for mortgages which are non-linear or non-annuity.

Reinsurance Recoverables

For the valuation of the best estimate provision reinsurance the cash flows are measured separately and are not offset against the best estimate provision of the insurance obligations. The credit default risk is based on the expected loss of reinsurance cover in case of bankruptcy of the reinsurer. When determining the risk margin, the credit default risk relating to reinsurance is also taken into account.

The insurance risks corporate life contracts are primarily mitigated on the basis of surplus reinsurance with a retention limit. The duration of the reinsurance contract is one year. The reinsurer participates in premium and claim in the same proportion as the retention to the reinsured amount. For the best estimate of this surplus reinsurance contract the future cash flows of this contract are estimated by using realised premium and claims in the last five years.

The individual life contracts are primarily reinsured on a proportional basis. For these contracts the best estimate reinsurance is determined as a percentage of the best estimate for the underlying insurance technical provision.

For the disability coverage within SRLEV there is a catastrophe excess of loss reinsurance contract. The best estimate for excess-of-loss reinsurance takes into account that Athora Netherlands does not expect to benefit from or loose to the reinsurer.

The difference in the valuation of reinsurance recoverables is caused by different measurement methods applied under IFRS and under Solvency II. See also section D.2 Technical Provisions for an explanation of the technical provisions.

Insurance & Intermediaries Receivables

This item comprises current receivables corresponding to insurance activities of Athora Netherlands as well as receivables from intermediaries. As these assets have a short-term character, these are measured at their nominal value, since it is assumed to be equal to their fair value.

Reinsurance Receivables

This item comprises current past due receivables corresponding to reinsurance companies. Depending on the short- or longer term character of these assets, they are measured at their nominal value or calculated using the expected future cash flows, the interest rate curve and relevant spread. Amounts receivable or owed but not past due have been included in cash inflows that form the basis for measurement of the gross technical provisions and the share of reinsurers in technical provisions.

Receivables (trade, not insurance)

This item comprises miscellaneous amounts receivable. Bearing in mind short-term the character of these assets, they are measured at their nominal value, since it is assumed to equal their fair value.

Cash and Cash Equivalents

This item comprises cash and cash equivalents including bank balances and demand deposits with a remaining maturity of less than one month. Bearing in mind the short-term character of these assets, they are measured at their nominal value, since it is assumed to equal their fair value.

Any Other Assets, not elsewhere shown

This item comprises the assets that are not recognised as the items in the Solvency II balance sheet described above. These assets include receivables from cash pledged as collateral with a remaining term to maturity of less than three months and partly accrued interest on amounts receivable that are not recognised as investments and the investments of Zwitserleven PPI. The accrued interest is measured at its nominal value, which is assumed to equal its fair value. The fair value of the investments of Zwitserleven PPI is determined in the same way as the fair value of other investments (refer to the section “Investments” for more information).

D.2. Technical Provision

The effects of significant changes in respect of the IFRS measurement are disclosed in the notes to the consolidated financial statements relating to the items concerned as presented in the Annual Reports 2024 of Athora Netherlands and SRLEV.

Any significant changes are presented in section 7.3 Note 11 'Insurance Contract Liabilities and Reinsurance Contracts held Assets and Liabilities' in the Annual Report 2024 of Athora Netherlands.

Breakdown of Technical Provisions at 31 December 2024

In € millions	SRLEV	Other	Athora Netherlands
Best estimate (Gross)	43,189	-392	42,797
Risk Margin	1,052	-29	1,023
Total technical provisions (Gross)	**44,241**	**-421**	**43,820**

Technical Provisions SRLEV

The table below provides a breakdown of the technical provisions of SRLEV.

Breakdown Technical Provisions Life SRLEV (Net) at 31 December 2024

In € millions	Insurance with profit participation	Index-linked and unit-linked	Other life insurance	Total
Best estimate (Gross)	10,737	14,392	18,060	**43,189**
Best estimate (Recoverable from reinsurance)	-297	-	-402	**-700**
Best estimate (Net)	**11,035**	**14,392**	**18,462**	**43,889**
Risk Margin	288	171	593	**1,052**
Technical provisions Solvency II	**11,323**	**14,563**	**19,055**	**44,941**

Methods and assumptions

Under Solvency II the technical provision comprises the best estimate liability and the risk margin.

Best Estimate Liability (BEL)

Under Solvency II, the BEL is determined by the present value of the expected value of all future cash flows, including options and guarantees and expenses arising from the insurance contract.

The BEL includes all the options and guarantees embedded in the products, including discretionary profit sharing, non-discretionary profit sharing, indexation on disability insurance, unit linked guarantees and the paid-up option for separate accounts. The value of the options embedded in the insurance contracts is split into net asset value (IVOG) and time value (TVOG).

Future cash flows are based on realistic and appropriate underwriting parameters such as mortality, disability, policyholders' behaviour, claims handling and expenses (including investment costs) arising from the settlement of the insurance contracts, taking into account expected future developments with an impact on existing policies.

The cash flows are discounted with the yield curve set by EIOPA with a Volatility Adjustment and the ultimate forward rate. Athora Netherlands only uses the curve for the euro, since there are no material insurance liabilities in foreign currencies.

The BEL concerning Life is the present value of all cash flows arising from existing contracts in the Life portfolio. The cash flow projections are made for the individual and for group contracts. The Individual Life contracts include savings mortgage insurance, annuities, saving insurance policies, term insurance policies and funeral expenses insurance policies. The Group insurance comprises primarily the collective pension contracts (including traditional, unit-linked and separate accounts).

The expected future cash flows include future expected benefits, expected premiums, recurring expenses as well as cash flows corresponding to contractual profit-sharing (where applicable). For parameters such as mortality, longevity, costs or lapse, best estimate assumptions are set and applied to the cash flow projections.

Risk Margin

Under Solvency II a risk margin is an addition to the BEL provision. The risk margin is an allowance for the cost of capital required to carry non-hedgeable risks arising from an insurance contract.

The risk margins are determined using the Cost of Capital method (CoC). Each year the projection of the SCR takes place by applying the shocks according to the standard model. The risk margins per year are determined by multiplying the SCR with a CoC rate of 6% and discounted using the interest rate structure set by EIOPA.

Parameters

The value of the insurance liabilities is determined with miscellaneous parameters which can be subdivided into non-economic and economic parameters. The non-economic parameters include insurance underwriting and expense parameters. The chance an insured event takes place is estimated with use of underwriting parameters. To meet the obligation towards the policyholders, expenses are incurred. These are contained in expense parameters for cash flow projections. The cash flows are discounted with use of economic parameters. In addition, the economic parameters also determine the funds returns and profit-sharing returns. Inflation, which mainly applies to the development of expenses, also falls under the economic parameters. The rules for setting and changing these parameters are in accordance with Athora Netherlands parameter governance.

Further reference is made to section 7.3 Note 11 'Insurance Contract Liabilities and Reinsurance Contracts Held Assets and Liabilities' in the Annual Report 2024 of Athora Netherlands.

Investment Management Expenses

The Solvency II legislation prescribes that the technical provision should include all expenses that will be incurred in servicing insurance obligations. Among these expenses are the investment management expenses which are incurred by asset managers for managing the assets of Athora Netherlands' legal entities. Solvency II also prescribes that these investment management expenses should be at arm's length.

Investment management expenses are taken into account in the technical provisions when they relate to assets backing the technical provision. Assets which can be assigned to own funds are excluded from the technical provision calculation. Direct investment management expenses in the form of management and administration costs are included in accordance with the contract conditions between Athora Netherlands' legal entities and Cardano and between Athora Netherlands' legal entities and external managers. In case of indirect investment management expenses these costs are deducted from the external funds and not taken into account since these fees are taken into account in the net asset value calculation of the fund itself.

Economic Parameters

The yield curve for valuing technical provisions is determined in accordance with the Solvency II regulations. The administration costs are adjusted for inflation.

Differences valuation Solvency II and IFRS

Level of Uncertainty

Uncertainty arises from risks SRLEV is exposed to. SRLEV has defined and structured different risk types, partly on the basis of current legislation and regulations (Solvency II Standard Formula), and partly on the basis of own assessment of risks. With regards to the valuation of technical provisions Athora Netherlands recognises model risk, covering uncertainty in the models, the parameters and in the data. The risks related to these uncertainties are mitigated by complying to Risk Policy (RP) procedures and processes for the development of models, the estimation of parameters and the use of data. According to this policy, model validations and second line reviews or assessments are performed. Next to that, at least once a year model risk is also assessed at Group and legal entity levels, during the regular Own Risk Solvency Assessment (ORSA) process, when the appropriateness test is executed.

Impact Volatility Adjustment

SRLEV applies the Volatility Adjustment for discounting cash flows to determine the best estimate and in determining the capital requirement under the SCR. The following table shows the impact of this Volatility Adjustment on the financial position and own funds of SRLEV:

Impact of Applying Volatility Adjustment 2024

In € millions	VA = 23 bp	VA = 0 bp	Impact
Technical provisions (Gross)	44,241	45,031	789
Basic own funds	4,208	3,605	-603
Eligible own funds to meet SCR	3,456	2,502	-954
SCR	1,777	1,816	38
MCR	800	817	17
Solvency II ratio	194%	138%	-57%

Matching Adjustment

SRLEV does not apply a Matching Adjustment as referred to in Article 77 of Directive 2009/138/EC.g

Risk-free yield curve

SRLEV does not apply a risk-free yield curve and transition deductions as referred to in Article 308 of Directive 2009/138/EC.

Transition deductions

SRLEV does not apply a transition deductions as referred to in Article 308 of Directive 2009/138/EC.

Material changes in assumptions

There have been no material changes in the relevant assumptions underlying the calculation of technical provisions.

Significant simplified methods

No significant simplified methods were used to calculate the technical provisions.

Reinsurance

For a further explanation of Life reinsurance see section 8.5 'Life Underwriting Risk' in the Annual Report 2024 of Athora Netherlands.

D.3. Other Liabilities

In case the Solvency II measurement is equal to the IFRS measurement we refer to the Annual Report 2024 of Athora Netherlands.Reference made to AR

The Solvency valuation of Other Liabilities is included in section Solvency II Reporting Framework at the start of this chapter.

Contingent Liabilities

For the definition of contingent liabilities Solvency II refers to IFRS. Under Solvency II it is required to recognise contingent liabilities on the balance sheet if they are material.

Contingent liabilities are defined as:

- A possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events; or
- A present obligation, payment of which is not probable.

Athora Netherlands recognises contingent liabilities on the balance sheet, if they are material. Valuation of contingent liabilities is based on the probability weighted cash-flow method using the basic risk-free interest rate term structure.

The contingent liabilities are presented on the Solvency II consolidated balance sheet if they can be measured reliably, meaning that timing, amount and probability of the outflow of economic benefits can be estimated reliably. If the liability cannot be measured reliably, it is not recognised, instead it is reported in the section D.5 Any Other Information under off-balance sheet items. Contingent liabilities are subject to continuous assessment.

There are no contingent liabilities included in the Solvency II balance sheet at the end of 2024.

Provisions Other than Technical Provisions

Reference is made to section 7.3 Note 13 'Provisions' in the Annual Report 2024 of Athora Netherlands for information on the methods and assumptions applied.

Pension Benefit Obligations

This item comprises the provision for employees' pension benefits as well as other long-term employee benefits. The net present value of the defined benefit obligations is calculated on basis of the prescribed IFRS discount rate. The insured rights are taken into account for the SCR calculation, using the SCR results of the pension commitments under technical provisions, based on Solvency II assumptions.

Pension benefit obligations other than mentioned in the financial statements do not exist. We refer to section 7.3 Note 12 'Provision for Employee Benefits' in the Annual Report 2024 of Athora Netherlands for detailed information regarding the pension benefit obligations.

Deposits from Reinsurers

Athora Netherlands enters reinsurance programmes to provides protection against underwriting risks arising in the miscellaneous insurance portfolios. The share of reinsurance companies in the technical provisions is accounted for as reinsurance recoverables and mirrored by deposits from reinsurers.

These deposits represent the amount payable to reinsurers arising from reinsurance contract and may become payable on demand. The fair value of this deposits is determined based on the value of reinsurance recoverables.

Deferred tax liabilities

Refer to the section E.6 Any Other Information for information on deferred tax liabilities.

Derivatives

Refer to the section D.1 Assets for information on derivatives.

Debts Owed to Credit Institutions

This item comprises insubordinated debts to credit institutions, including the amounts payable arising from sale and repurchase agreements and cash collaterals.

The debts owed to credit institutions are measured at their nominal value, since it is assumed to equal their fair value.

Reference is made to section 7.3 Note 10 'Financial Liabilities' of the Annual Report 2024 of Athora Netherlands for more information regarding the debts owed to credit institutions.

Borrowings

In 2024, Athora Netherlands redeemed the remaining amount of the senior notes, originally issued in 2017, as a result of the successful tender offer on the notes. For further information refer to section 7.3 Note 10 'Financial Liabilities' of the Annual Report 2024 of Athora Netherlands

The difference between the IFRS figures and the Solvency II figures is due to different measurement methods. Under IFRS at amortised cost and at market value under Solvency II.

Due on Demand

The amount due on demand relates to received cash collateral of several counterparties.

Other Liabilities

No differences between Solvency II and IFRS.

Insurance and Intermediaries Payables

This item comprises current payables corresponding to insurance activities of Athora Netherlands as well as payables to intermediaries. Bearing in mind short-term character of these assets, these are measured at their nominal value, since it is assumed to be equal to their fair value.

Reinsurance Payables

This item comprises current payables to reinsurance companies. Depending on the short- or long term character of these payables, they are measured at their nominal value or calculated using the expected future cash flows and interest rate curve.

Payables (trade, not insurance)

This item comprises miscellaneous amounts payable. Short-term employee benefits including salaries, short paid leave, profit-sharing and bonus schemes are also presented as this item. Bearing in mind short-term character of these assets, these are measured at their nominal value, since it is assumed to equal their fair value.

Subordinated Liabilities

Subordinated debt includes the subordinated bonds and private loans issued by Athora Netherlands.

The fair value of subordinated debt is determined by discounting the cash flows at the interest rate based on the swap rate observable in the market and a risk premium. The risk premium is determined based on the difference between the coupon interest rate of the subordinated loan and the swap rate at issue date. This premium remains constant over time.

In accordance with Solvency II, Athora Netherlands does not adjust the fair value of the subordinated loans with the changes in own credit risk, as subordinated debt are considered to be funding (core capital) and not an investment. The own credit risk is mainly used by investors interested in the market price of a financial instrument.

Value of the loans includes accrued interest.

Any other Liabilities, not elsewhere shown

This item comprises the liabilities that cannot be recognised in the items in the Solvency II balance sheet described above. These liabilities comprise mainly the accrued interest on short-term amounts payable and the liabilities to participants of Zwitserleven PPI. The accrued interest is measured at its nominal value, which is assumed to equal its fair value. The fair value of the liabilities of Zwitserleven PPI is determined as the fair value Zwitserleven PPI's investments (refer to 'Investments' under section D.1. Assets for more information).

D.4. Alternative Methods for Valuation

The bases, methods and main assumptions used at Athora Netherlands level for the valuation for Solvency II purposes does not differ materially from those used by any of its subsidiaries.

Alternative valuation methods are used by Athora Netherlands to determine the fair value of assets and liabilities if quoted market prices in active markets are unavailable. Reference is made to section 7.3 Note 26 'Fair Value Hierarchy' in the Annual Report 2024 of Athora Netherlands for more information on the valuation approaches used.

D.5. Any Other Information

Off-Balance Sheet Items

Off balance sheet positions different from the financial statements do not exist. We refer to section 7.3 Note 15 'Guarantees and Commitments' in the Annual Report 2024 of Athora Netherlands.

Any Other Disclosures

No other disclosures are applicable.

E. Capital Management

Introduction

This chapter provides information on Athora Netherlands' capital management, including the reconciliation of IFRS equity to Solvency II Own Funds, the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR).

Capitalisation refers to the extent to which Athora Netherlands and its underlying legal entities have capital available to cover unforeseen losses and to achieve the strategic objectives of the company. Athora Netherlands 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 Athora Netherlands taking timely action if capitalisation would deteriorate.

Further details are disclosed in section 8.4 'Capital Management' in the Annual Report 2024 of Athora Netherlands and section 7.4 'Capital Management' in the Annual Report 2024 of SRLEV.

E.1. Own Funds

Under Solvency II, Athora Netherlands' available capital, known as Eligible Own Funds, is divided into three tiers based on the ability to absorb losses, with Tier 1 being the highest quality. Basic Own Funds, such as paid-in ordinary share capital, are permanently available to absorb losses and cover part of the Solvency Capital Requirement (SCR).

Athora Netherlands does not have ancillary own funds.

For Athora Netherlands, the following undertaking does not need to comply with Solvency II and therefore the capital requirements should be based on sectorial regulation and need to be taken into account within the consolidated (Athora Netherlands) balance sheet under own funds of other financial sectors:

- Zwitserleven PPI N.V. holds a license as a 'payment institution' with supervision of the Dutch Central Bank (DNB). Zwitserleven PPI N.V. recognises the investments held on behalf of participants and the related liabilities in its balance sheet. Zwitserleven PPI N.V. is not the risk owner and the financial statements are based on Dutch GAAP.

Further details on Own Funds are disclosed in section 8.4 'Capital Management' under 'Capital Position' in the Annual Report 2024 of Athora Netherlands. A detailed overview of elements included in the Own Funds is provided in QRT S.23.01 as published on the Athora Netherlands website.

Ordinary Share Capital

Details of Ordinary Share Capital are disclosed in section 10.2 Note 7 'Equity' in the Annual Report 2024 of Athora Netherlands.

Reconciliation IFRS - Solvency II

The reconciliation of IFRS to Solvency II primarily involves differences in the measurement of technical provisions, deferred tax assets, and the presentation of reinsurance recoverables.

This reconciliation, as presented in S.23.01.22 'Own Funds' in the QRT report, is also disclosed in section 8.4 'Capital Management' under 'Capital Position' in the Annual Report 2024 of Athora Netherlands.

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). Refer to https://www.athora.nl/en/investors/debt-information/ for information on debt.

Tiering in Own Funds

The use of own funds 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 Athora Netherlands Tier 3 restriction remained applicable during 2024. The Tier 2 plus Tier 3 restrictions consist 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 decreased to € 735 million at year-end 2024 from € 962 million at the end of 2023.

The table below shows the eligible own funds and tiering, the Solvency Capital Requirement and the Minimum Capital Requirement.

Breakdown of Tiering

In € millions	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3	Total
Eligible own funds to meet the Group SCR 2024	2,344	452	515	265	**3,576**
Eligible own funds to meet the Group SCR 2023	2,072	450	776	28	**3,326**

Breakdown of Tiering

In € millions	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Total
Eligible own funds to meet the Group MCR 2024	2,333	452	160	**2,945**
Eligible own funds to meet the Group MCR 2023	2,062	450	145	**2,657**

The MCR for the group is calculated as the MCR of SRLEV (2023: SRLEV and Proteq).

E.2. Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement

The Solvency Capital Requirement (SCR) is a risk-based measure reflecting Athora Netherlands' risk profile, based on a 1-in-200 year stress scenario over one year. It compares the SCR with Eligible Own Funds to assess the company's ability to absorb such losses. Calculated using the Solvency II standard model to capture material quantifiable risks, supplemented by the Own Risk and Solvency Assessment (ORSA) for any additional risks, the SCR covers both existing and new business over the next 12 months, with a 99.5% confidence level. It includes the Basic SCR, operational risk, and adjustments for loss-absorbing capacity. The SCR must be consistent with the baseline date used for calculating the risk margin and considers risk-mitigation techniques.

Regarding the SCR calculation simplification, methods have been applied for calculating the risk mitigating effect for reinsurance arrangements or securitisation and the calculation of the risk mitigating effect.

The final amount of the Solvency Capital Requirement is subject to the opinion of the supervisory authority.

Minimum Capital Requirement

The Minimum Capital Requirement (MCR) represents the minimum level of security below which the Eligible Own Funds may not fall. The MCR is calibrated on the basis of a confidence level of 85% over a one-year period. The MCR is calculated using a relatively simple linear formula, which includes both a floor and a cap (as a percentage of the SCR). The MCR is determined using the prescribed calculation methods. Besides the percentage criterion, which is a percentage of the most recently calculated SCR including any capital add-on, the MCR should not fall below a certain minimum. This requirement is regarded as the absolute minimum capital requirement (also known as Absolute Minimum Capital Requirement). The Absolute Minimum Capital Requirement is € 4,0 million per solo entity.

Athora Netherlands Solvency ratio

The table below shows the Solvency ratio of Athora Netherlands.

Ratio Athora Netherlands

In € millions / percentages	2024	2023
Total eligible own funds to meet the SCR	**3,576**	3,326
Total eligible own funds to meet the MCR	**2,945**	2,657
SCR	**1,779**	1,616
MCR	**800**	726
Ratio of eligible own funds to Group SCR	**201%**	206%
Ratio of eligible own funds to Group MCR	**368%**	366%

The Solvency Capital Requirement split by risk modules and a description of the development during the year is provided in chapter C Risk profile.

The Minimum Capital Requirement (MCR) for the group is calculated as the MCR of SRLEV (2023: SRLEV and Proteq).

SRLEV Solvency ratio

The table below shows the Solvency ratio of SRLEV.

Ratio SRLEV

In € millions / percentages	2024	2023
Total eligible own funds to meet the SCR	**3,456**	3,350
Total eligible own funds to meet the MCR	**2,770**	2,697
SCR	**1,777**	1,592
MCR	**800**	716
Ratio of eligible own funds to SCR	**194%**	210%
Ratio of eligible own funds to MCR	**346%**	376%

The Solvency Capital Requirement split by risk modules and a description of the development during the year is provided in chapter C Risk profile.

The Minimum Capital Requirement is capped at 45 percent of the Solvency Capital Requirement. The increase of the Solvency Capital Requirement also increased the Minimum Capital Requirement.

E.3. Use of Duration-based Equity Risk Sub-module in the Calculation of the Solvency Capital Requirement

Athora Netherlands does not make use of the duration-based equity risk sub-module set out in Article 304 of Directive 2009/138/EC for the calculation of the Standard Formula SCR.

E.4. Differences between Standard Formula and Internal Model Used

Athora Netherlands solvency is governed by a standard formula, rather than an internal model.

E.5. Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement

Athora Netherlands has not faced any form of non-compliance with the Minimum Capital Requirement or significant non-compliance with the SCR during the reporting period or at the reporting date. Therefore no further information is included here.

E.6. Any Other Information

Capital Policy

Athora Netherlands aims for a robust capital position, which contributes to both the confidence that clients have in the institution and access to financial markets. Athora Netherlands 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 Athora Netherlands 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 Athora Netherlands' strategy. One of the possible utilisations of capital that Athora Netherlands 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. Athora Netherlands may also consider more frequent than annual capital distribution and makes related decisions on a case by case basis. In 2024, Athora Netherlands 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.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for tax losses carried forward and temporary differences between the tax bases of assets and liabilities and their amounts on the Solvency II balance sheet. This recognition is based on the tax rates applicable at the reporting date and those expected to apply when the deferred tax assets or liabilities are settled. These assets and liabilities are measured at the undiscounted amounts expected to be received or paid.

Deferred tax assets are recognised if there are sufficient taxable profits expected in the near future to offset these temporary differences. They are reassessed at each reporting date and reduced to their recoverable value if it becomes unlikely that the related taxable profit will be achieved. Deferred tax assets and liabilities are presented on a net basis.

Loss Absorbing Capacity of Deferred Taxes (LACDT)

Under Solvency II, the SCR may be determined taking into account the extent to which the tax losses which occur under the described shock can be settled with the tax authorities.

The LACDT has to be calculated taking into account the following:

- The adjustment for the loss-absorbing capacity of deferred taxes shall be equal to the change in the value of deferred taxes of insurance and reinsurance undertakings that would result from an instantaneous loss of an amount that is equal to the sum of the following:
    - The Basic Solvency Capital Requirement referred to in Article 103(a) of Directive 2009/138/EC;
    - The adjustment for the loss-absorbing capacity of technical provisions referred to in Article 206 of this Regulation;
    - The capital requirement for operational risk referred to in Article 103(b) of Directive 2009/138/EC.
- A decrease in the value of deferred tax liabilities or an increase in the value of deferred tax assets will result in a negative adjustment to the SCR;
- If the calculation results in a positive change in deferred tax assets, this should only be considered if it can be shown that future taxable profits will be available.

Annexes

Annex I

Related Subsidiaries Athora Netherlands N.V.

Athora Netherlands N.V. owns the following material related undertakings:

Related Subsidiaries

Subsidiary	Country	Legal form	% capital share	Treatment of the undertaking
SRLEV N.V.	NL	NV	100 %	Full consolidation
Zwitserleven PPI N.V.	NL	NV	100 %	Sectoral rules

Related Subsidiaries SRLEV N.V.

SRLEV N.V. owns the following material related undertakings:

Related Subsidiaries

Subsidiary	Country	Legal form	% capital share	Treatment of the undertaking
REAAL Wognumsebuurt B.V.	NL	BV	100 %	Adjusted equity method
REAAL De Ruyterkade B.V.	NL	BV	100 %	Adjusted equity method
GVR500 Building B.V.	NL	BV	100 %	Adjusted equity method
RE Young Urban Housing B.V.	NL	BV	100 %	Adjusted equity method
REAAL Woningen I B.V.	NL	BV	100 %	Adjusted equity method
N.V. Pensioen ESC	CW	NV	100 %	Adjusted equity method
Bellecom N.V.	BE	NV	100 %	Adjusted equity method
CBRE Property Fund Central and Eastern Europe	SK	FGR	30 %	Adjusted equity method
Share Debt Programme 1 B.V.	NL	BV	100 %	Adjusted equity method
Stichting Titleholder Rabo Dutch Mortgages Fund Yellow	NL	Stichting	100 %	Adjusted equity method
Apollo CRE direct lending fund	LU	SLP	100 %	Adjusted equity method
Apollo CRE loan administration Sarl	LU	SARL	100 %	Adjusted equity method
Apollo Middle Loan Administration Sarl	LU	SARL	100 %	Adjusted equity method
Apollo Middle Market Direct Lending Fund	LU	SLP	100 %	Adjusted equity method
Apollo Large Cap Administration Sarl	LU	SARL	100 %	Adjusted equity method
Apollo Large Cap Direct Lending Fund	LU	SLP	100 %	Adjusted equity method
Apollo Leveraged Loan Fund	LU	SLP	100 %	Adjusted equity method
Apollo Middle Market Loan Fund	LU	SLP	100 %	Adjusted equity method
Apollo CRE debt fund	LU	SLP	100 %	Adjusted equity method
Dutch Mortgage Investment Fund 2020	NL	BV	100 %	Adjusted equity method
Athora Lux Earth Holding 1 S.A.	LU	SA	100 %	Adjusted equity method
Apollo Equity Platform Inv. Fund	LU	SLP	100 %	Adjusted equity method
Apollo NAV Financing	LU	SLP	100 %	Adjusted equity method
Apollo Accord	LU	SLP	100 %	Adjusted equity method
Apollo Dual Resource	LU	SLP	100 %	Adjusted equity method
Apollo Private IG	LU	SLP	100 %	Adjusted equity method
Dumenza SP. Z.o.o.	PL	SPZOO	100 %	Adjusted equity method
PDC Industrial Center 143	PL	SPZOO	100 %	Adjusted equity method
Athora France Sky Holdings 1 SASU	FR	SLP	100 %	Adjusted equity method
RE NL Holding 1 S.à.r.l.	LU	SARL	100 %	Adjusted equity method
ALI NL Italy CRE debt sub fund	LU	SARL	100 %	Adjusted equity method

Annex II

The tables below present the QRT's which are part of the Solvency and Financial Condition Report per legal entity.

Disclosure QRT Report Athora Netherlands N.V.

Table of content Disclosure QRT Report Athora Netherlands N.V.

1	S.02.01 - Balance Sheet
2	S.05.01 - Premiums, claims and expenses by line of business
3	S.22.01 - Impact of long term guarantees measures and transitionals
4	S.23.01 - Own Funds
5	S.25.01 - Solvency Capital Requirement - for groups on Standard Formula
6	S.32.01 - Undertakings in the scope of the group

The Disclosure QRT Report Athora Netherlands N.V. is published separately on https://www.athora.nl/en/investors/annual-reports/

Disclosure QRT Report SRLEV N.V.

Table of content Disclosure QRT Report SRLEV N.V.

1	S.02.01 - Balance Sheet
2	S.05.01 - Premiums, claims and expenses by line of business
3	S.12.01 - Life and Health SLT Technical Provisions - Best Estimate by country
4	S.22.01 - Impact of long term guarantees measures and transitionals
5	S.23.01 - Own Funds
6	S.25.01 - Solvency Capital Requirement - for undertakings on Standard Formula
7	S.28.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

The Disclosure QRT Report SRLEV N.V. is published separately on https://www.athora.nl/en/investors/annual-reports/

Athora Netherlands N.V.

Basisweg 10, Amsterdam

Postbus 274, 1800 BH Alkmaar

ATHORA