Annual Report 2022

Lifetri Uitvaartverzekeringen NV

Contents

Lifetri Uitvaartverzekeringen

Lifetri Uitvaartverzekeringen N.V. (Lifetri Uitvaartverzekeringen) is a funeral insurer in the Netherlands, wholly owned by Lifetri Groep B.V. (Lifetri Groep). The activities of Lifetri Uitvaartverzekeringen consist of selling in-kind funeral insurance policies to private consumers in the Netherlands and servicing the existing clients.

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

1. About Lifetri

1.1. At a Glance

Lifetri Groep (Lifetri) is a Dutch insurance company with a history that goes back seventy years. The name Lifetri was chosen in 2018 as a reference to the growth ambitions of the company and also refers to Lifetri's roots in Dutch society.

Lifetri is located in the Netherlands and under supervision of the Dutch regulator, De Nederlandsche Bank ("DNB"). It is a customer orientated company aiming at the long-term needs of customers. Lifetri focusses on guaranteed pensions, term life and funeral insurance in the Netherlands, servicing approximately 550,000 customers.

Lifetri currently provides pension guarantees to (former) employees of Allianz Nederland, a Dutch insurance company, and to (former) employees of Klaverblad cooperation, a Dutch cooperative insurance company. In 2020, Lifetri took over the liabilities of Stichting Pensioenfonds Allianz Nederland Groep (SPANG). In 2021, this sizeable transfer of the pension arrangements was finalized with a seamless and timely implementation, done to the satisfaction of the former pension fund and its participants. In 2022, Lifetri strengthened further its base in pension insurance with the renewal of the contract with Klaverblad cooperation. In total Lifetri's pension liabilities amount to more than € 1 billion.

Lifetri's principal shareholder is Sixth Street, a leading global investment firm with approximately US$65 billion in assets under management and committed capital. Sixth Street pursues investments, such as Lifetri, and strategic partnerships in the insurance and reinsurance industry through its Sixth Street TAO platform with current investor breakdown showing long-term investors, such as pension funds and sovereign wealth funds accounting for ~80%. In addition to Lifetri, the Sixth Street TAO platform holds other dedicated pension and insurance affiliates, including Talcott Financial Group in the US and Clara Pensions in the UK. The long-term commitment of Sixth Street perfectly fits Lifetri's long-term view of creating value for individual customers, pension members, as well as Lifetri.

1.2. Message from the CEO

Philippe Wits, CEO Lifetri

"I think it is fair to say that 2022 was an unprecedented year: the Russian invasion into Ukraine, supply chain disruptions, rising inflation, unprecedented volatile financial markets with rapidly rising interest rates and rising inflation. Notwithstanding the sadness we all have for the humanitarian losses caused by the ongoing war, I'm glad that we can now look back and say that we have been able to cope with these times of turmoil. We have continued to invest steadily in our strategic asset mix, improving further our risk adjusted returns. Moreover, despite shortages on the labour market, we have been able to hire and retain talent while continuing to build on the scalability of the organisation.

And most importantly, we've been able to offer our customers tangible security, varying from our Allianz clients where we meet our guaranteed indexation level, the renewal of the pension contract with Klaverblad cooperation and we continued to service our customers in funeral insurance providing assurance that there are sufficient resources to meet their funeral entitlements.

During 2022, we were also very pleased to welcome two new members of the Supervisory Board: Peter Borgdorff as Chairman, replacing Herman van Hemsbergen, and Andrew Birrell, replacing Nils Albert. Peter is a highly experienced director in the financial sector and an authority in the Dutch pension market. Andrew is an experienced director at multiple regulated companies with deep background in insurance regulatory and capital management matters. I'm happy that we are able to leverage on their deep knowledge and experience in the pension and insurance sector.

Personal approach

Lifetri's client centric strategy differentiates itself through a strong focus on offering guarantees to customers and giving customers the best service possible. In an environment where providing guarantees is getting less and less common, this is where we distinguish ourselves. When servicing our customers, we are aware that the conversations and dialogue we have with them centre around living in uncertain times. Providing guarantees gives our customers the basis and ease of mind to be more self-assured. Having a legacy free and fully cloud-based administration system enables us to respond quickly to our customers' evolving needs.

Partnerships

Building solid partnerships is at the core of what we believe we need to do to be able to help the market in this ambitious pension transition. Over the last years we have built a scalable pension platform. Together with our reputable partners, we bring together sizeable capital resources, global pension expertise, reliable operational platforms, innovative product solutions and solid risk management tools. We are therefore not just another insurance company doing buy-ins and collective value transfers. With our strong capabilities and execution capacity we aim to offer a wide range of bespoke long-term insurance solutions. Ultimately we strive to offer any pensioner the option to obtain a guarantee.

2022 was also about strengthening relationships with the boards of pension funds to discuss the options following the new pension reform that is expected to come into effect mid-2023 and building further relationships with various partners. I'm pleased to see that our vision that consumers have a strong need for guarantees is gaining traction. But we also realise that it is a vision that requires explanation and persistence, as well as tangible solutions and propositions.

On this journey, we are very pleased with our principal shareholder and partner, Sixth Street, as they share our long-term view. Their philosophy perfectly fits our strategy and their support goes beyond capital, as they give us access to smarter instruments, their network and knowledge. For outsiders it's good to understand that the US$ 26 billion fund from which they invest in Lifetri, is fully focused on long-term value creation and has no fixed realization date. Sixth Street can therefore take a long-term view on their strategic investments. Also, the long-term investors in this fund, such as pension funds and sovereign wealth funds accounting for ~80% have a similar long-term horizon as Lifetri and know the pension business well. Furthermore, Sixth Street owns Talcott Financial Group in the US overseeing US$ 122 billion in liabilities and surplus for approximately 1 million customers, emphasizing the importance and their focus on insurance.

Our shareholder supports our long-term view of creating value for both the customer, as well as Lifetri. They provide us with an appropriate cost of capital, allowing us to adopt an investment strategy which benefits the customers. The large size of the fund provides us with security to obtain more capital over time when we grow the portfolio with new liabilities. Furthermore, it allows us to manage our balance sheet on an economic basis with acceptance of the volatility this has on results and solvency within the regulatory framework of Solvency II. I'm pleased that our bondholders, who are another important source of capital for Lifetri, have also embraced our strategy and way of thinking. The entire Board is fully confident that this economic approach is in the best interest of all our stakeholders.

Outlook

Looking at the market, we strongly believe that the pension transition in the Netherlands will call for different and innovative solutions and a higher demand for guarantees. We will continue to engage with pension funds on the options available and help them in their decision making following the new pension law. I am very pleased that due to the recently announced relationship with Legal & General we can approach the market together and further accelerate the transition of the Dutch pension system which I, and many others with me, are much looking forward to.

Acknowledgements

On behalf of the Management Board, I would like to thank our employees without whom we can't serve our customers, our shareholder for their continued support, our bondholders who gave us their confidence, all our partners, and the boards of pension funds that were open to discussing the future of pensions and, like us, want to ensure that we provide pensioners the retirement they deserve."

Philippe Wits,

Chief Executive Officer

1.3. Composition of the Management Board and Supervisory Board

The composition of the Management Board (MB) and the Supervisory Board (SB) of Lifetri Groep BV is shown below.

Supervisory Board

P.J.C. Borgdorff, Chairman

A.S. Birrell

H. Eggens

R. Singhal

Management Board

P.D.A. Wits, CEO

J.P.M. Rijken, CIO

R. Zomer, COO

M.R.E. Harkema, CFRO

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

Lifetri Groep BV,

Bisonspoor 3002,

3605 LT Maarssen

www.lifetri.nl

2. Strategy

2.1. Market environment

In the year 2022, the world was confronted with various challenges: the Russian invasion of Ukraine, supply chain disruptions, rising inflation, rapidly rising interest rates and volatile financial markets. These developments impacted Lifetri in its investments and capital management.

In this challenging macro environment, Lifetri believes the life market offers plenty of growth opportunities as demand for guarantees remains strong. Our long-term view combined with solid risk management and strong capital backing ensures that we can keep that promise. A promise to offer Dutch customers the financial means to live the retired live they want and assurance that there is sufficient means for their funeral.

Pension reform

The upcoming pension reform in the Netherlands will be the main driver of growth for Lifetri. After a long period of preparations, end of 2022 the Dutch House of Representatives approved on a new pension law, which will result in an unprecedented change in the Dutch pension schemes. Once approved by The Senate, the law will come into effect. Anticipating the new pension law, (the boards of) pension funds have started exploring alternatives and will take final decisions on the transition of the current accrued entitlements to the new system. Lifetri strongly believes, grounded in multiple risk preference research, that guaranteed solutions will be part of the considerations and often can be in the interest of (specific groups of) the funds participants. Our unique proposition, with our offering of guaranteed solutions, positions us well to grow our business on the back of this reform.

2.2. Business strategy

Lifetri's client centric strategy differentiates itself from other insurers by a strong focus on offering guarantees to customers and giving customers the best service possible. Lifetri is a Dutch medium-sized insurance company with around 550,000 customers in both pension and funeral insurance, and manages circa € 1.8 billion of assets. The ambition is to grow to over € 10 billion in assets by 2025. This strategy and growth ambition is fully supported by Lifetri's principal shareholder, Sixth Street.

Lifetri has a unique service book strategy with a strong focus on long-term guarantees. Lifetri provides flexible and tailor-made solutions to both pension funds and life insurers. This service book strategy is focused on the paid-up entitlements of former pension fund members and the funeral insurance customers. Apart from the consolidation of (pension) insurance portfolios, Lifetri does not write new business.

This specialized product offering enables Lifetri to offer a unique and distinguishing proposition to the pension funds and its participants:

- transfers of participants entitlements are quick, predictable and carry little to no transaction risk;
- future additions of portfolios benefit from a no-legacy platform. In contrast with other players in the market, there is no administrative complexity following historically built-up portfolios; and
- the relatively simple and manageable IT landscape ensures low costs and high service levels. Consequently, Lifetri can respond quickly to any legislative changes.

For the funeral portfolio, Lifetri's strategic focus is fully on servicing the existing customers in an impeccable, friendly and efficient manner to provide them long-term security. Lifetri does not write new business in its funeral portfolio and instead focusses on its existing customer base.

Lifetri is well prepared for upcoming pension reform in the Netherlands

In 2022, Lifetri diligently continued to build a scalable platform, enabling Lifetri to smoothly absorb insurance back-books and offer customers lifetime certainty with innovative guaranteed solutions.

Although in 2022 transaction volumes in general in the Netherlands were still low, Lifetri expects a large inflow of demand for guarantee-books, especially in the pension area, in the years to come.

To make sure that Lifetri is well prepared to absorb the expected growth in demand and to safeguard that the wishes of the pension fund and its participants can be properly fulfilled, over the last years Lifetri has:

1. built up an experienced team of (pension) professionals,
2. invested in a modern and scalable insurance platform, and
3. entered into several partnership agreements to safeguard capacity in the areas of for example reinsurance, hedging and implementation.

Professionals who help support the pension funds and its participants

In the past years, Lifetri has built up strong expertise about how to best assist the (board of) pension funds and its participants in their decision-making process in which the interests of all stakeholders are carefully considered.

A modern and legacy free insurance company

Outstanding and predictable service levels are an important condition in the success of the Lifetri strategy. In 2022, Lifetri finalised the implementation of a modern and modular IT platform with the migration of the funeral portfolio to the target infrastructure. On top of that a new back-end system for the pension portfolio was successfully implemented and the existing pension customers were seamlessly migrated to the new system. The current fully cloud based IT set up is secure, future proof and sufficiently scalable to address the market opportunity at hand.

A platform for partners who share our vision

The current setup of the platform enables Lifetri to respond efficiently and innovatively on demands of the customer. Lifetri is of the opinion that the established relationships with its business partners is creating a competitive advantage and therefore are imperative to deliver on the strategic goals. Lifetri will continuously monitor whether adding additional partners to the platform can improve the proposition towards customers and secure capacity on scarce resources in the pension space.

The upcoming pension transition and consequently the expected strong increase in the demand for guarantees, will require a significant amount of additional capital and other risk absorption (like inflation hedging and longevity) in the Dutch insurance system. Lifetri is pleased with the long-term commitment of its shareholder and the recently announced long-term relationship with Legal & General, to invest in Lifetri fully supporting the growth ambitions.

2.3. Progress on strategy

Strong progress on most important strategic objectives

In 2022, Lifetri again made significant progress in achieving its long-term strategic goals and also achieved satisfactory results on the shorter-term deliverables of the business plan.

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

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

1. Continued implementation of the strategic asset allocation mix

As the main constituent of Lifetri's revenue model, the execution on the strategic asset allocation and consequently the gradual improvement of the risk-adjusted return profile is imperative. By selecting and adding new managers to the platform and by tight oversight of their performance, the 2022 goals on asset returns have been realised. On top of that, policies that support the implementation have been enhanced with features of new instruments, and adjusted following the impact of the significantly changed interest rate environment on the composition of the balance sheet. Furthermore, rebalancing assets, managing liquidity constraints due to the use of derivatives, enhancing insights of tax impacts, and improving the management of our network of investment managers, clearing brokers and custodians were focus areas.

2. Partnering and innovation to accommodate needs of pension funds

Lifetri's approach to provide pension funds with tailor-made solutions has been further extended with the addition of innovative combined offerings with selected partners. Blended solutions of conditional entitlements on the one hand and guarantees for specific participants on the other have been developed. Furthermore, longevity risk solutions to efficiently leverage and adapt our balance sheet to the potential needs of pension funds have been fully embedded. The completion of a scalable pension administration system with our partner Visma Idella and the seamless realisation of the full migration of all former Klaverblad and Allianz policies to the target landscape is another concrete proof point that Lifetri is ready to implement new pension customers and secure the desired service levels to participants.

3. Realisation of the full migration of all former Klaverblad individual policies

In 2022, Lifetri finalised the multi-year project of implementing a new future proof IT landscape, including the migration of all former Klaverblad policies to the new core system.

4. Development of staff and organization

In 2022, Lifetri re-assessed the target operating model in terms of staff, based on the outlook of the business plan. The organisational model is flexible and structured to allow people to work in multidisciplinary teams and across multiple products. Furthermore, processes were streamlined through continuous improvement (lean). Our colleagues have been empowered to come up with improvement ideas to increase quality of service and productivity. The reliance on external hires decreased significantly because of the above-mentioned projects.

The service department for intermediaries and the three individual policy administration departments have been combined in one department working towards one process and one system. Regulatory reporting has been split off from the activities related to balance sheet management and is now combined with the finance department. In this new organisational setup both regulatory reporting and the forward-looking management of assets and liabilities will have undivided focus. The cooperation with external advisors, shareholder and other stakeholders has intensified and further improved being mindful of each other's roles and responsibilities in Lifetri's system of governance.

Staff engagement remained stable at a satisfactory level even though projects, reporting demands and commercial endeavours put a heavy workload on staff.

2.4. ESG ambitions and progress

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

In 2022, Lifetri made progress in its sustainability endeavours. Building on its self-assured mission, the UN Sustainable Development Goals (SDG) 3, 4 and 13 and its Responsible Investing policy, Lifetri set the first ESG (Environment Social Governance) ambitions and made further progress in its execution of the Responsible Investing policy.

ESG Ambitions

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

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

Good employer

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

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

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

Client centricity

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

Sustainable future for current and future generations

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

- by 2050, Lifetri is a net zero carbon issuer; and
- Lifetri supports biodiversity preservation.

In 2023, Lifetri will give further substance to the themes and ambitions by, where possible, formulating clear goals and regularly report on them.

Progress

During 2022, in order to grow towards the strategic asset allocation, Lifetri introduced again additional asset classes and selected a number of new external asset managers like for instance Private Equity. As part of the selection process, Lifetri focused on how these selected asset managers can support its ESG ambitions. During the selection process Lifetri assessed the asset manager’s investment process to see to what extent ESG has been truly integrated. In addition, the ESG ambition of the asset manager itself is also a crucial element in the assessment. Moreover, the asset managers realisation of, or progress towards realisation of, the SFDR 8 or 9 qualification with regards to the relevant investment strategy has been an important element in the selection process. These qualifications are important for Lifetri as it enables the company to build a sustainable investment portfolio. Additionally, all selected managers have committed to the guidelines and restrictions stated in Lifetri’s Responsible Investment policy.

In the quarterly review meetings with the external managers, sustainability is a topic of growing importance. As the regulatory requirements with respect to sustainability reporting increase, sustainable data availability and quality will improve and will subsequently lead to more constructive dialogues.

Lifetri’s Responsible Investing Council (RI Council) held four meetings in 2022. The RI Council discussed various topics and advised the Asset & Liability Committee (ALCO) where appropriate on topics including the EIOPA Risk Assessment for the ORSA, the development of the investment portfolio, the longer-term ambitions with regard to sustainability and the decision to join the collective engagement program to support biodiversity. The latter are engagement activities by a large group of institutional investors as their collective activity gains more weight in this case against food producers to preserve biodiversity.

3. Business developments

3.1. Key figures

in thousands of euros	2022	2021
Shareholder's funds	30,099	43,396
Eligible own funds	44,583	58,381
Solvency capital required (SCR)	31,240	39,483
Solvency II ratio	143%	148%
Net premiums earned	18,375	18,559
Claims and benefits paid	5,856	-6,092
Total operating expenses	3,561	4,388
Net result	-13,296	-17,701

3.2. Financial developments

Lifetri manages its balance sheet on an economic basis. Given some very material and less economic elements in the Solvency II framework, such as the Ultimate Forward Rate (UFR), the last liquid point which is the basis of the interest rate projection and the extrapolation method of the interest rate curve, Lifetri's Solvency II coverage ratio is volatile. This volatility is amplified by the specific characteristics of Lifetri's balance sheet with very long dated pension and funeral liabilities. As a result of this and Lifetri's deliberate choice to manage on an economic basis instead of strictly on Solvency II, both the financial net result and the Solvency II coverage ratio are highly sensitive to specifically interest rate movements.

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

In 2022, the financial net result of Lifetri Uitvaartverzekeringen increased to € -13.3 million from € -17.7 million in 2021. This result was driven by the step down of the Ultimate Forward Rate (UFR) that was reduced from 3.6% to 3.45%, the UFR drag, increasing risk free rates, spread widening and the strengthening of the expense provisions. Shareholder's funds reduced from € 43.4 million to € 30.1 million as of year-end 2022. Lifetri considers the development and drag of the UFR in its capital management. Both the shareholders' funds and the net result do not reflect the positive impact of the rising interest rates of a reduced impact of the UFR by € 131.1 million.

3.3. Asset management

To support Lifetri's current customers and its growth strategy, Lifetri set-up an Investment Plan in 2021 to transform the portfolio towards the so-called Strategic Asset Allocation portfolio (SAA), which is a balanced portfolio that on the one hand supports the business, and at the other hand mitigates interest rate and inflation risks.

In 2022, the second year of the Investment Plan, private equity, supply chain finance and infrastructure equity were approved as additional asset classes. For both private equity and supply chain finance external asset managers were selected, and the first investments were made. Investments in residential mortgages, commercial real estate debt and direct lending continued according to plan.

Capital markets were dominated by the Ukraine war and the subsequent increase in energy prices in 2022. Together with the already existing supply chain imbalances, inflation picked up rapidly across the globe. Interest rates increased sharply on the back of central banks fighting to bring these high inflation numbers down.

The sharp increase of interest rates had an impact on the interest rate sensitive assets and the derivates portfolio. Lifetri makes periodic analyses of how the portfolio would develop in a rising rates environment. Given our comprehensive, forward-looking liquidity monitoring and sufficient liquidity measures, Lifetri's liquidity position has been solid throughout the year.

While the growth of the developed economies slowed down, the quality of the investment portfolio remained very strong. At this point in the economic cycle the downturn has had very little impact on the asset categories Lifetri is invested in. Strong and proven underwriting capabilities is one of the key criteria for the asset managers selected. This has supported the underlying portfolios to perform well. Please refer to paragraph for a more detailed insight of the composition of Lifetri's investments.

3.4 Captital management

in thousands of euros	31 December 2022		31 December 2021	
Share capital SII		70,945		70,945
Reconciliation reserve	-40,188		-24,783	
Subordinated liabilities	13,826		14,986	
Net deferred tax assets	0		-2,767	
Available own funds		**44,583**		**58,381**

in thousands of euros	31 December 2022		31 December 2021	
Solvency capital requirement				
Market risk	11,290		7,316	
Counterparty risk	1,612		1,506	
Life underwriting risk	33,041		38,405	
Diversification	-7,943		-5,927	
BSCR		**38,000**		**41,300**
Operational risk		735		951
LACDT		-7,495		-2,768
Total solvency capital requirement		**31,240**		**39,483**
Eligible own funds		44,583		58,381
Minimum capital requirement		7,810		9,871
Solvency II ratio		143%		148%
Minimum Capital required ratio		414%		460%

Movements of Available Own Funds

in thousands of euros	2022		2021	
At 1 January		58,382		56,097
UFR step down	-3,869		-3,988	
Model changes	0		163	
Unwind	2,996		3,178	
Portfolio development	1,121		2,986	
Economic assumptions	-1,752		-13,543	
Non-economic assumptions	-5,100		-1,505	
Unexplained	-7		10	
Net taxes & tiering	-7,187		-	
Addition of subordinated debt	0		14,986	
At 31 December		**44,584**		**58,382**

Introduction

Lifetri's capital management aims to protect policyholders' rights, comply with regulatory requirements, and ensure that financial setbacks can be absorbed without endangering the continuity of the business and strategy. Therefore, Lifetri holds an additional buffer, apart from the technical reserves and the regulatory solvency capital requirement (SCR). The target solvency level is set at 160%, while the norm solvency level, our desired minimum level, is set at 135%. These levels have been affirmed in 2022.

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

Lifetri has very long dated liabilities. Both the pension and the funeral liabilities last beyond the last liquid point of twenty years up to one hundred years.

The observable interest rates in the financial markets deviate significantly from the EIOPA interest rate structure. As per end 2022, the thirty-year swap was 2.53% while the EIOPA rate was 2.89%, and the fifty-year swap was 2.06% while the EIOPA rate was 3.06%.

In its interest risk hedging policy, Lifetri chooses not to exactly hedge the Solvency II coverage ratio as Lifetri manages its balance sheet on an economic basis. Lifetri, having no view on interest rate, targets a low SCR interest. Therefore, the Solvency II coverage ratio is sensitive to interest movements.

The interest hedging strategy is calibrated in such a manner that an interest movement that adversely impacts the Solvency II coverage ratio is economically beneficial.

Lifetri does not have an appetite for inflation risk. The inflation guarantee in the pension liabilities are hedged on a cash flow basis with the derivatives. Based on Solvency II the liabilities are slightly overhedged. The inflation risk in the expense provisions is hedged with inflation linked bonds, where Lifetri considers the central banks to manage the inflation at 2% over time ultimately. Second order effects to the cost assumptions and the risk margin due to inflationinflation had an adverse impact.

Lifetri reinsures its longevity risk up to 85% with Hannover Re.

Developments

On 31 December 2022, the solvency level of Lifetri was 146% (2021: 184%), above the norm solvency level of 135%. The decrease of the solvency ratio in 2022 was predominantly caused by the decrease of the UFR per 1 January 2022 (€ 25m) and the strengthening of expense reserves(€ 20m) for investments in future growth of the pension platform. The net interest rate increase over the year also contributed negatively to the solvency ratio (€ 60 million).

In 2022, the rising interest rates impacted the Own Funds adversely by € 59.5 million gross of taxes. However, at the same time, the rising interest rates reduced the UFR impact on the technical provisions in 2022 by € 1,040.2 million, a further improvement compared to 2021 when the reduction was € 686.4 million. The reduction brought the regulatory solvency more in line with the economic solvency.

The negative impact on the regulatory solvency in case of rate increases is in line with the anticipated sensitivities and the result of deliberate choices Lifetri has made in its interest rate risk management. Lifetri's economic balance sheet improved significantly in 2022 because of the increased interest rates, which boosted the economic valuation of Lifetri and its creditworthiness to bond and policyholders.

Given the specific composition of the balance sheet, Lifetri's Solvency II sensitivities remain relatively high. As of December 2022, a fall of interest rates by 0.5% would have a positive impact on the Lifetri Group's Solvency II Ratio by 48%, while an increase in rates by 0.5% would have a negative impact by 37%. In practice, management intervention actions may further prevent risks. Especially under the current volatile market circumstances this may result in Solvency II ratios that are at the lower end of the desired target range. The aim of Lifetri's capital management policy is to always have sufficient buffers in the system to secure the rights of our customers. In this policy the long-term commitment of the shareholder and its willingness to support the Solvency II coverage ratio once the norm solvency would be breached, is an important cornerstone. This enables Lifetri to take economic decisions to stabilise the ratio.

In line with the capital policy, the shareholder injected € 10 million into Lifetri in March 2023 when the Solvency II coverage ratio approached the norm ratio. The capital injection increases the year-end pro forma norm ratio to 154%.

3.4. Subsequent events

In March 2023 the shareholder injected € 10 million of capital into Lifetri Groep. Including the capital injection, the pro-forma year-end Solvency II coverage ratio is 154%.

Mid-March 2023, Lifetri announced plans to enter into a long-term strategic relationship with Legal & General under which Legal & General will support Lifetri as it expands to write further Dutch pension risk transfer (PRT) business for defined benefit arrangements. Lifetri is excited to continue to grow this relationship and with that be able to provide pension funds with sufficient capacity when they decide to opt for capital-backed insurance guarantees.

Maarssen, 25 April 2023

Philippe Wits

Han Rijken

Rutger Zomer

Menno Harkema

4. Governance and risk

4.1. Foreword of the chairman of the Supervisory Board

Peter Borgdorff, Chair Supervisory Board

"In 2022, Lifetri was confronted with exceptional volatile financial markets with rising rates and rising inflation. As Supervisory Board, we actively monitored these developments and were in close contact with the Management Board to discuss the impact on the execution of Lifetri's strategy. Looking back, we can say that Lifetri navigated well through this challenging year.

Good progress was made on all fronts: an increase of investment returns, attracting and retaining highly skilled employees, and the further implementation of a state-of-the-art pension platform without any legacies. The ability of Lifetri to keep delivering on its promise to offer guarantees to all its customers and furthermore maintaining the best service possible, even in these circumstances, is for me the most striking achievement. With its goal to provide guaranteed pensions, Lifetri provides an alternative to pensioners who want security once retired.

In view of the Dutch pension transition, the appetite of pension funds to consider guaranteed pensions, is expected to grow further and it will allow Lifetri to capitalise on its investments over the past years with its unique proposition.

Stakeholders

I am very satisfied with the cooperation between the Management Board and the Supervisory Board. The open culture of Lifetri allows the Supervisory Board to have regular contact with the Management Board members, in addition to the formally scheduled Supervisory Board meetings, to keep track of the latest developments as sparring partner.

I also have come to know the shareholder as involved and it has become clear we can count on them when we need their support, whether this is expertise, capital, or their extensive network.

It is assuring to have a shareholder with a long term focus who shares our view on how to create value for all stakeholders.

Furthermore, I am very pleased that we recently announced our plan to enter into a long-term relationship with Legal & General. An additional proof point of confidence in Lifetri's strategy.

Outlook

2023 will be an important year for Lifetri. It is the expectation that the pension law will come into effect. I am convinced that Lifetri is well positioned and fully prepared to play a meaningful role in this transition. The Supervisory Board continues to fully support the Management Board in the execution of its strategy in the years to come.

On behalf of the Supervisory Board, I would like to thank all the employees for their hard work during the past year."

Peter Borgdorff,

Chairman of the Supervisory Board

4.2. Report of the Supervisory Board

The report of the Supervisory Board (SB) describes the main activities performed by the SB and its committees during the year for the whole Lifetri group (Lifetri Groep, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen).

Composition of the Supervisory Board
The SB consists of the following four members, as per the date of signing this report:

P.J.C. (Peter) Borgdorff (Chairman)

Date of birth	1953
Nationality	Dutch
Independence	Independent
Principal	None
Other Positions	Member Supervisory Board Nibud
	Executive lecturer, moderator at Nyenrode Business Universiteit
	Member Advisory Board Pensioenlab
	Chair Supervisory Board ANBO
	Member Supervisory Board Bartiméus
	Chair pension Advisory Board Caceis NL
Term of Office	2022-2026 (1st term)

A.S. (Andrew) Birrell

Date of birth	1969
Nationality	British
Independence	Non Independent
Principal	Senior Advisor Sixth Street
Other Positions	Independent Non-Executive Director, Ascot Underwriting Limited
	Non-Executive Director, ELG Holding & Subsidiaries
	Lead Independent Non-Executive Director, Sanlam Developing Markets
	Independent Non-Executive Director, esure Group Plc, esure Insurance Limited, esure Services Limited
	Independent Non-Executive Director, SANLAM Limited and SANLAM Life Limited
	Independent Non-Executive Director, Sun Life of Canada UK Limited
	Non-Executive Director, ARGO Investment Managers Limited
	Non-Executive Director, Friedshelf 1491 (Proprietary) Limited
	Non-Executive Director, Mabushka Lodge (Proprietary) Limited
Term of Office	2022-2026 (1st term)

H. (Henk) Eggens

Date of birth	1957
Nationality	Dutch
Independence	Independent
Principal	None
Other Positions	Chairman of the Supervisory Board of NV GEMS
Term of Office	2020-2024 (1st term)

R. (Rohan) Singhal

Date of birth	1987
Nationality	British
Independence	Non-independent
Principal	Managing Director Sixth Street
Other Positions	Board member, Northview Group
Term of Office	2021–2025 (2nd term)

Meetings of the Supervisory Board and its committees

In 2022, the SB held six meetings: five regular meetings and one ad-hoc meeting, which was used to discuss matters that required the attention of the SB in between regular meetings. The members of the MB are usually invited to attend the meetings, as well as such managers for presenting topics to the SB.

The overall attendance rate of SB members at SB meetings during 2022 was more than 90%. Furthermore, the SB held a few sessions to discuss informally among members of the SB, part of which the CEO was invited to join. The chairman of the SB has regular contact with the CEO outside meetings. The same applies to the chairman of the ARC with the CFRO.

Main topics discussed during the meetings were the governance of the company, the strategy and funding of the company, the budget and business plan, the financial performance, the main risks to which the company is exposed, the design and effectiveness of risk management and internal control systems, the investment plan, IT security risks, the development of business activities, including ESG progress, investments and pension buy-in / buy-out opportunities, as well as the competitive environment, the relationship with the external regulators, including the Dutch Central Bank (DNB) and the Dutch Authority for Financial Markets (AFM), the performance and functioning of the SB and of the MB, and ongoing for 2022, the IT migration of the Klaverblad portfolio.

Furthermore, the SB spent considerable time discussing proposed changes in the composition of the SB and the developments and considerations leading to those changes. After a diligent recruitment process and careful consideration, the new Chairman of the SB, Peter Borgdorff, replacing Herman van Hemsbergen, as well as an additional new member of the SB, Andrew Birrell, replacing Nils Albert were appointed by the shareholder, following approval from the Dutch Central Bank (DNB) on their respective appointments. Furthermore, the renewal of the CEO mandate was considered and approved in February 2023. SB and MB members receive regular training on a variety of topics that are relevant for Lifetri Groep and the environment in which Lifetri Groep operates.

Performance of the SB and the MB

Each year, the SB evaluates the performance of the SB and of the MB, as well as the performance of its individual members. During 2021, the performance of the SB and the MB was assessed with the assistance of an external expert. The outcome of the assessment included actions to further strengthen where needed the effectiveness of board dynamics, corporate governance and checks & balances within Lifetri that were well paid attention to during 2022. Furthermore, following the new composition of the SB, the SB dedicated considerable time in establishing and building a constructive and cooperative relationship both among SB members as well as with the MB members. The SB also pays well attention to the relationship with the shareholder.

Audit and Risk committee and Nomination and Remuneration committee

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

The following SB members are members of the Committees:

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

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

Main topics discussed in the ARC during 2022 were the annual financial statements 2021 and the related report from the external auditor, the external auditor’s plan for the year 2022, the quarterly performance reports, the Own Risk Solvency Assessment (ORSA), the Systematic Integrity Risk Analysis (SIRA), reports from the second line functions (i.e. risk, compliance and actuarial risk), reports from internal audit, including audit findings and the internal audit plan, as well as the relationship with the internal and external auditor and their independence.

The RemCo met once during 2022. Main topics discussed were the implementation of the remuneration policy for the MB and for the organisation for 2021, the performance review for 2021, and the remuneration and performance objectives for 2022.

The SB would like to thank the MB and the organisation for the work performed during 2022.

Maarssen, 25 April 2023

Peter Borgdorff, Chairman

Andrew Birrell

Henk Eggens

Rohan Singhal

4.3. Governance (including remuneration)

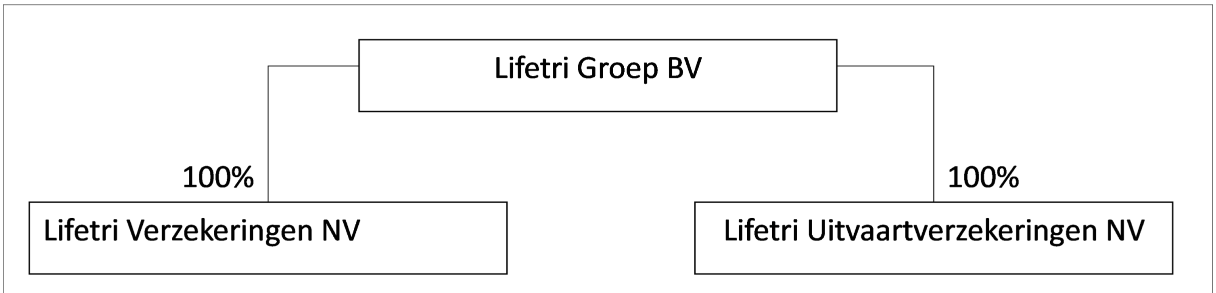
Legal governance

In 2022 Klaverblad Levensverzekering NV was renamed to Lifetri Verzekeringen NV after the full migration of the former Klaverblad policies to the Lifetri administration system.

Group structure

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

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



Document to which the KPMG report 2436938/23W00187666UTR dated 25 April 2023 also refers.

Remuneration policy

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

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

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

4.4. Risk management

In 2022, the MB updated its risk appetite in a statement that serves as a foundation for all risk monitoring activities. In 2022, Lifetri performed the annual Own Risk & Solvency Assessment (ORSA). It was confirmed from the ORSA analysis that Lifetri Groep requires further capital injections from the shareholder to support its growth strategy. On the other hand, in case no buy-outs were to take place, the projections showed that no additional capital injections are to be expected.

Also in 2022, Lifetri paid specific attention to liquidity risk as collateral requirements for its swap contracts increased due to interest rises. Regular monitoring involves liquidity stress tests in both the short and longer term. Additional measures to limit liquidity risk have been identified and can be put in place when required.

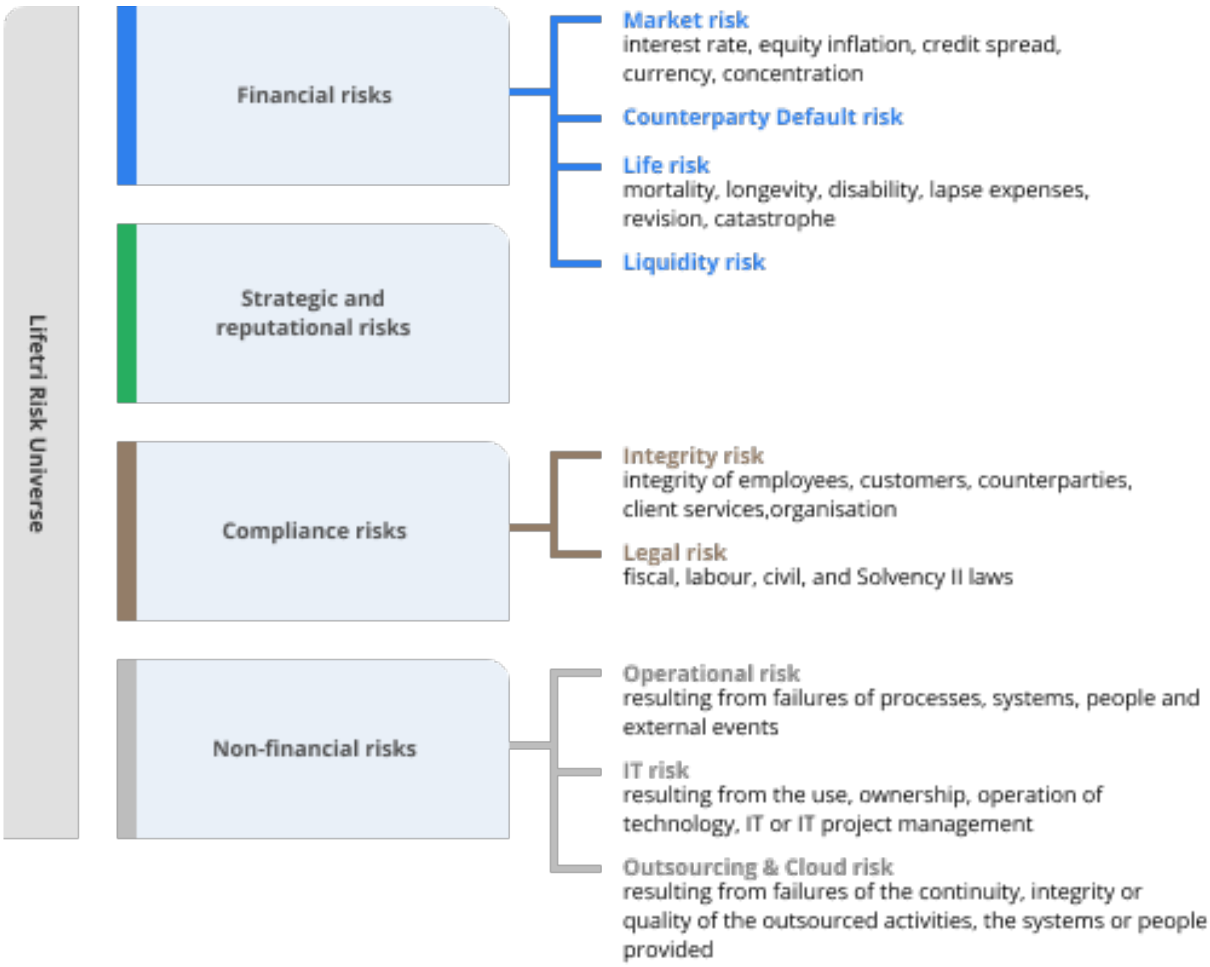
Risk management was further strengthened in 2022 by updating the control framework.

Scope

Risks are inherent in daily business. Lifetri Groep applies risk management processes to keep the risk within acceptable levels. These levels are defined in Lifetri Groep's risk appetite statements and limits (see paragraph further below).

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

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



Lifetri risk universe

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

The other risk types are generally more qualitative in nature.

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

Organisation

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

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

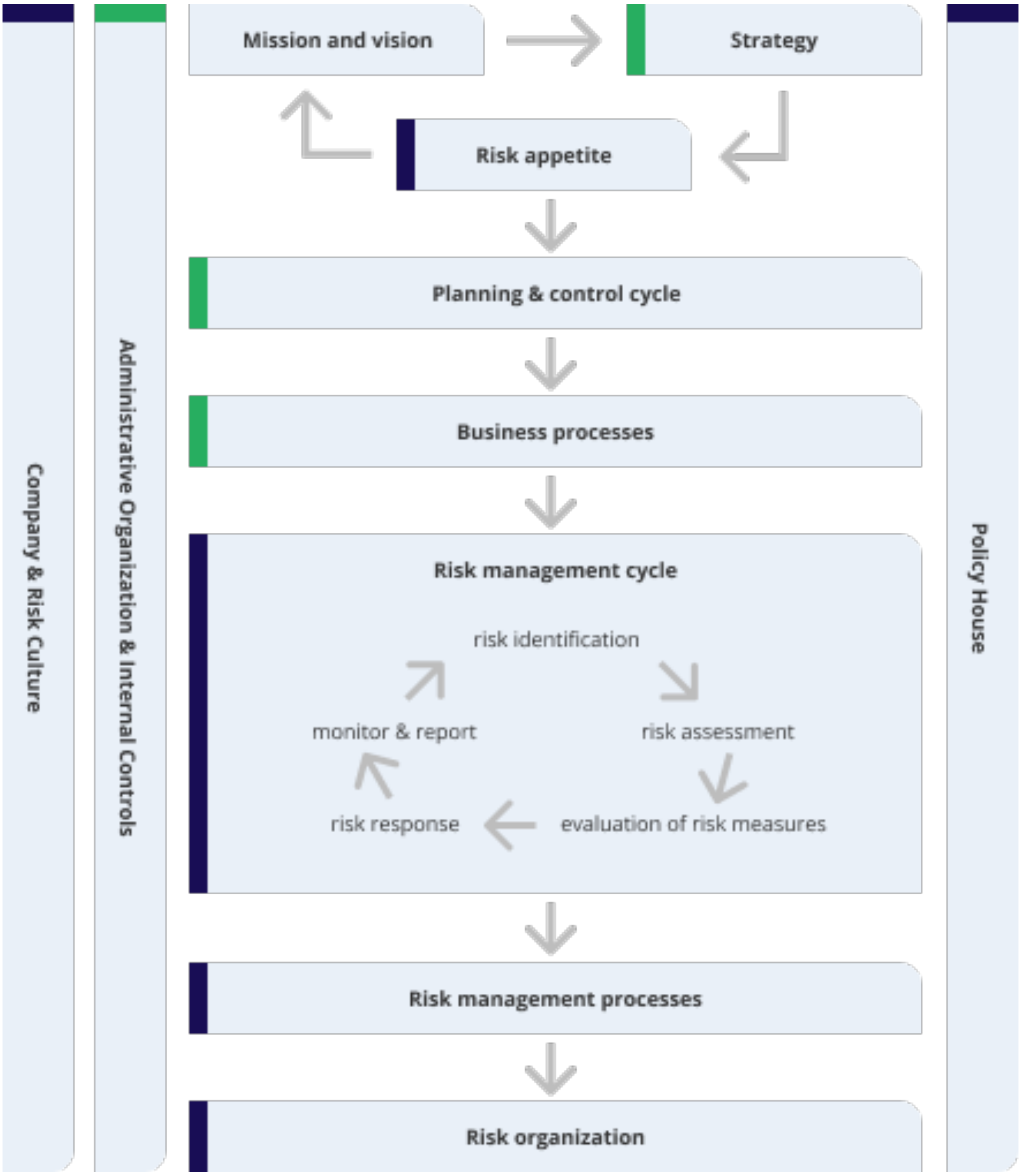
The business is responsible for:

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

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

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

The risk management cycle below depicts the risk management process.



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

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

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

Risk appetite statements and limits

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

The risk appetite articulates at a high level, for each major risk type, Lifetri groep's relative preference for that risk. Setting the risk appetite is inextricably part of strategy setting. Various factors may affect Lifetri's views of that risk, such as:

- The solvency position
- The return that is expected to be earned
- The importance of that risk in executing the business strategy
- How well the risk diversifies with other risks and
- The current operating and economic environment

Risk appetite defined

The risk appetite is further specified by quantitative risk limits for different risk categories in the investment policy. The policy also contains the investment beliefs. Risks are being limited and monitored – amongst others - through solvency capital required (SCR) limits, cash limits, rating-based and issuer limits.

Risk appetite setting

The risk appetite statements are reviewed periodically to ensure their continuing relevance in providing guidance to the business. The risk appetite statements are established by the Management Board and approved by the Supervisory Board.

Breaching a risk tolerance level serves as a red alert for management: the risk position must be reduced. For day-to-day operational monitoring purposes, the risk tolerances are translated into risk limits. Breaching a risk limit (if defined for the risk type), however, acts like an early-warning signal. Action is required, unless there are good reasons to maintain the current risk level and the risk is accepted by the Management Board.

Reporting

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

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

first line reporting:

The managers of the departments issue various management reports which analyse and explain the performance of financial and non-financial indicators for their responsibility areas. Depending on the nature of the report the frequency is monthly or quarterly. The monthly and quarterly ALCO Report combines input from Actuarial Department/Balance Sheet Management and Asset Management.

second line reporting:

Reports by the 2nd lines of defence, i.e. Risk management, Compliance and the Actuarial Function, and contain an independent 2nd line review on the 1st line. Risk Management and Compliance prepare the Risk Management & Compliance report on a quarterly basis. The Actuarial Function issues an annual Actuarial Function report.

third line reporting:

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

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

Operational set-up and risks

The organisation from which financial and non-financial risks emanate is relatively operational in nature.

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

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

The Policy House is reviewed each year for completeness or possible necessary changes and is formally endorsed in the Risk & Compliance Committee.

To continuously comply with laws and regulations is an important focus at an insurer. Where appropriate non-compliance issues are analysed and being solved.

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

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

Solvency and Risk Appetite

The management of capital is governed by the Capital Management & Dividend Policy. The measure for adequacy of the capital position is the regulatory Solvency II ratio, defined as the ratio of eligible Own Funds (OF) over the Solvency Capital Requirement (SCR). The Capital Management & Dividend Policy is aimed at being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri Groep wishes its subsidiaries to hold an extra buffer apart from the technical reserves and the regulatory solvency capital. The target solvency level is set at 160%, while the norm solvency level is set at 135%. The underpinning of the target and lower limits is provided in the Capital Management & Dividend Policy and assessed yearly in the ORSA. The target ratio could be increased if the economic valuation of the liabilities shows that a higher amount of assets is required to transfer the liabilities to a third party. Lifetri Groep applies the standard formula.

Both solvency levels are part of a more detailed capital intervention ladder in the Capital Management & Dividend Policy. Above the target solvency level, no measures are needed;

below the lower limit measures will be taken, and in between these levels' actions are being considered and prepared. A short-term measure to increase available capital is a capital injection; a short-term measure to decrease the SCR is a de-risking of market risks from the investment portfolio. Other medium- and long-term measures such as retaining profits, cost reduction, pricing, outsourcing, reinsurance and strategic measures are listed in the Capital Management & Dividend Policy. In practice, management intervention actions may further prevent risks.

5. Financial statements

The financial statements concern the period 1 January 2021 – 31 December 2021 and have been compiled in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the Annual Reporting Guidelines of the Dutch Accounting Standards Board. The notes from page 52 onwards form an integral part of these financial statements.

5.1. Balance sheet

(Before appropriation of result)

Assets

in thousands of euros		31-December-2022		31-December-2021	
Financial investments					
Bonds	1	66,707		144,831	
Mortgages	2	57,319		61,742	
Investment funds	3	66,597		85,833	
Derivatives	4	-24,425		1,229	
Total financial investments			166,198		293,635
Deferred tax assets			0		0
Short term receivables					
Policyholders		102		107	
Group companies		2,855		0	
Other receivables		464		90	
Total short term receivables			3,422		197
Other assets					
Cash and cash equivalents	7	39,789		24,184	
Total other assets			39,789		24,184
Total assets			**209,409**		**318,016**

Liabilities

in thousands of euros		31-December-2022		31-December-2021	
Shareholders' funds					
Share capital		45		45	
Share premium		70,900		70,900	
Revaluation reserve		10,579		2,191	
Other reserves		-38,129		-12,038	
Result before appropriation		-13,296		-17,702	
Total shareholders' funds	8		30,099		43,396
Subordinated debt	9		14,714		14,986
Net insurance liabilities					
For own risk	10	148,199		240,211	
Total net insurance liabilities			148,199		240,211
Deferred tax liability	11		6,474		2,767
Long term liabilities			7,784		8,857
Short term liabilities					
Policyholders	13	1,705		1,730	
Group companies		0		3,635	
Tax and social security contributions		7		297	
Other liabilities	14	428		2,137	
Total short term liabilities			2,140		7,799
Total liabilities			**209,409**		**318,016**

Document to which the KPMG report 2436938/23W00187666UTR dated 25 April 2023 also refers.

5.2. Income statement

in thousands of euros	2022		2021	
Insurance premiums earned				
Gross premiums	18,375		18,559	
Net premiums earned		18,375		18,559
Investment income				
Interest from bonds	1,298		1,592	
Interest from mortgages	1,378		920	
Interest on bank accounts	-58		-160	
Income investment funds	1,748		994	
Interest on derivatives	601		438	
Realised gains and losses on sales of investments	-18,999		18,187	
Total investment income		-14,031		21,971
Unrealised gains and losses on investments		-96,695		-55,519
Claims and benefits paid				
Gross claims and benefits paid	-5,856		-6,092	
Reinsurers' share claims	0		0	
Net claims and benefits paid		-5,856		-6,092
Change in technical provisions				
Gross change in technical provisions	92,013		2,899	
Net change in technical provision		92,013		2,899
Interest expense		-795		-73
Operating expenses				
Staff, overhead and depreciation costs	-3,561		-4,388	
Total operating expenses		-3,561		-4,388
Investment management expenses		-1,147		-1,266
Investment income attributable to non-technical account		-17,618		-5,418
Result technical account life insurance		-29,315		-29,327
Investment income attributable from technical account	17,618		5,418	
Result before tax		-11,697		-23,909
Income Tax		-1,599		6,208
Net result		**-13,296**		**-17,701**

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

5.3. Cash flow statement

in thousands of euros	2022		2021	
Cash flow from operational activities				
Result for the year		**-13,296**		**-14,827**
Adjusted for:				
Change in technical provisions	-92,012		-6,543	
Change in other provisions	0		0	
Depreciation of assets	0		5	
Fair value changes through profit or loss	104,141		38,860	
Changes in:				
Receivables	-3,225		9,881	
Liabilities	-1,953		-3,574	
Other long term liabilities	-1,073		-1,152	
Reserves	0		-1,713	
Net cash flow from operational activities		**-7,419**		**20,937**
Cash flow from investing activities				
Investments and purchases				
Bonds	0		-100,715	
Mortgages	-11,563		-42,895	
Investment funds	-107,713		-52,506	
Disposals and redemptions				
Bonds	18,635		153,448	
Mortgages	2,981		5,294	
Investment funds	120,956		8,696	
Net cash from investing activities		**23,296**		**-28,678**
Cash flow from financing activities				
Capital contribution	0		5,000	
Subordinated debt intragroup	-272		14,986	
Cash flow from financing activities		**-272**		**19,986**
Net increase/decrease in cash		**15,604**		**12,245**
Cash and cash equivalents beginning of period		**24,184**		**11,939**
Cash and cash equivalents end of period		**39,789**		**24,184**

5.4. Accounting principles

Lifetri Uitvaartverzekeringen N.V. (Lifetri Uitvaartverzekeringen) with a statutory seat in Baarn, is a limited liability company under Dutch law, Chamber of Commerce registration number 69933332. 100% of the shares of Lifetri Uitvaartverzekeringen are held by Lifetri Groep B.V.

General

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

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to Lifetri Groep and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of Lifetri Groep. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities. Unless stated otherwise, assets and liabilities are recognised at their fair value. Income and expenses are allocated to the relevant year. The financial statements have been drawn up on the basis of the going concern principle.

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

Change in accounting principles

in 2018, Lifetri Uitvaartverzekeringen acquired the assets and (insurance) liabilities of Nuvema, for which the same accounting policy including the PPA, is applied.

Due to an increase in market interest in 2022, LTG is of the opinion that currently applied accounting principles on the (acquired) insurance liability does not provide a reliable insight in the financial statements. Hence, the insurance liability now includes a provision for an interest lower than the UFR (the “UFR drag”) that effectively is significantly inaccurate due to the increased interest rates.

To provide better insight in the financial statements, a change in accounting policy to the insurance liabilities took place. It is to apply the Solvency II requirements for measurement of the insurance liabilities, providing a more reliable insight and is also in alignment with the accounting principles of the insurance liabilities within the group. The effect on equity of Lifetri Uitvaartverzekeringen as per 31-12-2022 is € 0.9 million.

Adjustments made to the balance sheet

in thousands of euros	*31 december 2021 before adjustment*	*Adjustment*	*31 december 2021 after adjustment*
Financial investments	293,635	0	293,635
Short term receivables	197	0	197
Other assets	24,184	0	24,184
Total assets	**318,016**	**0**	**318,016**
Group equity	41,592	1,804	43,396
Subordinated debt	14,986	0	14,986
Net insurance liabilities	242,641	-2,430	240,211
Deferred tax	2,140	627	2,767
Provisions	0	0	0
Long term Liabilities	8,857	0	8,857
Short term liabilities	7,799	0	7,799
Total liabilities	**318,016**	**0**	**318,016**

Adjustments made to the income statement

in thousands of euros	*31 december 2021 before adjustment*	*Adjustment*	*31 december 2021 after adjustment*
Insurance premiums earned	18,559	0	18,559
Total investment income	21,971	0	21,971
Unrealised gains and losses on investments	-55,519	0	-55,519
Claims and benefits paid	-6,092	0	-6,092
Net change in technical provision	6,708	-3,809	2,899
Interest expense	-73	0	-73
Operating expenses	-4,388	0	-4,388
Investment management expenses	-1,266	0	-1,266
Income tax	5,274	934	6,208
Net result	**-14,827**	**-2,874**	**-17,701**

Business combinations

A business combination is a transaction whereby Lifetri Groep obtains control over the assets and liabilities and the activities of the acquired party.

Business combinations are accounted for using the 'carry-over accounting' method on the date that control is transferred to Lifetri Groep (the acquisition date). The transaction price is the cash consideration or equivalent agreed as part of the acquisition, or the fair value of the consideration transferred at the acquisition date. Transaction costs that are directly attributable to the business combination are allocated to the transaction price. In case of deferred payment of the consideration, the transaction price is the discounted value of the consideration.

The group recognises the identifiable assets and liabilities of the acquire at the acquisition-date. These assets and liabilities are recognised individually at their fair values, provided that it is probable that future economic benefits will flow to the group (assets) or settlement will result in an outflow of resources embodying economic benefits (liabilities), and the cost or fair value of it can be measured with reliability.

An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. It is also possible that a previous estimate of the adjustment to the purchase price must be revised. Such adjustments to the purchase price, that are recorded as changes in estimates, will also result in an adjustment to (positive or negative) goodwill. The adjusted goodwill is amortised prospectively from the date of the adjustment of the purchase price.

Financial reporting period

The financial statements cover the period from 1 January 2022 and ended at the balance sheet date of 31 December 2022.

Changes in presentation

The current presentation differs from last year's presentation in some aspects. Where applicable, comparative figures have been included in the new presentation format, including related disclosures, to ensure comparability. These changes in presentation have no impact on net result nor equity.

Subsequent events

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

Investments in subsidiaries

Participating interests where significant influence can be exercised over the business and financial policies are valued according to the equity method on the basis of net asset value.
If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity. In assessing whether Lifetri Groep has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are considered.

The net asset value is calculated on the basis of Lifetri Groep's accounting policies.

If Lifetri Groep transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised. Results on transactions involving transfer of assets and liabilities between Lifetri Groep and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

Unrealised profits on transactions with participating interests that are accounted for at net asset value are eliminated to the extent of Lifetri Groep's share in the participating interest. This elimination is allocated to the share of result from participating interests and the net asset value of the participating interest.

Lifetri Groep realises the eliminated result as a result of a sale to third parties, depreciation or impairment of the transferred assets recognised by the participating interest.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed.

Use of estimates

The preparation of the financial statements requires the management board and management to make estimates and assumptions that can influence the application of accounting principles and the reported value of assets and liabilities. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Fair value hierarchy

Financial assets and liabilities are categorized into the following fair value hierarchy.

Published prices in active markets (Level 1)

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

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

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

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

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

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

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

Bonds
Bonds are measured at fair value. The fair value of bonds is measured using the fair value hierarchy as described above. Listed bonds in active markets are measured at fair value level 1, non-listed bonds as well as bond strips are measured at fair value level 2 or level 3. Changes in the fair value of investments are recorded in the income statement. In addition, for level 2 and level 3 bonds a revaluation reserve is recognised within the shareholder’s funds. The revaluation reserve is recognised at an amount of the accumulated fair value changes less any provision for deferred tax.

Mortgages
Mortgages are measured at fair value. The fair value of mortgages is measured using the fair value hierarchy as described above and conform article 75 of the Solvency II Directive (2009/138/EC), applying to the valuation of mortgage loans. This article provides that mortgage loans of

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

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

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

For loans in arrears and default, an adjustment is made to the cash flows to reflect the higher probability of default and loss-given-default. There is currently no indication that a (constant) default rate must be applied for mortgages that are current.

Changes in the fair value of mortgages are recorded in the income statement. For mortgages without frequent market quotations, a revaluation reserve is recognised within the shareholder’s funds. The revaluation reserve is recognised at an amount of the accumulated fair value changes, less any provision for deferred tax.

Investment funds
Participations in investment funds without significant influence are measured at fair value. The fair value of these participations is measured using the fair value hierarchy as described above. Listed investment funds in active markets are measured at fair value level 1, non-listed investment funds are measured at fair value level 2 or 3.

For illiquid investment funds where the market valuation is based on the previous quarter, the market valuation is corrected with the capital calls and withdraws with due date after the market valuation date.

Changes in the fair value of investments are recorded in the income statement. In addition, for level 2 investment funds a revaluation reserve is recognised within the shareholders' funds. The revaluation reserve is recognised at an amount of the accumulated fair value changes less any provision for deferred tax.

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

Cash
Cash is directly available funds held in bank accounts. Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is considered in the measurement.

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

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

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

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

Revaluation reserve
Fair value changes of financial assets are recognised in the income statement. For financial assets without frequent market quotations a revaluation reserve is recognised for the cumulative unrealised fair value changes reported in the income statement, after deduction of deferred tax.

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

Provisions
A provision is recognised if the following applies: Lifetri Groep has a legal or constructive obligation, arising from a past event; and the amount can be estimated reliable; it is

probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or If the period over which the cash outflows are discounted is no longer than one year.

Insurance liabilities

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

The Solvency II provision is the sum of.

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

The provision for insurance liabilities is calculated on the basis of the Solvency II principles, plus the not amortized part of the difference between the fair value provision at acquisition date and SII provision. This difference will be amortized in the coming years in line with the main driver of aforementioned difference, being the impact on the provision with regard to the development of the UFR.

Insurance risk

Insurance risk of Lifetri Groep includes all the Solvency II sub risks for mortality, longevity, lapse, expenses, and catastrophe. Lifetri uses the following definitions for these risks.

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

Lapse risk and expense risk are the highest risks within the life risks. The longevity risk is reduced due to the longevity reinsurance with Hannover Re.

Pensions and funeral deposits

Pension obligation is calculated as the discounted value of the expected yearly indexation budget for the former employees of Nuvema. The yearly indexation budget is equal to 3.2% of the salaries of the former employees of Nuvema. The calculation of the budget does take salary development and lapse rates into account. The discounted value is calculated with the risk-free rate (swap-curve).

Funeral deposits are reported at nominal value. No further increase of the deposits is considered.

Provisions for deferred taxes

Deferred tax assets and liabilities are measured at nominal value. Provisions for deferred taxes concern the tax claim that rests on all qualifying differences between commercial valuations and valuations for tax purposes of assets and liabilities, as well as the amount for which the reserves permitted for tax purposes have been created. A deferred tax asset is only recognised in so far as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference can be utilised. The provisions are created in relation to a lower valuation for tax purposes of equities, bonds, loans and immovable property.

The provision is calculated on the difference between the tax and commercial value of the asset or liabilities, multiplied by the current company tax rate of 25.8%.

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

Short-term liabilities

The short-term liabilities have an expected term of a maximum of one year. The carrying values of the current liabilities approximate their respective fair values, given the short maturities of the positions.

Premiums earned for own account

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

Yields from investments

This includes the proceeds realised on investments such as bonds.

Unrealised gain or loss on investments
All changes in the fair value of financial investments are recognised directly in the income statement. For gains on investments without frequent market quotations, the shareholder's funds recognise a revaluation reserve.

Claims and benefits paid
The benefit payments own account consists of the total liabilities arising from the payment of life insurance policies minus the amounts to be received from the reinsurers.

Change in technical provisions for life insurance
The change in technical provisions is equal to the difference between the opening balance and the final balance of the technical provision. This item therefore includes all the effects of financial transactions, adjustments to economic actuarial principles and deviations between actual and the previously applied assumptions.

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

Income tax
Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is calculated on the result in accordance with the profit and loss account at a tax rate of 25.8%, with due consideration to the tax facilities.

Leases
If Lifetri Groep acts as lessee in an operational lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Cashflow statement accounting principles
The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash and cash equivalents of Lifetri Groep during the financial year from cash flows arising from operating activities, investing activities and financing activities. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without significant risk of changes in value. The cash flows from investing activities primarily comprise changes in investment securities. Financing activities include all cash flows from transactions involving the issuing of own shares and paid share premium. Cash

flows from operating activities include all other activities, which belong to the principal revenue-generating activities.

Related parties

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

Transactions with related parties are disclosed in the notes as far as they are not transacted under normal market conditions. The nature, extent and other information are disclosed if this is necessary in order to provide a true and fair view. Related party transactions not on an arm's length basis have not occurred.

5.5. Profit appropriation

The Management Board proposes to charge the result of € -13.3 million to the other reserves within the shareholder’s funds. The Supervisory Board approved this proposal.

5.6. Notes to the balance sheet

Investments
Specification fair value hierarchy

in thousands of euros	Level 1	Level 2	Level 3	Total
Bonds	144,831	-	-	144,831
Mortgage loans	-	61,742	-	61,742
Investment funds	65,826	20,007	-	85,833
Derivatives	-	1,229	-	1,229
At 31 December 2021	**210,657**	**82,979**	**-**	**293,635**

in thousands of euros	Level 1	Level 2	Level 3	Total
Bonds	66,707	-	-	66,707
Mortgage loans	-	57,319	-	57,319
Investment funds	18,992	36,664	10,940	66,597
Derivatives	-	-24,425	-	-24,425
At 31 December 2022	**85,699**	**69,558**	**10,940**	**166,198**

1. Bonds

Bonds

in thousands of euros	2022	2021
At 1 January	**144,831**	**237,247**
Purchases	0	100,715
Disposals	-18,635	-153,448
Accrued interest	457	-216
Fair value changes through profit or loss	-59,946	-39,467
At 31 December	**66,707**	**144,831**

Cost of Bonds amounts to € 96.0 million (2021: € 119.9 million).

in thousands of euros	31 December 2022	31 December 2021
Austria	19,157	41,946
Belgium	22,508	40,641
Germany	-	-
France	20,417	54,894
Italy	4,625	7,350
At 31 December	**66,707**	**144,831**

Document to which the KPMG report 2436938/23W00187666UTR dated 25 April 2023 also refers.

Bonds by credit rating

in thousands of euros	31 December 2022	31 December 2021
AAA	-	-
AA	62,082	137,481
A	-	-
BBB	4,625	7,350
At 31 December	**66,707**	**144,831**

2. Mortgages

in thousands of euros	2022	2021
At 1 January	**61,742**	**22,898**
Purchases	11,650	42,895
Redemption	-3,068	-5,294
Fair value changes through profit or loss	-13,005	1,243
At 31 December	**57,319**	**61,742**

Cost of mortgages in 2022 amounts to € 68.9 million (2021: € 61.9 million)

3. Investment funds

in thousands of euros	2022	2021
At 1 January	**85,833**	**43,673**
Purchases	107,712	52,506
Disposals	-120,956	-8,696
Fair value changes through profit or loss	-5,993	-1,650
At 31 December	**66,597**	**85,833**

Investment funds by sub-asset class		
in thousands of euros	**31 December 2022**	**31 December 2021**
Direct lending	28,689	18,593
Emerging Markets Debt	16,672	31,426
Supply Chain Finance	12,111	-
Mortgages	-	32,406
CRE Loans	4,092	1,414
Money Market Fund EUR	2,320	1,993
Private Equity	2,712	-
Total Investment funds	**66,597**	**85,833**

Cost of Investment funds in 2022 amounts to € 71.7 million (2021: € 87.5 million)

4. Derivatives

in thousands of euros	2022		2021	
At 1 January		**1,229**		**-**
Accrued interest	204		215	
Fair value changes through profit or loss	-25,858		1,014	
At 31 December		**-24,425**		**1,229**

5. Policyholders

The short-term receivables on policyholders relate to insurance premiums due.

6. Other receivables

in thousands of euros	31 December 2022		31 December 2021	
Non-insurance receivables	433		-	
Prepaid operating expenses	-		-	
Other	31		90	
Total Short term receivables		**464**		**90**

7. Cash and cash equivalents

For an amount of € 12.4 million (2021: € 15.4 million) cash and cash equivalents are not freely available. This amount is used as collateral for derivatives and open mortgage proposals in our investments portfolio.

8. Shareholder's funds

in thousands of euros	Share capital	Share premium	Revaluation reserve	Other reserve	Result before appropriation	Total
At 1 January 2021	**45**	**65,900**	**8,726**	**-15,400**	**-1,462**	**57,809**
Movement due to merger				-1,713	-	-1,713
Result current year	-	-	-	-	-17,701	-17,701
Result previous year	-	-	-	-1,460	1,460	-
Capital contribution		5,000	-		-	5,000
Change reserves required by law	-	-	-6,535	6,535	-	-
At 31 December 2021	**45**	**70,900**	**2,191**	**-12,038**	**-17,703**	**43,396**

in thousands of euros	Share capital	Share premium	Revaluation reserve	Other reserve	Result before appropriation	Total
At 1 January 2022	**45**	**70,900**	**2,191**	**-12,038**	**-17,703**	**43,396**
Result current year	-	-	-	-	-13,296	-13,296
Result previous year	-	-	-	-17,701	17,701	-
Capital contribution		-	-	-		-
Change reserves required by law	-	-	8,388	-8,388	-	-
At 31 December 2022	**45**	**70,900**	**10,579**	**-38,129**	**-13,298**	**30,099**

The authorized capital of Company amounts to € 225,000 (2020: € 225,000), divided into shares of € 1. The total number of issued and paid up shares is € 45,001 (2020: € 45,001).

The share premium contribution at acquisition is the received loan from the shareholder converted into share premium at acquisition date. The share premium contribution was received by bank from Lifetri Groep B.V.

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

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

9. Subordinated liability

On 1 December 2021 Lifetri Uitvaartverzekeringen agreed on a ten year subordinated loan with Lifetri Groep B.V. of € 15.0 million. First callable after 5 years at a fixed rate of 5.25% paid annually in arrears on 31 May in each year. After the reset date at 31 May 2027 the interest is calculated based on the 5 Year Mid Swap Rate plus a margin of 5.304 per cent. The loan is considered Tier 2 for regulatory purposes.

in thousands of euros	31 December 2022	31 December 2021
Nominal value	15,000	15,000
Carrying value	14,714	14,986
At 31 December	**14,714**	**14,986**

10. Insurance liabilities

in thousands of euros	31 December 2022	31 December 2021
Best estimate	129,663	211,381
Risk margin	18,536	28,830
At 31 December	**148,199**	**240,211**

The insurance contracts include profitsharing for some mortality contracts and inflation guarantees for pension liabilities. No other options are included than the options stemming from the in-kind policies. The technical provision primarily has a long duration.

11. Deferred tax

in thousands of euros	01 January 2021	Movement through P&L	31 December 2021
Deferred acquisition costs	3,601	-913	2,688
Subordinated liability	-	78	78
Valuation differences technical provision	4,816	-3,349	1,467
Deferred tax assets	**8,417**	**-4,184**	**4,233**
Valuation differences investments	21,072	-14,072	7,000
Deferred tax liability	**21,072**	**-14,072**	**7,000**
Net deferred tax	**-12,655**	**9,888**	**-2,767**

in thousands of euros	01 January 2022	Movement through P&L	31 December 2022
Deferred acquisition costs	2,688	-448	2,240
Subordinated liability	78	-78	-
Valuation differences technical provision	1,467	-26,602	-25,136
Deferred tax assets	**4,233**	**-27,129**	**-22,896**
Valuation differences investments	7,000	-23,422	-16,422
Deferred tax liability	**7,000**	**-23,422**	**-16,422**
Net deferred tax	**-2,767**	**-3,706**	**-6,474**

12. Long term liabilities

in thousands of euros	31 December 2022		31 December 2021	
At 1 January		8,857		**10,009**
Interest increase through P%L	-9		-91	
Deposit payments	-1,064		-1,061	
At 31 December		**7,784**		**8,857**

Funeral deposits are increased with 0.1% (2021 0.5%).

13. Policyholders

Premiums are collected several working days in advance of the period they are earned.

Document to which the KPMG report 2436938/23W00187666UTR dated 25 April 2023 also refers.

14. Other Liabilities

in thousands of euros	31 December 2022	31 December 2021
Creditors	27	59
Accruals for operational expenses	-	26
Liabilities due to investments	401	2,052
At 31 December	**428**	**2,137**

5.7. Notes to the income statement

The Income statement reflects the premiums, claims, operating expenses and net result of the Lifetri Uitvaartverzekeringen business starting on 1 January 2021 and ending on 31 December 2021.

1. Net premiums

in thousands of euros	2022	2021
Periodic premiums	18,365	18,528
Single premiums	10	31
Total net premiums earned	**18,375**	**18,559**

2. Unrealised gains and losses on investments

in thousands of euros	2022	2021
Bonds	-54,001	-57,655
Mortgages	-13,237	1,261
Investment funds	-3,889	163
Derivatives	-25,870	1,014
Unrealised gains and losses from liabilities	302	-302
Total unrealised gains and losses on investments	**-96,695**	**-55,519**

3. Claims and benefits paid

in thousands of euros	2022	2021
Mortality claims	-5,810	-6,068
Surrenders	-46	-24
Total claims and benefits paid	**-5,856**	**-6,092**

4. Operating expenses

in thousands of euros	2022		2021	
Staff expenses	2,077		2,815	
External hires, advice and procurement of services	596		284	
Audit expenses	96			
General and administrative expenses	134		570	
Office expenses	115		88	
ICT	486		456	
Housing expenses	39		88	
Marketing expenses	-		88	
Depreciation	18		-	
Staff-, overhead- and depreciation costs		**3,561**		**4,388**
Acquisition costs		-		-
Total operating expenses		**3,561**		**4,388**

The auditor's expenses and average number of employees have been accounted for in Lifetri Groep B.V.'s annual report.

5. Income tax

in thousands of euros	2022		2021	
Deferred tax	-3,706		9,888	
Current tax	2,107		-3,680	
Total income tax		**-1,599**		**6,208**

The effective income tax rate is -13.7%. The table below shows a reconciliation of the expected income tax expense with the actual income tax expense.

in thousands of euros	2022		2021	
Result before tax	-11,697		-23,909	
Current tax rate	25.8%		25%	
Expected income tax expense		**3,018**		**5,977**
Effects of:				
Adjustments for prior-year final assessments		342		-
Loss compensation		-5,112		
Change in tax rate for deferred tax		-		66
Other		153		182
Total income tax		**-1,599**		**6,208**

During 2022 the income tax for current tax was 25.8%. For the upcoming years the tax rate of 25.8% is also expected and used to calculate the deferred tax.

5.8. Contingent liabilities and commitments

Fiscal unity

For income tax purposes Lifetri Groep is at the head of a fiscal unity which also includes Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen. As a result, Lifetri Groep is liable for the tax of the fiscal unity. Lifetri Groep has a current account relationship with entities part of the fiscal unity. Amounts for income tax recognised at balance sheet date have been settled in this current account and are included in Lifetri Groep's balance sheet.

Cash pool

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

Capital commitments

At 31 December 2022 Lifetri Uitvaartverzekeringen is committed to provide funding for the private debt portfolio. The commitment for a capital contribution amounts up to € 40.1 million (2021: € 54.1 million).

For the mortgage loans portfolio, the capital contribution amounts up to € 4.8 million (2021: € 9.2 million)

Intentionally left blank

Maarssen, 25 April 2023

Management Board	Supervisory Board
P.D.A. Wits, CEO	P.J.C. Borgdorff, Chairman
R. Zomer, COO	A.S. Birrell
J.P.M. Rijken, CIO	H. Eggens
M.R.E. Harkema, CFRO	R. Singhal

6. Other Information

6.1. Appropriation result according to the Articles of Association

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

8.2 Independent auditor's report

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

Independent auditor's report

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

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2022 of Lifetri Uitvaartverzekeringen N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Lifetri Uitvaartverzekeringen N.V. (hereafter: 'the company') as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the balance sheet as at 31 December 2022;

2 the following statements for 2022: the income statement and the cash flows statement; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

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

Information in support of our opinion

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

In section 3.4 and section 5 of the annual report, the Management Board describes its response and procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the company and its business environment, and assessed the design and implementation and, where considered appropriate, tested the operating effectiveness of the company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, Supervisory Board and other relevant functions, such as Internal Audit, Legal Counsel, Compliance and the Actuarial Function Holder. As part of our audit procedures, we:

- assessed the fraud risk assessments performed by operational risk management coordinated by the Group Operational Risk Management and evaluated these fraud risk assessments;
- assessed other positions held by the Management Board members and paid special attention to procedures and governance and compliance in view of possible conflicts of interest;
- evaluated internal compliance reports on indications of possible fraud and non-compliance;
- inspected correspondence with De Nederlandsche Bank (DNB), Autoriteit Financiële Markten (AFM) and other regulators and supervisory authorities; and
- evaluated legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the company.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognised or disclosures in the financial statements, or both, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- Wet op het financieel toezicht (Wft) (including the European Solvency II directives); and
- Financial and economic crime (FEC) related regulation.

We evaluated with support of our forensics specialists, the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

- **Management override of controls (a presumed risk)**

Risk:

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

Responses:

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

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

We assessed the presumed fraud risk on revenue recognition as irrelevant, as we consider the likelihood remote that a material error results from fraud other than originating from management override of controls, which is covered by the risk described above.

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

Audit response to going concern

The Management Board has performed its going concern assessment and has not identified any significant going concern risks. Our main procedures to assess the Management Board’s assessment were:

- we considered whether the Management Board’s assessment of the going concern risks included all relevant information of which we are aware as a result of our audit;
- we assessed whether the scenarios included in the Own Risk Solvency Assessment (ORSA) and Preparatory Crisis Plan that were submitted to De Nederlandsche Bank N.V. (the Dutch Central Bank, DNB) and other regulatory correspondence indicate a significant going concern risk; and
- we considered whether the outcome of our audit procedures on the Solvency II capital position and disclosures indicate a significant going concern risk.

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

Report on the other information included in the annual report

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

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

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

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

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

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

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

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

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

Our responsibilities for the audit of the financial statements

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

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

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

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: http://www.nba.nl/ENG_algemeen_01. This description forms part of our independent auditor's report.

Utrecht, 26 April 2023

KPMG Accountants N.V.

A.J.H. Reijns RA