Solvency and Financial Condition Report

Waard Leven N.V.

For the year ending 31 December 2024

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Summary

Background
This is the Solvency and Financial Condition Report ("SFCR") of Waard Leven N.V. (hereafter Waard Leven or the Company) for the year ending 31 December 2024. This report has been prepared to comply with the reporting requirements of the EU-wide regulatory framework for insurance companies, known as Solvency II, which came into force 1 January 2016. It has been prepared for the benefit of policyholders and other parties who have an interest in the solvency position and financial condition of the Company. In accordance with the Solvency II framework, this report follows a standardised structure and includes specific content to meet the detailed reporting requirements of the framework.

Executive summary
This executive summary focuses on key messages and highlights key changes that have been reported in the main body of this report. To aid the reader of this report, the executive summary follows the structure of the main body of this report.

Business and performance
Waard Leven is a Netherlands based closed book Life business. The Company was established in 1994 and is a limited company (Dutch: "Naamloze Vennootschap"). The principal activity of the Company consists of the servicing of a long-term life insurance business, which was put in run-off in 2009 and is closed to new business since then. Additionally, the Company focuses on acquiring closed book portfolios. The Company also services a portfolio of savings mortgages related policies (Dutch: "spaarhypotheken") and unit linked policies.

Due to its run-off nature of the portfolios, performance of the business is not only measured in net profit but also in the amount of capital that the Company can release periodically to its owners. In 2024 the operational run-off of the portfolio was in line with expectations. The total performance (Dutch GAAP pre-tax profit) amounted to € 4.6 mln. The underlying components consist of an underwriting performance of € -28.4 mln, which was entirely offset by a positive investment result of € 33.9 mln. An additional loss of € -0.8 mln was incurred in other activities.

In 2024 several opportunities to acquire insurance portfolios occurred. None of these opportunities led to an actual acquisition. The 2024 financial year was centered around preparations for a proposed merger with Waard Leven's sister organisation Scildon. This merger is expected to take place in mid-2025. Furthermore, Waard Leven took important steps to prepare for the European sustainability reporting directive, known as the Corporate Sustainability Reporting Directive (CSRD) and the Digital Operational Resilience Act (DORA), which came into force on 17 January 2025.

System of governance
The Company is governed by a two-tier board structure with an executing Management Board (the Management Board) and a supervising Management Board (the Supervisory Board). The Company implemented the governance requirements of the Solvency II regime (hereafter often referred to as SII) and has four Key Function Holders consequently (Actuarial, Compliance, Risk management, Internal audit). As part of the Chesnara Group, the Company fulfils both the requirements posed by DNB and by Chesnara's group regulator, the Prudential Regulation Authority (PRA).

Risk profile
Waard Leven acquired no new insurance portfolio in 2024. Waard has a significant exposure to longevity and lapse risk within the Underwriting Risk.

Waard is participating in a Chesnara group wide programme on ESG. Climate risks can be divided into physical and transition risks. Every year Waard investigates the possible impact of physical risks related to the investment in mortgages in the ORSA. Transition risks are governed by the guidelines and limits in the investment policy.

Due to the capital position of the Company, amounts of Own Funds are invested in fixed income instruments (government and corporate bonds) and strategic participations. The company is relative unsensitive to parallel interest rate movements, downward movements of the participations and/or credit spreads and has set aside a capital buffer to absorb that risk. In 2024, the strategy of uprisking the investment portfolio of Waard, which started in 2023, has further been executed. Governance bonds were sold, while corporate bonds were bought. In line with the strategy the Company invested in a mortgage fund in January 2025. The uprisking strategy will continue in 2025.

In chapter C is explained in detail what the Company's risk exposures are and how much capital the Company holds in reserve to deal with these exposures if they would emerge.

Valuation for solvency purposes
This SFCR provides insight in the Company's balance sheet and available capital in accordance with Solvency II guidelines. These guidelines strive for a market conform valuation. In comparison to our Dutch GAAP (BW2 Titel 9) financial statements, Solvency II portrays a more realistic view on shareholder's value and liabilities to policyholders. Under Dutch GAAP many items, such as policyholder liabilities, are valued at historically set parameters, whereas Solvency II forces us/allows us to take a current view at these parameters. Chapter D explains the differences in more detail and displays that the application of current parameters results in much higher available capital (Solvency II € 122.0 mln vs € 87.0 mln DGAAP).

Capital management
Managing capital, both in terms of dealing with risk and in terms of ensuring a steady flow of dividend for our shareholder, is explained in detail in chapter E. Waard Leven has a very robust capital position which translates into a SCR-ratio of 334% before deduction of the foreseeable dividend at the end of 2024. The Company holds (excess) capital at levels exceeding the necessities of the current business. This excess capital is maintained for the purpose of funding future acquisitions of closed-book-life portfolios, either by the Company itself or by another company in the Dutch part of the Chesnara Group.

The Solvency II ratio after deduction of the foreseeable dividend (€ 7.0 mln) is 311% at year-end 2024.

Wognum, April 2025

drs. H.L. Kirchner RA (CEO) drs. M. Simons RC (CFO) M. Visser-Dilweg (COO)

A. Business and performance

A.1 Business

A.1.1 Name and legal form

Waard Leven is a Netherlands based closed book Life business. The Company was established in 1994 and is a Naamloze Vennootschap.

A.1.2 Name and contact details of the responsible supervisory authority

Prudential supervision of the Company is the responsibility of:
De Nederlandsche Bank (DNB)
Frederiksplein 61
1017 XL Amsterdam, The Netherlands

Financial conduct supervision is regulated by the:
Autoriteit Financiële Markten (AFM)
Vijzelgracht 50
1017 HS Amsterdam, The Netherlands

The EU-group supervisor of the insurance group to which the Company belongs is the:
Prudential Regulation Authority (PRA)
20 Moorgate London
EC2R 6DA, United Kingdom

A.1.3 Name and contact details of external auditor

The Company's external auditor is:
Ernst & Young Accountants LLP
Wassenaarseweg 80
2596 CZ Den Haag, The Netherlands

A.1.4 Shareholders and position within the group

Waard Leven is a member of the group headed by Chesnara plc. The group organisational structure can be seen below:

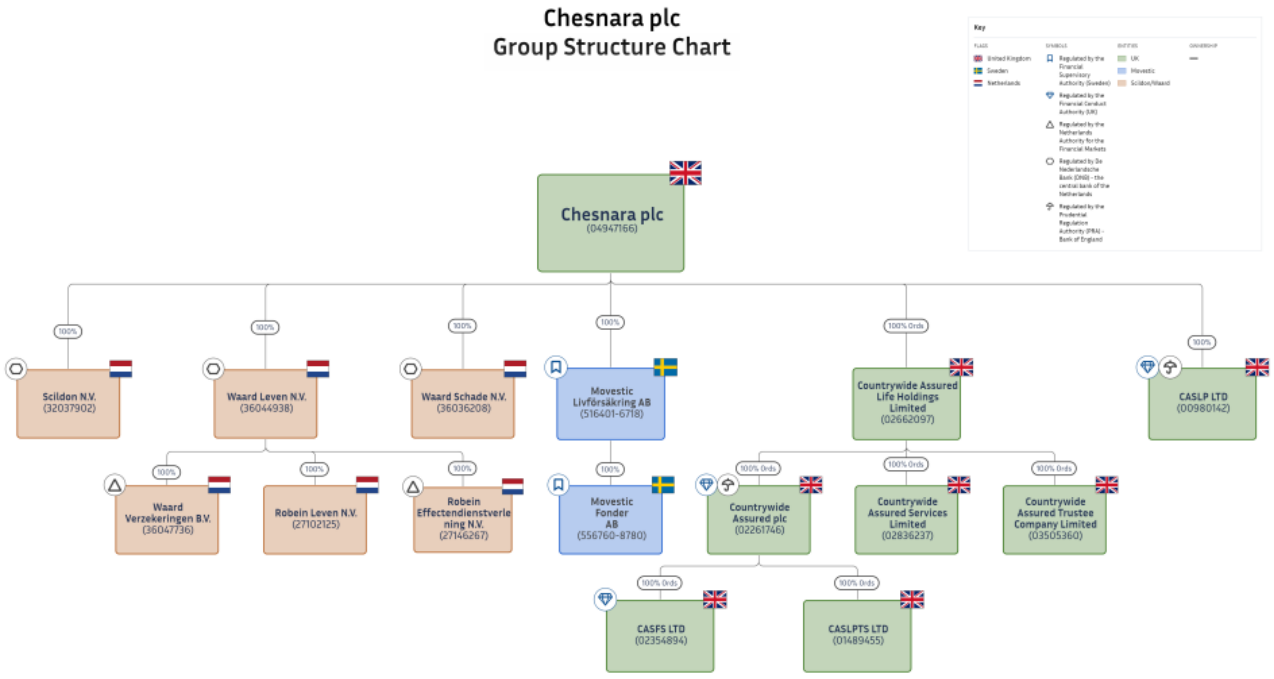

Figure 1 – Overview of Chesnara plc

A.1.5 Material lines of business and material geographical areas where business is carried out

The principal activity of the Company consists of the servicing of a long-term life insurance business, which is closed to new business. The Company services a portfolio of savings-policies related to mortgages (Dutch: "spaarhypotheken") and a portfolio of unit linked policies. Waard also services a small portfolio of pensions.

As the Company is closed to new business, the primary focus of management is a well-governed and efficient run-off of the existing portfolio and adding scale and tail to the existing portfolio by acquiring closed books with a similar risk profile.

The material lines of business are illustrated in the Table 1 below, using financial information for the year ended 31st of December 2024 based on Solvency 2.

Line of Business	Technical provisions (excluding Risk margin)			Premiums earned		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	€'000	€'000	€'000	€'000	€'000	€'000
Life insurance						
Insurance with profit participation	21,037	-0	21,037	523	-	523
Index-linked and unit-linked insurance	485,943	169	485,774	26,166	-	26,166
Other life insurance	377,505	1,736	375,769	11,063	4,254	6,809
Total Life insurance	**884,485**	**1,905**	**882,580**	**37,751**	**4,254**	**33,498**

Table 1 – Technical provisions and premiums earned for material line of business (Solvency 2)

The technical provisions presented in "Insurance with profit participation" comprise term insurance, saving life insurance - and endowment policies. The technical provisions presented in "Other life insurance" comprise regular term life policies, endowments, annuities and pensions. The technical provisions presented under "index linked, and unit linked insurance" comprise unit and index linked savings policies (Dutch: "Beleggingsverzekeringen"). This consists of Savings Mortgages, Unit-Linked annuities and Unit-Linked policies in their build-up phase.

The Company wrote business in the Netherlands only.

A.1.6 Significant business or other events that have occurred over the reporting period

A possible acquisition stranded due to the seller of the portfolio opted for a different solution.

No new active acquisition projects emerged in Q4.

The Management Boards of Waard and Scildon (a sister company within Chesnara Group) gave their approval on the intended merger which will take place on the 2nd of July 2025.

All Cardif third-party policies have been returned to Cardiff at the end of 2024. Waard no longer has external third-party administrations left. Although this portfolio was part of Waard Verzekeringen, returning the policies had an impact on the participation position on the balance sheet of Waard Leven.

A.2 Underwriting performance

Introduction

Sections A.2, A.3 and A.4 of this report require qualitative and quantitative information to be provided on various aspects of the performance of the Company. Whilst this report in general provides information that is based on valuation rules required by the Solvency II reporting regime, sections A.2, A.3 and A.4 are required to be reported in accordance with the measurements basis as shown in the Company's financial statements, which in Waard Leven's case, is Dutch GAAP (BW2, Titel 9). The disclosure rules of Solvency II do require the performance of the Company to be analysed using three definitions, being:

- Underwriting performance;
- Investment performance;
- Performance of other activities.

Further information on what is included in each section and how the performance has fared over the year, has been provided below. Table 2 below shows the high level performance of the Company's business, reconciling back to the Dutch GAAP profit before tax.

	2024	2023
	€'000	€'000
Underwriting performance (see below)	-28,437	-19,597
Investment performance (section A.3)	33,894	66,231
Performance of other activities/other operational income (section A.4)	-835	-4,686
Total performance – Dutch GAAP pre-tax profit	**4,622**	**41,948**

Table 2 – High level performance of the business

In comparison to 2023, the total performance has decreased by € 37.3 mln. The underwriting performance was driven by the performance of other life insurance (lower claims and surrenders) (€ -8.9 mln). The investment result declined because of market movements in interest (interest decreased in 2024) and widened spreads (€ -32.3 mln). The improved performance of other activities is mainly due to corrections made to the control accounts (€ 3.9 mln).

Underwriting performance

The underwriting performance, split by income and expenses and by line of business, has been summarised in Table 3. The equivalent information has been provided for the prior year, with narrative commentary below for any key material changes year on year.

2024	Line of Business for: life insurance obligations				
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Total
	€'000	€'000	€'000	€'000	€'000
Premiums earned	-	523	26,166	6,809	33,498
Claims incurred	-	-1,755	-52,981	-44,612	-99,349
Changes in technical provisions	-	1,376	7,933	36,229	45,538
Expenses incurred	-	-200	-2,897	-5,027	-8,124
Underwriting performance	**-**	**-57**	**-21,779**	**-6,601**	**-28,437**

2023	Line of Business for: life insurance obligations				
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Total
	€'000	€'000	€'000	€'000	€'000
Premiums earned	-	576	28,241	7,403	36,220
Claims incurred	-	-1,554	-50,916	-58,960	-111,430
Changes in technical provisions	-	1,017	177	63,848	65,043
Expenses incurred	-	-232	-3,362	-5,836	-9,430
Underwriting performance	**-**	**-192**	**-25,860**	**6,455**	**-19,597**

Table 3 – Comparison of the underwriting performance (Dutch Gaap)

The Company's underwriting result decreased compared to the previous year's results, primarily driven by the performance of Other Life Insurance, partially offset by the performance of Index-Linked and Unit-Linked insurance. Results vary across insurance classes. Given that the portfolio of the Company is in run-off and no new acquisitions are made in 2024, both premiums earned and expenses incurred were in line with expectations. For Index-linked and Unit-linked insurance, the outflow could not be compensated by market movements, unlike the previous year (€ 7.9 mln vs. € 0.2 mln). The results for Other Life Insurance declined due to a lower volume of claims and surrenders.

Premiums earned

This represents the sum of gross premiums received during the year reduced by the amount ceded to reinsurance undertakings. The amount of premiums earned has decreased over 2024 compared with 2023, which is normal in a run-off portfolio.

Claims incurred

This represents the sum of the claims paid, net of reinsurance. The movement is as expected since the portfolio of the Company is in run-off. Like with the latter category previous year, after the acquisition the policyholders of the Conservatrix portfolio could opt to lapse again after not being able to since 2021. The effect of this, which was quite visible last year, is now slowly diminishing. Surrenders must now be regarded as regular surrenders.

Changes in technical provisions

This represents the changes in actuarially calculated technical provisions, net of reinsurance.
The movement is easily explained by the natural attrition with the portfolio being in run-off and the lack of further acquisitions.

Expenses incurred
This represents all technical expenses incurred by the Company during the year, on accrual basis.
Compared to 2023, the expenses decreased due to the improvement of various important administrative and financial processes and less hiring third party staff.

Geographical areas
All business is in the Netherlands.

A.3 Investment performance

A.3.1 Investment holdings

Table 4 provides the composition of the investment portfolio that the Company holds. The investment strategy complies with the requirements of the 'prudent person principle' which can be read in Section C.5 Assets.
The Company's investment portfolio as of 31st of December of the current and prior year:

2024	**Index-linked & Unit-linked**		**Non-linked**	
	€'000	**%**	**€'000**	**%**
Government Bonds	8,838	2%	256,303	48%
Corporate Bonds	795	0%	94,147	18%
Equity	87,113	18%	8,370	2%
Investment funds CIU	31,609	7%	31,964	6%
Collateralised securities	1	0%	-	0%
Loans and mortgages to individuals	328,767	69%	122,277	23%
Other loans and mortgages	-	0%	10,668	2%
Cash and deposits	22,125	5%	6,099	1%
Derivatives	-20	0%	-	0%
Total	**479,227**	**100%**	**529,828**	**100%**

2023	**Index-linked & Unit-linked**		**Non-linked**	
	€'000	**%**	**€'000**	**%**
Government Bonds	5,743	1%	330,510	58%
Corporate Bonds	1,339	0%	46,551	8%
Equity	94,227	19%	10,271	2%
Investment funds CIU	33,821	7%	38,121	7%
Collateralised securities	1	0%	-	0%
Loans and mortgages to individuals	316,893	65%	129,577	23%
Other loans and mortgages	-	0%	12,377	2%
Cash and deposits	33,881	7%	2,914	1%
Derivatives	-41	0%	-	0%
Total	**485,865**	**100%**	**570,321**	**100%**

Table 4 – Comparison of the investment portfolio between year 2024 and 2023

Another view of the Non-Linked business clearly shows the impact of the uprisking strategy of Waard, which was implemented at the end of 2023. This strategy has particularly led to the sale of governance bonds and the purchase of corporate bonds.

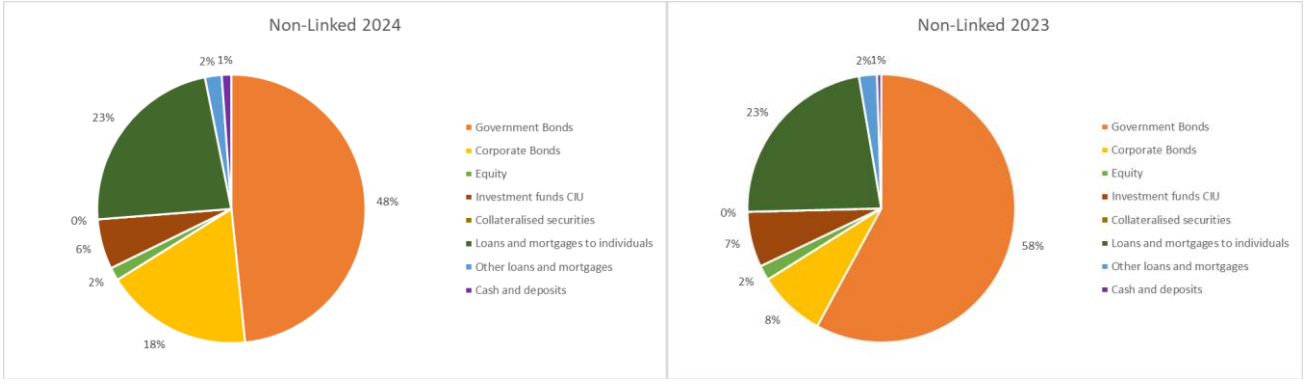

Figure 2 – Comparison of Non-Linked assets between 2024 and 2023

A proportion of the assets have been invested in investment funds CIUs (Collective Investment Undertakings). This includes both Non-Linked and Unit-Linked assets. The table below illustrates the underlying investments from the various investment CIUs.

	2024		2023	
	€'000	%	€'000	%
Government Bonds	11,293	17.8%	12,804	17.8%
Corporate Bonds	3,313	5.2%	3,713	5.2%
Equity	46,678	73.4%	52,884	73.5%
Other	1,763	2.8%	1,941	2.7%
Cash and deposits	525	0.8%	599	0.8%
	63,572	**100%**	**71,941**	**100%**

Table 5 – CIU investments

A.3.2 Investment performance

The investment performance of the Company can be seen in Table 6.

	2024			2023		
	Indexed-linked & Unit-Linked	Non-Linked	Total	Indexed-linked & Unit-Linked	Non-Linked	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Government bonds	126	-2,248	**-2,122**	-	24,583	**24,583**
Corporate bonds	-	4,127	**4,127**	-	4,376	**4,376**
Equity	14,764	1,393	**16,157**	25,615	1,441	**27,056**
Investment funds CIU	-	2,685	**2,685**	1,291	4,799	**6,089**
Collateralised securities	-	-	-	-	-	-
Loans and mortgages	-	-	-	-	-	-
Client mortgage fund	7,304	4,906	**12,210**	-	3,546	**3,546**
Cash and deposits	-	837	**837**	-	582	**582**
Derivatives	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**22,193**	**11,700**	**33,894**	**26,905**	**39,326**	**66,231**

Table 6 - Comparison of the investment performance

Investment performance is influenced by realized and unrealized gains, driven by developments in interest rates and equity markets. The most significant change occurred within government bonds, which is mostly affected by the increase in spreads in 2024.

A.4 Performance of other activities

The Company's only activity is that of life insurance business. There are no other activities that take place in the Company.

	2024	2023
	€'000	€'000
Result of subsidiaries	-544	-291
Other operating income	-291	-4,395
Total	**-835**	**-4,686**

Table 7 – Overview of other activities

Result of subsidiaries
For 2024 the result of subsidiaries represents the balance of commission Robein Effectendienstverlening (€ -18,000) and signing commission of Waard Verzekeringen (€ -570,000) and the net result of Robein Leven (€ 44,000).

Other operating income
The other operating income last year consisted mainly of a correction on the control accounts. The amortization on the AVIF and goodwill are represented in this figure.

A.5 Any other information

There is no other information required to be disclosed regarding the performance of the business.

B. System of Governance

B.1 General information on the system of governance

B.1.1 Governance structure

Overview
The Company's governance system sits within the overarching governance system of the Chesnara group. It consists of the Supervisory Board, the Management Board, the Audit & Risk Committee, and the delegation of responsibilities to Key Function Holders. The Company maintains a governance map which documents the detailed implementation of the system of governance. This includes the terms of reference of committee meetings, and detailed roles and responsibilities of key functions.

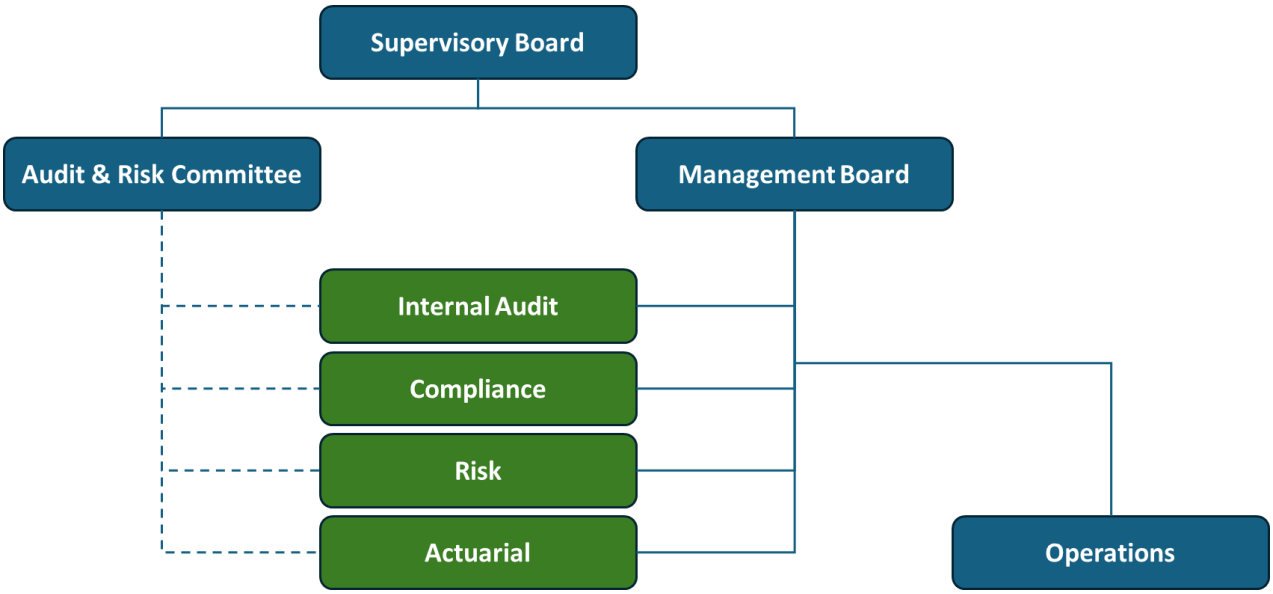

Figure 3 – Overview governance structure

Supervisory Board responsibilities
The Supervisory Board is made up of independent directors. It is collectively responsible for coaching and assisting the Management Board when necessary. The Supervisory Board supervises the Management Board and oversees that the Management Board acts in accordance with the Company's policies and objectives. Supervisory Board members are independent from the Management Board.

Sub-Committee Meetings
The Company's Supervisory Board has one sub-committee: the Audit & Risk Committee.
The responsibilities of the committee include monitoring the integrity of the annual financial statements, reviewing the definition and application of the Company and group internal control and risk management systems, monitoring the use of capital within the Company, reviewing and challenging risk information and treatment, and reviewing the risk management responsibilities across the Company.

Management Board responsibilities
It is collectively responsible for promoting the success of the business. Its role is to provide entrepreneurial leadership within a framework of prudent and effective controls which enable risks to be assessed and managed. It will set the strategy and business plan within the overall context of the group's plans and ensure that the necessary financial and human resources are in place to meet its objectives and monitor management performance.

Key Function responsibilities
To assist the Management Board with its responsibilities, it has delegated the responsibility for key functions to senior management. These are functions that have a material effect on the internal control of the business and influence material decision making. The key functions have been defined taking into account the requirements of Solvency II regulations and guidance from regulators. Each key function is headed by a Key Function Holder who has responsibility for that area.

Second line key functions:
- Risk management;
- Actuarial;
- Compliance.

Third line key function:
- Internal audit.

Each Key Function Holder prepares a report to the board(s) on a quarterly basis. The senior management is organized in a Management Team (including Board members).

The detailed responsibilities for each Key Function Holder are documented in the Governance Map which is reviewed and approved by the Management Board on a regular basis. This ensures that each Key Function Holder has the necessary authority and operational independence to carry out their role. On an annual basis, as part of the Business Planning process, each Key Function Holder will ensure that they have the necessary resources to deliver their responsibilities. The Business Plan is reviewed by the Management Board and challenged by Chesnara's Group Finance.

The responsibilities of each of the Key Function Holders are summarised as follows:
- The Risk Manager attends the Management Team meetings and the Audit & Risk Committee and has responsibility for the development and review of the risk management system, governance system and internal control system, implementation of risk management processes and systems and reporting on the risk profile of the business;
- The Actuarial Function holder attends of the meetings of the Management Board. The Actuarial Function Holder has an extensive range of tasks: to oversee all actuarial aspects of strategy and financial management and to have an oversight of the appropriateness of methodologies, models, bases and calculation of technical provisions within the Company, to assess the sufficiency and quality of the data used in calculations of technical provisions, reporting on the reliability and adequacy of the calculation of technical provision and to advise any concerns regarding the sufficiency of financial assets to meet liabilities to policies, the modelling of risk capital for the ORSA, including advising on suitable stress and scenario testing, reinsurance arrangements and to oversee the investment strategy and asset-liability matching;
- The Head of Internal Audit attends the meetings of the Management Board and the Audit & Risk Committee at which the Internal Audit Report and/or the Internal Audit Plan is on the agenda. The Head of Internal Audit reports directly to the Chair of the Audit & Risk Committee and is responsible for providing reasonable, but not absolute, assurance to the Management Board and the Audit & Risk Committee about the adequacy and effectiveness of the internal control environment including procedures, controls, and policies and for the establishment of an annual audit plan;
- The Compliance Officer attends the meetings of the Management Board and the Audit & Risk Committee at which the Compliance Plan and/or the Compliance Report is on the agenda. The Compliance Officer is responsible for ensuring that the Company fulfils its regulatory, legislative, and corporate standards and obligations in a cost effective way, and for assessing the adequacy of measures taken to prevent noncompliance. The Compliance Officer is responsible for upholding anti Money Laundering measures.

B.1.2 Material changes in the system of governance

There were no material changes in the system of governance in 2024.

B.1.3 Information on the remuneration policy

Overview
The employees of Waard Leven, as well as Waard Schade, are all employed by Waard Verzekeringen B.V.
The remuneration policy is a Waard Group policy, applying to the employees of Waard Verzekeringen who are indirectly employees of Waard Leven and Waard Schade.

The remuneration policy is intended to set out rules and principles for remuneration, taking into account relevant regulatory requirements and guidance. In particular, it aims to ensure the:
- Implementation of appropriate remuneration practices and activities;
- Implementation of suitable reporting and monitoring routines, to ensure effective control of remuneration activities and manage the associated risks.

The remuneration package for staff is composed of fixed elements only. Fixed remuneration refers to remuneration, the amount and size of which is determined in advance. The fixed remuneration package consists of:

- Basic salary;
- Taxable benefits;
- Pension benefits.

Members of the Audit & Risk Committee and Supervisory Board are paid a fixed fee.

Further details of the fixed remuneration are shown in Table 8 below.

Subject area	Subject description
Basic Salary Criteria	In setting salaries for new roles or reviewing the salaries for existing roles, some of the following factors are taken into account, when considered appropriate: - An assessment of the responsibilities of the role and the experience and skills of the job holder; - The Company's salary budgets and the financial results; - The jobholder's performance; - With the use of periodic benchmarking exercises, the external market for roles of a similar size and accountability; - Inflation and salaries across the Company and the market. Where a new appointment is made, pay may be initially below that applicable to the role and then may increase over time subject to satisfactory performance.
Basic Salary Review	Salaries are usually reviewed annually with consideration to the above factors. There may be reviews and changes during the year in exceptional circumstances (such as new appointments to executive positions, or material changes in the scope and/or responsibilities of an existing role).
Pension benefits limits	All staff are eligible to participate in a defined contribution pension scheme, or other approved scheme, with employer contributions.

Table 8 – Overview of renumerations

The remuneration policy is audited every other year by the Internal Audit Function.

Business strategy consistency

The Company recognises that remuneration practices and principles influence the management of the business and desires that its practices promote sound, prudent and effective management of its business and does not encourage risk-taking that exceed the risk tolerance limits of the Company.

B.1.4 Material related party transactions

The below provides information on transactions that the Company has entered during the year with affiliated parties:

Since this year because of the dissolvement of Chesnara Holdings B.V., Waard Verzekeringen B.V.is a 100% subsidiary of Waard Leven. Waard Verzekeringen is the centralised employer and service provider of the Waard Group companies. The following amounts which effectively comprise an arm's length recharge of expenses (including remuneration of the Management Board), and compensation for acquisition and IFRS17-related activities by Chesnara plc (€ 353,000) were re-charged for the respective periods.

	2024	2023
	€'000	€'000
Recharge of expenses from Waard Verzekeringen B.V.	3,022	2,517
Recharge of expenses from Chesnara plc	-353	-
Recharge of expenses from Waard Verzekeringen BV	**2,669**	**2,517**

Table 9 – Transactions with affiliated parties

Other transactions

There were no transactions between the Company and any persons who exercise a significant influence on the Company, or who are members of the administrative, management or supervisory body. Supervisory directors are remunerated by the Company.

B.1.5 Assessment of the adequacy of the system of governance

The system of governance is set up in accordance with Solvency II guidelines and the design is assessed on an annual basis. Due to the business being in run-off, no major changes are expected to occur in the near future.

The Management Board reviews effectiveness of the system of governance on a periodical basis. These reviews comprise the following:

- An annual attestation by management of the Company with regards to the proper functioning of policies within the Company;
- Review of the quarterly reporting of the Key Function Holders (Risk Manager, Actuarial Function, Compliance), which reporting provides insight into functioning of policies and guidelines, both in terms of adherence as in terms of breaches and incidents;
- Incidental reviews requested by regulators, which entail a detailed review of certain aspects of the governance framework;
- Obtaining feedback from the Internal and External audit functions with regards to their opinions on the functioning of the governance framework. During the year this feedback was provided at various occasions during the Audit & Risk Committee meetings and the meetings of the Management Board.

Key Function Holders and Internal and External audit have direct access to the Audit & Risk Committee and the Supervisory Board to share any concerns they may have with regards to the governance framework.

In the reporting period, the Company was requested to attest adherence to governance policies to the Chesnara Audit & Risk Committee.

B.2 Fit and proper requirements

The Company has a fit and proper policy that has been signed off by the Management Board and it addresses that appropriate resources are in place to deliver effective and efficient management of the business, The Company takes appropriate steps to ensure that (senior) managers, individuals responsible for key functions and those working in key functions are fit and proper.

The requirements are proportionate to the role and responsibilities of the various positions. Checks are made on initial appointment and are re-assessed when deemed required. The results of all assessments are reported to the Management Board. For new employees, these tests included some or all of the following:

- Criminal record checks;
- Credit referencing;
- Curriculum Vitae detailing skills, qualifications, and experience;
- Continuous professional development / performance management framework;
- Membership of professional institutes;
- The recruitment and selection process in place at the time of appointment; and
- Permanent education requirements, which are reported on quarterly and monitored by the Compliance Officer.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

Overview

Waard Leven has an established risk management system which incorporates:

- Risk management strategy;
- Risk management and internal control policies;
- Risk management processes;
- Control activities.

In addition, it includes:

- Risk management system review and development;
- Reporting and disclosure;
- Independent assurance;
- Regulatory compliance monitoring.

The risk management system can be summarised in the diagram below.

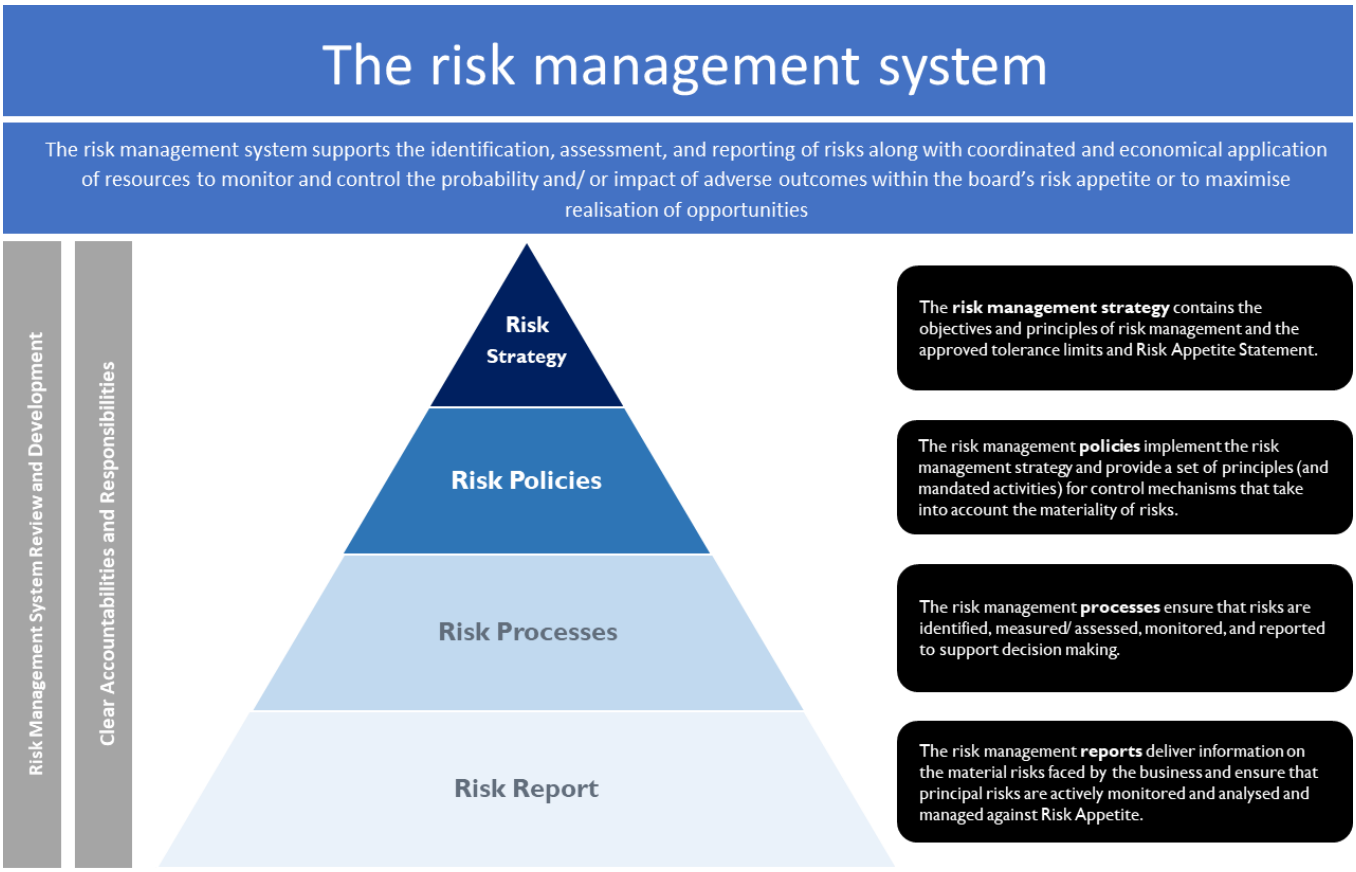

Figure 4 – The risk management system

The risk management system applies to all categories of risk, and unless stated otherwise, the following information applies for each separate risk category.

Risk universe

The Company has a defined categorisation of risks that are relevant to its business model and strategic focus, as shown in the following diagram. The Company recognises that risks within each of these categories need to be identified, measured, monitored, managed, and reported upon on a continuous basis.

Level 1	Insurance	Market & Liquidity	Counterparty Default	Strategy	Strategic Acquisition	Operational	Information Systems
Level 2	Expense	Interest Rates	Reinsurer	Design	Capability	Conduct	Infrastructure Failure
	Mortality	Equity	Outsourcer	Execution	Execution	Regulatory Breach	Cyber Attack
	Morbidity	Property	Supplier	External Change	Benefits Realisation	People	Policyholder Data Security
	Longevity	Credit Spread	Bank Deposit	Internal Change		Execution/ Process	Corporate Data Security
	Income Protection	Market Concentration	Corporate			Financial Crime	
	Disability	Currency	Government (Domestic)			Physical Resources	
	Lapse	Liquidity	Government (Non-domestic)			Industry Standards Breach	
	Unemployment	Inter-dependency	Derivative			Business Continuity Plan Failure	
	Revision	Reinvestment	Counterparty Concentration				
	Catastrophe						

Table 10 – Overview of the categorisation of risks

Risk management strategy

The primary objective of the Company's risk management system is to:

- Maintain solvency and liquidity of Waard Leven whilst delivering continuity of business services;
- Fair customer outcomes; and
- A regulatory compliant service to customers and making dividend payments to Chesnara Plc in line with expectations.

The Company has a Management Board approved risk appetite statement and risk tolerance limits for each of the categories of risk. This is fully consistent with and aligned to the Chesnara group's risk appetite statement. The aim of the risk appetite statement and risk tolerances is to enable the Management Board to articulate the amount of risk the Company is willing to take and provide boundaries to when potentially too much, or too little, risk is being taken. This provides guidance to enable management to take on the "appropriate" risks, and the "appropriate" amount of risk as part of the pursuit of its strategic objectives.

Business decision making

So that all business decisions are risk- informed on a forward looking basis, the Company has established processes so that:

- Forward looking risk analysis is an integral part of business planning;
- Risk assessment is made for all significant change proposals made to the board;
- Risk analysis, including ongoing identification and monitoring of implementation risks is an integral part of project governance; and
- Own Risk and Solvency Assessment is considered at least annually by the board, in order to ensure that the board is aware of the risk profile of the business prior to decision making, and to consider whether any of the matters, they discussed, or decisions they have taken, have a material impact on the ORSA.

Risk management policies

The Company has risk management policies that are reviewed at least annually and approved by the Management Board, that cover all the risks that the organisation is exposed to. These include:

- Reserving policy;
- Asset and liability management policy;
- Investment policy;
- Insurance risk policy;

- Reinsurance policy;
- Concentration risk policy (part of investment policy);
- Liquidity risk policy (part of investment policy);
- Operational risk policy;
- IT/Data Security policy;
- Outsourcing policy;
- Conduct risk policy;
- Business continuity policy;
- Capital management policy.

These policy documents clearly articulate the principles and practices for the management of risks including:
- An articulation of objectives;
- Reporting procedures;
- Roles and responsibilities; and
- Processes and key controls in a manner that is consistent with the business strategy.

Each policy document is owned by an allocated member of the Management Board who is responsible for attesting policy compliance on an annual basis.

Climate risks

Climate risks can be divided into physical and transition risks. Physical risks are related to the physical consequences of climate change, such as shifts in storm patterns and an increase in heat, hail and gusts, extreme droughts and floods, among others. Transition risks are related to the transition to a lower-carbon and more environmentally friendly economy, which reduces the value of investments in CO2-intensive and polluting sectors and, for example, changes in climate and environmental policies, technology, or consumer and market sentiment.

Every year Waard investigates the possible impact of physical risks related to the investment in mortgages in the ORSA. Transition risks are governed by the guidelines and limits in the investment policy.

Risk management processes

Waard Leven maintains a risk register, which is a comprehensive list of risks which might create, enhance, accelerate, prevent, hinder, degrade, or delay the achievement of its objectives, along with documentation of the key controls in place to manage the risks. The continuous maintenance and update of the risk register is the responsibility of line-management (1st line). This is supported by a quarterly maintenance process and uses the risk universe to ensure completeness of capture. The risk register is considered at both Audit & Risk Committee and Management Board level.

In the identification of risks the Company considers:
- Those risks that management are aware of and understand;
- Those risks that management are aware of but do not yet fully understand because of their changing nature including new risks that emerge during the period and forward looking risks that may emerge in the future.

For each of the risks contained within the risk register, the risk owner makes an assessment of the risks both with and without controls applied. The assessment is undertaken both in terms of likelihood and consequences. Consequences of each risk are considered in terms of:
- Impact on customer;
- Impact on processes or outsourced service;
- Impact on capital;
- Impact on cash outflow;
- Impact on reputation; and
- Impact on regulatory relationship.

On an ongoing basis the Company scans the horizon and identifies potential risk events (including political; economic; sociocultural; technological; environmental and legislative) and assesses their proximity and their potential impact.

Waard Leven has established processes and procedures for the management of crystallised risks. Line management and Key-function-holders report all significant incidents to the Compliance function. These incidents are logged along with any in house incidents and an action plan for treating the risk is defined and agreed. At least annually, trend analysis is undertaken to establish whether there are any significant weaknesses in controls leading to systemic incidents.

Risk management information and communication
The Company produces regular reports to support the Management Board with its monitoring of the risk management of the business:

- On a quarterly basis, the Risk Manager produces a report which includes information on the principal risks, information on any emerging risks, tracking of the risk profile versus risk appetite, information on crystallised risk events and the tracking of key metrics to support the continuous solvency monitoring framework. The quarterly risk report is reported to the Management Board and the Audit & Risk Committee;
- On an annual basis, or more frequently if required, the Company produces an ORSA report, detailing the qualitative and quantitative results of the own risk and solvency assessment, including stress and scenario testing, and the conclusions drawn from those results. The ORSA is reviewed and approved by the Management Board and the Supervisory Board;
- On an annual basis, or more frequently if required, the Company produces a report providing information on the adequacy and effectiveness of the risk management system;
- On an annual basis, risk policy owners provide an attestation of policy compliance, with supporting evidence where required. The results of this activity are summarised by the risk function and reported to the Chesnara group Audit & Risk Committee;
- On an annual basis, the risk management function assesses the effectiveness of the controls and the proportionality of the Waard risk management framework.

Risk management responsibilities
The Management Board is responsible for the adequacy of the design of the risk management system and ensuring it is consistent with the practices defined by the group. All significant decisions for the development of the risk management system are the board's responsibility. This includes developments in risk strategy, developments in risk management policies, and development in risk management tools, methodologies, and processes.

The Risk Manager is responsible for providing management information to the Management Board regarding the effectiveness of the risk management system and reporting to the board regarding the risk profile of the Company. The Risk Manager has direct access to the Management Board and Supervisory Board.

B.3.2 Process undertaken to conduct an Own Risk and Solvency Assessment

Overview
As part of its risk management framework, the Company conducts an Own Risk and Solvency Assessment (ORSA). This assessment considers the operating environment and wider risks to which the Company is exposed and provides a forward looking assessment of the potential risks and capital impacts, within the wider context of the Company's business strategy.

The aim of the ORSA is to support the board(s) in making risk based strategic and operational decisions, as well as understanding the impacts on capital, and potential dividend paying capacity to Chesnara plc, if more extreme scenarios were to occur.

The ORSA follows a defined ORSA process which is documented in the ORSA policy. This policy is reviewed on annual basis and approved by the Management Board. The ORSA process is described in more detail below and incorporates several key processes to manage risk and capital.

The output from the ORSA process is an ORSA report, which is produced on an annual basis, or more frequently if there is a material change in the risk profile. The ORSA report is reviewed by the Key Function Holders, approved by the Management Board, assessed, and discussed in the Audit& Risk Committee.

Figure 5 provides a summary of the overall ORSA process. Key stages of the process have been further described below the diagram.

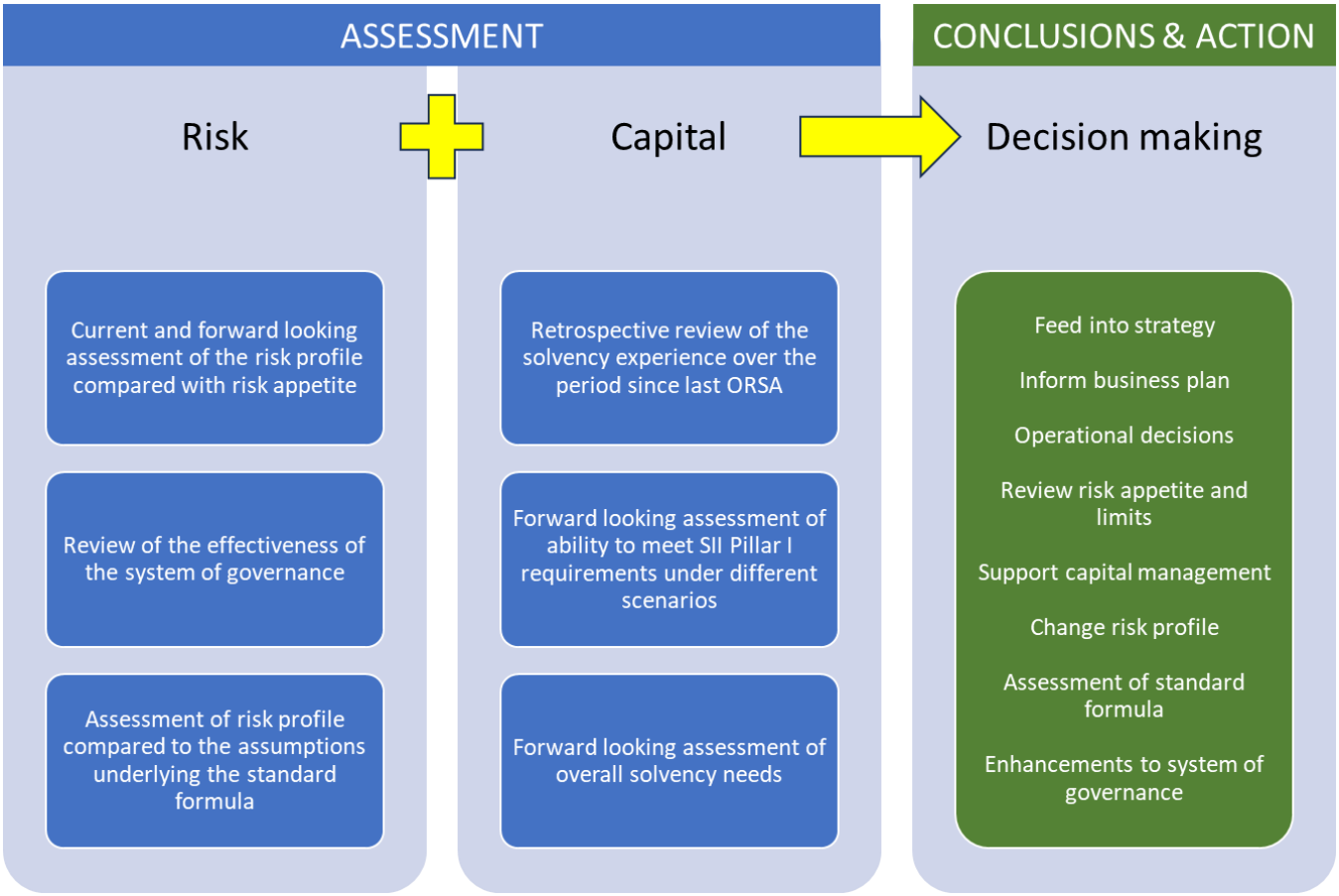

Figure 5 – Overview of the ORSA process

Assessment of risk profile compared with risk appetite
The ORSA report includes:

- A summary of the principal risks identified by risk owners and the controls in place to limit the potential impact or likelihood of occurrence;
- A current and forward looking review of the risk profile compared with the board of director's approved risk appetite and tolerance limits;
- A summary of any material changes in the risk profile in the period since the last ORSA report;
- An illustration of the risk capital split by major risk;
- A summary of the emerging risks.

As part of the risk management process, the risk profile is regularly reviewed, updated, and monitored against risk appetite, and communicated to the Audit & Risk Committee at least quarterly.

Review of the effectiveness of the system of governance
The outcome of the review of the systems of governance is documented, together with any plans to further develop the governance framework. The scope of the review is approved in advance by the Management Board each year.

Assessment of risk profile compared to the standard formula
The Company currently applies the Standard Formula to calculate the SCR under Pillar 1 solvency requirements.

An annual assessment is performed to evaluate whether the Company's risk profile is significantly different to the risk profile assumed by EIOPA when deriving the standard formula approach. The results of the assessment are reviewed and approved by the Management Board. The assessment consists of a qualitative review, with any potentially significant differences further evaluated using quantitative approaches.

In the event of a material change to the risk profile, the appropriateness of the standard formula would need to be reassessed.

Retrospective review of solvency experience
The ORSA evidences continuous compliance with regulatory solvency requirements by reviewing the solvency position during the period since the last ORSA.

The Company formally monitors its regulatory solvency position at least quarterly, and this is reported to the Audit & Risk Committee and the Supervisory Board by the CFO and summarised respectively in regular risk and ORSA reports. More frequent estimates may also be performed to identify any material interim movements in the solvency position if the need arises, for example in the event of any significant market movements, or if the solvency position materially weakens.

To provide continuous monitoring of the solvency position, a set of agreed risk indicators are monitored, against the trigger levels that have been agreed by the Management Board. Progress against these trigger levels is reported in the risk and ORSA reports. The risk indicators and trigger levels are reviewed by the Management Board annually.

Assessment of ability to meet regulatory solvency requirements
From a forward looking perspective, the ORSA evidences continuous compliance with regulatory solvency requirements by projecting the expected capital position, taking into account the business plan, dividend payments and the capital management policy. The projections also consider the impact of a range of pre-specified stress and scenario tests. The results are summarised in the ORSA report.

The business planning projection period, the principles of the projection methodology and material projection assumptions, will be approved in advance by the Management Board, and summarised in the ORSA report.

The ORSA also considers the results of the reverse stress testing analysis, identifying potential events that could cause the business model to fail. The definition of business model failure is agreed in advance by the Management Board and reviewed on an annual basis.

Forward looking assessment of overall solvency needs
This section of the ORSA reviews the overall solvency needs of the Company over the business planning horizon, taking into account of factors such as:

- Risk Appetite: Whether the Management Board wishes to hold capital over and above the regulatory risk capital requirements;
- Limitations within the regulatory calculation of Own Funds: There may be aspects of the calculation of Own Funds that the Company would wish to alter for an accurate internal assessment;
- Appropriateness of the standard formula to calculate capital requirements: Conclusions from the comparison of the risk profile with the assumptions underlying the standard formula;
- Future solvency needs taking account of the business plan: Whether the solvency projections or sensitivity analysis has resulted in any desire to hold additional capital, taking into account the future business plan, and expected dividend paying profile, as well as potential future changes in its risk profile due to the business strategy or as the economic and financial environment;
- Non-quantifiable risks: Whether the Management Board wishes to reserve any additional capital to allow for risks that are more difficult to quantify, and hence may not have resulted in explicit capital requirements;
- Nature and quality of Own Funds: The nature and quality of own fund items or other resources appropriate to cover the risks identified.

ORSA report – decision making
The output from the ORSA process is an ORSA report, which is produced on an annual basis, or more frequently if there is a material change in the risk profile. The ORSA report is based on outputs from a number of different sub-processes within the wider risk management framework, many of which have been reviewed and approved by the board. These include:

- Quarterly reports on technical results from the Actuarial Function Holder;
- Quarterly risk reports from the Risk Manager;
- Quarterly reports from the Compliance Officer;
- Methodology and Assumptions paper;
- Stress and Scenario Testing Analysis and Results;
- Reverse Stress Testing Analysis;
- Business Planning Outputs including Capital Projections;
- Risk Appetite and Risk Tolerance Reviews;
- Continuous Solvency Monitoring;

- Standard Formula Assessment;
- System of Governance Review.

The ORSA report is mostly prepared by the Finance and Actuarial department, is reviewed by Key Function Holders, and then approved and respectively reviewed by the Management Board and the Supervisory Board. As a minimum the ORSA report covers all the areas described in the ORSA process, and includes observations, conclusions, and recommendations to assist senior management and the Management Board in strategic and business planning, and to support risk based strategic and operational decisions.

Following approval by the Management Board, challenge by the Audit & Risk Committee and review by the Supervisory Board, the ORSA report is submitted to De Nederlandsche Bank.

B.4 Internal control system

B.4.1 Description of internal control system

Overview
The Company has an established internal control system. The internal control system provides additional assurance towards the achievement of its objectives in operational effectiveness, reliable financial reporting, and compliance with laws, regulations, and policies. It comprises defined policies, processes and control activities that are independently tested and reviewed by control functions according to the three lines of defence model.

In establishing the system of internal control, the Management Board has regard to the significance of relevant risks, the likelihood of the risks occurring and the costs of mitigating the risks. It is therefore designed to manage rather than to eliminate the risks which might prevent the Company meeting its objectives and accordingly, only provides reasonable but not absolute assurance against the risk of material loss.

The internal control system can be described using the diagram below.

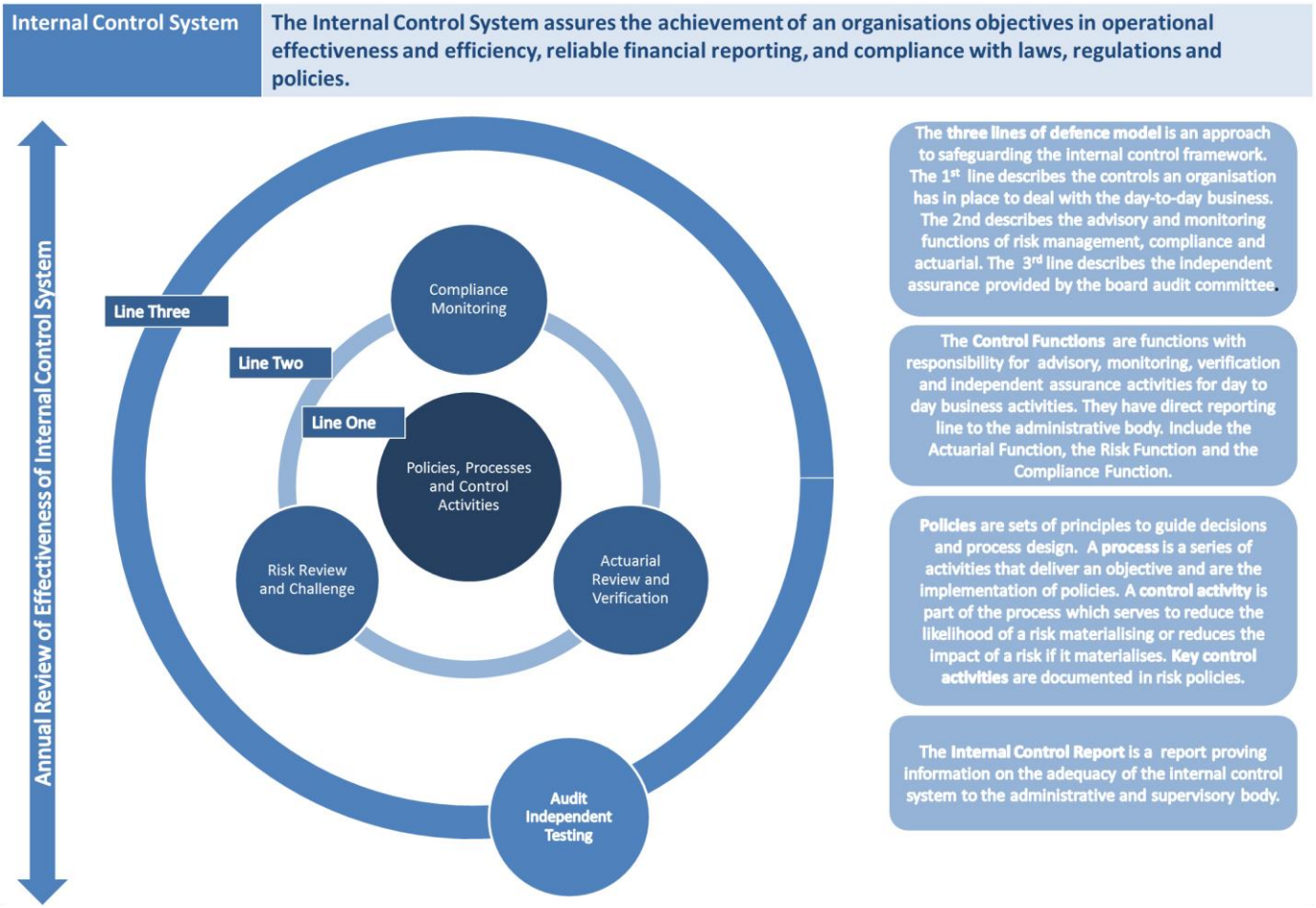

Figure 6 – Overview of the internal control system

Three lines of defence model for internal control

The Company operates a "three lines of defence model" for the management of risks and internal control which is adapted and applied for a company of the size and complexity of Waard Leven. This is illustrated in the diagram below. Broadly this means that the risk function is responsible for providing a framework for risk management and internal control, the business functions are responsible for implementing the framework and the internal audit function is responsible for independently validating the appropriateness of both the design and its implementation. The actuarial and compliance functions also provide second line challenge, oversight, and assurance.

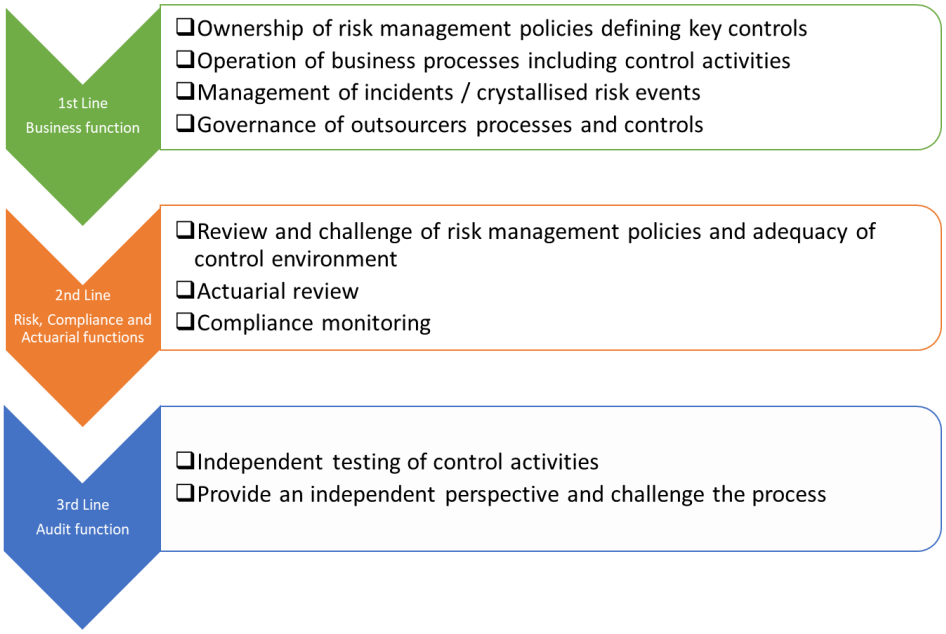

Figure 7 - Overview of the three lines of defence

Internal control system 1st line procedures

The Company has an established process for undertaking an annual review of the adequacy of its internal control system. A key component of this activity is the annual review of board policies and annual attestations regarding the adequacy of the risk management policies design and its operation. The risk management policies articulate the principles and practices for implementation of control within operational processes. Each policy document is owned by an allocated member of the Company's management (including Management Board), who is responsible for regular attestation of policy compliance. Each policy document is reviewed and approved by the Management Board on an annual basis.

This procedure enables:

- Board oversight of the key controls defined for the management of risks;
- Board oversight of the operation of the key controls defined for the management of risks;
- management to reflect upon the adequacy of the design of their key controls and the operation of their key controls;
- The risk and compliance Functions to challenge the adequacy of controls within the business and drive risk management and internal control developments;
- Audit testing.

Internal control system 2nd line procedures

Compliance monitoring

The Company has an established compliance monitoring procedure. The purpose of compliance monitoring activity is to assess the adequacy of implementation of regulations and legislation into business as usual activity. Material compliance breaches are reported to the Audit & Risk Committee.

Actuarial review and verification

The Company has an established actuarial review procedure. The purpose of the actuarial review activity is to assess the reliability of valuations and calculations of technical provisions. This includes consideration of the methodology and assumptions, an assessment of the information systems used for the valuations systems and an assessment of the quality of the data.

Financial reporting governance
The Company has installed an Audit & Risk Committee. The committee's responsibilities with regards to financial reporting governance are as follow:

- Prior to their approval by the Supervisory Board, monitor the integrity of:
  - The financial statements; and
  - Any regulatory return;
- To review:
  - The significant financial reporting issues and judgments contained in the financial statements, taking into account the views of the External Auditor;
  - All material information presented within the financial statements;
  - The clarity and completeness of disclosure in the financial statements and the context in which the statements are made;
  - Whether the accounting policies are in accordance with the statutory requirements and relevant accounting and financial reporting standards, and if any changes to them need to be made;
  - To report its views to the board(s) where the committee is not satisfied with any aspect of the proposed financial reporting;
- External auditor:
  - Review the external auditor's findings, including those contained in management letters, and management's response to them;
  - Ensure that an appropriate audit plan is in place at the start of each annual audit cycle;
  - Assess the effectiveness of the audit at the end of the annual audit cycle.

Risk review and challenge
The risk function is responsible for reviewing the completeness and appropriateness of risk and control policies (including the identification of risks and effectiveness of controls) and provides oversight to the adherence of line 1 to the agreed standards in the board-approved policies.

Internal control system 3rd line procedures
Internal audit
The Company has an established audit universe. The audit universe equates to a complete list of processes which are intrinsic to our operating model. The processes are prioritised on an annual basis with consideration to (a) strategic changes; (b) operational changes; (c) known risks intrinsic to business as usual process; (d) elapsed interval since last monitoring activity (a cyclical review of key controls is adopted to ensure that the interval is not excessive) and (e) availability of trustworthy, independent assurance reports from alternative sources.

Annual audits plans are discussed in the Audit & Risk Committee for consultation.

Gaining an understanding of the process and its key controls involves observing and following the process flow and the controls applied. The understanding of the process is derived from enquiries of appropriate personnel and reference to policy and process documentation.

Tests of operating effectiveness of individual controls include tests that are considered necessary in the circumstances to evaluate whether those controls, and the extent to compliance with them, were sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the reporting period.

At the end of each audit assignment a formal report is issued which details all the issues identified and recommendations to address them, the report also details management response to the points and agreed actions to address deficiencies.

External Audit
Ernst & Young Accountants LLP is the external auditor of the Company. It is the responsibility of the Audit & Risk Committee to assess the effectiveness of the external audit process and it is responsible for overseeing the relationship with the external auditor.

The responsibility of the Audit & Risk Committee includes:

- Reviewing management's assessment of the performance of the external auditor for the previous financial year;
- Reviewing the re-appointment of the external auditor for the current financial year;
- Reviewing and approving audit and non-audit fees;

- Reviewing and challenging the external auditor's plan for the audit of the financial statements which includes an assessment of key risks and confirmation of auditor independence;
- Reviewing reports produced by the external auditor regarding matters arising from the external audit process;
- meeting the external auditor without the Management Board being present;
- Reviewing the nature and volume of non-audit services provided by the external auditor to ensure that a balance is maintained between objectivity and value added;
- Reviewing the policies and procedures relating to fraud, whistle-blowing, and employment of ex-employees of the external auditor.

Independence is achieved by formal membership of Supervisory Board members, with attendance from the relevant executive team and risk management, compliance and internal audit and external audit representatives.

Internal Control System reporting
The Company's board is responsible for monitoring the Company's internal control system and carrying out a review of its effectiveness. To assist the board in its duties, the board commissions the risk function to produce an annual internal control report.

This report contains:
- Key Function Holders' statement of the adequacy of the risk management and internal controls system;
- Description of monitoring and reporting activity undertaken in the reporting period;
- Results of monitoring activity including audit findings and attestations;
- Description of any significant changes to the control environment over the reporting period.

B.4.2 Implementation of compliance function

The compliance function is independent and objective in relation to the operational activities of the Company.

The Compliance Function operates to a Compliance Policy and a Compliance Plan. The policy covers the scope of regulations covered, the responsibilities of the compliance function and reporting duties. The Compliance Plan outlines the scope of work to be completed in each calendar year. The Compliance Policy and plan will be reviewed by the Compliance Officer each year and any changes will be approved by the Management Board.

The Compliance Function as a second line functions assists Waard's senior management (the first line) in the responsibility to act with the understanding that integrity is the highest standard to be met, not only with all of Waard's stakeholders and external contacts, but also internally with respect to colleagues and compliancy with laws and regulations both in letter and in spirit.

The Compliance Function helps Waard to play by the rules. The function advises and challenge the management and employees to ensure that Waard is up to standard and acts in compliance with all relevant laws and regulations, Waard's Integrity code and internal policies.

The objectives of the Compliance Function are to ensure the development of an effective, efficient and embedded Compliance system and processes. Which include:
- Assist Waard's board and senior management in preparing a systematic integrity risk analysis (SIRA);
- Assessment of the adequacy of measures adopted by the business to prevent non-compliance;
- Monitor compliance to regulations and legislation across Waard;
- Monitor and report upon new regulatory developments and consultations which affect Waard's book of business.

It also aims to ensure that appropriate systems and procedures are put in place to ensure that decision taking within the organisation are within the Regulatory risk appetite.

The Compliance Officer provides the Management Board on a quarterly basis a more detailed compliance report including details of regulatory interactions and changes in regulations. These reports are also provided to the Supervisory Board.
In particular it will include:
- Quarterly reporting to the Board;
- Quarterly review of regulatory changes;
- Quarterly review of SIRA-risks.

B.5 Internal Audit Function

B.5.1 Description of how the internal audit function is implemented

As of 2022 Waard Leven engages Mazars to perform its internal audit function. Internal Audit is an independent and objective assurance and consulting function and is guided by a philosophy of adding value to improve the operations of the Company. It assists both in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Company's risk management, control, and governance processes.

The Internal Audit activity, with strict accountability for confidentiality and safeguarding records and information, has authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the Internal Audit activity in fulfilling its roles and responsibilities. The Internal Audit activity will also have free and unrestricted access to the Audit & Risk Committee.

The Head of Internal Audit reports on findings, planning and risk-universe to the Audit & Risk Committee, at least annually.

B.5.2 Description of how the internal function maintains independence and objectivity

Independence is obtained by virtue of the fact that the function does not have any operational responsibilities, so as to ensure no conflicts of interests arise. In addition, there is regular and direct access to the Audit & Risk Committee.

Whilst being cognisant of the views of operational management, the head of internal audit has the final say on the make-up of the draft internal audit plan that is submitted to the Audit & Risk Committee for consultation.

In terms of day to day activities, the department has unrestricted access to the organisation's records, physical properties, and personnel in order to carry out their work. The scope of all the audits is ultimately determined by the Head of Internal Audit and the contents of all reports is also ultimately decided upon by the Head of Internal Audit.

The Internal audit function formally confirms its unencumbered independence to the Audit & Risk Committee, at least annually.

B.6 Actuarial Function

B.6.1 Overview

The Management Board is responsible for the appointment of the Actuarial Function Holder, who will need to meet the fit and proper requirements and hold an appropriate practicing certificate from the Actuarial Society (Actuarieel Genootschap).

The Actuarial Function Holder reports to the CEO for management purposes, but for a number of the regulated tasks, also to the Supervisory Board. The Actuarial Function Holder has direct access to the Audit & Risk Committee.

B.6.2 Responsibilities

The responsibilities of the Actuarial Function Holder are defined in a Charter. As part of ensuring responsibilities are carried out in an effective and efficient manner, the Actuarial Function operates in close cooperation with the members of the Actuarial function team in the first line with the appropriate skills and experience to perform governance and group-related tasks.

The main responsibilities of the Actuarial Function include the following areas:

Responsibility	Description
Assumptions	The Actuarial Function has to "ensure the appropriateness of the assumptions made in the calculation of technical provisions" and "compare best estimates against experience". The detailed work will be undertaken by the actuarial team under the guidance of the Actuarial Function Holder. A report will be presented by the Actuarial Function Holder to the Audit & Risk Committee and the board(s), at least annually, proposing the assumptions to be used for the calculation of the technical provisions. For all material items this will provide commentary on recent experience against existing assumptions. The Actuarial Function Holder will also propose those assumptions, where it is appropriate that they differ to those used for the solvency assessment under Solvency II, to be used in the assessment of reserves and insurance liabilities for Dutch GAAP reporting.

Responsibility	Description
Data	The Actuarial Function Holder is responsible for adherence to the data policy. Where data is either insufficient or not reliable, the Actuarial Function will ensure suitable adjustments are made when assessing the technical provisions. Any such adjustments which materially impact the results will be reported to the Audit & Risk Committee and board(s) via the Actuarial Function Holder's report on the results of the solvency assessment.
Technical provisions	The finance and actuarial teams in the first line will coordinate such work, including proposing the methodologies and assumptions to be used. The Actuarial Function Holder is responsible for assessing and reviewing, ensuring it meets appropriate standards and regulations. Separate to the calculation of technical provisions, validation of the technical provisions is undertaken and overseen by the Actuarial Function Holder, who reports the results of the validation exercise. This includes considering all methodologies are consistent with the requirements.
Underwriting	The Actuarial Function Holder is responsible for adherence to the underwriting policy. The Actuarial Function Holder provides the board annually with an opinion on the underwriting policy, as required by the guidelines. This is proportionate for the business, reflecting the fact that the Company does not write new business. The opinion provided considers the interrelations between the underwriting policy, reinsurance, and technical provisions. It includes, where the Actuarial Function Holder considers appropriate, proposed strategies to be followed, or changes in the existing underwriting or reinsurance policies. It also considers likely financial impact of any material planned changes in terms or conditions of contract.
Reinsurance	The Actuarial Function Holder is responsible for adherence to the reinsurance policy for the Company. The Actuarial Function Holder provides the board annually with an opinion on the reinsurance policy, as required by the guidelines. The opinion provided considers the interrelations between the underwriting policy, reinsurance, and technical provisions. It also includes how the reinsurance is likely to respond under stress situations, commentary on the consistency of the policy with the risk appetite and an indication of the effectiveness of the reinsurance in reducing volatility.
Risk management	The Actuarial Function Holder and the Actuarial Function in the 1st line support the Risk Manager with the risk management for the Company. Specific tasks reasonably expected to be undertaken by the Actuarial Function, include stress testing to support the delivery of Own Risk and Solvency Assessment (ORSA).

Table 11 – Overview of the responsibilities of the Actuarial Function

Procedures are in place for all of the above areas detailing the considerations taken when performing the tasks.

The Actuarial Function holder reports to the Management Board and the Audit & Risk Committee every quarter on the results of each validation of technical provisions and 2nd line review on the calculations, including commentary on any material changes in data, methodologies, or assumptions. At least annually the AFR includes coverage of the validation process and quality of data. The AFR report also considers any deficiencies in the process or output and makes recommendations, in such cases, on how improvements can be introduced. Separate papers are also presented on assumptions and methodologies used, and, on the results of the annual review of the underwriting and reinsurance policy.

B.7 Outsourcing

B.7.1 Overview

Outsourcing is an arrangement of any form between a firm and a service provider by which that service provider performs a process, a service or an activity which would otherwise be undertaken by the firm itself.
For Waard Leven outsourcing applies to the administration of the portfolio of savings mortgages, which is outsourced to Quion, the management and administration of the pension policies to Appel Pensioenuitvoering B.V., part of the IT structure in the cloud to ACCIT and the Internal Audit function which is outsourced to Mazars.

Outsourcing is monitored based on contracts and Service Level Agreements and periodically assessed and discussed. Risk management reports to the Management Board on the outsourcing performance on a quarterly basis.
Based on risk analyses and/or (if available) an ISAE 3402 type II statement, Waard Leven assesses the quality of the processes at the service providers. Waard Leven discusses the quality of the services with the service provider at least once a year.

The Company's operating model is to maintain capabilities on all of its core activities in-house and not to outsource, but to use external service providers where this makes economic sense or where it would not be possible to build up sufficient scale.
For the Company this mainly translates in using external parties for:

- IT services and information security;
- Asset management services;
- HR support and salary administration.

The Internal Audit key function is outsourced.

The Company recognises its accountability for critical service providers and has a defined governance model for hired critical services and functions and services which are outsourced. Critical services can be defined as "services that are vital for the ongoing operation of the business". The Company has the following external providers of critical services:

- Quion Groep B.V. for administration of savings mortgages;
- Appel Pensioenuitvoering B.V. for management and administration of pension policies;
- Giant B.V. for IT services;
- CCS B.V. for the provision of application management;
- Eurofins for information security;
- Coin B.V. for recovery management and fallback location;
- OHV B.V. for Asset Management services.

The Company also employs external (independent) workers and firms in IT-security and the actuarial area. These workers are however managed as employees who form an integral part of the Company, not as outsourcers that provide a service under a service level agreement.

B.7.2 Responsibilities

The Company recognises its accountability for critical service providers and has a defined governance model for hired critical services and functions and services which are outsourced. Critical services can be defined as *"services that are vital for the ongoing operation of the business*".

Overall accountability for externally hired services and outsourced services is retained within the Company. The maintenance of service and performance standards is governed through a strict regime of service level agreements and through continuous monitoring of performance. This includes responsibility to ensure that outsourced activities are carried out in accordance with laws, regulations and industry best practice standards and adhere to the principles and practices of treating our customers fairly by delivering fair customer outcomes. All of the outsourcers' activities are The Netherlands jurisdiction contracts. Outsourced activity takes place in The Netherlands.

To ensure effective control of outsourced activities, a documented outsourcing policy is in place. The aim of this policy is to set out rules and principles for outsourcing of activities.

B.8 Any other information

There is no other material information regarding the system of governance of the Company that is deemed necessary to include.

C. Risk profile

The sections below provide a qualitative and quantitative summary of the risk profile for each category of risk. Where information is specific to each risk category it has been set out under the relevant heading. Where the information is common across all risk categories it has been included in Section C.7.

From a solo perspective, Waard Leven owned the following subsidiaries as at December 31st 2024: Robein Leven N.V., Waard Verzekeringen B.V. and Robein Effectendienstverlening N.V. All three subsidiaries are fully owned by Waard Leven and are considered to be strategic participations in the sense of article 171 of the Delegated Regulations (EU 2015/35).

In 2024, no acquisitions were made. The risk profile of Waard Leven did not change significantly.

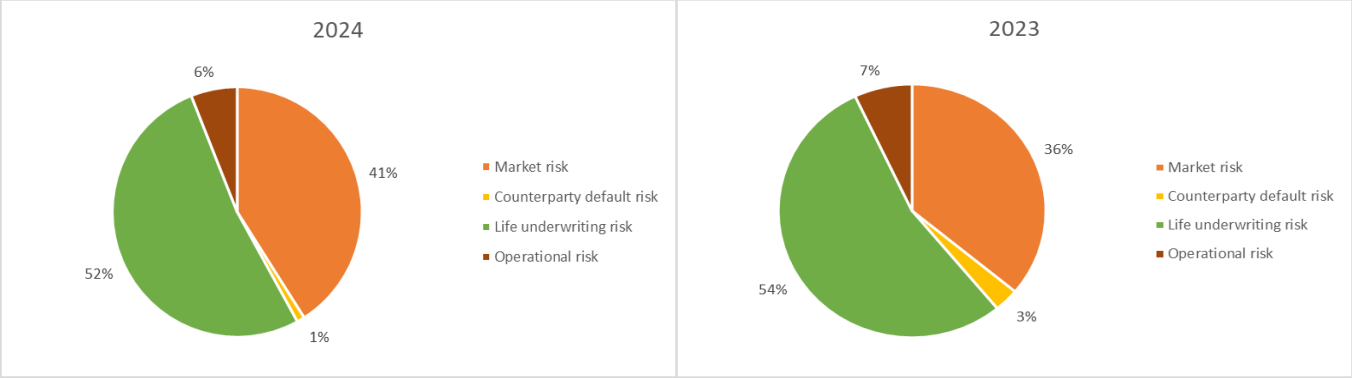

Figure 8 - Composition of risk profile of the Company

Compared to 2023, the relative share of Market Risk increased considerably due to the uprisking strategy of the Company (investment portfolio shifts to corporate instead of governance bonds).
The amount of Counterparty Default Risk was reduced by half (2024: € 0.5 mln, 2023: € 1.1 mln). The Life Underwriting risk decreased by € 2.0 mln to € 21.0 mln, but the relative share remained almost equal.

A further breakdown of market risk capital requirements and non-market risk capital requirements is detailed in the following sections.

C.1 Underwriting risk

C.1.1 Qualitative review of risk profile

Underwriting risk - mortality
As a life insurer, the Company carries mortality risk. Mortality risk can arise due to mortality experience being higher than expected, resulting in higher than expected claims. This can be due to trend risk (e.g., worsening experience over time) or catastrophe risk (e.g., one off events or pandemics). The Company is less exposed to anti-selection risks, given that business has been in force for a significant period and anti-selection risk is actively assessed during acquisition projects.

Underwriting risk – longevity
Last year, the longevity risk increased due to the acquisition of the Conservatrix portfolio. As no acquisitions took place in 2024, there has been no change in this specific risk for the Company.

Underwriting risk - expense
The Company is exposed to expense risk. This arises if future expenses turn out to be higher than expected or higher than that provisions are carried for. Cost increases have different causes, such as non-recurring regulatory change costs, or recurring inflation increases. This risk can be mitigated only partially. As the portfolio of the Company is in run off, it is also exposed to the expense risks associated with a reducing book, where expenses need to be spread over a lower in force policy base.
The Company's operating model is to keep the expense base variable. In addition, the Company could seek to cooperate with sister companies in the group, to reduce costs by sharing processes, systems, and carriers.

Underwriting risk - lapse
Lapse risk arises mainly due to the loss of future income (if lapses are higher than expected) or higher future claims. Lapse risk can be driven by external events such as economic recession or reputational damage, or by internal factors such as poor customer service delivery. A significant part of the insurance policies in the Company's portfolio is linked to a financing/mortgage arrangement, so lapses also depend on how policyholders maintain or repay debt. However, in absence of external driving events, lapse experience tends to be relatively stable over time given that business has been in force for a significant period. In addition, policies financed by single premium have a low possibility of lapsing, which has a stabilising effect.

After acquiring the Conservatrix portfolio the policyholders were again provided the opportunity to lapse their policy, which was not possible during the period of the bankruptcy. As a consequence, during 2023 a catch-up effect is observed as higher than anticipated lapse was experienced for the Conservatrix-portfolio. The lapse rates in 2024 normalized and returned to expected levels.

Underwriting risk - catastrophe
Catastrophe risk for life underwriting risk is associated with a sudden increase in mortality rates. Catastrophe risk is mitigated by the reinsurance contracts (quota share cover) for the Waard Leven portfolio.

Underwriting risk - guarantees
The Waard Leven portfolio holds a small number of policies with guaranteed returns and a small number of policies with embedded minimum guaranteed payment (in case of death or survival).

C.1.2 Quantitative review of risk profile

The following charts show the composition of underwriting risk in the current and prior year.

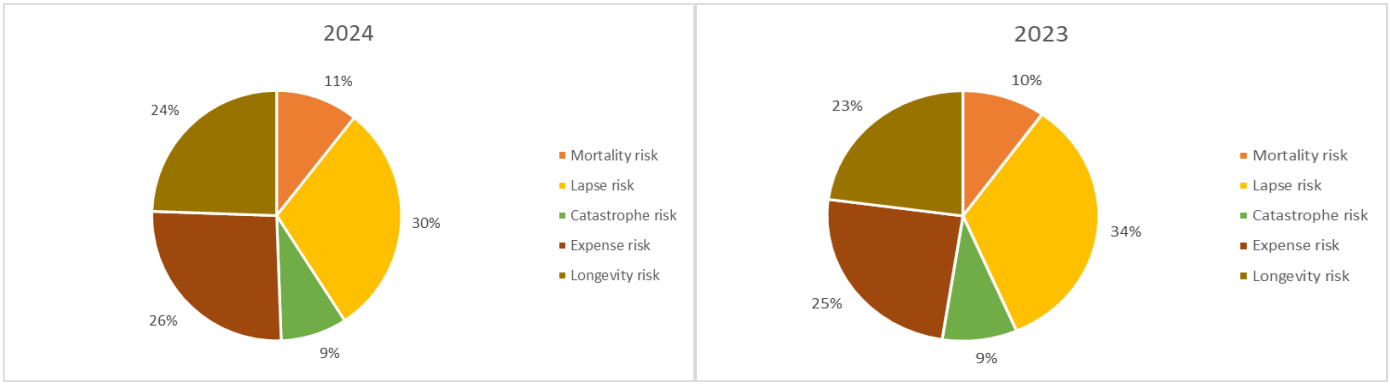

Figure 9 – Composition of underwriting risk

Compared to 2023 the relative composition of the Life underwriting did not change much, although the value of this risk decreased by € 2.5 mln to € 32.7 mln. The major change is noted within the Mass lapse risk capital (mass lapse is the biting lapse risk), where the Lapse risk decreased for reason mentioned above. All else being equal, the relative Lapse risk decreased.

The abovementioned change dominated other effects coming from changes in best estimate assumptions as well as changes in exposures due to portfolio run-off, movements in the interest rates and inflation.

C.1.3 Risk mitigation

Table 12 sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Mortality	- Reinsurance programmes to manage mortality and morbidity risk; - Regular experience investigations, and industry analysis, to support best estimate assumptions and identify trends.
Expense Risk	- Stringent regime of budgetary control, monitored as part of the annual planning and quarterly reporting cycles;

Risk Category	Key Controls and Risk Mitigation Techniques
	- Strong Management Board focus on successful continuation of the acquisition strategy while improving the efficiency of the operational processes, to keep the expense level in line with the portfolio development; - In case the acquisition strategy is no longer successful and the portfolio runs off, outsourcing will be considered to reduce the impact of the expense risk.
Lapse Risk	- Regular experience investigations to support best estimate assumptions and identify trends; - Stringent management of customer service delivery and adherence to treating customers fairly (TCF) principles.
Longevity Risk	No specific mitigation measures are in place. As a future management action the scope of the reinsurance can be expanded to also include the longevity risk.
Guarantees	The Company holds a very small number of policies with guaranteed returns and a small number of policies with embedded minimum guaranteed payment (in case of death or survival). These guarantees were priced and provided for at the time of the acquisition of this portfolio.
Catastrophe Risk	The reinsurance programmes also manage this risk.

Table 12 – Overview of risk mitigating techniques for underwriting risk

C.1.4 Risk sensitivity

The extent to what risks the financial and solvency position of the Company is sensitive to is annually addressed in the ORSA process. The stress and scenario testing which takes place in the ORSA takes into account a variety of risks. Several of these stresses are related to single risk categories. Within the 2024 ORSA the following parameters, that are part of the underwriting risk profile, were stressed.

Parameter	Stress
Mortality/Morbidity	Permanent de/increase by 7.5% p.a.
Lapse	Mass lapse of 20% of eligible policies within next 12 months
Expenses	Inflation increases with 100 bps
Loss of reinsurance	Loss of all reinsurance contracts

Table 13 – Stresses in ORSA

It is considered that these parameters have the most impact on the Company's portfolio of insured risks, therefore the sensitivity to changes in these parameters is paramount in assessing the Company's financial and solvency position.

Section C.7.2 provides a description of the methods used and the assumptions made.

C.2 Market risk

C.2.1 Qualitative review of risk profile

Market risk emerges in different ways. It arises directly, as a consequence of interest rate movements, equity value movements or currency rate movements but also due to a loss funds because a debtor is not able to repay its debt. This indirect risk is credit risk, which is treated in section C.3. The composition of the required capital for market risks is a consequence of the chosen strategic asset mix.

Market risk – interest
Interest risk is inherently present. Given that a major part of Waard Leven's assets are bonds and mortgages, interest rate fluctuations will accordingly change these assets' values. Interest rate fluctuations will also affect liabilities' values. The overall impact of interest risk is therefore depending on how well the assets and liabilities are matched.
Given the fact that the exposure of the assets of Waard Leven is almost the same as the exposure to the liabilities of Waard Leven, the Company is relative unsensitive to parallel interest rate movements. However, some differences in the matching of assets versus liabilities remain when looking at different maturity buckets.

Market risk – equity
Movement in equity values strongly depend on the status of the economy. Historically, equity shows good returns, but the risks are relatively high. Waard Leven has a portion of its assets invested in equity, in CIUs to be precise. Aside from these CIUs, Waard Leven insures benefits that are linked to equity values.

Market risk – property
The Company does not invest in property.

Market risk – spread
Given the large share of corporate bonds in its asset portfolio, the Company is exposed to spread risk. It is the Company's policy to invest in high rated bonds, therewith minimising the spread risk.

Market risk – market concentration
In its assets management, the Company is very much aware of diversifying its portfolio, to negate the risk of market concentration. Waard has a small amount of concentration risk due to an investment in Spanish Government bonds.

Market risk – currency
Aforementioned CIUs are partly invested in assets nominated in foreign currencies. Therefore, the currency risk is strongly correlated to the equity risk of the Company.

C.2.2 Quantitative review of risk profile

The graphs below show the risk profile of the Company using the risk capital requirements calculated by the standard formula as of 31 December of the current year, together with the equivalent results from 31 December of the prior year. This shows how the risk profile, and any concentrations of risk, have changed over the reporting period.

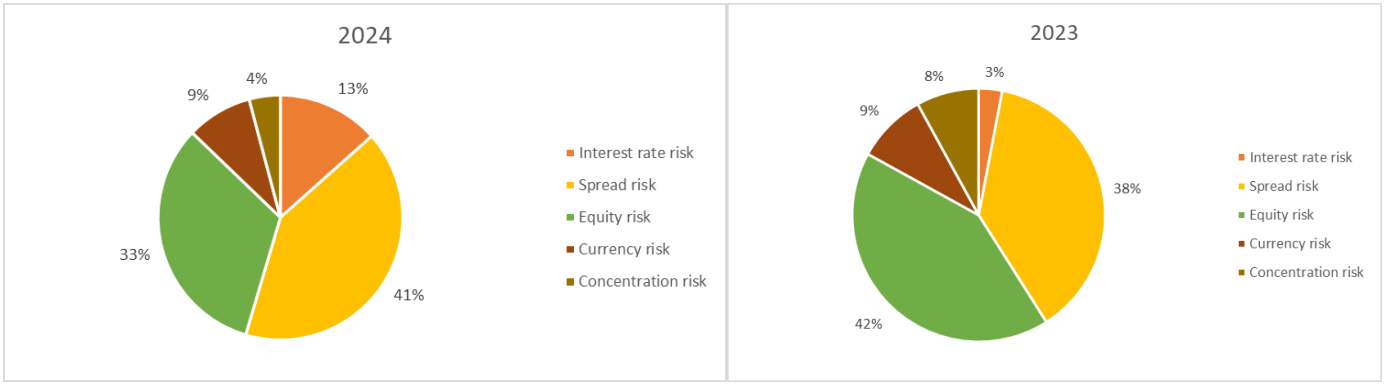

Figure 10 - Composition of market risk

The following changes in the market risk profile are noted (see also section A3):

- Market movements led to decreasing interest rates, which negatively impact the SCR due to an increase in liabilities;
- As a result of the uprisking strategy, the corporate bond portfolio expanded, which implicitly leads to higher credit spread risk;
- Equity risk capital decreased primarily due to the two aforementioned causes, resulting in a reduced proportion of equity risk relative to the total.

C.2.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Interest Risk	- Matching of assets and liabilities to reduce the impact of adverse interest rate movements; - Natural hedge resulted because of the negative technical provision of the Argenta portfolio.
Concentration Risk	Diversified portfolio of investments with smaller exposures to avoid concentration of risk.
Equity Risk / Currency Risk	Limited investments in equity.
Market Risk (general)	Established investment governance framework to provide review and oversight of external fund managers and monitor adherence to investment policy.

Table 14 – Overview of risk mitigating techniques for market risk

C.2.4 Risk sensitivity

The extent to what risks the financial and solvency position of the Company is sensitive to, is annually addressed in the ORSA process. The stress and scenario testing which takes place in the ORSA takes into account a variety of risks. Several of these stresses are related to single risk categories, but also scenarios that combine stresses of several parameters, were included. Within the 2024 ORSA the following parameters, that are part of the market risk profile, were stressed.

Parameter	Stress
Interest rate	Interest rates fall/rise by 100 basis points
Equity	Value drops by 25%
Spread	Credit spreads widen for governance and corporate bonds
Combined parameters 1	Climate Change: - Interest down by 100 bps; - Inflation increase by 300 bps; - Equity values fall by 25%; - 7.5% default of BBB bonds; - Credit spreads widening for corporate bonds, governance bonds unchanged.
Combined parameters 2	Geopolitical scenario: - Twisted yield curve: more downward sloping - Equity values fall by 25%; - Credit spreads widen for governance and corporate bonds; - A 10% increase in outsourcer costs, 20% increase all other expenses.

Table 15 - Overview of stress scenarios

It is considered that these parameters have the most impact on the Company's assets, therefore the sensitivity to changes in these parameters is paramount in assessing the Company's financial and solvency position.

Section C.7.2 provides a description of the methods used and the assumptions made.

C.2.5 Assets Invested in Accordance with the Prudent Person Principle

C.2.5.1 Prudent person principle

The Company holds assets to back its various liabilities and its shareholder funds and through appropriate investment management, the Company can achieve an appropriate level of investment return. Achieving an appropriate level of investment return is not the sole aim though, as the Company needs to manage the related risks within the tolerances set by the Risk Appetite with the aim to achieve pay outs in line with policyholders' reasonable expectations. The Company invests in assets in accordance with the prudent person principle, which means that the company only invests in assets of which it can be properly identify, measure, monitor, manage, control and report the risks.

The Company has a limited risk appetite to incur losses on investments that are held to cover policyholder liabilities. These investments are held to match the best estimate cash outflows (per duration and cash buckets) and returns on funds are of lower priority (since the liabilities do generally not hold guarantees and are discounted against the EIOPA curve.)

The Company has a limited risk appetite for liquidity risk and concentration risk. Subsequently, when setting the asset mix and determining suitable investments it is important to maintain a minimum level of deposit holdings and also to ensure that we don't invest too much with a single counterparty, for which strict limits exist.

C.2.5.2 Investment Management

The Management Board is responsible for ensuring that the controls for investment management are appropriate and effective. As such the board is responsible for the approval of the Investment policy and oversight of its operation. This includes signing off major changes in the approach used for investment management.

C.3 Credit risk

C.3.1 Qualitative review of risk profile

Credit risk is inherent to outstanding loans, as the possibility exists risk that a debtor is not able to repay its debt. In section C.2 it is mentioned that market risk can arise indirectly due to the possibility of loss of funds because of credit risk.

Credit risk – spread

In section C.2 on market risk, spread risk is treated. Although technically explained in section C.2.1, spread risk implies the possibility that the spread (the difference between the risk free interest rate and the bond's interest rate which holds a reimbursement for the risk of default) on a bond increases, which translates to a bond receiving a poorer credit status, i.e., it is assumed that the bond issuer has a higher probability of not being able to repay the loan. As mentioned in section C.2.1, it is the Company's policy to invest in high rated bonds, therewith minimising the spread risk.

Credit risk – counterparty default

In a similar background as explained for spread risk, debtors, that are not bond issuers, also have the possibility of not being able to repay loans or outstanding balances entrusted to them. In these cases, however, unlike bonds, spread is not used as an indication of default probability. Within Waard Leven, two types of outstanding balances are distinguished below.

Type 1

The Company holds significant amounts of funds with banks in The Netherlands. Counterparty default risk would emerge if one or more of these banks would not be able to repay the balances held. The risks are reduced by placing funds in banks with a sufficient credit rating and/or in (partially) State owned banks. The Company also has a reinsurance arrangement for its portfolio but the amounts receivable however are small. This risk is also reduced by having this reinsurance placed with a reputable reinsurance company with a high credit rating (RGA). With the acquisition of BND another reinsurance contract was added. SCOR has also a high credit rating, so it doesn't change the CPD very much.

Type 2

The Company invests in a portfolio of mortgages, which carry a risk of default. The risk is reduced by having access to the collateral (the properties) and by having a diversified portfolio with smaller individual sums outstanding.

C.3.2 Quantitative review of risk profile

The graphs below show the risk profile of the Company using the risk capital requirements calculated by the standard formula as of 31 December of the current year, together with the equivalent results from 31 December of the prior year. This shows how the risk profile, and any concentrations of risk, have changed over the reporting period.

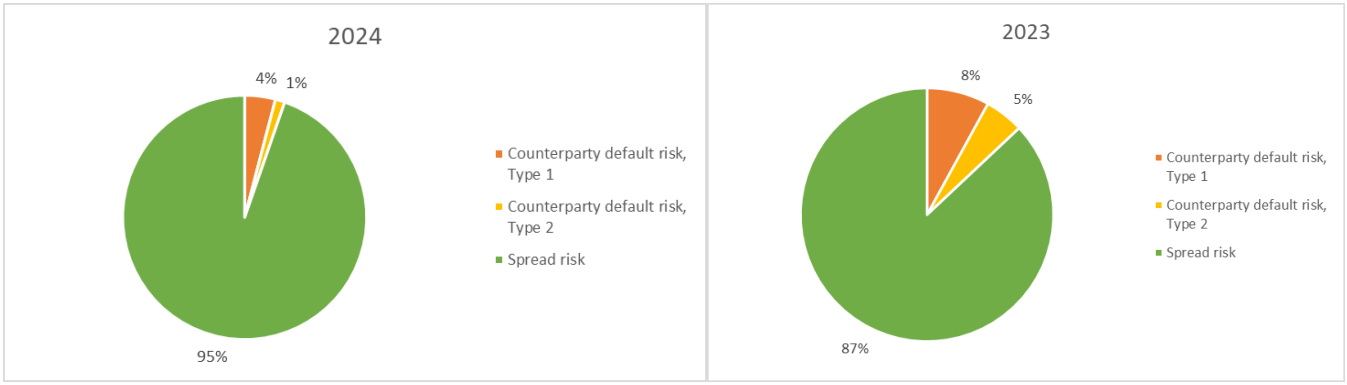

Figure 11 – Composition of credit risk

We note the following changes in the credit risk profile (see also section A3):

- The spread risk increased because of the investments in corporate bonds increased as well as investments in a private debt fund;
- The cash position (CPD type 1) decreased mainly as a decrease in cash position for Unit-Linked. CPD Type 2 was subject to rising housing prices.

C.3.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Credit and counterparty default	- Operation of controls which limit the level of exposure to any single counterparty and impose limits on exposure by credit rating; - Reinsurance treaties only with highly rated reinsurers.

Table 16 - Overview of risk mitigating techniques for credit risk

C.3.4 Risk sensitivity

The extent to what risks the financial and solvency position of the Company is sensitive to, is annually addressed in the ORSA process. The stress and scenario testing which takes place in the ORSA takes into account a variety of risks. Within the 2024 ORSA the following parameters, that are part of the credit risk profile, were stressed.

Parameter	Stress
Interest rate	Interest rates fall by 100 basis points
Spread	Credit spreads widen for governance and corporate bonds
Combined parameters 1	Climate Change: - Interest down by 100 bps; - 25% equity drop; - 7.5% default of BBB bonds; - Inflation increase by 300 bps; - Credit spreads widening.
Combined parameters 2	Geopolitical scenario: - Twisted yield curve: more downward sloping - Equity values fall by 25%; - Credit spreads widen for governance and corporate bonds; - A 10% increase in outsourcer costs, 20% increase all other expenses.

Table 17 – Overview of credit risk stresses

Since these stresses are also part of the Market risk profile, please also refer to section C.2.4. Please note that interest rate stresses will affect the values of the mortgage portfolio and bonds, hence indirectly the spread risk and counterparty default risk, type 2. Counterparty default risk, type 1 is only affected by the loss of reinsurance stress in the 2024 ORSA.

C.4 Liquidity risk

C.4.1 Qualitative review of risk profile

Liquidity risk arises when cash outflows to policyholders or pay-out patterns deviate from expectations, or when cash outflows are not properly matched by cash inflows. The Company holds cash at banks, which is directly available. As part of the Company's investment policy, the assets that are held to cover the technical provisions, are mostly invested in bonds with the objective of matching the duration of the liabilities.

Other liquidity issues could arise from counterparty failures. The risk of counterparty default is treated in section C.3.
The Company holds a substantial portion of liquid assets; therefore, liquidity risk is not considered a major risk. The breakdown of investments and the amount of available liquidities is provided in section D.1.

C.4.2 Quantitative review of risk profile

The table below provides an overview of the assets and liabilities, as well as their respective durations, as of 31 December of the current period, together with the equivalent results from 31 December of the prior year.

			2024	2023
			€'000	€'000
Assets				
Holdings in related undertakings			8,370	9,523
Property plant and equipment held for own use			11	25
Equity	CIUs		31,964	38,121
	Equities - unlisted		-	748
	Assets held for UL contracts		479,227	485,865
Bonds	Government bonds AAA	Value	120,981	154,211
		Duration	*11.2*	*10.9*
	Government bonds AA	Value	113,111	148,495
		Duration	*11.2*	*8.7*
	Government bonds A	Value	16,085	27,804
		Duration	*16.0*	*9.1*
	Government bonds BBB	Value	6,126	-
		Duration	*13.2*	-
	Corporate bonds AAA	Value	914	908
		Duration	*8.3*	*9.0*
	Corporate bonds AA	Value	6,114	5,219
		Duration	*4.8*	*7.9*
	Corporate bonds A	Value	29,339	13,570
		Duration	*3.1*	*5.1*
	Corporate bonds BBB	Value	54,286	23,696
		Duration	*2.3*	*3.6*
	Corporate bonds non-rated	Value	3,495	3,495
	Mortgages	Value	122,277	129,577
		Duration	*4.3*	*5.3*
Cash			6,099	2,914
Reinsurance receivables			1,905	1,774
Receivables			5,884	7,554
Deferred tax assets			24,382	20,663
Other assets			10,668	12,377
Total assets			**1,041,236**	**1,086,541**
Weighted average duration of assets			*8.0*	*8.1*

			2024	2023
			€'000	€'000
Liabilities				
Technical provisions (net of reinsurance)	UL portfolios	Value	485,943	494,699
		RiskMargin	1,876	1,537
	Non-UL portfolios	Value	398,543	427,851
		Duration	*10.0*	*10.2*
		RiskMargin	15,594	18,322
Deferred tax liability			720	2,211
Payables			16,857	19,228
Total liabilities			**919,532**	**963,858**
Own Funds			**121,703**	**122,683**

Table 18 – Comparison of assets and liabilities for 2024 and 2023

As can be seen in this table, the Company has sufficient liquid assets. Also, the amount of Own Funds is significant, leading to the conclusion that liquidity risk for the Company is immaterial.

C.4.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Liquidity	– Quarterly cash flow forecasts to anticipate funding requirements over the following three months and taking into account wider funding requirements from the business planning and/or Group dividend payments; – Quarterly treasury reporting showing the liquid assets held and how this compares to the minimum threshold set by the Investment policy.

Table 19 - Overview of risk mitigating techniques for liquidity risk

C.4.4 Risk sensitivity

The extent to what risks the financial and solvency position of the Company is sensitive to, is annually addressed in the ORSA process. The stress and scenario testing which takes place in the ORSA takes into account a variety of risks. Given the negligible exposure to liquidity risk, no scenarios that address this risk were pursued in the ORSA.

C.4.5 Expected profit included in future premiums

The Expected profit in future premiums as of 31 December was € 7.6 mln (prior period € 8.4 mln) and is determined in accordance with article 206, sub 2 of the Delegated Acts. The Expected profits included in future premiums (EPIFP) result from the inclusion in technical provisions of premiums on existing (in-force) business that will be received in the future, but that have not yet been received. Any premiums already received by the undertaking are not included within the scope of EPIFP. Single premium contracts where the premium has already been received are also excluded.

C.5 Operational risk

C.5.1 Qualitative review of risk profile

The Company typically carries the same operational risks as most insurers. Operational risks manifest themselves in a wide variety of forms. The Company is considered to be most exposed to IT-related risks (continuity of processing, data security, data privacy), regulation related risks (changes in regulation that increase the cost base or changes in regulations that are applied retro-actively and for which no means of compensation exists).

In the standard model, as it applies to Waard Leven, it is assumed that the Solvency Capital Requirement for operational risk has a relationship with the technical provisions, premium volume and expenses incurred for Unit Linked type products. This can be translated to the presumption that the Company has a higher exposure to operational risks when the Company is bigger, since a higher amount of technical provisions implies a bigger volume of policies, requiring a larger operations scale (employees, management layers, processes and procedures, IT, housing, etcetera).

C.5.2 Quantitative review of risk profile

In the first section of this chapter C (see Figure 8), the graphs show the distribution of the four main risk groups that are part of the BSCR, including operational risk, calculated by the standard formula as of 31 December of the current period, together with the equivalent results from 31 December of the prior year:

- Market risk;
- Counterparty default risk;
- Underwriting risk;
- Operational risk.

From this graph it is clear that operational risk is insignificant in the total risk profile of the Company.

C.5.3 Risk mitigation

The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Operational risk	- Close oversight of the performance and risk management of (IT-) service providers; - Ongoing monitoring and testing of business continuity plans; - (Preventive) safety and health measures are in place; - Availability of a fall back location; - Possibilities to work remote.

Table 20 - Overview of risk mitigating techniques for operational risk

C.5.4 Risk sensitivity

The extent to what risks the financial and solvency position of the Company is sensitive to, is annually addressed in the ORSA process. The stress and scenario testing which takes place in the ORSA takes into account a variety of risks. Given the negligible exposure to operational risk, no scenarios that address this risk were pursued in the ORSA. The loss of reinsurance stress, however, could be interpreted as an operational risk scenario.

C.6 Other material risks

Conduct risk

Aside from the risks, described in sections C.1 to C.5, one other risk is recognized. This is conduct risk. As the Company is closed to new business it is generally not exposed to the conduct risks associated with the design, sales and marketing of new products. Conduct risk however arises in respect of in-force business if the Company fails to follow regulatory standards and guidance, breaches internal standards of achieving good customer outcomes, or does not treat customers fairly. Conduct risk may also arise due a change in regulatory standards, particularly if this is applied retrospectively to policies that were set up several years ago.

Conduct risk cannot easily be quantified. The consequences of conduct risk can have sizeable impact, such as fines, court cases and reputational damages. Therefore, it is important to manage and mitigate this risk. The below table sets out the techniques used for mitigating risks and the processes used for monitoring their continued effectiveness.

Risk Category	Key Controls and Risk Mitigation Techniques
Conduct risk	The Compliance Function maintains a Compliance Plan which includes a comprehensive compliance monitoring programme. The activities of the Compliance Function are summarised in section B.4.2.

Table 21 - Overview of risk mitigating techniques for conduct risk

C.7 Any other information

C.7.1 Risk mitigation techniques and monitoring

Risk assessment

Section B.3.1 sets out the Risk Management System of the Company and section B.3.2 explains how the Company carries out its ORSA. This provides the framework by which individual risks are identified, assessed, monitored, and managed. As part of this framework, the Company quantifies the capital impact of different risks by:

- Determining the risk capital requirements using the standard formula as part of the quarterly financial reporting cycle;
- Performing additional stress and scenario testing to support the ORSA.

An assessment is carried out on an annual basis to confirm that the standard formula remains appropriate for establishing the regulatory capital requirements for the Company. This assessment is part of the ORSA report which has been approved by the Management Board and the Supervisory Board.

The quantitative and qualitative review in the previous sections showed that there have been changes in the risk profile during the reporting period.

Risk mitigation

The Company has an established Risk Management System which incorporates risk strategies, policies, control processes and reporting. The Risk Management System provides the framework to monitor and manage risks, and to assess the effectiveness of controls and risk mitigation techniques.

Within the Risk Management System there are a number of specific risk policies covering all the main categories of risk. The risk policies set out the reporting procedures, roles and responsibilities, and the processes and controls to manage risk. A summary of the key controls and risk mitigation techniques for each of the main risk areas is shown in the table below. Given that the Company is substantially closed to new business, these are not anticipated to change materially over future periods.

C.7.2 Stress and scenario testing

C.7.2.1 Overview

The Company uses the standard formula to determine its regulatory capital requirements, and these are calculated and reported on a quarterly basis. As part of the ORSA the Company performs a forward looking assessment of its ability to meet the regulatory capital requirements under a range of stresses and scenarios.

Full details of the stresses and scenarios, the methodologies used, and the results are included in the ORSA report which is approved by the Management Board and has been submitted to DNB. The stress and scenario tests are treated in the various sections on specific risks in previous sections of this chapter C.

These were selected for the ORSA based on the outcomes of management workshops, and follow the principles set out in the Group Stress and Scenario Testing Framework. As well as current known risks, the stresses and scenarios take account of forward looking and emerging risks. The stress and scenarios selected were approved by the Management Board as part of the ORSA process.

C.7.3.2 Methodology

The stress and scenario tests have been carried out with a base date of 30th of June 2024.

Assets are recorded at market value, liabilities are calculated based on best estimate assumptions, with risk capital (SCR) determined in accordance with the standard formula. A Risk Margin is also held on the balance sheet to reflect the capital cost of holding capital to support the SCR.

In quantifying the financial impact of each stress, it is assumed that each stress occurs immediately after the year-end, i.e., on 1st of January 2025. After applying the stress, risk capital is recalculated in accordance with the standard formula in order to re-establish the regulatory capital requirements.

C.7.3.3 Outcomes from the stress and scenario testing

Each stress and scenario test was performed using the methodology described above, and the solvency ratio was compared to the base financial position. The conclusion of the ORSA results analysis is given below:

Waard Leven is not predominantly exposed to one type of risk, and so is well diversified to risk. Regarding single stress scenarios, the expenses, the inflation increase scenarios have the highest individual impact on the solvency ratio. Overall, however, the (deliberately) extremely heavy constructed combined stress scenario of Climate change has the most negative impact on the solvency ratio. The scenario has been constructed with the purpose of breaking the 100% SCR, as is also required from a Preparatory Crisis Plan perspective. Still, Waard Leven is resilient within this scenario whereas the solvency ratio never drops under 180%. As a reminder, this test has been calibrated to beyond a 1 in 200 year probability level, and is modelled here assuming no market recovery. In this scenario, the management action stipulates that dividend payments can only resume starting from 2027.

Generally, in practice, negative impacts of market risk scenarios tend to unwind themselves over time whereas expense and mortality risk do not. The capital position (as measured by the solvency ratio) of Waard Leven is resilient and can withstand all the individually tested 1-40 years stress tests. At current solvency levels, the Climate Change scenario does not take the solvency ratio of Waard Leven below the minimum solvency level.

Current capital levels are still far above average in the industry and consequently scenarios need to exceed 1 in 200 to constitute a threat. All scenarios leave sufficient surplus in the period 2024-2027 including distributing the foreseeable dividend payments (where the Climate Change scenarios is the only exception).

D. Valuation for solvency purposes

D.1 Assets

This section of the Solvency and Financial Condition report shows how the assets and liabilities of the Company have been valued, both for Solvency and Dutch GAAP reporting purposes. The below table summarises the Own Funds (as measured on a solvency basis) and net assets (as measured on a Dutch GAAP basis) and provides a reference where further information has been provided.

	Solvency II value	Statutory accounts value	
	€'000	€'000	
Assets	1,041,236	1,054,030	*See section D1*
Technical provisions	-901,956	-950,606	*See section D2*
Other liabilities	-17,577	-16,857	*See section D3*
Own funds / net assets	**121,703**	**86,567**	

Table 22 – Comparison Own Funds between SII and Dutch Gaap

Table 23 shows separately the value of each class of assets under Solvency II, respectively Dutch GAAP (statutory accounts).

	Solvency II value	Statutory accounts value
	€'000	€'000
Assets		
Goodwill		-
Deferred acquisition costs		-
Intangible assets	-	2,196
Deferred tax assets	24,382	35,732
Property, plant & equipment held for own use	11	11
Investments (other than assets held for index-linked and unit-linked con	**390,784**	**390,701**
Property (other than for own use)	-	-
Holdings in related undertakings, including participations	8,370	11,193
Equities	-	-
Equities - listed	-	-
Equities - unlisted	-	-
Bonds	350,451	347,544
Government Bonds	256,303	254,302
Corporate Bonds	94,147	93,242
Structured notes	-	-
Collateralised securities	-	-
Collective Investments Undertakings	31,964	31,964
Derivatives	-	-
Deposits other than cash equivalents	-	-
Other investments	-	-
Assets held for index-linked and unit-linked contracts	479,227	479,227
Loans and mortgages	132,945	130,572
Loans on policies	-	-
Loans and mortgages to individuals	122,277	120,116
Other loans and mortgages	10,668	10,455
Reinsurance recoverables	1,905	492
Deposits to cedants	-	-
Insurance and intermediaries receivables	2,300	2,300
Reinsurance receivables	353	353
Receivables (trade, not insurance)	3,231	6,350
Own shares (held directly)	-	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	-
Cash and cash equivalents	6,099	6,099
Any other assets, not elsewhere shown	-	-
Total assets	**1,041,236**	**1,054,030**

Table 23 – Comparison of assets between SII and Dutch Gaap

Bases, methods, assumptions, and inputs used in asset valuation for Solvency purposes, and difference between the amounts recorded in the financial statements

In general assets are recognised and valued in line with IFRS (group) accounting principles and consequently valued at fair value. For assets valued using market value, the Company relies on quoted prices in active markets to value its investments. Quoted market prices in an active market provide the most reliable evidence of fair value and are used without adjustment to measure fair value whenever available. The criteria used by the Company to assess whether markets are active is dependent on the sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table reconciles total assets between the Dutch GAAP statutory financial statements and the column statutory values in Schedule 02.01.

	Total €'000
Total assets in statutory accounts	1,053,539
Reclassification of reinsurance share of technical provisions (statutory deducted from liabilities)	492
Total assets in statutory column in Schedule 02.01	**1,054,030**

Table 24 – Reconciliation of assets

Further detail by material asset class is provided below.

D.1.1 Deferred acquisition costs (DAC)

The Company does not have DAC on the balance sheet. Acquisition cost was expensed when writing the business.

D.1.2 Intangible assets

The Company recognised AVIF on the Argenta portfolio acquisition of € 1.6 mln in their statutory accounts. AVIF is not recognised in Solvency II valuation. The Company recognised also goodwill on the acquisition of the Conservatrix portfolio of € 0.6 mln, which is represented as part of the intangible assets.

D.1.3 Deferred tax assets (DTA)

The Company does have valuation differences that causes a Deferred Tax Asset of € 35.7 mln. The bonds are valued under the fiscal regime at cost price, where under Dutch GAAP we use the fair-value approach. Under Solvency II, the valuation of the liabilities and mortgages differs from Dutch GAAP resulting in a DTA of € 24.4 mln.

D.1.4 Property (other than for own use)

The Company does not own property.

D.1.5 Holdings in related undertakings, including participations

The Company has three subsidiaries on the balance sheet at the end of 2024: Waard Verzekeringen (€ 9.4 mln), Robein Leven (€ 0.2 mln) and Robein Effectendienstverlening (€ 1.6 mln). Under Solvency II, the participation of Waard Verzekeringen decreased to € 6.6 mln. The difference in participation value is caused due to an elimination of the provision due to the consolidation of Waard Leven and Waard Verzekeringen.

D.1.6 Non linked investment assets

Basis and Methods for Dutch GAAP valuation
Non-Linked assets are measured at fair value. Fair values are determined by reference to observable market prices where available and reliable. The fair value of financial assets quoted in an active market, are their bid prices as at the balance sheet date.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
No significant assumptions or judgements are made in the valuation of these assets, as they are based upon market observable inputs.

Inputs for Dutch GAAP valuation
Observable market prices.

Solvency II valuation
There are no differences between Dutch GAAP and SII for valuation purposes. Under Solvency II, accrued interest is however classified together with the outstanding principal.

Changes made to the recognition and valuation bases used or on estimations made during the year
No changes were made in the course of the year.

D.1.7 Assets held for Index-Linked & Unit-Linked funds

Basis and methods for Dutch GAAP valuation
Assets held for Index-Linked & Unit-Linked funds are measured at fair value. Fair values are determined by reference to observable market prices where available and reliable. The fair value of financial assets quoted in an active market, are their bid prices as at the balance sheet date. For collectives, fair value is taken to be the published bid price.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
No significant assumptions or judgements are made in the valuation of these assets, as they are based upon market observable inputs.

Inputs for Dutch GAAP valuation
Observable market prices. For savings mortgages the risk part follows the technical provisions, whereas the savings part is nominal values plus accrued interest.

Solvency II valuation
There are no differences between Dutch GAAP and SII for valuation purposes.

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

D.1.8 Loans and Mortgages to individuals

Basis and Methods
The mortgage portfolio consists of three types of loans (interest only, annuity redemption and savings mortgage (spaarhypotheek)) and is valued on a loan-by-loan basis. At inception, loans and mortgages to individuals are measured at fair value, which is taken to be the acquisition value. Should a subsequent indication of impairment be identified then the carrying value is adjusted to reflect the reduced value of the receivable.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
Loans and mortgages to individuals are reviewed annually for impairment.

Inputs for Dutch GAAP valuation
Current carrying value.

Solvency II valuation
Under SII, mortgages to individuals are valued at fair value (mark to model, level 2). Accrued interest is classified together with the outstanding balances.

Inputs for Solvency II valuation
For Solvency II purposes, the portfolio is valued with a discounted cash flow model, in which future cash flows are modelled into a current fair value. For this, a range of inputs is used, such as contract-end-date, interest-reset date, consumer mortgage tariffs per category (Dutch mortgage guarantee scheme (NHG), Loan-To-Value (LTV), etc.) and Conditional Prepayment Rate (CPR).

The cash flow forecast consists of:
- The redemption payment ((safely) forecasted to be the first interest reset date);
- Early voluntary redemptions;
- Interest payments until the interest reset date;
- Instalment/settlement payments until the interest reset date (annuity scheme loans);
- Contributions to the savings account (spaarpolis) until the interest reset date (savings mortgages).

These cash flows are discounted with interest rate curves that are generated from consumer tariffs for interest only loans respectively annuity loans. Each loan is discounted with a tariff that corresponds to its LTV (Loan-To-Value) ratio.

Changes made to the recognition and valuation bases used or on estimations made during the year
No changes were made during the year.

The following table reconciles the line item loans and mortgages in Dutch GAAP with the same item in the Solvency II balance sheet.

	Total €'000
Dutch GAAP loans and mortgages	130,572
Valuation adjustment to market value	2,161
Reclassification of accrued interest from R0360	213
Reclassification of asset held for unit linked from R0220	-
SII loans and mortgages	**132,945**

Table 25 – Reconciliation of loans and mortgages

D.1.9 Insurance & intermediaries receivables

Basis and methods for Dutch GAAP valuation
Insurance and intermediaries receivables are measured at fair value. Fair value is taken to be the value of the receivable on initial recognition. Should a subsequent indication of impairment be identified then the carrying value is adjusted to reflect the reduced value of the receivable.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
Insurance and intermediaries receivables are reviewed annually for impairment.

Inputs for Dutch GAAP valuation
Current carrying value.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods.

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

The following table reconciles the line-item insurance and intermediaries' receivables in Dutch GAAP with the same item in the Solvency II balance sheet.

	Total €'000
Dutch GAAP insurance and intermediaries receivables	2,300
Reclassification of receivables (trade, not insurance) (R0380)	-
SII insurance and intermediaries receivables	**2,300**

Table 26 – Reconciliation of receivables

D.1.10 Reinsurance receivables

These comprise of:
- Reinsurers' share of insurance contract provisions;
- Amounts deposited with reinsurers; and
- Reinsurers' share of accrued policyholder claims.

Basis and methods for Dutch GAAP valuation
Reinsurance receivables are measured at fair value, taken as being the amount of reinsurance that is expected to be recoverable on initial recognition of the reinsurance asset.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
Rights under reinsurance contracts comprising the reinsurers' share of insurance contract provisions, amounts deposited with reinsurers and accrued policyholder claims are estimated in a manner that is consistent with the measurement of the provisions held in respect of the related insurance contracts. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due, and the vent has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

Inputs for Dutch GAAP valuation
Reinsurance accounts prepared in accordance with the provisions contained within the underlying reinsurance treaties.

Solvency II valuation
Reinsurance receivables are valued in SII on the same basis as for Dutch GAAP except for reinsurance recoverables which are valued using Solvency II reserving methodologies as a key input, as opposed to Dutch GAAP reserving methodologies. Reinsurance receivables are classified in assets in the Solvency II balance sheet and deducted from liabilities in the Dutch GAAP balance sheet (line R0330 in Schedule 02.01).

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

	Total
	€'000
Dutch GAAP reinsurance receivables	353
Reclassification to Reinsurance recoverables (R0270)	-
SII reinsurance receivables	**353**

Table 27 – Reinsurance receivables

D.1.11 Receivables (trade, not insurance)

Basis and methods for Dutch GAAP valuation
Receivables are measured at fair value. Fair value is taken to be the value of the receivable on initial recognition. Should a subsequent indication of impairment be identified then the carrying value is adjusted to reflect the reduced value of the receivable.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
Receivables are assessed annually for impairment.

Inputs for Dutch GAAP valuation
Invoices that reflect the initial recognition value.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods. However, there are some reclassifications (see table below).

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

The following table reconciles the line-item receivables (trade, not insurance) in Dutch GAAP with the same item in the Solvency II balance sheet.

	Total €'000
Dutch GAAP Receivables (trade, not insurance)	6,350
Reclassification of accrued interest to R0130	-3,119
SII Receivables (trade, not insurance)	**3,231**

Table 28 – Reconciliation of receivables

D.1.12 Cash and cash equivalents

Basis and methods for Dutch GAAP valuation
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments and are measured at fair value. Highly liquid is defined as having a short maturity of three months or less at their acquisition.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
None.

Inputs for Dutch GAAP valuation
- Bank and term deposit statements;
- Bank reconciliation timing differences.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods.

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

D.1.13 Any other assets, not elsewhere shown

Basis and methods for Dutch GAAP valuation
This category of assets only includes prepayments. Prepayments are valued by spreading the up-front cost of an asset or service and spreading the cost over the time period over which the service is received / time period over which the asset is consumed.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
The initial prepaid cost and the spreading profile.

Inputs for Dutch GAAP valuation
The fair value of the underlying asset.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods.

Changes made to the recognition and valuation bases used or on estimations made during the period
There are no differences between the Dutch GAAP and SII valuation methods as the carrying value in the Dutch GAAP balance sheet is deemed to represent the fair value of the asset.

Lease arrangements
The Company is not a party to lease arrangements.

D.2 Technical provisions

D.2.1 Value of technical provisions

The following table analyses the net technical provisions / insurance liabilities under Solvency II and Dutch GAAP values.

		Solvency II value	Statutory accounts value
		€'000	€'000
Net technical provisions			
Life (excl. health and index-linked and unit-linked)		414,136	460,173
	Best Estimate	398,543	460,173
	Risk margin	15,594	-
	Reinsurance recoverables	-1,736	-492
Total Life		**412,400**	**459,681**
Index-linked and unit-linked		487,819	490,433
	Best Estimate	485,943	490,433
	Risk margin	1,876	-
	Reinsurance recoverables	-169	-
Total Index-linked and unit-linked		**487,650**	**490,433**
Total gross technical provision		**901,956**	**950,606**
Total reinsurance recoverables		**-1,905**	**-492**
Total net technical provision		**900,050**	**950,114**

Table 29 – Comparison of technical provisions under SII and Dutch Gaap

The Technical Provisions consist of the Best Estimate Liabilities (BEL) and the Risk Margin. This section considers the BEL and Risk Margin separately, describing the basis, methods, and main assumptions. Where relevant, this section highlights differences in basis, methods, and main assumptions between the Lines of Business.

BEL basis and methodology

The BEL corresponds to the probability-weighted average of future policyholder cash flows allowing for items such as premiums, claims, expenses, and lapses. The calculation takes account of the time value of money (expected present value of future cash flows), using the relevant risk-free interest rate term structure supplied by EIOPA. The calculation is conducted at a per-policy level for all business with negative BELs being permitted. Similarly, no implicit or explicit surrender value floor is assumed.

Policyholder cash flows

The cash flow projections include all the cash in- and out-flows required to settle the insurance and reinsurance obligations over the lifetime of the policy. Specifically:

- claim payments including both guaranteed and discretionary;
- expenses;
- premiums;
- renewal and initial commission;
- payments to investment firms; and
- tax payments.

Drivers that will have a material impact on the cash flows within the BEL calculation are allowed for appropriately and include items such as demographic, legal, medical, technological, social, environmental, and economic developments. Cash flows included in the BEL are gross of any amounts recoverable from reinsurance. Reinsurance recoverables are calculated separately, by a similar cash flow approach as per the BEL taking into account the key features of relevant treaties and sit within the assets on the SII balance sheet.

Through the cash flow approach, the Company does not use any significant simplified methodology in calculating technical provisions.

Probability weighting
The probability weighting applied to each cash flow explicitly takes account of the probability that the cash flow will occur for the policyholder at each future time.

BEL description of main assumptions
Discount rates
The time-value of money is taken into account via discounting the cash flow at a future time with reference to risk-free interest rates including volatility adjustment (VA) as provided by EIOPA. The risk-free rates varying by time, for each currency and are derived with reference to interest rate swaps, with an adjustment to remove the credit risk.

Demographic assumptions
The calculation of the probability weighting for each future cash flow requires information on the likelihood of the policy still being in-force at the time that the cash flow would materialise. This requires assumptions on the mortality, lapse, and morbidity of the policy, as well as the point at which the policy matures. The approach to deriving appropriate assumptions for these assumptions involves:

- Analyses of actual experience;
- Assessment on both amounts and policy bases;
- Comparison to standard tables (not for lapses);
- Ensuring appropriate time periods are used to minimise volatility in own-experience results; and
- Expert judgement.

The Company does currently apply market information on forecasted future mortality improvement (Prognosetafels) for all the portfolio's.

Expense assumptions
All costs associated with managing and servicing the portfolio are included in the BEL. These costs are either incurred by the Company directly or incurred via re-charges of Waard Verzekeringen BV, the group's service provider in The Netherlands and 100% subsidiary of Waard Leven. Expenses are projected taking inflation into account. The Company currently considers all expenses variable given the successful track record of acquisitions of closed book portfolios and closed book insurers over the past five years. Focus of the Management Board is on the continuity of the strategy and to further improve the efficiency within the operational processes to keep the expense level in line with the portfolio development.
The expenses are allocated to the homogeneous risk groups. The identified homogeneous risk groups are Term Life, Endowments, Annuities, Funeral, Pensions and Unit-Linked. In allocating the expenses also distinction is made between premium paying policies and paid-up policies.

It is assumed that the portfolio will be placed with an external service provider in the distant future once the strategy is no longer successful and it is anticipated that continuing on a stand-alone basis is no longer feasible.

The Company only carries so called corporate cost. The policy administration and claims handling costs are carried by Waard Verzekeringen B.V., which received a single payment at inception of the policy to service it until expiry for the older products. For the policies required more recently, Waard Verzekeringen receives a monthly signing commission from Waard Leven to service the policies. Waard Verzekeringen has the same management and shareholder as Waard Leven and is sufficiently capitalised.

Policyholder behaviour - Lapse and Surrender Assumptions
It is necessary to make assumptions regarding the number of policies that are terminated early by policyholders as these can have a variety of effects on the value of future liabilities.
These policyholder discontinuances include:

- Lapsing a policy such that no future premiums or benefits are payable;
- Lapsing a policy requiring a partial refund of a single premium received in the past.

Risk margin
The risk margin is calculated in accordance with the Solvency II specifications with no significant simplified methodology approaches utilised. It represents the cost of capital which would be added to the BEL to arrive at a fair value of the liabilities. The risk margin is calculated by projecting the underwriting risk components of the Solvency Capital Requirement (SCR) in full and using a risk driver approach for the projection of the operational risk and the counterparty default risk, applying the stipulated 6% cost of capital rate and then discounting the cost of capital using the stipulated base risk-free rate term structure without any matching adjustment or volatility adjustment.

Reference Undertaking SCR
The SCR used in the calculation of the Risk Margin is not the same as that produced for determining the Solvency ratio of the Company. Instead, it represents the subsequent SCR of the 'reference undertaking'. The following covers the way in which the reference undertaking's SCR is calculated differently.

Market Risk SCR
The reference undertaking is assumed to have invested in such a way as to minimise its market risk SCR; hence it is assumed to be invested entirely in Dutch government securities. Where this is not possible, e.g., where investment in equities is expected by policyholders, it is assumed that futures can be obtained to mitigate the market risk. As a result, there is no residual market risk other than interest rate risk. Residual interest rate risk is required to be excluded from the reference undertaking SCR; hence the market risk SCR of the reference undertaking is zero.

Projection of SCR
The methodology requires the calculation of the reference undertaking's SCR at all future time periods. The following subsections cover the approach to projection of SCR for each of the risk modules.

Market Risk
Not applicable, as there is no market risk SCR for the reference undertaking.

Life and Health Underwriting Risk
The underwriting risk modules will be projected in full at the sub-module level (lapse risk, mortality risk, longevity risk, expense risk etc.). The sub-module is calculated at every moment in time. Therefore, the underwriting risk can be calculated at every moment in time.

Counterparty Default Risk
It is assumed that the material driver for the counterparty default risk SCR is the development of the Best Estimate (excluding Unit-Linked), therefore this projection is used as the risk driver for this SCR.

Operational Risk
It is assumed that the material driver of the Operational risk SCR is the development of the Best Estimate (excluding Unit-Linked) therefore this projection is used as the risk driver for this SCR.

Aggregation
The aggregation of the projected risk modules and sub-module SCRs into an overall reference undertaking SCR at each future time period, is carried out in the same manner, using the same correlation matrices, as in the base SCR.

Aggregate Risk Margin
The total Risk Margin is based on that calculated for the Company as a whole.

D.2.2 Level of uncertainty within the Technical Provisions

In terms of the BEL calculation, a characteristic of the discounted cash flow technique which is core to the requirements is the reliance on assumptions regarding future experience. Any such assumptions are inherently uncertain, although detailed analysis is applied to mitigate the risk of misestimating.

		2024	2023
		€'000	€'000
	Change in variable	Change in net of tax profits and equity	
Discount rate	EIPOA curve up	-2,259	-394
Discount rate	EIOPA curve down	1,644	-61
Mortality (permanent increase)	10%	-1,728	-1,727
Expenses	10%	-3,269	-4,208

Table 30 – Comparison of change in profits and equity

The expense sensitivity decreased due to regular effect of the portfolio being in run-off. The observed effects in the discount rate sensitivities are subject to the uprisking strategy.

D.2.3 Comparison between Solvency II and Dutch GAAP

A comparison of technical provisions under both Dutch GAAP and Solvency II bases is shown in Table 31.
All figures are gross of reinsurance.

	Unit linked	Life	Total
	€'000	€'000	€'000
Dutch GAAP technical provisions	490,433	460,173	950,606
Valuation adjustments	-4,490	-61,630	-66,120
SII BEL	**485,943**	**398,543**	**884,485**
SII risk margin	1,876	15,594	17,470
SII technical provisions	**487,819**	**414,136**	**901,956**

Table 31 – Split of technical provision in Unit linked and life under SII and Dutch Gaap

The main differences between the two bases can be explained as follows:

- Dutch GAAP technical provisions continue to be largely based on the Solvency I regime;
- The Dutch GAAP assumptions contain prudence margins (specifically concerning mortality), whereas the Solvency II assumptions are best estimate;
- Under Dutch GAAP, future liability cash flows are discounted using an interest rate prescribed at the time of writing the policy (generally either 3% or 4%), the acquired portfolios are calculated based on the EIOPA interest rate at the time of the acquisition without Volatility Adjustment;
- Under Dutch GAAP the Unit-Linked reserves are calculated as the sum of a unit reserve and a € reserve and the Non-Linked reserves are calculated using a net premium approach for the old portfolios. For the acquired portfolio's, the discounted cash flow approach is applied, whereas in both cases the Solvency II BEL is calculated using a discounted cash flow approach;
- The risk margin does not exist under Dutch GAAP and so is an additional technical provision under Solvency II;
- The negative VOBA does not exist under Solvency II and so is an additional technical provision under Dutch GAAP;
- The technical provisions related to the saving mortgages portfolio are classified as unit linked. The value of this savings part is equal under Dutch GAAP and under Solvency II. The valuation adjustment of the saving mortgages portfolio is related to the death benefits for which Waard Leven carries the insured risk. The savings part is a nominal value including accrued interest. The cash flows related to the death benefits are determined based on different mortality assumptions under Dutch GAAP than under Solvency II. Furthermore, under Dutch GAAP the cash flows are discounted using the interest rate curve of 31-8-2020, the date of transferring the portfolio to Waard Leven and at which date the definitive price for the acquisition was established. Under Solvency II the actual (31-12-2024) swap-based risk-free discount curve, as prescribed by EIOPA, is used.

D.2.4 Use of long term guarantee package

The implementation of Solvency II permitted the use of several adjustments, referred to as the "long term guarantee package". The Company's use of the individual components within the long term guarantee package has been outlined below:

- Matching adjustment has not been applied by the Company;
- Volatility adjustment is applied by the Company as of 2019;
- Transition risk-free interest rate-term structure has not been applied by the Company;
- Transitional deduction to technical provisions has not been applied by the Company.

D.2.5 Reinsurance recoverables

This section provides a description of the recoverables from reinsurance contracts.

Reinsurance contract and structure
As of 1 January 2021, the Company has a reinsurance contract which consists of a quota share cover of 70% of capital-at-risk for all policies that have an insured death benefit of € 75,000 and higher. For decreasing term life insurances, the criteria are that a policy is eligible for reinsurance coverage if the death benefit at the start of the policy exceeded (or was equal to) € 75,000.

For a part of the term life portfolio the reinsurance consists of a quota share cover of 100% capital at risk for policies written before 1-1-2016 and 90% of for policies written after 1-1-2016.

Value of reinsurance recoverables
A breakdown of the value of reinsurance recoverables, by line of business, has been provided in section D.2.1 above.

Adjustment for expected default
The gross reinsurance recoverables are adjusted to take account of expected losses due to default of the reinsurance counterparty.

Methodology
The adjustment to take account of expected losses due to default of a counterparty is calculated as the present value of the lost reinsurance recoverables due to reinsurer default. It therefore relates to the stream of future reinsurance recoverables and to the probability of default in each future time period. It is carried out separately for each reinsurer. The loss on default is limited to a percentage of the recoverables from the time of default onwards (loss given default or LGD%), based on the collateral arrangements of the specific reinsurance arrangement. The LGD% is a subject to a minimum of 50%.

Assumptions
In the above methodology, the recoverables and discount factor used are as defined previously. Additional assumptions required are the probability of default, and the % recovery rate. The probability of default is derived with reference to the credit rating of the reinsurer.
The maximum 50% recovery rate upon default is defined in regulation. Whilst a recovery rate of greater than 50% is not permitted, the Company uses a rate lower than 50% where its assessment identifies reason to believe that 50% recovery on default would not be reliable.

D.2.6 Changes in Assumptions

The methodology for setting the assumptions for the Solvency II calculations as of 31 December of the current year is unchanged from the valuation as of 31 December of the preceding year. Solvency II regulations require a probability-weighted basis for the experience assumptions. To achieve this, the Company has taken account of:

- experience in recent years;
- trends observed in recent years; and
- any other known or likely factors that may affect future behaviour.

As a rule, the Company has assumed recent experience (over the last few years) represents the central position for the probability weighted assumption, unless there are reasons why this is considered not immediately appropriate. To do this, actual experience is reviewed in comparison with expected experience, with a trigger for serious consideration to be given to amending an assumption when it deviates materially.

Key assumption changes for the year include:

Economic
An updated EIOPA yield curves is utilised.

Mortality
These assumptions have been reviewed to take account of recent investigations, resulting in lower mortality assumptions. Also, the mortality table of DSB is changed from a one- to a two-dimensional table.

Expenses
These assumptions have been reviewed to reflect the latest management assessment of projected costs. The Inflation assumption has been updated to an inflation curve, based on inflation swaps from Bloomberg.

D.3 Other liabilities

The table below shows separately each class of liabilities under Solvency II values and the Statutory Accounts value.

		Solvency II value	Statutory accounts value
		€'000	€'000
Other Liabilities			
Other technical provisions		-	-
Contingent liabilities		-	-
Provisions other than technical provisions		-	-
Pension benefit obligations		-	-
Deposits from reinsurers		-	-
Deferred tax liabilities		720	-
Derivatives		-	-
Debts owed to credit institutions		-	-
Financial liabilities other than debts owed to credit institutions		-	-
Insurance & intermediaries payables		14,119	14,119
Reinsurance payables		197	197
Payables (trade, not insurance)		2,532	2,532
Subordinated liabilities		-	-
	Subordinated liabilities not in BOF	-	-
	Subordinated liabilities in BOF	-	-
Any other liabilities, not elsewhere shown		10	10
Total liabilities		**17,577**	**16,857**

Table 32 – Comparison of liabilities between SII and Dutch Gaap

Bases, methods, assumptions, and inputs used in liability valuation for Solvency purposes, and difference between the amounts recorded in the financial statements
In general liabilities are recognised and valued for solvency purposes in line with Dutch GAAP accounting principles and consequently valued at fair market value at the moment of origination and subsequently at (amortised) cost.

The reconciliation between the statutory financial statements and the QRTs is provided below.

	Total
	€'000
Dutch GAAP other liabilities	16,857
Reclassification of claims payable from R0670 (technical provisions)	-
Reclassification from/to receivables (trade, not insurance) (R0380)	-
Deferred taxation on Solvency II valuation adjustment	720
SII other liabilities	**17,577**

Table 33 – Reconciliation Dutch Gaap financial statements and QRT

D.3.1 Provisions other than technical provisions

Not applicable.

D.3.2 Deferred tax liabilities

Basis and methods for Dutch GAAP valuation
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The Dutch GAAP deferred tax liability concerns a valuation difference compared to the fiscal accounts, the latter of which are based on historical mortality tables.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of technical provisions, using tax rates enacted at the balance sheet date.

Inputs for Dutch GAAP valuation:
- Enacted tax rates at the balance sheet date;
- Identified temporary difference between the carrying amounts technical provisions for financial reporting purposes and the amounts used for taxation purposes (different mortality tables).

Solvency II valuation
The valuation of deferred tax liabilities under Solvency II follows the same recognition criteria applied for statutory reporting purposes. Valuation differences arising from the application of Solvency II recognition principles will be taxed at the prevailing deferred tax rate. These include the deferred tax arising on the valuation differences in the technical provisions and the mortgage portfolio between Dutch GAAP and Solvency II.

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

D.3.3 Derivatives

Not applicable. The Company does not hold derivatives.

D.3.4 Insurance and intermediaries payables

Basis and methods for Dutch GAAP valuation
Insurance and intermediaries payables represent outstanding accrued policyholder claims and premium reimbursements and are measured on initial recognition at the fair value of the liability to be paid. Given the short-term nature of these liabilities no discounting is required to arrive at the initial fair value.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
None.

Inputs for Dutch GAAP valuation
The actual amount of the outstanding liability or the best estimate of the liability to be settled.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods. Under SII, this item also holds accrued claims (reclassified from R0670).

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

D.3.5 Reinsurance payables

Basis and methods for Dutch GAAP valuation
Reinsurance payables represent outstanding payables to the reinsurer and are measured on initial recognition at the fair value of the liability to be paid. Given the short-term nature of these liabilities no discounting is required to arrive at the initial fair value.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
None.

Inputs for Dutch GAAP valuation
The actual amount of the outstanding liability or the best estimate of the liability to be settled.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods.

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

D.3.6 Payables (trade, not insurance)

Basis and methods for Dutch GAAP valuation
Trade payables consist of accrued expenses and other trade related outstanding balances and are measured at fair value, taken as the carrying value at the balance sheet date. Trade payables are settled in line with trade payment terms, usually within 30 days.

Assumptions and judgments (including future estimates and major sources of estimate uncertainty) for Dutch GAAP valuation
None.

Inputs for Dutch GAAP valuation
The fair value of the payable balance as at the balance sheet date.

Solvency II valuation
There are no differences between the Dutch GAAP and SII valuation methods. However, there was a reclassification between payables and receivables.

Changes made to the recognition and valuation bases used or on estimations made during the year
During the year there were no changes made to the recognition or valuation basis or estimation processes for both Dutch GAAP and Solvency II purposes.

D.3.7 Any other liabilities, not elsewhere shown

Not applicable.

D.4 Alternative methods for valuation

In the absence of available market prices, mortgage loans granted to private individuals are valued via a discounted cash flow model (mark to model). DNB has issued specific guidance for the valuation of mortgages, which the Company has applied. We further refer to chapter D.1.7.

D.5 Any other information

There is no other material information regarding the valuation of assets and liabilities that is deemed necessary to report.

E. Capital Management

E.1 Own Funds

E.1.1 Objectives, policies and processes used for managing Own Funds

Background
Own Funds represents the type and level of capital that is held by the Company to be able to meet is Solvency Capital Requirement. The Company is required to hold Own Funds in sufficient quantity and quality in accordance with the Solvency II, Pillar 1 rules, which set out the characteristics and conditions for Own Funds. Further information on the objectives, policies and processes for management Own Funds is provided below.

Objectives
The objectives of the Company in managing its Own Funds are as follows:

Business strategy consistency:

- To hold sufficient levels of capital to safeguard the interests of policyholders, which is core to delivering fair customer outcomes;
- To hold appropriate levels of capital as a foundation for making sound business decisions, which is central to delivering our good governance objective;
- To have a policy in place that describes the parameters that are considered in the context of dividend distributions, which supports the delivery of returns to the Company's shareholder;
- To strike a balance between holding too much capital and too little capital when optimising the balance sheet; and
- To provide a good foundation for further acquisitions of closed-book-portfolios**.**

Risk appetite
To establish a policy in the way that the Company's Own Funds are managed such that the policy reflects the Company's risk appetite with regards to the level of Own Funds held.

Risk tolerances
To set tolerance levels associated with the Company's risk appetite regarding Own Funds and ensure that these are monitored.

Risk Management Principles
To ensure that the Company manages its Own Funds having regard for the following risk management principles:

- Principle 1 – Solvency position – at a company level: Overall the boards have no appetite for the Own Funds of the Company to be below 135% of the SCR. Recovery protocols and management actions have been identified should the Own Funds of the Company fall below 135% of its SCR;
- Principle 2 – Distribution of dividends, Solvency assessment: The board is willing to approve dividend distributions, provided that, after the payment of the dividend, the Company's solvency position remains at a minimum of 150%, considering 50% of the UFR.

Policies
Central to managing the Own Funds of the Company is the application of the Company's Capital Management policy. The policy is built around the objectives outlined above and is reviewed and approved at least once per year by the board(s).
The policy also incorporates:

- The roles and responsibilities of the board(s) and different levels of management in adhering to the policy;
- The reporting procedures in place with regards to adhering to the policy;
- The key controls and processes in place to ensure adherence to the policy.

Processes
The following key process and controls are in place regarding how the Company manages its Own Funds.

Internal reporting
The following reports are produced internally for the Management Board, which include reporting on the Own Funds position of the Company. These reports support the board, which has ultimate responsibility for the Company's capital management and capital allocation, in managing the Company's Own Funds:

- Quarterly finance director's report
  This report provides various financial information, including Solvency position and movement analysis. Numerical analysis supported by commentary is provided for both the Own Funds and SCR movements that contribute to the overall movement in the solvency position of the Company;
- Quarterly actuarial reporting
  This reporting provides further detailed analysis and insight into the quarterly solvency valuation, covering assumptions and key reasons for any movements in solvency since previous periods;
- Business plan
  A three-year business plan is prepared annually and presented to the board. The business plan includes solvency projections over the planning horizon that are prepared on the basis of applying this capital management policy;
- ORSA
  An ORSA report is produced annually. Amongst other things the ORSA includes solvency capital projections over the business planning horizon which apply this capital management policy. The ORSA also includes supporting justification for the dividend paying buffer that is applied in this policy and shows the triggers that are assessed for the purpose of intra-quarter solvency monitoring;
- Annual dividend assessment paper
  Dividends are typically paid and approved once per year. A paper is sent to the board supporting the recommendation, which includes specific application of this capital management policy;
- Quarterly risk report
  A risk report is produced quarterly that, amongst other things, includes reporting on the solvency position of the Company as a whole. It also evidences to the Audit & Risk Committee that the solvency monitoring protocol and triggers have been monitored frequently and the continuous solvency monitoring protocol has been followed;
- Risk indicator / trigger assessments
  For the purpose of intra-quarter solvency monitoring a list of risk indicators has been identified, which are monitored. The frequency by which the risk indicators are tracked depends on the solvency position of the Company.

Key controls
The following key controls are operated by the Company in managing the capital position of the Company.

Control Title	Control Description	Control Frequency of Operation
Justifying the level of the "buffer"	The amount of capital the board wishes to hold above the SCR (i.e., the buffer) is a matter of risk appetite. The simple objective of having a buffer is to reduce the likelihood of the Company's available capital falling below 100% of SCR. An annual assessment is performed to assess and justify the buffer, which is set at 35% as of 31 December 2022. This assessment is performed within the ORSA and is made with reference to the impact of various stresses that the Company could be exposed to.	Annually
Quarterly solvency reporting	Quarterly solvency reporting is to be performed via the following board reports: - Finance directors report; - Actuarial report; - Risk report.	Quarterly

Control Title	Control Description	Control Frequency of Operation
Trigger monitoring	Key risk indicators (KRIs) are monitored on a periodical basis and are tracked against pre-defined trigger points. For each key risk indicator an assessment is made regarding at what level a trigger event occurs (e.g., the AEX falling to a certain level results in the solvency of the Company falling to a certain level). The list of KRIs being monitored and the trigger points for each KRI may change over time depending on how the risk exposures of the business develop. The list of KRIs being monitored and their associated trigger points is assessed at least annually. The frequency of KRI monitoring is driven by the solvency level of the Company (see recovery management protocol control below).	At least annually
Recovery management protocol	A protocol for management actions has been designed by the Company. The protocol, in effect, represents an internally set "ladder of intervention", which sets out protocols for items such as solvency monitoring frequency, what escalations need to be performed and when actions need to be considered.	Protocols are reviewed at least annually.
Actions to be taken should the board's required levels of solvency capital be breached	A list of potential management actions has been prepared should the solvency position of the Company fall below the board's solvency risk appetite level (i.e., Own Funds fall below 135% of SCR). The action pursued will depend on the circumstances at the time and is a function of how severe the event was that gave rise to Own Funds falling below the prescribed levels. Should Own Funds fall below 150% no dividends are to be paid, with dividends only being restored should Own Funds exceed 150% of SCR. Should the Own Funds fall below 135% further management actions are considered (and described in the capital management plan).	As required
Dividend assessment paper	To support the approval of a dividend distribution a paper is prepared by the Management Board that articulates the rationale for the quantum of the dividend. The paper covers: - The level of surplus capital above the board's solvency capital risk appetite at the reference date to which the dividend is being made (typically a year-end); - The estimated impact of any post balance sheet events that could affect the aforementioned level of surplus; - Any potential risks over the short to medium term that should be considered when setting the dividend; - Any other factors that should be considered when determining the level of dividend to be paid, such as any other plans to utilise the surplus within the Company. As well as assessing the solvency position of the Company, the annual dividend paper also performs an assessment to confirm the legality of the proposed dividend (i.e., that there are sufficient distributable reserves to pay a dividend). Should this reveal that there are insufficient distributable reserves the dividend will be curtailed accordingly. Should this also reveal that a restriction can be foreseen in the short to medium term, management actions will be put in place, such as potentially reducing the share capital of the Company.	Typically, annually, and ad-hoc as required.

Table 34 – Overview of key controls in managing the capital position

Business planning

The Company produces a business plan once per year with each business plan covering a three-year time horizon. The business plan incorporates financial projections of the Company's Own Funds and Solvency Capital Requirements over the business planning period.

The most recent business plan, being the 2025 to 2027 plan, does not anticipate any material changes to the structure of Own Funds over the planning horizon.

E.1.2 Analysis of Own Funds

The below table provides information, split by tier, on the structure, amount, and quality of Own Funds at the end of the current and preceding year, including an analysis of any significant changes in each tier over the year.

	31-dec-23	Movement in year	Transfers	31-dec-24
	€'000	€'000	€'000	€'000
Tier 1				
Ordinary share capital	908	-	-	908
Share premium related to ordinary share capital	38,000	-	-	38,000
Total ordinary share capital	**38,908**	**-**	**-**	**38,908**
Reconciliation reserve before deductions	62,736	-4,322	-	58,414
Foreseeable dividends	-7,000	-	-	-7,000
Restricted own funds in ring fenced funds	-	-	-	-
Total reconciliation reserve	**55,736**	**-4,322**	**-**	**51,414**
Total tier 1 own funds	**94,644**	**-4,322**	**-**	**90,322**
Deductions for participations in financial institutions	-	-	-	-
Total tier 1 own funds after deductions	**94,644**	**-4,322**	**-**	**90,322**
Eligible own funds to cover SCR				
Tier 1	94,644	-4,322	-	90,322
Tier 2	-	-	-	-
Tier 3	4,873	-290	-	4,582
Total	**99,516**	**-4,612**	**-**	**94,904**
SCR	**32,486**	**-1,936**	**-**	**30,550**
Ratio of eligible own funds to SCR	**306%**			**311%**
Eligible basic own funds to cover MCR				
Tier 1	94,644	-4,322	-	90,322
Tier 2	-	-	-	-
Tier 3	-	-	-	-
Total	**94,644**	**-4,322**	**-**	**90,322**
MCR	**11,832**	**-1,225**	**-**	**10,608**
Ratio of eligible own funds to MCR	**800%**			**851%**

Table 35 – Calculation of Own Funds ratios, comparison between 2024 and 2023

Own Funds analysis

- Own Funds of the Company comprise tier 1 share capital, share premium reserve and the reconciliation reserve;
- Share capital and the reconciliation reserve have been classified as tier 1 as they are fully available to be able to absorb losses;
- Foreseeable dividends to shareholders are expected to be declared in April 2025;
- The Company does have a tier 3 Own Funds item, as the DTA can be taken into account as eligible tier 3 Own Funds for the amount of 15% of the SCR;
- Movements in eligible Own Funds during the year have arisen from foreseeable dividends and dividend distributions. As dividends are foreseen and subsequently paid, this reduces the Own Funds of the Company.

Own Funds to cover SCR

Table 35 shows that the Company, which has Tier 1 and Tier 3 capital, has € 94.9 mln of Eligible Own Funds (after foreseeable dividend) to be able to meet the Company's SCR of € 30.6 mln on 31 December 2024, resulting in an SCR coverage ratio of circa 311%.

Own Funds to cover MCR

Table 35 shows that the Company, which only has tier 1 capital, has € 90.3 mln of Eligible Own Funds (post foreseeable dividend) to be able to meet the Company's MCR of € 10.6 mln on 31 December 2024, resulting in an MCR coverage ratio of 851%.

E.1.3 Differences between equity in the statutory financial statements and excess of assets over liabilities as calculated for solvency purposes

The below table shows the difference between the equity in the financial statements and the excess of assets over liabilities as calculated for solvency purposes on 31st of December 2024.

	31-dec-24 €'000
Equity per the statutory (consolidated) financial statements	
Share capital	908
Share premium related to ordinary share capital	38,000
Retained earnings	47,660
Subtotal	**86,567**
Adjustments between statutory financial statements and excess of assets over liabilities for solvency	
Adj 1: Net valuation difference between Dutch GAAP and SII for technical provisions	48,650
Adj 2: Net valuation difference between Dutch GAAP and SII for mortgages	2,161
Adj 3: Reinsurance	1,413
Adj 4: AVIF and goodwill	-2,196
Adj 5: Other	-2,823
Adj 6: Deferred tax on adjustments 1 through 5	-12,070
Subtotal	**35,136**
Total	**121,704**
Deductions for foreseeable dividend	-7,000
Deduction for participations in financial institutions	-
Excess of assets over liabilities for solvency purposes	**114,703**

Table 36 - Differences between equity in the statutory financial statements and excess of assets over liabilities

Explanations of adjustments:

- Adjustment 1: This difference is caused by accounting for statutory purposes on the basic of historical assumptions and for Solvency II on the basis of current assumptions. The most important assumptions that vary are mortality, lapses, expenses, and interest rate curve;
- Adjustment 2: Mortgages are accounted for at amortised cost under Dutch GAAP and fair value under Solvency II;
- Adjustment 3: The new reinsurance contract is not valued for Dutch GAAP purposes out of prudence considerations;
- Adjustment 4: The acquisition of Argenta resulted in an AVIF, which is not recognised under Solvency II;
- Adjustment 5: Other and difference between subsidiary value of Waard Verzekeringen;
- Adjustment 6: The valuation of deferred tax assets under Solvency II follows the same recognition criteria applied under Dutch GAAP. However, because of differences arising due to adjustments 1 through 5 an additional deferred tax liability is required to be recognised.

E.1.4 Items deducted from Own Funds

The table below illustrates the restrictions applied to (Available) Own Funds.

	2024 €'000	2023 €'000
Assets less liabilities	121,703	122,307
Adjustment for		
Participations in financial institutions	-	-
Foreseeable dividends	-7,000	-7,000
Own Funds	**114,703**	**115,307**

Table 37 – Comparison of (Available) Own Funds

Foreseeable dividends

Foreseeable dividends, of € 7.0 mln, to shareholders are expected to be distributed in Q2 2025.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 SCR and MCR analysis

The information below provides some further detail of the Solvency Capital Requirement and Minimum Capital Requirement for the Company at both the start and the end of the year.

SCR
The SCR is calculated in line with the Solvency II Delegated Acts. Table 38 provides information on the development of the SCR during the current year. For more detail and background, we refer to chapter C.
Explanations have been provided in narrative below the table regarding any significant changes in the year.
In addition:

- The Company has applied the standard formula in calculating its capital requirement, both at the start and the end of the year;
- The Company does not use any simplified calculations in any risk modules or sub-modules but applies method 2 for determination of the risk margin;
- No capital add-ons have been imposed by DNB.

	31-dec-24	1-jan-24	Changes in the year
	€'000	€'000	€'000
Market risk [1)]	16,696	14,820	1,876
Counterparty default risk [2)]	501	1,087	-585
Life underwriting risk [3)]	21,070	22,993	-1,923
Health underwriting risk	-	-	-
Diversification	-8,129	-8,234	104
Intangible asset risk	-	-	-
Basic Solvency Capital Requirement	**30,139**	**30,666**	**-528**
Calculation of Solvency Capital Requirement			
Operational risk [4)]	2,518	2,766	-248
Loss-absorbing capacity of technical provisions	-	-	-
Loss-absorbing capacity of deferred taxes [5)]	-2,106	-946	-1,160
Capital requirement for business operated in accordance with Art. 4 of directive 2003/41/EC	-	-	-
Solvency Capital Requirement excluding capital add-on	**30,550**	**32,486**	**-1,936**
Capital add-ons already set	-	-	-
Solvency capital requirement	**n/a**	**n/a**	**n/a**
Notional SCR for remaining part	**n/a**	**n/a**	**n/a**
Notional SCR for ring fenced funds	**n/a**	**n/a**	**n/a**

Table 38 – Overview of movement in SCR

The reasons for the changes in SCR over the reporting period are analysed in more detail below (see also section C). The SCR rises:

1. Market risk increased mainly due to uprisking strategy of the Company;
2. CPD risk capital has decreased by half mainly due to higher market values and decline in exposure;
3. Life underwriting risk decreased mostly due to normal run-off of the portfolio;
4. Operational risk remains stable;
5. The Loss absorbing capacity of taxes increased by € 1.2 mln, 25% of the substantiated loss absorbing capacity of deferred taxes (LAC DT) is taken into account year-end 2024. Previous year, only the carry back for the current year was factored in as LAC DT. The loss absorbing capacity of deferred taxes is deducted from the BSCR.

MCR
The MCR is calculated in line with the Solvency II Delegated Acts whose inputs include the technical provisions, net capital at risk and SCRs. The table below provides information on the inputs to the MCR calculation and present the opening and closing MCR, along with analysis of movement in the year.

	31-dec-24	1-jan-24	Changes in the year
	€'000	€'000	€'000
Linear MCR [1)]	10,608	11,832	-1,225
SCR [2)]	30,550	32,486	-1,936
MCR cap (45% of SCR) [3)]	13,747	14,619	-871
MCR floor (25% of SCR) [4)]	7,637	8,121	-484
Combined MCR [5)]	10,608	11,832	-1,225
Absolute floor of the MCR [6)]	4,000	4,000	-
Minimum Capital Requirement	**10,608**	**11,832**	**-1,225**

Table 39 – Overview of movement in MCR

The reasons for the changes in MCR over the reporting period are analysed in more detail below:

1. The linear MCR is the sum of linear functions that are based on various insurance obligations, depending on the type of cover/benefit for these respective obligations. The Linear MCR decreased, because the capital at risk decreases due to a run-off portfolio;
2. Refer to Table 38 table on SCR;
3. This movement follows the movement in SCR (prescribed);
4. This movement follows the movement in SCR (prescribed);
5. This is the lowest of the linear MCR and the MCR cap, but never less than the MCR floor;
6. The absolute floor is prescribed by legislation by EIOPA.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The duration-based equity risk sub-module is not used by the Company.

E.4 Differences between the standard formula and any internal models used

The Company uses the standard formula for calculating its capital requirements, and therefore this section does not apply to the Company.

E.5 Non-compliance with the MCR and significant non-compliance with the SCR

The Company has always met its SCR and MCR during the year.

E.6 Any other information

There is no other information regarding the capital management of the Company that is deemed material to report.

F. Additional voluntary information

Not applicable.

G. Annex – Quantitative reporting templates

S.02.01.01
Balance sheet

	Solvency II value	Statutory accounts value
	€	€
Assets		
Goodwill		
Deferred acquisition costs		
Intangible assets	-	2,195,539
Deferred tax assets	24,381,672	35,731,753
Pension benefit surplus		
Property, plant & equipment held for own use	10,986	10,986
Investments (other than assets held for index-linked and unit-linked contracts)	390,783,952	390,700,633
Property (other than for own use)	-	
Holdings in related undertakings, including participations	8,369,940	11,193,014
Equities	-	-
Equities - listed		
Equities - unlisted		
Bonds	350,450,506	347,544,113
Government Bonds	256,303,127	254,301,832
Corporate Bonds	94,147,379	93,242,281
Structured notes	-	
Collateralised securities	-	
Collective Investments Undertakings	31,963,506	31,963,506
Derivatives	-	
Deposits other than cash equivalents	-	
Other investments	-	
Assets held for index-linked and unit-linked contracts	479,226,537	479,226,537
Loans and mortgages	132,944,841	130,571,543
Loans on policies		
Loans and mortgages to individuals	122,276,818	120,116,208
Other loans and mortgages	10,668,023	10,455,335
Reinsurance recoverables from:	1,905,152	491,698
Non-life and health similar to non-life	-	-
Non-life excluding health		
Health similar to non-life		
Life and health similar to life, excluding index-linked and unit-linked	1,736,195	491,698
Health similar to life	-	
Life excluding health and index-linked and unit-linked	1,736,195	491,698
Life index-linked and unit-linked	168,957	
Deposits to cedants	-	
Insurance and intermediaries receivables	2,299,615	2,299,615
Reinsurance receivables	352,714	352,714
Receivables (trade, not insurance)	3,231,206	6,350,287
Own shares (held directly)		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	
Cash and cash equivalents	6,099,069	6,099,069
Any other assets, not elsewhere shown		
Total assets	1,041,235,745	1,054,030,374

Table 40 – Overview of the Balance sheet – Asset side

S.02.01.01
Balance sheet

	Solvency II value	Statutory accounts value
	€	€
Liabilities		
Technical provisions - non-life	-	-
Technical provisions - non-life (excluding health)	-	
TP calculated as a whole		
Best Estimate		
Risk margin		
Technical provisions - health (similar to non-life)	-	
TP calculated as a whole		
Best Estimate		
Risk margin		
Technical provisions - life (excluding index-linked and unit-linked)	414,136,412	460,172,583
Technical provisions - health (similar to life)	-	
TP calculated as a whole	-	
Best Estimate	-	
Risk margin	-	
Technical provisions - life (excluding health and index-linked and unit-linked)	414,136,412	460,172,583
TP calculated as a whole	-	
Best Estimate	398,542,616	
Risk margin	15,593,796	
Technical provisions - index-linked and unit-linked	487,819,092	490,433,086
TP calculated as a whole	-	
Best Estimate	485,942,792	
Risk margin	1,876,300	
Other technical provisions		
Contingent liabilities		
Provisions other than technical provisions		
Pension benefit obligations		
Deposits from reinsurers		
Deferred tax liabilities	719,535	-
Derivatives	-	
Debts owed to credit institutions		
Financial liabilities other than debts owed to credit institutions		
Insurance & intermediaries payables	14,118,777	14,118,777
Reinsurance payables	196,605	196,605
Payables (trade, not insurance)	2,532,306	2,532,306
Subordinated liabilities	-	-
Subordinated liabilities not in BOF		
Subordinated liabilities in BOF	-	
Any other liabilities, not elsewhere shown	9,538	9,538
Total liabilities	919,532,265	967,462,896
Excess of assets over liabilities	121,703,479	86,567,478

Table 41 – Overview of the Balance sheet – Liability side

S.05.01.01
Premiums, claims and expenses by line of business

Life	Line of Business for: life insurance obligations			Total
	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	
	€	€	€	€
Premiums written				
Gross	522,615	26,165,800	11,062,872	37,751,288
Reinsurers' share			4,253,533	4,253,533
Net	522,615	26,165,800	6,809,339	33,497,755
Premiums earned				
Gross	522,615	26,165,800	11,062,872	37,751,288
Reinsurers' share			4,253,533	4,253,533
Net	522,615	26,165,800	6,809,339	33,497,755
Claims incurred				
Gross	1,755,415	52,980,788	47,707,919	102,444,122
Reinsurers' share			3,095,560	3,095,560
Net	1,755,415	52,980,788	44,612,359	99,348,562
Expenses incurred	199,569	2,896,616	5,027,351	8,123,536
Administrative expenses				
Gross	101,808	1,477,678	2,564,650	4,144,135
Reinsurers' share				-
Net	101,808	1,477,678	2,564,650	4,144,135
Investment management expenses				
Gross	15,180	220,324	382,393	617,897
Reinsurers' share				-
Net	15,180	220,324	382,393	617,897
Claims management expenses				
Gross				-
Reinsurers' share				-
Net	-	-	-	-
Acquisition expenses				
Gross	82,581	1,198,614	2,080,308	3,361,504
Reinsurers' share				-
Net	82,581	1,198,614	2,080,308	3,361,504
Overhead expenses				
Gross				-
Reinsurers' share				-
Net	-	-	-	-
Balance - other technical expenses/income				
Total technical expenses				8,123,536
Total amount of surrenders	122,745	9,749,596	20,509,011	30,381,352

Table 42 – Premiums, claims and expenses by line of business

S.12.01.01
Life and Health SLT Technical Provisions

	Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Total (Life other than health insurance, incl Unit-linked)
			Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	
	€	€	€	€	€	€	€	€
Technical provisions calculated as a whole								-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole								-
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Gross Best Estimate	21,037,474		481,869,515	4,073,277		166,483,250	211,021,892	884,485,408
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	-13		168,957	-		1,736,642	-	1,905,586
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	-13		168,957			1,736,642		1,905,586
Recoverables from SPV before adjustment for expected losses								-
Recoverables from Finite Re before adjustment for expected losses								-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-13		168,957			1,736,208		1,905,152
Best estimate minus recoverables from reinsurance/SPV and Finite Re	21,037,487		481,700,559	4,073,277		164,747,042	211,021,892	882,580,257
Risk margin	97,296	1,876,300			15,496,500			17,470,096
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole								-
Best estimate								-
Risk margin								-
Technical provisions - total	21,134,770	487,819,092			393,001,642			901,955,504
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	21,134,783	487,650,135			391,265,434			900,050,352
Best estimate of products with a surrender option	21,037,474	485,942,792			377,505,142			884,485,408
Gross BE for cash flow								
Cash out-flows								
Future guaranteed and discretionary benefits		665,858,202			426,114,206			1,115,698,972
Future guaranteed benefits	23,726,564							23,726,564
Future discretionary benefits								-
Future expenses and other cash out-flows	525,607	15,506,665			45,327,911			61,360,183
Cash in-flows								
Future premiums	3,178,765	195,498,887			86,362,591			285,040,244
Other cash in-flows								-
Percentage of gross Best Estimate calculated using approximations								
Surrender value	18,432,562	481,894,387			165,172,211			665,499,159
Best estimate subject to transitional of the interest rate								-
Technical provisions without transitional on interest rate								-
Best estimate subject to volatility adjustment	21,037,474	485,942,792			377,505,142			884,485,408
Technical provisions without volatility adjustment and without others transitional measures	21,537,125	487,925,633			401,049,270			910,512,027
Best estimate subject to matching adjustment								-
Technical provisions without matching adjustment and without all the others								-
Expected profits included in future premiums (EPIFP)	326	1,107,573			6,492,442			7,600,340

Table 43 - Life and Health SLT Technical Provisions

S.23.01.01
Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	**Total**	**Tier 1 unrestricted**	**Tier 1 restricted**	**Tier 2**	**Tier 3**
	€	€	€	€	€
Ordinary share capital (gross of own shares)	907,560	907,560		-	
Share premium account related to ordinary share capital	38,000,000	38,000,000		-	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	-	-		-	
Subordinated mutual member accounts	-		-	-	-
Surplus funds	-	-			
Preference shares	-		-	-	-
Share premium account related to preference shares	-		-	-	-
Reconciliation reserve	51,414,248	51,414,248			
Subordinated liabilities	-		-	-	-
An amount equal to the value of net deferred tax assets	24,381,672				24,381,672
Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	-				
Deductions					
Deductions for participations in financial and credit institutions	-				
Total basic own funds after deductions	114,703,479	90,321,808	-	-	24,381,672
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	-				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	-				
Unpaid and uncalled preference shares callable on demand	-				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	-				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	-				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	-				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-				
Other ancillary own funds	-				
Total ancillary own funds	-			-	-
Available and eligible own funds					
Total available own funds to meet the SCR	114,703,479	90,321,808	-	-	24,381,672
Total available own funds to meet the MCR	90,321,808	90,321,808	-	-	
Total eligible own funds to meet the SCR	94,904,289	90,321,808	-	-	4,582,482
Total eligible own funds to meet the MCR	90,321,808	90,321,808	-	-	
SCR	30,549,878				
MCR	10,607,866				
Ratio of Eligible own funds to SCR	311%				
Ratio of Eligible own funds to MCR	851%				
Reconciliation reserve					
Excess of assets over liabilities	121,703,479				
Own shares (held directly and indirectly)	-				
Foreseeable dividends, distributions and charges	7,000,000				
Other basic own fund items	63,289,232				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	-				
Reconciliation reserve	51,414,248				
Expected profits					
Expected profits included in future premiums (EPIFP) - Life business	7,600,340				
Expected profits included in future premiums (EPIFP) - Non- life business					
Total Expected profits included in future premiums (EPIFP)	7,600,340				

Table 44 - Overview of Own Funds

S.25.01.01
Solvency Capital Requirement - for undertakings on Standard Formula

Article 112	Regular reporting

	Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
	€	€	€	€	€
Market risk	16,696,021	16,696,021	-		
Counterparty default risk	501,360	501,360	-		
Life underwriting risk	21,070,444	21,070,444	-		
Health underwriting risk			-		
Non-life underwriting risk		-	-		
Diversification	-8,129,217	-8,129,217			
Intangible asset risk	-	-			
Basic Solvency Capital Requirement	**30,138,608**	**30,138,608**			

Calculation of Solvency Capital Requirement	
Adjustment due to RFF/MAP nSCR aggregation	
Operational risk	2,517,596
Loss-absorbing capacity of technical provisions	-
Loss-absorbing capacity of deferred taxes	-2,106,325
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
Solvency Capital Requirement excluding capital add-on	30,549,878
Capital add-ons already set	-
of which, capital add-ons already set - Article 37 (1) Type a	
of which, capital add-ons already set - Article 37 (1) Type b	
of which, capital add-ons already set - Article 37 (1) Type c	
of which, capital add-ons already set - Article 37 (1) Type d	
Solvency capital requirement	30,549,878
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	
Total amount of Notional Solvency Capital Requirements for remaining part	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	
Diversification effects due to RFF nSCR aggregation for article 304	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	No adjustment
Net future discretionary benefits	
Approach to tax rate	
Approach based on average tax rate	No

Calculation of loss absorbing capacity of deferred taxes	Before the shock	After the shock	LAC DT
DTA	24,381,672	33,825,113	
DTA carry forward			
DTA due to deductible temporary differences	24,381,672	33,825,113	
DTL	719,535	1,697,109	
LAC DT			-2,106,325
LAC DT justified by reversion of deferred tax liabilities			977,574
LAC DT justified by reference to probable future taxable economic profit			-790,478
LAC DT justified by carry back, current year			-1,026,340
LAC DT justified by carry back, future years			-1,267,081
Maximum LAC DT			-2,106,325

Table 45 - Overview of the Solvency Capital Requirement