DH REINSURANCE

Custom-made term life insurance for individuals with pre-existing medical conditions

ANNUAL REPORT 2024

GENERAL INFORMATION

Supervisory Board
Drs. A.A. (Lex) Geerdes, president
Dr. M.R. (Martijn) Hoogeweegen MA PhD, vice president
Drs. S.A. (Sibylla) Bantema EMFC CA
Prof. dr. M.M. (Marcel) Levi MD

Audit Committee
Drs. A.A. (Lex) Geerdes, president
Dr. M.R. (Martijn) Hoogeweegen, vice president
Drs. S.A. (Sibylla) Bantema EMFC CA
Prof. dr. M.M. (Marcel) Levi MD

Board of directors and management
Drs. G.Th. (Gilbert) Pluym AAG, managing director
Drs. S.N. (Seada) van den Herik MSc, director
Drs. H.J.M. (Henk-Jan) Osse MA CA, manager

Medical advisors
Drs. ir. H.C. (Hans) Ablij, MA MD
Drs. G. (Gijs) Willemsen, MD

Accountant
Deloitte Accountants N.V.

DH Reinsurance focuses on the individual life insurance market and especially on the life insurance segment. We specialize in (re)insuring difficult-to-insure medical risks. Since 1905, our social mission has remained unchanged. We believe that everyone should be able to obtain good term life insurance, and we are happy to help insurers do just that. Our reinsurance options allow insurers to accept 90% of their customers with medical conditions.

In 2024, we succeeded in making progress not only in the Netherlands, but also internationally - where we operate under the name DH Reinsurance. In Germany and the United Kingdom, together with our distribution partners and insurers, we were able to achieve a significant expansion of people's insurability. In the Netherlands, the introduction of De Hoop Maatwerkroute in 2024 has increased applications and policies.

De Hoop Maatwerkroute is an important step we have taken to give people who have been turned down the opportunity to take out life insurance. Insurers point out this possibility to people they reject for medical reasons. Allianz, a.s.r., Centraal Beheer, De Goudse Verzekeringen, FBTO, Interpolis, Nationale Nederlanden and Scildon are affiliated with this initiative.

In this annual report, we present DH Reinsurance's financial position and results for year 2024. We are grateful for the cooperation with our partners and the trust customers have in us. In 2025, we are proud to celebrate our 120th anniversary - a milestone that underscores our dedication to our mission. With the same drive, we remain committed to giving even more people with an elevated death risk a fair shot at appropriate insurance.

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KEY FIGURES

Key figures

	2024	2023	2022	2021	2020	2019
Gross capital production	204,108	139,623	190,834	242,558	175,212	110,111
New policies	1,011	742	969	1,184	1,084	805
Total gross premiums	6,470	6,218	6,158	6,001	5,332	5,264
Gross payments	4,341	4,202	4,291	11,083	4,983	3,960
Operating costs total*	2,652	2,754	2,418	2,075	2,330	2,362
Technical result	94	572	891	6,925	-4,614	-216
Net result	2,856	2,554	3,049	9,163	-2,889	2,695
Dividend/Payment out of Other reserves	2,400	2,400	2,400	2,400	2,400	2,400
Solvency capital requirement (SCR)	26,697	24,794	21,157	31,002	24,033	24,838
Eligible Own Funds (EOF)	64,575	64,154	62,213	66,658	53,590	59,986
Solvency II ratio	242%	259%	294%	215%	223%	242%
Balance sheet total	94,755	93,210	90,516	101,247	97,435	101,156
Technical provision e.r.	22,265	22,680	23,788	24,711	32,226	28,287
Gross insured amount	1,288,091	1,169,753	1,115,568	1,010,136	856,177	756,911

All amounts in this report are expressed in multiples of €1,000 unless otherwise stated.

*In 2024, the asset management costs, which were included in operating expenses, are included in investment expenses. Comparative figures have been restated accordingly.

REPORT FROM THE SUPERVISORY BOARD
REPORT OF THE MANAGEMENT BOARD

Report from the supervisory board

General

In 2024, the first results of the long-term growth strategy became visible. The number of new policies in the Netherlands, Germany and the United Kingdom grew significantly. With the launch of De Hoop Maatwerkroute, an important step was taken in the Netherlands in insuring people with a medically increased mortality risk.

Annual accounts

The financial statements were prepared by the Management Board, submitted to the Supervisory Board (SB) for approval and audited and provided with an unqualified opinion by Deloitte Accountants B.V.

We discussed the financial statements with the Management Board in the presence of the auditor and propose that the General Meeting of Shareholders adopt them. We approve the Management Board's proposal to distribute € 2.4 million as dividend and to add the remaining amount of € 456,000 to the Other Reserve.

We also propose that the General Meeting of Shareholders discharge the Management Board in respect of its management and the Supervisory Board in respect of its supervision.

Composition

The task of the Supervisory Board is to supervise and advise on the policies pursued by the Executive Board and, in addition, to supervise the strategy of DH Reinsurance and the general course of business.

As a public interest entity (PIE), DH Reinsurance is required by the Decree on establishing of Audit Committees (BIAC) to have an audit committee. In 2024, the full Supervisory Board served as the audit committee and the duties of the audit committee were carried out in the Supervisory Board.

DH Reinsurance has four supervisory directors, each with specific expertise and background. New supervisory directors are selected and nominated for appointment based on a profile approved by the Supervisory Board.

All supervisory directors have taken the Financial Sector Oath or Pledge as required by the Financial Sector Oath or Pledge Regulations 2015. Written statements of this have been prepared.

Meetings

The Supervisory Board held four formal meetings during the year under review. The supervisory directors attended almost all meetings. One supervisory director was unable to attend two meetings due to circumstances. The external auditor was present twice, once in combination with the actuary who performs the Actuarial function. In the presence of the Executive Board, discussions during the year under review included the general, commercial and financial course of affairs, the implementation of the long-term strategy, the investments, the results and the 2023 financial statements, market developments, developments in legislation and regulations and the Digital Operational Resilience ACT (DORA) in particular, the social function of DH Reinsurance and the remuneration policy and its implementation.

Reports from the actuarial function, risk management, internal audit and compliance were also discussed in the presence of the relevant key officers. The Own Risk and Solvency Assessment 2024 (ORSA) was discussed. A periodic review of a number of policy documents also took place. The policy documents, revised in parts, received the approval of the Supervisory Board where necessary.

The engagement confirmation audit 2024, the audit plan and the report of the external auditor as well as the report of the actuarial function, were discussed in their presence.

In 2024, the Supervisory Board also considered a number of special issues, the termination of the operational cooperation with Onderlinge 's-Gravenhage, the proposed changes in the Management Board and the composition of the Supervisory Board.

DH Reinsurance has been able to use work done by departments of Onderlinge 's-Gravenhage for many years. OG decided in 2024, in view of the greatly increased burden of such cooperation, to terminate services by the end of 2025 at the latest. The consequences of this and the (approach to) the selection of new suppliers have been discussed in several SB meetings.

As Seada van den Herik has decided to step down as statutory director, the Supervisory Board intends to appoint Henk-Jan Osse, currently still working as Operations Manager, as statutory director as of April 1, 2025. We are very grateful to Seada for her commitment and the important contribution she has made to the strategic development of DH Reinsurance. Her great commitment and drive have taken DH Reinsurance further in achieving its goals over the past years.

In connection with her departure, DH Reinsurance has decided to expand the Supervisory Board so that Onderlinge 's-Gravenhage, like the other shareholders, can nominate a Supervisory Board member. On the nomination of Onderlinge 's-Gravenhage, the Supervisory Board intends to appoint Réseva Engelaer as a member at the General Meeting of Shareholders on March 27, 2025.

In 2024, Sibylla Bantema's third and final term expires. Sibylla was actively involved with DH Reinsurance during the maximum term of 12 years as a supervisory director. Her expertise, commitment and valuable insights into many aspects of the business have been of great value to DH Reinsurance. Working with Sibylla as a supervisory board member has been a great pleasure for her colleagues. DH Reinsurance owes Sibylla many thanks for these years of dedication. Nominated by a.s.r., the Supervisory Board intends to appoint Evelien Greven as a member at the General Meeting of Shareholders on March 27, 2025.

The Supervisory Board also met several times in the absence of the Management Board. Furthermore, the Supervisory Board met with the external auditor without the presence of the Management Board. A delegation of the Supervisory Board also met with key officers without the presence of the Management Board.

ln 2024, the Supervisory Board has once again evaluated its own functioning. The Management Board of DH Reinsurance also provided input into this process. The results of this selfevaluation were discussed within the Board and conclusions to recommendations were formulated.

All Supervisory Board members attended the continuing education program provided by Nyenrode University in cooperation with the Association of Insurers in 2024.

Conculsion

The Supervisory Board expresses its gratitude to the employees and Management Board of DH Reinsurance for their commitment and for the results achieved in the past year.

The Hague, March 27, 2025

Supervisory board members

Lex Geerdes, president
Martijn Hoogeweegen, vice president
Sibylla Bantema
Marcel Levi

REPORT OF THE MANAGEMENT BOARD

In 2024 we succeeded in insuring significantly more people with a medically increased mortality risk than in the previous two years. In the Netherlands, the first policies were taken out soon after the introduction of De Hoop Maatwerkroute. Insurers are alerting people they reject for medical reasons to this option.

In Germany and the United Kingdom, together with our distribution partners and insurers, we have seen that our offer increases insurability significantly.

We are proud and grateful that so many parties want to work with us to further our mission.

Gilbert Pluym

INTRODUCTION

In 2024 there was political unrest and violent strife in many parts of the world. Nevertheless, the economy developed relatively favorably. In the Netherlands, the Schoof administration took office, which had to find a political answer to the many challenges in our society. As De Hoop we particularly noticed the increased demand as a result of the better economic conditions and the growth in partnerships.

DH Reinsurance has a core organization of 9.0employees (6.6FTE) (2023:9.0;6.6FTE). In addition, about twenty more people provide services for DH Reinsurance, particularly from Onderlinge 's-Gravenhage, through which we jointly give substance to our mission.

We work with specialized medical advisors who take care of the medical assessment and ensure that we can offer customized services. We started the year with three medical advisors, but André Gaasbeek unfortunately could no longer combine the work for DH Reinsurance with his other duties. We are very grateful to him for his years of dedication and commitment and expect to appoint a replacement in 2025.

Mission

DH Reinsurance's mission is to provide financial security to individuals with a medically increased mortality risk.

Ever since its founding in 1905, DH Reinsurance has emphasized the social responsibility of insurers and championed this vulnerable target group. DH Reinsurance strives to offer term life insurance to virtually everyone.

DH Reinsurance specializes in difficult-to-insure medical mortality risks and offers insurers the possibility of reinsuring them. This allows each insurer to adopt a socially responsible underwriting policy and also allows people with medical conditions to obtain good life insurance.

From our mission, we have defined three core values: expertise, certainty and customization.

Expertise
We specialize in difficult-to-insure medical mortality risks. We strive to offer mortality risk insurance to pretty-well everyone. We make sure we have the right medical expertise to assess the current situation and expected developments in survival rates of people with (complex) medical conditions.

Certainty
We focus on long-term certainty for our cedents and policyholders. We offer products that fit the application and underwriting process of cedents. We take over the financial risk for this target group. We ensure reliable and financially sound operations.

Customization
Providing customization for our policyholders is at the heart of our business. Our processes and corporate culture are fully geared to providing customized and meticulous coverage for people with medical conditions. We handle every policy application or claim with extreme care.

Core activity

DH Reinsurance focuses on the individual life insurance market and, in particular, on the medically enhanced term life insurance segment in the Netherlands, Belgium, Germany, United Kingdom and Ireland, and on the islands of Curaçao, Aruba and St. Maarten.

Developments in 2024

Commercially, as expected, there were significantly more new applications and policies than in 2023. After an in-depth analysis in 2021 on how we could better fulfill our mission, the conclusion was that a different set-up is desirable in the Netherlands and similar offerings are often lacking abroad. Based on this analysis, we launched two strategic projects in 2022, which contributed significantly to our growth in 2024.

De Hoop Maatwerkroute

In the Netherlands, this concerns the launch of De Hoop Maatwerkroute. With this we want to give people with a medically increased mortality risk earlier and better access to the options DH Reinsurance can offer. Insurers can point people with a (complex) medical condition they do not offer to De Hoop Maatwerkroute and thus make a positive contribution to the insurability of this vulnerable target group. Allianz, a.s.r., Centraal Beheer, De Goudse Verzekeringen, FBTO, Interpolis, Nationale Nederlanden and Scildon are affiliated with this initiative.

Foreign activities

The second strategic project involves expanding our foreign activities, first of all in Germany. From the fourth quarter of 2023, we will work together with distributor Check24 and insurer Squarelife. Customers in Germany have responded enthusiastically to this. In 2024, this has led to greatly increased production.

In the United Kingdom, DH Reinsurance has worked for many years with specialist insurance broker Pulse Insurance and, since 2023, with insurer 1Edge Insurance on Guernsey. In 2024, we saw increased production volumes from the United Kingdom.

In the Antilles, Ennia is one of our major cedents. As of 2018, Ennia was in the emergency arrangement of the Central Bank of Curaco. In recent years, we have continued to work with Ennia so that they could continue to offer insurance to clients with increased medical risks. The cooperation agreement has been terminated by Ennia as of December 31, 2024, due to legal restructuring. Ennia and we intend to continue reinsurance in the Antilles with the newly formed entities.

For our activities abroad, we use the trade name DH Reinsurance. Under this name, our website is also available in German and English (www.dhreinsurance.com).

Cooperation with Onderlinge 's-Gravenhage

For many years DH Reinsurance has been able to use, to its full satisfaction, activities of departments of Onderlinge 's-Gravenhage (OG) whose costs are for common account. This allows DH Reinsurance to suffice with a small organization that focuses on its core tasks. And DH Reinsurance can benefit from the economies of scale and flexibility offered by OG by performing work it does for itself also for DH Reinsurance. Meanwhile, this collaboration is subject to the (ever-increasing) laws and regulations governing outsourcing. This has led to an aggravation of administrative burdens and costs, on both sides. This has regularly raised the question of whether and to what extent OG can continue operations, with only one customer. The introduction of DORA, which significantly increases the obligations for ICT services, has made OG decide it no longer wants to provide ICT services to DH Reinsurance. Given the aforementioned developments, OG and DH Reinsurance have agreed to terminate the agreements for all services. DH Reinsurance will look for other suppliers in 2025. We are grateful for OG's years of service and support in transitioning operations.

> 'At DH Reinsurance, every application is treated as customized and personally reviewed by our experienced medical advisors. The unique knowledge and expertise we have built up over 120 years allows us to accept 90% of all applications.'

Result in 2024

The aforementioned developments resulted in a higher number of new policies in2024 (1,011 compared to 742), an increase of 36%. Capital production increased by 46% from 139,623 to 204,108.

DH Reinsurance realised in 2024 a profit after tax of 2,856 (2023: 2,554 profit). The increase was mainly due to higher (direct) investment income. It is proposed to pay a dividend to shareholders of 2,400.

The available equity under Solvency II (EOF) amounts to 64,575 (2023: 64,154). The increase of 421 (net of the proposed dividend) is mainly caused by the increase in the value of shares. Required capital under Solvency II (SCR) also increases, from 24,794 to 26,697. This increase is mainly caused by the increase in market risk by 8%, also due to the increase in the value of shares. The solvency ratio at the end of 2024 is 242% (2023: 259%) and is thus well above the internal standard of 200%.

KEY DATA

The key data below summarize the results achieved over the past period and the financial position.

Premium before reinsurance deduction

Premium income before reinsurance deduction increased by 4% (2023: 1%) to 6,470 (2023: 6,218).

The annual premium level increased by 5,6% to 6.768 (2023: 6.408).

Insured amount

The insurance portfolio, measured in insured amount, increased more than in 2023 (10% compared to 5%). New business, measured in insured amount, increased more than in 2023 by 46%. Lapse also increased compared to 2023 by 4% . Over a five-year period, the insurance portfolio grew organically from 756,911 to 1,288,091. That is an increase of 70% in five years.

Investments

The investments (excluding deposit, including liquid assets) amounted to 90.148 (2023: 88.510).

The balance sheet value of the equity portfolio increased in 2024 to 48,585 (2023: 46,321) due to positive economic expectations and corporate earnings. DH Reinsurance's investment strategy focuses on value stocks with expected high dividends and high ESG scores. The balance sheet value of the AeAM Dutch Mortgage Fund 2 increased slightly as of 31-12-2024 to 10,723 (2023: 10,256).

In 2021, a commitment of 5,000 was made to the Aegon SME Fund, with 4.689 actually purchased at the end of 2024

The balance sheet value of the liquid assets as of 31 December 2024 was 1,709 (2023: 1,859).

Payments

Benefits before deduction of reinsurance amounted to 4,341 up slightly (3.3%) compared with 2023. Death benefits were up 40%mainly due to an increase in the average sum insured. This was offset by an almost equal fall in the volume of surrenders.

Technical result

The result technical account decreased by 478 compared to 2023. This was mainly caused by the increase in death benefits.

The negative result on expenses decreased slightly. This is mainly caused by an increase in commissions received.

Resultaat en belasting

The effective tax rate in 2024 was 25,4% (2023: 26,2%) which is lower than the applicable tax rate of 25.8%. The lower effective tax rate is mainly due to a negative currency translation effect.

The result after tax in 2024 increased by 302 compared to 2023.

It is proposed to the General Meeting of Shareholders to make a dividend payment of 2,400 from the profit for the financial year and to add the remaining positive result to the Other reserve.

Solvency position

To determine the required solvency, DH Reinsurance uses the standard formula from the Solvency II directive.

DH Reinsurance has set a solvency ratio of 200%as an internal standard. This standard is in line with a high creditworthiness as laid down in Article 199 of the Delegated Regulation EU 2015/35. This sets out which solvency ratio matches the creditworthiness of the company. In credit quality category 1, the rated company has a very strong ability to meet its financial obligations. The probability of default at 0.01% is related to a solvency ratio of 196%. DH Reinsurance wishes to aim for the corresponding solvency ratio (rounded to 200%). This internal standard is met at the end of 2024.

Based on the standard formula, the required solvency is 26,697 (2023: 24,794). The solvency ratio at the end of 2024 is 242% (2023: 259%). The solvency ratio decreased slightly compared to the end of 2023 with increasing equity (+ 421) and required capital (+ 1,903).

The solvency ratio is only final after assessment of the Solvency II reports by the supervisory authority De Nederlandsche Bank.

No use was made of a volatility adjustment on the yield curve when calculating the solvency position. Furthermore, the loss-absorbing capacity of the deferred taxes, the so-called LAC DT, is not taken into account.

Main risks and uncertainties

Geopolitical uncertainty remains high in 2024, including the war in Ukraine and the battle between Hamas and Israel. In addition to the human dramas taking place there, this is impacting economic conditions. In addition, there is an increase in strategic competition for economic and political influence between China, the U.S. and the EU. Finally, within the EU there are different views in many areas about measures to be taken, which hinders the EU's ability to act. DH Reinsurance only experiences effects of this indirectly, through changing economic conditions in the countries in which we operate.

Higher inflation and interest rates than in the past reinforce economic uncertainty. The stabilization of interest rates and inflation led to higher production volumes in 2024, but (prolonged) economic uncertainty has a negative effect on the demand for our products. In addition, prolonged inflation has an increasing effect on DH Reinsurance's costs, which can hardly be passed on, if at all. Finally, there is uncertainty about future costs, as we have to look for other (commercial) service providers for the work currently done by departments of Onderlinge 's-Gravenhage.

The Covid-19 virus has greatly diminished in significance. It is still too early to estimate the long-term effects on mortality, especially for DH Reinsurance's target group. We have so far observed hardly any additional mortality in our insurance portfolio. It is to be expected that pandemics of a similar magnitude will occur more frequently. We will have to take this into account in our risk scenarios.

Climate risks are likely to play a larger role in society in the longer term. It is important to closely monitor developments and measures taken by governments to mitigate climate risks. For now, we estimate that the impact on DH Reinsurance will be limited.

Consequences for DH Reinsurance

DH Reinsurance as a provider of medically enhanced mortality benefits, is a monoliner in a market segment that has been under pressure for several years. In addition, the business model is vulnerable due to the market approach from the facultative reinsurance position that makes the company dependent on the strategic choices of the primary insurer. Withdrawing cedents may jeopardize the continuity of the business. The aforementioned strategic projects reduce our vulnerability to this.

Other factors also play a role. Economically deteriorating conditions may result in lower revenues. Furthermore, diseases or pandemics, for example, may put pressure on underwriting results. DH Reinsurance conducts an annual Own Risk and Solvency Assessment, hereinafter ORSA, in which a number of stress scenarios relating to the aforementioned threats are worked through.This includes a climate scenario, in which the possible effects of climate risk are worked through and assessed.
The ORSA of 2024 has shown that in a number of extreme stress scenarios sufficient measures are possible to overcome deterioration of the solvency ratio. The continuity of the company will not be jeopardized in the process.

> ” DH Reinsurance wants to be able to do more for people who are chronically ill or have been ill in the past. That is why we have set up our own fund: the De Hoop Leven Fund. This fund supports research that makes a positive contribution to the insurability of people with an increased medical risk.'

Corporate Social Responsibility

Sustainable entrepreneurship, impactful entrepreneurship or Corporate Social Responsibility (CSR) are often used as synonyms in the Netherlands. This is understood as entrepreneurship in such a way that the attention for the people, planet and profit is balanced and aligned with the expectations of the stakeholders of the company.

We give substance to CSR in a number of areas:

- In our mission
- With the De Hoop Leven Fonds
- In our investment policy

Mission

DH Reinsurance's mission is to offer financial security to people with a medically increased mortality risk. We strive to be able to offer as many people as possible a mortality risk insurance. DH Reinsurance specializes in difficult to insure medical mortality risks and offers insurers the possibility of reinsuring these. In this way, every insurer can implement a socially and socially responsible acceptance policy and people with a medical condition can also take out good life insurance.

De Hoop Leven Fonds

DH Reinsurance wants to be able to do more for people who are chronically ill or have been ill in the past. That is why we have set up our own fund: the De Hoop Leven Fund. This fund supports research that makes a positive contribution to the insurability of people with an increased medical risk.

Investment policy

In the context of socially responsible investing, we take into account ESG criteria (environmental aspects, social aspects and good corporate governance) of the entities in which we invest in our investment policy. We endorse the Sustainable Investment Code of the Dutch Association of Insurers.

Sustainable investing is a permanent agenda item of the Investment Committee. The UN Principles for Responsible Investment and the United Nations Global Compact form guidelines for the investment policy. For example, we give preference to companies that score well on ESG criteria within their sector and we exclude companies that seriously violate the UN Principles for Responsible Investment. In addition, we do not invest in companies that are involved in the trade in or production of controversial weapons. Companies in the tobacco industry are also excluded.

We have started with impact investing by participating in the Polestar Circular Debt Fund.

CORPORATE GOVERNANCE

The articles of association stipulate that the company's shares are held by Dutch life insurers. The shares are not freely tradable. There are three shareholders, namely Nationale-Nederlanden Levensverzekering Maatschappij N.V., AEGON Levensverzekering N.V. (part of ASR Nederland N.V. since mid-2023) and Onderlinge Levensverzekering-Maatschappij „'s-Gravenhage" U.A.

DH Reinsurance is not listed on the stock exchange and is therefore not obliged to comply with the Dutch Corporate Governance Code. As a 'public interest organisation', attention is of course paid to the principles of sound corporate governance and the relevance of the principles and best practice provisions of the Corporate Governance Code. Where relevant, elements thereof are applied in full or in an adapted form.

Code of Conduct for Insurers

DH Reinsurance endorses the core values laid down in the Insurers Code of Conduct and complies with the provisions and rules of conduct of this code. The Supervisory Board and Management Board have taken the oath or affirmation of the financial sector.

Renumeration policy

DH Reinsurance's remuneration policy has been approved by the Supervisory Board (SB) and is in line with applicable laws and regulations. In addition to the remuneration policy, a remuneration policy has been drawn up for the directors. The General Meeting of Shareholders determines this remuneration policy.

The remuneration system is in accordance with the applicable laws and regulations and the collective labour agreement for the insurance business. The remuneration policy applies to the entire organization, with the exception of the directors, with a number of specific provisions for colleagues who can influence DH Reinsurance's risk profile. The people who can influence the risk profile are the Management Board and the key functions.

No variable remuneration is awarded to the directors. According to the remuneration policy, other employees receive a limited variable remuneration, namely a surplus and an annual payment in accordance with the collective labour agreement in the month of May. These variable rewards are not dependent on specific performance. In addition, a profit share of 20% of a monthly salary is awarded, at the discretion of the directors. In exceptional cases it is possible to pay a modest variable reward afterwards for a special individual or group performance. Within DH Reinsurance, there are no employees who have received a total annual remuneration of € 1 million or more. A report has been drawn up for the Supervisory Board on the implementation of the remuneration policy. The key function holders for Compliance and Risk Management report on this separately to the Supervisory Board.

In the context of this report, information that can be traced back to a specific person is not reported.

Diversity and inclusion

Within the possibilities of DH Reinsurance as a small organisation, we strive for diversity, with a culture in which differences are recognised, valued and utilised.

By diversity we mean all aspects in which people differ from each other. Both visible aspects, such as age, gender and skin colour, and less visible aspects such as cultural and social backgrounds. We believe that these differences make us stronger.

We strive to give everyone equal opportunities in recruitment, work, training and assessment. We want to create an environment in which everyone feels free to be themselves and no one is excluded.

Within the management, there is an equal male/female distribution. The Supervisory Board consists of one woman and three men. DH Reinsurance strives for a situation in which at least one third of the Management and Supervisory Board consists of women and at least one third of men. Given the small size of DH Reinsurance, DH Reinsurance accepts deviations from this.

RISK MANAGEMENT

General

Taking risks is an essential part of business operations. It is important to identify, analyse, monitor and control risks as well as possible. If risks are not adequately managed, this poses a threat to achieving De Hoop's strategic objectives. Inadequate risk management can also expose De Hoop to the risk of negative financial effects, operational inefficiency, extra supervision, administrative fines and reputational damage. Effective identification, monitoring and management of risks is therefore an important responsibility of the management and the operational organisation. An adequate risk management system reduces the chance of errors, making wrong decisions and the consequences of unforeseen circumstances. Risk and performance are inextricably linked in this.

Every three years, or in the event of significant interim changes to the objectives, or on the proposal of the risk manager (second line), the management determines the risk appetite. The management then asks the Supervisory Board for approval.

When drawing up the risk appetite, the vision of the supervisor DNB is taken into account, including on the topics: inflation, information security, climate and sustainability risks. These topics, as well as compliance with laws and regulations, form an integral part of the risk management framework.

Risk appetite

Our risk appetite is laid down in three strategic Risk Appetite Statements:

- Social relevance and growth
- Capital management
- Business operations

Each Risk Appetite Statement qualitatively describes the risk appetite, in such a way that it fits the mission, vision and strategic objectives of the organization. The most important risk categories have been established for each of the three themes.The degree of risk appetite has been defined for each risk category, with a gradation of reduced, neutral and increased. The starting point is that De Hoop has a neutral risk appetite with an increased risk appetite in some areas. Neutral risk appetite is the level of risk that is common in the life insurance market. Key Risk Indicators (KRIs) have been established for each risk category, with the limit values of the KRIs derived from the risk appetite. The KRIs are reported quarterly in a KRI dashboard and discussed by the board of directors and the Supervisory Board. Each risk category has an owner who monitors the risk and reports on this annually.

Social relevance and growth

Based on our mission and core values, we have a strong social objective in addition to a commercial objective. For vulnerable groups, such as the chronically ill, this social objective is of great importance, because it gives them the opportunity to take out a term life insurance policy at a suitable price. That is why DH Reinsurance accepts (almost) every medically increased mortality risk: what can be priced is accepted with a positive mortality result for every medical category. DH Reinsurance accepts the risk that (access to or the quality of) healthcare will decrease during the term of the policy.

We focus on new customers who are rejected for medical reasons in the acceptance process at life insurers. We achieve our objectives if we have the trust of all stakeholders, such as our shareholders, cedants, insured parties, supervisors, interest groups and colleagues. Having the right medical expertise, maintaining a good reputation and complying with (partly foreign) laws and regulations are a prerequisite for this.
As a reinsurer, we depend on the efforts of the cedants with whom we do business for the sale of our products. We accept this dependency and do not seek another role in the chain. Based on our social relevance, we perform more activities to make our products known to potential customers and advisors than a regular reinsurer would do.

DH Reinsurance is deliberately active in several countries with a similar population structure, healthcare and mortality risk. In this way, we spread our risk and at the same time we have taken measures to mitigate local risks. For example, risks related to demographic and specific legislation and regulations are analyzed and a partnership is entered into with a local distributor to mitigate these risks.
In the countries in which we are active, we often have only one active cedant. We therefore run the risk that this entails that the cedant produces less or no more. We therefore invest in the relationship with the cedant, chain efficiency and the awareness of our offer in the market.

Capital management

Based on our mission, the promise to our insured parties and cedants is central. In order to fulfill this promise, we strive for a balanced balance sheet with healthy solvency and appropriate growth in the long term.

We take market risks for which we are sufficiently rewarded and apply a long-term socially responsible investment policy. Given our promise to the client, we ensure a prudent calculation of the provision and we cover our matching and interest rate risk to a large extent. The assets for which no insurance obligations are associated may be invested entirely in investment categories with a higher return-yield ratio. The resulting possible fluctuations in assets and returns are accepted. In order to control the impact, we strive for a high solvency ratio.

We strive to reduce our costs per policy. We accept a limited and sometimes negative value contribution from new production in the short term.

We can accept medically aggravated risks if the medical risk is as statistically and medically scientifically substantiated as possible and the medical advice provides a sufficient basis for determining an appropriate risk premium.

We compensate our shareholders with a return on equity that is reasonably appropriate to the risk and social character in the form of long-term capital growth. We strive to be able to pay out an annual cash dividend.

Business operations

Our mission focuses on customization for policyholders. At the same time, we invest in an efficient operating chain to realize short lead times. In doing so, we emphasize the efficient use of company resources and the focus is on cooperation, accuracy, integrity, transparency and flexibility.

DH Reinsurance is a small core organization with organizational shells around it. In this way, DH Reinsurance can bind expertise to itself that it does not need full-time, and in a number of cases the strategic partners in the organizational shell also take over or reduce the key-person risk. This way of organizing is also cost-efficient. It is important for DH Reinsurance to keep these shells well informed and to bind them to itself for effective business operations, continuity and strategic developments.

Our loyal employees and strategic partners determine the culture and the ability to change of our organization. We therefore invest in colleagues and challenge them to develop themselves.

The 3-lines of defense model is part of the organizational structure of De Hoop and thus guarantees the necessary checks and balances.

In managing operational risks, De Hoop pays attention to, among other things, availability, integrity and confidentiality of data. For the continuity and security of data, DH Reinsurance relies on the measures it takes itself and on the measures taken by suppliers. For example, we rely on the measures of our cloud computing supplier Amazon Web Services (AWS) and on measures taken by our ICT suppliers based on the DNB good practice Information Security and from 2025 also on DORA. The management of other risks related to processes is also risk-based.

Risk management organisation

We use the 'three lines of defense model'. The correct execution of the processes, ensuring compliance, managing risks and setting up control measures are the responsibility of the operational organization. These form the 'first line of defense'.

The ‘second line of defence’ is formed by the following key functions:

- the Risk Management function, split into operational and financial risk management
- the Compliance function (also Data Protection Officer and Fraud Control Coordinator)
- the Actuarial function

The ‘third line of defence’ is formed by an impartial and independent Internal Audit function. The first, second and third lines consult at least twice a year about risk management based on the KRI dashboard, risk reports, the ORSA and the SIRA.

Risk management 2024

Cybersecurity

In the current era, IT risk is increasing, with cyber risk in particular becoming an increasing threat. DH Reinsurance has outsourced IT to Onderlinge 's-Gravenhage, where the security officer also works. DH Reinsurance's infrastructure has been outsourced to cloud services (Amazon Work Spaces), office automation has been outsourced to Microsoft. By working in the cloud, a physical fallback location is no longer necessary, but employees can work elsewhere in the event of calamities. Onderlinge 's-Gravenhage, but also DH Reinsurance, has laid down management measures in its policy with regard to cybercrime, privacy and data security.

Fraud and compliance with laws and regulations
During 2024, nothing has come to the attention of the Board of Directors that indicates suspicions of, or actual, fraud and/or violations of laws and regulations.

Sensitivity analyses
Our solvency is sensitive to both volatility on the financial markets and to major changes in the insurance portfolio that can occur as a result of a major deviation from the assumptions. Scenarios have been drawn up for a quantitative risk assessment, which can have both a positive and negative impact on solvency. Various stress scenarios are calculated in the ORSA, which show that the solvency ratio remains well above the required solvency even under extreme circumstances, such as a strongly increased mortality scenario and a very strong decline in the financial markets.

A qualitative and quantitative explanation is given in the Risk section of the annual accounts. Among other things, an increase/decrease in the interest curve by 100 basis points and an increase/decrease in the value of the shares by 25% are shown. The impact of these scenarios on solvency and the solvency ratio is shown here. In general, DH Reinsurance is sensitive to market risk, due to its relatively high equity position, in particular for the equity risk. The effects of exchange rate changes can influence the existing solvency both positively and negatively. In all cases, the solvency ratio remains above the set internal standard.

FORECAST FOR 2025

DH Reinsurance's new production is strongly related to the mortgage market. We expect that, despite the economic uncertainty, the mortgage market will grow slightly because house prices are rising again and interest rates are not rising any further. Related to this, a similar movement will occur for the term life market.

We expect further growth in production due to the growth of the reputation of De Hoop Maatwerkroute in the Netherlands and by further expanding the collaborations in Belgium, Germany and the United Kingdom.
In the context of corporate social responsibility, we will link our activities in this area to Sustainable Development Goals (SDGs).

DH REINSURANCE **CSR activities**

UN SDG	3 GOOD HEALTH AND WELL-BEING	3 GOOD HEALTH AND WELL-BEING	SUSTAINABLE DEVELOPMENT GOALS
UN SDG Target	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	(ALL) – Socially responsible investing
Ambition	Support research that increases survival or insurability of people with medical conditions	Offering term life insurance for people with medical conditions in all European countries with adequate healthcare through local existing insurance distribution channels	Chosen assets are 'best in class' in SDG-terms
KPI	Research financed by De Hoop Leven Fonds	Growth in new insurance business; Growth of presence in European countries	SDG/ESG-score assets > 50%; Growth in impact-investments

Operationally, we are facing major challenges due to the upcoming transition to other service providers as a replacement for the collaboration with Onderlinge 's-Gravenhage. This concerns important services such as ICT management, ICT application development, asset management and Internal Audit. The Digital Operational Resilience Act (DORA), which came into effect at the beginning of 2025, makes this an extra intensive process.

For our governance, 2025 is also a special year. For a very long time, it was customary for the statutory directors of OG to be appointed as statutory director of DH Reinsurance by the Supervisory Board of DH Reinsurance in a personal capacity. This was a part-time position for them (1/6 of a working week), which they could fulfil in addition to their full-time position at OG. This was partly possible because a full-time Operational Manager was responsible for the day-to-day management. In 2022, this was partly changed because a director retiring from OG remained with DH Reinsurance, and his time spent at DH Reinsurance was expanded (3 days per week).

The Board of Directors and Supervisory Board of DH Reinsurance see this as an intermediate step towards a situation with one management layer and directors who have their main function at DH Reinsurance. This should ensure the necessary internal and external strength to realise sufficient growth in the current market conditions in order to have sufficient size, taking into account falling margins and rising costs. In good mutual consultation, the intention has therefore been expressed that at the AGM at the end of March 2025, Seada van den Herik will step down as statutory director and Henk-Jan Osse, currently Operational Manager, will be nominated as statutory director. In recent years, Seada, Henk-Jan and Gilbert have jointly set the commercial, operational and administrative course of DH Reinsurance. It is great that this step can now be taken.

In 2025, we will also pay attention to our 120th anniversary. A milestone that we do not want to let pass unnoticed.

> 'In 2025, we will proudly celebrate our 120th anniversary – a milestone that underlines our dedication to our mission. With the same drive, we will continue to work to offer even more people with an increased risk of death a fair chance at suitable insurance.'

FINAL REMARKS

We are grateful for the trust of our cedants and other partners and are pleased with the collaborations with new parties that have been realized within the framework of our growth strategy. This has been achieved partly due to the great dedication and commitment of our employees and medical advisors. Together with all parties involved, we look forward to reaching even more people in 2025 within the framework of our mission and our anniversary year and thus increasing insurability in the Netherlands.

The Hague, March 27, 2025

Board of Directors

Gilbert Pluym

Seada van den Herik

FINANCIAL STATEMENTS

BALANCE SHEET

Before profit distribution

ASSETS		2024		2023	
1	**Investments**				
1.1	Other financial investments				
1.1.1	Equity	48,585		46,321	
1.1.2	Mortgage fund	10,723		10,256	
1.1.3	Loan funds	4,602		3,124	
			63,910		59,702
1.1.5	Bonds and other fixed income securities		24,529		26,949
			88,439		**86,651**
2	**Deposits with ceding insurers**		2,467		2,404
3	**Receivables**				
3.1	Other receivables	1,042		685	
3.2	Receivables from reinsurance	769		1,203	
			1,811		1,887
4	**Other assets**				
4.1	Liquid assets		1,709		1,859
5	**Accruals**		328		409
			94,755		**93,210**

LIABILITIES		2024		2023	
6	**Own funds**				
6.1	Issued and paid-up capital	405		405	
6.2	Revaluation reserve	15,811		14,430	
6.3	Other reserve	47,066		46,912	
6.4	Undistributed profit	2,856		2,554	
			66,138		**64,301**
7	**Technical provisions for life reinsurance**				
	Gross	22,913		23,157	
	Reinsurance	-649		-477	
			22,265		**22,680**
8	**Provisions**				
	Taxes	5,686		5,228	
	Other provisions	23		24	
			5,709		**5,252**
9	**Debts**				
	Reinsurance liabilities	150		292	
	Other debts	401		615	
			551		**907**
10	**Accrued liabilities**		**92**		**70**
			94,755		**93,210**

PROFIT AND LOSS ACCOUNT

Before profit distribution

TECHNICAL ACCOUNT		2024		2023	
11	**Earned premiums on own account**				
	Gross premium	6,470		6,218	
	Outgoing reinsurance premium	-778		-634	
			5,692		**5,584**
12	**Income from investments**				
	Other investment	3,096		2,833	
	Realised gains on investments	471		72	
			3,568		**2,905**
13	**Unrealized gains on investments**		**1,212**		**1,027**
14	**Other technical income of own account**		**203**		**183**
15	**Payments from own account**				
	Gross	-4,341		-4,202	
	Share reinsurers	276		229	
			-4,065		**-3,973**
16	**Change in technical provisions of own account for life insurance**				
	Gross	244		1,191	
	Share reinsurers	172		-83	
			416		**1,108**
17	**Operatings costs**				
17.1	Acquisition costs	-550		-560	
17.2	Administration and personnel costs	-2,393		-2,418	
17.3	Receiving commission and profit sharing from reinsurers	290		225	
			-2,652		**-2,754**
18	**Investments costs**				
18.1	Administration costs and interest charges		**-128**		**-109**
19	**Unrealized loss onn investments**		**-532**		**-301**
20	**Other technical expenses of own account**		**-107**		**-208**
21	**Investment income allocated to non-technical account**		**-3,512**		**-2,889**
22	**Technical result life insurance**		**94**		**572**

NON-TECHNICAL ACCOUNT	2024		2023	
Technical result life insurance	94		572	
Allocated investment return transferred from technical result	3,512		2,889	
Result before taxes		**3,605**		**3,461**
23 Taxes		**-749**		**-907**
Result after taxes		**2,856**		**2,554**

CASH FLOW STATEMENT

	2024	2023
Cashflow from operational activities		
Result after taxes	2,856	2,554
Change in own account provisions	-416	-1,108
Change in provisions	-425	-890
Change in short-term liabilities	-356	71
Movement in receivables and accrued assets	157	39
Change in the value of investments	1,050	-618
Other changes	481	890
Total cashflow from operational activities	**1,247**	**937**
Cashflow from investment activities		
Investments and share purchases	-4,515	-9,837
Divestments, redemptions and sales of shares	5,581	9,523
Total cashflow from investment activities	**1,067**	**-314**
Cashflow from financing activities		
Change in deposits at ceding insurers	-63	100
Dividend paid	-2,400	-2,400
Total cashflow from financing activities	**-2,463**	**-2,300**
Change in liquid assets	**-150**	**1,677**
Liquid assets as of 01/01	1,859	3,536
Change	-150	-1,677
Liquid assets as of 31/12	**1,709**	**1,859**

PRINCIPLES FOR VALUATION, DETERMINATION OF INCOME AND PRESENTATION

GENERAL

N.V. Levensverzekering-Maatschappij "De Hoop", tradename DH Reinsurance, established in The Hague, Anna van Saksenlaan 10, is a unlisted public limited company (Chamber of Commerce number: 27000041). DH Reinsurance's main activity is the reinsurance of increased mortality risks with the underlying aim of providing vulnerable groups access to the life insurance market.

The annual accounts were adopted on the 27th March 2025 and cover the financial year from 1 January 2024 to 31 December 2024.

External reporting
Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards Board Guidelines for annual reporting are applied as a basis for external reporting. Insofar as no valuation rule is mentioned, the assets and liabilities are included for the nominal amounts. The annual accounts have been prepared on the basis of the going concern assumption.

Use of estimates
In preparing the annual accounts, DH Reinsurance must make estimates and assumptions that affect the reported items in the balance sheet and profit and loss account. These estimates are made to the best of the Management Boards knowledge, but the actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are assessed periodically, but at least once a year, based on empirical data. These will be adjusted if necessary. Revisions to estimates are recognized in the period in which the estimate is revised and in future periods affected by the revision.

The most important estimates and assumptions relate to:

- the technical provision for insurance liabilities;
- the liability adequacy test and any related other technical provisions;
- Solvency II (see also Solvency II principles).

Company classification
There is only one branch in the Netherlands, in which reinsurance originating from the individual or collective business is treated on an individual basis. In the annual accounts, therefore, no distinction is made between countries of residence or between individual and group insurance policies.

Foreign currency
The annual accounts have been prepared in euros, which is DH Reinsurance's functional and presentation currency. Amounts in foreign currencies are converted to the exchange rate at the end of the financial year.Results arise due to differences with the rate at the end of the previous financial year or with the rate at which settlement was made. Gains and losses arising from underwriting valuation differences are included under "Other technical income and expenses". Results on exchange rate differences on investments are included under "Unrealized gains or losses on investments".

Overview of the exchange rates used at the end of the calendar year

(value euros expressed in currency)

	2024	2023
British pound	0.8298	0.8692
Japanese Yen	163.2800	156.6400
Dutch Antillean guilder/ Aruban florin	1.8518	1.9662
US-dollar	1.0409	1.1052
Swedish krona	11.4552	11.1003
Swiss franc	0.9412	0.9273

Equity and funds
The basis for the valuation of equity is the current value. The current value is determined for the following categories as follows:

- Listed investments (shares and bonds) based on the stock price;
- Guarantee Fund Onderlinge Levensverzekering-Maatschappij based on purchase price;
- The mortgage fund and the loan funds based on the market value stated by the funds.

The valuation differences resulting from revaluation have been incorporated in the revaluation reserve, taking into account the deferred tax positions. Changes in value upon sale and decreases in value below the most recently determined purchase price are recognized in the Profit and Loss Account.

Bonds
The bonds are valued on the basis of amortized cost. Agio and disagio are included in the line item Investments. The effective return is determined on the basis of the amortization of the agio or disagio.

Receivables
Receivables are valued at fair value upon initial inclusion. After initial inclusion, receivables are valued at amortized cost (equal to the nominal value if there are no transaction costs), less any impairment losses if there is question of irrecoverability.

Liquid assets
Liquid assets are valued at nominal value. If liquid assets are not freely available, this is taken into account in the valuation.

Revaluation reserve

The positive valuation differences of investments valued at market value, less the related deferred tax liabilities, have been entered in the revaluation reserve.

Other reserve

The undistributed profit of the previous financial year and the dividend paid out for the previous financial year are recognized in the Other reserve.

Debts and other liabilities

Other debts and accrued liabilities are valued at fair value upon initial inclusion. After initial inclusion, debts are valued at amortized cost (equal to the nominal value if there are no transaction costs).

TECHNICAL PROVISION

Calculation

The calculation of the technical provision is based on actuarial assumptions. In determining the technical provision, assumptions have been made regarding mortality, medical risk, disability and the like. These assumptions are made at the time the insurance is taken out and, except for vested annuities, are valid for the entire duration thereof.

Method

The following methods have been used to calculate the technical provision:

Net method

The provision is calculated using the net method. For pensions that have not yet started, a 1% payment cost is taken into account.

For annuities, the formulas take into account the payment frequency and the conditions regarding the start or end of payment after death. As a rule, it is assumed that death benefit payments are made in the middle of the insurance year. For a number of older insurance policies, the exception applies that payment is calculated at the end of the insurance year. In the case of lifelong mortality insurance policies, the provision is increased by 2% (excluding the unearned premium).

Unearned premium and interest due

The unearned premium is a proportionate part of the gross premium calculated over the period between the balance sheet date and the next premium due date in the new financial year. The interest due is calculated over the period between the last due date in the financial year and the balance sheet date. The calculation of unearned premium and interest due is done in days, with the month set to thirty days.

Annuities in payment

The technical provision for not yet vested annuities is calculated based on the basis of the rate at inception, including the medical surcharge. When an annuity is vested, conversion takes place to GBM 1985-90 and GBV 1985-90, to which the following corrections have been applied without age shift:

- for men, a 10% reduction in the mortality rate for all ages;
- for women, a reduction in the mortality rate that increases linearly from 10% in 1990 to 30% in 2010. This reduction is achieved by applying a separate corrected mortality table per group of 10 years of birth.

Risk-based insurance

The provision is zero for risk insurance policies with a one-year premium. However, an unearned premium is retained in the amount of the pro rata gross premium.

Administrative cost reserve

The provision is intended for future costs for non-contributory insurance policies and future costs after premium payment has ended for insurance policies for which the term of the premium payment is shorter than the term of the insurance. The provision is equal to 2% of the total technical provision for life insurance own account before adding unearned premiums and interest due.

Interest rate discount

Interest rate discounts on single premiums (and subsequently on surrender values) are calculated using an actuarial method. The reduction in the life insurance technical provision due to interest rate discount is calculated in accordance with the actuarial method as the present value of the future excess interest.

Interest principles

The interest is related to the provision excluding administration costs reserve, unearned premium and interest owed. Most of the provision has a fixed interest rate of 3%; the remainder has a rate of 0%, 2%, 2.5%, 3.5% or 4%.

Occupational disability

If the premium for occupational disability has no actuarial basis, the provision is calculated by multiplying the net premium for this risk by a factor. In the case of an exemption from premium payment in the event of occupational disability, the factor is equal to 5.

For occupational disability pensions, the factor is equal to the elapsed duration in years, with a linear reduction to zero in the last five years of the premium payment. The provision for vested occupational disability is equal to the present value of the exempted net premiums or of the occupational disability annuity to be paid.

Accidental death benefit

The provision for this risk is zero.

Benefit premiums

For the main insurance, the net method is used to determine the technical provision for life insurance. For supplementary insurance policies without an actuarial basis, the premium is set as 95% of the net premium for the relevant risk.

Negative outcomes

Due to the use of the net method, negative outcomes for the technical provision for life insurance hardly occur. A negative result is not set to zero.

Reinsurance

The same method is used for outgoing reinsurance as for the main insurance policies.

Best-estimate provision in the context of the liability adequacy test

The liability adequacy test tests whether the balance sheet value of the technical provisions (after deduction of capitalized interest rate discount and before reinsurance) is at least equal to the best-estimate provision, corrected for any accounting mismatch. The best-estimate provision consists of the discounted value of the expected cash flows and is the sum of:

- the present value of the future annual expected payments and the expected costs for the insurance less the expected gross premiums, based on best-estimate assumptions. The cash flows are discounted on the interest rate curve published by EIOPA without volatility adjustment as at the balance sheet date;
- an adequate risk margin;
- the value of any embedded options and guarantees (not applicable at DH Reinsurance).

The best-estimate provision is then adjusted for any accounting mismatches with the corresponding assets. This means that any difference between the balance sheet value and market value of investments allocated to the liabilities must be taken into account. If the market value of the investments is higher than the balance sheet value, this will lead to a reduction in the test provision, and vice versa.

The test provision determined in this way is compared to the balance sheet provision before reinsurance, whereby the balance sheet provision must be at least equal to the test provision.

Deferred taxes

Deferred taxes are based on the nominal value of the temporary differences between the commercial and fiscal valuation of assets and liabilities. Deferred taxes are based on the tax consequences of the settlement of the assets and liabilities included in the balance sheet. Due to the long-term nature of these deferred taxes, the future nominal tax rate of 25.8% has been taken into account.

Other provisions

Provision for deferred employee benefits

The provision concerns the provision for jubilee awards pursuant to Guideline 271 of the Council for Annual Reporting ('Raad voor de Jaarverslaglegging').

Allocation of interest to the technical result

The interest income is allocated to the technical result on the basis of the ratio between year-end balance sheet values of the technical provisions (with the exception of the "Other technical provision"), the deposits on which interest must be paid, and the fixed-income securities. The outcome of this is reduced by the pro rata part of the investment costs. The total investment income less the interest allocated to the technical result is allocated to the non-technical result.

Allocation of costs to acquisition and investments

Acquisition commission, inspection costs and fees for medical advisers are acquisition costs. Bank charges in connection with investments are investment costs. Part of the personnel costs are allocated to acquisition costs and investment costs on the basis of an estimate of the time spent.

Cash flow statement

The cash flow statement has been prepared using the indirect method.

Events after the balance date

Events that provide further information about the actual situation on the balance sheet date and that are apparent up to the date of preparation of the annual accounts are taken into account in the annual accounts. Events that do not provide further information about the actual situation on the balance sheet date are not recognized in the annual accounts. If such events are important for the opinions of users of the annual accounts, their nature and estimated financial consequences are disclosed in the annual accounts.

SOLVENCY II PRINCIPLES

DH Reinsurance uses the standard formula to determine the Solvency II ratio. As with the BW2 valuation and in accordance with Article 7 of the Delegated Regulation, DH Reinsurance values its assets and liabilities based on the assumption that DH Reinsurance will continue to operate its business ('going concern principle').

Market value valuation

The principles for the valuation of assets and liabilities are laid down in Article 75 of the Solvency II Directive and are further elaborated in Chapter 2 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 (Articles 7 to 16).

Use of estimates

In determining the solvency ratio, DH Reinsurance has to make estimates and assumptions that influence the reported percentage. These estimates are made to the best of the Management Board's knowledge, but the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed periodically, but at least once a year. These are adjusted if necessary. The main estimate and assumptions relate to the technical provision.

Deferred taxes
The balance sheet item deferred taxes is formed on the basis of temporary differences between the statutory and fiscal valuation of assets and liabilities and the differences between the statutory balance sheet and the Solvency II balance sheet, taking into account the tax percentages used for the BW2 valuations.

Equity
Listed investments are valued at the market value at the end of the financial year, both in the annual accounts and in the Solvency II balance sheet.

The value of the Guarantee Fund Onderlinge Levensverzekering-Maatschappij „'s- Gravenhage" U.A. is based on the purchase value.

Investment funds
The mortgage fund is classified as equity and is valued on the basis of the balance sheet value as stated in the investment report of the fund manager. The balance sheet value of the mortgages is determined by the fund manager by discounting the future contractual cash flows, taking into account early repayments by the mortgagor. Furthermore, the limitation in the possibility to sell mortgages in the market is taken into account.

The loan funds are classified as equity and are valued based on the balance sheet value as stated in the investment reports of the fund managers. The balance sheet values of the loans are determined by the fund manager by discounting the future contractual cash flows.

Bonds
Bonds are valued at market value. This is determined on the basis of the stock market prices on the balance sheet date.

Receivables
Receivables are valued at fair value upon initial recognition. Because the receivables are of a short-term nature, this approach is also considered adequate for application to the Solvency II balance sheet. The receivables from reinsurance are valued at market value.

Technical provision
The technical provision is determined in accordance with EIOPA guidelines. In accordance with Article 77 of the Solvency II Directive, the value of the technical provision is equal to the sum of the expected value and the risk margin. The expected value is the present value of future cash flows based on best-estimate assumptions plus the valuation of the provision for future discretionary benefits.

Discounting is done using the risk-free interest rate term structure set by EIOPA (including UFR and excluding VA). With regard to the valuation of the future payment obligations, the liability adequacy test in the statutory annual accounts uses different valuation principles than those used in the Solvency II report.

The valuation differences of the investments and the reinsurance obligations are offset against each other in the statutory annual accounts. This does not happen in the Solvency II report, because the investments are already valued at market value. As a result, the life adequacy test provision in the statutory annual accounts is lower than the technical provision in the Solvency II report.

Other provisions
The other provisions consist of a provision for the rental contract and a provision for additions to the De Hoop Leven fund.

PROFIT AND LOSS ACCOUNT

General
Income and expenses are allocated as much as possible to the year to which they relate.

Premium
Premium income is recognized in the year to which it relates. The unearned premium is part of the "Technical provision".

Costs
The costs are determined with due observance of the valuation principles stated above and are allocated to the year to which they relate.

EXPLANATORY NOTES TO THE BALANCE SHEET

1. Investments

The mortgage investment fund is the AeAM Dutch Mortgage Fund 2. These are indirect investments in mortgages. This fund has the structure of a mutual fund with an open-ended nature, where the extent to which participants can withdraw depends on the available liquid assets. The SME Loan Program – Compartment A1 and the Polestar Circular Debt Fund are investment funds in corporate loans to SMEs.

		2024	2023
1.1	**Other financial investments**		
1.1.1	*Equity*		
	Balance sheet value	48,585	46,321
	Purchase value	29,555	29,159
1.1.2	*Mortgage fund*		
	Balance sheet value	10,723	10,256
	Purchase value	12,000	12,000
1.1.3	*Loan funds*		
	Balance sheet value	4,602	3,124
	Purchase value*	4,877	3,111
Total investments balance sheet value		**63,910**	**59,702**
Total investments purchase value*		**46,433**	**44,269**
1.1.5	*Bonds and other fixed income securities*		
	Balance sheet value	24,529	26,949
	Market value	24,006	26,524

		2024	2023
1.1.2	*Mortgage fund*		
	AeAM Dutch Mortgage Fund 2	10,723	10,256
1.1.3	*Loan fund*		
	SME Loan Programme Fund	4,602	3,124

* The comparative figure of the purchase value of loan funds has been adjusted. The repayment of the SME Loan Programme-Compartment A1 fund in 2023 was wrongly deducted from the purchase value.

Value of investments

	2024				2023			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed equity	48,476	-	-	48,476	46,212	-	-	46,212
Non-listed equity	-	-	109	109	-	-	109	109
Mortgage fund	-	-	10,723	10,723	-	-	10,256	10,256
Loan funds	-	-	4,602	4,602	-	-	3,124	3,124
Subtotal shares and funds	**48,476**	-	**15,433**	**63,910**	**46,212**	**-**	**13,489**	**59,702**
		-						
Bonds and other fixed income securities	24,529	-	-	24,529	26,949	-	-	26,949
		-						
Total investments	**73,006**	-	**15,433**	**88,439**	**73,161**	**-**	**13,489**	**86,651**

Level 1: The value of the investment is based on directly observable market quotations of identical investments in an active market.
Level 2: Current value is determined using valuation models that use observable market data.
Level 3: The value is determined using valuation models that do not use observable market data.

Category

	Balance sheet value as of 01/01	**Purchases and loans**	**Sales and redemptions**	**Amortisations**	**Revaluation through equity**	**Revaluation through earnings**	**Balance sheet value as of 31/12**
Shares	46,321	710	-733	-	1,640	647	48,585
Mortgage fund	10,256	-	-	-	-33	500	10,723
Loan funds	3,124	1,625	-298	-	198	-47	4,602
Bonds and other fixed income securities	26,949	2,180	-4,550	-50	-	-	24,529
Total financial year	86,651	4,515	-5,581	-50	1,805	1,100	88,439
Total last financial year	82,142	9,837	-9,523	-180	3,577	798	86,651

Bonds divided by rating

		2024	**2023**
	Rating		
State/government	AAA	16,018	18,323
	AA	5,082	5,179
	A	3,429	3,447
Total fixed interest value		**24,529**	**26,949**

Bonds divided by region

	2024	**2023**
The Netherlands	11,696	10,330
France	5,082	5,179
Spain	3,429	3,447
European Union	4,322	7,992
Total	**24,529**	**26,949**

*European Union concerns bonds issued independently by the EU.

2. 2. Deposits with ceding insurers

	2024	2023
Ennia Caribe	1,226	1,217
KBC Belgium	900	897
Other	341	290
Total	**2,467**	**2,404**

3 Other receivables

3.1 Other receivables

	2024	2023
Receivables < 1 year		
Prepaid expenses	279	89
Corporate income tax	381	234
Subtotal	**660**	**322**
Receivables > 1 jaar		
Deffered tax assets as of 1/1	362	360
Change in reporting year	19	2
Deffered tax assets as of 31/12	**381**	**362**
Total	**1,042**	**685**

The deferred tax asset is calculated on the basis of 25.8%, as indicated in the 2024 Tax Plan for the 2025 fiscal year.

3.2. Receivables from reinsurance

The balance of receivables from reinsurance concerns the balance of the current accounts based on operational activities.

4. Other assets

4.1. Liquid assets

Up to an amount of GBP 1,000 of the cash balance has been blocked in connection with a letter of credit issued by our bank to a ceding insurer at our request.

5. Accrued assets

	2024	2023
Accrued interest	328	409
Total	**328**	**409**

6. Own funds

		2024	2023
6.1	**Issued and paid-up share capital as of 1/1**	405	405
	Change	-	-
	Issued and paid-up share capital as of 31/12	**405**	**405**
6.2	**Revaluation reserve as of 1/1**	14,430	11,738
	Change due to revaluation	1,805	3,577
	Change in provision for deferred taxes	-423	-885
	Revaluation reserve as of 31/12	**15,811**	**14,430**
6.3	**Other reserve as of 1/1**	46,912	46,263
	Dividend previous financial year	-2,400	-2,400
	Undistributed profit last financial year	2,554	3,049
	Other reserve as of 31/12	**47,066**	**46,912**
6.4	**Undistributed profit as of 1/1**	2,554	3,049
	Addition other reserve	-2,554	-3,049
	Result for the financial year	2,856	2,554
	Undistributed profit as of 31/12	**2,856**	**2,554**
Total		**66,138**	**64,301**

Proposal for allocation of the result:

Nett profit	2,856
Dividend	-2,400
Addition to other reserve	**456**

Share capital

	Share capital	Number issued	Number of shares owned	Issued amount	Deposited amount
Shares of DH Reinsurance	450	900	100	405	405

Sum of the revaluations

	Sum of revaluation	Tax deferral	Total revaluation
Equity	21,200	-5,389	15,811
Total	**21,200**	**-5,389**	**15,811**

The mortgage fund and the loan funds are valued for tax purposes in the same way as under Title 9 of the Dutch Civil Code 2. This means that it is not necessary to form a deferred tax provision for these funds.

7. Technical provisions for life reinsurance

Liability Adequacy Test

The liability adequacy test is performed on the basis of the Guideline for the Annual Reporting 605, articles 534 to 537. The liability adequacy test compares the balance sheet value of the provision for insurance liabilities (less the related capitalized acquisition costs, intangible assets and receivables from deferred profit sharing) with the best estimate provision , the current estimates of all (discounted) contractual cash flows and related cash flows such as claims handling costs, cash flows from embedded options and guarantees taking into account uncertainty margins. If the investments that serve to cover the technical provision are not valued at current value, the difference between the current value and the balance sheet value of these investments is included in the liability adequacy test. Contant Discounting takes place using the interest rate term structure published by EIOPA on the balance sheet date without volatility adjustment.

The balance sheet provision must be at least equal to the best-estimate provision corrected by the mismatch between the allocated assets at book value and the current value. The value thus calculated is 20,544 (2023: 18.674).

The balance sheet provision before reinsurance amounts to 22,913 (2023: 23,157). The results of the test show that the technical provision is adequate (+ 2,370).

Development of the Provision for insurance liabilities for own account

	2024	2023
Provision for insurance liabilities end of last financial year	**22,680**	**23,788**
Own account premiums	5,692	5,584
Release costs from premiums own account	-979	-995
Required interest addition own account	708	737
Unrealised exchange rate diferences	84	-51
Payments and surrenders own account	-4,065	-3,973
Released for costs from the provision	-23	-34
Total	**1,417**	**1,269**
Result on principles		
Result on mortality	-1,572	-2,066
Life reinsurance portfolio	-260	-309
Total	**-1,832**	**-2,376**
Provision for insurance liabilities end of financial year	**22,265**	**22,680**

The technical provisions can generally be regarded as long-term.

8. Provisions

		Balance sheet value as of 01/01	Endowment	Withdrawel financial year	Balance sheet value as of 31/12
8.1	Taxes	5,228	459	-	5,686
8.2	Other provisions	24		-1	23
Total		**5,252**	**459**	**-1**	**5,709**

The provisions are of a long-term nature.

Provision for deferred employee benefits in the context of RJ 271 (addition to pre-pension and jubilee awards)

	2024	2023
Balance as per 1/1	24	29
Movement	-1	-5
Balance as per 31/12	**23**	**24**

9. Debts

	2024	2023
Duration < 1 year		
Current account	150	292
Payable costs	374	583
Net salaries payable	27	34
Total	**551**	**907**

10. Accrued liabilities

	2024	2023
Duration < 1 year		
Holiday allowance payable	37	31
Duration < 5 years		
Holidays	55	39
Total	**92**	**70**

The holiday pay to be paid reflects the reservation that has been built up in 2024. This will be paid out in May 2025.

Obligations not included in the balance sheet

The De Hoop Leven fund was started by DH Reinsurance at the end of 2018 with the aim of supporting research in the field of medical death risks that are difficult to (re)insure. In particular:

- research related to chronic diseases relevant to the target group of DH Reinsurance; and
- research into the insurability of people with chronic conditions and the way in which medically aggravated risks can be dealt with.

In principle, the fund will exist for ten years. After an initial contribution of 100 in December 2018, DH Reinsurance will annually deposit an amount of 100 into the fund's assets. In the eleventh year, any surpluses will be donated by the De Hoop Leven fund to a yet to be determined third party. DH Reinsurance is entitled to suspend payments into the fund's assets if, in the opinion of the founder, one or more special circumstances arise.

In 2019, a ten-year rental contract was entered into for housing and service costs, which expires on 1 July 2029. The rental price for housing was 106 in 2024. This rental price is indexed annually according to the change in the consumer price index.

DH Reinsurance has subscribed to two loan funds. In 2021, the SME Loan Programme was subscribed to for 5,000. At the end of 2024 4.689 was paid into this fund. The investment period runs until 31 December 2024. In 2023 DH Reinsurance subscribed to the Polestar Circular Debt Fund for a maximum investment of 5,000. This fund has not yet made any investments.

EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT

11. Earned premiums own account

	2024			2023		
	Gross	Reinsurance	Own account	Gross	Resinsurance	Own account
Premiums						
Regular premiums	6,455	772	5,683	6,204	629	5,575
One-time premiums	15	6	9	14	6	8
Total premiums	**6,470**	**778**	**5,692**	**6,218**	**634**	**5,584**

Geographical segmentation of gross premiums

	2024	2023	2022
Netherlands	3,269	3,422	3.681
Other EU-countries	596	584	620
Other countries	2,605	2,212	1.858
Total	**6,470**	**6,218**	**6.158**

12. Revenues from investments

	2024			2023		
	Return	Realised profit	Total	Return	Realised profit	Total
Equity	2,308	420	2,728	1,972	72	2,044
Bonds and other fixed income securities	701	-	701	775	-	775
Moneymarket fund	-	52	52	-	-	-
Deposits with insurers	82	-	82	81	-	81
Liquid assets	4	-	4	4	-	4
Total	**3,096**	**471**	**3,568**	**2,833**	**72**	**2,905**

13. Unrealised gains on investments

	2024	2023
Equity	712	970
Mortgage fund	500	-
Loan funds	-	57
Total	**1,212**	**1,027**

14. Other technical income own account

	2024	2023
Other interest received	8	27
Unrealised currency difference	195	156
Total	**203**	**183**

15. Own account payments

	2024			2023		
	Bruto	Herverzekering	Eigen rekening	Bruto	Herverzekering	Eigen rekening
Expirations	622	-	622	680	-	680
Annuities	156	-	156	176	-	176
Death benefits	3,371	275	3,096	2,414	39	2,375
Surrenders	192	0	192	931	190	741
Total	**4,341**	**276**	**4,065**	**4,202**	**229**	**3,973**

16. Change in technical provisions own account for life insurance

See explanation in section 7.

17. Operating costs

		2024	2023
17.1	**Acquisition costs**		
	Allocated acquisition costs	298	293
	Gross acquisition commission	76	107
	Fees for medical advisors	174	157
	Inspection costs	1	3
	Subtotal acquisition costs	**550**	**560**
17.2	**Administration and personnel costs**		
	Salaries	838	781
	Social security payments	87	81
	Pension costs	232	342
	Other personnel costs	37	28
	Subtotal personnel costs	**1,194**	**1,232**
	Accountant	133	141
	Actuary	126	128
	Other services of third parties	641	479
	Donation	100	100
	Commission	73	78
	Office rental	106	68
	License fees	128	93
	Other costs	-36	177
	Costs allocated to investments	-72	-76
	Subtotal administration costs	**1,199**	**1,187**
	Subtotal administration and personnel costs	**2,393**	**2,418**
17.3	**Commission received from reinsurers**		
	Acquisition commission	-32	-10
	Recurrent commission	-258	-214
	Subtotal commission received from reinsurers	**-290**	**-225**
	Total	**2,652**	**2,754**

The asset management costs charged to DH Reinsurance have been included in investment expenses from 2024. Comparative figures have been restated accordingly.

Operating expenses decreased slightly. This is mainly due to a decrease in the amount of acquisition commissions paid and an increase in the amount of commissions received from reinsurers.

Pension costs

	2024	2023
Pension premium	232	342
Total	**232**	**342**

Pension costs decreased by in 2024. This is due to the fact that, unlike in 2023, there was no indexation of pensions relating to previous years.

Directors' remuneration

In the 2024 financial year, the following amounts were paid as renumeration, including pension costs, to (former) directors and supervisory board members: 284 (2023: 279) respectively 35 (2023: 39).

Employees

All employees work in The Netherlands.

	2024		2023	
	FTE	aantal	FTE	aantal
Number of employees employed as of 31/12	6.6	9.0	6.6	9.0
Average number of employees employed	6.6	9.0	6.4	8.5

Accounting firm costs

A change of auditors took place in 2024. The costs of the auditors Deloitte Accountants N.V. (2024) and KPMG Accountants N.V. (2023) are shown below. The costs are charged to the year to which they relate. The amounts below include VAT.

	2024			2023		
	Deloitte Accountants N.V.	**Other Deloitte-network**	**Total Deloitte**	**KPMG Accountants N.V.**	**Other KPMG-network**	**Total KPMG**
Examination of the annual accounts	118	-	133	118	-	118
Other audit assignments	15	-	-	23	-	23
Total	**133**	**-**	**133**	**141**	**-**	**141**

In addition to the statutory audit of the annual accounts, Deloitte Accountants N.V. also performed the statutory audit of the Solvency II QRTs.

18. Investment costs

	2024	2023
Investment administrative costs	57	33
Allocated personnel costs	72	76
Total	**128**	**109**

As explained under 17. operating expenses, the costs charged to De Hoop in relation to asset management have been included in investment expenses with effect from 2024. The comparative figures have been restated accordingly.

19. Unrealised loss on investments

	2024	2023
Equity	485	159
Loan funds	47	142
Total	**532**	**301**

20. Other technical charges own account

	2024	2023
Unrealised currency difference	107	208
Total	**107**	**208**

21. Investment income allocated to non-technical account

In 2024, the allocation to the non-technical account is 623 higher than in 2023. This is mainly due to higher dividend and interest income.

22. Result by profit sources

	2024	2023
Result on interest	-100	-103
Result on costs	-1,651	-1,725
Result on mortality and additional insurance	1,572	2,068
Result on changes	260	308
Subtotal result on principles	**81**	**548**
Other technical benefits and costs	13	24
Total	**94**	**572**

The technical account decreased by 478 compared to 2023. This was mainly due to a lower development of the technical provisions and lower operating expenses.

23. Result after taxes

	2024	2023
Taxes financial year 25,8%	-901	-878
Change deferred taxes 25,8%	-16	-29
Taxes previous years	168	-
Taxes	**-749**	**-907**

The effective corporate tax rate in 2024 was 25,4% (2023: 26,2%). The applicable rate is 25,8%. The corporation tax returns for 2022 and 2023 were filed in 2024. The difference in corporation tax for the years up to and including 2023 was accounted for in 2024 following the filing of the return.

OTHER INFORMATION

Events after the balance sheet date

There are no events after the balance sheet date of material significance.

Related parties

Related party transactions may occur when a relationship exists between the company, its shareholders and their directors and executive officers. There have been no transactions with related parties which are not on a arm's length basis. Transactions with the shareholders concern dividend payments, transactions pursuant to the capacity as ceding insurer or reinsurer, transactions pursuant to the administration of the pension scheme and transactions pursuant to a Service contract and the rental agreement.

The remuneration of the Directors and the Supervisory Board members is included under Directors' remuneration item 17. Board member Seada van den Herik is also a board member of one of the shareholders. The directors of DH Reinsurance are appointed in a personal capacity.

RISK SECTION

DH Reinsurance operates in a market with a specific insurance risk profile. In addition to the underwriting risk, market risk, credit risk, liquidity risk, commercial risk, operational risk and integrity risk also play a role. DH Reinsurance's business operations are aimed at recognizing, quantifying and managing these risks. The policy regarding risk management is set out in the Management Board's report.

The results of the calculation of the capital requirements under the current solvency regime are as follows:

	2024	2023
Eligible Own Funds (EOF)	64,575	64,154
Solvency Capital Requirement (SCR)	26,697	24,794
Ratio of EOF to SCR	242%	259%

Compared to the end of 2023 the solvency ratio slightly decreased. The Eligible Own funds increased by 421, mainly due to an increase in the value of equity. The Solvency Capital Requirement also increased, from 24,794 to 26,697. This increase is mainly caused by the increase in market risk by 8%, also as a result of the increase in the value of equity. This results in a lower ratio.

The SCR is structured as follows:

Breakdown of Solvency Capital Requirement (SCR)

	2024	2023
Market risk	22,507	20,920
Counterparty default risk	2,916	2,757
Underwriting risk	7,483	6,864
Diversification effect	-6,467	-5,996
Basic Solvency Capital Requirement (BSCR)	26,438	24,545
Operational risk	259	249
SCR	**26,697**	**24,794**

The SCR consists of the Basic Solvency Capital Requirement (BSCR) plus the required capital for operational risk. Under certain strict conditions, the loss-absorbing capacity of deferred taxes (LAC DT) may be deducted from this. DH Reinsurance has decided not to apply the LAC DT. This decision is periodically assessed.

Breakdown of market risk

	2024	2023
Interest	323	812
Equity	20,333	18,738
Spread	392	301
Currency	4,927	5,048
Concentration	2,188	1,332
Diversification effect	-5,656	-5,310
	22,507	**20,920**

Breakdown of underwriting risk

	2024	2023
Mortality risk	3,137	3,102
Longevity risk	307	275
Lapse risk	2,721	2,659
Expense risk	3,576	2,950
Catastrophe risk	1,592	1,514
Diversification effect	-3,850	-3,635
	7,483	**6,864**

The SCR is 1,903(8%) higher than last year. The market risk increased due to an increase in the value of the equity position and an increased equity adjustment
(2024: 2,86%; 2023: 1,46%). The equity adjustment affects the shock on the value of equity, which is used to calculate the SCR of the equity. The equity adjustment is an adjustment to the basic shock of a maximum of plus or minus ten percentage points, depending on the development of the stock market over the past three years. The underwriting risk increased due to increased cost risk.

The following overview shows the reconciliation between own funds according to the annual accounts (BW2 and RJ) and SII: The required capital and the solvency ratio are also stated.

	2024	2023
Own funds annual accounts	**66,138**	**64,301**
Valuation differences of assets	-347	-210
Valuation differences between technical balance sheet provisions and best-estimate provision	1,987	3,888
Valuation differences other liabilities	-511	-640
Valuation differences related to deferred taxes	-291	-784
Own funds before dividend distribution	**66,975**	**66,554**
Proposed dividend	2,400	2,400
Eligible Own funds (EOF)	**64,575**	**68,954**
Solvency Capital Requirement (SCR)	**26,697**	**24,794**
Solvency ratio	**242%**	**259%**

In the annual accounts, equity is valued at current value and bonds at amortized cost. On the Solvency II balance sheet, all investments are valued at current market value.

The difference between the technical provision and the best-estimate provision is that the technical provision is based on net (rate) principles discounted at a fixed discount rate and that the best-estimate provision is determined on the basis of best estimates (for mortality, costs and lapse). The interest rate curve published by EIOPA without volatility adjustment is used for discounting the cash flows. This provision is increased by a risk margin.

The difference in deferred tax between the annual accounts and the Solvency II balance sheet is explained by different valuation principles.

The Other obligations mainly relate to the De Hoop Leven fund.

The table below shows the impact on own funds and solvency (according to Solvency II) for the most important risk factors if the risk factors undergo significant changes.

Sensitivity to shocks as of 31 December

	2024			2023		
	Change in equity[1]	Change in required solvency SII	Change in SII-solvency ratio in % points	Change in equity[1]	Change in required solvency SII	Change in SII-solvency ratio in % points
Interest rate curve shocked by + 100 bp	338	-297	4%	117	-241	3%
Interest rate curve shocked by - 100 bp	-660	391	-6%	-419	316	-5%
No UFR	-239	56	-1%	-212	42	-1%
Equity shocked with + 25%	9,013	4,752	-8%	8,593	4,365	-9%
Equity shocked with - 25%	-9,013	-4,595	10%	-8,593	-4,214	11%

1) The change in own funds includes the change in the deferred tax provision.

A qualitative and, where necessary, a quantitative explanation is given below for each risk factor.

Commercial risk

Commercial risk is the risk that the company's objectives will not be achieved due to insufficient response to changes in environmental factors. DH Reinsurance operates from a reinsurance position and is therefore dependent on individual life insurers. Market movements but also strategic reconsiderations by these parties have a direct influence on production at DH Reinsurance. The Dutch insurance market is mainly characterized by consolidations, efficiency gains and significant price competition. DH Reinsurance focuses mainly on term life insurance, a product that is mainly taken out in combination with mortgages. Due to these developments, the number of providers on the Dutch market is becoming increasingly smaller. Because DH Reinsurance operates from a reinsurance position, it is becoming increasingly difficult for the end customer to find the route to an insurance solution.

DH Reinsurance carried out a strategic reorientation in 2021 and determined a long-term growth strategy. The implementation of this growth strategy started in 2022. This has now ensured that a new customized track for new policyholders is being set up in the Netherlands with various insurers. In addition, new reinsurance relationships have been entered into with partners in Germany and the United Kingdom.

Market risk

Part of the market risk is the interest rate and matching risk that may arise when hedging the obligations. The interest rate risk arises from market valuations of the underlying portfolios, such as liabilities and fixed-income securities. The liabilities are fully covered by fixed-income securities, mainly high-quality government bonds, of which the durations are not fully aligned with the obligations. In addition, part is also invested in mortgage and loan funds. Due to the diversification in the duration of the investments and the relatively short duration of the liabilities, interest rate changes have little influence on DH Reinsurance's solvency position. In addition, DH Reinsurance is little affected by the so-called UFR drag due to the shorter obligations.

Modified duration

	2024	2023
Investments	**4.2**	**4.6**
Technical provisions	**9.0**	**9.1**

Although the duration of the investments is shorter than that of the technical provision, the interest rate risk is relatively low, as the value of the investments is almost double that of the technical provision.

The greatest market risk lies within the equity portfolio. Price falls will quickly have a negative impact on the existing own funds. However, in such a case, the required capital also decreases, causing the solvency ratio to increase.

To limit the equity risk, investments are mainly made in more defensive Dutch, European and American stocks ("global players"), which historically also pay a decent dividend. The price risk is not hedged by derivative instruments. Given the defensive nature and the solid solvency position, this is an acceptable risk. Stress tests are carried out periodically with the aim of monitoring the solvency position and taking measures if necessary.

There is a currency risk within the equity portfolio. In recent years, the equity portfolio in foreign currencies has been expanded and the currency risk is increased due to value developments. Research has shown that currency hedging on equity portfolios does not significantly reduce currency risk. It has therefore been decided not to hedge this risk.

Equity invested in foreign currency (amounts in euros)

Valuta	2024	2023
American dollar	11,826	12,178
British pound	632	641
Japanese yen	986	925
Swedish krona	1,792	1,762
Swiss franc	4,473	4,687
Total	**19,708**	**20,193**
In % of the equity portfolio	31%	34%

Credit risk

The credit risk is divided into the following components:

Fixed income securities

The fixed-income securities consist of government bonds of the Dutch, Spanish and French governments as well as supranational bonds of the European Union. This involves a very limited credit risk.

Debtor risk

DH Reinsurance has no debtor relationship with consumers.

The debtor risk in this context lies with the primary insurance companies. DH Reinsurance has a current account relationship with its ceding insurers. The current account is drawn up and checked every month. As a rule, this is settled monthly. Some foreign ceding insurers are settled annually. The debtor risk is negligible.

Counterparty default risk

No deposit has been made for the reinsurer QBE. The reinsured provision is included in the calculation of the counterparty risk under Solvency II.

DH Reinsurance makes a deposit with a number of foreign ceding insurers equal to the provision for insurance liabilities. This deposit serves as security for the ceding insurer. The risk of this deposit is limited.

The cash balances at banks are subject to counterparty default risk. DH Reinsurance mitigates this risk by spreading the liquidity position among banks with at least an A rating.

The mortgage fund also falls under this risk. The mortgage fund is mainly related to guaranteed mortgages (Dutch Mortgage Guarantee) granted after 1 January 2013, where repayment is the norm and overcrediting is capped (loan to value capped at 106%).

This shifts the majority of the mortgage fund's debt risk to the Dutch state. The mortgage fund is an investment with a low risk profile. The counterparty default risk is assessed as low.

Liquidity risk

Liquidity is the ability to make the investments on the balance sheet liquid, for example when distributions have to be made or collateral has to be deposited. At DH Reinsurance, the obligations that require liquid assets mainly consist of payments that must be made to the ceding insurers. If mortality increases, higher payments in the portfolio may have to be taken into account than expected. DH Reinsurance pays out the obligations to ceding insurers at the time of claim by the ceding insurer. Claims are settled with the reinsurer on a quarterly basis. The settlements with the foreign ceding insurers are drawn up and processed at the end of the financial year. DH Reinsurance always maintains a reasonable buffer of liquid assets and invests mainly in government bonds and shares that are relatively easy to liquidate. DH Reinsurance does not invest in derivatives and therefore runs no risk of having to provide collateral. Part of the liquid assets (GBP 1,000) is in a blocked account at a bank, because the bank in question has issued a letter of credit to a ceding insurer.

Operational and outsourcing risk

DH Reinsurance strives for reliable and auditable administrative processing with its administrative organization, internal controls, reporting lines and processes. These measures are recorded in an AO/IB manual.

The size of DH Reinsurance makes the company extra vulnerable to operational risks, especially in the area of continuity of activities. Vital processes are guaranteed by spreading the knowledge of the work among several people. In addition, a number of activities (ICT, HRM, Internal Audit and Compliance) are carried out by Onderlinge 's-Gravenhage. Because this is an insurer under the supervision of DNB, this party is well aware of the applicable laws and regulations and the requirements that an insurer imposes on these parties. DH Reinsurance therefore expects that there will be less risk here than if these matters were carried out by other external parties. The management and custody of investments is carried out by CACEIS. DH Reinsurance uses a number of cloud service providers for the IT infrastructure and office automation.

The Financial Risk Management Function and the Actuarial Function have been outsourced to EY Actuarissen B.V. The Operational Risk management function has been outsourced to AFIER IT-Auditors B.V.

As control measures regarding services provided by third parties, the available ISAE 3402 or similar reports are reviewed and periodic evaluation discussions about the services are held with Onderlinge 's-Gravenhage.

Life underwriting risk

Given the increase in costs, expense risk has become the main risk. This concerns the risk that cost coverage in the insurance rates and portfolio is insufficient to finance operational costs.

An important part of the insurance risk is formed by acceptance on incorrect conditions. Incorrect assessment of the risk can lead to loss on mortality, damage to existing solvency and loss of confidence among both the ceding insurer and ultimately the consumer. To manage these risks, an acceptance procedure is used that does justice to the special risks that DH Reinsurance wants to reinsure. This procedure is primarily aimed at medical acceptance. In addition, for higher insured capitals, in addition to the procedures that the ceding insurer itself uses internally, our own financial acceptance procedure applies.

Capital in excess of our own retention is also reinsured with another party.

An annual study is conducted into mortality per condition or group of conditions. DH Reinsurance also carries out an annual life adequacy test based on RJ guidelines. The balance sheet provision is tested for adequacy. The results of this test show that the balance sheet provision is adequate (+ 4,484).

Own risk assessment

DH Reinsurance annually carries out an Own Risk and Solvency Assessment (ORSA) in which a number of stress scenarios relating to these threats are calculated. The most recent ORSA report has shown that it is unreasonable to assume that increased mortality risks pose a threat to the continuity of the company in the medium term. DH Reinsurance's solvency is more than sufficient to counter (temporary or structural) setbacks in any area. The continuity of the company is not jeopardized. Negative economic developments can even have a positive impact on solvency.

The Hague, March 27 2025

Directors
Gilbert Pluym
Seada van den Herik

Supervisory Board
Lex Geerdes, president
Martijn Hoogeweegen, vice president
Sibylla Bantema
Marcel Levi

OTHER INFORMATION

STATUTORY REGULATIONS REGARDING THE ALLOCATION OF PROFITS

The rules on the allocation of profits are included in Article 26 of the Articles of Association.

Article 26 of the articles of association reads as follows:

- A percentage of the corporate profit as shown in the profit and loss account will be reserved annually, after deducting the unrecovered loss balances from the previous years.
- The resulting profit is at the disposal of the General Meeting of Shareholders, with due observance of the relevant provisions of Article 105 of Book 2 of the Civil Code.

DH Reinsurance is a tradename of
N.V. Levensverzekering-Maatschappij 'De Hoop'
Anna van Saksenlaan 10
2593 HT The Hague
The Netherlands
Tel. +31 70 342 1313

info@dhreinsurance.com
www.dhreinsurance.com