

**Athora Holding Ltd.**  
**Significant Event Report**  
**As at 6 October 2021**

## 1 Overview

Athora Holding Ltd., a limited liability company domiciled in Bermuda, is the holding company of the Athora group of companies (collectively, Athora or the group). This Significant Event Report supplements the Financial Condition Report (FCR) of the group for the financial year ending 31 December 2020.

This Significant Event Report has been compiled in accordance with the Insurance (Group Supervision) Rules 2011. In the preparation of this Report, a full balance sheet re-valuation and BSCR re-assessment was not undertaken.

## 2 Capital Position 31 December 2020

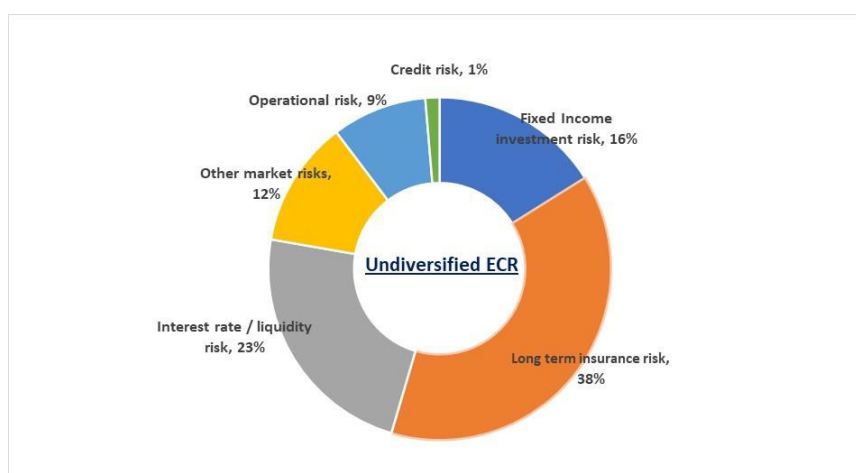
Athora has identified modelling errors in the calculation of its 31 December 2020 consolidated Economic Balance Sheet (EBS), it has also adjusted its Operational Risk Capital, resulting in an update to its Available Statutory Capital and Enhanced Capital Requirement (ECR) at 31 December 2020, as set out below. The revised group Bermuda Solvency Capital Requirement (BSCR) ratio of 200% remains comfortably above the internal capital risk appetite level. This change has no impact on the solvency ratio of any of the group's operating entities.

Capital Position	31 December 2020 per FCR €m	31 December 2020 updated €m
Available Statutory Capital	5,888	4,890
ECR	2,435	2,445
Surplus	3,453	2,446
<b>Solvency Ratio</b>	<b>242%</b>	<b>200%</b>

## 3 Other updated capital metrics

### 3.1 Updated ECR at 31 December 2020

The chart below shows the composition of the group's updated undiversified restated ECR by Bermuda Solvency Capital Requirement model risk category at 31 December 2020.



The largest components of the undiversified ECR, driven by market risks (which include fixed income investment risk, interest rate and liquidity risk and other market risks), remain unchanged.

### 3.2 Updated Group Eligible capital at 31 December 2020

At 31 December 2020, Athora's updated eligible capital was categorised as shown in the table below:

	€m
Tier 1	4,036
Tier 2	854
Tier 3	-
	<b>4,890</b>

Tier 1 represents the highest quality capital, mainly consisting of common share capital and share premium, statutory economic surplus, preferred shares and restricted Tier 1 notes (which are classified as Tier 1 ancillary capital). Tier 2 capital relates to three subordinated debt instruments.

The group's updated eligible capital for its MSM and ECR was categorised as follows:

	MSM limits	ECR limits	MSM €m	ECR €m
Tier 1	80% (min)	60% (min)	4,036	4,036
Tier 2	20% (max)	40% (max)	854	854
Tier 3	-	-	-	-

### 3.3 Updated Available Statutory Capital at 31 December 2020

**Identification of differences in shareholders' equity as stated in the financial statements versus available statutory capital and surplus**

The following table sets out the reconciliation of IFRS total equity to the updated available statutory capital at 31 December 2020:

	€m
IFRS Total Equity	4,254
Non-admitted assets net of tax	(266)
<b>Adjusted to EBS</b>	
Insurance assets and liabilities valuation differences	263
Financial asset and liabilities valuation differences	(33)
Reclassification of subordinated liabilities	854
Net deferred tax on valuation differences	(182)
<b>Available statutory economic available capital and surplus</b>	<b>4,890</b>

### 3.4 Updated Solvency Valuation at 31 December 2020

The table below sets out the updated Insurance Provisions at 31 December 2020:

Insurance provision	€m
Insurance provisions	48,463
Reinsurance asset	1,205
<b>Net best estimate provisions</b>	<b>49,668</b>
Risk margin	1,395
Liabilities attributable to policyholders and third parties	14,102
<b>Total</b>	<b>65,165</b>

**Declaration on Significant Event Report**

This disclosure constitutes a Significant Event Report. This report supplements the Group Financial Condition Report for the financial year ending 31 December 2020 and is compiled in accordance with the requirements of Insurance (Group Supervision) Rules 2011.

We declare to the best of our knowledge and belief, as of, 6 October 2021, this Significant Event Report fairly represents the financial condition of the group.



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**Michele Bareggi**

**Group Chief Executive Officer**



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**Anders Malmstrom**

**Group Chief Finance Officer**