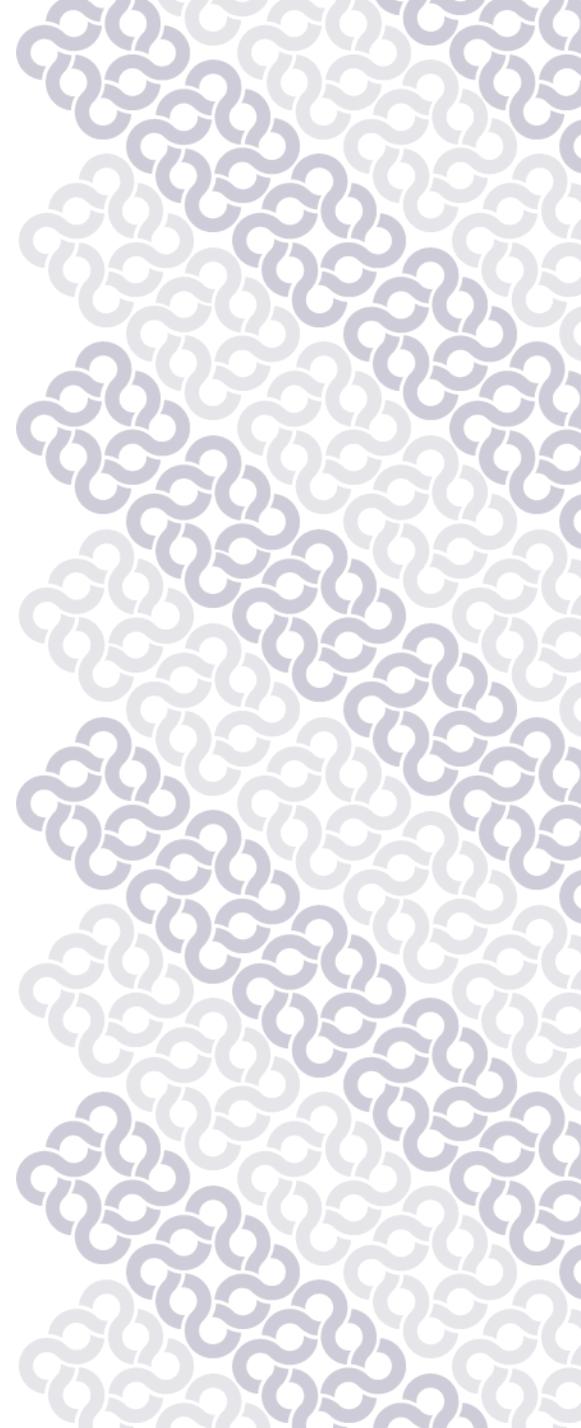




## **ATHORA GROUP 2021 RESULTS**

14 April 2022



# ATHORA EVIDENCED STRONG STRATEGIC AND FINANCIAL PERFORMANCE IN 2021



## Demonstrated strategic delivery

- Agreed acquisition of Amissima Vita in Italy and a portfolio transfer with NN Insurance Belgium
- 3 pension buy-outs in the Netherlands, including a landmark €455m transaction with Atradius
- Incremental third-party reinsurance volumes as part of a 'flow treaty' with a leading Irish insurer
- Rationalisation of non-core activities in Ireland (variable annuities) and the Netherlands (ACTIAM) to increase focus

## Strong financial results

- Assets under Administration broadly stable at €79.4bn<sup>1</sup> (2020: €82.0bn)<sup>2</sup>
- A further year of IFRS profitability with Profit Before Tax of €428m (2020: €709m<sup>3</sup>, including €213m one-off gain related to acquisition of Athora Netherlands)
- Significant increase in Operating Capital Generation to €272m (2020: €53m)
- Continued Total IFRS Equity growth to €4.8bn (2020: €4.3bn)

## Robust balance sheet

- Group solvency comfortable at 187% (2020: 200%)<sup>4</sup>
- Business unit solvency capital levels now above remittance thresholds
- €630m of new equity commitments bringing total capital committed since inception to c.€4.7bn
- Leverage ratio at 25% medium-term target as a result of active de-leveraging since 2020
- Achieved credit rating upgrades to A-

# CONTINUED DELIVERY AGAINST THE STRATEGIC PILLARS OF OUR BUSINESS MODEL

## Sustainable growth



- Leading guaranteed life and pension provider in Europe
- Multiple growth channels (M&A, reinsurance, pension buy-outs, retail new business)
- Disciplined and value-driven underwriting approach

2021

- ✓ Amissima Vita acquisition provides access to a key European market
- ✓ €3.3bn portfolio acquisition in Belgium strengthens market share to top-10
- ✓ €455m pension buy out in the Netherlands in addition to two smaller transactions

## Proactive capital and risk management



- Prudent capital & liquidity management
- Minimise volatility and exposure to systemic market risks
- Strong capital generation
- Targeting “A” range ratings and 25% Financial Leverage

2021

- ✓ Group solvency remained robust
- ✓ Achieved A- ratings with Fitch and AM Best
- ✓ Secured €630 million in new equity capital commitments
- ✓ Multi-year deleveraging leading to 25% Financial Leverage

## Strong and stable investment returns



- Asset allocation tailored to the needs of traditional European life liabilities
- Market-leading spread generation, benefitting from strategic relationship with Apollo
- Ability to react quickly to market dislocations

2021

- ✓ Increase in Operating Capital Generation from €53m to €272m
- ✓ Investment returns exceeded target in Belgium, Germany and Bermuda
- ✓ Rotation of asset portfolio in Netherlands, Operating Capital Generation positive in 2021

## Competitive costs and service levels



- Focus only on value-add activities
- Pursue simplification and drive operating efficiency
- Ensure scalability of operations and readiness to absorb future growth plans

2021

- ✓ Reduced operating expenses across the group
- ✓ Two year plan developed to increase process maturity, further strengthen operational controls and achieve our efficiency ambitions
- ✓ Customer satisfaction trending upwards across all business units

# ATHORA HAS GROWN INTO A LEADING PAN-EUROPEAN LIFE INSURANCE PLATFORM



**2018**

ATHORA Life Re ATHORA Ireland

Reinsurance: offering a comprehensive range of asset intensive solutions across Europe

**Assets under Administration: €1.9bn**

**2020**

ATHORA Netherlands

Open book: traditional life insurance, unit-linked, pensions and buy-outs

**Assets under Administration: €64.1bn**

**2019**

ATHORA Belgium

Open book: traditional individual/group business and unit-linked

**Assets under Administration: €7.9bn**

**2014**

ATHORA Germany

Run-off: comprising traditional annuities and endowments, and a small unit-linked portfolio

**Assets under Administration: €5.8bn**

**2022**

amissima VITA

Open book: guaranteed, unit-linked and multi-class business (pending)

**Total Assets: €7.2bn<sup>3</sup>**

**2021**

**Total AuA<sup>1</sup>**  
**€79.4bn**

**Customers**  
**2.3m**

**Employees**  
**1.9k**

**Total Equity**  
**€4.8bn**

**Credit Rating**  
**A-**  
**Positive Outlook<sup>2</sup>**

Notes: (1) Assets under Administration, group total of €79.4 billion is after the inclusion of centrally held cash and the elimination of intra group instruments such as reinsurance receivables (2) Fitch rating is A- (positive) and AM Best rating is A- (stable). (3) Amissima Vita figures as of FY 2020.

# ACQUISITIONS STRENGTHEN SCALE OF GROUP

## Acquisition of Amissima Vita



### Key metrics<sup>1</sup>

- AuA: €7.2 billion
- Gross written premiums: €800 million
- Customers: 140k

### Strategic highlights

- First step into the Italian life insurance market, which is Europe's third largest
- Focus on new business in traditional products
- Expected to close in 2022

## Portfolio transfer with NN Insurance Belgium



### Key metrics

- AuA: €3.3bn
- Athora Belgium pro-forma AuA: €10.6bn

### Strategic highlights

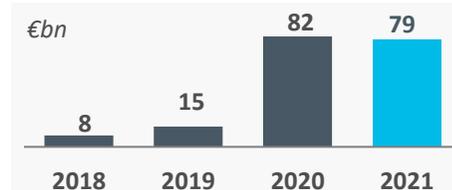
- In-market consolidation scaling Athora Belgium to over €10 billion
- Market share by reserves increased to top-10
- Expected to close in 2022

# FINANCIAL PERFORMANCE CONTINUED TO BE STRONG IN 2021



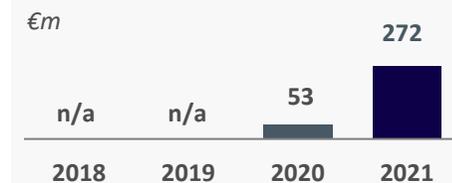
**Total AuA<sup>1</sup>**  
**€79.4bn**

- Marginal mark to market decline primarily due to rising interest rates with a corresponding reduction in insurance provisions
- Expected to increase to c.€90 billion<sup>2</sup> following Amissima and NN Belgium transaction completions in 2022



**OCG<sup>3</sup>**  
**€272m**

- Reversal of Netherlands OCG from -€103 million<sup>4</sup> in 2020 to €76 million in 2021 as a result of asset rotation strategy towards higher spread assets
- Belgium and Germany achieved spread levels above target in 2021 contributing significantly to Group OCG



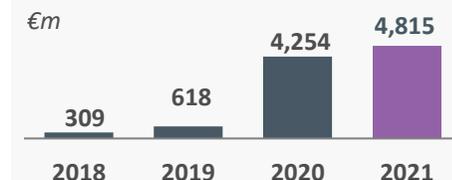
**Profit Before Tax<sup>5</sup>**  
**€428m**

- A further year of profitability following our acquisition of Athora NL
- Lower profit before tax in 2021 mainly due to gain on acquisition of Athora Netherlands of €213 million in 2020



**Total IFRS Equity**  
**€4.8bn**

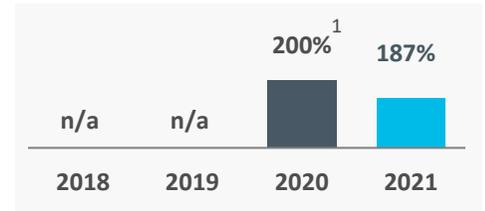
- Steady increase in IFRS Equity over 2021 from €4.3 billion to €4.8 billion
- Driven by increased retained earnings and capital issuance of €360 million in December



# OUR BALANCE SHEET REMAINED ROBUST

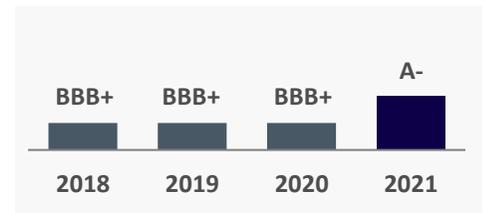
## Group Solvency 187%

- Decrease due to reduction in Available Statutory Capital, due to impact of modelling and methodology changes, partially offset by the issue of equity capital in December 2021



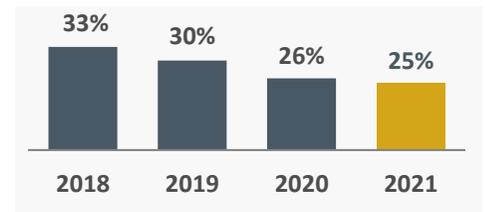
## Credit Ratings<sup>1</sup> A-

- Achieved target of A range ratings in 2021 with upgrades from both Fitch and AM Best
- Ambition for further medium-term rating improvement



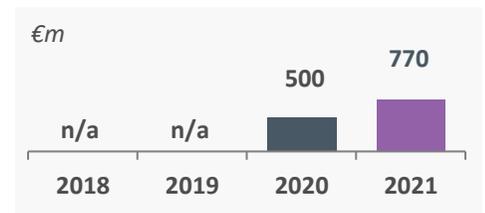
## Financial Leverage 25%

- At 25% medium-term Financial Leverage target
- Increase in retained earnings and additional equity issue more than offset impact of marginal additional regulatory capital debt raised

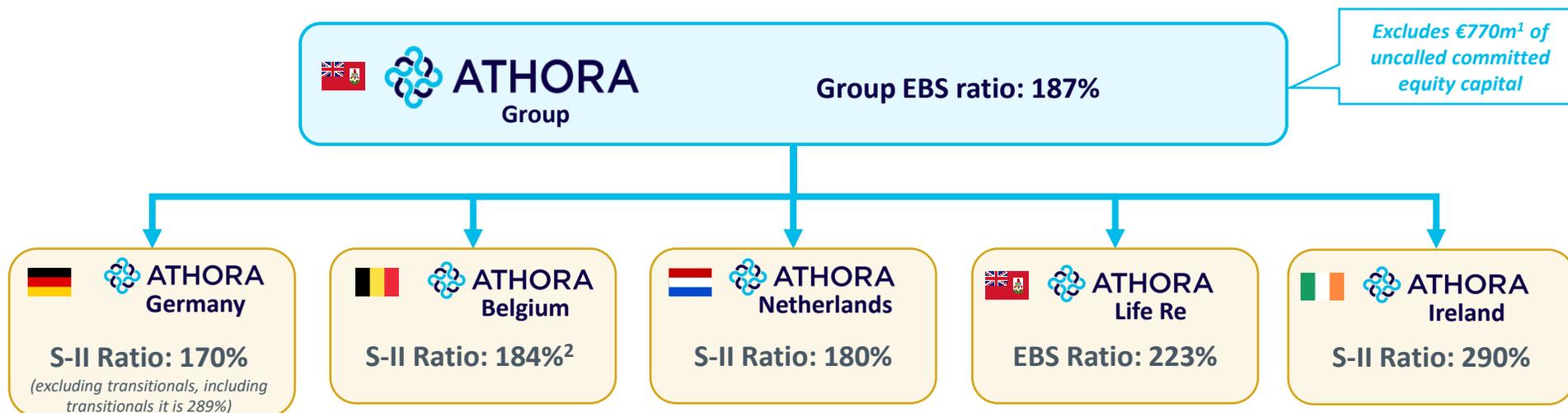


## Undrawn Capital €770m

- €500 million Equity Backstop remained undrawn in 2021
- €630 million equity raised in 2021, of which €270 million remains undrawn



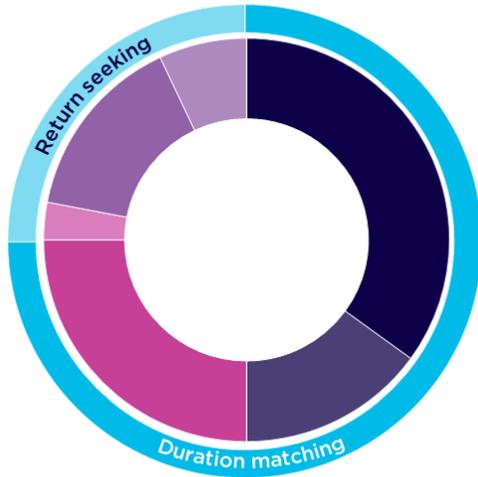
# OUR GROUP AND SUBSIDIARIES ARE WELL CAPITALISED



- Decrease due to reduction in Available statutory capital, due to impact of modelling and methodology changes, partially offset by the issue of equity capital in December 2021
- New €250m senior loan signed in April 2022, when drawn this is expected to add up 10% to Group EBS ratio
- Subsidiary solvency strengthened in 2021 including a meaningful increase in the capitalisation of Athora Netherlands to 180% supported by positive operating capital generation, a €325m capital injection and the inaugural application of LAC-DT
- Athora Germany's Solvency II ratio without transitionals increased to well in excess of 100% at 170%, while headline capitalisation increased to 289%

# WE ARE EVIDENCING OUR ABILITY TO ROTATE ASSET PORTFOLIOS SUCESSFULLY

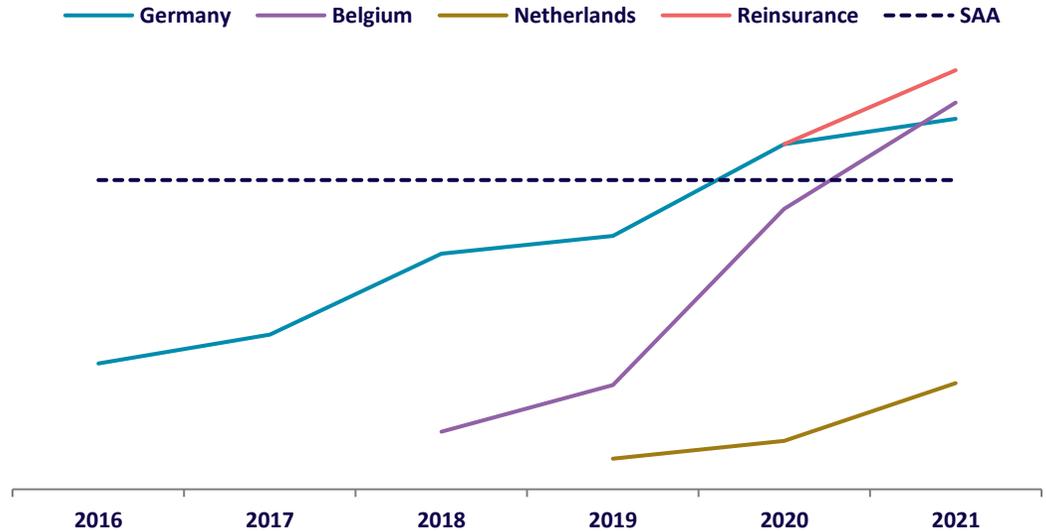
## Representative asset allocation



- Cash, government debt & interest rate derivatives
- Corporate bonds
- Unlisted bonds
- Mortgage loans
- Collateral loans
- Alternatives

- c.75% of portfolio invested in duration matching assets to match our liability cashflow profiles, minimising exposure to market risk and protecting solvency capital position against volatility
- Remainder of portfolio invested in return seeking assets to support overall yield

## Spread performance



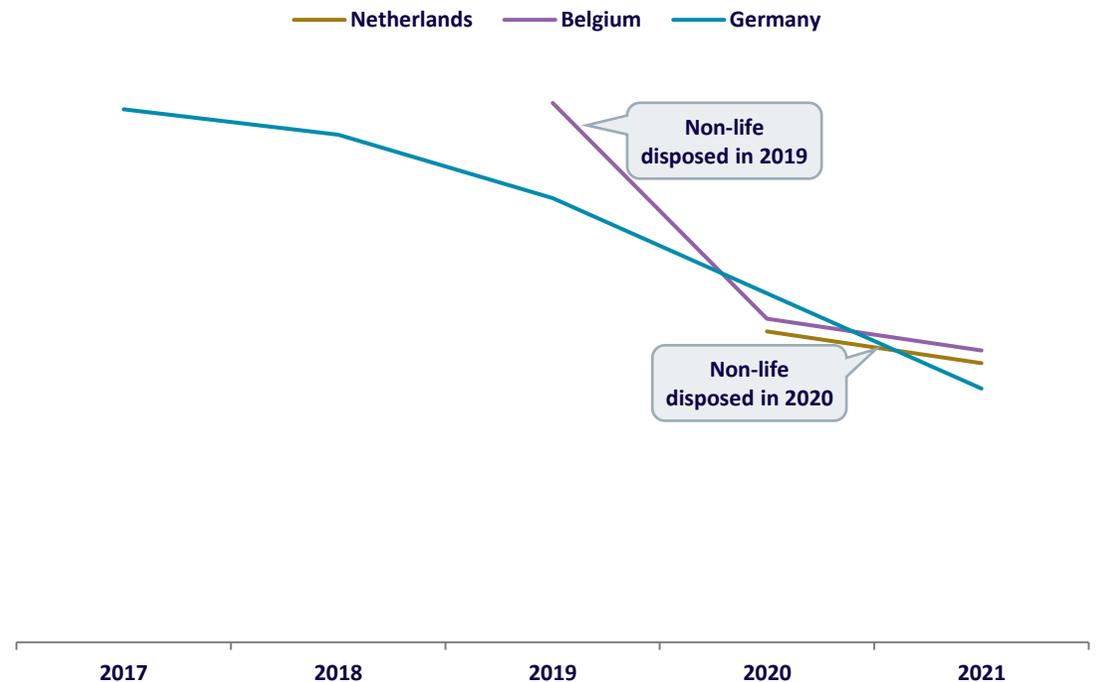
- Tangible evidence of our business model through steady repositioning of portfolio toward higher spread assets with more attractive risk-return profiles
- Belgium, Germany and Athora Life Re now above target spread levels with encouraging progress made in 2021 in the Netherlands
- Spread progress has supported an increase in total policyholder investment returns from 0% in 2015 to 4% in 2021 in Germany (among the highest) and continued increases in policyholder investment returns in Belgium

# DEMONSTRATED EFFICIENCY GAINS IN ACQUIRED BUSINESSES

## Business unit progress

- Athora Germany continued its multi-year transformation journey achieving significant unit cost reduction through continuous process optimisation, increase in automation, reshaping the operating model and reduction of excess capacity
- Athora Belgium has focused on operational readiness as well as rationalising and variabilising the cost base through process improvement and simplification
- In the Netherlands we have taken initial steps toward a more nimble and agile organisation, several optimisation levers identified to further reduce the cost base

## Unit Costs vs. Solvency II Reserves <sup>1</sup>



# **CONCLUDING REMARKS AND OUTLOOK**

1

**2021 was another profitable year for Athora Group with a significant increase in Operating Capital Generation**

2

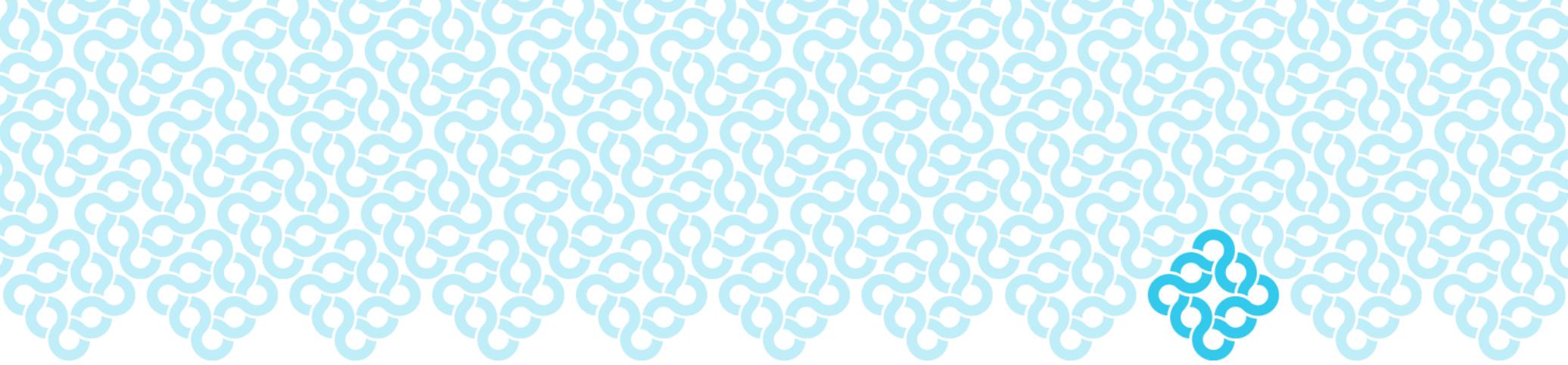
**Balance sheet remains robust at both Group and subsidiary level. Financial Leverage decreased to the 25% target and Credit Ratings upgraded to A-**

3

**Acquisitions announced in 2021 are expected to complete in 2022 driving increased scale for our business and opening up a new market in Italy**

4

**Poised for further growth in 2022 and beyond, where we will continue to seek opportunities consistent with our strategy**

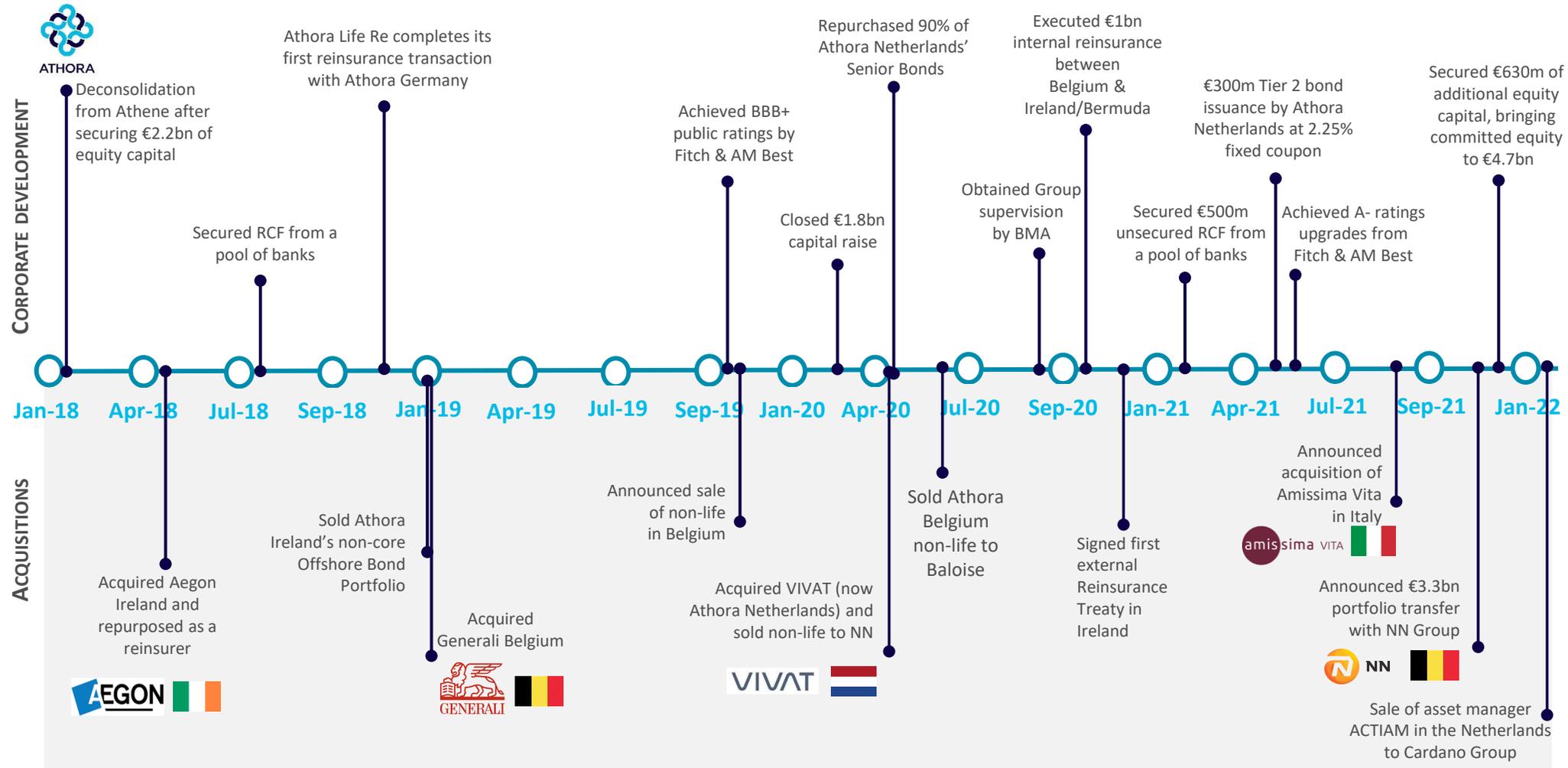


## APPENDIX

# ATHORA WAS ESTABLISHED TO CAPITALISE ON THE ATTRACTIVE EUROPEAN MARKET OPPORTUNITY



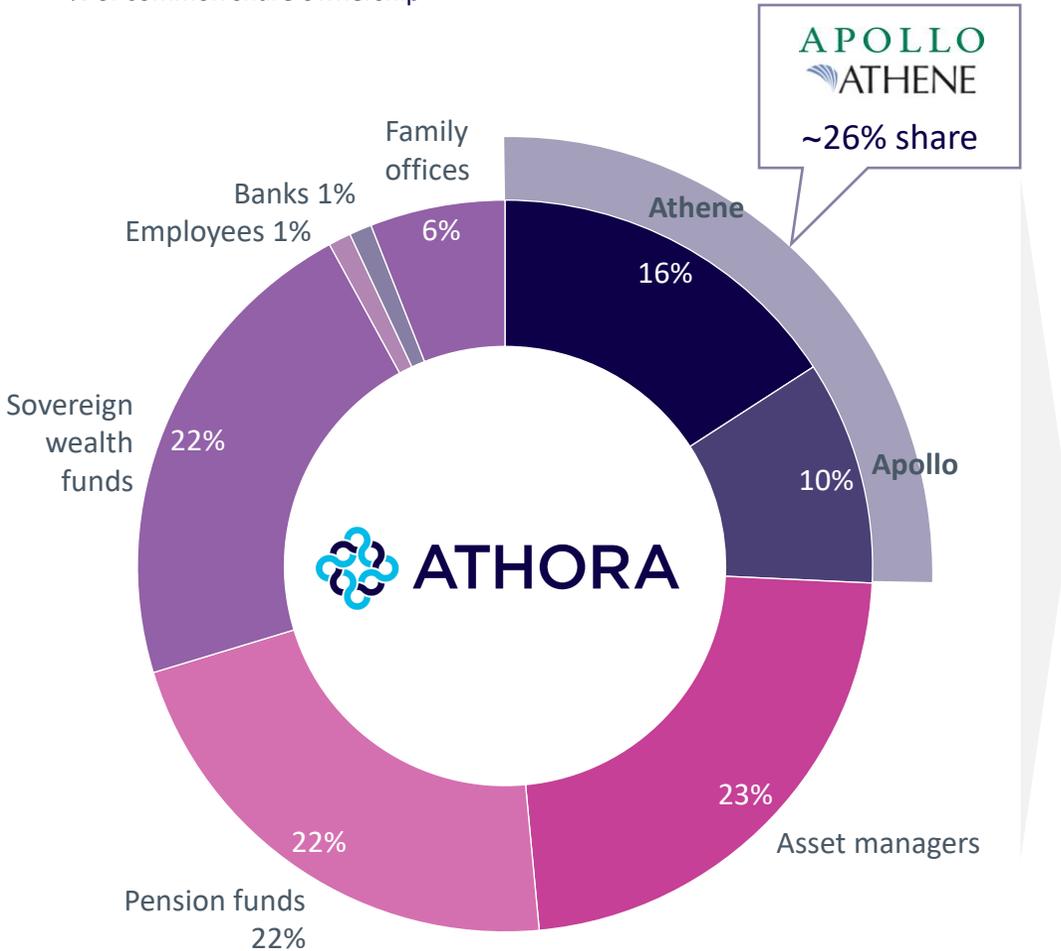
In only four years, Athora has established itself as an 'A-' rated insurance group with four primary insurance businesses and a highly scalable reinsurance business with carriers in both Bermuda and Ireland.



# A DIVERSE AND SUPPORTIVE INVESTOR BASE

Athora Shareholder Base as of February 2022

% of common share ownership<sup>(1)</sup>



## Athora has the support of a leading group of institutional investors alongside Apollo & Athene

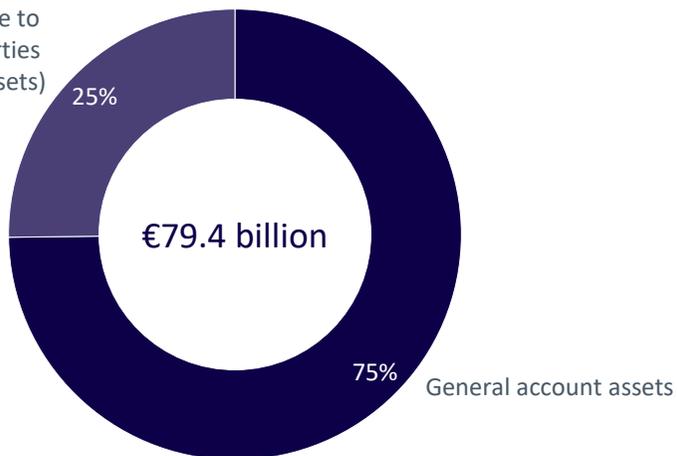
- Robust capital base with **c.€4.7bn** of capital committed<sup>(2)</sup>
- Strong alignment with Apollo and Athene as evidenced by **€2.2bn** committed to date
- Globally diverse investor base of **~30 institutional investors**
- Significant commitments and conviction from large investors: **top 10 investors constitute >75% of ownership**

<sup>(1)</sup> Pro-forma for year-end capital issuance. The above chart shows relative fully-diluted economic ownership <sup>(2)</sup> Includes of €3.4bn in common equity commitments, €725m in preferred equity commitments and €500m contingent equity backstop.

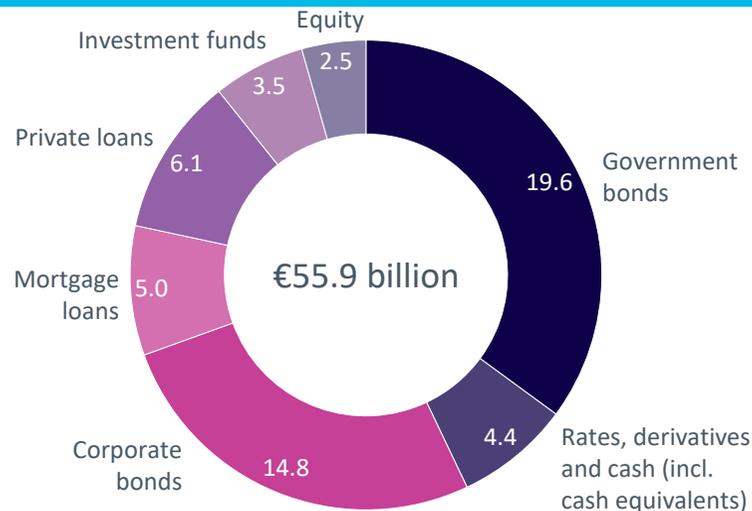
# GROUP ASSETS – HIGH QUALITY ASSET PORTFOLIO (1/2)

## Composition of Assets under Administration

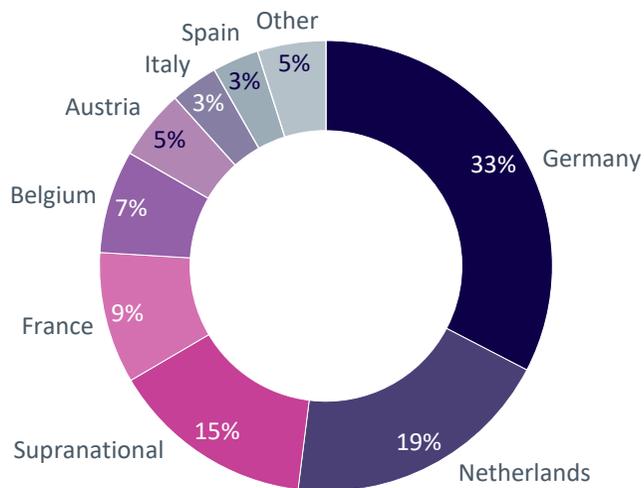
Investments attributable to policyholders and third parties (includes unit-linked assets)



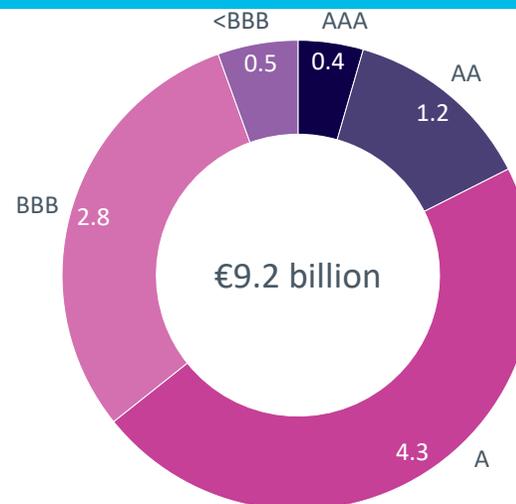
## General Account: Asset Composition



## General Account: Sovereign Debt by Issuer

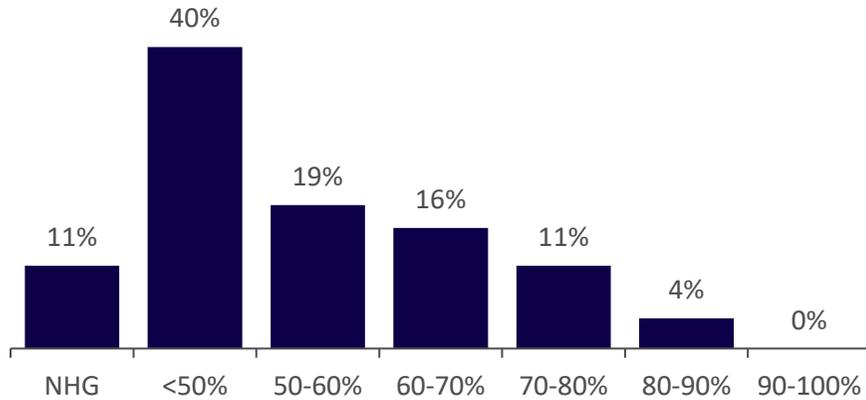


## General Account: Traded Public Credit by Rating

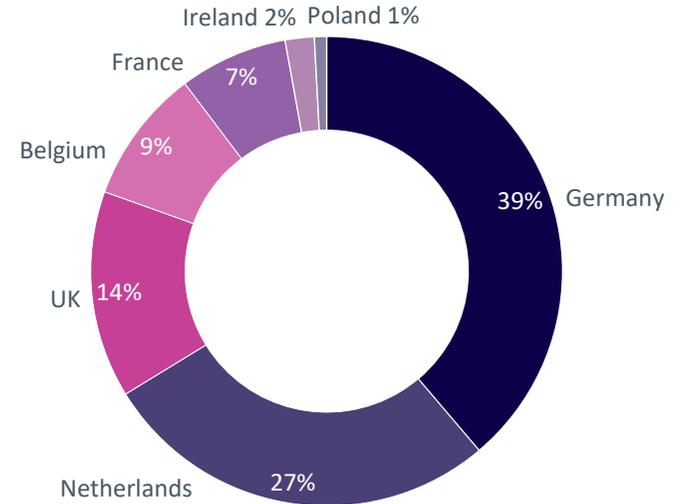


# GROUP ASSETS – HIGH QUALITY ASSET PORTFOLIO (2/2)

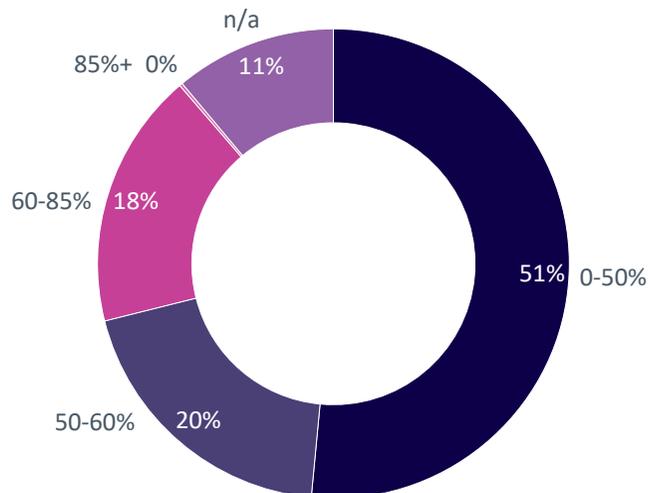
General Account: Residential Mortgages by LTV<sup>1</sup>



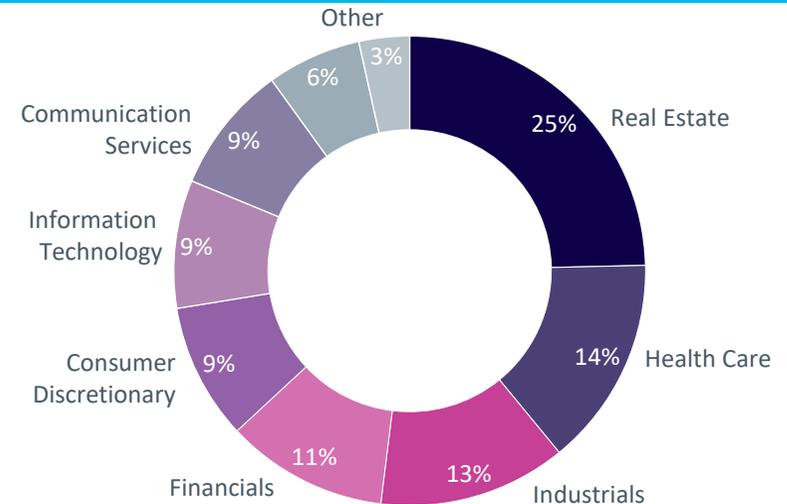
General Account: Real Estate Portfolio by Country



General Account: Private Credit by LTV



General Account: Private Credit by Sector



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