

Athora delivers robust results in 2021, whilst progressing strategic objectives

Pembroke, Bermuda, 14 April 2022 – Athora Holding Ltd. (Athora or the Group), an insurance and reinsurance group focused on the European market, today announced financial results for the full year ended 31 December 2021.

The Group saw continued progress against its strategic objectives including an agreement to acquire Amissima Vita in Italy, a transaction with insurer NN Insurance Belgium to acquire a portfolio in Belgium, and the disposal of non-core assets in the Netherlands and Ireland.

The Group delivered robust financial performance in 2021 underpinned by its core investment capabilities, supported by its strategic relationship with Apollo. Over the course of 2021, Athora achieved an A- Fitch Insurance Financial Strength Rating with positive outlook. This rating was supported by strong solvency capital at the Group and operating entity levels, continued deleveraging and a recognition of Athora's increased operating scale.

Performance highlights

- Assets under Administration¹ of €79 billion (FY 2020: €82 billion²) decreased slightly as a result of rising interest rates with a corresponding reduction in the related insurance provisions.
- Group IFRS profit before tax (from continuing operations) was €428 million (FY 2020: €709 million³). The reduction compared to 2020 is primarily attributable to the non-recurrence of the one-off gain on acquisition of Athora Netherlands of €213 million recognised in 2020.
- Operating Capital Generation (OCG)⁴ of €272 million (FY 2020: €53 million) reflected the impact of the asset rotation strategy executed in the Netherlands and Belgium and Germany achieving returns above target in 2021.
- Total IFRS equity increased to €4.8 billion (FY 2020: €4.3 billion) as a result of the increase in retained earnings and new equity capital issuance.
- Financial Leverage ratio decreased to 25%⁵ (FY 2020: 26%), our medium term target, as a result of the growth in IFRS equity.

¹ Calculated by Athora as the sum of investment properties, financial assets, cash and cash equivalents, loans and advances due from banks and investments attributable to policyholders and third parties in the statement of financial position.

² On 31 December 2021, Athora Ireland (included in Reinsurance) sold its Variable Annuity (VA) portfolio. The comparatives for 2020 have been re-presented to remove the VA assets associated with this portfolio (€1.3 billion).

³ The 2020 comparatives have been re-presented from those previously published to reclassify certain operations as discontinued operations.

⁴ OCG is defined as the expected carry on investments, less the cost of liabilities and includes the Ultimate Forward Rate (UFR) drag, expense variances, SCR and Risk Margin unwind and new business. It excludes UFR stepdown and profit sharing impacts.

⁵ Financial Leverage is defined consistent with the Fitch Ratings methodology. The ratio is calculated as Debt over Debt + Equity. Debt includes Senior and Tier 2 Debt. Equity includes Common Shareholders' Equity, Preferred Shares and Restricted Tier 1 Debt. All non-Common Equity items are accounted for at their notional values and where applicable, adjustments for the FX rate at the end of the period are made.

Financial strength highlights

- Fitch upgraded the Financial Strength ratings of Athora's subsidiaries (Athora Ireland plc, Athora Life Re Ltd. and SRLEV N.V.) from BBB+ to A- (positive). The ratings of Athora Holding Ltd. and Athora Netherlands N.V. were upgraded from BBB to BBB+ (positive). Additionally, AM Best upgraded the ratings of Athora Life Re Ltd. and Athora Ireland plc to A- (Stable) from B++ (Stable).
- Estimated Group Bermuda Solvency Capital Requirement (BSCR) ratio remains robust at 187% (2020: 200%⁶).
- Athora signed a €500 million unsecured Revolving Credit Facility with a group of leading credit institutions, providing material additional liquidity resources. The facility has not been drawn.
- SRLEV N.V. refinanced a 9% €250m Tier 2 instrument at favourable terms, with a new Athora Netherlands N.V. issuance of a 2.25% €300m Tier 2 instrument.
- In December 2021, Athora completed a capital call, securing €630 million of new capital commitments. An amount of €360 million was issued (€210 million of common equity shares and €150 million of preference shares) and €270 million remains undrawn.
- We made further investment into our business in the Netherlands (€325 million), to accelerate the asset repositioning strategy.

Strategic Progress

- Athora Netherlands continued to reposition its investment portfolio to support increased risk-adjusted returns and drive higher capital generation. Operating capital generation at Athora Netherlands was positive in 2021.
- Announced the sale of Athora Ireland's variable annuity portfolio in March 2021 (approximately €1 billion of AuA), which has been in run-off since 2017. The sale allows Athora Ireland to focus on further developing its growing reinsurance business.
- In September 2021, Athora announced the acquisition of Amissima Vita in Italy, a €7.2 billion life insurer, which will allow it to play a key role in meeting the demand for guaranteed savings products in one of Europe's largest insurance markets.
- Announced the sale of Athora Netherlands' in-house asset manager, ACTIAM, to Cardano Group in October 2021. The sale was completed in January 2022 and allows the business to focus wholly on its core business lines and leadership in the pensions market.
- In October 2021, Athora Belgium agreed the acquisition of a €3.3 billion life insurance portfolio from NN Insurance Belgium.
- Athora Netherlands completed 3 pension buy-outs in the Netherlands, including a landmark €455m transaction.
- Athora Netherlands was recognised by the VBDO⁷ as the most sustainable insurer in the Netherlands.

⁶ Following the publication of a "Significant Event Report" dated 6 October 2021, comparative figures for the year ended 31 December 2020 have been updated accordingly.

⁷ Dutch Association of Investors for Sustainable Development

Group Chief Executive Officer statement

Michele Bareggi, Group Chief Executive Officer of Athora, said:

"I am pleased with the progress we made in 2021 to consolidate our unique position in the European insurance market, as we continued to deliver on our business case. We focused on providing security and attractive returns to our customers during uncertain times, while continuing to meet the expectations of our investors and other stakeholders.

During the year, we secured €630 million of new equity commitments, bringing total committed equity capital to c.€4.7 billion. This additional capital will be used to support continued growth, investments in our business units, and the overall financial flexibility of the Group. We ended the year with most business units achieving strong increases in solvency capital and a robust group solvency capital position. In addition, our leverage ratio is at our medium-term target and we have achieved credit rating upgrades to A-. Athora is extremely well positioned for the next stage of our journey.

Looking ahead, we will continue to focus on implementing the key elements of our business model, building on the strong results that we have achieved to date. We want to realise our full potential as a leading European insurer, which means maturing our operations and controls, and driving forward our sustainability initiatives, to ensure we increase value to all our stakeholders.

We will also focus on carefully integrating our latest acquisitions in Italy and Belgium, which are expected to close in 2022. As with prior transactions, we have allocated dedicated resources to manage the integration process so that there is a smooth transition into the Athora Group for both our new customers and employees."

For information

Credit Investor Relations:

Mike Guille
mike.guille@athora.com
T: +44 20 3890 6533

Media Relations:

Vikki Kosmalska
Maitland/amo
athora@maitland.co.uk
T: +44 207 379 5151



About Athora

Athora is a specialised insurance and reinsurance group fully focused on the European market. We concentrate on the large and attractive traditional life and pensions market, with an ambition to become a leading provider of guaranteed life and pensions products in Europe. We serve the needs of individual and corporate customers who continue to demand products offering safety of returns, and also provide innovative M&A and reinsurance solutions to other insurers seeking to enhance their capital position or enact strategic change. Athora's principal subsidiaries are Athora Netherlands N.V. (Amstelveen, Netherlands), Athora Belgium N.V./S.A. (Brussels), Athora Lebensversicherung AG (Wiesbaden, Germany), Athora Ireland plc (Dublin) and Athora Life Re Ltd. (Bermuda). The Athora Group employs some 1,900 staff and has 2.3 million customers with assets under administration of €79 billion (as at 31 December 2021).

For more information, please visit: www.athora.com

LinkedIn: www.linkedin.com/company/athoragroup

Disclaimer

This press release of Athora Holding Ltd. contains information relating to the full year results for 2021 of Athora Holding Ltd., as described above.

This press release contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation and should be read in conjunction with the annual report 2021 of Athora Holding Ltd. Consistent accounting policies were applied in preparing the results to 31 December 2021 as those applied in preparing the annual report 2020 of Athora Holding Ltd.