ATHORA

ANNUAL REPORT

2024

Athora Holding Ltd.


Helping customers achieve long-term financial security

2024 FINANCIAL HIGHLIGHTS

Operating capital generation (OCG)

€657m

2023: €567m APM

Group solvency ratio (estimated)[1]

187%

2023: 182% APM

Business unit remittances

€310m

2023: €nil APM

IFRS profit before tax

€54m

2023: €1,082m

Organic new business volumes

€3.7bn

2023: €3.0bn APM

Assets under management and administration

€76.0bn

2023: €73bn APM

IFRS shareholders' equity and CSM net of tax[2]

€5,945m

2023: €6,076m

Financial leverage ratio

26%

2023: 25% APM

2024 RATINGS

Athora Life Re, Athora Ireland and SRLEV N.V.

A

Fitch Insurer Financial Strength Rating (August 2024)

Visit www.athora.com/ratings for all our latest ratings.

All amounts throughout the report marked with APM are Alternative Performance Measures. Definitions are set out in the Other information section; please refer to page 201.

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[1] The Bermuda Solvency Capital Requirement (BSCR) ratio is considered to be an estimate as it has not formally been submitted to the Bermuda Monetary Authority (BMA). Formal submission will be made by end May 2025 in line with regulatory deadlines.
[2] CSM net of tax and reinsurance.

Athora at a glance

Athora is one of the fastest growing savings and retirement services companies in Europe, focused on the traditional life and pensions market.

Who we are

We dedicate our time, capital and resources to providing products and services which help customers achieve long-term financial security.

We focus on delivering competitive and stable returns to policyholders within a robust risk management framework, and with the certainty of long-term and high-quality investor support.

Our ambition is to become the leading provider of guaranteed savings and retirement products in Europe, with growth through a combination of individual and corporate new business activity, mergers and acquisition, as well as portfolio and risk transfer solutions.

€76.0bn
Assets under management and administration

2.8m
Customers

€5,945m
Total IFRS shareholders' equity and CSM (net of tax and reinsurance)

c.1,460
Employees

Our mission

To deliver more value to our customers in fulfilling their long-term insurance needs.

Our values

Dare to be different

We create more value for our customers and our business by doing things differently. Together, we challenge the status quo, we do things differently where it brings more value, we share ideas and we embrace new ways of working.

Seek simplicity

We aim for simplicity in a complex business environment. We strive to design simple and cost-effective products and processes that benefit our customers, our partners and our colleagues.

Care

We care about our business, our customers and each other. We welcome and respect diversity of opinion and thought and our collaborative and inclusive workplace ensures we can thrive.

Do the right thing

We take our responsibilities seriously. We commit to always 'doing the right thing' to create a sustainable future for our customers, our partners, our colleagues and the communities we operate in.

Business units

Our **primary insurance** operations are based in the Netherlands, Belgium, Germany and Italy. In the Netherlands, Belgium and Italy, we provide a range of life and pensions products to individual and corporate customers to meet their financial planning needs. In Germany, we focus on efficiently managing the existing book of policies and delivering an attractive customer offering.

We offer **risk transfer** solutions through our subsidiary Athora Life Re.

Our brands

ATHORA Zwitserleven Reaal

Our insurance businesses in Belgium, Germany and Italy, and our reinsurance business in Bermuda all operate under the Athora brand.

Athora Netherlands consists of the insurance brands Zwitserleven and Reaal. Each brand focuses on different customer groups with its own products and services to optimally meet their needs.

Our locations

Athora is headquartered in Bermuda with c. 1,460 employees across 10 offices in Belgium, Bermuda, Germany, Ireland, Italy, the Netherlands and the UK.

Our story

Athora was originally established in Bermuda in 2014 by US-based Athene Holding Ltd. (Athene) with the intention to build a savings and retirement services group focused on the European market. Given the size of the potential opportunities in Europe, €2.2 billion of equity capital commitments were secured in 2017 from several global institutional investors. This reporting year marks the seventh anniversary of the business separating from Athene and being renamed Athora Holding Ltd. (AHL). Since inception, Athora has raised c.€6.75 billion of total equity capital, established operations in seven countries and formed a leading European insurance group. Key milestones since deconsolidation from Athene are outlined below.

2024

- Completed **3 pension risk transfer transactions** of c.€0.9 billion in the Netherlands.
- **€310 million of cash remittances** received from the Netherlands.
- **€750 million Tier 2 public listed notes** and **€400 million public listed restricted Tier 1** securities issuance completed.

2023

- **First public listed debt issuance** completed of €600 million Tier 3 notes.
- **Aquired WTW's Premium Pension Institution** in the Netherlands.
- **Aquired Onderlinge 's- Gravenhage's** 2nd pillar pension portfolio in the Netherlands.

2022

- **Secured c.€2.75 billion additional common equity** commitments.
- **Aquired Amissima Vita** (now Athora Italia).
- **Athora Belgium acquired a closed life portfolio** from NN Belgium.

2021

- **Athora Netherlands announces sale of ACTIAM** to Cardano Group.
- **Athora Netherlands completes landmark PRT transaction** with Pension Fund Atradius.
- **Financial strength** ratings upgraded to A-range.

2020

- **Secured €1.8 billion additional equity capital** commitments.
- **Acquired VIVAT** (now Athora Netherlands) entering the Netherlands market.
- **€1.0 billion reinsurance transaction** completed by our reinsurance subsidiaries with Athora Belgium.

2019

- **Acquired Generali Belgium** (now Athora Belgium), entering the Belgian life insurance market.

2018

- **Established in 2018** following deconsolidation from Athene and rebranded as Athora.
- **Acquired Aegon Ireland,** repurposing the business into a reinsurance hub in Europe.
- **Athora Life Re completed its first reinsurance transaction** with Athora Germany.

A message from the Chairman

"During the year, our business model and strategy have been validated by solid progress in our client offering, business performance, operations and governance. We remain laser focused on our strategy and long-term ambitions."

Bruce Hemphill
Chair of the Board of Directors

It has been a great privilege to chair one of the fastest-growing savings and retirement services companies in Europe this year.

There continues to be both strong customer demand for guaranteed products in Europe and a meaningful gap in insurer supply. This is largely because guaranteed products are capital intensive and require sophisticated capital and risk management capabilities. Athora's differentiated business proposition is uniquely positioned to meet this challenge and help customers achieve long-term financial security.

Athora has built strong foundations and support through its strategic and highly committed investor base. In turn, we deliver competitive and stable returns to policyholders, and create value for all of our stakeholders – for the long-term.

During the year, our business model and strategy have been validated by solid progress in our client offering, business performance, operations and governance.

The improvements we've implemented in recent years are evident, and we remain laser focused on our strategy and long-term ambitions.

I'm proud of the progress we have made and it provides significant capacity for Athora to continue to grow, both organically and inorganically.

Highlights

Athora's ongoing organic growth and maturity is extremely encouraging. During 2024, Athora had strong new business momentum across its businesses in Belgium, Italy and the Netherlands as we translated our capabilities into simple and attractive products for our policyholders, typically with financial guarantees. In these markets we launched new market-leading products and expanded distribution networks to increase volumes.

Athora Netherlands continued to deliver strong and improving results. In 2024, it was the largest contributor to our overall performance increase, and demonstrated leadership in the evolving pension risk transfer market by completing several transactions.

Our tailored and differentiated investment capabilities have once again enabled us to deliver market-leading customer returns in Belgium, Germany, Italy and the Netherlands, reflecting the robustness of the investment portfolio and our ability to offer both security and certainty of returns. This, in turn, supports the uplift in capital generation during the year.

Athora's customers also benefit from our robust financial position, as evidenced by strong solvency ratios, stable leverage and our access to capital. During the year, we completed two public debt issuances and Fitch Ratings reaffirmed Athora's 'A' Insurer Financial Strength (IFS) rating with a Stable outlook.

Operationally, we have continued to simplify processes and structures, allowing us to work better and faster, and maintain the agility to effectively integrate acquired businesses. Simplification also allows us to better manage costs, which continues to be a focus. Important transformation programmes this year included the roll out of new actuarial and investment accounting platforms and a comprehensive outsourcing of IT activities.

Governance and culture

In order to be successful in fulfilling our customers' long-term insurance needs, we must do business in the right way. Building a strong and consistent culture is central to this.

As a new entrant into the European savings and retirement services market, with a differentiated business model, significant time is spent with regulators. We greatly value our collaborative supervisory relationships, where an active dialogue is helping to shape our progress.

We have continued to make improvements in our risk frameworks to ensure that we remain resilient and protect all stakeholder interests. At the same time, we made consistent progress in strengthening our leadership teams and governance, removing layers and simplifying processes.

In this regard, as well as chairing the Athora Holding Ltd. Board of Directors, I have recently also assumed responsibility for chairing the Athora Nominating and Corporate Governance Committee. Anna Maria D'Hulster who previously held this position now chairs the Risk Committee.

At the end of 2024, we held our annual Independent Non-Executive Directors' conference. It was extremely rewarding to get together with more than 60 leaders from across the Athora Group to discuss business performance, key trends and upcoming priorities. This event serves as an excellent indicator of the strength of our teams and our collective culture.

The ongoing focus on our governance and culture is key to our overall organisational maturation and the improvements we are making are evident every day. But getting our culture right is also crucial for delivering long-term success.

Looking forward

Athora's vision is clear and embraced across the organisation. We want to become the leading provider of guaranteed savings and retirement products in Europe, with growth through a combination of individual and corporate new business activity, mergers and acquisitions, as well as portfolio and risk transfer activities.

The quality and long-term nature of our investor base provides Athora with the access to significant capital to deliver on these ambitions, and we are well positioned to execute on market opportunities which complement our existing books of business.

We've come a long way, and I know there is a lot more for us to achieve. I'm excited for the future and I would like to thank our high-performing teams for their dedication and hard work, our policyholders for their continued trust, and our shareholders for their ongoing support.

Bruce Hemphill
Chair of the Board of Directors

Chief Executive Officer's report

"2024 has been a year of execution and transition for Athora. We have made material progress in the delivery of our strategy and business plans. Looking ahead, we see a broad spectrum of growth opportunities that would allow us to further enhance our business footprint."

Mike Wells
Group Chief Executive Officer

As we enter our eighth year as an independent Group, it is remarkable to look at what has been achieved, most notably in our growth and maturity journey. Since inception in 2018, we have completed seven acquisitions and have established a growing primary market presence in Belgium, Germany, Italy and the Netherlands. Combined with our Reinsurance operations, this translates into assets under management and administration (AuMA) of €76.0 billion reflecting the savings of 2.8 million European policyholders. This growth has been enabled by c.€6.75 billion of permanent equity capital, raised from a leading and global shareholder base, providing long-term capital into the European savings and retirement services market.

The original thesis behind the establishment of Athora was that legacy operators in the European savings and retirement services market would continue to transition away from products offering financial guarantees, in turn removing capital from the industry. This trend was anticipated to be reinforced by increasing structural demand from European savers and retirees, as a result of demographics and changes in social security systems. While the realisation of this view has changed from year-to-year, our premise stands firm and the long-term trends are very evidently moving in this direction.

Against this backdrop, we have been able to clearly demonstrate the merits of our business model and meet the demands of European savers and retirees. Initially, our activities focused solely on acquisitions, but over time we have been able to establish an increasingly relevant organic franchise, which we will develop further over the coming years. The business and financial performance achieved in 2024 also shows the symbiotic nature of our business model for stakeholders. We are able to offer attractive products and solutions to our customers, while delivering strong value creation for our shareholders and other stakeholders, supported by our unique investment capabilities, a robust approach to risk management and strong operating foundations.

Business update

2024 has been a year of execution and transition for Athora where we have made material progress in the execution of our strategy and business plans.

From a strategic standpoint, it is very pleasing to see that asset balances are now organically growing, with inflows up by 21% to €3.7 billion - (excluding Risk Transfer activity). Generating strong, organic and recurring growth is central to our strategic objectives and benefits both operating efficiency and capital management.

This activity is further complemented by Risk Transfer activity, with an increasingly active Pension Risk Transfer (PRT) market in the Netherlands. Organic growth will continue to be complemented by disciplined M&A to build scale in our core markets. Across all growth channels, we continue to see strong demand for savings and retirement services products that offer financial guarantees.

Turning to the execution of our business plans, we are advancing on each of our strategic pillars – Grow, Optimise, Earn, Operate – across all business units, and as a combined Group, as well as strengthening our foundations. Alongside the strong growth momentum achieved in the year, we have further increased investment spreads and are managing down expenses, supporting growth in both operating capital generation (OCG) and cashflow generation. The culmination of these activities has been the commencement of remittances from Athora Netherlands, which is a key strategic milestone. We target predictable capital and cashflow generation from all business units, with operating activities supported by a lean and strategic Corporate Centre. To support this ambition, we have taken several steps including a reduction in central shared service activities and the closer integration of Reinsurance activities into the Corporate Centre.

Underpinning our business activities is an unwavering focus on financial strength and strong risk management, to ensure stability for all stakeholders for the long term. Solvency remains robust across all of our business units, supported by a combination of positive OCG and proactive management actions, including Group capital support to enable growth with attractive returns and business plan delivery. Group solvency (estimated) remains above minimum target levels at 187% and financial leverage continues to be managed in line with Fitch Insurer Financial Strength (IFS) 'A' range target levels 26%.

Progress by Pillars

Grow

Over the course of 2024, we have delivered material growth across our organic new business channels, while maintaining a disciplined approach to transaction activity. A key highlight of the year is the strong uplift in organic inflows to €3.7 billion (excluding Risk Transfer activity), with positive momentum across all markets. This has been complemented by strong PRT transaction activity in the Netherlands, with the completion of three external transactions, representing c.€0.9 billion of volumes. On the M&A side, the closed life book transaction with AXA Germany was terminated in May 2024, following significant changes in financial market conditions subsequent to signing the deal in 2022. We remain committed to further disciplined growth in the German savings and retirement services market and have meaningful undrawn equity capital to scale our footprint.

The strong volume momentum is reflective of coordinated product, pricing, distribution, platform and marketing initiatives across Belgium, Italy and the Netherlands. This has included the launch of market-leading guaranteed products, most notably in Belgium and Italy, combined with a dynamic approach to pricing to reflect changing market conditions and strict adherence to profitability hurdles. We are pleased to have expanded our network of distributors – notably adding a key bank partner in Belgium – and have invested to strengthen both our customer and distributor portals during the year. This has been complemented by several marketing initiatives, including a refresh of the leading brand in the Netherlands, Zwitserleven. Collectively, we are seeing that our ability to develop unique and attractively priced products, is allowing us to increasingly capture customer demand that is not being adequately served.

Grow

From a transaction standpoint, we are experiencing strong momentum in the risk transfer space, as well as an active pipeline of M&A opportunities. Athora Netherlands has completed three external PRT transactions during the year – including one of the largest deals executed in the market during 2024 with Pensioenfonds Yara Nederlands (c.€650 million) – demonstrating the strength and credibility of our pension solutions offering. The PRT transaction pipeline for 2025 continues to develop, as schemes prepare for the impact of new pension rules which come into force from January 2028. We expect to play a leading role in this market, given our capital resources and ability to offer innovative tailor-made solutions, and capture a meaningful share of the c.€20-30bn of insurance buyouts anticipated over the remainder of the pension reforms transition period. Wider inorganic activity remains focused on securing acquisitions which enable us to both increase scale and broaden capabilities.

Optimise

Solvency capitalisation remains robust across business units, supported by positive trends in OCG and proactive management actions, including select capital injections to support growth and business plan delivery. OCG increased by 16% year-on-year to €657 million, reflecting positive investment momentum and in-force portfolio evolution. This was partially offset by increased capital consumption from strong new business volumes, which supports future OCG and long-term value creation. Athora Netherlands contributed €522 million to OCG, enabling the business to complete €310 million of remittances during the year (after considering other financial constraints). The Solvency II ratio of Athora Netherlands remains strong at 201%, after the impact of remittances and financing actions during the year, alongside targeted return seeking asset deployment.

The consolidated Group financial position continues to be carefully managed from a capital, liquidity and leverage standpoint reflecting our consistent focus on proactive capital and risk management, including prudent management of liquidity and hedging positions amid changing market conditions. The Group BSCR ratio (estimated) remained robust at 187%. Recurring capital generation during the period was offset by asset deployment and assumption changes. Model changes were positive, after reflecting the new BMA Insurance (Prudential Standards) Amendment Rules which became operative on 31 March 2024, primarily as a result of revisions to the Group Scenario Based Approach.

The Group liquidity profile remains strong, with significant resources available to support business and policyholder needs, while financial leverage of 26% remains comfortably within 'A' range target levels. Fitch reaffirmed our A (Stable) IFS rating in August 2024.
We have also continued to improve the quality and simplicity of our financing structure. In June 2024, Athora Holding Ltd. (AHL) completed its second public bond issuance and first in Tier 2 format. The €750 million transaction received strong investor demand, with the order book twice oversubscribed. The proceeds were used to conduct a Liability Management Exercise (LME) at Athora Netherlands, supporting the local Solvency II ratio and tiering capacity. Residual proceeds were used to prepay bank debt, allowing the Group to continue transitioning away from senior bank financing into longer-term capital market borrowing that better aligns with our strategy. This transaction was followed by a €400 million Restricted Tier 1 note issuance by Athora Netherlands in November.

> "Athora Netherlands completed three external Pension Risk Transfer transactions, including one of the largest deals in the market in 2024."

Earn

Investment activity in 2024 has concentrated on prudently managing an evolving macroeconomic environment, featuring heightened political uncertainty due to elections in large global markets, and selective deployment into return seeking assets. While rate cutting is typically supportive for asset valuations, growth pressures and political uncertainties have significantly impacted sovereign assets and led to wider fluctuations in capital markets. Against this backdrop, Athora's Asset-Liability Management portfolio remains defensively positioned, delivering positive asset performance against liability valuations (based on the EIOPA Volatility Adjustment portfolio) in 2024, and the return seeking portfolio continues to perform well.

Since 2018, realised losses in the private credit portfolio stand at c.9bps of cumulative deployment. In recognition of this experience, we were pleased to see a revision in the "Investment Risk" treatment for this asset class by Fitch Ratings in 2024, supporting an improvement in our rating profile as Investment Risk moved from "High" to "Good". Alongside consistently strong performance in private credit, we are actively managing emerging risks in commercial real estate and continue to carefully monitor exposures.

Net deployment into private credit investments over 2024 totalled c.€2 billion, notwithstanding the maturing of c.€1.1 billion of existing investments, demonstrating the strength of our strategic partners' origination capabilities. New investments were made at attractive spread levels and efficient capital consumption, in line with the principles of our Strategic Asset Allocation (SAA) and strict underwriting criteria. These investments supported a 19bps increase in gross consolidated investment spread over the year to 199bps. The increasing level of investment returns is directly benefiting both OCG and new business volumes. Our ability to deliver consistently strong risk-adjusted investment returns is critical in enabling us to develop commercially attractive products that are valued by our customers and distribution networks. Across Belgium, Italy and the Netherlands our guaranteed rates are consistently market leading.

Operate

From an operational perspective, activity has focused on delivering key transformation projects, integrating the portfolio acquired from NN Group in Belgium and executing cost-saving initiatives – aided by Corporate Centre, Shared Services and Reinsurance restructuring – to mitigate inflationary pressures. Transformation initiatives are intended to strengthen operating infrastructure and increase the scalability of our systems and processes as we continue to grow, aided by outsourcing select non-core processes to strategic partners. This is anticipated to drive greater process efficiency, while enhancing controls and strengthening governance oversight.

During the year, we have progressed the transition of legacy actuarial platforms in Belgium, Germany, the Netherlands and at the Corporate Centre to a modern cloud-based environment. This has been complemented by the implementation of the Clearwater investment accounting system in Belgium, Germany and Reinsurance. Combined, these two projects have supported a significant maturing and acceleration in our Actuarial and Financial reporting processes. In the Information Technology (IT) space, preparations for the Digital Operational Resilience Act are well underway, supported by a strengthening of wider IT processes and engagement with our strategic outsourcing partner Tata Consulting Services.

These initiatives, as well as targeted restructuring and cost saving actions, have supported strict cost discipline amidst continued inflationary pressures. Project spend has also been materially reduced during the year, as key transformation projects have been delivered.

Actions are underway across all business units to reduce operating costs further in 2025, and are expected to deliver a step change in the future cost profile of the Group. Restructuring in these areas has centred on simplification of organisational and legal structures, as well as delayering.

> "Over the course of 2024, we have delivered material growth across our organic new business channels, while maintaining a disciplined approach to transaction activity."

Strengthening foundations and investing in our people

Throughout the year, we have continued to make progress across our three foundations, "Governance and Risk Culture", "Sustainability" and "People", which underpin delivery across our strategic pillars.

Turning first to Governance and Risk Culture. We have implemented a new governance and risk management tool to better identify risks and ensure appropriate controls across all Corporate Centre functions. We have also optimised our second-line operating model to drive effective collaboration between the first and second lines, as well as ensuring all processes are complemented by robust control and governance frameworks. These initiatives have been noted by our regulatory partners, with whom we continue to foster trusted and collaborative working relationships.

As an insurer, employer, corporate citizen and investor, we aim to ensure that our work generates value for all our stakeholders, without compromising the needs of future generations. In July 2024, we published our third annual Group Sustainability Report covering our approach and actions to date. Meeting our legal and regulatory sustainability requirements also remains a key priority, with the Corporate Sustainability Reporting Directive (CSRD) being a key example. We have progressed well on this front across eligible entities, with Athora Netherlands publishing its first CSRD report this year. More broadly, Athora Netherlands continues to maintain its leading position in the sustainability space, having once again achieved first place in the Association of Investors for Sustainable Development's (VDBO) benchmark for "Responsible Investment by Insurers in the Netherlands".

Our people are crucial to enabling our ambitions, and we have progressed in our efforts to embed a diverse and inclusive culture. As part of this, our organisation is consistently focused on building a long-term talent pipeline, in order to both attract and retain a leading workforce. As an endorsement of this focus, Athora Netherlands was awarded the "Top Employer" certification from the Top Employers Institute for the third year in a row. During the year, we have also significantly reduced our usage of external contractors, thereby increasing institutional memory and improving business continuity. Lastly, several management changes occurred during the year. Notably, following the departure of Anders Malmström as Group CFO, Rakesh Thakrar was appointed as Interim Group CFO in December 2024. Rakesh brings more than 25 years' insurance experience, most recently as Group CFO of Phoenix Group. Furthermore, Matthew Salter succeeded Ward Bobitz as Group General Counsel from December 2024, having joined Athora in 2017.

Outlook and closing remarks

Looking forward, I remain positive on the strategic and financial outlook for Athora, given a supportive commercial and operating environment, as well as the proven strengths of our business model. We see structural tailwinds for the savings and retirement services market in Europe, as more individuals search for products that offer long-term security of returns, and incumbent insurance and pension funds search for solutions to both release capital and manage legacy risks. Athora is an ideal partner for customers, distributors and counterparties looking to navigate this journey. Since 2018, we have demonstrated our strategic and prudent approach to capital and risk management, providing long-term certainty for our stakeholders.

Alongside continued disciplined growth, we will remain focused on the execution of our business model in 2025 across all strategic pillars and business foundations. A key priority will be the ongoing enhancement of our Group operating model – including further refinements to Corporate Centre, Shared Service and Reinsurance activities as we focus on building critical scale in all business units – and completion of key transformation initiatives to support our continued growth. These actions will be combined with adjustments to investment portfolios, as we align asset allocations to our SAA and navigate changing market conditions. As always, this will be underpinned by tight capital and risk management, alongside a further maturing of our governance and control environments.

I would like to thank our customers and business partners for their continued trust and support, as well as the Board and all employees for their ongoing dedication.

Mike Wells
Group Chief Executive Officer

Business model and strategy

Athora's mission is to bring more value to customers in fulfilling their long-term insurance needs.

As a specialised European savings and retirement services group, Athora aims to provide long-term returns and security to all of our stakeholders – customers (including end consumers, distribution partners and insurers), employees, regulators and shareholders. All aspects of our business work together to support these stakeholders, allowing us to achieve a balance that results in a strong and sustainable group.

Our strategic priorities

Strategic pillars and priorities

Grow	Optimise	Earn	Operate
Strengthen customer product offering and distribution channels	Maintain strong local and Group capital, and leverage profile, to drive policyholder protection	Drive attractive returns to customers	Deliver improved customer satisfaction and engagement
Secure inorganic growth opportunities	Achieve ongoing capital generation and secure ability to distribute dividends from business units	Deliver strong investment returns in line with Strategic Asset Allocation (SAA) targets	Achieve target cost structure whilst maintaining quality controls
Execute on organic new business and Pension Risk Transfers (PRT) opportunities	Deliver enhanced management information as part of ongoing transaction integration	Demonstrate the robustness of the investment portfolio	Execute change agenda and deliver a clear operating model

Foundations

People	Governance and Risk Culture	Sustainability
Build a diverse and high-performing talent pool with strong retention	Ensure effective governance, and build regulatory credibility and trust	Sustainability maturity in line with market

Our business

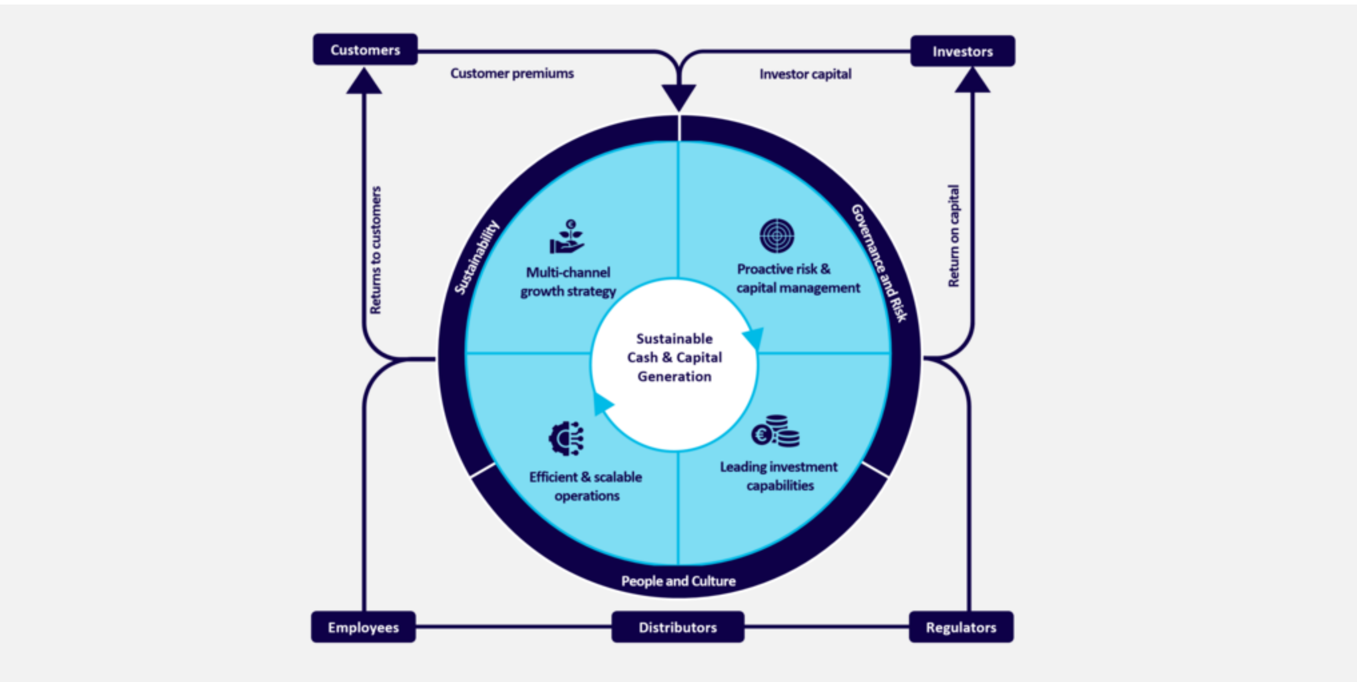
Athora is a leading European Savings and Retirement Services provider, operating through primary insurance businesses in the Netherlands, Belgium, Germany and Italy, and reinsurance operations in Bermuda. As at year end 2024, Athora's assets under management & administration (AuMA) totalled €76.0 billion, with the Group serving approximately 2.8 million customers. Athora has c.1,460 employees across Belgium, Bermuda, Germany, Italy, the Netherlands and the Corporate Centre.

There is substantial unmet customer demand for de-risked savings and retirement products with financial guarantees, driven by the structural ageing of European populations as well as volatility over market cycles. Despite this, many insurers have been increasingly de-emphasising these product lines as they seek to reduce capital intensity. At Athora, we believe that the provision of guaranteed savings and retirement solutions is of great value to our stakeholders. For customers, our solutions are an essential tool for long-term financial planning and providing safety in retirement. For investors, these products offer resilient margins and attractive risk-adjusted returns. As a result, we have tailored our business model to serve these needs comprehensively and effectively, delivering both dependable security and differentiated returns.

Our business model

Our business model is underpinned by a multi-channel growth strategy, proactive risk and capital management, leading investment capabilities, and efficient and scalable operations. These are enabled by three foundations, "People", "Governance and Risk Culture" and "Sustainability". The successful implementation of our business model aims to deliver sustainable cash and capital generation, enabling further growth – further our ambition to become the leading provider of guaranteed savings and retirement services in Europe - and/or capital returns. Athora applies a disciplined approach to growth by prioritising efficient capital allocation, considering strict profitability analysis and prudent capital thresholds.

Athora is designed and built using permanent equity from an investor base that is fully supportive of our long-term strategy, providing strong alignment between the capital backing our business and our long-term commitments to customers. We also benefit from the strong support of our largest shareholder and strategic partner, Apollo, who provides us with access to a leading asset management platform, alongside a network of relationships and financial expertise, enabling us to generate superior risk-adjusted investment returns and offer customers market-leading guarantee levels.



Our strategy

Athora's ambition is to become the leading provider of guaranteed savings and retirement services in Europe and, in doing so, provide long-term returns and security to customers and all other stakeholders.

Our four strategic pillars (Grow, Optimise, Earn, Operate) and three foundations (People, Governance and Risk culture, Sustainability), outline our key business priorities and act as guardrails for how to deliver this ambition for our stakeholders.

Grow

Secure inorganic growth opportunities
Execute on organic new business and PRT opportunities
Strengthen customer product offering and distribution channels

Our strategy under the 'Grow' strategic pillar, is to selectively scale through a multi-channel approach comprising M&A, Risk Transfer (including Pension Risk Transfers ("PRTs") and Reinsurance), and organic new business (serving institutional and retail clients). We believe there is an opportunity to accumulate significant volumes of long-duration liabilities at attractive terms for stakeholders, underpinned by a disciplined approach to pricing, financial stability and sustainable value creation.

In recent years, there has been growing shift in the industry towards fee-based products, with many incumbent operators moving away from offering capital intensive solutions. Despite this trend, substantial and unmet customer demand exists for de-risked savings and retirement products offering financial guarantees, driven by the structural ageing of Europe's population and customers' need for financial stability across economic and market cycles.

Athora's product offering is tailored to address this critical gap in the market. These products are sold to institutional and retail clients through a strong network of distribution partners, primarily comprised of banks, brokers and advisers. We continually invest in our product offering and capabilities, including a targeted expansion of our distribution networks. In addition to serving our customers, we offer a full-suite of solutions to other insurers and pension funds, supporting them in optimising their capital positions and/or enacting strategic change. We have built a strong reputation in executing complex transactions over recent years.

Progress in 2024

- 21% annual increase in organic new business volumes to €3.7 billion[1].
- Three external Pension Risk Transfer ("PRT") transactions completed in the Netherlands totalling c.€0.9 billion[2].
- Expansion of distribution networks, including onboarding of a new bank partner in Belgium.
- Launch of new market-leading guaranteed products across Belgium and Italy.

[1] Organic new business volumes do not include pension risk transfer deals completed during the year.
[2] Price at signing.

Optimise

Achieve ongoing capital generation and secure ability to distribute dividends from business units
Maintain strong local and Group capital, and leverage profile, to drive policyholder protection
Deliver timely, standardised and relevant financial information

The 'Optimise' strategic pillar is reflective of our unwavering commitment to the protection of our customers, and to ensure that our business units have the resources to deliver their strategic ambitions. In practice, this translates into robustly capitalised business units, with contained risk sensitivities, and a strong Group financial position.

Athora takes a prudent and proactive approach to managing capital, leverage and liquidity, with a focus on maintaining resilience across all economic conditions. This is reflected in the capitalisation (and capital support) shown across our business units and for the consolidated Group. Athora's Fitch Insurer Financial Strength rating is A (Stable) and financial leverage is managed within 'A'-range target levels. Since Athora first accessed public debt markets in 2023, we have made significant progress in maturing our debt profile, improving the overall terms and structure of financing across the group. Athora also has access to significant undrawn committed equity capital, as well as several liquidity facilities to support the delivery of our long-term ambitions.

To ensure consistent value generation across economic cycles and minimise exposure to non-strategic risks, Athora adopts a rigorous approach to Risk Management and Asset Liability Management ("ALM"), including prudent monitoring of hedge positions and liquidity, with consideration for policyholder behaviour and counterparty requirements. This is reflected in the balance sheet composition of our business units and Group liquidity profile, including undrawn facilities.

Progress in 2024

- 16% annual growth in OCG underpinned by a 19bps increase in consolidated investment spreads.
- €310 million of remittances received from Athora Netherlands.
- Reaffirmation of A (Stable) Insurer Financial Strength rating by Fitch in August 2024.
- Issuance of €750 million Tier 2 notes by Athora Holdings Ltd. with proceeds used to support a Liability Management Exercise at Athora Netherlands and bank debt repayment.
- Issuance of €400 million Restricted Tier 1 notes by Athora Netherlands to support a Liability Management Exercise and refinancing Restricted Tier 1 capital into a single security[1].
- Undrawn equity capital commitments of €2.2 billion, including €500m of "backstop" equity commitment letters, signed in 2020. The €500m of "backstop" equity commitment letters expire April 2025.
- A further €1 billion Revolving Credit Facility (at 31 December 2024 €765 million remains undrawn).

[1] Thereby extending the duration of the capital structure.

Earn

Deliver strong investment returns in line with SAA targets
Demonstrate the robustness of the investment portfolio
Drive attractive returns for customers

Our 'Earn' strategic pillar is focused on the delivery of our investment strategy to achieve the returns that our customers desire, and create sustainable value for our shareholders and other stakeholders. We proactively manage investment risks through diligent asset underwriting, prudent ALM, and proactive management of emerging risks.

Athora's Strategic Asset Allocation ("SAA") is specifically tailored to meet the needs of guaranteed savings and retirement services products, aiming to generate superior risk-adjusted returns and minimise exposure to market volatility. Many insurers enhance investment returns by taking incremental credit and/or market risk. At Athora, we generate our returns by capturing illiquidity and complexity premiums in our return seeking investments, which are primarily high-quality private credit assets.

Our differentiated investment strategy is supported by our strategic relationship with Apollo, a leading alternative investment manager. This relationship provides Athora with unique access to a leading asset management platform, offering attractive investment opportunities alongside a network of relationships and financial expertise, that is instrumental in the implementation of our SAA and investments into return seeking asset classes.

Progress in 2024

- 19bps annual increase in consolidated investment spread to 199bps.
- 9bps of impairments and losses on private credit investments; well below underwriting assumptions.
- Upgrade in "Investment Risk" treatment by Fitch Ratings from "High" to "Good", reflecting a consistently low level of impairment and losses.
- Market-leading customer returns on guaranteed products across all primary insurance markets[1].

[1] Primary insurance markets that Athora operates in are Belgium, Germany, Italy and the Netherlands.

Operate

Achieve target cost structure whilst maintaining quality controls
Execute agenda and deliver a clear operating model
Deliver improved customer satisfaction and engagement

Our ‘Operate’ strategic pillar is focused on the implementation of a lean operating structure with a competitive cost base, whilst maintaining the agility to effectively integrate newly acquired businesses. As a growth-minded organisation, we are focused on building robust and scalable infrastructure to drive increasing efficiency over time.

The extensive operational insurance expertise of our Group and business unit management teams ensure that Athora is strongly placed to continue to deliver further efficiency in our operating model. We are focused on strengthening the capabilities of our business units to achieve at-scale positions in our core markets, while maintaining effective governance and oversight with a lean Corporate Centre function.

Our multi-year transformation programme seeks to facilitate these ambitions, balancing effective cost management with investments in core capabilities, particularly in Finance and Actuarial. As part of our operations strategy, we also collaborate with outsourcing partners, leveraging the efficiency, scale or capability benefits of specific providers, notably in information technology and policyholder administration.

Progress in 2024

- Strict focus on cost discipline, aided by the delivery of key transformation projects and restructuring initiatives.
- Successful transition to a new actuarial modelling platform in Germany during 2024, with Athora Belgium and Athora Netherlands following in early 2025.
- New investment accounting and asset data platform rolled out across Belgium, Germany, Reinsurance and select Group-wide fund structures.
- Simplification of Corporate Centre and Reinsurance operations to structurally reduce run-rate expenses.
- Comprehensive outsourcing of IT activities to Tata Consulting Services, as a strategic partner.

Foundations

Build a diverse and high-performing talent pool with strong retention
Ensure effective governance, and build regulatory credibility and trust
Mature our approach to Sustainability, in line with market standards

Our foundations are centred around our ‘People’, ‘Governance and Risk culture’ and ‘Sustainability’. Collectively, these act as key enablers for delivering our strategy.

People

Our people are a crucial element in allowing us to deliver on our strategy and reach our ambitions. As a business, we continue to focus on attracting and retaining the right people, as well as building the right culture, where our employees can thrive and feel empowered.

Governance and Risk culture

We recognise that building strong relationships with our key stakeholders is critical, and we continue to prioritise this through proactive and transparent engagement. During 2024, we also completed a multi-year culture and maturity initiative to strengthen governance structures and embed risk culture. This has sought to strengthen governance bodies and frameworks to ensure enhanced decision-making processes, controls and risk management.

Sustainability

Sustainability remains an important focus for Athora. We apply an integrated approach to embed sustainability in all our activities; our approach to sustainability is outlined in our Sustainability Framework and Strategy, as well as our annual Sustainability Report. As an insurer, employer, corporate citizen and investor, we aim to ensure that our work generates value for all of our stakeholders, without compromising the needs of future generations.

Progress in 2024

- Athora Netherlands awarded “Top Employer” certification from the Top Employers Institute for third year in a row.
- Completion of a multi-year culture and maturity initiative, strengthening governance and risk management.
- Publication of third Group Annual Sustainability Report.
- Athora Netherlands awarded first place in the Dutch Association of Investors for Sustainable Development’s (VBDO) benchmark for “Responsible Investment by Insurers in the Netherlands”.
- Enhancement in hiring processes to better assess cultural fit.

A closer look at our investment strategy

We have developed a robust and conservative investment strategy and, in executing this strategy, we utilise our strategic relationship with Apollo Global Management, Inc. (Apollo). We leverage Apollo's expertise, dedicated infrastructure and access to differentiated investment opportunities, which ultimately supports the delivery of superior investment return outcomes for our customers and shareholders.

We are deliberate in positioning our investments to navigate market dislocations, which provides unique protection in downside scenarios. We have a prudent risk appetite and focus our investment strategy on assets where returns are primarily driven by fundamental-based underwriting, harvesting illiquidity premium rather than assuming incremental credit or market risk.

Athora's strategic asset allocation is designed to be resilient in a market downturn and can broadly be split into two components: duration matching assets and return seeking assets.

Asset liability management (ALM): We manage the duration of our assets and liabilities to maintain stability in our capital positions, while minimising exposure to market risk and protecting our capital position against volatility in the valuation of liabilities. This results in a high-quality, liquid allocation and low appetite for systemic market risk.

Our portfolio comprises:

- Government bonds: high-quality, core sovereign debt instruments (primarily AAA and AA rated). The Group has limited strategic appetite for investing in European periphery or emerging market sovereign debt instruments.
- Cash instruments and derivatives: as necessary to support efficient risk management.
- Mortgage loans: performing prime owner-occupied residential mortgages, predominantly in the Netherlands with Loan to Value (LTV) of c.60% or lower.
- Corporate bonds: high-quality and diversified short-dated traditional public investment grade credit (75% rated A and higher). The Group has low appetite for investing in European periphery, emerging markets, or high-yield instruments.

Return seeking assets: Our return seeking portfolio seeks to support the yield of our overall portfolio whilst carefully managing exposures through strong diversification across different idiosyncratic asset risks.

Of the total value invested in return seeking assets, the majority focuses on privately originated, fixed income assets, with granular allocation between sub-categories and types of collateral. A small portion is allocated towards alternative (majority towards platforms) and real estate assets, with a focus on cash-generating and downside-protected investments. The Group has a low appetite for public equities.

Illustrative Strategic Asset Allocation (SAA)

ALM
Manage mark-to-market liabilities

- Stabilise balance sheet volatility, against mark-to-market liabilities
- Focus on ALM features and not spread generation
- High quality and liquid with no appetite for default risk

Return Seeking
Generate spread through the cycle with no marginal risk increase

- Earn illiquidity premium, leveraging Apollo's private assets expertise & capabilities
- Diversified across asset classes and risk profiles

Typical ALM Assets

- AAA/AA Core European Sovereigns
- Euro Swaps and liquidity pool for derivative margins
- High-quality & short-dated Investment Grade credit
- Low LTV residential mortgages

Typical Return Seeking Assets

- Private Investment Grade
- Private Credit (MML, CML, Large Cap Lending etc.)
- Alts (Funds, Platforms etc.)

- Target sustainable risk-adjusted returns by capturing illiquidity premiums, driving consistent yield outperformance
- Dynamic asset allocation to take advantage of market dislocations (opportunistic purchases during Covid or UK LDI turmoil)
- Differentiation driven by proprietary asset origination and greater asset expertise through Apollo partnership

The return seeking portfolio is characterised by investments with low systemic market risk, instead aiming for attractive returns driven by illiquidity. Illiquidity premium and private market inefficiencies result in better risk-adjusted returns, with no marginal or market risk increase, given the bespoke protective covenants and strong collateral package.

Rather than increasing our allocation to higher-risk, publicly traded securities to increase yields, we leverage Apollo's expertise, access and infrastructure in direct origination across a wide range of asset classes. This has enabled us to build a portfolio of high-quality assets, predominantly senior secured, which possess more attractive risk versus return profiles than securities that would otherwise be readily available in public markets. We capture illiquidity premiums with a prudent risk profile stemming from disciplined underwriting and drawdown modelling.

As a result, our return seeking portfolio is characterised by security, with low loan to value, collateral and protective covenants in place. Robust underwriting of individual investments results in a diversified portfolio of high-quality private assets, which provides steady and attractive risk-adjusted returns for the portfolio as a whole.This is particularly beneficial when both public markets and the macroeconomic environment are volatile.

A continuing focus on direct origination also provides a number of other important quantitative and qualitative advantages, for example avoiding the cost of intermediaries, direct access in conducting due diligence and greater control over the terms of each investment. In addition, given the nature of the private investments and focus on downside protection, the recoverability rate is, on average, higher than in public markets.

We review new opportunities to ensure they are suitable for the balance sheet. This robust process takes into account factors such as fit of the investment with our investment universe, Prudent Person Principle requirements, performance of the asset in a drawdown scenario and its impact on the solvency position.

Strategy monitoring: We believe that effective monitoring is a key element of a successful investment strategy. The performance of each investment strategy versus our strategic objective is monitored monthly. We monitor key risk and solvency capital metrics, actual asset allocation versus target allocation, impact of solvency capital stress testing and detailed asset performance. Liquidity, performance and positioning of the duration matching assets are reported on a weekly basis and are monitored daily.

Assets under management and administration (AuMA)

AuMA represents the value of invested assets managed directly by Athora or administered on behalf of our clients. Assets under management (AuM) reflects the assets we manage as part of our general account insurance business, while assets under administration (AuA) refers to assets we administer on behalf of our clients, primarily in relation to unit-linked products. Assets that we manage as part of our general account activities are invested according to the principles of our investment strategy and SAA.

The table opposite shows the Group's AuMA presented as per the categories reported in the IFRS consolidated statement of financial position, with the exception of investment contracts with discretionary participation features (DPFs). All investment contracts with DPF have been reclassified from AuM to be presented as AuA. Included in AuA are €14,597 million (2023: €13,583 million) of unit-linked assets which are backing insurance contract liabilities in scope of IFRS 17 and are reclassified from financial assets and cash and cash equivalents, within AuM.

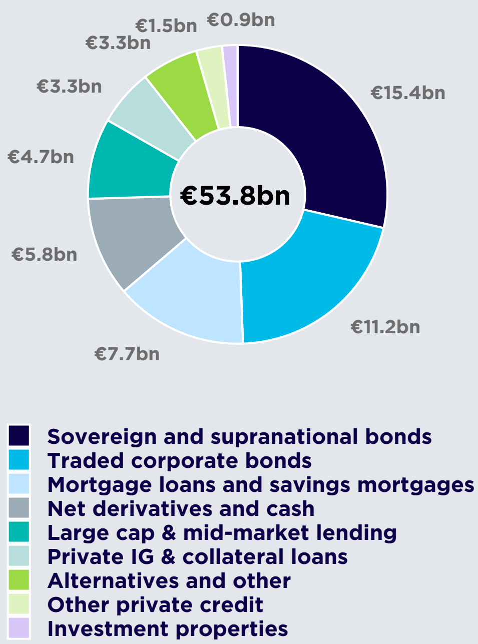
€m	**2024**	2023
Investment properties	**919**	1,077
Financial assets	**54,127**	59,208
Investments in associates	**44**	43
Cash and cash equivalents	**4,381**	2,484
Derivative liabilities	**(5,649)**	(9,093)
Total AuM: General account assets	**53,822**	53,719
Total AuA: Investments held in respect of investment contract liabilities, third parties and policyholders (includes unit-linked assets)	**22,203**	19,591
Total AuMA	**76,025**	73,310

Further adjustments are made for consolidated third-party funds, where no fee is earned by the Group, to remove them from AuMA, and for off-balance sheet AuA, where the Group earns fees on unconsolidated funds, to include in AuMA. A reconciliation of the Group's AuMA to the Group's total assets per the consolidated statement of financial position is provided in the CFO report on page 38.

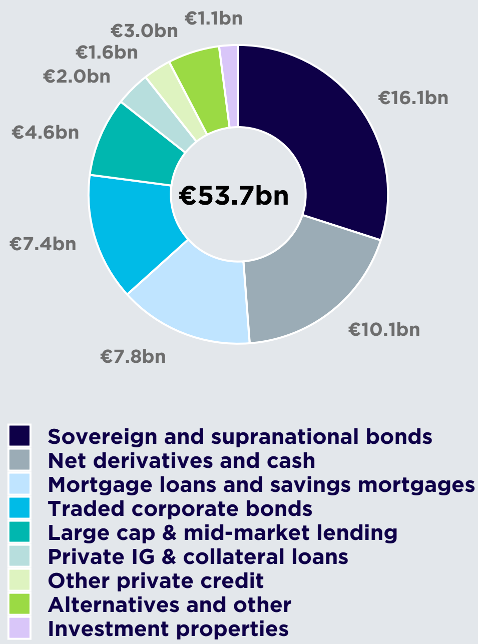
Assets under management

The charts below show the main categories of assets managed by the Group as part of our general account insurance business in 2024 compared to 2023 and includes both return seeking and ALM assets. Investment properties are considered as return seeking assets and principally relate to commercial property exposures.

Assets under management
As at 31 December 2024



Assets under management
As at 31 December 2023

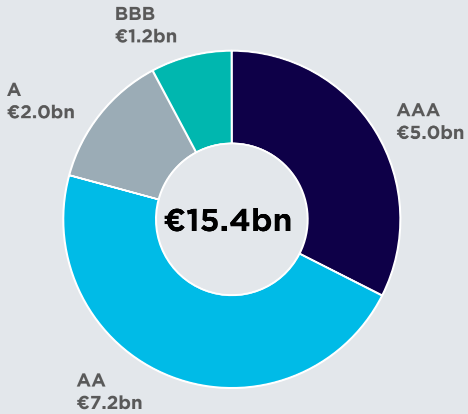


Sovereign and supranational bonds

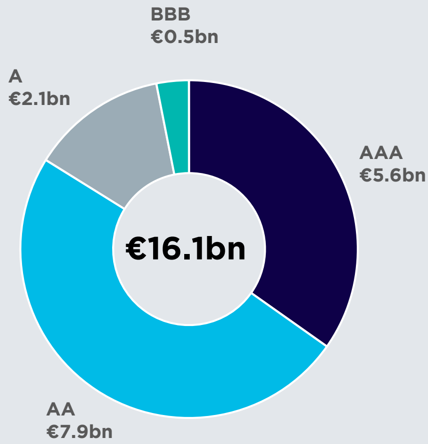
Sovereign bonds represent the largest allocation within the portfolio, with the majority of the portfolio represented by Western European governments.

The quality of our portfolio remains very high, and therefore provides significant liquidity to our balance sheet. At 31 December 2024, 92% (2023: 97%) of government debt securities are rated A or better.

Sovereign and supranational bond portfolio by credit rating
As at 31 December 2024



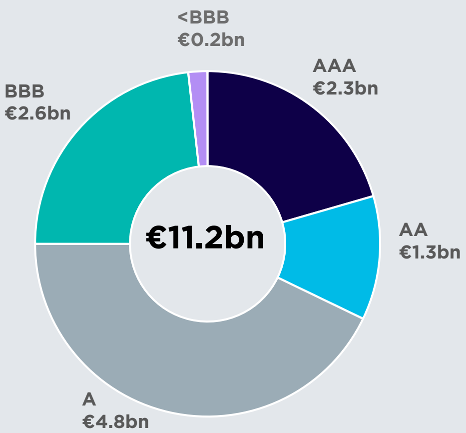
Sovereign and supranational bond portfolio by credit rating
As at 31 December 2023



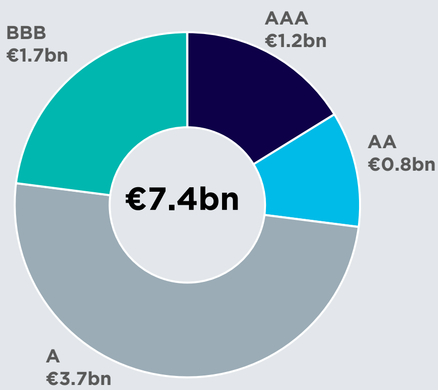
Traded corporate bonds

Traded corporate bonds represent 21% of the asset allocation, with the portfolio being well diversified across sectors and the majority invested in high-quality financial institutions. At 31 December 2024, 98% (2023: 100%) of traded corporate debt securities are rated as investment grade (BBB rating or better).

Traded corporate bond portfolio by rating
As at 31 December 2024

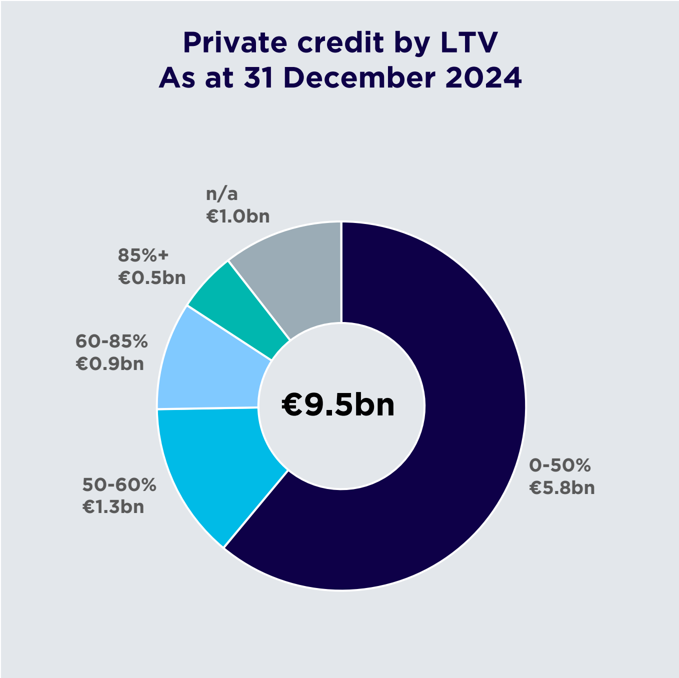


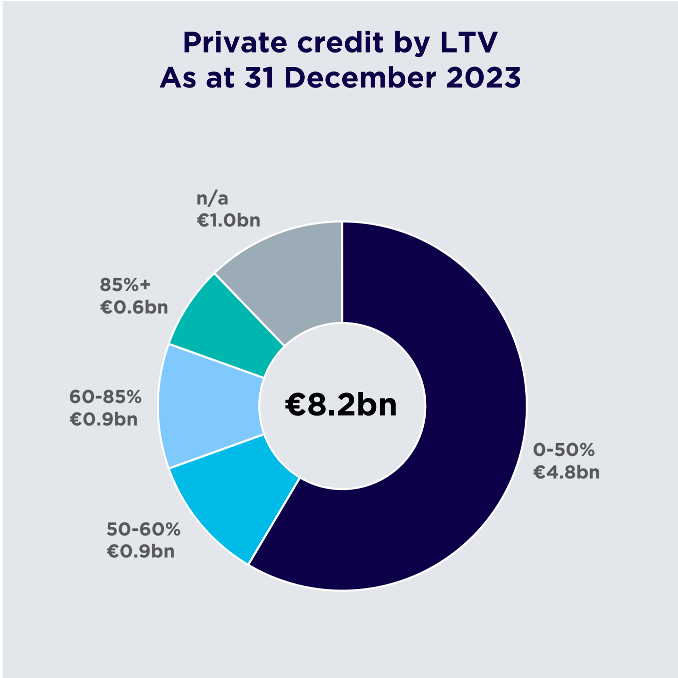
Traded corporate bond portfolio by rating
As at 31 December 2023



Private credit

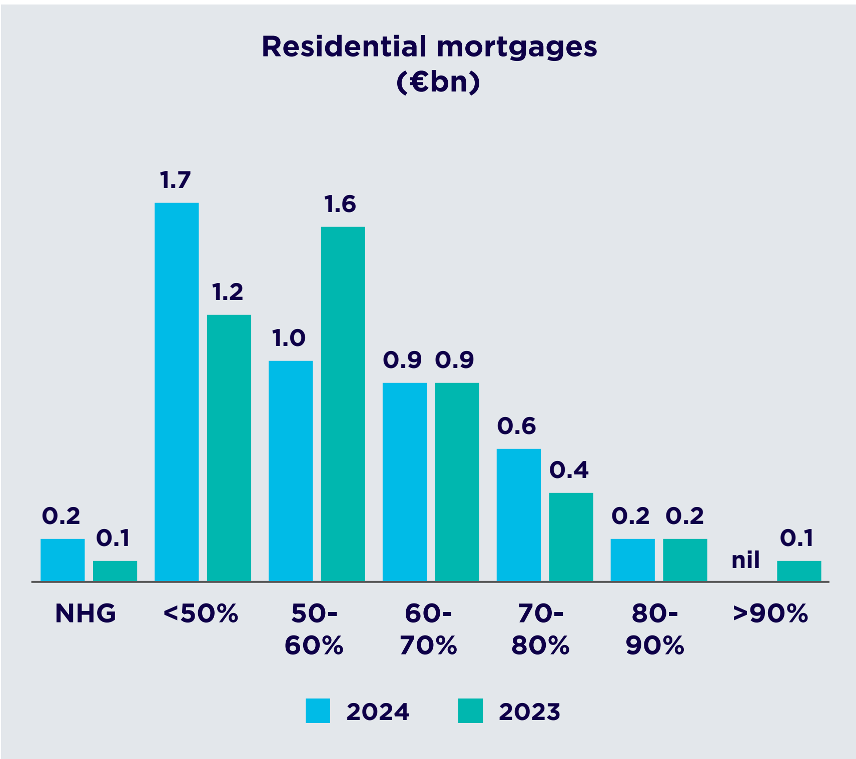
Private credit constitutes the main return seeking asset class, providing stable income and better risk-adjusted returns than comparable traded assets. We have a well-diversified and defensively-positioned portfolio, with exposures to cyclical sectors kept to a minimum. As illustrated below, the overall portfolio totalled €9.5 billion (2023: €8.2 billion). At 31 December 2024, 74% (2023: 70%) of the portfolio has an LTV of less than 60%.





Mortgage loans and savings mortgages

The residential mortgage loans portfolio totalled €4.6 billion (2023: €4.5 billion) and is predominantly located in the Netherlands. The chart below shows that 63% (2023: 64%) of the Dutch residential mortgage portfolio LTVs are below 60% or government guaranteed (NHG)[1]. A further €3.1 billion (2023: €3.3 billion) of private loans linked to savings-based mortgages are collateralised and with investment grade Dutch banks as counterparties.



[1] Mortgages guaranteed under the National Mortgage Guarantee Fund by the Dutch government.

Our businesses

We have primary insurance operations in the Netherlands, Belgium, Italy and Germany, alongside reinsurance operations in Bermuda.

Athora Netherlands

Highlights

201%
Solvency II capital coverage ratio[1]

€54.8 billion
Assets under management and administration[2]

c.2.0 million
Customers

c.850
Employees

Overview

Athora Netherlands joined the Group in April 2020 and has operations in the cities of Amsterdam and Alkmaar with c.850 employees and c.2.0 million customers. It has a distinguished 130-year history and holds strong positions in the Dutch life insurance and pension markets through its two brands - Zwitserleven and Reaal.

Athora Netherlands distinguishes itself from competitors by focusing on its strength: building wealth for customers' future income through its life and pensions products. At 31 December 2024, assets under management and administration totalled €54.8 billion.

Athora Netherlands is regulated by the Dutch Central Bank and the Dutch Authority for Financial Markets, and is subject to the Dutch large company regime.

Business highlights

Athora Netherlands delivered a very strong set of financial and commercial results in 2024: solvency II ratio remains strong and stable at 201% (2023: 206%) and operating capital generation has grown 14% to €522 million, which supported capital remittances to Athora Group of €310 million during the year.

Commercially, Athora Netherlands saw strong growth, with organic new business volumes up 16% to €2.6 billion, and the completion of three external Pension Risk Transfer (PRT) transactions totalling c.€0.9 billion - including a c.€650 million transaction in November, one of the largest executed in the market to-date. Market share in core annuity products also increased.

With the new pension law (Wtp) in force, there has been increased activity among pension funds that are considering a transfer of their existing liabilities to an insurance company. As the only pure life and pension insurance specialist in the market, Athora Netherlands is very well positioned to capture key opportunities in the years ahead.

The renewed Zwitserleven brand campaign in March ("A feeling you can share") was highly successful. Zwitserleven has also continued to invest in its customer portals to provide a seamless customer experience.

Athora Netherlands has also simplified its corporate debt structure during the year with the completion of two Liability Management Exercises (LMEs):

- In June, Athora Group issued €750 million of subordinated fixed rate notes of which €284 million of the proceeds were contributed to Athora Netherlands. This enabled completion of a tender offer on its existing Tier 2 notes, resulting in €284 million of fixed rate subordinated notes, due 2031, being redeemed.
- In November, Athora Netherlands successfully issued €400 million perpetual subordinated Restricted Tier 1 notes, using the proceeds to refinance all of its Restricted Tier 1 capital into a single security, and extend the duration of its capital structure.

During the year a successful integration of WTW's PPI into the Zwitserleven PPI created a strong and scalable platform for further growth, following the legal merger of the two businesses in December 2023.

Athora Netherlands maintains its leading position in the sustainability space having achieved first place in the Association of Investors for Sustainable Development's (VDBO) benchmark for "Responsible Investment by Insurers in the Netherlands" in 2023. This award stands until 2025.

Finally, Athora Netherlands was recognised for providing an outstanding employee workplace experience, receiving the Leesman+ certificate for its offices, Edge Amsterdam West and Torenburg in Alkmaar, placing them among the top 7% of the best offices in the world. Athora Netherlands also achieved 'Top Employer' certification for the third year in a row.

VBDO Dutch Association of Investors for Sustainable Development

Leesman®+ Recognising companies for providing outstanding employee workplace experience.

top® EMPLOYER NEDERLAND THE NETHERLANDS 2024 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

[1] Quarter 4 2024 SII ratio.
[2] AuMA as reported in the Group consolidated statement of financial position. Refer to CFO section for further detail on page 38.

The Zwitserleven Feeling

For more than four decades, Dutch households have known 'Het Zwitserleven Gevoel' - The Zwitserleven Feeling. It is a brand promise that reflects the peace of mind that comes from properly taking care of your financial future.

This iconic statement has been a key factor in elevating the Zwitserleven brand, helping build customer trust and supporting growth ambitions. It was even included in the Van Dale Great Dictionary in 2005.

As times change, so do great brands. In 2024, Zwitserleven unveiled an exciting fresh look, showing how the Feeling can be enjoyed and shared by many more generations to come.

Find out more at Athora Netherlands' website at www.athora.nl/en/brands/zwitserleven/

Athora Belgium

Highlights

175%
Solvency II capital coverage ratio[1]

€9.0 billion
Assets under management and administration[2]

c.511,000
Customers

c.190
Employees

Overview

Athora Belgium joined the Group in January 2019. Based in Brussels with c.190 employees, it has served the Belgian market since 1901 and provides a range of specialised life insurance solutions to retail and corporate clients through a network of over 500 independent brokers.

Athora Belgium is focused on traditional life savings and retirement products and is committed to its c.511,000 customers in fulfilling their long-term insurance needs. At 31 December 2024, assets under management and administration totalled €9.0 billion.

Athora Belgium is authorised and regulated by the National Bank of Belgium (NBB) and the Belgian Financial Services and Markets Authority (FSMA).

Business highlights

Commercially, Athora Belgium saw strong growth with organic new business volumes up 21% to €0.7 billion. This strong performance was supported by disciplined pricing actions relating to the core guaranteed life product (Serenity II Prime), which offers market-leading guarantees.

Athora Belgium won an award for 'Branch 21 Fund - Best guaranteed product' at the 2024 Decavi Life Insurance Awards.

The business also added a key new bank distribution partner during the year, further broadening its distribution.

Athora Belgium's solvency capital ratio for Q4 2024 was 175% (2023: 159%[3]).

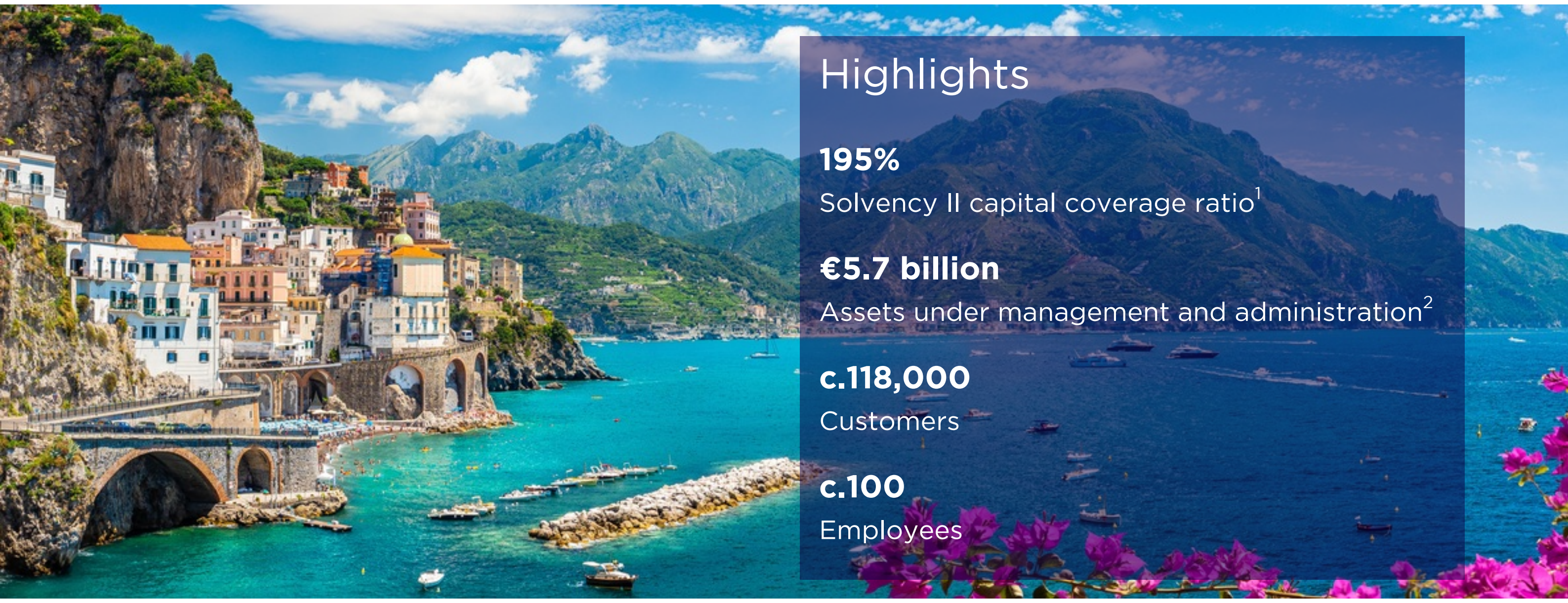
Looking forward, Athora Belgium will continue to focus on its growth strategy, delivering competitive guaranteed and unit-linked products to its customers.

Leading guaranteed life product

Athora Belgium's award-winning core guaranteed life product (Serenity II Prime), offered market-leading returns throughout 2024.

[1] Quarter 4 2024 SII ratio.
[2] AuMA as reported in the Group consolidated statement of financial position. Refer to CFO section for further detail on page 38.
[3] SII ratio of 159% for Belgium based on year end 2023 submission to the regulator.

Athora Italia



Highlights

195%
Solvency II capital coverage ratio[1]

€5.7 billion
Assets under management and administration[2]

c.118,000
Customers

c.100
Employees

Overview

Athora Italia joined the Group in August 2022, rebranding from Amissima Vita shortly afterwards in November 2022. Athora Italia is a life insurance company based in Genoa and Milan, with c.100 employees and over 50 years of experience in the Italian insurance market.

The company provides traditional life insurance, unit-linked and pension products for its c.118,000 customers.

At 31 December 2024, assets under management and administration totalled €5.7 billion.

Athora Italia is regulated by IVASS - the Italian Institute for the Supervision of Insurance.

Business highlights

In 2024, Athora Italia developed a new guaranteed product ("Athora Rendimento+") which has since offered one of the highest policyholder yields in the market, driving commercial momentum.

New distribution agreements were also signed with IFB Broker S.r.l and Vitanuova S.p.A., one of the most important Italian retail life brokers to supplement the exclusive multi-year partnerships with BdM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto, launched at the beginning of 2023. The diversification of distribution channels was supported by increased brand awareness through a national advertising campaign across multiple platforms.

As a result of these initiatives, Athora Italia saw strong growth with organic new business volumes increasing by 103% to €0.3 billion. Athora Italia's solvency capital ratio for Q4 2024 was 195% (2023: 211%).

Increased segregated fund yield

Athora Italia affirmed its place among the leaders in the Italian life market as it increased the gross yield of its flagship segregated fund (Athora Risparmio Protetto) to 4.53%[3] in 2024.

[1] Quarter 4 2024 SII ratio.
[2] AuMA as reported in the Group consolidated statement of financial position. Refer to CFO section for further detail on page 38.
[3] Gross policyholder rate of return for the period 1 November 2023 to 31 October 2024.

Athora Germany

Highlights

135%
Solvency II capital coverage ratio[1]

€3.9 billion
Assets under management and administration[2]

c.153,000
Customers

c.100
Employees

Overview

Athora Germany has a distinguished 188-year history and was acquired in 2015, and is based in Wiesbaden with c.100 employees.

The company focuses on efficiently managing its closed book portfolio of traditional life, unit-linked and pension policies for c.153,000 customers, while pursuing opportunities to add scale to the business. At 31 December 2024, assets under management and administration totalled €3.9 billion[2].

Athora Germany's regulated businesses are subject to regulatory supervision by the German Federal Financial Supervisory Authority (BaFin).

Business highlights

The solvency ratio of Athora Germany decreased in 2024 to 135%[1] (2023: 163%), mainly due to the repayment of a subordinated loan.

Athora Lebensversicherung AG confirmed a stable profit participation for the coming year (2025) on its life insurance policies for the fifth consecutive year, offering a total rate of 4.0%. This compares to the current market average of 2.42% in 2024[3].

Delivering more value for customers in Germany

Athora Leben has confirmed its profit participation for life insurance will remain stable for the fifth consecutive year with a highly competitive total interest rate of 4.0% for the coming year (2025).

[1] Quarter 4 2024 SII ratio.
[2] AuMA as reported in the Group consolidated statement of financial position. Refer to CFO section for further detail on page 38.
[3] For further information refer to Athora Germany's website at www.athora.com/de.

Reinsurance

Highlights

173%
BSCR capital coverage ratio[1]

€2.5 billion
Assets under management[2]

c.20
Employees

Overview

Athora Life Re is the Group's reinsurance solutions provider, offering innovative and creative capital optimisation and risk transfer solutions to several businesses within the Athora Group, as well as select third parties.

At 31 December 2024, the reinsurance business had assets under management of €2.5 billion.

Athora Life Re is based in Bermuda, one of the largest reinsurance markets in the world, and is regulated by the Bermuda Monetary Authority (BMA).

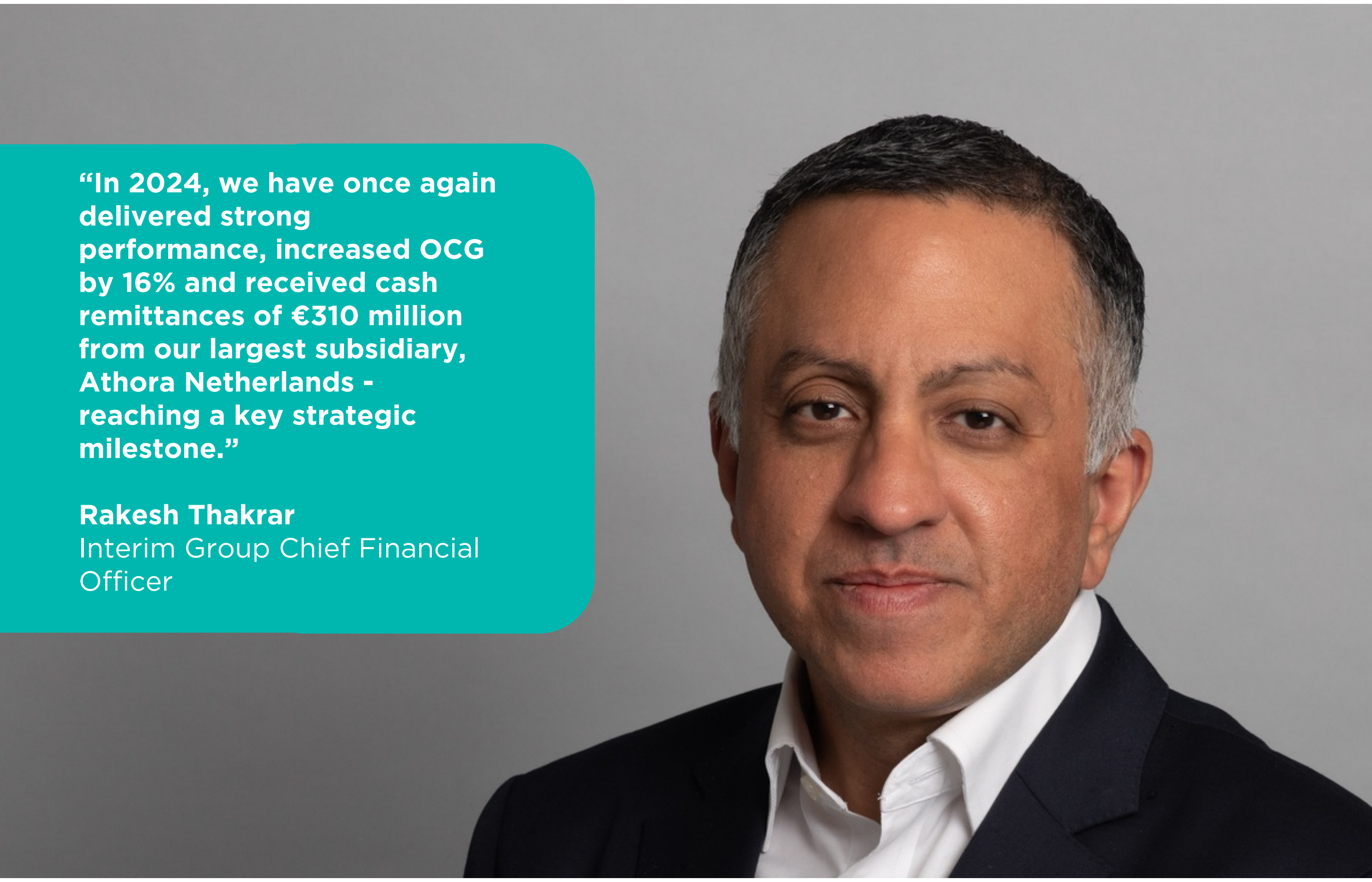
Supporting our local communities

In 2024, Athora and its employees supported a number of community initiatives on the islands, including important causes relating to education, homelessness, the environment, health and wellbeing.

In May, eleven employees participated in the Relay for Life, an 18-hour track event at the national stadium, raising awareness and funds to support cancer prevention, detection, and radiation therapy at Bermuda Cancer and Health Centre.

[1] Year end 2024 BSCR ratio.
[2] AuM as reported in the Group consolidated statement of financial position. Refer to CFO section for further detail on page 38.

Interim Chief Financial Officer's report



"In 2024, we have once again delivered strong performance, increased OCG by 16% and received cash remittances of €310 million from our largest subsidiary, Athora Netherlands - reaching a key strategic milestone."

Rakesh Thakrar
Interim Group Chief Financial Officer

Overview

We have continued to make strong progress towards our strategy, delivering another set of robust financial results.

We have delivered on our key business drivers; generating superior investment spreads, delivering strong organic and inorganic growth as well as diligent management of expenses. This, together with strong risk and capital management, has underpinned our performance in 2024.

Our consolidated gross investment spread increased by 19bps to 199bps, mainly due to continued asset repositioning in Athora Netherlands. The increase in spread has been achieved while maintaining low cumulative realised losses, since inception, on private credit of c.9bps.

We have continued to transform our investment operations with Belgium, Germany and Reinsurance all migrating to a common, market leading investment administration solution. We have also progressed the transition of legacy actuarial platforms in Belgium, Germany and Netherlands to a cloud-based environment. We have simplified our Reinsurance business and outsourced certain IT and individual life policy servicing to Tata Consultancy Services (TCS), resulting in operational efficiencies.

Athora Holdings Limited (AHL) successfully issued €750 million of Tier 2 notes on 10 June 2024. The proceeds were used to conduct a Liability Management Exercise (LME) at Athora Netherlands, as well as to repay senior bank financing at Group. This management action improved the Solvency II ratio locally and the BSCR ratio for the Group.

A further €400 million of Restricted Tier 1 notes were issued by Athora Netherlands in November 2024, followed by a LME.

The culmination of all our actions resulted in a 16% increase in operating capital generation (OCG) to €657 million, with Athora Netherlands contributing 14% of the increase which enabled them to submit cash remittances to Group totalling €310 million in the year.

The IFRS profit before tax of €54 million (2023: €1,082 million) reflects adverse economic variances experienced during the year, particularly the widening of sovereign spreads. The increased profit in 2023 mainly resulted from the significant decrease in interest rates during the year. The decrease in interest rates had a positive impact due to Athora's approach to hedging local business unit solvency, resulting in a basis difference in IFRS. Interest rates in 2024 marginally decreased in comparison to 2023 and resulted in an immaterial impact.

Our balance sheet continues to remain robust with a BSCR ratio of 187% (estimated). During 2024, the Bermuda Monetary Authority (BMA) revised rules to the Bermuda Solvency Capital Requirement (BSCR) Model and rules for commercial insurers came into force.

In 2024, we have been working with the BMA to implement the changes to our models, methodology and assumptions to reflect the revised rules. The net financial impacts have been included in the estimated year end 2024 BSCR ratio.

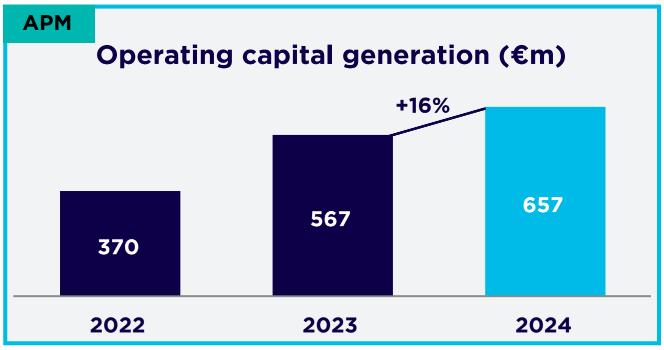
In August 2024, Fitch maintained the Insurer Financial Strength ratings of our rated insurance business units at 'A' and the issuer default rating for Athora Holding Ltd. and Athora Netherlands N.V. of 'A-' with a Stable outlook.

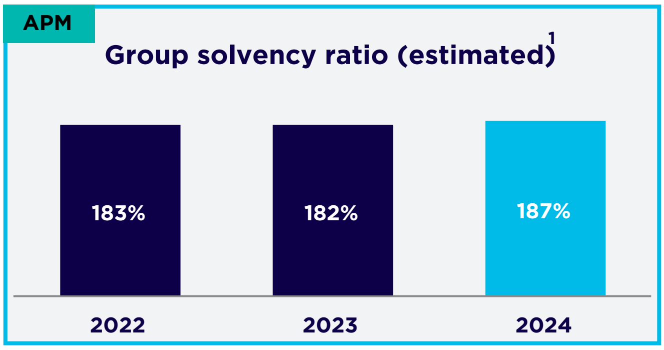
The strong performance in 2024 reinforces confidence in our business model to meet future growth ambitions.

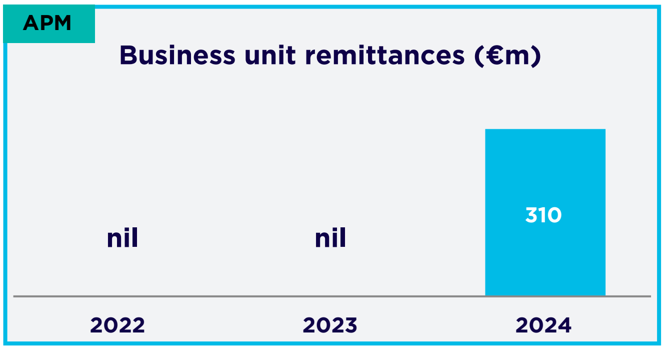
Rakesh Thakrar
Interim Group Chief Financial Officer

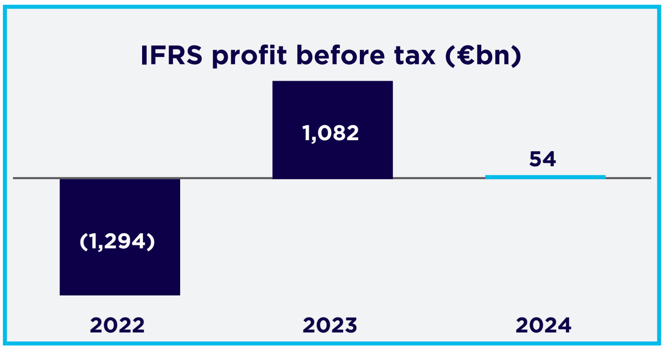
Financial highlights

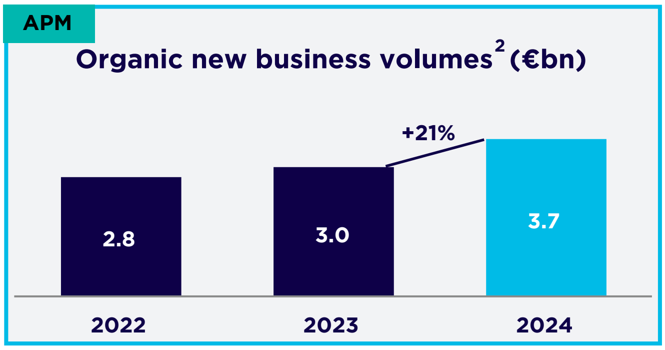
Our financial performance indicators show how we are delivering on our strategy. We use Alternative Performance Measures (APMs), which are not prescribed by accounting standards, alongside IFRS income statement and balance sheet metrics as we believe they provide a better understanding of our performance and financial strength. All APMs used throughout the report are marked with APM and the definitions are set out in the Other information section; please refer to page 201.

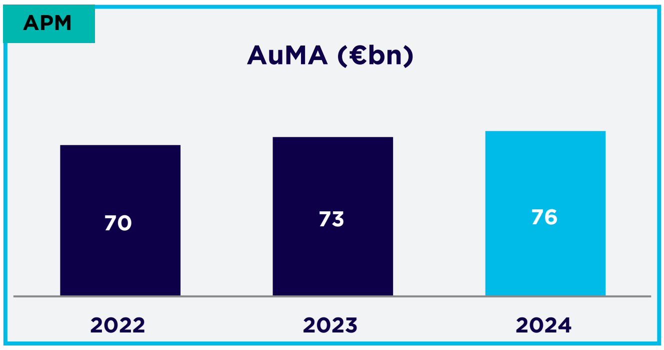


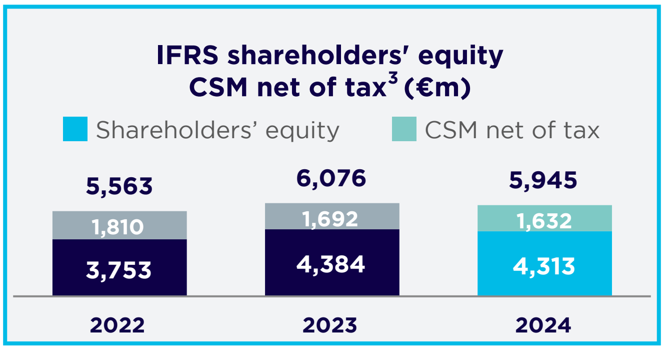


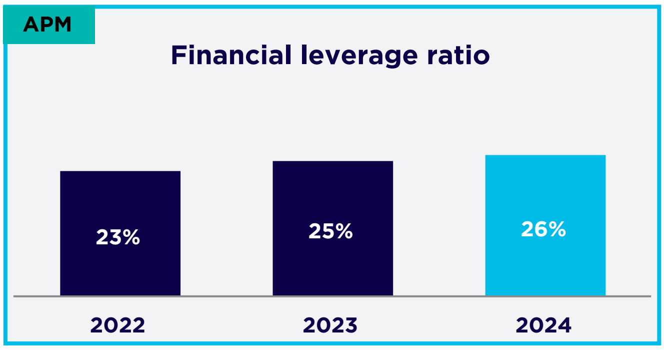












[1] The Bermuda Solvency Capital Requirement (BSCR) ratio is considered to be an estimate as it has not formally been submitted to the Bermuda Monetary Authority (BMA). Formal submission will be made by end May 2025 in line with regulatory deadlines.
[2] Organic new business volumes exclude pension risk transfer inflows.
[3] CSM net of tax and reinsurance.

Operating capital generation (OCG)

APM

A strong balance sheet, combined with efficient operations and our unique investment capabilities are the foundations that enable the Group to deliver improving levels of capital and cash generation over time. The nature of our business model means that following new acquisitions, we invest and rotate the acquired asset portfolio towards our target Strategic Asset Allocation (SAA). Once the SAA is fully deployed, we expect OCG from acquired subsidiaries to improve and ultimately support cash remittances to Group year-on-year.

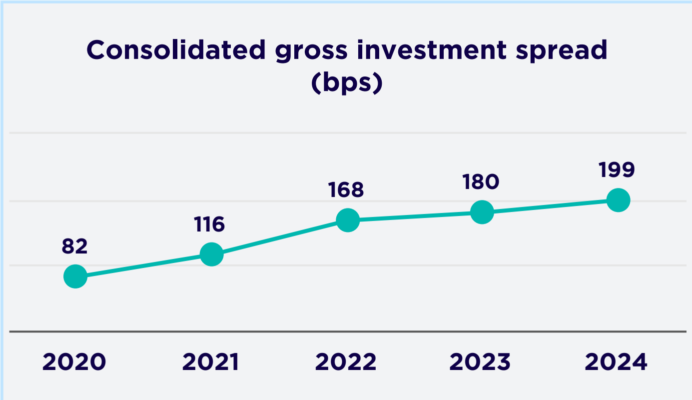
Operating capital generation

OCG increased to €657 million, reflecting continued repositioning of the Athora Netherlands asset portfolio towards a greater proportion of return seeking assets. Strong investment returns together with ongoing expense initiatives were partially offset by capital consumption from writing attractive new business.

€m	2024	2023
OCG	657	567

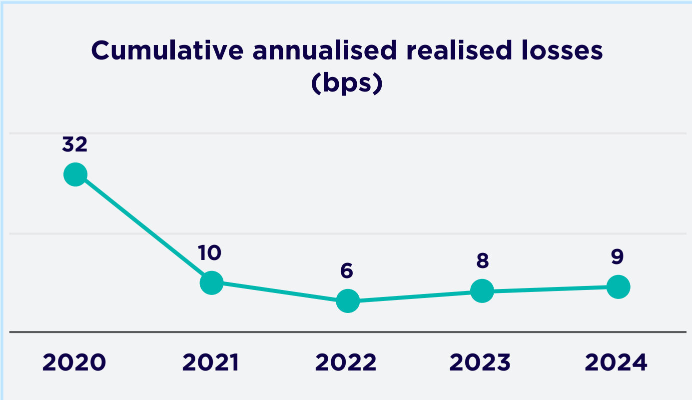
Consolidated gross investment spread[1]

The chart opposite shows the increase in the consolidated gross investment spread (bps) since 2020. This has increased by 19bps to 199bps in 2024, following the continued convergence of all business unit portfolios (in particular the Netherlands) to the SAA during the year.



Cumulative annualised realised losses

Deployment to return seeking assets continues in line with the SAA, with a focus on private investment grade assets. This is demonstrated by materially lower losses and impairments in our private credit portfolio of 9bps during 2024.



Business unit solvency ratios

The solvency ratios of the business units, measured under Solvency II, remained strong despite capital consumption from new business written in the Netherlands, Belgium and Italy, as well as the negative impact of widening sovereign spreads and market movements.

Athora Netherlands solvency position includes the impact of €310 million of remittances paid during 2024. The reduction in Germany's solvency ratio is mainly due to a subordinated loan repayment.

%	2024	2023
Netherlands[1]	201	206
Germany[1]	135	163
Belgium[3]	175	159
Italy[1]	195	211
Reinsurance[2]	173	186

[1] SII ratio based on quarter 4 2024 submission to the regulator.
[2] EBS ratio (estimated) based on quarter 4 2024 submission to the regulator.
[3] SII ratio of 159% for Belgium based on year end 2023 submission to the regulator.

[1] Refer to the Glossary for definition of consolidated gross investment spread on page 203.

Group solvency capital ratio

APM

Group solvency capital is calculated in line with the requirements of the Bermuda insurance regulatory framework. We seek to maintain a strong Group solvency position in line with our risk appetite. Our Group capital position allows us to support business growth, meet the requirements of our regulator and give our customers, shareholders and other stakeholders assurance of our financial strength. The regulatory solvency positions of our European business units are measured on a Solvency II basis and remained resilient during 2024.

Group BSCR ratio

At the 31 December 2024, our estimated Group BSCR surplus was €2,748 million (2023: €2,424 million) and our estimated Group BSCR ratio remained robust at 187% (2023: 182%). The Group solvency ratio is supported by positive capital generation and the impact of financing actions undertaken in 2024, partially offset by an increase in capital requirements due to selective deployment into return seeking assets and the impact of model and assumption changes following the implementation of the new BMA rules.

€m	2024	2023
Available statutory capital	**5,924**	5,382
BSCR	**3,176**	2,958
Group BSCR surplus[1]	**2,748**	2,424
Group BSCR ratio (estimated)[2]	**187%**	182%

[1] The Group is required to hold minimum statutory capital and surplus (Enhanced Capital Requirement or ECR) at least equal to the greater of a minimum solvency margin or the BSCR. For Athora, our ECR is equal to our BSCR.
[2] The Bermuda Solvency Capital Requirement (BSCR) ratio is considered to be an estimate as it has not formally been submitted to the Bermuda Monetary Authority (BMA). Formal submission will be made by end May 2025 in line with regulatory deadline.

In 2024, the BMA published the Insurance (Prudential Standards) Amendment Rules 2024. The Amendment Rules, which became operative on 31 March 2024, reflect enhancements to the calculation of the insurers Technical Provisions, Bermuda Solvency Capital Requirements (BSCR) computation and flexibility of the BSCR framework. In 2024, we have worked closely with the BMA to implement the amended rules. Our Group BSCR ratio remains robust following the implementation of these amendments.

Reconciliation to IFRS equity

The table opposite shows the reconciliation of IFRS equity to available statutory capital used for the calculation of the Group solvency capital position.
Assets and liabilities valuation differences between IFRS and the Economic Balance Sheet (EBS) decrease available statutory capital in 2024, primarily due to the discount curve used for EBS being lower than that used on an IFRS basis. This effect is partially offset by the removal of the IFRS 17 CSM, which is included within IFRS liabilities but not accounted for under EBS. The increase in borrowings eligible for reclassification as regulatory capital is due to the net impact of new listed public debt instruments issued by AHL and Athora Netherlands, partially offset by the repurchase of existing instruments.

€m	2024	2023
Total equity	**4,713**	4,629
Non-admitted assets, net of tax	**(92)**	(103)
Insurance assets and liabilities valuation differences	**(683)**	(700)
Financial assets and liabilities valuation differences	**(51)**	(2)
Reclassification of borrowings eligible as regulatory capital	**2,025**	1,602
Net deferred tax on valuation differences	**12**	(44)
Available statutory capital	**5,924**	5,382

Available statutory capital

Within the tiering of available statutory capital on an EBS basis, there have been movements within both Tier 1 and Tier 2: the issuance of €400 million Restricted Tier 1 listed securities by Athora Netherlands and €750 million Tier 2 securities listed by AHL have been offset by Tier 1 and Tier 2 redemptions.

€m	2024	2023
Tier 1	**3,899**	3,780
Tier 2	**1,386**	965
Tier 3	**639**	637
Available statutory capital	**5,924**	5,382

Assets under Management and Administration (AuMA) APM

Assets under management and administration (AuMA) represents the value of invested assets managed directly by Athora or administered on behalf of our clients. Assets that we manage as part of our general account activities are invested according to the principles of our investment strategy and Strategic Asset Allocation (SAA). The SAA and the assets included in the general account are explained in more detail in the Investment Strategy section on pages 21 to 22.

Total AuMA
AuMA increased by 4% during the year, to organic new business volumes of €3.7 billion and three external PRTs representing c.€0.9 billion of volumes, benefiting both AuM and AuA. This increase was partially offset by claims payments and market movements negatively impacting asset values.

Further detail on the asset types and credit ratings of assets held is set out in the Investment strategy section on pages 23 to 24.

€m	2024	2023
Total AuM:		
General account assets	**53,822**	53,719
Total AuA:		
Investments held in respect of investment contract liabilities, third parties and policyholders[1]	**22,203**	19,591
Total AuMA	**76,025**	73,310

[1] All investment contracts with DPF features have been reclassified from financial assets and cash and cash equivalents per the IFRS 9/17 consolidated statement of financial position, to present as AuA. Included in AuA are €14,597 million (2023: €13,583 million) of unit-linked assets which are backing insurance contract liabilities in scope of IFRS 17 and are reclassified from AuM. Refer to the Investment Strategy section on page 23 for further details.

Reconciliation of AuMA to total Group IFRS assets
The table opposite shows a reconciliation of the Group AuMA to the Group's total assets as per the consolidated statement of financial position.

Off-balance sheet AuA represents assets where the Group earns fee revenue but the beneficial ownership interest resides with the customer and, accordingly, these assets are not recognised in the consolidated statement of financial position.

During the year Athora Netherlands restructured Willis Towers Watson's (WTW) Premium Pension Institute portfolio, acquired in 2023 (€1,399 million at 31 December 2023). As a result of the restructuring, Athora now receives income in the form of variable asset returns and consequently recognises the assets and liabilities on the IFRS balance sheet. Accordingly, there is no reconciling item to total assets for this portfolio in 2024.

Further detail is set out in note E4 to the financial statements.

€m	2024	2023
AuMA	**76,025**	73,310
Add back: derivative liabilities	**5,649**	9,093
Consolidated third-party funds[1]	**6,454**	4,997
Off-balance sheet AuA	**—**	(1,399)
Receivables and other assets	**1,155**	914
Deferred tax	**758**	771
Other items	**368**	279
Total assets	**90,409**	87,965

[1] Included in the Group's statement of financial position are investments in funds of €6,454 million (2023: €4,977 million) by external clients, where the Group has control but does not earn any fee revenue. Therefore, these funds have been excluded from the AuMA.

IFRS profit for the year

Athora reports financial performance during the year on an IFRS basis. The key line items in the Group's consolidated statement of comprehensive income are summarised in the table below. The insurance service result includes CSM amortisation, the release of the risk adjustment, the difference between actual and expected claims and directly attributable expenses. Net investment income and net insurance finance income are considered together as the net financial result. Net insurance finance income represents interest accreted on insurance liabilities and the movement in insurance liabilities as a result of economic assumption changes. All income and gains and losses on financial assets (including unit-linked assets recognised under IFRS 9) held by the Group are recognised within net investment income. Derivatives are used by the Group to hedge solvency capital and for risk management purposes.

Insurance service result

The insurance service result of €237 million is primarily attributable to the annual release of the CSM and risk adjustment, together with more beneficial impacts of actual claims against experience, partially offset by the impact of model and assumption changes in Italy and the Netherlands moving some portfolios into loss components.

Net investment income

Net investment income of €3,802 million decreased during the year due to market movements on sovereigns, property and equity, as well as derivatives.

Net insurance and reinsurance finance expense

Net insurance and reinsurance finance expense of €3,348 million is mainly driven by the impact of decreases in interest rates on discount rates during the year, partially offset by an increase in the illiquidity premium as a result of the further asset repositioning to return seeking assets in the Netherlands. Assets and liabilities recognised within our VFA business increased significantly as a result of an increase in new business volumes in the Netherlands, with fair value movements relating to these assets and liabilities offset within the net financial result.

Refer to notes C1, C2 and F1 to the financial statements for further detail.

€m	2024	2023
Insurance revenue	**2,326**	2,228
Insurance service expense	**(2,076)**	(2,001)
Net (expense)/income from reinsurance contracts held	**(13)**	19
Insurance service result	**237**	246
Net investment income attributable to shareholders	**3,802**	5,070
Net insurance and reinsurance finance expense attributable to shareholders	**(3,348)**	(3,541)
Net investment income attributable to assets held in respect of investment contract liabilities and third parties[1]	**1,907**	920
Net insurance finance expense attributable to assets held in respect of investment contract liabilities and third parties[1]	**(1,907)**	(920)
Net financial result	**454**	1,529
Other income[2]	**132**	99
Other expenses[3]	**(544)**	(597)
Finance costs	**(225)**	(195)
Profit before tax	**54**	1,082
Income tax[4]	**(58)**	(320)
(Loss)/profit for the year	**(4)**	762
Other comprehensive income	**9**	17
Total comprehensive income for the year	**5**	779

[1] Refers to unit-linked contracts which are accounted for under IFRS 9. Due to the nature of these contracts, the investment income/expense earned on the assets held and the change in investment contract liabilities due to policyholders and third parties, will always completely offset in the Group's income statement.
[2] Other income includes fees, commission and other income. Refer to note C3 to the financial statements.
[3] Other expenses includes acquisition costs, impairments and other expenses. Refer to notes C4 and G2 to the financial statements.

IFRS shareholders' equity and CSM net of tax[1]

The key movements in shareholders' equity and CSM net of tax[1] are summarised in the tables below. Shareholders' equity does not include non-controlling interests. The CSM under IFRS 17 represents a stock of future profit to be released to the consolidated income statement over the life of the insurance contract. The CSM may increase with each future acquisition made by the Group or when new insurance contracts are written. It will also be impacted by assumption changes, experience variances and market movements for the variable fee business. We present it here net of reinsurance and tax.

IFRS shareholders' equity

At 31 December 2024, the Group's IFRS total shareholders' equity decreased €71 million to €4,313 million (2023: €4,384 million).

The decrease in IFRS shareholder's equity was primarily driven by the IFRS loss for the year of €4 million (2023: profit of €762 million), other losses recognised through retained earnings and preferred share dividends paid in cash.

€m	2024	2023
Share capital, share premium and treasury shares	3,846	3,837
Retained earnings/ (losses)	(307)	(184)
Other reserves	14	11
Preferred shares	760	720
Shareholders' equity	**4,313**	4,384

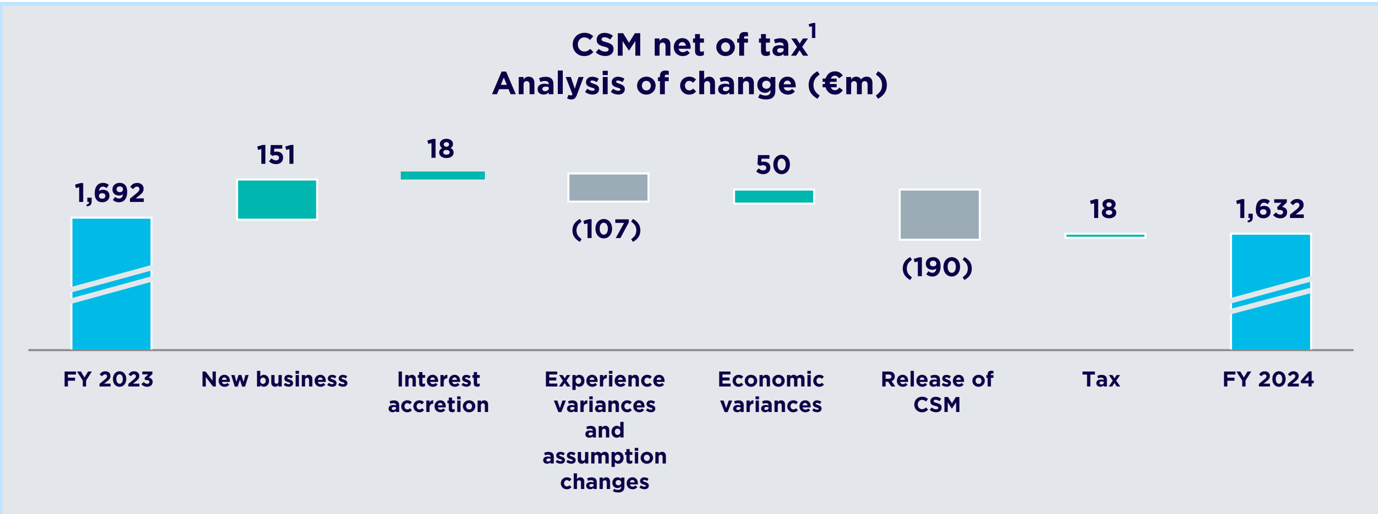
CSM net of tax[1]

CSM has decreased by €60 million over 2024. The CSM amortisation of €190 million to the income statement has been partially offset by new business CSM written in the year of €151 million. Other movements within CSM due to experience variances, assumption changes and other impacts were largely offsetting during 2024.

CSM amortisation is €190 million or 7.9% of the pre-release closing CSM. This level of release is expected to repeat in future periods.

Further detail is set out in notes F1 and F2 to the financial statements.

€m	2024	2023
CSM net of tax[1]	1,632	1,692
Risk adjustment (RA)[2]	790	760
Release of CSM (%)[3]	7.9	8.1
Release of RA (%)[3]	5.6	5.4



[1] CSM net of tax and reinsurance.
[2] RA net of tax and reinsurance.
[3] Gross of tax.

Financial leverage

APM

Our financial leverage ratio definition is consistent with the Fitch Ratings Methodology. Following the implementation of IFRS 9/17, Fitch published a revised financial leverage definition in March 2024 which includes the CSM (gross of reinsurance and net of tax) within the total equity capital calculation, whilst keeping the leverage target for an 'A' rated entity unchanged. Hence, Athora's medium-term leverage target is unchanged at 25%, which is consistent with our 'A' rating target.

Financial leverage

At 31 December 2024, our financial leverage ratio was 26% (2023: 25%). Financial leverage increased as a result of €235 million drawn down from the Revolving Credit Facility to support business unit growth and business plan delivery. At 31 December 2024, €765 million remained undrawn.

€m	2024	2023
Subordinated debt	**1,333**	992
Senior debt	**961**	1,274
Total borrowings	**2,294**	2,266
Financial leverage ratio[1]	**26%**	25%

[1] Refer to glossary for definition of inputs into ratio and the adjustments made to IFRS balance sheet line items as per Fitch Ratings methodology. As a result of these adjustments it is not possible to calculate the ratio by simply dividing total borrowings by IFRS equity as per the consolidated statement of financial position.

Borrowings

During the year, total borrowings increased by €28 million, primarily due to the two Liability Management Exercises (LME) undertaken by Athora Netherlands. In June 2024, Athora Holding Ltd. issued €750 million Tier 2 senior notes. Proceeds were used to support a €284 million Tier 2 LME by Athora Netherlands and prepayment of €465 million of bank debt. Further detail is set out in note E7 to the financial statements.

Interest expense on borrowings increased to €132 million (2023: €112 million), driven by the interest payable on the €750 million Tier 2 notes issuance. Refer to note C5 to the financial statements.

€m	2024	2023
Interest on subordinated debt	**(66)**	(46)
Interest on bank loans/ RCF	**(66)**	(66)
Interest on borrowings[2]	**(132)**	(112)

[2] In addition to interest on borrowings, the Group incurred interest expenses of €93 million (2023: €83 million) on various operating liabilities, such as repurchase agreements and lease liabilities, giving a total interest expense of €225 million (2023: €195 million).

Ratings

Fitch provides Insurer Financial Strength Ratings of Athora's subsidiaries (Athora Ireland, Athora Life Re and SRLEV) and Issuer Default Ratings of Athora Holding Ltd. (AHL) and Athora Netherlands.

In August 2024, Fitch maintained the Insurer Financial Strength Ratings of Athora's rated business units at 'A'. The Issuer Default Ratings for Athora Holding Ltd. and Athora Netherlands N.V. were also held at 'A-'. All ratings are on Stable outlook.

Legal entity ratings	FITCH
Athora Holding Ltd.[1]	A-
Athora Netherlands N.V.[1]	A-
Athora Ireland plc[2]	A
Athora Life Re Ltd[2]	A
SRLEV N.V.[2]	A

[1] Issuer Default Rating.
[2] Insurer Financial Strength Rating.

Risk management

Our risk appetite and risk strategy are integral parts of our business strategy and we manage all risks to ensure a good customer outcome.

Robust risk management is central to the success of Athora as a specialised European savings and retirement services group. As a key element of our business model, risk management is the responsibility of all Athora employees.

Enterprise Risk Management framework

Our Enterprise Risk Management (ERM) framework was devised to ensure that we identify, understand and assess risks against levels defined as acceptable. When we understand the risks we face, we can design and implement appropriate controls. The aim is to enable every employee to see how they contribute to the effective management of risk. Risks are managed from multiple perspectives, including economic, regulatory and accounting. The ERM framework includes a number of components, as set out in the figure below.

Risk appetite and strategy	Risk governance	Risk culture	Risk assessment and measurement	Risk management and monitoring	Risk reporting and insights	Data and technology
Linkage to corporate strategy	Board oversight and committees	Risk organisation	Risk identification, assessment and prioritisation	Risk mitigation response and action plans	Risk reporting	Data quality and governance
Risk universe	Group risk operating structure	Risk competence	Quantitative methods and modelling	Testing, validation and assurance	Business/ operational requirements	Risk analytics
Risk appetite statements	Roles and responsibilities	Risk relationships	Risk aggregation, correlation and concentration	Monitoring	Board and senior management requirements	Technology enablement
	Risk policies and risk opinions	Risk motivation	Scenario analysis and stress testing	Projects and initiatives	External requirements	

Under the leadership of the Group Chief Risk Officer, the objective of Athora's risk management framework is that each risk is assumed and managed deliberately, understanding the risk-reward trade off within our defined risk appetite and risk strategy. This ensures a clear and common understanding of the Group's Risk Management framework and enables employees to adhere to the principles and governance of the system.

Risk appetite and strategy

Our risk appetite and risk strategy are integral parts of our business strategy and we manage all risks with the purpose of supporting the delivery of Athora's strategic pillars. They determine how we select the risks we can control, and from which we can extract value, in line with our mission.

Risk appetite and risk strategy are translated into specific policies and limits for the relevant risk types. Specific strategies apply for each risk type, but three fundamental principles apply generally:

Targeted risk selection	Skilled risk taking	Cohesive risk management
• We take on long-dated life insurance liabilities in European markets where these can be managed within risk appetite and provide a risk-adjusted return in line with strategy. • Asset selection for return seeking investments is determined by Athora's access and opportunity to capture appropriate risk-adjusted returns. • Risks outside of risk appetite are pro-actively mitigated or traded out; short-term unrewarded risk taking is discouraged. This includes having an efficient process in place to identify emerging risks and issues.	• Active risk management is a core competency of Athora that helps promote confidence in our stakeholders (including the Board, customers, supervisors, shareholders, and rating agencies). • Athora ensures the level of capital held in the balance sheet is compatible with the risks taken and that the business operates efficient capital structures. • Athora only takes risks where the appropriate skills, capabilities and resources exist in the organisation to manage them. • We measure risk on a timely and reliable basis, to achieve a predictable risk profile, and promote conscious trade-offs between risk, reward, and cost.	• Risk is managed consistently across all the business with the aggregated risk ultimately owned at the Group level. • Risk appetite is clearly articulated for all risk categories and is managed to ensure the business operates within the established risk appetite through monitoring and controls as well as overall compliance with risk policies. • The three lines of defence model is employed with all lines clear on their roles and working together effectively to manage the risk. • The common underlying economic own view of the risk is used to measure the available and required risk capital across the business.

The table below sets out the definitions of the main risks to which Athora is exposed.

Risk type	Risk definition
Strategic risk	Risk that an event impacts our ability to achieve our overarching strategy and core business priorities. In line with our strategic pillars, this includes any risk impacting our ability to achieve sustainable growth, maintain effective capital management, drive strong and stable investment returns and operate efficiently and competitively.
Capital adequacy risk	Risk of not maintaining a sufficient level of capital to protect policyholders, or not allocating capital in a manner that supports Athora's strategic goals and aligns with Athora's risk appetite.
Market risk	Risk of loss or adverse change in the financial situation resulting (directly or indirectly) from fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments.
Credit risk	Risk of loss resulting from an obligor's potential inability or unwillingness to fully meet its contractual obligations to Athora.
Liquidity risk	Risk that an entity has insufficient cash, other liquid resources or management actions to meet obligations when they fall due.
Insurance risk	Insurance risk is comprised of underwriting and reserving risk. Underwriting risk is the risk of incurring financial losses from assumptions deviating from expectation (where assumptions include mortality, longevity, morbidity, policyholder behaviour and expense) and reserving risk is the risk of misestimation or lack of control surrounding reserving activities.
Operational risk	Risk of loss resulting from external events or from inadequate or failed internal processes, people and systems.
Compliance risk	Risk of legal or regulatory sanctions, material financial loss or loss to reputation Athora may suffer as a result of its failure to comply with the laws, regulations, rules and codes of conduct applicable to its business activities.
Tax risk	Risk of incurring unplanned and/or unexpected tax liabilities, for instance, as a result of changes in practice or interpretation; or incorrect tax advice.
Sustainability (Environmental, Social and Governance) risk	Risk of ESG events or developments, which may, if not managed, have significant negative impacts on the assets, financial and earnings situations, or reputation of an entity.

We set out qualitative risk appetite statements internally for each of these risks and their related sub-risks, providing direction on how to manage them. Depending on the risk appetite level, we either accept these risks or take action to reduce, transfer or mitigate them. We also use a quantitative risk appetite dashboard to monitor key risk metrics, across financial and other dimensions of the business. We report on these qualitative and quantitative dashboards quarterly to the Group Board Risk Committee.

Risk governance

Athora governs risk through:
- risk policies and business standards;
- risk oversight committees; and
- clear roles, responsibilities and delegated authorities.

The Chief Risk Officer has a reporting line to the Board Risk Committee.

The assignment of responsibility to key stakeholders across the Group is guided by the following risk governance principles:
- risk can be allocated by category, such as: strategic, market, credit, liquidity, etc.;
- executive owners of each risk category are identified and are responsible for the aggregated view of that risk;
- structure and processes ensure that risks are managed within pre-defined appetite;
- management includes delegation of authority to take risks and consideration of the risk-reward balance;
- each risk category has an appropriate management forum; and
- Risk management services may be outsourced to third parties, but responsibility for risk management cannot be outsourced.

We have implemented a *three lines of defence* risk governance model to ensure that risks are clearly identified, owned and managed.

The risk management function together with specialist functions such as Compliance and Actuarial, develop and operate methodologies to identify, manage and mitigate designated types of risks. The Risk Management function monitors overall risks, including specific risk types, and escalates, through the system of governance, any such risks that may exceed Athora's risk appetite. The Risk Management framework is embedded in decision making across the business, including for capital, insurance, reinsurance and investment management.

Within the Athora Group at legal entity level, Risk Management functions/owners exist with resourcing responsibilities and governance structures tailored to each entity. The business has clear ownership of risk-taking/risk-avoidance decisions, and reports to the Group on appetite, decisions and outcomes.

Risk culture

Risk culture is the set of values, behaviours and subsequent actions that shape our collective approach to managing risk and making decisions.

The following critical and reinforcing elements describe the strong risk culture which we seek to have in Athora:

- a clear and well-communicated risk strategy;
- collaboration and information sharing;
- rapid and "no blame" escalation of threats or concerns;
- constructive challenge of actions and preconceptions at all levels;
- visible and consistent role modelling by senior leaders and managers; and
- incentives which encourage people to "do the right thing" in the long-term interest of the whole business.

Our Risk Culture Framework sets out our sustainable approach to risk culture which aligns to Athora's broader culture, values and behaviours.

Our Code of Conduct embodies our values and guides our behaviours, actions and decisions to ensure we carry out our business in a way that is right for all our colleagues, stakeholders and customers.

Risk assessment and measurement

We maintain activities that allow us to identify, assess, and quantify known and emerging risks. These processes allow us to consider the extent to which potential events may have an impact on the achievement of our objectives.

Athora uses both qualitative and quantitative approaches, processes and tools to identify, assess and measure risk, and determine the appropriate capital requirements.

Risk management and monitoring

We apply and embed a coordinated series of processes and tools across Risk Management and assurance activities to test effectiveness and validate controls and mitigation activities. Monitoring of risks comprises both ongoing monitoring activities and separate evaluations. Group Risk Management provides guidance on quarterly monitoring in line with the risk strategy and appetite, and risk tolerances and limits, set out in risk policies.

Consistent monitoring across the Group allows for aggregation and active monitoring of risks at Group level:

- control testing—a key component of the internal control framework;
- model validation activities—includes independent validation of key models and assumptions;
- validation of material external data;
- independent review and oversight of outsourcing due diligence processes; and
- reporting of risks to the Board and relevant committees.

Risk reporting and insights

The Management and Board Committees are part of Athora's overall governance framework for ensuring appropriate reporting and escalation of risk to the Board.

Regulatory reports such as the Bermuda Monetary Authority (BMA) required Commercial Insurer's Solvency Self-Assessment (CISSA)/Group Solvency Self Assessment (GSSA) and Approved Actuary Report and Opinion and the Solvency II required Own Risk Self Assessment (ORSA) and Actuarial Function Holder Report, also provide relevant information to the Board, its Committees and to Management to ensure risks are being managed and escalated appropriately. These reports also play an important role in supporting strategic decision making and strategy development.

Risk reporting seeks to provide a comprehensive picture of risks across layers and risk types. The key focus is on delivering actionable insights from risk information and providing risk transparency.

Data and technology

Athora takes a Group-wide approach, using tools and processes, for establishing and maintaining the confidence in, and integrity of, risk data and technology. Risk data and technology aligns with Athora's Data Governance Council's (DGC) data policies and standards and the DGC's objective of maximising the value of data as a business asset; respecting business needs, Group/local regulatory requirements, innovation and efficiencies.

Internal control framework

The Board has established a principles-led internal control framework (ICF) for the Group. This is designed to support Athora in executing robust and effective controls over its risk exposures, while supporting strategic decision making.

The ICF enables us to:

- achieve important objectives;
- sustain/improve performance; and
- develop a consistent and scalable system of effective and efficient internal controls.

Continuous development

The Group Chief Risk Officer is responsible for developing the Risk Management framework and ICF to ensure that Risk Management remains effective.

Changes in the risk environment

Global economic background

2024 has seen inflation return to more normal levels after the significant shocks during 2022 and 2023, and, as a consequence, central banks around the world reduced interest rates, though the pace has slowed towards the end of 2024. Increased investor confidence has also seen strong returns in many equity markets and corporate spreads have tightened to levels not seen since before the 2008-2009 Global Financial Crisis.

However, sovereign spreads in a number of European countries have widened significantly in the second half of 2024, resulting from a combination of political uncertainty, structural deficits and high supply to market.

Athora's investment positioning, solid underwriting performance and active asset-liability management has helped to navigate through these challenging market conditions without material adverse impacts on our investments.

Overall, the performance of the investment portfolio has remained robust, a reflection of the strong credit fundamentals of the underlying positions, the resilience of the credit profile and the continued adherence to the Prudent Person Principle in the risk-taking process.

Regulatory solvency requirements

Athora operates in multiple jurisdictions in Europe and Bermuda and is therefore subject to different capital regimes. The regulatory frameworks in Bermuda (BSCR) and in Europe (Solvency II) have been reviewed in the last few years. The changes in the BSCR framework are effective from year end 2024 and are reflected in the year-end numbers. However, the impact of these changes at year end 2024 has limited materiality given the transitional measures in place. For Solvency II, the updated Directives have been published, with the implementation date set for Q1 2027. These changes are expected to impact the balance sheets of the European-based entities. Athora entities are assessing the operational and financial implications of the anticipated changes and preparing accordingly.

Athora has been designated as an Internationally Active Insurance Group (IAIG), which requires compliance with the Common Framework for IAIGs (ComFrame) rules and the Insurance Capital Standards (ICS). The ICS provides a globally comparable risk-based measure of capital adequacy for IAIGs and forms the quantitative element of ComFrame. It has been under development by the International Association of Insurance Supervisors (IAIS) over the past years and was adopted as a prescribed capital requirement for IAIGs in December 2024. Following the adoption of the ICS, the IAIS has set high-level timelines to assess the comprehensive and consistent implementation of the ICS by regulators across jurisdictions over the next three years. Athora is closely monitoring any further developments in the regulatory capital frameworks to ensure ongoing compliance with all relevant regulatory requirements.

Cyber risk

We continued to monitor the cyber threat landscape closely throughout 2024. There were a number of geo-political incidents which generated increased cyber activity in the impacted regions. Another significant area of focus was enhancing operational resiliency across the Group and ensuring readiness for Digital Operational Resilience Act (DORA) compliance in 2025. Athora's proactive testing of key security controls continues via penetration testing, red team activities[1] and independent maturity assessments. The results of these tests, risk assessments and the changing global threat landscape will be used to ensure activities in 2025 are focused on the most significant risks.

[1] Red team activities involve ethical hacking exercises where IT security experts mimic the tactics of malicious hackers to test and improve Athora's defences. These activities include penetration testing, social engineering, and simulated cyberattacks to identify vulnerabilities and improve response strategies.

Principal risks and uncertainties

Athora's principal risks and uncertainties are detailed below, together with their potential impact, mitigating actions which are in place, and links to our strategic pillars — Grow, Optimise, Earn and Operate.

Grow	Optimise	Earn	Operate
Sustainable growth	**Proactive capital and Risk Management**	**Strong and stable investment returns**	**Competitive costs and service levels**

Strategic risk

Strategic risk is the risk that an event impacts our ability to achieve our overarching strategy and core business priorities. In line with our strategic pillars, this includes any risk impacting our ability to achieve sustainable growth, maintain effective capital management, drive strong and stable investment returns and operate efficiently and competitively.

Strategic priorities	Mitigation
Optimise Grow	Our strategic planning process has been designed to ensure we can effectively identify and manage strategic risks should they arise. As a part of this process, we have articulated strategic priorities that outline our key business activities in line with our strategy, as well as their associated short-term and medium-term targets. Athora has actively embedded ongoing monitoring processes to ensure we have a clear understanding of our progress against these priorities and can identify and mitigate where we may be off track.

Capital adequacy risk

Capital is managed in a proactive and prudent way to ensure that Athora can meet its long-term obligations through the robust capitalisation of Athora Group and all the life companies.

Strategic priorities	Mitigation
Optimise Grow Operate	This risk is managed through the robust capitalisation of Athora Group and of all its life companies, and the central management of financial resources to be able to support life companies in stress or opportunity. Athora allocates capital across risks and businesses in a way that aligns with its specific risk and strategic preferences while ensuring appropriate risk-return trade-offs. Athora also maintains a financial profile consistent with an 'A' range rating.

Market risk

Athora aims to limit balance sheet volatility from market risks while pursuing returns for all stakeholders from attractive investments.

Strategic priorities	Mitigation
Optimise Earn Operate	Athora ensures that investment activity and the resulting market risk exposure is managed to provide long-term sustainable returns whilst operating within accounting, solvency and liquidity constraints. Athora actively manages exposure to market risks with the Group's Asset and Liability Management (ALM) risk policy which is implemented locally by the business units. The business units define thresholds for interest rate, spread and currency risk according to the risk metrics and scenarios defined in the policy. Such scenarios include standalone stresses for each market risk, such as interest rate, spread, currency risk, as well as multi-risk scenarios calibrated to account for diversification benefits allocated to each risk upon aggregation. Exposures are identified, actively monitored and reported to Group. Any risk-limit breaches are escalated to the appropriate governance bodies for remedy and mitigation.

Credit risk

Credit risk originates from fixed income investments in both public and private financial instruments, where the credit risk profile varies depending on asset-specific structural features, credit protections, seniority ranking and collateral terms. Credit risk arises from a variety of investments considered as strategic within Athora's investment universe, including investments into sovereign bonds, public corporate bonds, residential mortgage loans, private corporate loans, and commercial real estate debt. We seek certain investment risks in pursuit of returns, while minimising counterparty risks (with derivatives, cash and reinsurance).

Strategic priorities	Mitigation
Optimise Earn	Athora ensures that investment activity and the resulting credit risk is managed to provide long-term value creation for our policyholders and stakeholders, whilst complying with the Solvency II and Bermuda regulatory requirements, including the Prudent Person Principle frameworks, our risk appetite, strategy and internal financial risk policies. In this context, each investment is selected based on its fitness within the strategic asset allocation, a tailored risk-return analysis and a comprehensive underwriting criteria review process. Investable assets are described in Athora's investment universe, with associated expected risk profiles and characteristics. According to our Investment Governance and Oversight policy, only assets that are Board-approved per the Athora investment universe are permitted. Credit concentration risk and counterparty risk are managed via our Credit Concentration and Counterparty Risk policy. Additionally, we form our own credit risk view via an internal credit assessment process for a selected set of private credit investments based on a validated internal methodology. We test risk-adjusted return appropriateness against regulatory and economic capital consumptions. This process further enhances Athora's capabilities to monitor and manage risks associated with credit investments.

Liquidity risk

Liquidity risk is managed prudently to ensure that, at all times, Athora can meet its obligations as they fall due. The past few years have seen continued volatility in interest rates, creating challenges for a number of financial market participants. Athora was able to navigate the higher interest rate environment as a result of its prudent Risk Management strategy and holdings of liquid assets, in line with the Group Liquidity Risk policy. During 2024, the Liquidity Risk Management framework has been reviewed and further enhancements are being implemented across Athora's business units.

Strategic priorities	Mitigation
Optimise Grow Operate	We have a comprehensive liquidity management framework that ensures that a sufficient liquidity buffer is maintained to enable liquidity demands to be met, even in times of stressed market conditions. The business units identify and quantify stressed liquidity requirements in line with the Group's liquidity risk policy, which is then reported and monitored. There are regular meetings at the business unit and Group level to monitor, discuss and identify liquidity risks on a forward-looking basis.

Insurance risk

As Athora's business model is mainly aimed at providing a capital guarantee, the underwriting risk management is therefore focused on longevity and expense reserving risk, as well as customer behaviour, most notably lapse risk, as well other customer options such as annuitisation.

Strategic priorities	Mitigation
Optimise Grow	Athora assesses, monitors and controls underwriting risks to be able to adequately price and reserve for such uncertainty, and to anticipate any potential future adverse deviations. This is based on several methods including: • regular experience investigations using actuarial professional practices and available internal data, complemented by external data such as industry analysis and benchmarking reports; • regular reporting on the performance of key underwriting risks, including sensitivity analysis and stress & scenario testing. The evolution of these risks is monitored in case of changes in macroeconomic conditions, regulation, competitor activity or socio-economic trends; and • implementing solutions to manage or transfer such risks, where appropriate (e.g. reinsurance arrangements).

Operational risk

Given the size and complexity of the business, Athora is exposed to operational risk which is mitigated through our people and the controls, processes and systems we have in place.

Strategic priorities	Mitigation
Optimise Operate	Athora has a system of internal controls to mitigate the risk of unanticipated financial loss or damage to our reputation and which is enhanced through investment in our system capabilities and business processes to ensure that we meet the expectations of our customers; comply with regulatory, legal and financial reporting requirements; and mitigate the risks of loss or reputational damage from risk events. Any risks with a material potential impact are monitored on a regular basis with action taken to remediate as required.

Compliance risk

The primary compliance challenge for financial institutions is the quickly evolving regulatory landscape and the pace of change, at both the EU and the national level, across a broad range of regulatory topics. Compliance with new or evolving requirements presents operational challenges for the business given the effort to assess the impact of evolving regulation, implement the necessary controls and processes in response, document these controls and processes, and then test the effectiveness of new controls, all within a limited timeframe.

Strategic priorities	Mitigation
Optimise Operate	Athora manages compliance risk through comprehensive policies designed to ensure the firm's obligations are met at a national and supra-national level. This is supported by our control infrastructure, detailed procedures and training programs that ensure staff are aware of their responsibilities in supporting Athora's compliance program. In addition, regular monitoring and testing activity is undertaken by our compliance teams to validate the design and effectiveness of Athora's controls. Group Compliance also coordinates regular meetings and working groups with each of the business units to identify synergies and areas of best practice that can be replicated throughout the wider Group.

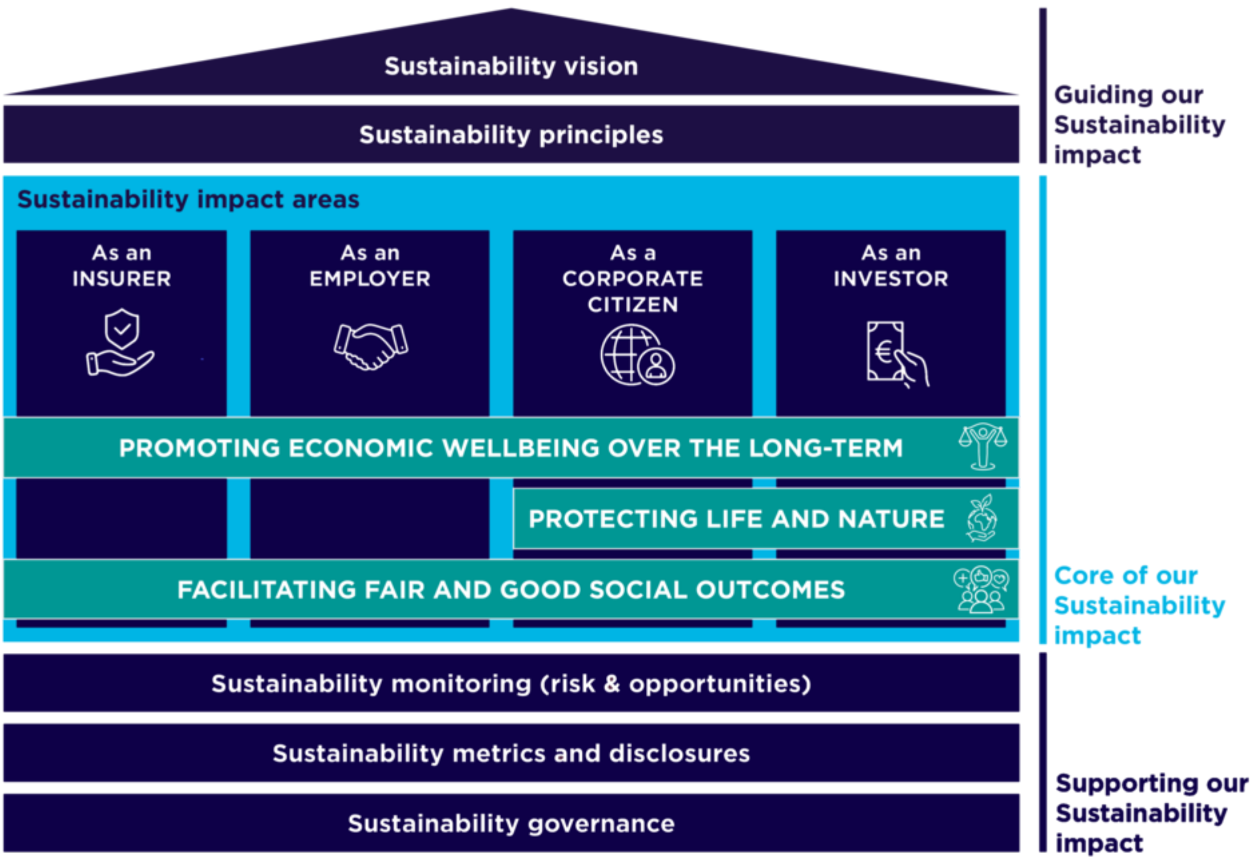
Sustainability

The core of our sustainability strategy focuses on key impact areas at the intersection of our business activities and our defined sustainability themes.

Our sustainability strategy focuses on taking meaningful actions across sustainability themes that best reflect our industry role, strengths, and values. We aim to provide long-term value and security for all of our stakeholders, while ensuring that our work enables our customers, employees, communities, and the planet to thrive.

Sustainability strategy

In 2024, we continued to make progress in implementing and embedding our sustainability strategy throughout the business, details of which are published on our website and illustrated below. The core of our sustainability strategy focuses on key impact areas that intersect with our business activities and our defined sustainability themes. Our sustainability vision and principles guide how we approach these impact areas, supported by appropriate monitoring, metrics, disclosures and governance. Further details of our sustainability strategy, vision, and principles are available on our website.



Our most recent Sustainability Report, published in July 2024, contains more extensive disclosures relating to international frameworks such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD). We are committed to advancing our sustainability activities and maturing our disclosures through our annual Sustainability Report and other channels.

This section provides an overview of some of our progress in 2024. We refer to our standalone annual Sustainability Report that will be published in July 2025 for further detail on our activity in the year.

Our role as an insurer

Providing products and services that meet the needs of our clients

The core of our business revolves around removing financial uncertainty and insecurities over the long term for our policyholders, making a critical contribution to economic wellbeing and stability that lasts. Helping our customers achieve financial security and comfort throughout life is a social imperative for Athora, and we are proud to support the future income provisions of our customers by providing desirable products.

In 2024, Athora continued to deliver strong returns in our core guaranteed products across all our jurisdictions. Of note, Athora Netherlands' annuity product remained consistently in the top three by rate during the year, while Athora Belgium's Branch 21 guaranteed product was awarded best product at the Decavi Life Insurance Trophies. In Germany, Athora Lebensversicherung AG confirmed a stable 2024 profit participation on its life insurance policies for the fifth consecutive year, offering a total rate of 4.0%. This compares to the current market average of 2.42% in 2024. Lastly, Athora Italia declared a 2024 gross yield of 4.53% on the Athora Risparmio Protetto segregated fund, amongst the best in the market.

To complement our guaranteed products, Athora Netherlands, Athora Belgium and Athora Italia offer a range of unit-linked solutions, a significant proportion of which are backed by sustainable funds. In the Netherlands, 7% of funds offered to our unit-linked customers are categorised as Article 9 in accordance with the Sustainable Finance Disclosures Regulation (SFDR), meaning they have a primary sustainable investment objective. A further 83% are classified as Article 8 funds, with no sustainable investing objective, but promoting environmental or social characteristics as a minimum. Combined, these funds correspond to 99% of actual unit linked AuMA. Similarly, in Belgium, 80% of funds offered to unit-linked customers are categorised as Article 8 or Article 9, equivalent to almost 85% of unit-linked AuMA, and its Branch 23 product received two awards for best fund at the Decavi Life Insurance Trophies. In Italy, we have promoted sustainable fund offerings since 2023 with our Article 8 compliant hybrid product.

Placing the customer at the centre of everything we do

Customer focus remains at the heart of Athora's operations, and we continue to take a detailed approach to monitoring customer satisfaction across our business units. We use a range of measures to assess customer satisfaction, ranging from Net Promoter Scores (NPS) in Belgium, to Delighted Customer Scores in the Netherlands. During 2024, our NPS continued to perform strongly in Belgium, while the Delighted Customer Score metric also remained resilient in the Netherlands. Additionally, we focus on monitoring customer complaints across each of our business units, and during 2024 our observed levels of customer complaints remained well contained throughout all our business units. Looking forward to 2025, we intend to further strengthen our customer satisfaction outcomes via product, distribution and operations-related initiatives across our markets.

In 2024, Athora Netherlands also launched a customer environmental, social and governance (ESG) dashboard for pension scheme participants, enabling customers to view the various sustainability characteristics of their pension investments.

Employing responsible marketing

We believe that clear and transparent marketing and communication with customers is key, in particular given the potential complexity of products within the insurance industry. We are committed to ensuring that our communications are timely, accurate, relevant and easy to understand.

Respecting data privacy

We recognise our data protection obligations and are committed to remaining compliant with the General Data Protection Regulation (GDPR). To ensure that we effectively protect personal data, we have a Group Data Privacy, Retention and Deletion policy in place, and more broadly, a Group Information Security Policy.

Our role as an employer

Valuing our people

As we continue to expand our footprint in the European savings and retirement services market, the dedication and efforts of our employees remain critical to our success. We are fully committed to providing an environment in which all employees are recognised, valued, and able to fulfil their potential.

Fair remuneration

Athora is committed to equality and fairness as defined in our Group Code of Conduct. This includes ensuring Athora's operating entities have equal pay for equal work in the same or comparable roles for all genders. Increasing the representation of women in senior positions is also one of our Group Bonus Plan measures, incentivising action to bring greater balance in these roles.

We aim to provide an inclusive and safe workplace, relevant development opportunities and appealing employment packages, and we listen to our employees to understand where we can further improve.

Enhancing our processes and culture

Athora's People and Culture team have continued to improve our people processes, with notable advancements in the rigour and robustness of our hiring processes, including the launch of a direct sourcing model which significantly optimises our hiring procedures while increasing the quality of hires.

The HR service offered to the business has also been improved through the implementation of a dedicated HR operations team and the adoption of an HR business partnering model, plus optimisation of the online people system, enabling improved employee self-service and real time HR metrics.

We have also made advancements to talent identification and succession planning, ensuring better management of people risk at senior levels, and to the rigour of the performance management process, including the addition of 360-degree feedback and practices to ensure fair and consistent evaluation of employees.

Monitoring employee engagement

Athora has continued its commitments to enabling employee engagement and promoting inclusion, equality and diversity via a full engagement survey, clear communication of results and appointment of Engagement Champions.

The annual engagement survey was conducted following year end performance reviews, reporting and results collation, with a high participation rate of 82%. A positive response was recorded, with strong scores from employees who believe their manager keeps them up to date, cares about wellbeing, and gives feedback, while employees feel they are able to ask for help or admit mistakes, and have sufficient autonomy to do their jobs well.

Living Athora Values Awards (LAVA)

Employee recognition is a key pillar of our culture framework and this year's LAVA ceremony saw a variety of employees recognised as role models of Athora's values.
Sponsored by Athora's leadership team, this is the fourth year of the employee recognition programme, and included winners from across the Group, and from functions including risk, reinsurance, vendor management, group talent, administration, and regulatory reporting.

Training on risk culture and behavioural change

In October 2024, we once again held our Athora Risk Awareness Week to further strengthen and embed risk culture across the organisation. A series of broadcasts, presentations, and discussions included topics such as internal controls over financial reporting, the role of all employees in effective risk management, and information security.

Our risk culture training had a 100% completion rate amongst our employees, and comprises a comprehensive online course with a formal assessment to ensure that employees are able to define and make decisions on potential organisational risks, as well as being able to identify appropriate escalation and resolution outcomes.

Additionally, we saw very strong in-person attendance at our values and behaviours training, held across our corporate centre locations in early 2024. This training was provided by an external provider experienced in organisational behaviour, and focused on interactive discussions to clearly outline the behavioural standards expected of Athora's employees.

Promoting inclusion, diversity and equality (IDE)

Athora's IDE programmes continued to expand their visibility in 2024, overseen by the continuation of a dedicated IDE Council.

The Athora Women's Inclusion Network (AWIN) has been operating since 2022, and now has strong local chapters established in Dublin, London, Bermuda and Germany. Chapters host regular events, such as International Women's Day which is observed in March annually. AWIN aims to promote professional development, advocate for gender equality and deepen educational awareness of gender-related topics.

The Athora Pride Network promotes inclusion particularly in relation to sexual orientation, gender identity and gender expression. The network provides a support group and raises awareness about LGBTQ+ issues, whilst promoting professional development amongst this employee cohort.

Recognition

In 2024, Athora Netherlands received the Top Employer certificate for the third year in a row. This international certificate is awarded to employers with excellent human resources policies. Our Amsterdam office was awarded one of the highest scores in the Benelux from the independent Leesman survey in 2024, a global benchmark that measures how well work environments support employees, placing it as one of the top 7% offices in the world.

Our role as a corporate citizen

Supporting our communities

We are committed to making a difference to the communities in which we operate. Our Group-wide Charitable Efforts Guidelines, which guide our charitable activities and encourage employees to get involved in volunteering and fundraising efforts, aim to support those in need and to address societal needs.

In 2024, we donated €0.3 million to charitable organisations across our jurisdictions supporting causes such as homelessness, women's safety, children's welfare, mental health, cancer care and research, and humanitarian aid relief.

Limiting our environmental impact

We continue to work towards more robustly measuring the carbon footprint from our own operations, utilising our Group-wide greenhouse gas (GHG) emissions data management system, while seeking ways to reduce our emissions and promote more responsible production and consumption. GHG emissions from our own operations[1] totalled 8,339 tCO_2e in 2024 (2023: 3,047 tCO_2e).

We have also continued to target reductions in our carbon footprint through ongoing waste recycling, donation of end-of-life electronics to charities, reducing energy consumption with the use of motion sensors, and continuing our hybrid working model, while implementing new solutions such as carbon neutral print usage in Ireland.

We set the same expectations for our supply chain and insist that they act in accordance with our strong standards and values, including on human rights, modern slavery, and human trafficking. We set out our policies towards third-party vendors in detail within our Sourcing and Vendor Management Policy, Group Outsourcing Policy, and Vendor Code of Conduct.

Our 2023 office moves in London and Amsterdam gave us the opportunity to consider the sustainability characteristics and emissions reduction potential of the buildings – including smart heating, recycling and low-carbon commuting options (e.g. cycling). Our Amsterdam office is located in one of the most sustainable office buildings in Europe, achieving the highest sustainability scores from the WELL Building Standard, while our London office is rated BREEAM Outstanding.

Maintaining high standards of governance and compliance

Maintaining high standards of governance, transparency and good relationships with our supervisors is fundamental at Athora. We continue to monitor the regulatory and policy developments relevant to our business and ensure we remain compliant with these. We also maintain adherence to other EU sustainability reporting regulations and directives, including the EU Taxonomy for sustainable activities and requirements of the Corporate Sustainability Reporting Directive (CSRD), where applicable across the Group. Additionally, we continue to attend periodic Supervisory College meetings with all our principal insurance supervisors. Further details can be found in the corporate governance section of this report.

The Group Board is responsible for setting the sustainability strategy and objectives of Athora, and has delegated responsibility for oversight of sustainability related activities to the Group Nominating & Corporate Governance Committee. The Group's Sustainability function is led by a dedicated Head of Sustainability who coordinates and drives forward our efforts with respect to sustainability across the Group. We continue our commitment to strengthening our governance of sustainability matters, including for areas such as climate change risk, and associated risk management processes, frameworks and monitoring capabilities.

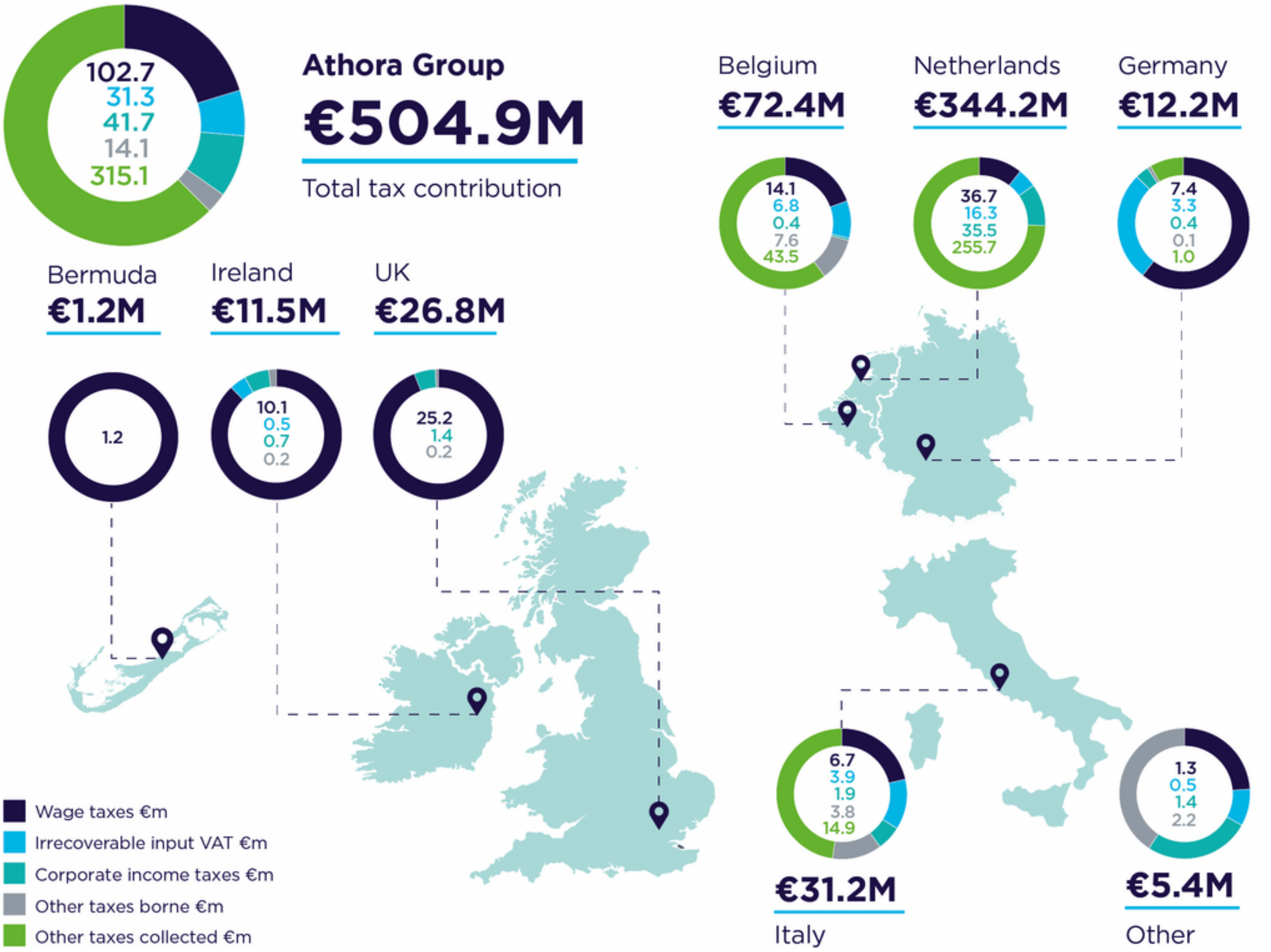
The Group has a robust series of formal policies and procedures to ensure effective controls, oversight and governance, including those relating to anti-money laundering, whistleblowing, financial crime, data protection, and information security, amongst others. We also conduct mandatory training for employees on risk culture, values, and behaviours, as well as on our Group-wide employee Code of Conduct.

[1] 2024 operational emissions include 5,592 tCO2e from Scope 3 (Category 1) purchased goods and services in Athora Netherlands, which was not estimated in 2023.

A transparent approach to tax

At Athora, we understand that the long-term interests of our stakeholders, and the communities we operate in, are best served when companies pay the appropriate amount of tax aligned to where they have substantive business operations. We pay tax where our profits are originated, and tax decisions taken by the Group follow the relevant tax legislation and guidance, where available.

In 2024, our total tax contribution, company-wide and by jurisdiction, amounted to €504.9 million (2023: €419.9 million) as illustrated below.



The total tax contribution of €504.9 million can be dissected into total taxes borne of €110.3 million and total taxes collected of €394.6 million.

Our role as an investor

Developing our sustainable investment approach

With €76.0 billion of AuMA as at 31 December 2024, we recognise that we have the scale and ability to foster responsible, positive change through our investment portfolio.

We have continued to develop our sustainable investment policy, which we launched in 2022 with the following four core pillars:

Integration: taking into account sustainability considerations in our investment analysis and decision-making process.

Alignment: avoiding exposures to certain sectors or activities identified as causing significant harm from an ESG perspective.

Engagement: working with asset managers to influence investee companies to adopt sustainable behaviour.

Impact/Sustainability: aiming to direct investments to companies and projects exhibiting positive externalities.

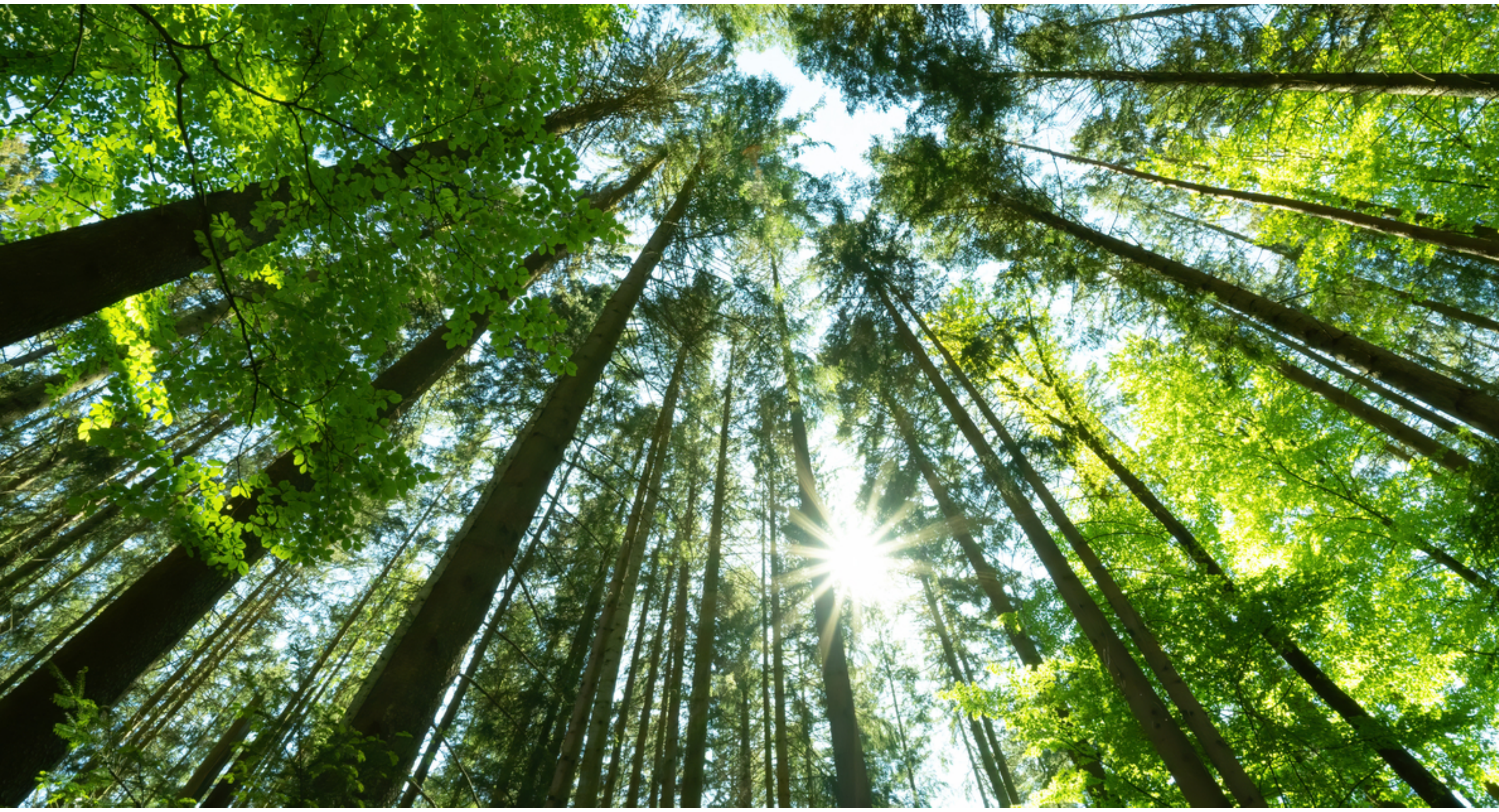
Athora has a formal Sustainable Investments Working Group that meets regularly and reports to the Group Investment Committee; Chaired by the CFO, and the highest governance board regarding investments. Further details of our Sustainable Investment Policy are available in the 'About us - Our responsibilities' section of our website at www.athora.com.

Investing directly into the economy

Of our €76.0 billion AuMA, we invest €20.3 billion directly into the economy through private loans, mortgages and private equity investments. This means a significant proportion of our portfolio is dedicated to financing entities which may not have access to public funding; supporting their financial stability, growth ambitions, and prosperity in the economies where we invest.

Industry recognition

The 'Responsible Investment by Insurers in the Netherlands' benchmark by the Dutch Association of Investors for Sustainable Development (VBDO) runs every two years, and in 2023 Athora Netherlands (Athora's largest business unit accounting for 72% of AuMA) once again achieved first place. The benchmark compares Dutch insurers' sustainable investment practices across governance, policy, implementation and transparency.



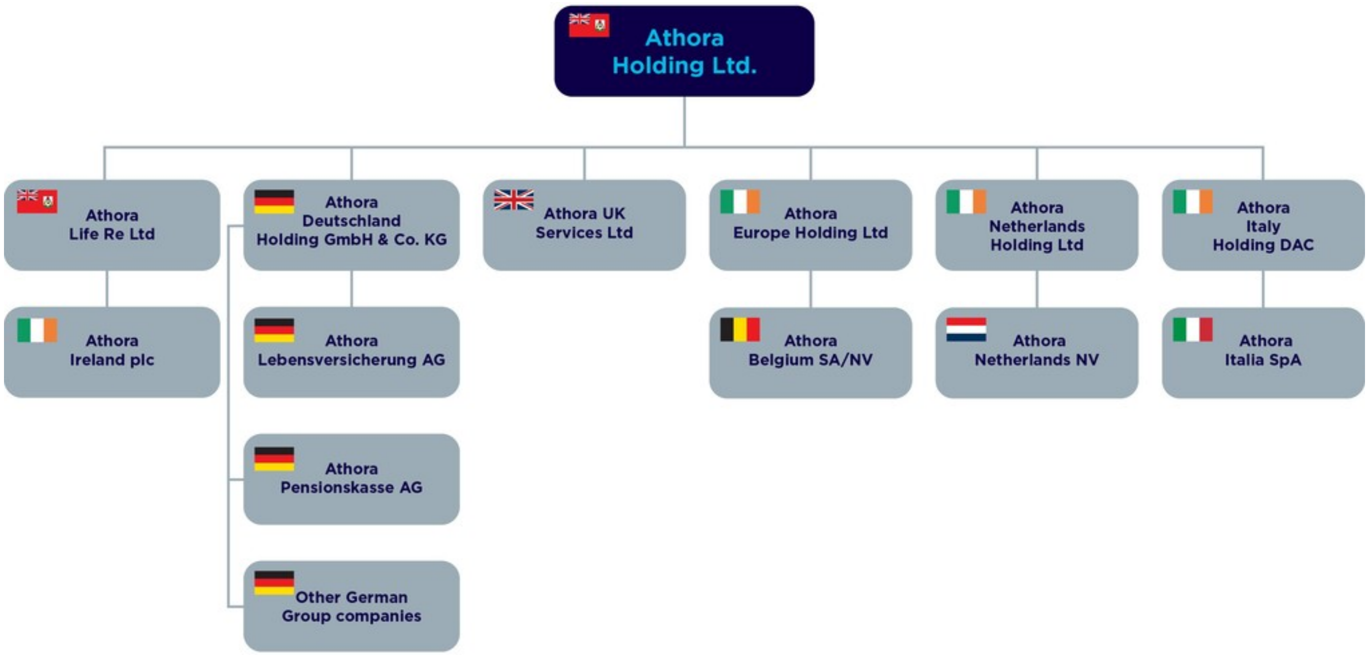
Corporate governance

Athora's corporate structure supports its operations in an efficient manner and with a heavy emphasis on governance.

Athora corporate structure

Simplified corporate structure

As at 31 December 2024



The ultimate holding company of the Athora group of companies is Athora Holding Ltd., a company limited by shares domiciled in Bermuda, whose principal activity is the holding of investments in subsidiaries. Athora is subject to insurance group supervision by the Bermuda Monetary Authority (BMA).

Our shareholders

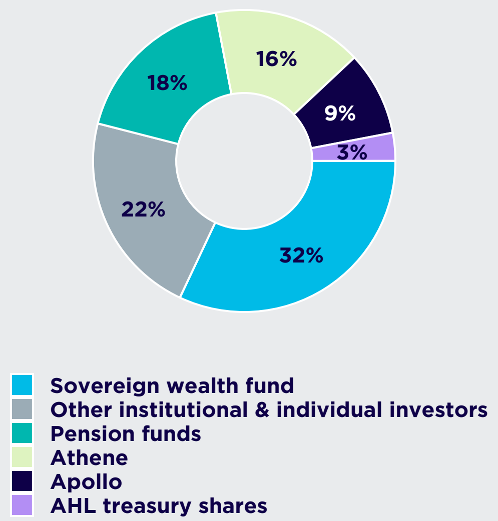
Athora is privately owned by a diverse group of global investors that have taken a long-term approach to their investment in Athora and have committed c.€6.75 billion of equity capital. Our investor base comprises pension funds, sovereign wealth funds, family offices and financial services companies.

Key minority shareholders

Apollo Global Management, Inc. (Apollo), Athene Holding Ltd. (Athene), which is part of the Apollo group, and the Abu Dhabi Investment Authority (ADIA) are key minority shareholders in Athora.

These investors share our ambition - for Athora to become the leading provider of guaranteed life solutions in Europe. With our investors' backing, Athora benefits from access to stable capital, ensuring we have the resources necessary to drive growth and the financial strength to face interest rate, capital, market, operational, and resource challenges.

Distribution by shareholder type
As at 31 December 2024



Relationship with Athene, Apollo and ADIA

Athene

Athene Holding Ltd. is a leading retirement services Group that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs.

Athene was a co-founder of Athora together with Apollo. Athora was a subsidiary of Athene until 1 January 2018, when Athene deconsolidated Athora through a private offering of equity securities. Athene retains a minority interest in Athora and has one member on Athora's Board.

On 1 January 2022, Athene merged into a wholly-owned subsidiary of Apollo Global Management, Inc. As a result of the merger, Athene became a wholly-owned subsidiary of Apollo Global Management, Inc. and one of its principal subsidiaries.

The strategic relationship with Athene provides Athora with expertise and insight of an experienced management team to support the creation of a successful insurance group tailored to the specific market requirements in Europe.

Apollo

Apollo Global Management (together with its subsidiaries) is a global alternative asset manager. Apollo had assets under management of approximately $751 billion as at 31 December 2024. Apollo is listed on the New York Stock Exchange under the ticker APO.

As co-founder of Athora, Apollo retains a strategic relationship with Athora. Apollo provides Athora with specific asset management and specialised investment expertise through its subsidiary, Apollo Asset Management Europe LLP, that includes duration matching strategies to evaluate, source and manage investments originated by Apollo.

Apollo also provides advisory services that include advice on direct investment management, asset allocation, asset due diligence, mergers and acquisitions, operational support services (such as investment compliance, tax, legal and risk management) and identifying and capitalising on acquisition opportunities to grow the Athora business.

Apollo, including Athene, has five members on Athora's Board and a 25% economic interest in the equity share capital of Athora as at 31 December 2024. The strategic relationship with Apollo is expected to continue for the foreseeable future.

ADIA

Established in 1976, ADIA and its affiliates is a globally diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation. ADIA has the right to select one member to Athora's Board and has exercised its right.

Further details of the Group's transactions with key minority shareholders are set out in note I3 to the financial statements.

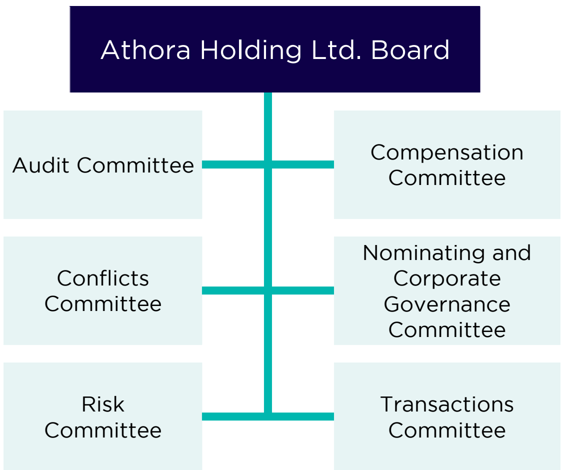
Governance structure

Board and committee structure

The Board is responsible for promoting Athora's long-term success. This includes providing oversight and guidance over the strategic objectives, the ultimate risk appetite, and monitoring management delivery of these strategic objectives within the agreed governance framework. AHL's bye-laws and Board governance guidelines define the Board's duties, membership and meeting procedures.

The Group Chief Executive Officer (CEO) and senior executives (management) are responsible for formalising and implementing policies, procedures, internal controls and operational mechanics to deliver the long-term strategic direction approved by the Board.

To assist in fulfilling its oversight responsibilities, the Board has established six Board committees, each with their own charter. Each committee chair reports to the Board on the committee's activities.



The purpose of each committee

Audit Committee: Oversight and monitoring of the integrity of the consolidated financial statements and financial and accounting processes; monitoring compliance with audit, internal audit and internal controls requirements; monitoring the independent auditor's qualifications, independence and performance; and monitoring legal and regulatory compliance and ethical standards.

Compensation Committee: Oversight of the Group's executive compensation programme.

Conflicts Committee: Evaluates and considers for approval certain related party transactions.

Nominating and Corporate Governance Committee (N&CG): Identifies, evaluates and recommends individuals for Board and senior management appointment. Evaluates and determines the corporate governance framework, including relevant documents such as Group policies. Oversees Environmental, Social and Governance strategy and Inclusion, Diversity and Equality framework and the annual performance evaluation of the Board.

Risk Committee: Oversight of systems and processes to identify, manage and mitigate risks. Assists the Board and its committees in fulfilling their oversight responsibilities for risk management.

Transactions Committee: Reviews and assesses material transactions (e.g. acquisitions, dispositions and certain reinsurance transactions) for recommendation to the Board.

Our Board members

Our Board consists of eleven directors, including five fully independent non-executive directors (INEDs). One INED serves as Chair of both the Board and the N&CG Committee and three other INEDs each serve as Chairs of the Conflicts Committee, Audit Committee, and Risk Committee.

Our Board has diverse management, operations, governance and oversight experience across many industries. Biographies of our Board members are set out on pages 65 to 68.

The composition of the Board and its Committees is set out in the table below.

Board and Committee Composition	Bruce Hemphill[1]	Debra Broek	Volkert Doeksen	Anna Maria D'Hulster[2]	Fred Kleisner	Jérôme Mourgue D'Algue	Martin Klein	Alex Humphreys	Gernot Löhr	Vishal Sheth	Scott Kleinman
	Chairman, Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Shareholder Director (Investor)	Shareholder Director (Athene)	Shareholder Director (Apollo)	Shareholder Director (Apollo)	Shareholder Director (Apollo)	Shareholder Director (Apollo)
Audit Committee		Chair		Member	Member		Member	Member			
Compensation Committee	Member				Member	Member		Chair			Member
Conflicts Committee	Member	Member	Member	Member	Chair	Member					
Nominating and Corporate Governance Committee	Chair	Member		Member	Member	Member		Member	Member		
Risk Committee	Member	Member		Chair		Member			Member		
Transactions Committee	Member					Member	Member		Chair	Member	Member

Committee chair — Committee member

[1] Appointed Chair of the Nominating and Corporate Governance Committee effective 1 January 2025 and resigned as Chair of the Risk Committee effective 31 December 2024.
[2] Appointed Chair of the Risk Committee effective 1 January 2025 and resigned as Chair of the Nominating and Corporate Governance Committee effective 31 December 2024.

Fitness and propriety requirements

Athora uses the hiring and vetting process, including recruitment and interviewing requirements, to confirm fitness and propriety for the relevant role. All Board and senior management appointments are subject to review by the N&CG Committee, as set out in the committee's charter.

Group executive management structure

Athora is led, at the direction of the Board, by the Group CEO and the President & Deputy CEO, as well as the Management Committee (MC), which is chaired by the Group or Deputy CEO.

The purpose of the MC is to support the evidencing of the discharge of responsibility, by the Chair, for management of our assets, business and operations in accordance with the strategic direction, integrated management plan, risk appetite and strategy policy, relevant legal and regulatory obligations and bounds of spend on business growth/acquisitions approved by the Board.

Management Committee

Responsibilities are allocated individually to the following members of the MC by functional area:

Role	MC member
Group Chief Executive Officer	Mike Wells
President & Deputy CEO	Todd Solash (appointed 26 January 2024)
Group Chief Financial Officer	Anders Malmström (resigned 12 December 2024)
Group Chief Risk Officer	Michael Koller
Group General Counsel	Ward Bobitz (resigned 12 December 2024) Matthew Salter (appointed 13 March 2025)
Group Managing Director, Risk and Compliance	Chantal Waight (appointed 28 August 2024)
Group Head of Corporate and Regulatory Affairs	Tobias Buecheler (appointed 28 August 2024)

All appointment dates disclosed in the table above are regulatory approval dates.

A brief outline of our MC members' responsibilities may be found on page 69. Athora has established a framework of management committees to support each MC member and key function holders in fulfilling their responsibilities.

Membership of the MC is subject to regulatory notification and meeting fitness and propriety requirements. Athora's MC members have substantial experience in insurance and broader global financial services, as outlined in the 'About us - Who we are' section of our website at www.athora.com.

Subsidiary governance

The responsibility for day-to-day management at the level of each of Athora's regulated subsidiaries sits with the respective management and (where applicable) supervisory boards of each subsidiary. Each of Athora's regulated subsidiaries has a comprehensive local governance framework. This supports the subsidiary board in oversight and monitoring of the business of the subsidiary.

The board of each material subsidiary has established appropriate committees to assist in fulfilling its role.

Internal controls

The Board and management are responsible for adopting an effective internal controls framework. We apply a *three lines of defence* model for our internal control system (summarised below), supported by our Group Audit Committee and by the Internal Audit function.

First line of defence

- Business functions

Second line of defence

- Risk Management function
- Compliance function
- Actuarial function

Third line of defence

- Internal audit function

Business functions

In line with our internal risk management policies, management is the first line of defence and has primary responsibility for:

- running the business in accordance with the agreed business plan and risk appetite;
- operating the controls within each functional area; and
- managing the business risk profile.

Risk management function

The risk management function, acting as part of the second line of defence, is responsible for the ongoing monitoring of business operations and the effectiveness and integrity of the risk management framework.

Actuarial function

The actuarial function is a control function within Athora's risk management function and independently oversees the calculation of technical provisions, including the appropriateness and quality of methodologies, models, assumptions and data used in the calculation of technical provisions. As part of Athora's internal control system, the actuarial function works in close collaboration with an independent Approved Group Actuary, which is a reserved role under the Bermuda Insurance Act 1978, as amended, to provide an opinion on the Group's technical provisions which is submitted as part of the annual filing to the BMA.

Compliance function

Athora's compliance function is led by a Group Head of Compliance and Controls, who reports to the Group Managing Director Risk and Compliance and is responsible for ensuring compliance with regulatory requirements. The Board monitors the Group compliance function and receives updates on compliance activities on a quarterly basis.

Internal audit function

As the third line of defence, the internal audit function assists management and the Audit Committee in protecting the Group's assets, reputation and sustainability by independently and objectively evaluating the effectiveness of internal controls, risk management and governance processes.

Internal audit's main tasks and responsibilities

- Prepare and execute a risk-based audit plan which is approved by the Audit Committee.
- Identify, and agree with management, opportunities to improve internal controls, risk management and governance processes and verify that such improvements are implemented within a reasonable period of time.
- Assist in the investigation of any significant suspected fraudulent activities within the Group or conduct special reviews or consulting which may not usually be included in the scope of the internal audit and notify the regulator, if appropriate, of the results of these activities.
- Issue periodic reports to management and the Audit Committee, summarising the progress and results of the annual audit plan, as well as on the sufficiency of internal audit resources.
- Maintain a professional audit team (of an adequate size relative to the size and nature of the organisation and the remit of the internal audit function) with sufficient knowledge, skills, experience, and professional certifications.
- Ensure management and the Audit Committee are kept informed of emerging trends and successful practices in internal auditing.
- Consider the scope of work of the external auditors, regulators, and internal compliance and risk management teams, as appropriate, for the purpose of providing optimal audit coverage to the organisation at a reasonable overall cost.
- Coordinate and work together with other control and monitoring functions (e.g. risk management, compliance and external auditors).
- Execute audits on the functioning of the first and second line of defence.

Independence and objectivity of the internal audit function

The internal audit function is independent of senior management, which has responsibility for the first and second lines of defence, and is therefore able to provide independent assurance opinions on the effectiveness of the systems of internal control, risk management and governance.

To provide for the independence of internal audit, the function reports to the Group Chief Internal Auditor, who reports directly to the chairwoman of the Audit Committee and administratively to the Group CEO.

Internal audit executes its duties freely and objectively in accordance with the Institute of Internal Auditors' International Standards for the Professional Practices of Internal Audit, including the Code of Ethics, as well as with Athora Group policies and procedures. Internal audit avoids activities that may be perceived to impair audit objectivity and accesses the expertise and knowledge necessary to undertake work in respect of specialist business functions.

Group Remuneration Policy

Athora's Group Remuneration Policy lays out the philosophy and principles which guide how we compensate and incentivise our employees, including those whose professional activities have a material impact on the undertaking's risk profile.

We apply a total reward approach whereby we seek to drive the highest possible levels of engagement, motivation, performance and cost-effectiveness through employing the appropriate elements of compensation and benefits.

We seek to:

- provide a well-balanced and, where appropriate, performance-related compensation package for employees, considering the interests of all stakeholders and relevant regulators;
- provide a motivational employment package, as appropriate to each role and to the markets in which we operate, which seeks to drive high levels of individual, team and collective engagement;
- remain competitive in all markets; and
- keep all design aspects modern and as simple as possible, allowing for efficient management and administration of all programmes.

The policy applies to all Athora employees and independent non-executive directors. In the case when there is a conflict between the Group policy and a remuneration policy established and approved by a local subsidiary board, the local policy shall prevail to the extent that it relates to those individuals employed by or serving the local subsidiaries.

Employee reward

Athora aims to attract, recruit, develop and retain competent employees with the skills, knowledge and expertise to fulfil their allocated responsibilities. We seek to provide a motivational employment package, as appropriate to each role in the markets in which we operate.

All employees are required to set performance objectives, aligned ultimately to corporate objectives. Compensation and discretionary bonuses (where applicable) are based on the output of annual performance reviews and aligned with the interests of policyholders and shareholders.

Pension provision

We operate a range of pension plans aligned to local market requirements, primarily on a defined contribution basis. The maximum employer contribution is typically 10% of eligible salary, other than where mandated by local jurisdictions.

Executive and independent non-executive director reward

The Compensation Committee is responsible for the review and approval of the key terms of employment and appropriate levels of compensation for the most senior Group executives and the independent non-executive directors.

Executive management

The policy for executive management is to provide a fixed and (where appropriate) a variable component to their compensation, alongside employee benefits. The variable element of remuneration may comprise a short- and a long-term variable component to reward the achievement of qualitative and quantitative performance objectives.

Annual bonus plans for this group provide for a maximum target bonus of no more than 200% of the annual basic salary. There is, at a minimum, an annual evaluation of individual and collective performance; this forms the basis of performance-related remuneration.

Senior executive management are typically eligible for participation in long-term incentive arrangements as part of a balanced and market-oriented approach to fixed and variable remuneration in line with our principles. Rewards are delivered in either shares, phantom shares and/or cash.

From time to time, other additional equity incentives, which are founded on equity in Group entities outside of the European Union, may be offered to this group.

Typically, the long-term incentive arrangements include the following characteristics, tailored according to circumstances:

- There is a total time frame of three or more years for each performance cycle.
- Incentives are aligned to specific long-term and balanced performance objectives.
- Incentives are provided as part of an appropriately balanced package between fixed and variable, short-term and long-term focused remuneration as appropriate to the role and market.
- A holding period post vesting may apply, in line with applicable regulatory expectations.

Executive management may be subject to variable remuneration deferral if required under Solvency II and other regulations.

Independent non-executive directors (INEDs)

INEDs are typically remunerated by means of an annual base retainer fee and committee membership and/or chair fee, where applicable, payable in a combination of cash and Class A common shares. The fees are fixed and do not vary based on business performance, and are reviewed periodically by the Compensation Committee.

INEDs do not participate in incentive arrangements, unless approved by the Board. INEDs may be offered the opportunity to acquire additional Athora shares. Such opportunities require approval by the Compensation Committee and will be compliant with all parts of the Athora remuneration policy. Where required, INEDs are provided with professional indemnity (Directors and Officers) insurance for the period during which they undertake their duties. INEDs receive reimbursement for expenses incurred in the performance of their duties.

Board of Directors

NG Cp Cf T R

Bruce Hemphill

Chair, INED

Tenure: 1 year

Experience

Bruce is a global leader in the financial services industry with 30 years of experience in senior executive and non-executive leadership roles across international markets and jurisdictions.

Previously, he served as Group CEO of Old Mutual plc, a FTSE 100 company and earlier in his career was CEO at Liberty Holdings.

Other current appointments include

Director, Menai Financial Group

A Cf NG R

Debra Broek

INED

Tenure: 6 years

Experience

Debra has over 25 years of insurance experience, primarily in finance and risk.

She was previously CFO of Zurich Insurance Group's global life segment; Head of Investor Relations and Rating Agency Management; and Group Chief Accounting Officer, Managing Director of the Winterthur Group.

Other current appointments include

Non-Executive Director and Audit and Risk Committee member, Zurich American Insurance Company

Non-Executive Director and Audit and Risk Committee Chair, Zurich American Life Insurance Company and Zurich American Life Insurance Company of New York

Non-Executive Director and Audit and Risk Committee Chair, Zurich Holding Company of America, Inc.

Cf

Volkert Doeksen

INED

Tenure: 7 years

Experience

Volkert has over 35 years of investment experience.

He co-founded and held the positions of Chairman/CEO of AlpInvest Partners, Director at Kleinwort Benson Ltd, Dillon Read and Morgan Stanley.

Other current appointments include

Partner, GP House B.V.

Supervisory Board Member, Koninklijke Doeksen B.V.

Board Member, Nouryon B.V.

Board Member, Nobian B.V.

A Audit Cp Compensation Cf Conflicts NG Nominating and Corporate Governance R Risk T Transactions

Committee Chair

R A Cf NG

Anna Maria D'Hulster

INED

Tenure: 6 years

Experience

Anna Maria has held many senior roles, including Secretary General of The Geneva Association, the insurance industry's leading international think tank, between August 2014 and February 2019.

Prior to that she was Founder and CEO of Baloise Life and member of the executive committee at Insurance Europe. She was also a Principal with Boston Consulting Group, covering insurance and banking projects in Germany and the US.

Other Board positions have included Non-Executive Director and Risk Committee Chair, CNA Europe; Non-Executive Director and Risk Committee Chair, Hardy (Underwriting Agencies) Limited; Deutscher Ring and Mercator Verzekeringen.

Other current appointments include
Supervisory Board Member and Chair of the Audit Committee, UNIQA Insurance Group (UQA)

Cf A NG Cp

Fred Kleisner

INED

Tenure: 7 years

Experience

Fred has extensive experience in business management and governance with over four decades of experience as a hotelier and held the positions of corporate Group CEO and COO of multi-national, listed companies.

He has also led successful management teams in the hospitality and gaming sectors, throughout the world.

Other current appointments include
Independent Director, Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, Ashford Hospitality Trust (NYSE: AHT)

Director/Trustee, Executive Committee Member and Board Treasurer/Finance Committee Chair, Island Wood School, Bainbridge Island, WA

Independent Director, NR International (a public reporting, non-traded REIT)

Co-Chair Finance Committee Chair, Board of Directors, Sterling Hotels and Resorts, a NAV REIT, publicly reporting, non listed.

Cp Cf NG R T

Jérôme Mourgue d'Algue

Tenure: 7 years

Experience

Jérôme has over two decades of investment experience and is Co-Global Head of Private Equity at ADIA.

He was previously a Partner at Bregal Capital LLP, Vice President at Morgan Stanley Capital Partners and commenced his career at McKinsey & Company.

Other current appointments include
Board Director and Risk Committee Member, Athene Holding Ltd.

Board Director, Pension Insurance Corporation

A Audit Cp Compensation Cf Conflicts NG Nominating and Corporate Governance R Risk T Transactions

Committee Chair

A T

Martin Klein

Tenure: 2 years

Experience

Martin is Executive Vice President and CFO of Athene Holding Ltd. He also serves as a director of several of Athene's insurance subsidiaries.

Prior to joining Athene in 2015, Martin served at Genworth Financial, most recently as Executive Vice President & CFO, and, prior to that, as Genworth's Acting President & CEO.

Previously, he was Managing Director at Barclays and, before that, at Lehman Brothers and Zurich Insurance Group.

Other current appointments include
Board Member, Caritas

Dean's Advisory Council Member, University of Iowa College of Liberal Arts & Sciences

Cp A NG

Alexander Humphreys

Tenure: 6 years

Experience

Alex is a partner at Apollo Global Management having joined in 2008.

Alex serves on the board of directors of Athora, Aspen, Catalina Holdings and ACRA. Alex is a former board member of Tranquilidade, Haydock Finance, Amissima, Lumileds and Miller Homes.

Alex serves on the Investment Committee of Apollo's Insurance Solutions Group International.

Prior to joining Apollo, Alex was at Goldman Sachs in the financial institutions investment banking team based in London.

Alex has a BSc in Economics from University College London.

Other current appointments include
Director, Aspen

Director, Catalina Holdings

Director, Miller Homes

T R NG

Gernot Löhr

Tenure: 7 years

Experience

Gernot is Partner and Co-Chair of Global Financial Institutions Group at Apollo Global Management, Inc. He is a member of Apollo's Business Development Committee, and oversees Apollo's investments in the financial services sector.

Prior to Apollo, he was a founding partner at Infinity Point LLC, Apollo's joint venture partner for the financial services industry.

He has also held senior roles in financial services investment banking at Goldman Sachs, McKinsey & Company and B. Metzler Corporate Finance.

Other current appointments include
Director, Aspen

Director, Athene

Director, Catalina Holdings

Advisory Board Member, MIT Sloan School of Management

A Audit Cp Compensation Cf Conflicts NG Nominating and Corporate Governance R Risk T Transactions

Committee Chair

T

Vishal Sheth

Tenure: <1 year

Experience

Vishal is Partner and Global Co-Head of the Financial Institutions Group (FIG) at Apollo, focused on financial services and insurance-related opportunities. He is also a member of Apollo's Leadership Team.

Prior to joining Apollo, Vishal was a Managing Director in the Financial Institutions Group at Barclays, and a corporate lawyer in the Financial Institutions Group at Skadden, Arps, Slate, Meagher & Flom before that.

Vishal graduated magna cum laude from the Honors Program at the Stern School of Business at New York University with a Bachelor of Science degree in finance and economics. He received his JD from New York University School of Law where he served as a Staff Editor on the Review of Law and Social Change.

Cp T

Scott Kleinman

Tenure: 4 years

Experience

Scott is Co-President of Apollo Asset Management, Inc., co-leading Apollo's day-to-day operations including all of Apollo's revenue-generating businesses and enterprise solutions across its integrated alternative investment platform.

Mr. Kleinman joined Apollo six years after its inception in 1996, and was named Lead Partner for Private Equity in 2009 prior to being named Co-President in 2018. Mr. Kleinman serves on Apollo's Executive Committee.

Prior to joining Apollo, Mr. Kleinman was a member of the Investment Banking division at Smith Barney Inc. He serves on the board of directors of Apollo Global Management, Inc. and Athora Holding Ltd.

In 2014, Mr. Kleinman founded the Kleinman Center for Energy Policy at the University of Pennsylvania.

Other current appointments include

Board of Advisors, University of Pennsylvania Stuart Weitzman School of Design

Board of Directors, White Plains Hospital

A Audit Cp Compensation Cf Conflicts NG Nominating and Corporate Governance R Risk T Transactions

Committee Chair

Management Committee

Mike Wells,
Group Chief Executive Officer

Mike joined Athora in 2022 and is responsible for the overall coordination and direction of Athora Group and the AHL Management Committee.

Mike is a global financial services leader with three decades' experience in insurance and retirement services.

Before joining Athora, Mike was Group CEO of Prudential plc, and prior to that CEO of Prudential's then US business, Jackson.

Earlier in his career, he worked at the US brokerage houses Dean Witter, and Smith Barney Shearson.

Todd Solash,
President & Deputy CEO

Todd joined Athora in 2023 and, alongside the Group CEO, is responsible for overseeing its subsidiaries, and coordinating business performance across operations, technology, change and M&A.

He joined Athora from Corebridge Financial (formerly AIG Life & Retirement) where he was President and CEO for Individual Retirement and Life Insurance. Prior to that, he was Head of Individual Annuity at AXA Equitable Life Insurance.

Earlier in his career, Todd consulted with insurers and banks as a partner at Oliver Wyman and held senior positions at Jefferson National Life (now part of Nationwide Life Insurance).

Michael Koller,
Group Chief Risk Officer

Michael joined Athora in 2023, with responsibility for risk management and compliance across the Group.

He has three decades of senior experience in European life insurance, risk, actuarial and regulatory affairs. Michael joined Athora from MS Reinsurance where he was Chief Risk Officer.

Prior to that, he held executive roles at Prudential plc, Aviva Europe, Partner Re, Swiss Re and Swiss Life.

Michael is also a professor at the Federal Institute of Technology in Zurich where he regularly lectures on Life Insurance Mathematics.

Management Committee

Chantal Waight,
Managing Director, Group Risk & Compliance

Chantal joined Athora in 2023 with responsibility for people, processes and systems across the Athora Group Risk & Compliance function.

Chantal has 25 years of insurance and investment management experience. Prior to joining Athora, Chantal spent 15 years at M&G and Prudential plc where she held senior roles across equity research, investor relations and strategy & corporate development.

Earlier in her career, Chantal was an insurance equity analyst at Deutsche Bank and Dresdner Kleinwort Wasserstein.

Tobias Buecheler,
Group Head of Corporate and Regulatory Affairs

Tobias joined Athora in 2024 with responsibility for regulatory affairs, sustainability and external communications.

Tobias has extensive global financial sector experience. Prior to joining Athora, he was Group Head of Regulatory Affairs at Allianz where he managed a number of regulatory changes and projects.

Tobias previously held other senior roles at Allianz in Europe and Asia-Pacific, including Chief Investment Officer of Allianz Australia. Earlier in his career, he was a Capital Markets Analyst at J.P. Morgan.

Matthew Salter,
Group General Counsel

Matthew joined Athora in 2017 and was appointed as the Group General Counsel in December 2024.

Matthew works closely with the Group CEO and senior management team on legal, regulatory and corporate governance matters across the Group.

Prior to Athora, he spent eight years with Aviva in London where he held various positions internationally including in the area of M&A and as head of corporate governance for Aviva's regulated general insurance business.

Consolidated financial statements

Statement of Directors' responsibilities

The directors of Athora Holding Ltd. (the Company) are required to prepare the consolidated financial statements (collectively, the Financial Statements) in accordance with Bermuda law. The directors have elected to prepare the Financial Statements in accordance with IFRS as adopted by the European Union.

In preparing these Financial Statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- determined that the Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in the consolidated financial statements; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper books of account in accordance with the Companies Act 1981 (Bermuda).

The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed

s/s Debra Broek

Independent Director

Date 19 March 2025

Independent auditor's report

To the Shareholders of Athora Holding Ltd.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Athora Holding Ltd. and its subsidiaries (the Group), which comprise of the consolidated statement of financial position as at 31 December 2024, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and of its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent auditor's report (continued)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of Present Value of Future cash flows, including Reinsurance As of 31 December 2024, the Group recorded Insurance Contract Liabilities under the General Measurement Model and Variable Fee Approach of €37,024m (2023: €36,248m) and €22,215m (2023: €21,258m), respectively, on its balance sheet with total Insurance Contract Liabilities on a gross basis (excluding reinsurance held) of €59,239m (2023: €57,506m). Of this amount, €55,867m (2023: €54,161m) relates to Present Value of Future cash flows (PVFCF). At initial recognition, the Group measures a group of insurance contracts under General Measurement Model and VFA as the total of: • Fulfilment cash flows, which comprise of: (i) estimates of future cash flows, adjusted to reflect the time value of money and financial risks. (ii) risk adjustment for non-financial risk. • Contractual service margin (CSM), which represents the unearned profit that the Group will recognise as it provides service under the related insurance contracts. The valuation of present value of future cash flows (PVFCF) are associated with significant uncertainties requiring the use of complex actuarial models which rely on subjective assumptions in relation to future events. The key non-economic assumptions include mortality, morbidity, persistency and expenses; economic assumptions, relating to the expense inflation and	We obtained an understanding and evaluated the design and implementation of controls over methods selection, completeness and accuracy of the underlying data, relevant models, assumption setting, and the models used by management related to the estimation of PVFCF. To test PVFCF, our audit procedures were executed with the assistance of our actuarial team members and included, for certain lines of business selected based on risk: • Walkthroughs to confirm our understanding of the valuation process and identified key controls, including the confirmation of the design and implementation of these controls used by management related to the estimation of PVFCF. • Tested the completeness and accuracy of data, including in-force policyholder data as utilised by the Group to value estimated future cash flows by reconciling such amounts to the underlying accounting records. Specifically for the determination of the discount rate under IFRS 17, we performed specific audit procedures to obtain assurance over the completeness and accuracy of the data. This includes engaging quantitative specialists who examined the Point-in-Time (PIT), Through The Cycle (TTC), and Expected Losses (EL) calculations. Where relevant, we have confirmed that input data reconciles with an external source(s) or confirmations from the various EY component teams.	Our observations included an overview of the risk, outline of the audit procedures performed, the judgements we focused on and the results of our testing.

Independent auditor's report (continued)

Key audit matters (continued)

illiquidity premium also have a significant impact on the valuation of PVFCF. Due to the long duration of many life insurance products, relatively small changes in key assumptions may have a significant impact on the valuation of PVFCF.

The determination of PVFCF requires the use of complex formulas and the construction of models that may be incorrectly designed or configured, and for which inadequate assumptions and/or incomplete or inaccurate input data may be used.

Accordingly, we have identified PVFCF within the recorded Insurance Contract Liabilities as a key audit matter.

The accounting policies and critical accounting judgments and estimates regarding PVFCF are described in Note F and Note F4 with additional information presented in Note F1 to the financial statements.

- Assessed key best estimate assumptions used in selected actuarial models via quantitative and qualitative analysis, including considerations of their reasonableness based on experience studies, our knowledge of the Group and local markets, products offered, publicly available market and macroeconomic data.
- Evaluated the nature, timing and completeness of changes in key assumptions, models and methods and assessed whether individual changes were errors or refinements of estimates.
- Tested the models used through review of the model governance committee documentation and validation procedures, for which we assessed whether individual changes were errors or refinements of estimates in the calculation of PVFCF.
- Performed analytical review procedures, including period to period analysis of changes in PVFCF and assessed whether such changes appropriately reflect current period facts and circumstances.

Finally, we assessed the adequacy of the disclosures in the Notes to the financial statements.

Independent auditor's report (continued)

Key audit matters (continued)

Insurance revenue recognition

As of 31 December 2024, the Group recorded Insurance Revenue of €2,326m (2023: €2,228m) in the income statement.

The timing of expected premiums and claims for the period, release of the Risk Adjustment and the definition of the coverage units on which the amortisation of the CSM is based, all of which are subjective in nature and based on complex actuarial models or input derived from these models.

There is a high degree of complexity and estimation involved in deriving the release patterns.

Additionally, it is necessary to consider the onerousness of each grouping of contracts, recording the related losses as a separate loss component and a debit to the income statement.

The accounting policies and critical accounting judgments and estimates regarding CSM release are described in Note F and note F4 with additional information presented in Note F1 to the financial statements.

Accordingly, we have identified Insurance revenue recognition as a key audit matter.

We obtained an understanding and evaluated the design and implementation of controls over the integrity of the source data and other inputs into the CSM, Loss Component, Risk Adjustment model, expected premiums, claims and expenses, and output.

To test the CSM release, our audit procedures were executed with the assistance of our actuarial team and included, certain lines of business based on risk:

- Compared the Group's methodology for the release of the CSM to profit or loss to the requirements of IFRS 17.
- Reviewed the Risk Adjustment methodology, including the current assumptions, and changes from the prior period.
- Tested the appropriateness of the Group's assumptions in relation to release pattern.
- Tested material cashflows which are input into the model by vouching back to source information.
- Recalculated the CSM release on a sample basis, to test for compliance with requirements of IFRS 17.
- Tested the Group's methodology for identifying onerous contracts assessment and checked the calculation of onerous contracts on a sample basis.
- Reviewed material manual adjustments recorded and vouched to supporting documentation, tested clerical accuracy and the appropriateness of these adjustments.

Finally, we assessed the adequacy of the disclosures in the Notes to the financial statements.

Our observations included an overview of the risk, outline of the audit procedures performed, the judgements we focused on and the results of our testing.

Independent auditor's report (continued)

Key audit matters (continued)

Valuation of Level 3 Investments (Debt securities, Loans, Equity securities, Investment Fund Units and Investment Properties (IP), all of which are classified as Level 3 investments)

Debt securities, Loans, Equity securities, investment fund units (excluding investment fund units valued using NAV statements from third parties) and Investment Properties, all of which are classified as Level 3 investments, inherently, carry higher estimation uncertainty and thus increased judgement in determining the valuation.

When valuation techniques are applied to these investments using unobservable inputs, there is a potential for incorrect estimations. Moreover, valuation techniques are dependent on the completeness and accuracy of data used and inadequate or unreliable data can lead to incorrect fair value measurements, resulting in a potential misstatement.

The Group recorded financial assets of €68,714m (2023: €72,791) of which €2,377m (2023: €1,679), €15,935m (2023: €14,371), €3,446m (2023: €3,129) and relates to Debt securities, Loans & Receivables, Equity securities & investment fund units, respectively, and recorded investment properties of €919m (2023: €1,077), as disclosed in Note E2 at 31 December 2024 which are both (a) measured at fair value through profit or loss, and (b) classified as Level 3 within the Group's hierarchy of fair value measurements.

Given the significant management judgment in determining the fair value of Debt securities, Loans, Equity securities, investment fund units and Investment Properties, we have identified these Level 3

We obtained an understanding and evaluated the design and implementation over the valuation process of Level 3 Investments:

- Held walkthroughs to confirm our understanding of the valuation process and identify key controls.
- Considered the Valuation Oversight Committee minutes and held discussions with management to update our understanding of the changes in the Group's investment portfolios in each key location.
- To test the valuation, our audit procedures included, among other procedures, involving our valuation specialists to assess the methodologies and significant assumptions used by management. These procedures included assessing the valuation methodologies used with respect to the Group's policies, valuation guidelines, and industry practice and comparing a sample of valuation assumptions used against benchmarks. We also performed independent investment valuations on a sample basis to evaluate management's recorded values.
- We also performed independent investment valuations and back testing on a sample basis to evaluate management's recorded values.
- In addition, we assessed the adequacy of the disclosures related to the valuation of Debt securities, Loans, Equity securities, Investment Fund Units, and Investment Properties.

Our observations included an overview of the risk, outline of the audit procedures performed, the judgments we focused on and the results of our testing.

Independent auditor's report (continued)

Key audit matters (continued)

investments as a key audit matter.

The critical accounting judgements and the impact related to Debt securities, Loans, Equity securities, investment fund units and Investment Properties are disclosed in Note E1 to the financial statements.

Other information included in The Group's 2024 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report (continued)

Auditor's Responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Martina Keane.

Signed: s/s

Ernst & Young
Chartered Accountants and Statutory Audit Firm
Office: Dublin
19 March 2025

Note: The maintenance and integrity of the Athora Holding Ltd. website is the responsibility of the directors; the work carried out by the auditor's does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

Legislation in Bermuda governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

Consolidated income statement

For the year ended 31 December

€m	Note	2024	2023
Insurance contract revenue	C1	**2,326**	2,228
Insurance service expense	F1	**(2,076)**	(2,001)
Insurance service result before reinsurance contracts held		**250**	227
Allocation of reinsurance premium		**(568)**	(561)
Amounts recoverable from reinsurers for incurred claims		**555**	580
Net (expense)/income from reinsurance contracts held	F2	**(13)**	19
Insurance service result		**237**	246
Net investment income	C2	**5,709**	6,057
Net finance (expense) from insurance contracts	C2	**(3,354)**	(3,404)
Net finance income/(expense) from reinsurance contracts	C2	**6**	(137)
Change in investment contract liabilities	E9	**(198)**	(166)
Investment return attributable to third parties	E9	**(1,709)**	(821)
Net financial result		**454**	1,529
Fee and commission income	C3	**96**	69
Other income		**36**	30
Other expenses	C4	**(529)**	(571)
Acquisition costs	C4	**(16)**	(26)
Finance costs	C5	**(225)**	(195)
Impairments	G2	**1**	—
Profit before tax		**54**	1,082
Income tax	C6	**(58)**	(320)
(Loss)/profit for the year		**(4)**	762
Attributable to shareholders of the Company		**(24)**	741
Attributable to non-controlling interest		**20**	21

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December

€m	Note	2024	2023
(Loss)/profit for the year		**(4)**	762
Other comprehensive income/(expense) for the year			
Items that may be reclassified to profit or loss in subsequent years, net of tax:			
Net change in foreign currency translation reserve	**D2**	**(1)**	7
Items that will not be reclassified to profit or loss in subsequent years, net of tax:			
Actuarial gain arising from defined benefit plans	**G8**	**10**	10
Other comprehensive income for the period, net of tax		**9**	17
Total comprehensive income for the year		**5**	779
Attributable to shareholders of the Company		**(15)**	758
Attributable to non-controlling interest		**20**	21

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position

€m	Note	31 December 2024	31 December 2023
Assets			
Intangible assets	G1	108	118
Property and equipment	G2	38	53
Investment properties	G3	919	1,077
Financial assets	E3	68,714	72,791
Investments held in respect of investment contract liabilities and third parties	E4	14,058	9,607
Investments in associates	H2	44	43
Reinsurance contract assets	F2	44	47
Deferred taxation assets	G6	758	771
Income tax receivable		47	60
Receivables and other assets	G4	1,155	914
Cash and cash equivalents	G5	4,393	2,484
Non-current assets classified as held-for-sale	H4	131	—
Total assets		**90,409**	87,965
Equity			
Share capital, share premium and treasury shares	D1	3,846	3,837
Retained earnings/(losses)		(307)	(184)
Other reserves	D2	14	11
Common shareholders' equity		**3,553**	3,664
Preferred shares	D1	760	720
Total shareholders' equity		**4,313**	4,384
Non-controlling interest	D3	400	245
Total equity		**4,713**	4,629
Liabilities			
Insurance contract liabilities	F1	59,239	57,506
Reinsurance contract liabilities	F2	189	210
Investment contract liabilities and liabilities for account of third parties	E9	14,058	9,607
Pension scheme liabilities	G8	503	524
Financial liabilities			
Borrowings	E7	2,294	2,266
Other financial liabilities	E8	8,443	12,469
Deferred taxation liabilities	G6	6	9
Income tax payable		5	1
Other liabilities and accruals	G7	911	619
Provisions	G9	48	125
Total liabilities		**85,696**	83,336
Total equity and liabilities		**90,409**	87,965

The accompanying notes form an integral part of the consolidated financial statements.

Signed: s/s Debra Broek

Independent Director
19 March 2025

Consolidated statement of changes in equity

For the year ended 31 December 2024

€m	Note	Share capital and share premium	Treasury shares	Preferred shares	Retained earnings	Share-based payment reserve	Foreign currency translation reserve	Total share-holders' equity	Non-controlling interests	Total equity
At 1 January 2024		**4,021**	**(184)**	**720**	**(184)**	**3**	**8**	**4,384**	**245**	**4,629**
(Loss)/profit for the year		**–**	**–**	**–**	**(24)**	**–**	**–**	**(24)**	**20**	**(4)**
Other comprehensive income for the year		**–**	**–**	**–**	**10**	**–**	**(1)**	**9**	**–**	**9**
Total comprehensive income/(expense)		**–**	**–**	**–**	**(14)**	**–**	**(1)**	**(15)**	**20**	**5**
Redemption of share capital	**D1**	**(7)**	**–**	**–**	**–**	**–**	**–**	**(7)**	**–**	**(7)**
Preferred shares dividend	**B2**	**–**	**–**	**40**	**(51)**	**–**	**–**	**(11)**	**–**	**(11)**
Share based payment reserve expense	**D2**	**–**	**–**	**–**	**–**	**13**	**–**	**13**	**–**	**13**
Share based payment reserve shares issued	**D1/ D2**	**16**	**–**	**–**	**–**	**(9)**	**–**	**7**	**–**	**7**
Issuance of Tier 1 notes	**D3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**400**	**400**
Redemption of Tier 1 notes	**D3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(245)**	**(245)**
Realised loss on equity interests*		**–**	**–**	**–**	**(58)**	**–**	**–**	**(58)**	**–**	**(58)**
Distributions to minority shareholders	**D3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20)**	**(20)**
At 31 December 2024		**4,030**	**(184)**	**760**	**(307)**	**7**	**7**	**4,313**	**400**	**4,713**

*This amount relates to the loss recognised on the redemption of Tier 1 notes.

For the year ended 31 December 2023

€m	Note	Share capital and share premium	Treasury shares	Preferred shares	Retained earnings	Share-based payment reserve	Foreign currency translation reserve	Total share-holders' equity	Non-controlling interests	Total equity
At 1 January 2023		3,833	–	800	(884)	3	1	3,753	267	4,020
Profit for the year		–	–	–	741	–	–	741	21	762
Other comprehensive income for the year		–	–	–	10	–	7	17	–	17
Total comprehensive income/(expense)		–	–	–	751	–	7	758	21	779
Net issuance of share capital	**D1**	186	–	–	–	–	–	186	–	186
Preferred shares dividend	**B2**	–	–	38	(51)	–	–	(13)	–	(13)
Redemption of preferred shares	**D1**	–	–	(118)	–	–	–	(118)	–	(118)
Sale of treasury shares	**D1**	–	116	–	–	–	–	116	–	116
Purchase of treasury shares		–	(300)	–	–	–	–	(300)	–	(300)
Share based payment reserve expense	**D2**	2	–	–	–	–	–	2	–	2
Deconsolidation	**H4**	–	–	–	–	–	–	–	(19)	(19)
Distributions to minority shareholders	**D3**	–	–	–	–	–	–	–	(24)	(24)
At 31 December 2023		4,021	(184)	720	(184)	3	8	4,384	245	4,629

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December

€m	Note	2024	2023
Cash flows from operating activities			
Profit before tax		**54**	1,082
Adjustments for non-cash items	I2	**(2,367)**	(3,880)
Adjustments for non-operating items - finance costs		**132**	99
Change in operating assets and liabilities	I2	**4,071**	3,840
Income taxes paid		**(20)**	(38)
Net cash flows from operating activities		**1,870**	1,103
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		**—**	(2)
Acquisition of intangible assets		**(1)**	(5)
Acquisition of property and equipment		**(5)**	(7)
Net cash flows from investing activities		**(6)**	(14)
Cash flows from financing activities			
Proceeds from the issue of share capital	D1	**7**	188
Redemption of common shares	D1/D2	**(7)**	(1)
Redemption of treasury shares	D1	**—**	116
Purchase of treasury shares	D1	**—**	(300)
Redemption of non-cumulative preferred shares	D1	**—**	(118)
Dividends paid on non-cumulative preferred shares	B2	**(11)**	(13)
Proceeds from borrowings, net of costs	I2	**1,222**	1,195
Repayment of borrowings	I2	**(1,162)**	(850)
Payment of lease liabilities		**(1)**	(1)
Interest paid on borrowings		**(80)**	(36)
Proceeds from the issue of Tier 1 notes	D3	**400**	—
Redemption of Tier 1 notes	D3	**(303)**	—
Distributions to minority shareholders	D3	**(20)**	(24)
Net cash flows from financing activities		**45**	156
Net increase in cash and cash equivalents		**1,909**	1,245
Effect of deconsolidation of subsidiary		**—**	(76)
Cash and cash equivalents at 1 January		**2,484**	1,315
Cash and cash equivalents at 31 December		**4,393**	2,484
Other supplementary cash flow disclosures*			
Interest received		**2,101**	3,437
Dividends received		**155**	194
Interest paid		**(565)**	(1,773)

*These amounts are primarily included in the operating activities of the cash flow statement.

The accompanying notes form an integral part of the consolidated financial statements.

A. Material accounting policies

A1. Basis of preparation

A1.1 Corporate information

Athora Holding Ltd. (the 'Company'), is a company limited by shares incorporated in Bermuda on 1 December 2014. Its registered office is: First Floor, Swan Building, 26 Victoria Street, Hamilton HM12, Bermuda.

The Company is domiciled in Bermuda and, through its global operating subsidiaries (collectively the 'Group'), is an insurance and reinsurance specialist solutions provider for the European life insurance and reinsurance market.

The ultimate parent and controlling entity of the Group is Athora Holding Ltd.

A1.2 Basis of preparation

The consolidated financial statements comprise financial statements of the Company and its subsidiaries and are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRICs), as adopted by the European Union (EU). IFRS applied by the Group in the preparation of these consolidated financial statements are those standards that were effective for periods beginning on or after 1 January 2024.

The presentational currency of the Group and the functional currency of the Company, and most subsidiaries, is euro (€ or EUR). The amounts presented in the consolidated financial statements are presented in millions unless otherwise stated.

The accounting policies have been consistently applied in these consolidated financial statements. Where an accounting policy can be directly attributed to a specific note to the consolidated financial statements, the policy is presented within that note, with a view to enabling greater understanding of the results and financial position of the Group. All other material accounting policies are disclosed below.

A1.2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings, including collective investment schemes, where the Group exercises overall control. In accordance with the principles set out in IFRS 10 Consolidated Financial Statements, the Group controls an investee if, and only if, the Group has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including relevant activities, substantive and protective rights, voting rights and purpose and design of an investee. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Further details about the consolidation of subsidiaries, including collective investment schemes, are included in **note H1.**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

A1.2.2 Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the reporting date. Exchange differences arising on the settlement of monetary items during the year are recognised in the consolidated income statement in the period in which they arise under the same heading as the underlying transactions are reported. Non-monetary assets and liabilities measured at historical cost are measured at the exchange rate applicable on the initial transaction date.

A. Material accounting policies (continued)

A1. Basis of preparation (continued)

A1.2.2 Foreign currency transactions (continued)

The financial position of the Group's foreign operations that have a functional currency different from the presentational currency are translated into euro at foreign exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated into euro at average exchange rates, unless these do not approximate to the foreign exchange rates ruling at the dates of the transactions in which case income and expenses are translated at the dates of the transactions. Foreign exchange differences arising on the translation of foreign operations are recognised in other comprehensive income.

A1.3 Going concern

These consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements sections include notes on the Group's borrowings (**note E7**); its contingent liabilities and other risk factors (**note I5**); its capital management (**note I7**); management of its risks including market, credit, and liquidity risk (**note E10**); derivative financial instruments (**note E5**); and capital raising through public bond issues (**note D3** and **note E7**). The Group's financial position reflects appropriate reserves, a conservative investment portfolio and capital in excess of the minimum regulatory requirement.

The Board has considered financial projections which demonstrate the ability of the Group to withstand market shocks in a range of scenarios, including very severe ones.

In assessing the appropriateness of the going concern basis, the Board considered base case liquidity and solvency projections that incorporated an estimated view of the economy as a whole, and in particular the continuing war in Ukraine. The Board noted the Group's access to additional funding through its Revolving Credit Facility, of which €765m is undrawn at 31 December 2024 (see **note E7**), and which has been extended post year-end by one year to 14 February 2028 (see **note I6**). Furthermore, undrawn capital commitments secured by the Group amounted to €2,237m as at 31 December 2024 (see **note D1.4**).

After making enquiries, the Board of Directors has a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the consolidated financial statements.

A2. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Disclosures of judgements made by management in applying the Group's accounting policies include those that have the most significant effect on the amounts that are recognised in the consolidated financial statements. Disclosures of estimates and associated assumptions include those that have a significant risk of resulting in a material change to the carrying value of assets and liabilities within the next year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements as to the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Group's business that typically require such estimates are the measurement of insurance and investment contract liabilities, determination of profit and the fair value of financial assets and liabilities and valuation of intangibles on initial recognition.

Details of all critical accounting estimates and judgements are set out below.

A. Material accounting policies (continued)

A2. Critical accounting estimates and judgements (continued)

Information about significant judgements and estimates made in relation to insurance and reinsurance contracts under IFRS 17 are captured in **note F4**. These include:

- Methods used to measure insurance contracts
- Actuarial assumptions
- Discount rates
- Risk adjustment for non-financial risk
- Amortisation of the contractual service margin

A2.1 Provision for settlement of unit-linked insurance policies

Athora Netherlands' subsidiary SRLEV has a portfolio of investment-linked insurance policies (also referred to as: unit-linked policies) which consists of a variety of products with distinct characteristics and different versions of contractual documentation.

On 21 March 2024, Athora Netherlands reached a settlement with the consumer organisations regarding the investment-linked insurance policies sold by its group company SRLEV and predecessors. A provision of €95m regarding this settlement was recognised in 2023 that reflected the best estimate of the outflow of resources. In 2024, an amount of €70m has been reclassified from other provisions to other liabilities, following the agreement between Athora Netherlands and the policyholders within the consumer organisations. See **note G9** for more details.

A2.2 Fair value of financial instruments

In the determination of the fair value of financial instruments, the Group's management reviews estimates and assumptions used, particularly those items categorised within Level 3 of the fair value hierarchy. Further details on key assumptions used in the valuation of Level 3 financial instruments and their sensitivities, where internally valued, are included in **note E2.**

A2.3 Valuation of investment properties

Management uses non-affiliated external independent qualified appraisal services to determine the fair value of investment properties, which utilises the Discounted Cash Flow (DCF) calculation method. The valuation model includes, amongst other items, the agreed rent for the signed leases, the market rent for currently vacant space, estimated rents for reletting of the space after lease term expiry and rental growth forecasts (see **note E2** and **note G3**).

A2.4 Acquisition accounting

The identification and valuation of identifiable assets and liabilities and in particular, acquired in-force business and intangibles, arising from the Group's acquisition of the new insurance portfolios and businesses requires the Group to make a number of judgements and estimates. Further details are included in **note G1** and **note H3.**

A2.5 Taxes

The Group operates within various tax jurisdictions where significant management judgements are required when interpreting the relevant tax laws, regulations, and legislation in the determination of the Group's tax provisions and the carrying amount of tax assets and liabilities (see **note G6**). Management assesses the recoverability of the deferred income tax asset carrying values based on estimated taxable income for future years (see **note G6**).

A. Material accounting policies (continued)

A3. Adoption of new accounting pronouncements in 2024

A3.1 Application of IFRS amendments applicable to the year ended 31 December 2024

The following pronouncements are applicable for the year ended 31 December 2024, but the impact of these amendments does not have a material impact on the Group's financial position at 31 December 2024 and performance for the year then ended.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Published by the IASB in January 2020 and October 2022, the amendments clarify requirements in IAS 1 for the presentation of liabilities in the statement of financial position and improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Amendments to IFRS 16, Leases: Lease Liability in a Sale and Leaseback

Published by the IASB in September 2022, the amendments introduce specific subsequent measurement requirements for sale and leaseback transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Amendments to IAS 7, Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures: Supplier Finance Arrangements

Published by the IASB in May 2023 with an effective date of 1 January 2024, the amendments introduce specific disclosure requirements relating to the effects of supplier finance arrangements on the entity's liabilities, cash flows, and its exposure to liquidity risk.

A3.2 Sustainability reporting standards

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

As part of its work on sustainability reporting and climate-related matters' impact on financial statements, the IFRS Foundation's standard-setting bodies – the IASB and the International Sustainability Standards Board (ISSB) – have emphasised the concept of connectivity between financial statements and sustainability disclosures.

Published by the International Sustainability Standards Board (ISSB) in June 2023, IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium, and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1.

Although all public and private companies can apply IFRS S1 and IFRS S2, the ISSB does not have the right to mandate the application of the standards. Companies can voluntarily apply these standards, and jurisdictional authorities can decide whether to require companies to apply them.

These standards are effective for annual reporting beginning on or after 1 January 2024. Since the EU has not adopted these standards in light of its own European Sustainability Reporting Standards (ESRS), the Group has opted not to adopt IFRS S1 and S2. For further details on ESRS and implementation of the Corporate Sustainability Reporting Directive (CSRD), refer to the Sustainability section in the annual report.

A. Material accounting policies (continued)

A4. New accounting and other pronouncements not yet effective

The following new standards and amendments to existing standards have been issued but are not yet effective for the year ended 31 December 2024 and have not been adopted early by the Group:

Lack of exchangeability – Amendments to IAS 21

Published by the IASB in August 2023 with an effective date of 1 January 2025, this amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The impact of this amendment is being assessed by the Group and deemed not likely to be material.

Nature Dependent Electricity Contracts - Amendments to IFRS 7 and IFRS 9

Published by the IASB in December 2024, these targeted amendments to IFRS 7 Financial Instruments: Disclosure and IFRS 9 Financial Instruments relate to the reporting of the financial effects of nature dependent electricity contracts. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. The impact of these amendments is being assessed by the Group and deemed not likely to be material.

Annual improvements to IFRS standards (volume 11)

Published by the IASB in July 2024, these improvements consist of amendments to several accounting standards; IFRS 1 First time adoption of IFRS, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. The impact of these improvements is being assessed by the Group and deemed not likely to be material.

Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9

Published by the IASB in May 2024, with an effective date of 1 January 2026, these amendments clarify certain issues, when it comes to the derecognition of financial liabilities on the settlement date, explaining the assessment of contractual cash flow characteristics of financial assets with ESG-linked features, and the treatment of non-recourse assets and contractually linked instruments. It also requires additional disclosures for financial assets and liabilities with contingent events and equity instruments classified at fair value through other comprehensive income and introduces an accounting policy option for electronic payment systems. The impact of these amendments is being assessed by the Group and deemed not likely to be material.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. This standard introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, of which the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 with retrospective application. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19) with an effective date of 1 January 2027, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. As the Group's debt instruments are publicly traded, it is not eligible to elect to apply IFRS 19. However, the impact on the level of disclosures required in the financial statements of the Group's subsidiaries without public accountability is currently being assessed.

B. Segmental analysis and distributions

B1. Segmental analysis

The Group defines and presents operating segments in accordance with IFRS 8 'Operating Segments' which requires such segments to be based on the information which is provided to the Group Management Committee, which is the Chief Operating Decision Maker (CODM).

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group.

The CODM for the Group reviews the Group's internal reporting based on three segments (which reflect the Group's organisational and management structures) in order to assess performance and allocate resources. These segments are primarily differentiated by the geographies they operate in, are set out below:

a. Netherlands
b. Rest of Europe
c. Reinsurance, Corporate and intra-group eliminations.

The products and services these segments provide are as follows:

Netherlands and Rest of Europe:

Netherlands and Rest of Europe (comprising: Belgium, Italy and Germany) provide traditional life insurance, unit linked, pensions and savings products. Netherlands, Belgium and Italy, actively write new business. The German business is closed to new business.

Reinsurance, Corporate and intra-group eliminations:

This segment primarily comprises the:

a. Group Corporate Centre of the relevant corporate entities, net of inter-segment eliminations; and

b. Reinsurance, which provides reinsurance services to predominantly other group entities, and to external insurers.

Transfers or transactions between segments are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

The reportable segments and required disclosures in relation to their performance is set out below.

B. Earnings performance (continued)

B1. Segmental analysis (continued)

€m	Netherlands	Rest of Europe	Reinsurance, Corporate & intra-group eliminations	Total
	2024	2024	2024	2024
Insurance contract revenue	1,955	350	21	2,326
Insurance service expense	(1,769)	(285)	(22)	(2,076)
Insurance service result before reinsurance contracts held	186	65	(1)	250
Allocation of reinsurance premium	(524)	(106)	62	(568)
Amounts recoverable from reinsurers for incurred claims	517	100	(62)	555
Net (expense)/income from reinsurance contracts held	(7)	(6)	—	(13)
Insurance service result	179	59	(1)	237
Net investment income	4,856	819	34	5,709
Net finance (expense)/income from insurance contracts	(2,624)	(712)	(18)	(3,354)
Net finance income/(expense) from reinsurance contracts	5	102	(101)	6
Change in investment contract liabilities	—	(198)	—	(198)
Investment return attributable to third parties	(1,709)	—	—	(1,709)
Net financial result	528	11	(85)	454
Fee and commission income	47	49	—	96
Other income	18	11	7	36
Other expenses	(293)	(212)	(24)	(529)
Acquisition costs	—	(16)	—	(16)
Finance costs	(56)	(121)	(48)	(225)
Impairments	1	—	—	1
Profit/(loss) before tax	424	(219)	(151)	54
Income tax				(58)
Loss for the year				(4)

Notes

A. Profit or loss for each segment includes allocation of Corporate expenses relating to asset management fees, senior staff costs, professional fees, and other such costs, which are not recharged to the segments. These costs are considered an integral part of the business performance and are therefore allocated to each operating segment, on the basis of each operating segment's proportion of total investments, and included in the respective profit or loss reported to CODM. Management considers this basis of allocation to be reasonable. It should be noted that there is no asymmetrical allocation to reporting segments.

B. No revenue transactions with a single external customer amount to 10% or more of the Group's total revenue.

C. Information relating to assets and liabilities for each reportable segment is not presented, as this is not regularly provided to the CODM to make decisions about resources to be allocated to the segments and assess their performance.

B. Earnings performance (continued)

B1. Segmental analysis (continued)

€m	Netherlands	Rest of Europe	Reinsurance, Corporate & intra-group eliminations	Total
	2023	2023	2023	2023
Insurance contract revenue	1,818	394	16	2,228
Insurance service expense	(1,644)	(340)	(17)	(2,001)
Insurance service result before reinsurance contracts held	174	54	(1)	227
Allocation of reinsurance premium	(529)	(106)	74	(561)
Amounts recoverable from reinsurers for incurred claims	516	127	(63)	580
Net (expense)/income from reinsurance contracts held	(13)	21	11	19
Insurance service result	**161**	**75**	**10**	**246**
Net investment income	4,538	1,343	176	6,057
Net finance (expense)/income from insurance contracts	(2,368)	(1,018)	(18)	(3,404)
Net finance (expense)/income from reinsurance contracts	(131)	99	(105)	(137)
Change in investment contract liabilities	—	(166)	—	(166)
Investment return attributable to third parties	(821)	—	—	(821)
Net financial result	**1,218**	**258**	**53**	**1,529**
Fee and commission income	28	41	—	69
Other income	7	16	7	30
Other expenses	(363)	(182)	(26)	(571)
Acquisition costs	—	(26)	—	(26)
Finance costs	(52)	(82)	(61)	(195)
Profit/(loss) before tax	**999**	**100**	**(17)**	**1,082**
Income tax				(320)
Profit for the year				**762**

B. Earnings performance (continued)

B2. Distributions

B2.1 Dividends – common shares

No dividends were declared or paid to the Company's common shareholders during the year (2023: €nil).

B2.2 Dividends – preferred shares

€m	2024	2023
Series A preferred dividends - €8.00 per share (2023: €8.00 per share)	**40**	38
Series B preferred dividends - €4.80 per share (2023: €4.80 per share)	**11**	13

Dividends on the above Series A and Series B preferred shares are fully discretionary and non-cumulative. The Company can elect to pay dividends declared in cash or in kind via issuance of additional shares.

2024

- On the Series A preferred shares, stated value of €100 per share, dividends of €19.7m (€4.00 per share) and €20.5m (€4.00 per share) were declared by the Board on 13 March and 12 September 2024, respectively. Both were paid in kind by the pro rata issuance of 197,383 and 205,276 Series A preferred shares, respectively, based on the stated value of preferred shares outstanding on the date of declaration. The dividend rate is 8%.
- On the Series B preferred shares, stated value of €100 per share, a dividend of €9.5m (€4.80 per share) was declared by the Board on 26 March 2024 and paid in cash on 3 May 2024, and a dividend of €1.7m (€4.80 per share) was declared by the Board on 10 December 2024 and paid in cash on 27 December 2024. The dividend rate is 4.8%.

2023

- On the Series A preferred shares, stated value of €100 per share, dividends of €18m (€4.00 per share) and €19m (€4.00 per share) were declared by the Board on 14 March and 7 September 2023, respectively. Both were paid in kind by the pro rata issuance of 182,491 and 189,789 Series A preferred shares, respectively, based on the stated value of preferred shares outstanding on the date of declaration. The dividend rate is 8%.
- On the Series B preferred shares, stated value of €100 per share, a dividend of €9.5m (€4.80 per share) was declared by the Board on 29 March 2023 and paid in cash on 3 May 2023, and a dividend of €1.7m (€4.80 per share) was declared by the Board on 7 December 2023 and paid in cash on 27 December 2023. The dividend rate is 4.8%.
- Of the €120m paid in connection with the redemption of Series B preferred shares (see **note D1**), €1.6m was for accrued dividends due under the terms of the Certificate of Designations.

C. Other income statement notes

C1. Insurance revenue

The Group's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e. the amount of premiums paid to the Group adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Expected insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the liability for remaining coverage
- Amounts related to income tax that are specifically chargeable to the policyholder
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage
- The CSM release
- Amounts related to insurance acquisition cash flows

For management judgement applied to the amortisation of the CSM, please refer to **note F4**.

€m	Note	2024	2023
Amounts relating to the changes in the liability for remaining coverage			
Expected insurance service expenses and claims incurred		**2,076**	1,968
Change in the risk adjustment for non-financial risk		**45**	47
Amount of CSM recognised in profit or loss		**200**	209
		2,321	2,224
Amounts relating to recovery of insurance acquisition cash flows			
Allocation of the portion of premiums that related to the recovery of insurance acquisition cash flows		**5**	4
		2,326	2,228

See **note B1** for a breakdown of insurance revenue by operating segments.

C. Other income statement notes (continued)

C2. Net financial result

Net investment income

Investment income attributable to shareholders comprises income on financial assets at fair value through profit or loss and investment properties.

Net income from financial instruments at fair value through profit or loss

This item comprises realised and unrealised gains and losses, interest income and expense and dividends on financial assets and liabilities at fair value through profit or loss. Income accruing to unit-linked business is shown separately as investment income attributable to assets held in respect of investment contract liabilities and third parties.

For interest-bearing assets, interest is recognised as it accrues and is calculated using contractual interest rates (effective yield). Dividends on equity securities are recorded as revenue on the ex-dividend date.
A realised gain or loss on a financial investment is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs and its original cost. Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, as appropriate, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

Income from investment properties

This item comprises rental income, realised and unrealised gains and losses, including related to foreign exchange gains and losses, on investment properties. Rental income is recognised on an accruals basis, and is recognised on a straight line basis unless there is compelling evidence that benefits do not accrue evenly over the period of the lease.

Investment income attributable to assets held in respect of investment contract liabilities and third parties

Investment income attributable to assets backing investment contract liabilities comprises realised and unrealised gains and losses, interest income and expense and dividends on financial assets and liabilities at fair value through profit or loss which arise from unit-linked business.

Investment income attributable to third parties represents gains and losses on investments for account of third parties. These gains and losses comprise the fair value changes on the investments for account of third parties and the changes in the fair value of the liabilities arising from these investments.

Insurance finance income or expense

Insurance finance income or expenses comprise the change in the carrying amount of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk
- Changes in the measurement of group of contracts under the VFA model caused by changes in the value of underlying items

The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI. This is to minimise the accounting mismatch because all of the Group's financial assets backing the insurance issued portfolios are measured and managed on a fair value through profit or loss basis.

C. Other income statement notes (continued)

C2. Net financial result (continued)

Reinsurance finance income and expense

Reinsurance finance income or expenses comprise the change in the carrying amount of reinsurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

The Group does not disaggregate reinsurance finance income or expenses between profit or loss and OCI. The Group has determined that the risk of non-performance related to its reinsurance contracts held is a financial risk as it deems the risk of losses from dispute not being material. The Group has, therefore, chosen to present the effects of non-performance for reinsurance held as a separate line item within reinsurance finance income or expenses.

€m	Note	2024	2023
Investment income attributable to shareholders	C2.1	3,802	5,070
Net finance (expense) from insurance contracts	C2.3	(3,354)	(3,404)
Net finance income/(expense) from reinsurance contracts	C2.4	6	(137)
Net financial result attributable to shareholders		**454**	1,529
Net investment income on financial assets held in respect of investment contract liabilities and third parties	C2.2	1,907	987
Change in investment contract liabilities	E9	(198)	(166)
Investment return attributable to third parties	E9	(1,709)	(821)
Net financial result attributable to assets held in respect of investment contract liabilities and third parties		**–**	–
Net financial result		**454**	1,529

C2.1 Net investment income/(expense) attributable to shareholders

€m	2024	2023
Net (expense)/income from derivatives	(694)	778
Interest revenue	2,049	1,320
Net gains on financial assets valued through profit or loss	2,063	2,691
Investment properties	39	(39)
Cash and cash equivalents	143	112
Other investment income	202	208
	3,802	5,070

Investment income in 2024 mainly comprises interest revenue from fixed income securities and loans and gains on financial assets valued through profit or loss. The main driver for the reduction in investment income compared with 2023 is the movement in the fair value of derivatives.

C. Other income statement notes (continued)

C2. Net financial result (continued)

C2.2 Net investment income/(expense) on financial assets held in respect of investment contract liabilities and third parties

€m	2024	2023
Net result on financial assets held in respect of investment contract liabilities	**198**	166
Net result on investments for account of third parties	**1,709**	821
	1,907	987

Investment income from investments held in respect of investment contract liabilities and third parties consists of income from fixed income securities and other investments. The positive variance compared with 2023 is mainly attributable to strong positive unrealised revaluation movements on the underlying investment funds in 2024 and due to additional investments and strong performance of market indices. The additional investments include €1.2bn of assets that have been brought on to the balance sheet in 2024 due to Athora now earning variable fee returns on the assets (see **note E4**).

Net investment income in the Income Statement consists of net investment income/(expense) attributable to shareholders and net investment income/(expense) on financial assets held in respect of investment contract liabilities and third parties.

C2.3 Insurance finance income/(expense) from insurance contracts issued

€m	2024	2023
Changes in fair value of underlying items of contracts measured under the Variable Fee Approach	**(1,824)**	(1,372)
Interest accreted	**(1,350)**	(950)
Effect of changes in interest rates and other financial assumptions	**(180)**	(1,082)
	(3,354)	(3,404)

Changes in the fair value of underlying items of insurance contracts measured under the Variable Fee Approach is the equal and opposite movement on the underlying asset value of the contracts. There is a larger impact in 2024 of €(1,824)m (2023: €(1,372)m), due to an increase in the underlying asset values in 2024 compared to 2023.

Interest accreted represents the unwind on PVFC and CSM and the difference between the current and locked-in interest rates on GMM business. There was a larger negative impact on interest accreted in 2024 of €(1,350)m (2023: €(950)m) due to growth in the unwind on PVFC and CSM due to an increase in the average liabilities in 2024 compared to 2023. Also, the impact from the delta between current and locked-in interest rates had a larger offsetting impact in 2023 compared to 2024, due to a significant decrease in discount rates in 2023.

A smaller negative impact in 2024 of €(180)m (2023: €(1,082)m) from changes in interest rates and other financial assumptions. This was due to smaller decreases in interest rates in 2024 compared to 2023, which led to a smaller increase in PVFC and hence a more positive result.

C2.4 Reinsurance finance income/(expense) from reinsurance contracts held

€m	2024	2023
Interest accreted	**2**	(134)
Other	**4**	(3)
	6	(137)

Reinsurance finance income/(expense) captures PVFC and CSM unwinds, the effect of changes in interest rates, as well as impacts caused by differences between locked-in discount rates and current discount rates. The negative impact in 2023 was mainly due to a reinsurance premium reduction secured on an external longevity reinsurance treaty. The reinsurance treaty relates to GMM business, therefore, the impact from the delta between locked-in and current rates on this premium change led to a loss in 2023. An additional loss arose from increases in the size of the reinsurance liability, due to the effect of decreasing interest rates over the year.

In comparison, there is a small positive result in 2024 due primarily to positive results from the PVFC unwind and the delta between locked-in and current discount rates.

C. Other income statement notes (continued)

C3. Fees and commissions

Fee and commission income
Fee and commission income related to investment contracts comprises primarily asset management fees and intermediary commissions. Asset management fee comprises fees received on contracts with external parties related to the asset management activities of the investment portfolio as well as the tactical asset allocation according to the mandate agreed upon. It also includes fees relating to the valuation of the outstanding assets and the related financial administration of all assets. Fee and commission income is recognised as the services are provided. Front end fees, which are charged at the inception of service contracts, are deferred as a liability and recognised over the life of the contract.

Fee and commission expense
Commission expenses and management fees are accounted for as fee and commission expense to the extent that they are directly attributable to the services received in the reporting period. Fee and commission income is recognised as the services are provided.

€m	2024	2023
Asset management fees	**35**	24
Investment contract fees receivable	**48**	41
Third-party fee income	**13**	4
	96	69

C4. Other expenses and acquisition costs

C4.1 Other expenses

Other expenses are recognised in the consolidated income statement as incurred.

An analysis of total expenses incurred by the Group in the reporting period is included in the table below:

€m	Note	2024	2023
Staff costs		**(321)**	(347)
IT, professional and property costs		**(171)**	(170)
Asset management fees		**(178)**	(153)
Other administration expenses		**(121)**	(164)
Amortisation of intangible assets	**G1**	**(11)**	(10)
Depreciation of tangible assets	**G2**	**(6)**	(8)
		(808)	(852)
Reported by:			
Insurance service expense		**(279)**	(281)
Other expenses		**(529)**	(571)
		(808)	(852)

Included within staff costs are expenses in relation to defined contribution pension plans of €16m (2023: €17m).

C4.2 Acquisition costs

Acquisition costs predominantly relate to legal and professional fees that are incurred to support the acquisition of investment contracts with no discretionary participation features, business combinations and other such activities. These are recognised in the income statement as incurred.

C. Other income statement notes (continued)

C5. Finance costs

Interest on borrowings is recognised in the consolidated income statement as it accrues and is calculated using the effective interest method including the amortisation of any discount (see **note E7**).

€m	2024	2023
Interest on external debt		
Subordinated debt	**(66)**	(46)
Bank loans / revolving credit facilities	**(66)**	(66)
	(132)	(112)
Other finance costs	**(93)**	(83)
	(225)	(195)

Other finance costs are incurred by the Group in respect of various operating liabilities, including loans linked to operating activities disclosed within other financial liabilities, deposits received from reinsurers, defined benefit pension schemes (see **note G8**), lease liabilities (see **note E8**) and repurchase agreements (see **note E8**).

C6. Tax charge

Income tax comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in the statement of consolidated comprehensive income or the statement of consolidated changes in equity, in which case it is recognised in these statements.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the date of the statement of consolidated financial position together with adjustments to tax payable in respect of previous years.

C6.1 Current year tax charge

€m	2024	2023
Current tax:		
Current tax charge for the year	**(41)**	—
Adjustment in respect of prior years	**(1)**	1
Total current tax (charge)/credit	**(42)**	1
Deferred tax:		
Origination and reversal of temporary differences during the year	**(20)**	(311)
Effect of change in tax rate	**—**	—
Adjustment for unrecognised deductible temporary differences	**(3)**	(11)
Adjustment in respect of prior years	**7**	1
Total deferred tax credit/(charge)	**(16)**	(321)
Total tax charge from continuing operations	**(58)**	(320)

C. Other income statement notes (continued)

C6. Tax charge (continued)

C6.2 Reconciliation of tax charge

The Group operates in multiple jurisdictions and is subject to taxation on profits/(losses) in each jurisdiction at different rates. The differences are explained below:

€m	2024	2023
Profit before tax	**54**	1,082
Tax calculated at the domestic rates applicable to profits in each operational jurisdiction	**(114)**	(336)
Effects of:		
Expenses not deductible for tax purposes	**(10)**	(4)
Non-taxable Income	**56**	22
Income taxable at higher/lower rates	**(1)**	2
Adjustment for unrecognised deductible temporary differences	**(3)**	(11)
Adjustments in respect of prior years	**6**	2
Deduction for interest and expenses on Tier 1 equity	**8**	5
Total tax (charge)	**(58)**	(320)

Applicable tax rates and tax legislation

Tax calculated at the domestic rates applicable to profits in each operational jurisdiction has been computed using the standard rates of taxes on corporate income for the financial year, as follows: Belgium 25% (2023: 25%), Bermuda 0% (2023: 0%), Germany 31.93% (2023: 31.72%), Ireland 12.5% (2023: 12.5%), Netherlands 25.8%, (2023: 25.8%), United Kingdom 25% (2023: 23.5%) and Italy 30.82% (2023: 30.82%). The standard rates of taxes on corporate income include not only those taxes specifically entitled 'corporate income tax' in each jurisdiction but also other similar taxes levied on profits, such as regional production tax ('imposta regionale sulle attività produttive') in Italy and trade tax ('Gewerbesteuer') in Germany.

Analysis of tax charges for the year and comparative information

Year on year, the proportionate change in tax, calculated at the domestic rates applicable to profits in each operational jurisdiction relative to profit before tax, can be predominately attributed to changes in the mix of profits earned in different jurisdictions.

In 2024, losses within our Bermuda subsidiaries increased with no deferred tax credit recognised in respect of those losses. The net tax charge is mainly attributable to profits in Athora Netherlands, with deferred tax credit recognised in respect of losses arising in most jurisdictions other than Bermuda. There was also a relative increase in the amount of income that is not charged to tax within Netherlands due to participation exemption, partly offset by increased tax deductions for interest and expenses on tier 1 capital instruments that are accounted for under IFRS directly through equity as distributions.

For 2023, the effective tax charge was lower than the taxable profit multiplied by the standard rate due primarily to non-taxable income (in respect of certain dividends and unrealised gains on equities where the Group holds sufficient interest to avail of participation exemption), as well as tax deductions allowed for interest costs that are recognised via equity rather than the income statement. However, unrealised losses and expenses in certain other subsidiaries cannot be relieved against other profits, so no deferred tax credit was recognised in these cases, thereby increasing the tax charge for 2023 relative to accounting profit.

Changes in Tax Legislation applicable in 2024

An amendment to the municipal trade tax applicable to Athora Germany came into force in 2024 which resulted in the standard rate of tax increasing to 31.93% (2023: 31.72%). The UK tax rate increased from 19% to 25% with effect from 1 April 2023. The UK rate effectively thereby rose to 25% in 2024 from 23.5% for the 2023 calendar year on a pro-rata basis. No significant further changes in standard domestic tax rates came into effect in 2024.

C. Other income statement notes (continued)

C6. Tax charge (continued)

C6.2 Reconciliation of tax charge (continued)

Impact of the OECD Pillar Two Tax Framework on the Tax Charges for 2024

From 1 January 2024, UK and EU member state legislation enacting the OECD's Pillar Two minimum 15% corporate income tax framework came into effect. These new, supplementary tax rules thereby effectively applied to all of the constituent entities of the Athora Group in 2024 by application of either the Qualified Domestic Top-Up Tax ("QDTT") rules or Income Inclusion rules ("IIR"), except for our constituent entities in Bermuda, which are not subsidiaries of any UK or EU constituent entity of the Group, and thus were not subject to Income Inclusion Rules.

However, the Pillar Two legislation includes transitional rules to facilitate simplified calculation tests by in-scope groups that, once met, effectively remove the obligation of calculating the Pillar Two effective tax rate for operations in lower-risk jurisdictions in the initial years, 2024 to 2026 inclusive. These rules are known as Transitional Safe Harbours, and are assessed for all constituent entities in the relevant jurisdiction that form part of the Multi-National Enterprise (MNE) Group, which in the case of Athora, is all constituent entities of the Athora Holdings Limited Group, the ultimate parent entity. In particular, the transitional Country-by-Country Report (CbCR) Safe Harbour tests allow entities to exclude from the Pillar Two calculation jurisdictions that pass at least one of three tests based on data from a qualified Country-by-Country report: (a) a de minimis test; (b) a simplified effective tax rate (ETR) test; and (c) a routine profits test.

Our large subsidiaries in Netherlands, Belgium, Germany and Italy, as well as our less material subsidiaries (including property investment vehicles) in the United Kingdom, France, Sweden and Poland have been assessed in this context and are considered to meet the requirements of the transitional CbCR Safe Harbour for 2024 by virtue of either the simplified ETR test or routine profits test, and thereby are expected to be deemed to have no liability under Pillar Two for 2024. This conclusion is particularly dependent on finalisation of the Country-by-Country Report of Athora Holdings Limited Group in a manner that is materially consistent with the data compiled for the year end provisioning assessment, and it assumes that the Country-by-Country Report to be filed by Athora Holdings Limited will be accepted as having been prepared in qualifying form for use in the Safe Harbour tests.

In addition, although our subsidiaries in Luxembourg and Ireland may not meet the criteria for the transitional CbCR Safe Harbour for 2024, having computed the Pillar Two effective tax rate for those jurisdictions in full, we are satisfied that our subsidiaries in those countries respectively demonstrate jurisdictional ETRs above 15% and therefore no liability exists under Pillar Two for 2024. For Ireland, although the standard rate of corporation tax for trading companies is 12.5% and therefore a top-up tax would be generally anticipated, no top-up tax arises for 2024 primarily as a result of higher rates of Irish corporation tax applying to the incomes of some Irish companies of the Group as well as losses carried forward within our reinsurance entity, for which Pillar Two rules permit remeasurement of the associated deferred tax charge to 15% when computing the adjusted covered taxes for the Pillar Two ETR.

Accordingly, no accrual for Pillar Two taxes for any constituent entities of the Group has been recognised in the financial statements for 2024. The Group has applied the mandatory temporary exception issued by the IASB in May 2023 from the accounting requirements for Pillar Two deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

As explained below, Athora's Bermuda entities were not in scope of Pillar Two for 2024 and Bermuda has implemented a 15% corporate income tax regime that will negate the impact of Pillar Two on our Bermuda subsidiaries.

Changes in legislation applicable to future periods substantively enacted at the balance sheet date

Legally enacted changes in tax rates applicable to future periods result in the remeasurement of deferred tax assets and liabilities, which can result in deferred tax credits and charges in the income statement notwithstanding that the tax changes have not yet come into effect. However, there is a temporary exception to the recognition and measurement of deferred tax under IAS 12 in respect of Pillar Two which Athora has applied.

C. Other income statement notes (continued)

C6. Tax charge (continued)

C6.2 Reconciliation of tax charge (continued)

The Pillar Two Undertaxed Profits Rule ("UTPR") will effectively come into force in the UK and EU countries on 1 January 2025. This legislation operates as a backstop to the Pillar Two QDTT and IIR. For Athora, the UTPR rule created the possibility that any profits arising in Bermuda where no corporate income tax historically applied would be subject to a 15% Pillar Two tax, which would be payable to the governments of other countries where Athora operates.

However, in response to Pillar Two, the government of Bermuda enacted legislation which makes Athora's Bermuda constituent entities liable to a 15% corporate income tax on their profits from 1 January 2025, subject to important transitional adjustments. As explained in **note G6**, the Group's Bermuda constituent entities are permitted to carry forward their net loss for financial years 2020 to 2024 at the Bermuda CIT commencement date of 1 January 2025. No deferred tax asset has been recognised as at 31 December 2024 due to the historic loss-making position of the Group's Bermuda Constituent Entities, uncertainty regarding future profits, expected future expenses and the ongoing evaluation of the options available under the new legislation. Accordingly, no deferred tax credit is recognised in the income statement in 2023 or 2024 in respect of the potential future tax saving that could arise from our losses in Bermuda in those years.

There were no other significant changes in the standard domestic tax rates applicable to the Group's entities substantively enacted prior to 31 December 2024 which will come into effect at a future date.

D. Equity

D1. Share capital

The Group has issued ordinary shares which are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

The Group also holds treasury shares, which together with any directly related costs are recorded as a deduction to consolidated shareholders' equity. Where these treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity, net of any directly related costs and tax effects.

D1.1 Common shares

There are four classes of common shares (A, B, C and D), with Class B, C and D shares split into further sub-classes (B-1, B-2, C-1, C-2, C-3, C-4, D-1 and D-2). Holders of the A, B-1 and B-2 shares have 55%, 35% and 10% of the total voting rights respectively. Holders of Class C and D shares have no voting rights, nor an entitlement to receive any dividends. C shares are entitled to convert to a certain number of A or B common shares if shareholder returns are in excess of agreed hurdles in the event of a material change of control. D shares are not convertible but are entitled to receive a proportion of shareholder returns in excess of agreed hurdles in the event of a material change of control.

1,006,030 Class A common shares were issued during 2024.

Authorised

€m	2024	2023
1,000,000,000 common shares of €0.001 each (2023: 1,000,000,000)	**1**	1

Issued and fully paid up

€000	2024	2023
384,354,824 common shares of €0.001 each (2023: 383,813,755)	**384**	384
20,000,000 common shares of the Company owned by subsidiaries (2023: 20,000,000)	**(20)**	(20)
	364	364
Treasury Shares		
12,034,749 treasury shares of €0.001 each (2023: 12,034,749)	**(12)**	(12)
	352	352

137,931 common shares (2023: 137,931) of €0.001 each of the Company were issued in 2022 to a subsidiary and remain unpaid.

D. Equity (continued)

D1. Share capital (continued)

Treasury shares

During 2023, 19,607,841 of common shares at nominal value of €0.001 each were repurchased at a total value of €300m. These shares are held as Treasury Shares. Subsequently, the Company transferred 7,573,092 Treasury shares at a total value of €116m to certain shareholders following their funding of capital calls with such shareholders receiving 46,544 Class A and 7,526,548 Class B-2 common shares (refer below).

At 31 December 2024, 12,034,749 (2023: 12,034,749) Treasury shares were held by the Company at a book value of €184m (2023: €184m).

Purchase, cancellation and reissue of own shares

Common Shares	Number of shares	Share premium €m
At 1 January 2023	**370,952,162**	**3,833**
Shares issued during the year	**12,945,202**	**189**
Shares redeemed during the year	**(83,609)**	**(1)**
At 31 December 2023	**383,813,755**	**4,021**
Shares issued during the year	**1,006,030**	**16**
Shares redeemed during the year	**(464,961)**	**(7)**
At 31 December 2024	**384,354,824**	**4,030**

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

Movement in number of issued common shares:

Class	At 1 January 2023	Movement	At 31 December 2023	Movement	At 31 December 2024
A	254,664,861	4,319,407	**258,984,268**	**541,069**	**259,525,337**
B-1	43,494,066	15,638	**43,509,704**	**—**	**43,509,704**
B-2	49,804,791	7,526,548	**57,331,339**	**—**	**57,331,339**
C-1	1,000,000	—	**1,000,000**	**—**	**1,000,000**
C-2	1,000,000	—	**1,000,000**	**—**	**1,000,000**
C-3	988,444	—	**988,444**	**—**	**988,444**
C-4	—	1,000,000	**1,000,000**	**—**	**1,000,000**
D-1	10,000,000	—	**10,000,000**	**—**	**10,000,000**
D-2	10,000,000	—	**10,000,000**	**—**	**10,000,000**
Total	370,952,162	12,861,593	**383,813,755**	**541,069**	**384,354,824**

D. Equity (continued)

D1. Share capital (continued)

D1.2 Preferred shares

402,659 Series A preferred shares were issued as payment in kind for the dividend detailed in 'Dividends' section below based on their stated value on the date of declaration. The shares are recognised as Tier 1 eligible capital within the Group's regulatory solvency ratio. The dividend rate is 8%. Dividends are fully discretionary with dividends not declared being non-cumulative. Athora can elect to pay dividends declared in cash or in kind via issuance of additional shares.

	Number of shares	Par value €	Share premium €m
At 1 January 2023	8,062,417	8,062	800
Shares issued during the year (€0.001 per share)	372,280	372	38
Shares redeemed during the year (€0.001 per share)	(1,181,237)	(1,181)	(118)
At 31 December 2023	7,253,460	7,253	720
Shares issued during the year (€0.001 per share)	402,659	403	40
At 31 December 2024	**7,656,119**	**7,656**	**760**

Series A and B preferred shares are recognised as Tier 1 eligible capital within the Group's regulatory solvency ratio.

Dividends

For dividend distributions on Series A and Series B preferred shares, refer to **note B2**.

D1.3 Warrants

During 2020, 6,048,033 warrants were issued over voting common shares in Athora Holding Ltd. These warrants are exercisable during the period commencing on issue date up to the tenth anniversary of issue. However, the warrants must be exercised in the event of the occurrence of a listing, change of control or a significant disposal event once notice of such event has been given by the Group in accordance with the certificate of designation of the warrants.

D1.4 Undrawn capital commitments

At 31 December 2024 the balance of undrawn capital commitments secured by the Group was €2,237m (2023: €2,237m). €500m of "backstop" equity commitment letters are due to expire in April 2025. In January 2023, AHL made a capital call of €210m in respect of previously undrawn commitments.

D2. Other reserves

D2.1 Share-based payment reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to **note I1** for further details of these plans.

D2.2 Foreign currency translation reserve

The foreign currency translation reserve represents the cumulative gains and losses on the translation of the Group's net investment in its foreign operations. Gains and losses accumulated in this reserve are reclassified to the income statement when the Group loses control, joint control, or significant influence over the foreign operation or on disposal or partial disposal of the operation.

D. Equity (continued)

D3. Non-controlling interests (including restricted Tier 1 notes)

Non-controlling interests are stated as the share of net assets attributed to the non-controlling interest holder at the time of acquisition, adjusted for the relevant share of subsequent changes in equity. The Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes ('Tier 1 Notes') meet the definition of equity and, accordingly, are shown as a separate category within equity at the proceeds of issue or at the fair value at acquisition date in the case of an acquisition through a business combination. The coupons on the instruments are recognised as distributions on the date of payment and are charged directly to the statement of consolidated changes in equity. Any gain or loss on redemption of Tier 1 notes is recognised directly in the statement of consolidated changes in equity.

The non-controlling interests comprise the following:

€m	Note	2024	2023
Athora Netherlands N.V.	D3.1	—	245
Athora Netherlands N.V.	D3.2	400	—
		400	245

D3.1 Athora Netherlands N.V.

These Fixed Rate Reset Perpetual Tier 1 Contingent Convertible Notes ('Tier 1 Notes') were first issued in June 2018 with a nominal value of €300m and were acquired by the Group at a fair value of €245m on the Group's acquisition of Athora Netherlands in 2020. The perpetual notes were first callable in 2025, with the coupon fixed at 7.00% per annum until the first call date. Athora Netherlands may at its sole and absolute discretion at any time elect to cancel any coupon payment (or part thereof) which would otherwise be payable on any payment date. A distribution was made during the year of €20m to cover the coupon due (2023: €21m).

In November and December 2024, Athora Netherlands N.V. redeemed in full these Tier 1 Notes for €304m, primarily through a tender offer, and subsequent clean-up redemption. On the redemption of these notes, the Group recognised a loss of €59m directly in equity, being the difference between the carrying value of €245m and the redemption amount of €304m.

D3.2 Athora Netherlands N.V.

In November 2024, Athora Netherlands N.V. issued a restricted Tier 1 note with a nominal value of €400m. The note is perpetual and first callable in 2031. The coupon is fixed at 6.750% per annum until the first call date. Athora Netherlands N.V. may, at its sole and absolute discretion, at any time elect to cancel any coupon payment (or part thereof) which would otherwise be payable on any payment date. No distributions were made during the year. The proceeds of the issuance were used to redeem Athora Netherlands' CHF105m subordinated perpetual bonds (**note E7.1.3**) and €300m restricted Tier 1 notes (**note D3.1**).

E. Financial assets and liabilities

E1. Classification and measurement of financial assets and liabilities

E1.1 Classification and recognition of financial instruments

Financial assets

The Group mandatorily classifies all its financial assets as fair value through profit or loss because their performance is managed on a fair value basis. The exception are cash and cash equivalents and other receivables, which are classified at amortised cost (see **note G4** and **note G5**). Both receivables and cash & cash equivalents are short-term in nature and therefore the carrying amount equals fair value.

The classification is based on management's intention relating to the purpose, risk and nature of the instrument or characteristics of the investment. The Group determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss (FVTPL) can either be held for trading (if acquired principally for the purpose of selling in the short-term) or designated at fair value through profit or loss at inception.

Financial assets are initially recorded at fair value. Fair value adjustments and realised gains and losses are recognised in the income statement. Incremental costs and fees that are directly attributable to origination of the financial assets are immediately recognised in the profit or loss.

A financial asset (or part of a group of similar financial assets) is derecognised where:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the assets, but has assumed an obligation to pay them in full without material delay to a third-party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets held by the Group include debt instruments, equity instruments, loans, receivables, derivatives, reverse repurchase agreements, investment properties and investments in non-consolidated investment funds. These instruments are held directly or through controlled investment funds.

Details of the financial assets are set out in **section E3**.

Net asset value attributable to unitholders

The net asset value attributable to unitholders represents the non-controlling interest in collective investment schemes which are consolidated by the Group. This interest is classified at FVTPL and measured at fair value, which is equal to the bid value of the number of units of the collective investment scheme not owned by the Group.

For further details see **note E4**.

E. Financial assets and liabilities (continued)

E1. Classification and measurement of financial assets and liabilities (continued)

E1.1 Classification and recognition of financial instruments (continued)

Financial liabilities

On initial recognition, financial liabilities are recognised when due and measured at the fair value of the consideration received less directly attributable transaction costs. Other than derivatives and investment contract liabilities, which are measured at FVTPL, financial liabilities are measured at amortised cost using the effective interest method subsequent to initial recognition.

A financial liability is derecognised when the obligation under the liability is discharged, or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount extinguished and the consideration paid is recognised in the income statement.

Details of the financial liabilities are set out in **notes E7, E8 and E9**.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. When financial assets and liabilities are offset any related interest income and expense is offset in the income statement.

Obligations for repayment of collateral received

It is the Group's practice to obtain collateral in stock lending and derivative transactions, usually in the form of cash or marketable securities. Where cash collateral received is available to the Group for investment purposes, it is recognised as a 'financial asset' and the collateral repayable is recognised as 'obligations for repayment of collateral received' in the statement of consolidated financial position. The 'obligations for repayment of collateral received' are measured at amortised cost, which in the case of cash is equivalent to the fair value of the consideration received. Further details of the group's collateral arrangements are included in **note E6**.

E.1.2 Fair Valuation of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies require the measurement of fair values, for financial assets and non-financial assets. Further, disclosure is required of the fair value of financial liabilities, which are measured at amortised cost.

The fair value of a non-financial asset is determined based on its highest and best use from a market participant’s perspective. When using this approach, the Group takes into account the asset’s use that is physically possible, legally permissible, and financially feasible.

E. Financial assets and liabilities (continued)

E1. Classification and measurement of financial assets and liabilities (continued)

E.1.2 Fair Valuation of financial assets and liabilities (continued)

The Group determines the fair value of a financial instrument using the quoted price in an active market for that instrument, when one is available. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and short positions at an ask price.

The best evidence of the fair value on initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at its fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, the difference is recognised in the consolidated income statement on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

E2. Fair value hierarchy

E2.1 Valuation models

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the 'fair value hierarchy' described as follows, based on the lowest level input that is significant to the fair value measurement model as a whole.

Level 1

Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date. Financial instruments are considered as being quoted in an active market when quotes representing consensus are regularly provided by external pricing services with limited dispersion and prices are readily available.

Level 2

Inputs to Level 2 fair values: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3

Level 3 includes all instruments for which the valuation technique includes unobservable inputs that have a significant effect on the instrument's valuation, including, as available and appropriate, internal data and other publicly available information.

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.1 Valuation models (continued)

Where market quotations are not available, a model-based approach is used to determine fair value. Once valuations are performed, appropriate validation and review is completed to ensure the most appropriate valuation is applied at period end.

Unobservable inputs may be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. The objective of using a valuation technique is to establish what the transaction price (i.e. exit price) would have been on the measurement date in an orderly transaction between market participants under market conditions current at that date.

E2.2 Determination of fair values

All financial assets (with the exception of cash and cash equivalents and other receivables) are carried at fair value.

The Group classifies most sovereign, corporate bond securities, some mutual funds and the majority of equities, excluding all private equity holdings, as Level 1. The basis of the classification is that they are assessed as satisfying the Level 1 observable requirements and that the prices for these assets are readily available.

Level 2 assets include money market instruments, pledged collateral, some mutual funds, exchange-traded funds, unlisted debt securities, loans and reverse repos based on market data and derivatives, but excludes investment funds. Generally, these assets are traded regularly however they do not have readily available, observable market prices. The basis for this classification is that fair value is derived from observable assets, either directly as available prices or derived indirectly from other quoted prices, and utilised for these assets. The prices used are from: fund managers, who publish prices daily; and banks for derivatives, who use models that replicate the underlying market-traded instruments.

- Debt securities, in line with market practice, are generally valued using an independent pricing service. These valuations are determined using independent external quotations from multiple sources and are subject to a number of monitoring controls, such as monthly price variances, stale price reviews and variance analysis. Pricing services, where available, are used to obtain the third-party broker quotes. Where pricing services providers are used, a single valuation is obtained and applied. When prices are not available from pricing services, quotes are sourced from brokers.
- Over-the-counter derivatives are valued using broker quotes or models such as option pricing models, simulation models or a combination of models. The inputs for these models include a range of factors which are deemed to be observable, including current market and contractual prices for underlying instruments, period to maturity, correlations, yield curves and volatility of the underlying instruments.
- Unit trusts and other investment funds included under the other investments category are valued using net asset values which are not subject to a significant adjustment for restrictions on redemption or for limited trading activity.

The Group's Level 3 assets comprise investment properties, private equity securities and private credit as well as some derivatives, investment funds and certain debt securities. For these assets, prices are derived from valuation techniques that include significant inputs not based on observable market data, which require management judgement.

Methodologies used in Level 3 valuations may include yield methods using data of comparable listed entities, subject company transactions, discounted cash flows, property growth rates, longevity or liquidity premiums, as relevant to each asset class. The Group formulates the assumptions that are used to determine prices, with due reference to estimates of future cash flows and timing, maturity dates, volatility, risk premium and other relevant available information. See **note E2.4** for further details.

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.3 Fair value hierarchy analysis

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In 2024, transfers from Level 2 to Level 1 amounted to €nil (2023: €11m) and transfers from Level 1 to Level 2 amounted to €485m (2023: €138m). Transfers from Level 3 to Level 1 amounted to €(7)m (2023: €(11)m) and transfer from Level 1 to Level 3 amount to €nil (2023: €8m). Transfers from Level 3 to Level 2 amounted to €(5)m (2023: €(438)m) and transfers from Level 2 to Level 3 amounted to €35m (2023: €87m). Transfers are made depending on the availability of observable inputs.

An analysis of assets and liabilities measured at fair value on a recurring basis, categorised by fair value hierarchy for 2024 and 2023, is given below.

31 December 2024 **€m**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:				
Investment properties	—	—	919	919
Derivative financial assets	—	3,731	113	3,844
Equity securities & investment fund units	14,346	1	3,446	17,793
Debt securities	23,343	2,283	2,377	28,003
Loans & Receivables	—	3,114	15,935	19,049
Reverse repurchase agreements	—	19	—	19
Other financial assets	—	5	1	6
Financial assets	37,689	9,153	21,872	68,714
Financial assets held in respect of investment contract liabilities	2,160	152	—	2,312
Investment assets for account of third parties	11,746	—	—	11,746
	51,595	9,305	22,791	83,691
Financial liabilities measured at fair value:				
Liabilities attributable to investment contracts	2,160	152	—	2,312
Liabilities for account of third parties	11,746	—	—	11,746
Derivative financial liabilities	—	5,568	81	5,649
	13,906	5,720	81	19,707
Liabilities not measured at fair value for which fair value is disclosed:				
Subordinated debt	1,383	—	—	1,383
Senior debt	618	368	—	986

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.3 Fair value hierarchy analysis (continued)

31 December 2023

€m	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Investment properties	—	—	1,077	1,077
Derivative financial assets	*—*	*7,292*	*46*	*7,338*
Equity securities & investment fund units	*18,869*	*13*	*3,129*	*22,011*
Debt securities	*21,814*	*1,627*	*1,679*	*25,120*
Loans & Receivables	*—*	*3,375*	*14,371*	*17,746*
Reverse repurchase agreements	*—*	*571*	*—*	*571*
Other financial assets	*—*	*4*	*1*	*5*
Financial assets	40,683	12,882	19,226	72,791
Financial assets held in respect of investment contract liabilities	1,879	168	—	2,047
Investment assets for account of third parties	7,560	—	—	7,560
	50,122	13,050	20,303	83,475
Financial liabilities measured at fair value:				
Liabilities attributable to investment contracts	1,879	168	—	2,047
Liabilities for account of third parties	7,560	—	—	7,560
Derivative financial liabilities	40	9,040	13	9,093
	9,479	9,208	13	18,700
Liabilities not measured at fair value for which fair value is disclosed:				
Subordinated debt	982	—	—	982
Senior debt	700	622	—	1,322

Reconciliation of movements in Level 3 assets and liabilities

The following tables show a reconciliation of the opening and closing recorded amounts of Level 3 assets and liabilities:

	Assets			Liabilities
€m	Investment properties	Financial assets	Derivative financial assets	Derivative financial liabilities
At 1 January 2024	**1,077**	**19,180**	**46**	**(13)**
Realised gains/(losses)	**—**	***76***	***(9)***	**—**
Unrealised gains/(losses)	***(5)***	***780***	***66***	***(72)***
Income statement	**(5)**	**856**	**57**	**(72)**
Purchases	**2**	**7,355**	**10**	**4**
Disposals	**(39)**	**(5,655)**	**—**	**—**
Reclassification	**(116)**	**—**	**—**	**—**
Transfers to level 3	**—**	**23**	**—**	**—**
At 31 December 2024	**919**	**21,759**	**113**	**(81)**

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.3 Fair value hierarchy analysis (continued)

	Assets			Liabilities	
€m	Investment properties	Financial assets	Derivative financial assets	Derivative financial liabilities	Liabilities attributable to investment contracts
At 1 January 2023	2,214	17,900	251	(44)	(196)
Adjustment for Change in Estimate		164			196
Investment income	—	1	—	—	—
Realised gains/(losses)	(1)	28	—	—	—
Unrealised gains/(losses)	(82)	13	41	(12)	—
Income statement	(83)	42	41	(12)	—
Purchases	68	7,645	—	—	—
Disposals	(20)	(6,747)	—	—	—
Deconsolidation	(1,119)	327	—	—	—
Reclassification	17	—	—	—	—
Transfers to/(from) level 3	—	(151)	(246)	43	—
At 31 December 2023	1,077	19,180	46	(13)	—

For details on the balances relating to deconsolidation see **note H4**.

E2.4 Measurement of fair values of Level 3 financial instruments

Valuations of Level 3 financial instruments are determined with data inputs from asset managers or third-party valuation experts and largely based on external valuation reports received from asset managers with assurance reviews by their external auditors. The Group reviews the valuation processes internally and with external investment managers and other professionals. This work gives comfort to management that the assets are valued in accordance with applicable regulation and guidance which results in the asset being valued appropriately. In the current year there have been no changes in the respective valuation techniques used.

The principal assets classified as Level 3, and the valuation techniques applied to them, are described below.

E2.4.1 Investment properties

Investment properties are valued at least annually by independent external valuers, being appropriately qualified and experienced appraisers in the countries concerned with excellent breadth and depth of experience in the valuation of the type of asset concerned. Valuations were performed in accordance with guidance issued by the International Valuation Standards Council. The fair value measurement for all the investment properties has been categorised as Level 3 based on the inputs to the valuation techniques used.

Investment properties are fair valued on an income-based valuation technique that considers the agreed rent for the signed leases, the market rent for currently vacant space and estimated rents for re-letting of the space after lease term expiry. The discount rate for the subject properties has been applied under consideration of the overall risk profile of each subject property on a case-by-case basis.

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.4 Measurement of fair values of Level 3 financial instruments (continued)

E2.4.1 Investment properties (continued)

The valuation techniques for valuing investment property, the significant unobservable inputs and their range are included in the table below:

Investment property	Valuation technique	Significant unobservable inputs	2024	2023
Commercial offices & Logistics	Market Rent Capitalization & DCF	Net Initial Yield	**4% - 7%**	4% - 9%
		Occupancy rate	**53% - 100%**	53% - 100%
		Weighted Average Lease Term	**1 - 19 years**	2 - 20 years
		Risk adjusted discount rate	**6% - 8%**	6% - 7%
		Void period	**0-72 days**	0-60 days
Residential	DCF	Expected market growth	**2% - 6%**	2% - 5%
		Occupancy rate	**98% - 100%**	98% - 100%
		Risk adjusted discount rate	**5% - 8%**	4%-7%

E2.4.2 Private debt and fixed maturity securities

The Group holds commercial mortgage loans, mezzanine debt as well as privately placed bonds and structured debt products. These asset backed securities have been classified as Level 3 because they are not traded on an active market and are valued either using valuations of similar privately or publicly held assets, which include a significant unobservable liquidity adjustment, or are validated against internal models.

Valuation techniques

Private credit instruments are valued by external investment managers using primarily discounted cash flow models and yield methods, whereby cash flows are discounted and modelled based on yield spread movements in comparable market yields as well as company specific factors.

The fair value is estimated considering a net present value calculated using discount rates derived from the risk-free rate plus spread. Credit spreads represent the premium above the benchmark reference instrument required to compensate for lower credit quality and encompass credit, country, illiquidity, etc. The change in spread originates from market sector yields plus an additional credit spread adjustment derived from changes in a company's credit quality. Changes in credit quality are, among others, based on Enterprise Value, revenue and LTV. Higher spreads lead to a lower fair value.

The Group holds a portfolio of mezzanine and mortgage loans which are valued using a cash equivalency valuation method which utilises a discounted cashflow analysis to arrive at the net present value for a loan based on a market equivalent rate.

The current market value of the real estate can be obtained through a current valuation or through other techniques such as forecasting based on real estate indices, survey data, collateral-specific and variables (loan-to-value ratio, refinancing risk, etc.).

The significant unobservable inputs for private debt and fixed maturity securities include discount rate (adding spreads for credit and illiquidity to a risk-free discount rate), recoverability and Total Enterprise Value (TEV)/EBITDA. Valuation techniques applied to many of the Group’s Level 3 instruments often involve the use of two or more inputs whose relationship is interdependent with multiple variables often moving simultaneously; for debt securities, reasonably possible alternative assumptions have been determined in respect of the Group’s credit investment by flexing credit spreads.

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.4 Measurement of fair values of Level 3 financial instruments (continued)

E2.4.2 Private debt and fixed maturity securities (continued)

The valuation technique used for internally valued level 3 fixed maturity securities, the significant unobservable input and its range are included in the table below:

Debt securities	Valuation technique	Significant unobservable inputs	2024	2023
Mortgages	DCF	Discount rate	**3%-6%**	3%-6%

E2.4.3 Private equities securities and investment funds

Private equity holdings are valued using a range of techniques, including earnings multiples, forecast cash flows and price-to-earnings ratios which are deemed to be appropriate but unobservable.

For unlisted equity, the valuation techniques used vary depending on the nature of the investment. A common valuation model used is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the illiquidity of the equity securities, and the revenue and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of the investee. The estimate is adjusted for the net debt of the investee. The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower). Other valuation models used are precedent transactions, adjusted for company specific attributes, or a dividend discount model which values the price of equity securities based on the assumption that the current fair value of an equity share equals the sum of all of the company's future dividends discounted back to their present value.

Investment funds are valued by external fund managers subject to regulatory oversight and guidance. These external managers have experience in pricing these 'difficult to value' assets which generally have limited, if any, observable data. The valuation approach will mirror those outlined above for equity securities and debt securities depending on the nature of the underlying investments in the funds.

The significant unobservable inputs for private equity and investment funds include discount rate, earnings multiples, adjusted market multiples and TEV/EBITDA. Valuation techniques applied to many of the Group's level 3 instruments often involve the use of two or more inputs whose relationship is interdependent with multiple variables often moving simultaneously. Reasonably possible alternative valuations for these investments have been calculated by reference to the approach taken, as appropriate to the business sector and investment circumstances and as such the following inputs have been considered:

- for valuations derived from earnings multiples, consideration is given to the risk attributes, growth prospects and financial gearing of comparable businesses when selecting an appropriate multiple; and
- the discount rates used in discounted cash flow valuations.

E. Financial assets and liabilities (continued)

E2. Fair value hierarchy (continued)

E2.4 Measurement of fair values of Level 3 financial instruments (continued)

E2.4.3 Private equities securities and investment funds (continued)

The valuation techniques, the significant unobservable inputs and their range are included in the table below:

Valuation technique	Significant unobservable inputs	2024	2023
Multiple techniques including: Earnings multiples Forecast cash flows Price to earnings	 Discount rate TEV/EBITDA	 **10%-20%** **6.0x - 14.5x**	 9%- 20% 0.8x-12.6x

E2.5 Sensitivity of the Level 3 Fair Value Measurements to Changes in Significant Unobservable Inputs

Investment properties are valued by independent qualified valuers on the basis of open market value and/or property yield based on the individual investment characteristics of the specific investment property. These valuations are undertaken in accordance with the requirements set out in the valuation manual of the Royal Institute of Chartered Surveyors (RICS). The yield based fair value of investment property reflects, among other things, discount rates, rental income from current leases, credit risk and other assumptions that market participants would make when pricing the property under current market conditions. A significant increase (decrease) in the risk-adjusted discount rate would result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs for investment properties also include expected market rental growth, void periods and occupancy rate. The estimated fair value would increase (decrease) if the expected market rental growth were higher (lower), void periods were shorter (longer) or occupancy rates were higher (lower).

The significant unobservable inputs used in the fair value measurement of private debt and fixed maturity securities such as asset backed securities include prepayment rates, probabilities of default, and loss severities in the event of default. Significant increases (decreases) in any of those inputs in isolation would result in a lower (higher) fair value measurement. Generally, a change in assumptions used for the probability of default is accompanied by a directionally similar change in the assumption used for the loss severity, as well as a directionally opposite change in the assumption used for prepayment rates.

Where a discounted cash flow valuation technique is used for investments in private equity, a significant increase (decrease) in the discount rate would result in a significantly lower (higher) fair value measurement, while a significant increase (decrease) in the terminal value growth rate would result in a significantly higher (lower) fair value measurement. Under the guidelines for comparable companies' valuation technique, a significant increase (decrease) in the EBITDA and revenue multiples would result in a significantly higher (lower) fair value measurement.

Quantitative information on sensitivities in respect to unobservable inputs developed by the entity, when measuring fair value, is set out below.

Sensitivity as a result of changes in parameters	Shareholders' equity impact	
	2024	2023
Credit Spreads +50bps (Mortgages)	**(132)**	(95)

E. Financial assets and liabilities (continued)

E3. Financial assets

The following table sets out the fair value of the financial assets held by the Group, including the composition and the fair value of underlying items of the Group's direct participating contracts at the reporting date:

31 December 2024

€m	Note	Underlying items of direct participating contracts	Other*	Total
Debt securities		4,111	23,892	28,003
Equity securities & investment funds		17,117	676	17,793
Derivative assets	E5	—	3,844	3,844
Reverse repurchase agreements		—	19	19
Loans & Receivables**		127	18,922	19,049
Other financial assets		—	6	6
		21,355	47,359	68,714

31 December 2023

€m	Note	Underlying items of direct participating contracts	Other*	Total
Debt securities		4,714	20,406	25,120
Equity securities & investment funds		15,855	6,156	22,011
Derivative assets	E5	—	7,338	7,338
Reverse repurchase agreements		—	571	571
Loans & Receivables**		112	17,634	17,746
Other financial assets		—	5	5
		20,681	52,110	72,791

* 'Other' comprises general accounts assets backing insurance contracts accounted for under the General Measurement Model and free shareholder assets.

** 'Loans & Receivables' includes pledged collateral of €3,034m (2023: €3,154m).

Information about the Group's exposure to credit and market risks is included in **note E10**. Information on the fair value of the Group's investment portfolio is included in **note E2**.

During 2024, money markets funds (originally included within Investment fund) were reclassified from Financial assets at fair value through profit or loss to cash and cash equivalents due to a change in the use from long-term investment to working capital. The value of the reclassified funds at 31 December 2024 was €2,757m (2023: €1,208m). See further details in **note G5**.

On 1 April 2023, the Group lost control of its 100% equity interest in its subsidiary Hemingway Real Estate (Lux) SCSp (HREL) following the appointment of a general partner to HREL. The loss of control of the subsidiary was recognised by derecognising the assets and liabilities of HREL at their carrying values at 1 April 2023. The Group's investment retained in the former subsidiary was remeasured to fair value on 1 April 2023 and the investment is thereafter presented as a fair value through profit and loss (FVTPL) financial asset. See **note H4** for further details.

E. Financial assets and liabilities (continued)

E4. Financial assets held in respect of investment contract liabilities and third parties

Financial assets held in respect of investment contract liabilities (Fair value through profit or loss)

Financial assets held in respect of investment contract liabilities are classified at initial recognition as fair value through profit or loss. These investments are held to cover investment contracts where the investment risk is borne by contract holders. Dividends, coupons, adjustments in the fair value of investments and gains and losses on the sale of investments are recognised in the income statement as income on financial assets held in respect of investment contract liabilities (see **note C2**).

Investment assets for the account of third parties (Fair value through profit or loss)

These investments relate to the third parties' share in the investments of investment funds with opposite daily redeemable financial obligations to these third parties at the same amount and are measured at fair value through profit or loss. Any related gains and losses are recognised in the income statement as gains and losses on financial instruments. These investment funds are consolidated since the Group controls these funds and is exposed to their gross variable results, which are mainly attributable to investments held in respect of investment contract liabilities. The Group's exposure to risks arising from these financial instruments is limited since the beneficial ownership rests with these third parties and participants. The value of corresponding liabilities equals the fair value of the underlying investments. See details included in **note E9**.

€m	Note	2024	2023
Equities & investment fund units	1	**2,312**	2,047
Financial assets held in respect of investment contract liabilities		**2,312**	2,047
Investment fund units		**11,746**	7,560
Investments attributable to third parties	2	**11,746**	7,560
		14,058	9,607

Notes
1. Investment fund units held in respect of investment contract liabilities relate to policies with insignificant insurance risk and no participation features. Financial assets held in respect of investment contract liabilities are directly matched by the corresponding liabilities attributable to investment contracts (see **note E9**).
2. These investments largely consist of Index Funds and investments for the account of third-party participants. Investment assets for the account of third parties are directly matched by a corresponding liability (see **note E9**).

The investments attributable to third parties amount to €11,746m (2023: €7,560m) and largely consist of Cardano funds and investments for the account of participants of Zwitserleven PPI. Cardano acquired Athora Netherlands' former investment manager Actiam in January 2022 and continues to provide asset management services to the unit-linked business of Athora Netherlands as part of a long-term strategic partnership.

Changes to the contractual terms of Wilson Tower Watson's Dutch Premium Pension Institution (PPI) - Stichting LifeSight (SLS) after merging the investment administration with Zwitserleven PPI N.V. (ZL PPI) have led to Athora now earning variable returns from the assets backing SLS. For this reason, the investments and corresponding liabilities attributable to SLS are now fully consolidated. At the time of the merger this resulted in an equal and opposite increase of €1.2bn in assets and liabilities for account of third parties.

The remaining increase of third-party investments in 2024 is due to positive valuation movements and an increase in investment by external parties in Cardano funds where Athora has control.

E. Financial assets and liabilities (continued)

E5. Derivatives

The derivative financial instruments are classified as held for trading and are typically entered into with the intention to settle in the near future. These instruments are initially recorded at fair value. Subsequent to initial recognition, these instruments are re-measured at fair value. Fair value adjustments and realised gains and losses are recognised in the income statement.

All derivatives are presented as assets when the fair values are positive and as liabilities when the fair values are negative.

Embedded derivative liabilities are treated as separate derivatives and are recorded at fair value if their economic characteristics and risks are not closely related to those of the related host contract and the host contract is not itself recorded at fair value through profit or loss. Embedded derivatives that meet the definition of insurance contracts are treated and measured as insurance contracts.

The Group uses derivative financial instruments in line with its strategy for risk mitigation. The Group purchases derivative financial instruments principally in connection with the management of its insurance contract and investment contract liabilities based on the principles of reduction of risk and efficient portfolio management. The Group does not typically hold derivatives for the purpose of selling or repurchasing in the near term or with the objective of generating a profit from short-term fluctuations in price or margin. The Group also holds derivatives to hedge financial liabilities denominated in foreign currency.

The Group has resolved not to apply hedge accounting under IFRS 9.

	2024		2023	
	Assets €m	**Liabilities €m**	Assets €m	Liabilities €m
Interest rate swaps	**3,077**	**5,003**	6,080	8,665
Swaptions	**200**	**17**	316	22
Futures	**—**	**—**	—	53
Forwards	**151**	**470**	531	274
Foreign currency swaps	**2**	**38**	—	—
Inflation linked swaps	**414**	**121**	411	79
	3,844	**5,649**	7,338	9,093

E. Financial assets and liabilities (continued)

E6. Collateral arrangements

The Group receives collateral in the form of cash and other investment securities in respect of derivative contracts and reinsurance contracts. Where cash collateral is available to the Group for investment purposes it is recognised as received collateral (see **note G5**) and the collateral repayable is recognised as cash collateral held (see **note E8**) in the statement of financial position. Pledged collateral that has been paid to banks is classified within Financial assets - Loans & Receivables (see **note E3**). The 'obligations for repayment of collateral received' are measured at amortised cost, which in the case of cash is equivalent to cost. Only collateral received where the Group has the risks and rewards of ownership, is accounted for in this way. Non-cash collateral received, where the Group bears no risk or reward, is not included in these financial statements. Where the Group enters into reinsurance transactions, either as cedant or reinsurer, where funds are withheld, these assets are received/pledged as collateral to mitigate against counterparty default risk. Management monitors the market value of the collateral, requests/provides additional collateral when needed and performs an impairment valuation when applicable.

E6.1 Financial instrument collateral arrangements

The Group has no financial assets and financial liabilities that have been offset in the statement of consolidated financial position as at 31 December 2024 (2023: none).

The disclosures set out below relate to financial assets and financial liabilities recognised in the statement of consolidated financial position that are subject to enforceable master netting arrangements or similar agreements. Such agreements do not meet the criteria for offsetting in the statement of consolidated financial position as the Group has no current legally enforceable right to offset recognised financial instruments. Furthermore, certain related assets received as collateral under the netting arrangements will not be recognised in the statement of consolidated financial position as the Group does not have permission to sell or re-pledge, except in the case of default.

The pledged collateral included in “Financial assets - Loans & Receivables” amounts to €3,034m (2023: €3,154m). As stated in **note E8**, the cash collateral included in “Other financial liabilities“ amounts to €852m (2023: €1,228m). These collateral balances mature on demand.

E6.2 Derivative collateral arrangements

The Group enters into derivative transactions under ISDA master netting agreements.

In general, under these agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The derivative financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. When financial assets and liabilities are offset any related interest income and expense is offset in the income statement.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements that are stated gross and those that offset and are therefore stated net. These collateral balances mature on demand.

E. Financial assets and liabilities (continued)

E6. Collateral arrangements (continued)

2024 **€m**	**Amounts of financial instruments presented in the statement of financial position**	**Related amounts not offset in the statement of financial position: Recognised financial instruments**	**Cash collateral**	**Securities collateral**	**Net amount**
	asset/(liability)		**(received)/pledged**		
Financial assets					
Derivative assets	**3,844**	**(2,969)**	**(868)**	**77**	**84**
Reverse repurchase agreements	**19**	**—**	**—**	**(19)**	**—**
Financial liabilities					
Derivative liabilities	**(5,649)**	**2,969**	**2,981**	**125**	**426**
Repurchase agreements	**(1,834)**	**—**	**51**	**1,783**	**—**
	(3,620)	**—**	**2,164**	**1,966**	**510**

Included in the above table are net assets of €894m (gross: €3,863m) and net liabilities of €(4,514)m (gross: €7,483m) before any collateral is considered. The fair value of securities pledged as collateral was €1,985m.

E6.2 Derivative collateral arrangements (continued)

2023 €m	Amounts of financial instruments presented in the statement of financial position	Related amounts not offset in the statement of financial position: Recognised financial instrument	Cash collateral	Securities collateral	Net amount
	asset/(liability)		(received)/pledged		
Financial assets					
Derivative assets	7,338	(6,243)	(1,120)	—	(25)
Reverse repurchase agreements	571	—	—	(599)	(28)
Financial liabilities					
Derivative liabilities	(9,093)	6,243	3,145	127	422
Repurchase agreements	(2,041)	—	(99)	2,007	(133)
	(3,225)	—	1,926	1,535	236

Included in the above table are net assets of €1,666m (gross: €7,909m) and net liabilities of €(4,891)m (gross: €11,134m) before any collateral is considered. The fair value of securities pledged as collateral was €2,134m.

E. Financial assets and liabilities (continued)

E7. Borrowings

On initial recognition borrowings are recorded at fair value net of transaction costs incurred. These instruments are subsequently measured at amortised cost, using the effective interest rate method. The fair value of borrowings is disclosed in **note E2**.

€m	Note	2024	2023
Subordinated debt	E7.1	1,333	992
Senior debt	E7.2	961	1,274
		2,294	2,266

Overall, total borrowings have remained relatively stable in the year ended 2024. The Company issued a €750m subordinated fixed rate Tier 2 note (see **note E7.1.5**) in June 2024 and used the proceeds to redeem €284m of Athora Netherlands' €300m subordinated Tier 2 bonds (see **note E7.1.1**), prepay €250m of the revolving credit facility, drawn down earlier in 2024 (see **note E7.2.4**), and to prepay €215m of its Term Loan (see **note E7.2.3**). Further, in November 2024, Athora Netherlands issued a €400m perpetual Restricted Tier 1 instrument which is classified as non-controlling equity interest (see **note D3.2**) and used the proceeds to redeem the existing €300m Restricted Tier 1 note, also classified as non-controlling equity interest (see **note D3.1**), as well as, in December 2024, the Swiss franc perpetual bond CHF105m (see **note E7.1.3**). In December 2024, Athora Holding drew down €235m of the revolving credit facility (see **note E7.2.4**). Lastly, Athora Netherlands' remaining senior notes of €61m were repaid at maturity during 2024 (see **note E7.2.2**).

The Group did not have any defaults of principal or interest or other breaches with respect to its borrowings during the years ended 31 December 2024 and 2023.The Group has no indication that it will have difficulty complying with financial covenants.

In conformity with the presentation of all financial assets and all financial liabilities at 'clean price,' the borrowings disclosed as of 31 December 2024 of €2,294m do not include interest accrued of €37m, which is presented within other liabilities (refer to **note G7**).

E7.1 Subordinated debt

€m	Issuer	Maturity	Note	2024	2023
Euro subordinated bonds	Athora Netherlands N.V.	2031	E7.1.1	16	299
Euro subordinated bonds	Athora Netherlands N.V.	2032	E7.1.2	498	498
Swiss franc perpetual bonds	SRLEV N.V.	Perpetual	E7.1.3	—	113
Euro subordinated bonds	Athora Italia S.p.A	2031	E7.1.4	82	82
Euro subordinated bonds	Athora Holding Ltd.	2034	E7.1.5	737	—
				1,333	992

E7.1.1 €300m subordinated bonds, with a first call date in 2026 and a maturity date in 2031, of which €284m were redeemed during 2024 (see also **note E7.1.5**). The bonds are classified as Tier 2 regulatory capital. The coupon is fixed at 2.250% until its first call date.

E7.1.2 €500m subordinated bonds, with a first call date in 2027 and a maturity date in 2032. The bonds are classified as Tier 2 regulatory capital. The coupon is fixed at 5.375% until its first call date.

E7.1.3 CHF105m subordinated perpetual bonds, which are callable annually. The coupon is fixed until 2026 at 5.334%. In December 2024, SRLEV N.V. redeemed the bonds in full using the proceeds from the issue of €400m perpetual Restricted Tier 1 notes (see **note D3** for details). The bonds qualified as Tier 2 regulatory capital for Group Solvency and qualified as Restricted Tier 1 for Athora Netherlands under Solvency II.

E7.1.4 €80m subordinated bonds, with a first call date in 2026 and a maturity date in 2031. The coupon is fixed until 2026 at 7.000%. The bonds qualify as Tier 2 regulatory capital.

E. Financial assets and liabilities (continued)

E7. Borrowings (continued)

E7.1 Subordinated debt (continued)

E7.1.5 In June 2024, Athora Holding Ltd. accessed the public capital markets and successfully issued a €750m subordinated fixed rate note. The note qualifies as Tier 2 regulatory capital under the Bermuda Monetary Authority's rules and carries a fixed coupon rate of 5.875% with a 10.25-year bullet maturity. €284m of the proceeds were used to redeem most of Athora Netherlands €300m subordinated Tier 2 bonds (see **note E7.1.1**). The remaining proceeds were used to prepay the principal of AHL's Revolving Credit Facility of €250m (see **note E7.2.4** below) and to prepay €215m of AHL's senior term debt (see **note E7.2.3**).

E7.2 Senior debt

	Nominal (€m)	Currency	Issue date	Maturity		2024 Amortised cost	2023 Amortised cost
Senior notes issued:							
Issuer							
Athora Holding Ltd.	600	EUR	16-6-2023	16-6-2028	**E7.2.1**	**595**	616
Athora Netherlands N.V.	61	EUR	17-5-2017	17-5-2024	**E7.2.2**	**—**	61
						595	677
Loans owed to financial institutions:							
Syndicated bank loan	135	EUR	20-2-2023	20-2-2026	**E7.2.3**	**131**	597
Revolving credit facility drawn down	235	EUR	14-2-2024	14-2-2027	**E7.2.4**	**235**	—
						366	597
Total Senior debt						**961**	1,274

E7.2.1 In June 2023, Athora Holding Ltd. accessed the public capital markets and successfully issued a €600m senior unsecured fixed rate note. The note qualifies as Tier 3 ancillary capital under the Bermuda Monetary Authority's rules and carries a fixed coupon rate of 6.625% with a 5-year maturity.

E7.2.2 In 2020, the Group acquired Athora Netherlands and consolidated €650m of senior notes issued by Athora Netherlands NV. An amount of €584m was redeemed in April 2020, as a result of the successful tender offer on the notes. The remaining €61m senior notes have a fixed coupon at 2.375% per annum and were repaid at maturity during 2024.

E7.2.3 A 3-year €600m Term Loan was drawn in February 2023 to refinance AHL's €450m Term Loan and the €150m Term Loan of Athora Europe Holding Bermuda Ltd. The transaction furthered Athora's aim to consolidate financing at Athora Holding Ltd. whilst having no impact on financial leverage. In February 2024, €250m of this loan was repaid using the proceeds from the revolving credit facility (see revolving credit facilities section below). In June 2024, a further €215m was repaid using the proceeds from the Tier 2 note issue, as explained in **note E7.1.5**. The loan contains a financial covenant.

E. Financial assets and liabilities (continued)

E7. Borrowings (continued)

E7.2 Senior debt (continued)

E7.2.4 In February 2023, the Group entered into a €500m senior unsecured revolving credit facility with a group of credit institutions, which provides material liquidity resources to the Group. In February 2024, this facility was refinanced and increased to €1.0bn and €250m was drawn down from this facility to prepay part of the €600m term loan due in February 2026. The drawdown was repaid in full in June 2024 using the proceeds of the Tier 2 note issue (see **note E7.1.5**). In December 2024, €235m of the revolving credit facility was drawn down. Meanwhile €765m of the facility remained undrawn. In January 2025, the term was extended (see **note I6)**. The revolving credit facility contains a financial covenant.

Maturity profile of senior debt

All of the above senior debt balances are due to be settled within 5 years after the balance sheet date (2023: 1 to 5 years). See further details in **note E10**.

E8. Other financial liabilities

On initial recognition other financial liabilities, except derivative liabilities, are recorded at fair value net of transaction costs incurred. These instruments are subsequently measured at amortised cost, using the effective interest rate method. For measurement of derivative liabilities see **note E5**.

€m	Note	2024	2023
Other private loans due to banks		**11**	1
Repurchase agreements		**1,834**	2,041
Other private loans		**8**	9
Loans linked to operating activities		**1,853**	2,051
Derivative liabilities	E5	**5,649**	9,093
Deposits received from reinsurers		**50**	50
Lease liabilities	E8.1	**33**	33
Cash collateral held	E6	**852**	1,228
Customer deposits		**6**	14
		8,443	12,469

The Group did not have any defaults of principal or interest or other breaches with respect to its loans linked to operating activities during the years ended 31 December 2024 and 2023.

Securities sold subject to repurchase agreements (repos) continue to be recognised on the statement of financial position where substantially all risks and rewards are retained. Funds received under these arrangements are included in liabilities. Conversely, securities purchased under agreements to resell (reverse repos), where the Group does not acquire substantially all risks and rewards of ownership, are recorded as loans and receivables. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method. For collateral arrangements on repos and reverse repos, see **note E6**.

E8.1 Lease liabilities

The liability amounts and maturity profile for leases where the Group is a lessee are included in the table below:

€m	< 1 year	1 to 5 years	> 5 years	Discounting effect	Total
2024	**4**	**20**	**17**	**(8)**	**33**
2023	4	18	20	(9)	33

Lease liabilities are carried at the present value of the outstanding lease payments. For details of the accounting policy on leases see **note G2**.

E. Financial assets and liabilities (continued)

E9. Investment contract liabilities and liabilities for third parties

Contracts under which the transfer of insurance risk to the Group from the holder is not significant are classified as investment contracts and accounted for as financial liabilities.

Investment contracts without discretionary participating features (DPF) and that do not have a significant insurance risk, mainly include unit/index-linked policies and non-linked investment contracts. These products are accounted for as follows:

- The products are recognised as financial liabilities at fair value or at amortised cost. In detail, linked products classified as investment contracts are fair valued through the income statement, while non-linked investment contracts are generally valued at amortised cost.
- Fee and commission income and expenses are recognised in the income statement over the period in which the related services are performed, along with incremental costs of non-linked investment contracts without DPF (other than administration costs and other non-incremental costs).
- Fee and commission income and incremental costs of non-linked investment contracts without DPF (other than administration costs and other non-incremental costs) are included in the amortised cost measurement.

Investment contract liabilities are recognised when contracts are entered into, and premiums are receivable. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. The liability is the sum of the unit-linked liabilities plus an additional amount to cover the present value of the excess of future policy costs over future charges. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss. Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium and claims in the income statement. Fair values are determined at each reporting date and fair value adjustments are recognised in the income statement. The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the holder, the fair value of the contract cannot be less than the surrender value. The fair value of these liabilities is the amount payable on demand, and changes in the credit risk of these liabilities do not have any impact on their fair value.

Investment contract holders and third parties are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those periods. 'Front end' fees are charged on some non-participating investment contracts. Where the non-participating investment contract is measured at fair value, such fees which relate to the provision of investment management services are deferred and recognised as the services are provided.

€m	Investment contract liabilities		Liabilities for account of third parties	
	2024	2023	**2024**	2023
At 1 January	**2,047**	1,795	**7,560**	4,108
Contributions received	**311**	256	**4,691**	5,802
Benefits paid	**(244)**	(170)	**(2,214)**	(3,171)
Amounts recognised in P&L	**198**	166	**1,709**	821
At 31 December	**2,312**	2,047	**11,746**	7,560

The above liabilities do not include risk mitigation through reinsurance.

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks

The use of financial instruments naturally exposes the group to the risks associated with them, mainly credit risk, market risk, and liquidity risk. The Group also has exposure to underwriting risk as part of its insurance activities which are covered in **note F3**.

E10.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Board Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its internal processes, management standards and governance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

E10.2 Sensitivity analyses

The sensitivity analyses performed for financial risks are set out in the table below. These sensitivities are based on single point-in-time (instantaneous) shocks to the market value of assets included in the IFRS 17/9 Balance Sheet and are applied through direct changes in market prices, or through changes in the level of interest rates. The results presented below are shown prior to any potential future management actions that would be available to the management of Athora, in the event of such market shocks.

The value of the insurance contract liabilities has been recalculated to reflect any impact arising from these sensitivities and the impacts will vary depending on the specific measurement model used for these contracts. The Group has insurance contracts that are valued under both the General Measurement Model ("GMM") and the Variable Fee Approach ("VFA"). Changes in the proportion of Athora's contracts measured using the GMM and VFA approaches will cause variations in the sensitivity of Profit or Loss and Equity over time.

For contracts valued using the GMM, economic impacts may affect the value of the Present Value of Future Cashflows ("PVFC") and Risk Adjustment ("RA"). While economic changes in the RA are offset by equivalent changes in the CSM, the impact of economic changes on the PVFC do not adjust the CSM and are instead reflected in Profit or Loss.

For contracts valued using the VFA, changes in the value of underlying assets result in equivalent changes in the PVFC and have no impact on Profit or Loss. To the extent that discount rates and changes in the expected variable fee impact the PVFC and RA (in addition to the resultant change in underlying assets), an equivalent and offsetting impact is seen in the CSM. This means that economic changes for VFA contracts are not typically expected to have a material impact on Profit or Loss or Equity on the current reporting period.

The sensitivity analyses performed in respect of underwriting risks can be found in **note F3.3**. There have been no changes to the sensitivity methodology in the current year.

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks

E10.2 Sensitivity analyses (continued)

€m	Financial assets, before tax	Insurance and reinsurance contracts, before tax*	Profit or loss, net of tax	Equity, net of tax
	2024			
Credit risk				
Credit spreads +50bp	**(867)**	**(417)**	**(335)**	**(335)**
Market risk				
Interest rates +50bp	**(2,412)**	**(1,915)**	**(376)**	**(346)**
Interest rates -50bp	**2,652**	**2,124**	**400**	**367**
Equity/property prices -10%	**(545)**	**(58)**	**(237)**	**(237)**

€m	Financial assets, before tax	Insurance and reinsurance contracts, before tax*	Profit or loss, net of tax	Equity, net of tax
	2023			
Credit risk				
Credit spreads +50bp	(792)	(496)	(239)	(239)
Market risk				
Interest rates +50bp	(2,318)	(1,808)	(398)	(373)
Interest rates -50bp	2,592	2,015	447	419
Equity/property prices -10%	(447)	(31)	(210)	(211)

*Net of reinsurance held

Overall, impacts on Equity, net of tax arising from financial risk sensitivities have experienced increases in absolute terms in 2024 for the 'credit spreads +50bps' and 'equity/property prices -10%' sensitivities. Movements in financial risk exposures over the year arising due to hedging adjustments and changes in the composition of the underlying portfolio of assets have changed the sensitivity of financial assets to credit spread and interest rate scenarios when compared to the financial assets held in 2023. The hedging strategies implemented for business units are designed to mitigate financial risks in the context of solvency frameworks, such as Solvency II. Differences in methodology between IFRS and these solvency frameworks (such as the calculation of discount rates, for example) results in an over-hedge position arising on an IFRS Equity basis. Changes in interest rates and credit spreads have a larger impact on assets than liabilities, due to the existence of this over-hedge position on an IFRS basis.

The 'credit spread +50bps' sensitivity assumes a 50bps increase in the level of credit spreads over the short term. This directly results in a short-term increase in the IFRS 17 illiquidity premium and therefore an increase in the discount rates, after which these discount rates decrease back to best estimate levels. Increasing discount rates cause an overall reduction in the insurance and reinsurance contract liabilities and for GMM contracts, this decrease in liabilities directly impacts the Profit or Loss and Equity, net of tax. Similarly, short term increases in credit spreads result in an overall decrease in the value of Athora's financial assets, which more than offsets the decrease in liabilities due the existence of the over-hedge position. Compared to 2023, the credit spread impact on Profit or Loss and Equity, net of tax has increased, primarily due to higher impacts on the financial assets in 2024.

Unlike the credit spread sensitivity, the 'interest rates +50bps' and 'interest rates -50bps' sensitivities result in long term, level changes in the IFRS 17 discount rates. This causes significantly larger impacts on financial assets and the insurance and reinsurance contract liabilities, when compared to the credit spread sensitivity. It should be noted that the impact of these interest rate sensitivities on Equity, net of tax also includes an additional impact due to a resulting change in the value of defined benefit pension obligations held by Athora Netherlands. (Impacts on the value of the defined benefit pension obligation are reflected through Other Comprehensive Income and therefore do not affect Profit or Loss).

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks

E10.2 Sensitivity analyses (continued)

At present, the insurance and reinsurance contract liabilities only have a limited exposure to changes in the market price of equity and property. Although the impact on financial assets arising from the 'equity/property prices -10%' sensitivity is considerably smaller than that seen in response to the other sensitivities, the lack of significant offsetting impacts on the insurance and reinsurance contract liabilities results in a comparable decrease in Equity, net of tax. Differences in the impacts arising on Profit or Loss and Equity are attributed to changes in the value of property held for own use, which impact Other Comprehensive Income, rather than Profit or Loss.

E10.3 Financial risks

Credit risk

The Group mitigates credit risk by acknowledging the potential for financial loss due to a counterparty's failure or unwillingness to fulfil its contractual obligations, which can be indicated by a decline in credit quality or default. Additionally, the Group considers market value fluctuations resulting from changes in expectations related to these risks, as reflected by credit rating migrations and credit spread movements.

The Group's risk management approach involves a Strategic Asset Allocation (SAA) that is aligned with the Group's strategy and remains within risk appetite, ensuring adequate diversification and compensation for assumed credit risks, including hedging activities, as well as avoiding solvency risk in severe economic conditions.

The Group ensures each business unit complies with Solvency II and BMA regulations by overseeing credit risk management and setting group-wide policies on credit concentration and counterparty risks. Business units must implement risk management processes, operate risk committees, and report exposures against set criteria. The Group consolidates and monitors all exposures, adhering to a group limit framework.

Asset quality

The ratings employed by the Group consider predominantly the ratings from the three main rating agencies (Standard & Poor’s, Fitch and Moody’s).

The table below provides information regarding the maximum credit risk exposure of the Group by classifying assets according to the Standard & Poor’s credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade. 'Not Rated' (NR) captures assets not rated by external rating agencies.

31 December 2024 **€m**	**Debt securities**	**Reinsurance contract assets**
AAA	**7,300**	**2**
AA	**8,644**	**4**
A	**6,668**	**35**
BBB	**4,094**	**—**
BB	**121**	**—**
B or lower	**183**	**—**
NR	**993**	**3**
	28,003	**44**

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks (continued)

E10.3 Financial risks (continued)

31 December 2023

€m	Debt securities	Reinsurance contract assets
AAA	6,810	—
AA	8,760	5
A	5,617	39
BBB	2,296	—
BB	203	—
B or lower	226	—
NR	1,208	3
	25,120	47

The asset quality table excludes investments attributable to investment contracts and third parties of €14,058m (2023: €9,607m) as the risk is not borne by the Group.

Cash and cash equivalents are not included in the table above as these are considered to be low in credit risk given their short-term nature and high liquidity as well as the Group's single obligor and portfolio exposure limits, which ensure limited counterparty credit exposure.

Loans & Receivables, which comprise mortgages, private loans linked to saving mortgages, private credit and pledged collateral, are also not included in the table above as the majority of these are not rated. Similar to cash and cash equivalents, pledged collateral is only held with reputable banks. Where assets are not rated, Loan-to-Value (LTV) is predominantly used for origination and monitoring purposes. The Group applies strict constraints for LTV and sector concentration. As at 31 December 2024, 63% (2023: 64%) of LTVs for residential mortgages are below 60% or government guaranteed, while over 74% (2023: 70%) of private debt securities also have an LTV of less than 60%. Private loans linked to saving mortgages are collateralised.

The Group is exposed to counterparty credit risk mainly through derivative transactions. This risk is generally mitigated through counterparty risk concentration limits, clearing arrangements and collateralisation agreements in place. Residual exposures are captured within the Group's credit management framework.

The Group maintains accurate and consistent risk ratings across its asset portfolio. This enables management to focus on the applicable risks and to compare credit exposures across all lines of business, geographical regions and products. All risk ratings are tailored to the various categories of assets and are assessed and updated regularly. For a selected set of private credit investments, the Group forms its own credit risk view via an internal credit assessment process based on an internal methodology, ensuring risk-adjusted returns align with regulatory and economic capital requirements.

Reinsurance credit risk

The Group has exposure to credit risk arising from reinsurance contract assets. Other credit risks arising from insurance operations are not considered to be material.

The Group manages credit risk from reinsurance by setting limits on exposure to single or groups of counterparties, as well as geographical and industry segments, with annual reviews by the Risk Committee. The creditworthiness of reinsurers is assessed based on external credit ratings, financial information, and internal reviews, with a policy to accept only low credit risk. See **note F3.1** for further details.

At 31 December 2024, the Reinsurance contract assets were neither past due nor impaired (2023: nil).

Other receivables

For other receivables the determination of forward-looking economic scenarios is less significant given that over the short credit risk exposure period, a significant change in economic conditions is unlikely. Consequently, the historical loss rates are considered to be an appropriate basis for the estimate of expected future credit losses. The Group uses the simplified ECL provision matrix approach that applies the historical loss rates to the trade receivable balances depending on the number of days that a trade receivable is past due.

At 31 December 2024, Receivables and other assets, were neither past due nor impaired (2023: nil).

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks (continued)

E10.3 Financial risks (continued)

Derivatives and collateral

As at 31 December 2024, the Group has received:

- cash collateral with a fair value of €(868)m (2023: €(1,120)m) for derivatives assets.
- securities collateral, not recognised, with fair value of €(19)m in respect to reverse repurchase agreements. (2023: €(599)m). There was €77m collateral pledged in respect of derivative assets in 2024 (2023: nil).

The Group's counterparties for interest rate swaps and foreign currency swaps are all investment graded banks or centrally cleared counterparties. The Group has the necessary Credit Support Annex agreements (CSA) and International Swap and Derivative Association agreements (ISDA) in place. The Group maintains daily collateral exchange with external counterparties. Given the above, the Group's counterparty risk remains within risk appetite. For further details, see **note E6**.

Concentrations of credit risk

Concentrations of credit risk arise from exposures to a single obligor, a group of related obligors or groups of obligors that have similar credit risk characteristics in that they operate in the same geographic region or in similar industries. The characteristics are similar in that the changes in economic or political environments may impact their ability to meet obligations as they come due.

The Group invests in a wide range of asset classes, such as government bonds, investment grade debt securities, low LTV residential mortgages, private credit, funds, etc. that are grouped for ALM management purposes and return-seeking objectives. The Group may accept limited and carefully selected concentration risks to maximise returns, while ensuring an overall diversified and resilient asset portfolio that generates a long-term economic value for its policyholders and shareholders. This is managed closely through the process and selection criteria set out in the SAA.

Appropriate limit and early warning systems are in place throughout the Group to manage and monitor our credit concentration risk exposures.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group ensures that a sufficient liquidity buffer is maintained to meet liquidity demands, even in times of stressed market conditions. Exposure to liquidity risk is managed at business unit and Group level through several measures that include risk limits, standardised approach to liquidity measurement, sensitivity testing and stress and scenario testing and liquidity plans.

The Group has committed borrowing and capital facilities that can be called upon to support the Group's liquidity position, where required. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low and there are no material debt maturities within 12 months of the reporting period. See also **note E7.**

The tables below summarise the remaining contractual maturity of financial liabilities and insurance contract liabilities at 31 December 2024 and 31 December 2023. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements. For insurance contracts liabilities, maturity profiles are determined based on estimated timing of the cash outflows from the recognised insurance liabilities.

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks (continued)

E10.3 Financial risks (continued)

€m	Undiscounted contractual cashflows						Discounting effect	Total
	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years		
2024								
Insurance contracts	**4,313**	**3,612**	**3,630**	**3,680**	**3,733**	**65,245**	**(28,346)**	**55,867**
Reinsurance contract liabilities	**(25)**	**(25)**	**(26)**	**(26)**	**(26)**	**(928)**	**490**	**(566)**
Reinsurance contract assets	**36**	**1**	**1**	**—**	**—**	**2**	**—**	**40**
Reinsurance contracts	**11**	**(24)**	**(25)**	**(26)**	**(26)**	**(926)**	**490**	**(526)**

€m	Undiscounted contractual cashflows						Discounting effect	Total
	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years		
2023								
Insurance contracts	4,510	3,605	3,434	3,528	3,434	63,169	(27,519)	54,161
Reinsurance contract liabilities	23	20	21	21	22	829	(1,447)	(511)
Reinsurance contract assets	41	—	—	—	—	1	—	42
Reinsurance contracts	64	20	21	21	22	830	(1,447)	(469)

Net insurance contracts increased by 3% over 2024, with the cashflow maturity pattern remaining consistent with prior year. Changes observed in the reinsurance contracts are mainly attributed to the assumption updates over the year, notably for mortality, and the inception of a new Mass Lapse treaty.

Life insurance contracts issued have €38,962m payable on demand as at 31 December 2024 (2023: €41,982m). The carrying amount of the respective groups of contracts as at 31 December 2024 is €59,239m (2023: €57,506m). All these amounts relate to insurance contracts issued that are liabilities (no groups of contracts were in an asset position as at 31 December 2024 and 2023).

€m	Carrying amount	Undiscounted contractual cashflows			
		<1 year or on demand	1 to 5 years	>5 years	Total
2024					
Investment contract liabilities and liabilities for account of third parties	**14,058**	**14,058**	**—**	**—**	**14,058**
Other financial liabilities	**2,794**	**2,757**	**28**	**17**	**2,802**
Non-derivative financial liabilities	**16,852**	**16,815**	**28**	**17**	**16,860**
Derivative liabilities	**5,649**	**407**	**330**	**4,912**	**5,649**

€m	Carrying amount	Undiscounted contractual cashflows			
		<1 year or on demand	1 to 5 years	>5 years	Total
2023					
Investment contract liabilities and liabilities for account of third parties	9,607	9,607	—	—	9,607
Other financial liabilities	3,376	3,047	206	132	3,385
Non-derivative financial liabilities	12,983	12,654	206	132	12,992
Derivative liabilities	9,093	287	506	8,300	9,093

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks (continued)

E10.3 Financial risks (continued)

All (2023: €879m) of the total subordinated debt of €1,333m (2023: €992m), is payable after more than five years (The remainder in 2023 was perpetual debt). As set out in **note E7.2**, of the total senior debt of €961m (2023: €1,274m) €nil (2023: 61m) is payable within 1 year and the remainder of €961m (2023: €1,213m) is payable within 2 to 5 years.

Additionally, the liquidity profile of the Group's financial investments at 31 December 2024 and 31 December 2023 are shown in the tables below:

€m	Carrying amount	<1 year or on demand	1 to 5 years	>5 years
2024				
Debt Securities	**28,003**	**4,150**	**10,452**	**13,401**
Loans & Receivables	**19,049**	**5,315**	**5,961**	**7,773**
Derivative assets	**3,844**	**109**	**325**	**3,410**
Reverse repurchase agreements	**19**	**19**	**—**	**—**
Other financial assets	**6**	**—**	**—**	**6**
Financial assets	**50,921**	**9,593**	**16,738**	**24,590**
Investments held in respect of investment contract liabilities and third parties	**14,058**	**14,058**	**—**	**—**

€m	Carrying amount	<1 year or on demand	1 to 5 years	>5 years
2023				
Debt Securities	25,120	5,345	5,709	14,066
Loans & Receivables	17,746	4,988	5,187	7,571
Derivative assets	7,338	460	885	5,993
Reverse repurchase agreements	571	571	—	—
Other financial assets	5	—	2	3
Financial assets	50,780	11,364	11,783	27,633
Investments held in respect of investment contract liabilities and third parties	9,607	9,607	—	—

Market risk

Market risk includes the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of financial instruments. Market risk comprises the following types of risk: interest rate risk, spread risk, currency risk and other price risk, such as equity and property risk. Sensitivities performed on these risks, where material, are disclosed in **note E10.2**.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments, such as fixed-interest and variable-interest securities and debt obligations, derivative contracts as well as investment and insurance contract liabilities, will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's overall interest rate mismatch between assets and liabilities.

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks (continued)

E10.3 Financial risks (continued)

The Group has a low risk appetite for interest rate risk and manages it through its Group ALM Risk Policy, which seeks to mitigate and manage the interest rate risk exposure stemming from the variable rate asset and liability exposures by using derivative financial instruments.

Exposure to interest rate risk is monitored through several measures that include duration, capital modelling, sensitivity testing and stress and scenario testing (see **note E10.2** for details). The Group defines plausible interest rate stresses for different confidence levels based on statistical analysis and expert judgement which cover a range of interest rate curve changes. The Group develops and maintains risk models to validate the results prepared locally, and to monitor the exposure consistently across all statements of financial position in the Group.

Spread risk

Spread risk emerges because the valuation of financial assets that are not backing insurance liabilities may be exposed to volatility not reflected in the valuation of the corresponding liabilities. The Group accepts limited credit spread volatility impacting on the fair value of government bonds and investment grade debt assets without compromising the implementation of the investment strategy.

Cash flow matching and duration matching are two asset allocation strategies used by the Group to manage risks related to credit spreads fluctuations and ensure there are sufficient cash flows to meet its obligations to policyholders and minimise the impact of credit spreads volatility on its different balance sheet views.

Equity risk and property risk

Athora is exposed to the risk of reductions in the valuation of equities (or changes in their volatility) or property investments which could result in reductions in asset values and losses. The Group seeks to minimise equity risk while selectively takes on property risks conditional to appropriate valuation framework and solid underwriting features, including compelling idiosyncratic risk-return profile and downside protection.

Property assets include direct property investment, shares in property companies, property collectives and structured property assets. Equity and property price risk is managed through monitoring of financial risk profiles according to diversification and underwriting criteria as per Athora Investment Universe and Athora Group Credit Concentration and Counterparty Risk policy.

As at 31 December 2024 the Group held investment in quoted equities of €nil (2023: €114m), investment in unquoted equities of €163m (2023: €670m) and investment properties of €919m (2023: €1,077m). There was €114m sale of quoted equity portfolio in Athora Belgium in 2024.

Currency risk

Currency risk is the risk of losses when currency exchange rates change. For the assets backing insurance contract liabilities that are not matched by currency, the change in foreign currency exchange rates can expose the Group to the risk of foreign exchange losses not offset by liability decreases.

While the Group is potentially exposed to currency exchange rates emerging from non-euro denominated assets as part of its investment strategy, it has very limited currency exposure from its regulatory and market-consistent liabilities. As a consequence, investments in currencies other than euro are the main source of currency risk. The Group manages currency risk by matching assets and liabilities and hedging non-euro denominated investments with financial derivatives, such as foreign currency swaps or FX forwards.

E. Financial assets and liabilities (continued)

E10. Risk management – financial risks (continued)

E10.3 Financial risks (continued)

The following tables summarise the key exposure of the assets and liabilities of the Group to foreign currency (any excluded assets are euro assets held by entities with a euro functional currency):

€m	GBP	USD	JPY	Other
2024				
Financial exposure of net assets by foreign currency	**973**	**10,883**	**–**	**462**
Forward exchange contracts	**(1,001)**	**(10,725)**	**–**	**(454)**
Net exposure	**(28)**	**158**	**–**	**8**

€m	GBP	USD	JPY	Other
2023				
Financial exposure of net assets by foreign currency	1,202	8,078	1,259	345
Forward exchange contracts	(1,194)	(7,957)	(1,255)	(316)
Net exposure	8	121	4	29

Climate Risk

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

These risks are receiving increasing regulatory, political and societal scrutiny in the jurisdictions that the Group operates in. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

The Group is making progress on embedding climate risk in its risk framework, including the development of appropriate risk appetite metrics and the creation of a Sustainability Office, which is responsible for developing group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories as part of Athora's Sustainability Strategy Framework launched in 2022. For further details refer to the Sustainability section in the annual report. Whilst the Group is progressing well in embedding climate risk into its risk framework, some judgments are still under consideration. Therefore, a reasonable estimate of the financial impacts cannot be provided at this stage.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held

In the statement of financial position, (i) insurance contracts and investment contracts with discretionary participation features issued and (ii) reinsurance contracts held are aggregated by portfolios and presented separately, depending on their balances at the end of the reporting period, leading to the four following categories:

- the carrying amount of portfolios of insurance contracts and investment contracts with discretionary participation features that are assets;
- the carrying amount of portfolios of insurance contracts and investment contracts with discretionary participation features that are liabilities;
- the carrying amount of portfolios of reinsurance contracts held that are assets; and
- the carrying amount of portfolios of reinsurance contracts held that are liabilities.

IFRS 17 – Insurance Contracts applies to these contracts, such as set out in this note. Significant judgements and estimates are made by the Group in applying IFRS 17. The judgements that have the most significant effects on the amounts recognised in the consolidated financial statements relate to the classification of contracts, their level of aggregation and their measurement.

In particular, the Group makes significant judgments regarding inputs, assumptions concerning the future and other sources of uncertainty at the reporting date and uses estimation techniques to measure the insurance contracts. These assumptions and estimates are reviewed on an ongoing basis, based on changes in facts and circumstances (including market changes), which leads to adjustments in the measurement of contracts.

The Group uses assumptions to project future cash flows and ensures to design them to adequately reflect any uncertainty underlying the cash flows. Non-market assumptions, based on latest best estimate assumptions (historical data and expert judgment), include the following information: loss ratios, best estimate schedule of lapses, policyholder behaviour (e.g. surrender rates, election to guaranteed annuity), and management actions (e.g. discretionary benefits distribution policy).

In respect of estimation techniques used to measure the Life contracts, they are based on projections of the key components of statutory financial statements, namely income or expenses that relate to policyholders, beneficiary obligations and assets backing those liabilities.

The main assumptions that may generate material changes in the estimate of the future cash flows relate to (i) mortality, morbidity, and longevity rates, (ii) policyholder behaviour (due to surrender), (iii) participation percentages and crediting rates, and (iv) overhead expenses.

More specifically, assumptions made about the discount rates, the confidence level for risk adjustment for non-financial risk and the pattern of the CSM release for direct participating contracts are explained in **note F4** including disclosure of quantitative information about these assumptions.

Definition and classification

An insurance contract is a contract under which an issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (an "insured event") adversely affects this policyholder. The assessment of whether a contract transfers a significant insurance risk considers all substantive rights and obligations (including those arising from law or regulation) and is based on the use of judgement. In substance, insurance contract services provided to a policyholder include the insurance coverage and may also include an investment-return service which corresponds to:

- the generation of an investment return for the policyholder having underwritten an insurance contract without direct participation features; and
- the management of underlying items on behalf of the policyholder having underwritten an insurance contract with direct participation features.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

Insurance contracts without direct participation features

The Group classifies as an insurance contract without direct participation features an insurance contract that is:

- an insurance contract with indirect participation features (i.e. indirect participating contract) because the payment to policyholders depends upon the return on underlying items, without meeting the criteria defined for insurance contracts with direct participation features; or
- an insurance contract without any participation features (i.e. non-participating contract) as the payment to policyholders does not depend upon the return on underlying items.

Insurance contracts with direct participation features

The Group classifies as an insurance contract with direct participation features (i.e. direct participating contract) a contract for which:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items,
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

In addition to the transfer of significant insurance risk to the issuer, a direct participating contract is therefore based on a substantially investment-related service under which an entity promises an investment return on underlying items (the link must be enforceable), as well as on a contractually specified participation. The underlying items determine some of the amounts payable to a policyholder and can comprise any items (e.g. a reference portfolio of assets, the net assets of the entity, or a specified subset of the net assets of the entity). The nature of underlying items mainly depends on local regulation and products' features. The Group assesses whether the conditions above are met using its expectations at inception of the contract and must not reassess the conditions afterwards unless the contract is modified.

Policyholder participation varies by country, applicable statutory requirements, year of policy issuance and product type, and is determined with reference to past experience and adjusted for new trends, current market conditions and future expectations. For measurement and presentation purposes, the Group does not distinguish between those participating insurance contracts that have discretionary features and those insurance contracts which do not have discretionary features.

Investment contracts with discretionary participation features

The Group classifies as an investment contract with discretionary participation features a financial instrument that provides a particular investor with the contractual right to receive both an amount not subject to the discretion of the issuer (usually the account value or the value of the underlying unit-linked fund) and an additional amount subject to the discretion of the issuer, which is expected to be a significant portion of the total contractual benefits.

Even though these contracts do not meet the definition of an insurance contract (as they do not include a transfer of significant insurance risk), IFRS 17 applies to those contracts as the Group also issues insurance contracts.

Investment contracts with no discretionary participation features

Liabilities arising from these contracts are financial liabilities within the scope of IFRS 9. They mainly include unit-linked contracts that do not meet the definition of insurance contracts or investment contracts with discretionary participation features. For these unit-linked contracts, the liabilities are measured at current unit value, i.e. on the basis of the fair value of the financial investments backing those contracts at the end of the reporting period together with rights to future management fees, also known as Deferred Origination Costs ("DOC") (refer to **note E9**).

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

In accordance with IFRS 9, these contracts are accounted for using “deposit accounting” (refer to **note E9**). Fees received at inception to cover future services are recognised as liabilities and accounted for in the statement of profit or loss based on the same amortisation pattern as the one used for DOC.

Separating components from insurance contracts

The following components are separated from contracts:

i. distinct embedded derivatives, if they meet certain specified criteria,
ii. distinct investment components, and
iii. distinct performance obligations to provide non-insurance goods and services. These components are accounted for separately by the group in accordance with the related standards.

After having performed this separation, the group applies IFRS 17 to all remaining components of the host insurance contract. All these remaining components, including embedded derivatives and investment components that have not been separated from the host contract, are considered as a single insurance contract in substance. There were no significant distinct components that required separation from the host contract.

Level of aggregation of insurance contracts

The level of aggregation of contracts is the basis for measuring the contracts and their corresponding profitability. To define the level of aggregation to be used, each entity within the Group applies the following process:

i. first, portfolios of contracts are identified, each of them only comprising contracts that are subject to similar risks and managed together;
ii. then, these portfolios are broken down by quarterly cohort; and
iii. finally, a further split is performed depending on the level of profitability, with notably a separate group for contracts that are onerous at initial recognition.

Initial recognition

The groups of insurance contracts issued are recognised from the earliest of (i) the beginning of the coverage period of the group of contracts, which is the general case, (ii) the date when the first payment from a policyholder in the group becomes due, and (iii) for a group of onerous contracts, the date when this group becomes onerous.

For investment contracts with discretionary participation features, the date of initial recognition is the date when the group becomes party to the contract.

Subsequent measurement

Liability for Remaining Coverage ("LRC") and Liability for Incurred Claims (“LIC”)

After initial recognition of a group of insurance contracts, the carrying amount of the Group at each reporting date is the sum of two different components: the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC").

The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported. The LIC reflects the Group’s obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported or settled, and other incurred insurance expenses, as well as to pay amounts relating to other insurance contract services already provided or any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the LRC.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. The Group applies two measurement models, the General Measurement Model ("GMM") and the Variable Fee Approach ("VFA").

The General Measurement Model

IFRS 17 requires applying by default the General Measurement Model ("GMM") of insurance contracts, also called the “Building Block Approach” (“BBA”) as it is based on the following building blocks.

Fulfilment Cash Flows (“FCF”)
This comprises:
- probability-weighted estimates of future cash flows;
- an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows; and
- a risk adjustment for non-financial risk.

Contractual Service Margin ("CSM")
This represents the unearned profit that the Group expects to earn as it provides services. It is measured at initial recognition for a group of contracts as the excess of the expected present value of cash inflows over cash outflows, within the boundary of the contract (including acquisition costs), after adjustment for non-financial risk. If there is no excess of inflows over outflows at inception, the contract is onerous, no CSM is established and a loss component is calculated at the time of initial recognition.

The Group has adopted a “period-to-period” approach, which consists, for the annual reporting period, in not changing the treatment of accounting estimates made in its previous interim financial statements.

Insurance acquisition cash flows (“IACF”)

The insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts. When these IACF are incurred prior to the date of initial recognition of the group of insurance contracts, such IACF are recognised as an asset, which is deducted from the carrying amounts of insurance contracts. IACF paid after the related group of insurance contracts is initially recognised are adjusted to the liability for remaining coverage.

The recoverability of assets for IACF is assessed at the end of each reporting period, if facts and circumstances indicate that the asset may be impaired. If an impairment loss is identified, the carrying amount of the asset for IACF is adjusted and the impairment loss is recognised in the statement of profit or loss. When the group of insurance contracts is recognised, the corresponding asset for IACF is derecognised and included in the measurement of that group.

Estimates of future cash flows

The FCF include all the probability-weighted estimates of future cash flows within the boundary of each contract already recognised. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the group can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends notably when the Group has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

The unbiased estimate of the expected future cash flows within the boundary of insurance contracts, including the cost of options and guarantees, is based on a probability-weighted mean of the full range of possible outcomes to factor the uncertainty about the timing and amounts of the cash flows, determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables reflecting conditions existing at the measurement date.

The cash flows attributable to the group of insurance contracts include premiums from the policyholders, claim payments (including reported, incurred and all the future claims for which the Group has a substantive obligation net of recoveries from claims), profit sharing to policyholders, as well as payments arising from the policyholders exercising options, expenses and commissions, costs related to investment activities performed for the benefit of policyholders (i.e. including investment-return services and investment-related services).

The following cash flows are not included in the contract boundary: investment returns as they are recognised, measured and presented separately under other applicable IFRSs, costs of investment activities performed for the benefit of shareholders, payments or receipts that arise under reinsurance contracts held (as they are accounted for separately), those that may arise from future insurance contracts, overheads that do not provide any economic benefits to fulfilling insurance contracts, income tax payments and receipts the Group does not pay or receive in a fiduciary capacity and flows arising from components separated from the insurance contracts and accounted for using other applicable IFRSs.

If insurance premiums are first collected by an intermediary and then transferred to the Group at a later date, the premium receivables from the intermediary are generally accounted for as future cash flows within the boundary of insurance contracts included in the measurement of the corresponding group of insurance contracts applying IFRS 17.

Discount rate

The Group has defined a group methodology for the calibration and the generation of “IFRS 17 yield curves” used to discount the estimate of future cash flows within the boundary of contracts, consistent with the IFRS 17 requirements and applied homogeneously across all the group entities.

As the standard does not impose a particular estimation technique to determine the yield curves, the Group has chosen to adopt a top-down approach which has the advantage that the illiquidity premium in the valuation of the assets can be mirrored in the insurance liabilities.

A top-down approach starts with the yield of an appropriate reference portfolio and then adjusts this downwards to allow for credit risk and any other market risk premium, if applicable. Products with different illiquidity characteristics have different reference portfolios to capture these characteristics. The return on financial instruments in the reference portfolio is stated as a spread above the swap rate.

The yield curves used by the Group for main currencies are summarised in **note F4**. The Group has chosen to recognise the impact of changes in discount rates through the income statement, for the GMM business.

Risk adjustment for non-financial risk (“RA”)

The measurement of the risk adjustment reflects the compensation required by the Group for bearing the uncertainty around the amount and timing of the future cash flows that arise from non-financial risk as the Group fulfils insurance contracts.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

The determination of the risk adjustment follows a cost of capital approach based on local solvency requirements. The applicable solvency requirement at a local business unit level is predominantly the Solvency II Standard Formula. The cost of capital technique requires estimates of the additional capital that is required at each future date in the cash flow projection to comply with capital requirements. In projecting the required capitals per risk type, the same risk drivers as used for solvency calculations are used for IFRS 17. Then, diversification benefits between risks implicit to the entity's portfolio are considered by applying correlation factors between risks that are consistent with the Solvency II Standard Formula or BMA correlation matrices.

The changes in the risk adjustment for non-financial risk are presented in the insurance service result (i.e. they are not disaggregated into an insurance service component and an insurance finance component).

Contractual Service Margin ("CSM")

For a group of insurance contracts, the CSM represents the unearned profit. At inception, the CSM is the amount that offsets the FCF, less the derecognition of any IACF (see above), and it is the value of the Group's rights in excess of the value of its obligations under the insurance contracts. The CSM for insurance contracts cannot be negative. Consequently, if the expected cash outflows exceed the expected cash inflows, the group of contracts is onerous and the loss, which corresponds to the expected net cash outflow, is expensed immediately in the statement of profit or loss.

At the end of each subsequent reporting period, the Group remeasures the liability for remaining coverage ("LRC"), which comprises the FCF related to future services and the CSM of the group of contracts at that date. Hence, the CSM is adjusted at each subsequent reporting period for changes in expected future cash flows driven by changes in technical assumptions (death, morbidity, longevity, surrenders, expenses, future premiums, etc.). Interest is also accreted on the CSM at rates locked in at initial recognition of a contract for the GMM business (i.e. discount rate used at inception to determine the present value of the estimated cash flows).

Moreover, the CSM is progressively recognised and included in insurance revenue in the consolidated statement of profit or loss over the coverage period of insurance contracts (refer to **Note F1.4**). The portion of the CSM to be released as part of insurance revenue for a reporting period, which reflects the performance of insurance contract services, is based on coverage units. In practice, the Group:

- identifies the total number of coverage units for each group of contracts, which is the quantity of services provided for the insurance contracts belonging to the group over the expected coverage period;
- allocates the CSM at the end of the reporting period (before having recognised any amounts in the statement of profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current reporting period and expected to be provided in the future; and
- recognises the amount of CSM allocated to the coverage units provided in the current reporting period in the statement of profit or loss.

Given the variety of insurance contracts, the Group exercises its judgment to define coverage units, considering both the level of coverage defined within the contract (e.g. a death benefit over a fixed term, the policyholders' account value, or a combination of guarantees) and the expected coverage duration of the contract.

However, this release of the CSM is not applicable if there are adverse changes in future cash flows greater than the remaining CSM. In this case, the group of contracts becomes onerous, and the loss is immediately recognised in the statement of profit or loss.

When a group of insurance contracts is onerous, on initial recognition or subsequently, the LRC includes a loss component reflecting the loss recognised in the statement of profit or loss. As long as the group of contracts remains onerous, subsequent changes in the amount of loss component are immediately allocated to the statement of profit or loss.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Group. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

Measurement with the Variable Fee Approach ("VFA")

The VFA applies to Unit-Linked contracts, as well as insurance contracts which include participating features. This measurement model is mandatory for the groups of insurance contracts with direct participation features and investment contracts with discretionary participation features and aims at adjusting the Contractual Service Margin ("CSM") to reflect the variable nature of the fee. The adjustment is equal to the entity's share of the change in fair value of the underlying items as explained below.

The VFA is derived from the GMM to the extent that it is also based on the same building block approach meaning that the liabilities are also made of FCF and a CSM. At initial recognition, there are no differences between the GMM and the VFA. However, the methodology is different for subsequent measurement since the CSM under the VFA absorbs:

- the experience variance of the period generated by underlying items, including the variance on commissions based on these underlying items;
- the consequences of changes in both technical and financial assumptions; and
- the effect of changes in financial risks not arising from underlying items (such as options and guarantees).

In order to allow an appropriate pattern of the CSM release in the statement of profit or loss over the coverage period, consistently with the IFRS 17 definition of the investment-related service, the number of coverage units is determined on the basis of policyholders' mathematical reserves, which are adjusted by considering the expected return of underlying items resulting from current IFRS 17 discount rate assumptions. The main discount rate assumptions used by the Group are summarised in **note F4**.

The Group does not apply the risk mitigation option, which allows for mitigation of an accounting mismatch between the presentation of the impact of financial risks on underlying instruments versus the impact of financial risks on the related insurance products.

Derecognition of insurance contracts

An insurance contract is derecognised from the group of contracts to which it belongs in case of extinguishment, transfer, or a modification of its terms in a such a way that a new contract is recognised in a new group. The derecognition of insurance contracts leads to the elimination of their Fulfilment Cash Flows ("FCF") and an adjustment to the Contractual Service Margin ("CSM") of the group of contracts instead of generating a direct and immediate effect in the statement of profit or loss, unless the group of contracts becomes onerous or empty. Depending on the cause of derecognition, the CSM of the group of contracts is adjusted:

- in case of extinguishment of an insurance contract, by the same amount eliminated from the FCF;
- in case of a portfolio transfer to a third-party, by the difference between the amount eliminated from the FCF and the premium charged by the third-party; and

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

- in case of a modification of insurance contracts (requiring a derecognition followed by a recognition in a new group of contracts), by the difference between the amount eliminated from the FCF and any additional premium charged to the policyholder as a result of the modification. In practice, this means that the global adjustments of CSM generated by the modification is split between the initial group of contracts and the new one, depending on the hypothetical premium that the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification.

Reinsurance contracts

The Group assumes and cedes reinsurance in the normal course of business. Assumed reinsurance refers to the group's acceptance of certain insurance risks that other companies have underwritten leading to the recognition of groups of reinsurance contracts issued. Ceded reinsurance refers to the transfer of insurance risks, along with the related premiums, to other reinsurers who will assume the risks as the group seeks to reduce the potential amount of loss arising from claims events by reinsuring certain levels of risk underwritten, leading to the recognition of groups of reinsurance contracts held.

Both groups of reinsurance contracts issued, and groups of reinsurance contracts held are subject to the GMM/ Building Block Approach ("BBA") described in the previous paragraphs provided that there is a transfer of significant insurance risk; in any case, they are not eligible to the Variable Fee Approach as they are not insurance contracts with direct participation features. As the specificities of the treaties can affect their classification, each reinsurance contract is subject to a detailed analysis by the group in order to determine the appropriate accounting treatment.

Whereas the recognition and measurement of reinsurance contracts issued is similar to insurance contracts issued, the reinsurance contracts held have some specificities which are described hereafter.

Date of initial recognition

The recognition of groups of reinsurance contracts held depends on the type of coverage. When the reinsurance contract held provides proportionate coverage, the date of recognition is the later of the beginning of the coverage period or the initial recognition of the underlying contract. When the reinsurance contract held does not provide proportionate coverage, the group of reinsurance contracts is recognised at the earliest of the beginning of the coverage period of the group of underlying insurance contracts and the date when the entity recognises an onerous group of underlying insurance contracts.

Boundary of contract

For reinsurance contracts held, the cash flows are within the boundary of the reinsurance contract if the Group has a substantive right to receive services from the reinsurer or a substantive obligation to pay premiums to the reinsurer. Depending on the relationship between the contract boundary of the direct insurance contracts and that of the reinsurance contracts held, in some cases, the reinsurance treaty might offer protection for underlying insurance contracts that the Group has not issued yet. However, the carrying amount of a reinsurance contract held is nil before any cash flows occur or any service is received.

Measurement

Similarly to underlying insurance contracts long term coverages are measured with the GMM.

The measurement of reinsurance contracts held follows a mirroring principle of the underlying insurance contracts leading to estimate the present value of the future cash flows of the reinsurance contract held using assumptions consistent with those used for the underlying insurance contracts. Thus, the reinsurance asset is derived using the same assumptions as those used by the Group for the underlying insurance contracts as these are the ones used to determine the expected reinsurance

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

recoveries. In practice, some reinsurance contracts held by the Group provide cover for underlying contracts that are included in different groups.

However, using consistent assumptions does not imply the use of the same assumptions as those used for measuring the underlying contracts if those assumptions are not valid for the reinsurance contract held. In practice, the use of the same discount rate might not be appropriate, especially if the reinsurance contract is entered into during the coverage period of the underlying contracts. In addition, the cash flows from the reinsurance contract held include an adjustment for the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

At inception, the reinsurance coverage, in exchange of a reinsurance premium, is measured as:

- the reinsurer's share of the expected present value of the cash flows generated under the underlying insurance contracts, including an adjustment to reflect the fact that the reinsurer might dispute coverage or fail to satisfy its obligations under the contract (risk of non-performance / counterparty risk) ; and
- typically a "net cost" (a "net gain" can however occur in some cases), which is in substance a negative Contractual Service Margin ("CSM") corresponding to the cost paid to the reinsurer, depending on the pricing of the reinsurance contract held and assessed independently to the CSM arising from the underlying insurance contracts.

The mechanics of the measurement models are the same for the underlying insurance contracts with the difference that the concept of CSM is replaced by the concept of net cost / net gain. This net loss or net gain is deferred and released in profit or loss throughout the coverage period, in line with the provision of reinsurance services.

However, if the net cost of purchasing reinsurance relates to past events, i.e. retrospective reinsurance contracts such as adverse developments covers for incurred claims, any net cost occurring at inception is immediately recognised in the statement of profit or loss.

Subsequently, at the end of each reporting period, the carrying amount of the net deferred cost or gain for reinsurance contracts held is adjusted to reflect changes in estimates. However, if the Group recognises losses in the statement of profit or loss on underlying contracts because of adverse changes in estimates of fulfilment cash flows, the corresponding changes in cash inflows for reinsurance contracts held are also recognised in profit or loss and therefore do not adjust the net deferred loss or gain of the group of reinsurance contracts held. As a result, there is no net effect in the profit or loss for the period to the extent that the change in the fulfilment cash flows of the underlying contracts is matched with a change in the fulfilment cash flows on the reinsurance contracts held.

Transition date fair valuation
The policies and practices applied on transition together with the transition date impact on the balances as at 01 January 2022 and effective date impact on the balances as at 01 January 2023 are set out in the 2023 annual report.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1. Insurance contracts and reinsurance contracts issued

The Group continues to appraise the parameters, processes and procedures used in the measurement and disclosures of net insurance liabilities. Where applicable, improvements and updates are made, based on experience and more recent demographic data, and reviews of processes and procedures.

The following tables show the breakdown of insurance and reinsurance assets and liabilities issued by General Measurement Model (GMM) and Variable Fee Approach (VFA) for the year ended 31 December 2024 and the year ended 31 December 2023.

Insurance and reinsurance contracts issued

	2024		2023	
€m	**Insurance contract liabilities**	**Of which assets for insurance acquisition cash flow**	Insurance contract liabilities	Of which assets for insurance acquisition cash flow
Life General Model	**37,024**	**(14)**	36,248	(14)
Life Variable Fee Approach	**22,215**	**—**	21,258	—
	59,239	**(14)**	57,506	(14)

Further details on assets for insurance acquisition cashflows are included in **note F1.5**.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1. Insurance contracts and reinsurance contracts issued (continued)

F1.1 Movements in insurance and reinsurance contracts issued - Reconciliation of remaining coverage and incurred claims

The roll-forward of the net asset or liability for life insurance and reinsurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below for year ended 31 December 2024.

€m	Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims	Total
Life insurance contracts as at 1 January 2024	**56,797**	**82**	**627**	**57,506**
Insurance revenue: fair value approach on transition to IFRS 17	**(1,987)**	**—**	**—**	**(1,987)**
Insurance revenue: other - post transition	**(339)**	**—**	**—**	**(339)**
Insurance revenue	**(2,326)**	**—**	**—**	**(2,326)**
Incurred claims and other directly attributable expenses	**(86)**	**(12)**	**2,046**	**1,948**
Amortisation of insurance acquisition cash flows	**5**	**—**	**—**	**5**
Losses and reversal of losses on onerous contracts	**—**	**121**	**—**	**121**
Changes to liabilities for incurred claims - past service	**—**	**—**	**2**	**2**
Insurance service expenses	**(81)**	**109**	**2,048**	**2,076**
Investment components	**(2,859)**	**—**	**2,859**	**—**
Insurance service result	**(5,266)**	**109**	**4,907**	**(250)**
Insurance finance expenses	**3,353**	**1**	**—**	**3,354**
Total changes in the statement of profit or loss	**(1,913)**	**110**	**4,907**	**3,104**
Premiums received*	**3,587**	**—**	**—**	**3,587**
Claims/other expenses paid	**—**	**—**	**(4,937)**	**(4,937)**
Insurance acquisition cash flows	**(21)**	**—**	**—**	**(21)**
Total cash flows	**3,566**	**—**	**(4,937)**	**(1,371)**
Life insurance contracts as at 31 December 2024	**58,450**	**192**	**597**	**59,239**

*'Premiums received' includes €920m for the fair value of liabilities recognised for buy-out transactions. See **note H3** for further details.

Insurance contract liabilities increased over 2024, driven primarily by the effect of decreasing interest rates on the liability for remaining coverage. This is in line with the increase in insurance contract liabilities during 2023, where decreasing interest rates also caused an increase on the liability for remaining coverage.

Premiums received also increased the insurance contract liabilities considerably during the year, however, this was partially offset by the claims and expenses incurred.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1. Insurance contracts and reinsurance contracts issued (continued)

F1.1 Movements in insurance and reinsurance contracts issued - Reconciliation of remaining coverage and incurred claims (continued)

The roll-forward of the net asset or liability for life insurance and reinsurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below for year ended 31 December 2023.

€m	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Life insurance contracts as at 1 January 2023	55,908	50	593	56,551
Insurance revenue: fair value approach on transition to IFRS 17	(2,003)	—	—	(2,003)
Insurance revenue other: post transition	(225)	—	—	(225)
Insurance revenue	(2,228)	—	—	(2,228)
Incurred claims and other directly attributable expenses	—	(6)	1,953	1,947
Amortisation of insurance acquisition cash flows	5	—	—	5
Losses and reversal of losses on onerous contracts	—	38	—	38
Changes to liabilities for incurred claims - past service	—	—	11	11
Insurance service expenses	5	32	1,964	2,001
Investment components	(2,927)	—	2,927	—
Insurance service result	(5,150)	32	4,891	(227)
Insurance finance expenses	3,404	—	—	3,404
Total changes in the statement of profit or loss	(1,746)	32	4,891	3,177
Premiums received*	2,649	—	—	2,649
Claims/other expenses paid	—	—	(4,857)	(4,857)
Insurance acquisition cash flows	(14)	—	—	(14)
Total cash flows	2,635	—	(4,857)	(2,222)
Life insurance contracts as at 31 December 2023	56,797	82	627	57,506

*'Premiums received' includes the fair value of contracts acquired in 2023, insurance liabilities assumed comprises €241m on acquisition of the Pillar II pension portfolio transfer in Athora Netherlands. See **note H3** for further details.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1. Insurance contracts and reinsurance contracts issued (continued)

F1.2 Movements in insurance and reinsurance contracts issued - Reconciliation of measurement components

The roll-forward of the net asset or liability for life insurance and reinsurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment and CSM is disclosed in the table below for the year ended 31 December 2024.

€m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contracts under FV transition approach	CSM: Other contracts: post transition	Total
Life insurance contracts as at 1 January 2024	**54,161**	**1,108**	**1,999**	**238**	**57,506**
Contracts initially recognised in the period	(240)	92	—	155	7
Changes in estimates that adjust the CSM	78	(105)	33	(6)	—
Changes that do not adjust the CSM	29	85	—	—	114
Changes that relate to future services	**(133)**	**72**	**33**	**149**	**121**
CSM recognised for services provided	—	—	(173)	(27)	(200)
Change in risk adjustment for non-financial risk	—	(45)	—	—	(45)
Experience adjustments	(128)	—	—	—	(128)
Changes that relate to current services	**(128)**	**(45)**	**(173)**	**(27)**	**(373)**
Changes to liabilities for incurred claims	2	—	—	—	2
Changes that relate to past services	**2**	**—**	**—**	**—**	**2**
Insurance service result	**(259)**	**27**	**(140)**	**122**	**(250)**
Insurance finance expenses	3,336	—	8	10	3,354
Total changes in the statement of profit or loss	**3,077**	**27**	**(132)**	**132**	**3,104**
Premiums received*	3,587	—	—	—	3,587
Claims/other expenses paid	(4,937)	—	—	—	(4,937)
Insurance acquisition cash flows	(21)	—	—	—	(21)
Total cash flows	**(1,371)**	**—**	**—**	**—**	**(1,371)**
Life insurance contracts as at 31 December 2024	**55,867**	**1,135**	**1,867**	**370**	**59,239**

*'Premiums received' includes €920m for the fair value of liabilities recognised for buy-out transactions. See **note H3** for further details.

The value of the life insurance contract liabilities increased by €1,733m over the course of 2024. Over the same period, the total Present Value of Future Cashflows ("PVFC") increased €1,706m, largely as a result of the effect of decreasing discount rates, changes in estimates and the receipt of premiums during the year. This was partially offset by the payment of claims and the recognition of profitable new business during the year, which commenced with a negative PVFC. Furthermore, Strategic Asset Allocation ("SAA") updates made during the year resulted in increases in the average level of the illiquidity premium, causing a decrease in the PVFC that is captured in 'Insurance finance expenses'. For contracts measured under the Variable Fee Approach, these reductions in the PVFC due to updates to the SAA are offset by equivalent increases in the CSM. The risk adjustment increased by €27m in 2024 due to a combination of the issuance of new insurance contracts and changes that do not adjust the CSM (i.e. that are instead captured in Loss component), although these were partially offset by changes in estimates and the risk adjustment release. Non-financial changes related to future services on the PVFC adjust the CSM and these changes in estimates drove a small increase over the year, along with the sale of new business contracts and interest accretion on the CSM for portfolios measured under the General Measurement Model. However, these increases were perfectly offset by the regular release of CSM resulting in no change in the total CSM during 2024.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1. Insurance contracts and reinsurance contracts issued (continued)

F1.2 Movements in insurance and reinsurance contracts issued - Reconciliation of measurement components (continued)

The roll-forward of the net asset or liability for life insurance and reinsurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment and CSM is disclosed in the table below for the year ended 31 December 2023.

			CSM		
€m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under FV transition approach	Other contracts: post transition	Total
Life insurance contracts as at 1 January 2023	52,705	1,141	2,405	300	56,551
Contracts initially recognised in the period	(102)	34	—	78	10
Changes in estimates that adjust the CSM	286	33	(389)	70	—
Changes that do not adjust the CSM	81	(53)	—	—	28
Changes that relate to future services	265	14	(389)	148	38
CSM recognised for services provided	—	—	(182)	(27)	(209)
Change in risk adjustment for non-financial risk	—	(47)	—	—	(47)
Experience adjustments	(20)	—	—	—	(20)
Changes that relate to current services	(20)	(47)	(182)	(27)	(276)
Changes to liabilities for incurred claims	11	—	—	—	11
Changes that relate to past services	11	—	—	—	11
Insurance service result	256	(33)	(571)	121	(227)
Insurance finance expenses	3,422	—	165	(183)	3,404
Total changes in the statement of profit or loss	3,678	(33)	(406)	(62)	3,177
Premiums received*	2,649	—	—	—	2,649
Claims/other expenses paid	(4,857)	—	—	—	(4,857)
Insurance acquisition cash flows	(14)	—	—	—	(14)
Total cash flows	(2,222)	—	—	—	(2,222)
Life insurance contracts as at 31 December 2023	54,161	1,108	1,999	238	57,506

*'Premiums received' includes the fair value of contracts acquired in 2023, insurance liabilities assumed comprises €241m on acquisition of the Pillar II pension portfolio transfer in Athora Netherlands. See **note H3** for further details.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1. Insurance contracts and reinsurance contracts issued (continued)

F1.3 Impact of new insurance and reinsurance contracts issued and recognised during the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts issued for the years ended 31 December 2024 and 31 December 2023.

31 December 2024

	Issued		Acquired		
€m	**Profitable**	**Onerous**	**Profitable**	**Onerous**	**Total**
Insurance acquisition cash flows	**17**	**4**	**—**	**—**	**21**
Claims and other insurance service expenses	**2,905**	**387**	**—**	**—**	**3,292**
Estimates of present value of cash outflows	**2,922**	**391**	**—**	**—**	**3,313**
Estimates of present value of cash inflows*	**(3,164)**	**(389)**	**—**	**—**	**(3,553)**
Risk adjustment for non-financial risk	**87**	**5**	**—**	**—**	**92**
CSM	**155**	**—**	**—**	**—**	**155**
Losses recognised on initial recognition	**—**	**7**	**—**	**—**	**7**

31 December 2023

	Issued		Acquired		
€m	Profitable	Onerous	Profitable	Onerous	Total
Insurance acquisition cash flows	10	4	—	—	14
Claims and other insurance service expenses	1,224	456	210	—	1,890
Estimates of present value of cash outflows	1,234	460	210	—	1,904
Estimates of present value of cash inflows*	(1,307)	(458)	(241)	—	(2,006)
Risk adjustment for non-financial risk	18	8	8	—	34
CSM	55	—	23	—	78
Losses recognised on initial recognition	—	10	—	—	10

*Contracts issued also comprise of buy-out transactions completed during the year. The fair value of liabilities related to these transactions of €920m is included in estimates of present value of cash inflows. In relation to contracts acquired in the comparative period, estimates of present value of cash inflows include the fair value of liabilities acquired of €241m. For further details see **note H3**.

Profitable insurance contracts generated a CSM at initial recognition of €155m (2023: €78m), while losses arising on contracts initially recognised during the year reduced to €7m (2023: €10m).

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F1.4 Release of Contractual Service Margin - Insurance contracts issued

An analysis of the expected recognition of the CSM for insurance contracts issued and remaining at the end of the reporting period in profit or loss is provided in the following table. For GMM business, this is shown after allowing for future accretion of interest on the CSM at the locked-in rate. The amounts presented represent the net impact in each period of expected release of the CSM recognised in revenue less the accretion of interest on the CSM on GMM business recognised in insurance finance expenses.

31 December 2024	**< 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 15 years**	**15 to 20 years**	**> 20 years**	**Total**
€m							
Insurance contracts	**158**	**528**	**479**	**331**	**236**	**505**	**2,237**

31 December 2023	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	> 20 years	Total
€m							
Insurance contracts	166	564	467	335	236	469	2,237

The pattern of recognition in future years in 2024 has remained broadly stable compared to 2023 (see **note F4.5** amortisation of CSM).

F1.5 Assets for insurance acquisition cash flows

€m	**2024**	2023
Balance at 1 January	**14**	8
Other amounts incurred during the year	**22**	26
Amounts derecognised and included in the measurement of insurance contracts	**(18)**	(12)
Impairment losses and reversals	**(4)**	(8)
Balance at 31 December	**14**	14

The Group expects to derecognise assets for insurance acquisition cash flows of €14m (2023: €14m) within one year after the reporting date.

F2. Reinsurance contracts held

The following tables show the breakdown of reinsurance assets and liabilities held for the year ended 31 December 2024 and the year ended 31 December 2023. For recoverability of reinsurance contract assets see **note E10.3**.

Reinsurance contracts held

31 December 2024

€m	**Reinsurance contract assets**	**Reinsurance contract liabilities**	**Net reinsurance contracts**
Life General Model	**44**	**(189)**	**(145)**

31 December 2023

€m	Reinsurance contract assets	Reinsurance contract liabilities	Net reinsurance contracts
Life General Model	47	(210)	(163)

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F2. Reinsurance contracts held (continued)

F2.1 Movements in reinsurance contracts held - Reconciliation of remaining coverage and incurred claims

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising on business ceded to reinsurers is disclosed in the table below for the year ended 31 December 2024.

	Asset for remaining coverage			
€m	**Excluding loss-recovery component**	**Loss-recovery component**	**Amounts recoverable: Incurred claims**	**Total**
Reinsurance contract assets as at 1 January 2024	**16**	**—**	**31**	**47**
Reinsurance contract liabilities as at 1 January 2024	**(356)**	**1**	**145**	**(210)**
Net reinsurance contracts held as at 1 January 2024	**(340)**	**1**	**176**	**(163)**
Amounts relating to the changes in the assets for remaining coverage	**(568)**	**—**	**—**	**(568)**
Allocation of reinsurance premiums	**(568)**	**—**	**—**	**(568)**
Claims and benefits recovered from reinsurers	**—**	**—**	**553**	**553**
Changes in fulfilment cash flows related to onerous underlying contracts	**—**	**2**	**—**	**2**
Amounts recoverable from reinsurers	**—**	**2**	**553**	**555**
Reinsurance investment components	**(3)**	**—**	**3**	**—**
Net income or expense from reinsurance contracts held	**(571)**	**2**	**556**	**(13)**
Reinsurance finance expense	**6**	**—**	**—**	**6**
Total changes in the statement of profit or loss	**(565)**	**2**	**556**	**(7)**
Premiums and similar expenses paid	**589**	**—**	**—**	**589**
Amounts received	**—**	**—**	**(564)**	**(564)**
Total cash flows	**589**	**—**	**(564)**	**25**
Reinsurance contract assets as at 31 December 2024	**6**	**3**	**35**	**44**
Reinsurance contract liabilities as at 31 December 2024	**(322)**	**—**	**133**	**(189)**
Net reinsurance contracts held as at 31 December 2024	**(316)**	**3**	**168**	**(145)**

The net reinsurance liability decreased by €18m over 2024 primarily from higher actual premiums paid than amounts received. Reinsurance finance expense results were negligible over the year with offsetting impacts between movements due to decreases in the level of discount rates, interest accretion and the delta between current and locked-in rates.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F2. Reinsurance contracts held (continued)

F2.1 Movements in reinsurance contracts held - Reconciliation of remaining coverage and incurred claims (continued)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising on business ceded to reinsurers is disclosed in the table below for the year ended 31 December 2023.

€m	Asset for remaining coverage			
	Excluding loss-recovery component	Loss-recovery component	Recoverable amounts: incurred claims	Total
Reinsurance contract assets as at 1 January 2023	11	—	1	12
Reinsurance contract liabilities as at 1 January 2023	(243)	1	145	(97)
Net life reinsurance contracts as at 1 January 2023	(232)	1	146	(85)
Amounts relating to the changes in the assets for remaining coverage	(561)	—	—	(561)
Allocation of reinsurance premiums	(561)	—	—	(561)
Claims and benefits recovered from reinsurers	—	—	580	580
Changes in fulfilment cash flows related to onerous underlying contracts	—	—	—	—
Amounts recoverable from reinsurers	—	—	580	580
Reinsurance investment components	(1)	—	1	—
Net income or expense from reinsurance contracts held	(562)	—	581	19
Reinsurance finance income	(137)	—	—	(137)
Total changes in the statement of profit or loss	(699)	—	581	(118)
Premiums and similar expenses paid	591	—	—	591
Amounts received	—	—	(551)	(551)
Total cash flows	591	—	(551)	40
Reinsurance contract assets as at 31 December 2023	16	—	31	47
Reinsurance contract liabilities as at 31 December 2023	(356)	1	145	(210)
Net reinsurance contracts as at 31 December 2023	(340)	1	176	(163)

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F2. Reinsurance contracts held (continued)

F2.2 Movements in reinsurance contracts held - Reconciliation of measurement components

The roll-forward of the net asset or liability for reinsurance contracts held, showing estimates of the present value of future cash flows, risk adjustment and CSM is disclosed in the table below for the year ended 31 December 2024.

€m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contract assets FV at transition	CSM: Other contracts: post transition	Total
Reinsurance contract assets as at 1 January 2024	42	1	—	4	47
Reinsurance contract liabilities as at 1 January 2024	(511)	347	(44)	(2)	(210)
Net reinsurance contracts as at 1 January 2024	**(469)**	**348**	**(44)**	**2**	**(163)**
Contracts initially recognised in the period	(4)	—	—	4	—
Changes in estimates that adjust the CSM	(83)	1	78	4	—
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	—	—	1	1	2
Changes that relate to future services	**(87)**	**1**	**79**	**9**	**2**
CSM recognised for services provided	—	—	(1)	(9)	(10)
Change in risk adjustment for non-financial risk	—	(4)	—	—	(4)
Experience adjustments	(1)	—	—	—	(1)
Changes that relate to current services	**(1)**	**(4)**	**(1)**	**(9)**	**(15)**
Reinsurance held service result	**(88)**	**(3)**	**78**	**—**	**(13)**
Net finance income from reinsurance contracts	6	—	—	—	6
Total changes in the statement of profit or loss	**(82)**	**(3)**	**78**	**—**	**(7)**
Premiums paid	589	—	—	—	589
Amounts received	(564)	—	—	—	(564)
Total cash flows	**25**	**—**	**—**	**—**	**25**
Reinsurance contract assets as at 31 December 2024	40	1	—	3	44
Reinsurance contract liabilities as at 31 December 2024	(566)	344	34	(1)	(189)
Net reinsurance contracts as at 31 December 2024	**(526)**	**345**	**34**	**2**	**(145)**

During 2024, the major driver of movements in total net reinsurance contracts was from higher actual premiums paid than amounts received. Movements in the Risk adjustment were negligible and arose primarily from the regular release of Risk adjustment in current services. Non-financial changes related to future services on the PVFC adjust the CSM and these changes in estimates drove an increase over the year, along with the recognition of new reinsurance treaties during the year. These changes were the primary reason of the CSM switching from a deferral of future reinsurance income to a deferral of future reinsurance expense.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F2. Reinsurance contracts held (continued)

F2.2 Movements in reinsurance contracts held - Reconciliation of measurement components (continued)

The roll-forward of the net asset or liability for reinsurance contracts held, showing estimates of the present value of future cash flows, risk adjustment and CSM is disclosed in the table below for the year ended 31 December 2023.

€m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contract assets FV at transition	CSM: Other contracts: post transition	Total
Reinsurance contract assets as at 1 January 2023	12	—	—	—	12
Reinsurance contract liabilities as at 1 January 2023	(720)	348	278	(3)	(97)
Net reinsurance contracts as at 1 January 2023	(708)	348	278	(3)	(85)
Contracts initially recognised in the period	(10)	6	—	4	—
Changes in estimates that adjust the CSM	317	(3)	(318)	4	—
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	—	—	—	—	—
Changes that relate to future services	307	3	(318)	8	—
CSM recognised for services provided	—	—	(4)	(3)	(7)
Change in risk adjustment for non-financial risk	—	(3)	—	—	(3)
Experience adjustments	29	—	—	—	29
Changes that relate to current services	29	(3)	(4)	(3)	19
Reinsurance held service result	336	—	(322)	5	19
Net finance expense from reinsurance contracts	(137)	—	—	—	(137)
Total changes in the statement of profit or loss	199	—	(322)	5	(118)
Premiums and similar expenses paid	591	—	—	—	591
Amounts received	(551)	—	—	—	(551)
Total cash flows	40	—	—	—	40
Reinsurance contract assets as at 31 December 2023	42	1	—	4	47
Reinsurance contract liabilities as at 31 December 2023	(511)	347	(44)	(2)	(210)
Net reinsurance contracts as at 31 December 2023	(469)	348	(44)	2	(163)

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F2. Reinsurance contracts held (continued)

F2.3 Impact of new reinsurance contracts initially recognised during the year

The following tables summarise the effect on the measurement components arising from the initial recognition of reinsurance contracts held for the years ended 31 December 2024 and 31 December 2023.

31 December 2024

€m	Contracts initiated: Without a loss recovery component	Contracts initiated: With a loss recovery component	Total
Estimates of present value of cash inflows	20	—	20
Estimates of present value of cash outflows	(24)	—	(24)
CSM	4	—	4
Total on initial recognition	—	—	—

31 December 2023

€m	Contracts initiated: Without a loss recovery component	Contracts initiated: With a loss recovery component	Total
Estimates of present value of cash inflows	16	—	16
Estimates of present value of cash outflows	(26)	—	(26)
Risk Adjustment	6	—	6
CSM	4	—	4
Total on initial recognition	—	—	—

New reinsurance contracts issued attracted a CSM of €4m in 2024 (2023: €4m).

There were no acquisitions during 2024 (2023: nil).

F2.4 Release of Contractual Service Margin - Reinsurance contracts held

An analysis of the expected recognition of the CSM for reinsurance contracts held and remaining at the end of the reporting period in profit or loss is provided in the following table. As reinsurance held is measured under GMM, this is shown after allowing for future accretion of interest on the CSM at the locked-in rate. The amounts presented represent the net impact in each period of expected release of the CSM recognised in revenue less the accretion of interest on the CSM on GMM business recognised in reinsurance finance income and expenses.

31 December 2024 €m	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	> 20 years	Total
Reinsurance contracts	(4)	(7)	(7)	(5)	(4)	(9)	(36)

31 December 2023 €m	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	> 20 years	Total
Reinsurance contracts	—	3	8	6	6	19	42

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F2. Reinsurance contracts held (continued)

F2.4 Release of Contractual Service Margin - Reinsurance contracts held (continued)

The expected timeline for the CSM recognition for reinsurance contracts held is in line with the duration of the contracts projected under IFRS 17.

Recognition of the CSM in future years is expected to result in a release of expense. This is a reversal of the expected recognition pattern at 31 December 2023.

F3. Risk management – insurance risk

An overview of the Group's approach to risk management and the Group's management of financial and other risks is detailed in **note E10**.

Insurance risk refers to the risk of reductions in earnings and/or value, through financial or reputational loss, due to fluctuations in the timing, frequency and severity of insured/underwritten events and to fluctuations in the timing and amount of claim settlements. This includes fluctuations in profits due to customer behaviour.

The Life businesses are exposed to the following elements of insurance risk:

Mortality/ Longevity	The risk most typically associated with life insurance policies is mortality and longevity risk. These risks mainly affect the duration and timing of the payment of the insured cash flows. Mortality risk indicates the risk for the Group of the policyholder dying earlier than expected. In the case of annuity business, the longevity risk is that the policyholder might live longer than expected. Mortality and longevity risks are mitigated by use of reinsurance. Mortality and longevity risks are monitored using internal experience analysis against the latest internal and external, standard industry data and emerging trends.
Morbidity/ Disability	Another insurance risk that affects the life insurance portfolio is the risk of being (partly) unable to work for a period or on a permanent basis. The financial impact is mostly dependent on the age, the sum insured and the severity percentage of the policyholder. Disability risks are mitigated by use of reinsurance. In the case of annuity business, the disability/morbidity risk is that the policyholder might fall sick and be unable to work. Disability risks and internal experience analysis are monitored against the latest external industry data, and emerging trends.
Expenses	Risk of loss due to expense experience being different to that estimated within pricing and valuation. Expense risk is primarily managed through the assessment of business unit profitability and frequent monitoring of expense levels.
Policyholder Behaviour	Other insurance risks that affect the life insurance portfolio are risks associated with policyholders' behaviour, such as adverse movements in surrender rates or conversion to a paid-up status (the policyholder terminates the regular premium payment before the maturity date). In the case of annuity business, persistency risk is that the policyholder surrenders their policy earlier than has been assumed. Persistency risk is managed at a local level through frequent monitoring of company experience.
Catastrophe	When it comes to pandemics or other natural or man-made catastrophe events, the risks will be concentrated primarily in the group insurance portfolio. Participants in a group contract often work at the same location or undertake joint activities, which brings about a concentration of risk. Such concentrations of risks have been partly offset through the use of reinsurance.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F3. Risk management – insurance risk (continued)

F3.1 Objectives and policies for mitigating insurance risk

Life insurance risk in the Group arises through its exposure to mortality, longevity and morbidity risks and exposure to worse than anticipated operating experience on factors such as persistency levels, exercising of policyholder options and administration expenses.

The assumption and management of life insurance risks is governed by the group-wide business standards covering underwriting, pricing, product design and management, in-force management, claims handling, and reinsurance. The objective of the Group is to mitigate its exposure to risk arising from these contracts through product design and selection; product, geographical, and individual risk diversification; thorough underwriting, and through reinsurance. The Group business units assess underwriting risks by following the corresponding Local Product Approval Process (PAP) for new or adjusted products and management of the existing portfolio, with the Group Product Review Process (PRP) also applied for material product activity.

The Group business units use several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, experience analyses, external data comparisons, sensitivity analyses, scenario analyses and stress testing.

The Group uses reinsurance as a means to mitigate insurance risk exposures and bring them in line with its Risk Appetite & Strategy, and to create free surplus that can be used to improve capital position, finance sales growth or invest in acquisitions. Reinsurance is also used to support pricing and underwriting capacity, where appropriate terms and secure counterparties are available, group entities may also reinsure or retrocede risks to other companies within the Group, in order to optimally allocate and redirect capital in line with the business strategy. Entities of the Athora Life Re Ltd group in Bermuda serve as internal reinsurance risk carriers to centralise the risk management of certain risk exposures and optimise diversification benefits.

Reinsurance of underwriting and selected other risks to well established, solid external reinsurers is a core part of the approach taken to mitigate underwriting risks within the Group. The reinsurance programme is determined on the basis of risk assessments of the various portfolios, the size of the portfolios, the nature of the underwriting risks, the profit or loss, the risk appetite and the financial strength of the company. Reinsurance contract assets and liabilities stemming from a single external reinsurer or reinsurance group may not be more than 10% of the local entity or Group balance sheet. External reinsurers must have a financial credit rating of at least investment grade.

External reinsurance contracts do not relieve the Group of its obligations to policyholders. Failure of reinsurers to honour their obligations could result in losses to the Group. The Group evaluates the financial condition of its reinsurers to minimise its exposure to significant losses from reinsurer insolvencies.

Life insurance contracts

Life insurance contracts offered include individual and group contracts (corporate portfolio). The individual life insurance portfolio consists of both traditional and unit-linked products. The individual life insurance portfolio mainly consists of unit-linked insurance policies, savings-based mortgage policies, endowments, universal life and other savings policies, term life policies, funeral policies and life annuity insurance policies providing lump sum or regular payments for a fixed period or for the remainder of the policyholder's life. Individual policies are sold as policies with a fixed sum insured and policies with a benefit in units (unit linked and universal life insurance). The unit-linked products include both unit-linked and universal life type products, which exist both with and without guarantees. The traditional products include those with and without discretionary participating features.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F3. Risk management – insurance risk (continued)

F3.1 Objectives and policies for mitigating insurance risk (continued)

The life corporate portfolio consists of both traditional contracts where the investment risk is borne by the insurer, investment insurance (unit-linked and universal life with insurance elements) and separate accounts, where the investment risk is borne by the customer. Interest rate guarantees on separate accounts returns have been granted for a limited number of these contracts.

The following tables set out the insurance contract liabilities, and the related reinsurance contracts held by geographical area. Apart from the Group's reinsurance business in Bermuda, Athora operates within the European Union. In these jurisdictions, Athora's insurance business is characterised by similar attributes such as nature of products, customers and services as well as regulatory, political and operating environment.

	2024			2023		
€m	**Insurance & reinsurance issued**	**Reinsurance held**	**Net**	Insurance & reinsurance issued	Reinsurance held	Net
Belgium	**6,178**	**(35)**	**6,143**	6,155	(30)	6,125
Bermuda	**325**	**—**	**325**	281	—	281
Germany	**3,652**	**—**	**3,652**	3,782	—	3,782
Netherlands	**43,905**	**184**	**44,089**	41,712	197	41,909
Italy	**5,179**	**(4)**	**5,175**	5,576	(4)	5,572
Total	**59,239**	**145**	**59,384**	57,506	163	57,669

F3.2 Assumptions

Material judgement is required in determining the liabilities and choice of assumptions for underwriting risks. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Mortality, longevity and disability/morbidity assumptions are based on internal data and standard, external industry and national tables, according to the type of contract written and the territory in which the insured person resides. Assumptions are differentiated by contract type, sex and underwriting class.

Where material, an allowance is made for future mortality improvements. Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses.

For further details on actuarial assumptions see also **note F4.2**.

F3.3 Underwriting sensitivities

The Group has performed underwriting sensitivities, which have been selected to measure sensitivity to the significant underwriting risks that the Group is exposed to.

Impacts for each of the sensitivities have been calculated using the same methods outlined in **note F4**. The sensitivity calculations have assumed an instantaneous and permanent change in individual best estimate assumptions. The correlation between assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, these assumptions are changed on an individual basis. It should be noted that movements arising from changes in these assumptions are non-linear. Sensitivity impacts will also vary from period to period based on the level of current economic assumptions and any differences between current and locked in discount rates.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F3. Risk management – insurance risk (continued)

F3.3 Underwriting sensitivities (continued)

The impact of the sensitivities on the CSM, Profit or Loss and Equity are shown in the table below. No changes have been made to the sensitivity calculation methodology during the current year.

	2024			2023		
€m	Impact on CSM before tax	Profit or loss, net of tax	Equity, net of tax	Impact on CSM before tax	Profit or loss, net of tax	Equity, net of tax
Lapse rates: 10% increase						
Gross of reinsurance	**(34)**	**(18)**	**(18)**	6	(25)	(25)
Net of reinsurance	**(35)**	**(18)**	**(18)**	6	(25)	(25)
Mortality: 10% decrease						
Gross of reinsurance	**(620)**	**148**	**148**	(586)	160	160
Net of reinsurance	**(219)**	**52**	**52**	(177)	60	60
Expenses/Inflation: 10%/1% increase						
Gross of reinsurance	**(321)**	**(177)**	**(177)**	(393)	(137)	(137)
Net of reinsurance	**(321)**	**(177)**	**(177)**	(393)	(137)	(137)

The impact on Equity from a 10% increase in lapses rates has decreased relative to 2023. The movement in the CSM due to this sensitivity changed from a positive impact in 2023 to a negative impact in 2024. The change in CSM impacts arose due to changes in underlying lapse assumptions and due to movements in largely offsetting positive and negative CSM impacts on underlying products.

Impacts arising from decreases in mortality rates have remained reasonably consistent with the impacts seen in 2023. On a gross basis, the CSM reduces in response to decreasing mortality rates due to a net exposure to longevity risk. This gross CSM impact is mostly offset by existing longevity reinsurance arrangements that absorb most of the decrease in the gross CSM. A profit arises in Profit or Loss and in Equity, due to the decrease in CSM from this sensitivity being larger than the equivalent increase in the Present Value of Fulfilment Cashflows (PVFC). This difference arises on contracts valued using the General Measurement Model (GMM), where impacts on the CSM are valued at locked-in discount rates, which are much lower than the current discount rates used to calculate impacts on the PVFC.

The combined increase in the level of expenses and inflation results is a decrease in the gross CSM of €(321)m (2023: €(393)m). While the 10% increase in the level of expenses adjusts the gross CSM downwards by €(321)m, impacts arising from the 1% increase in inflation are considered to be financial and therefore impact Profit or Loss and Equity, rather than the CSM. The key driver of the decrease in equity seen in both 2023 and 2024 is the effect of a 1% increase in inflation, although this is partially offset due to positive differences between impacts calculated on current and locked-in discount rates for the level 10% increase in expenses.

For market risk sensitivities, including their impact on insurance contract liabilities, see **note E10.2**.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F4. Critical accounting estimates and judgements made in relation to insurance and reinsurance contracts

F4.1 Methods used to measure insurance contracts

The Company uses a mix of deterministic and stochastic modelling techniques depending on the nature of the underlying business to estimate the present value of future cash flows. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for variation in one or more inputs, typically economic inputs, over time. It is necessary for the valuation of contracts with options and guarantees, in order to allow for the time value of those options and guarantees due to their non-linear dependency on economic variables. Discretionary cashflows are modelled in accordance with applicable management rules and actual practice, where appropriate.

Product assessments are carried out at a business unit level in order to identify whether insurance contracts contain investment components. It is important to identify investment components for both measurement and presentational purposes. The Group has developed decision trees for this purpose in order to ensure consistency in the application of judgement across business units. These decision trees are used to both identify investment components and to differentiate between distinct and non-distinct investment components. Any investment components which are considered distinct would then be unbundled and measured separately under IFRS 9. At the present time, none of the Group's products currently have distinct investment components.

The Group uses the variable fee approach for some portfolios of insurance contracts in Germany, Italy and the Netherlands, and the general measurement model for the remainder of the insurance contracts and all reinsurance contracts. The premium allocation approach is not used.

There have been no changes in methods and processes for estimating inputs used to measure insurance contracts in this period.

F4.2 Actuarial assumptions

Management uses judgement to determine and evaluate the actuarial assumptions. Such assumptions where management uses judgement include expenses, interest rates, inflation, policyholder behaviour, mortality and morbidity of policyholders. The judgements used in the valuation of insurance and reinsurance contract liabilities are based on historic company experience, aggregate experience data for the insurance industry and current capital market conditions. Company, industry and market expectations of future developments are also considered along with fiscality. Where data is limited, the available data is supplemented with expert judgement to set the assumptions. The assumptions outlined below are used for the calculation of the insurance and reinsurance contract liabilities within scope of IFRS 17.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F4. Critical accounting estimates and judgements made in relation to insurance and reinsurance contracts (continued)

F4.2 Actuarial assumptions (continued)

Mortality rates

The following table summarises the mortality tables used for the in-force products within the Group, along with details of any adjustments made to these tables.

Mortality tables	2024	2023
Individual Retail Protection, Endowments and Annuities	**Assuralia, ISTAT SIM/SIF 2022, AG 2024, DAV2008T and DAV2004R tables are used, with adjustments to reflect company specific selection factors and future mortality improvements, where appropriate.**	Assuralia, ISTAT SIM/SIF 2010, AG 2022, DAV2008T and DAV2004R tables are used, with adjustments to reflect company specific selection factors and future mortality improvements, where appropriate.
Group Protection and Pensions	**Assuralia, ISTAT SIM/SIF 2022 and AG 2024 tables are used, with adjustments to reflect company specific selection factors and future mortality improvements, where appropriate.**	Assuralia, ISTAT SIM/SIF 2010 and AG 2022 tables are used, with adjustments to reflect company specific selection factors and future mortality improvements, where appropriate.

Mortality investigations were performed during the year, and these have resulted in changes to the aforementioned adjustments in some cases, in order to reflect the most up to date mortality experience. Furthermore, updates were made to the country-specific mortality tables used in Italy and the Netherlands, to reflect the most recently available data.

Lapse rates

The following table contains the lapse rates used for the in-force products within the Group.

Lapse rates	2024	2023
Individual Retail Protection, Endowments and Annuities	**0.0% to 16.0%**	0.0% to 12.0%
Group Protection and Pensions	**0.0% to 13.0%**	0.0% to 13.0%

Updates to lapse rates have been made across the various business units in 2024, to reflect the most up to date lapse experience. The range of lapse rates in respect of the 'Individual Retail Protection, Endowments and Annuities' category has increased in 2024, due to an increase in the maximum lapse rates seen on Belgian products. The lapse rates applicable to the 'Group Protection and Pensions' category have remained within the same range as 2023, after allowance for updates made during the year.

Expenses

IFRS 17 requires the inclusion of expense cashflows in the valuation of insurance and reinsurance contracts liabilities. A distinction is clearly made between expenses that are directly attributable to the fulfilment of these contracts and those expenses that are not attributable. Furthermore, a further distinction is required between recurring expenses and initial insurance acquisition expenses. Expense cashflows should be part of the measurement of (re)insurance contracts if they are:
- directly attributable to fulfilling the (re)insurance contract; and
- the expense cashflow is within the contract boundary of the contract.

Annual expense investigations are performed by the business units and the Group to determine the level of expenses that are attributable to the various insurance contracts under IFRS 17. All attributable expenses are captured in the IFRS 17 present value of future cashflows and are either explicitly modelled or are estimated using per policy expense assumptions. All attributable operating expenses increase in line with appropriate expense inflation assumptions and are run-off over time in line with the in-force liabilities.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F4. Critical accounting estimates and judgements made in relation to insurance and reinsurance contracts (continued)

F4.3 Discount rates

Life insurance contract liabilities are calculated by discounting expected future cash flows using a discount curve that varies by the duration of the cash flows. These IFRS 17 curves are constructed using a top-down approach that starts with the yield of an appropriate reference portfolio, where the yield is constructed as a risk-free rate plus a portfolio specific spread. The portfolio specific spread component is then adjusted downwards to allow for credit risk and any other market risk premium, if applicable. This adjusted portfolio specific spread is called the illiquidity premium ("ILP").

The reference portfolio only includes assets held for the purpose of backing the insurance contract liabilities and products with different illiquidity characteristics have different reference portfolios to capture these characteristics. A short-term ILP is determined using a reference portfolio based on current asset allocations. This short-term ILP is then assumed to converge to a long term ILP where the reference portfolio is the strategic asset allocation.

The annualised discount rates for 2024 and 2023 are illustrated in the table below. The group level discount rates below have been disclosed on a weighted average basis that accounts for the various curves produced by the Group.

Athora Group generally determines the risk-free rates using the observed mid-price swap yield curve. The yield curve is interpolated between the Last Liquid Point ("LLP") of 30 years and an ultimate forward rate which reflects long-term real interest rate and inflation expectations. Athora Group does not consider market information past the LLP for longer maturities. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only in the event of significant changes to long-term expectations.

Discount Rates	Currency	1 year	5 years	10 years	20 years	30 years	50 years
2024	**EUR**	**3.28 %**	**3.22 %**	**3.39 %**	**3.42 %**	**3.17 %**	**3.04 %**
2023*	EUR	4.38 %	3.36 %	3.46 %	3.50 %	3.28 %	3.14 %

*The weighted average discount rates disclosed above have been determined using updated inputs that more accurately reflect the average discount rate used within the Group. The update to these weighted average discount rates as disclosed has no impact on the balances at the end of the period, nor on the results for the period. However, it provides information that is reliable and more relevant to users of the financial statements. To ensure comparability is not impaired, the comparative discount rates for 2023, have been updated to conform with the current year presentation, and set out above.

The movements in the discount rate over the year have been primarily driven by a decrease in risk-free discount rates especially at earlier tenors, when compared to 31 December 2023. This has been partially offset by increases in the weighted-average illiquidity premium, which increases the discount rate. The increase in the weighted-average illiquidity premium was primarily due to increased exposures to more illiquid, higher spread assets in the reference portfolio.

F4.4 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. It covers underwriting risk (including insurance, lapse and expense risk) and counterparty default risk linked to insurance contracts (if any). The risk adjustment reflects an amount that an insurer would theoretically pay to remove the uncertainty that future cash flows will exceed the best estimate amount. The risk adjustment is calculated for both insurance and reinsurance contracts.

The Group has estimated the risk adjustment using a cost of capital technique based on local solvency requirements. The applicable solvency requirement at a local business unit level is predominantly the Solvency II Standard Formula. The cost of capital technique requires estimates of the additional capital that is required at each future date in the cash flow projection to comply with capital requirements. In projecting the required capital amount per risk type, the same risk drivers as used for solvency calculations are used.

F. Insurance contracts, investment contracts with discretionary participation features and reinsurance contracts held (continued)

F4. Critical accounting estimates and judgements made in relation to insurance and reinsurance contracts (continued)

F4.4 Risk adjustment for non-financial risk (continued)

The required capital amounts for each future year are discounted using the same discount rate as described in the discount rate **section F4.3** above.

Changes in the risk adjustment for non-financial risk are not disaggregated into an insurance service component and an insurance finance component, so are presented in full in the insurance service result.

Athora does not make allowance for any diversification benefit arising between the business units when calculating the consolidated risk adjustment.

The risk adjustment for non-financial risk corresponds to a multi-year confidence level of 69%, net of reinsurance (2023: 69%).

F4.5 Amortisation of the contractual service margin

The CSM is a component of the asset or liability for each group of insurance contracts or reinsurance contracts. It is the unearned profit from in-force contracts that an entity will recognise if it provides services over the period. An amount of the CSM for each group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group.
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.
- Recognising in profit or loss the amount allocated to coverage units provided in the period.
- The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration.

Different coverage units are used for different groups of contracts. These are chosen to most appropriately reflect the provision of services for each group of contracts. A product assessment to identify suitable coverage units is carried out at local level and coverage units are selected to ensure that insurance services and any investment-related or investment-return services are appropriately reflected, where applicable.

While coverage units do vary across products and locations based on the considerations noted above, some examples of the coverage units used for material lines of business include:

- Annuity amounts, for the majority of annuity products; and
- Sum assured values, on products such as Savings Based Mortgages, Separate Accounts, Savings Insurance and Unit-Linked.

G. Other statement of consolidated financial position notes

G1. Intangible assets

Present value of in-force (PVIF) relating to investment contracts

The fair value of acquired business in-force relating to “investment contracts” without DPFs in scope of IFRS 9, acquired either directly or through the purchase of a subsidiary, is recognised as an asset (PVIF) corresponding to the present value of future after tax profits emerging on acquired business at the date of acquisition.

PVIF is amortised over the lifetime of the related contracts in the portfolio on a systematic basis. The rate of amortisation is chosen by considering the profile of the additional value of in-force business acquired and the expected depletion in its value. The Group tests PVIF for impairment annually. See also **note H3** and **note E9**.

Goodwill

Goodwill arises on business combinations and represents the excess of the cost of an acquisition over the fair value of the Group’s share of the identifiable assets, liabilities and contingent liabilities acquired. See also **note H3**.

Goodwill is recognised as an asset at cost and allocated to cash generating units (CGUs) based on each CGU or Groups of CGUs that are expected to benefit from the synergies of acquisition. After initial recognition it is tested at least annually for impairment or when circumstances or events indicate there may be uncertainty over this value. Goodwill impairment is assessed at the CGU level.

A CGU for goodwill is the lowest level at which the goodwill is monitored for internal management purposes, which is the Reporting Unit level. If an impairment is identified, the carrying value of the goodwill is written down immediately through the income statement and is not subsequently reversed.

At the date of disposal of a subsidiary, the carrying value of attributable goodwill is included in the calculation of the profit or loss on disposal. Where an operation within a CGU to which goodwill has been allocated is disposed of, the goodwill associated with that operation is included in the carrying amount of the operation when determining the gain or loss on disposal. It is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

Where the net fair value of the Group’s share of the identifiable assets, liabilities and contingent liabilities of the acquired entity is greater than the cost of acquisition, the excess is recognised immediately in the income statement.

Other intangible assets

Other intangible assets such as the value of customer relationships and brands can also be recognised. The value of customer relationships intangible asset represents the value of future profits expected from renewals and the cross-selling of new products to customers known and identified at the time of the acquisition.

Other intangible assets are carried at cost less amortisation and impairment, if any, and are amortised on a straight-line basis over their estimated useful lives as follows: up to 5 years for capitalised software and 10 years for brands.

Intangible assets are reviewed at each reporting date to assess whether there is any indication that they are impaired. If any such indication exists, the recoverable amount of the asset is determined and, if the asset’s carrying amount is greater than its recoverable amount, the carrying amount is written down immediately to the recoverable amount and the difference recognised in the income statement.

G. Other statement of consolidated financial position notes (continued)

G1. Intangible assets (continued)

€m	Note	Goodwill	PVIF	Other	Total
Cost					
1 January 2023		29	98	26	153
Acquired in business combinations		—	—	5	5
Additions		—	—	5	5
31 December 2023		29	98	37	163
Additions		—	—	1	1
31 December 2024		**29**	**98**	**38**	**164**
Accumulated amortisation					
1 January 2023		—	(27)	(9)	(36)
Amortisation	**C4**	—	(6)	(4)	(10)
31 December 2023		—	(33)	(13)	(46)
Amortisation	**C4**	—	(5)	(6)	(11)
31 December 2024		**—**	**(38)**	**(19)**	**(57)**
Net book value at 1 January 2024		29	65	24	118
Net book value at 31 December 2024		**29**	**60**	**19**	**108**

Recognised intangible assets primarily consist of present value of in-force business acquired (PVIF) which was derived from the acquisition of Athora Belgium in 2019 (€98m) and relates to unit-linked investment contracts in scope of IFRS 9. The expected useful life of the PVIF asset is in line with the expected run-off of future earnings of the acquired business as at the acquisition date, which was 35 years. The PVIF asset is amortised annually in line with its remaining useful life, which was 29 years at 31 December 2024 (2023: 30 years).

Other intangibles primarily relates to brands recognised on the acquisition of Athora Netherlands in 2020. The value of these brands is being amortised over an expected useful life of 6 years at 31 December 2024 (2023: 7 years). For goodwill, see **note H3**.

Other intangibles acquired in business combinations of €5m relates to the acquisition of Stichting LifeSight (SLS) by Athora Netherlands on 4 April 2023 (**note H3**).

G2. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenses directly attributable to the acquisition of the assets.

Depreciation is calculated to write-off the cost less estimated residual value of property and equipment on a straight-line basis over their expected useful lives as follows:

- Buildings (50 years)
- Computer hardware (3 years)
- Motor vehicles (3 years)
- Other (3 to 7 years)

Buildings refers to owner-occupied properties only. A full month of depreciation is charged in the income statement in the month of acquisition.

Repair and maintenance expenses of owner-occupied property are recognised within other operating expenses as incurred. Expenses incurred after the acquisition of an asset that increase or extend the future economic benefits of owner-occupied property in relation to their original use are capitalised and then depreciated.

G. Other statement of consolidated financial position notes (continued)

G2. Property and equipment (continued)

€m	Note	Land and buildings	Office equipment and vehicles	Total
Cost				
As at 1 January 2023		87	26	113
Additions		21	5	26
Deconsolidation		(21)	—	(21)
Reclassification		(5)	5	—
Transfer to investment property		(31)	—	(31)
As at 31 December 2023		51	36	87
Additions		3	2	5
Transfer to Investment Property	**G3**	(15)	—	(15)
As at 31 December 2024		**39**	**38**	**77**
Accumulated depreciation				
As at 1 January 2023		(22)	(19)	(41)
Depreciation charge for the year	**C4**	(3)	(5)	(8)
Impairments		1	—	1
Transfer to investment property		14	—	14
As at 31 December 2023		(10)	(24)	(34)
Depreciation charge for the year	**C4**	(3)	(3)	(6)
Impairment		1	—	1
As at 31 December 2024		**(12)**	**(27)**	**(39)**
Net book value at 1 January 2024		41	12	53
Net book value at 31 December 2024		**27**	**11**	**38**

Deconsolidation

The portion of a building that was occupied for own use of €21m was derecognised on 1 April 2023 following the deconsolidation of the Group's former subsidiary Hemingway Real Estate (Lux) SCSp (for further details, see **note H4**).

Impairments

During 2024 the Group recognised a reversal of an impairment on properties for own use of €1m (2023: €1m). The properties for own use that are impaired have a carrying amount of €12m (2023: €25m). The reduction in the year is due to the transfer of property to investment property, see **note G3**.

G. Other statement of consolidated financial position notes (continued)

G2. Property and equipment (continued)

Right-of-use assets as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate. The lessee's incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group predominantly leases buildings. The incremental borrowing rate was determined on a lease-by-lease basis addressing the local economic environment. The Group also leases a pool of motor vehicles for which a single incremental borrowing rate was used for the entire portfolio as it comprised leases with reasonably similar characteristics in the same economic environment.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is included within other finance costs (**note C5**).

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are recognised within the comparable non-leased asset balances; in particular, leased buildings and motor vehicles are included within property and equipment. The associated lease liability is recognised within financial liabilities at amortised cost.

The Group has made use of the election available under IFRS 16 to not recognise any amounts in the statement of financial position associated with leases that are either deemed to be short-term, or where the underlying asset is of low value. A short-term lease in this context is defined as any arrangement which has a lease term of 12 months or less. Lease payments associated with such arrangements are recognised in the income statement as an expense on a straight-line basis. The Group's total short-term and low value lease portfolio is not material.

Variable lease payments

The Group may be exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Extension and termination options

Extension and termination options may be included in a property lease to maximise operational flexibility in terms of managing the assets used in the Group's operations. These are generally exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Residual value guarantees

The Group may, on occasion, provide residual value guarantees in relation to leases. On 31 December 2024 and 31 December 2023, there were no residual value guarantees in place.

G. Other statement of consolidated financial position notes (continued)

G2. Property and equipment (continued)

Lessor arrangements

Where the Group is the lessor, leases are classified as finance leases if the risks and rewards of ownership are substantially transferred to the lessee and operating leases if they are not substantially transferred. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term. When assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable. The Group has not entered into any material finance lease arrangements as lessor.

The net book value of right-of-use assets comprising owner-occupied properties and motor vehicles held under lease arrangements and their depreciation charge for the year, included in the table above, are analysed below:

€m	2024	2023
Land and buildings	**27**	27
Motor vehicles	**2**	1
	29	28

During 2023, the Group signed two new leases for owner-occupied properties. The net book value of leases at the end of the year was €18m (London €6m and Amsterdam €12m) (2023: €16m).

The following amounts in respect of leased assets have been recognised in the Group's consolidated income statement:

€m	2024	2023
Depreciation charge on right-of-use assets	**(4)**	(3)
Interest expense on lease liabilities	**(2)**	(2)
	(6)	(5)

The liability in respect of right-of-use assets as lessee is recognised in **note E8**. Interest expense on lease liabilities is included in **note C4**. Total cash outflows recognised in the period in relation to leases were €1m (2023: €1m). There were no sale and leaseback transactions.

G3. Investment properties

Investment properties, principally retail properties, offices, residential properties, and land are held for long-term rental yields and are not occupied by the Group. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included within investment income in the income statement in the year in which they arise, including corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Council. Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

G. Other statement of consolidated financial position notes (continued)

G3. Investment properties (continued)

G3.1 Reconciliation of carrying amount

€m	Note	2024	2023
At 1 January		**1,077**	2,214
Fair value losses		**(5)**	(86)
Additions		**2**	68
Deconsolidation		**—**	(1,119)
Transfers to assets held-for-sale	H4	**(131)**	—
Transfers from property and equipment	G2	**15**	17
Disposals		**(39)**	(20)
FX translation gain		**—**	3
At 31 December		**919**	1,077

The Group holds portfolios of investment properties, covering commercial and mixed-use properties. For details on investment properties held-for-sale as at 31 December 2024 see **note H4**.

In 2024, no investment properties were acquired (2023: €26m) however €2m expenditure was capitalised across Group (2023: €42m).

In 2024, the reclassification of €15m relates to a Alkmaar Netherlands office. The owner occupier rate fell below the threshold for recognition as property for own use. The property has been reclassified from property and equipment to investment properties.

In 2023, the reclassification of €17m relates to Amstelveen Netherlands office. As Athora Netherlands moved out of the Amstelveen office in 2023, the property has been reclassified from property and equipment to investment properties.

Investment properties of €1,119m were derecognised on 1 April 2023 following the deconsolidation of the Group's former subsidiary Hemingway Real Estate (Lux) SCSp (for further details, see **note H4**).

G3.2 Amounts recognised in profit or loss

Total rental income from investment properties recognised in the income statement is €61m (2023: €69m). Direct operating expenses (offset against rental income in the consolidated income statement), including repairs and maintenance, arising from investment properties that generated rental income during the period is €17m (2023: €20m). For any properties undergoing renovations, there is a contractual obligation with the tenants to perform the construction.

G3.3 Fair value measurement

Details of the measurement approach for investment properties are outlined in **note A2** and **note E2**.

G3.4 Future minimum lease payments receivables

€m	2024	2023
Within one year	**55**	53
After one year but less than five years	**159**	158
After five years	**74**	45
	288	256

G. Other statement of consolidated financial position notes (continued)

G4. Receivables and other assets

Receivables and other assets are recognised when due. The carrying value of receivables is reviewed for impairment using the simplified approach allowed under IFRS 9, with the impairment loss recorded in the income statement. Due to their short-term nature, therefore, the carrying amount equals fair value.

€m	Note	2024	2023
Due related to investments		**271**	158
Due related to properties		**—**	1
Accrued income		**630**	463
Prepayments and other		**254**	292
		1,155	914

For credit risk analysis see **note E10.3**.

G5. Cash and cash equivalents

Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of credit losses or change in fair value. Money market investments that are held for investment purposes (backing insurance liabilities or equity based on asset liability management considerations) are not included in cash and cash equivalents, but are presented as investments.

€m	2024	2023
Cash at bank	**562**	893
Money market funds classified as cash equivalents	**3,807**	1,550
Positive margin and collateral cash	**24**	41
	4,393	2,484

Money Market funds classified as cash for 2024 includes €2,757m (2023: €1,208m) that were previously included within Investment funds, were reclassified from Financial assets at fair value through profit or loss to Cash and cash equivalents in the year, reflecting their primary purpose for short-term working capital liquidity needs.

G6. Deferred tax

Corporation tax is payable on all taxable profits. Deferred tax is recognised in respect of temporary differences that have originated but not reversed at the statement of financial position date, where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax. Deferred tax is measured on an undiscounted basis at tax rates that have been or are substantively enacted by the reporting date in which the temporary differences reverse.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise the deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

G. Other statement of consolidated financial position notes (continued)

G6. Deferred tax (continued)

€m	Assets	Liabilities	Total (net)	Presented as: Net deferred tax asset	Presented as: Net deferred tax liability
2024					
Losses and unused credits brought forward	**131**	**—**	**131**	**109**	**22**
Capitalised acquisition costs	**17**	**—**	**17**	**17**	**—**
Derivatives	**463**	**—**	**463**	**463**	**—**
Other financial assets and liabilities	**386**	**—**	**386**	**325**	**61**
Investment properties	**—**	**(68)**	**(68)**	**(68)**	**—**
Pension obligations	**8**	**—**	**8**	**8**	**—**
Intangible assets	**—**	**(10)**	**(10)**	**(10)**	**—**
Insurance provisions	**—**	**(142)**	**(142)**	**(63)**	**(79)**
Provisions and Other	**—**	**(33)**	**(33)**	**(23)**	**(10)**
	1,005	**(253)**	**752**	**758**	**(6)**

€m	Assets	Liabilities	Total (net)	Presented as: Net deferred tax asset	Presented as: Net deferred tax liability
2023					
Losses and unused credits brought forward	55	—	55	46	9
Property and equipment	2	—	2	2	—
Capitalised acquisition costs	59	—	59	59	—
Derivatives	552	—	552	552	—
Other financial assets and liabilities	399	—	399	348	51
Investment properties	—	(68)	(68)	(68)	—
Pension obligations	14	—	14	15	(1)
Intangible assets	—	(13)	(13)	(13)	—
Insurance provisions	—	(270)	(270)	(200)	(70)
Provisions and Other	32	—	32	30	2
	1,113	(351)	762	771	(9)

Analysis of movements in deferred tax for the year

During 2024, the Group recognised a reduction in total deferred tax assets, mainly due to reductions in unrealised losses on derivatives and financial assets, reflecting revaluations and realisations, partly negated by an increase in deferred tax assets for losses. The Group's total deferred tax liabilities also decreased, mainly arising from the increased insurance contract liabilities year on year. Taken together, after presentational netting of offsetting positions by fiscal jurisdiction, these changes resulted in an overall €13m decrease in the deferred tax assets and a €3m decrease in the deferred tax liabilities on the statement of financial position.

A deferred tax charge of €16m (2023: charge of €321m) was recognised in the consolidated income statement as per **note C6.1.** A full analysis of movements in the opening to closing deferred tax position is found in the subsequent tables.

In 2023, deferred tax liabilities of €25m in respect of unrealised gains within investment property subsidiaries were also derecognised when the Group lost control of its 100% equity interest in its subsidiary Hemingway Real Estate (Lux) SCSp (HREL) following the appointment of Apollo Hemingway Real Estate (Lux) as general partner to HREL - see **note H4.**

G. Other statement of consolidated financial position notes (continued)

G6. Deferred tax (continued)

Enactment of legislation giving effect to the OECD's Pillar Two Global 15% Minimum Tax

In 2023, EU countries, the UK, and other OECD nations enacted legislation to implement the OECD's Pillar Two minimum 15% corporate income tax framework. The Group, applying the IASB's temporary exception from the deferred tax requirements under IAS 12, does not recognise or disclose deferred tax assets and liabilities related to Pillar Two taxes, neither as at 31 December 2023 nor 31 December 2024.

Many of the charging provisions of the Pillar Two framework were applicable to subsidiaries of the Group for 2024. However, there has been no current tax charge in respect of Pillar Two incurred for 2024. Further details are set out in Note C6.

Generally, our subsidiaries in countries with statutory corporate income tax rates above 15% (e.g. Belgium, Germany, Italy, Netherlands, UK) are not expected to incur additional taxes on foot of Pillar Two, though Ireland implemented a qualifying domestic top-up tax ("QDTT") under Pillar Two which potentially increases the overall corporate income tax rate in Ireland from 12.5% to 15% of profits. The Group's Irish reinsurance subsidiary, Athora Ireland plc, has unutilised losses carried forward which we expect to reduce the immediate impact of the Irish QDTT on its profits. However, where other Irish companies and permanent establishments of the Group are only liable to Irish corporation tax at the trading rate of 12.5%, Irish QDTT would be expected to arise on those profits in the future.

No Pillar Two tax is expected for Bermuda operations due to new local legislation.

Enactment of Bermuda CIT Legislation and Deferred Tax Position as at 31 December 2024

In response to Pillar Two, during December 2023, the Government of Bermuda enacted a 15% corporate income tax regime effective from 1 January 2025. The primary basis for taxation of Athora's Bermuda operations will be the combined IFRS Profit before Tax of its Bermuda constituent entities for each year as measured in the consolidated financial statements of Athora Holding Ltd. (the Group).

Importantly, the Government of Bermuda has taken steps to ensure that accounting profits arising from 1 January 2025 may be relieved from taxation to the extent that eligible deductions are available via, amongst other things, a pre-implementation loss carryforward provision or a pre-implementation fair value assessment known as the Economic Transition Adjustment ("ETA"), undertaken as of 30 September 2023. No election in respect of the available options is required until 2026, when the Group makes its CIT filing in respect of 2025. The Group currently expects to opt for the loss carryforward rather than the ETA.

The Group has identified net Bermuda losses and deductions of €1,552m (2023: €957m), including deductible distributions on capital instruments, arising in the period from 1 January 2020 to 31 December 2024 which it expects will represent a tax loss carryforward, with an effective tax value of €233m (2023: €144m) at 15%. However, no deferred tax asset has been recognised as at 31 December 2024 or 31 December 2023 in respect of this tax loss carryforward due to the historic loss-making position of the Group's Bermuda Constituent Entities, uncertainty regarding future profits, expected future expenses and the ongoing evaluation of the options available under the new legislation.

As a result of the expected availability of net losses to be carried forward, as well as administration and interest costs being incurred by the parent company on an ongoing basis, no immediate cash tax impact from the implementation of Bermuda tax legislation is anticipated.

The recoverability of recognised deferred tax assets and unrecognised deferred tax assets

The recognition of all deferred tax assets is re-assessed at the end of each reporting period. The assessments require detailed forecasting of future taxable profits based on reasonable and supportable assumptions, including market-based assumptions over time horizons sometimes beyond the scope of approved business plans.

G. Other statement of consolidated financial position notes (continued)

G6. Deferred tax (continued)

Having evaluated these forecasts at 31 December 2024, the Group has not recognised deferred tax assets in respect of deductible temporary differences totalling approximately €230m (2023: €223m). This is comprised of €133m (2023: €133m) from Athora Germany, which would equate to a potential tax benefit of €42m at the future standard German corporation and trade tax rate of 31.93% (2023: €42m), €42m (2023: €48m) of deductible temporary differences in Italy on insurance provisions with a potential tax benefit of €10m (2023: €12m) at the Italian IRES rate of 24% (2023: 24%), and €55m (2023: €42m) of deductible inside basis temporary differences of property subsidiaries with a tax value of €14m (2023: €11m) at an average tax rate of 25.8%. No deferred tax assets are currently recognised for these amounts due to uncertainty in respect of the timing of future profits and related deductions.

Separately, net deferred tax assets totalling €6m (2023: €6m) are recognised as of the date of the Statement of Financial Position in respect of net deductible temporary differences relating to the Group's Irish subsidiary, Athora Ireland plc, mainly arising from losses carried forward in respect of its insurance business. On the basis of the latest business plans and future profit projections, the Group expects sufficient taxable profits to be generated from the trade of Athora Ireland plc in future years to realise the deferred tax asset recognised at the date of the Statement of Financial Position.

€m	At 1 January	Recognised in income statement Credit/ (charge) for continuing operations	Reclassified to Income Tax Receivable	Recognised in OCI	Recognised Directly in Equity	At 31 December
2024						
Losses and unused credits brought forward	**55**	**80**	**(4)**	**–**	**–**	**131**
Property and equipment	**2**	**(2)**	**–**	**–**	**–**	**–**
Capitalised acquisition costs	**59**	**(42)**	**–**	**–**	**–**	**17**
Derivatives	**552**	**(89)**	**–**	**–**	**–**	**463**
Other financial assets and liabilities	**399**	**(27)**	**–**	**–**	**14**	**386**
Investment properties	**(68)**	**–**	**–**	**–**	**–**	**(68)**
Pension obligations	**14**	**(2)**	**–**	**(4)**	**–**	**8**
Intangible assets	**(13)**	**3**	**–**	**–**	**–**	**(10)**
Insurance provisions	**(270)**	**128**	**–**	**–**	**–**	**(142)**
Provisions and Other	**32**	**(65)**	**–**	**–**	**–**	**(33)**
Total net deferred tax asset/(liability)	**762**	**(16)**	**(4)**	**(4)**	**14**	**752**

G. Other statement of consolidated financial position notes (continued)

G6. Deferred tax (continued)

The movement in net deferred tax assets during the year ended 31 December 2023 is as follows:

€m	At 1 January	Recognised in income statement Credit/ (charge) for continuing operations	Reclassified from Income Tax Receivable	Recognised in OCI	Disposals	At 31 December
2023						
Losses and unused credits brought forward	20	22	14	(1)	–	55
Property and equipment	–	2	–	–	–	2
Capitalised acquisition costs	20	39	–	–	–	59
Derivatives	847	(295)	–	–	–	552
Other financial assets and liabilities	917	(518)	–	–	–	399
Investment properties	(105)	12	–	–	25	(68)
Pension obligations	27	(10)	–	(3)	–	14
Intangible assets	(14)	1	–	–	–	(13)
Insurance provisions	(672)	402	–	–	–	(270)
Provisions and Other	8	24	–	–	–	32
Total net deferred tax asset/(liability)	1,048	(321)	14	(4)	25	762

G7. Other liabilities and accruals

Accruals and deferred income mainly relate to accrued interest on borrowings on financial instruments that are measured at amortised cost. Other liabilities include creditors and amounts payable to reinsurers.

€m	**2024**	2023
Outstanding settlements on investment portfolios	**250**	177
Payroll and other taxes	**28**	25
Expense accruals	**100**	110
Accrued interest	**302**	109
Other liabilities	**231**	198
	911	619

Accrued interest has increased in 2024 due to timing differences on the derivative portfolio.

G. Other statement of consolidated financial position notes (continued)

G8. Pension scheme liabilities

The Group contributes to both defined benefit and defined contribution elements of the pension schemes. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and pensionable salary. A defined contribution plan is a pension plan under which the Group pays fixed contributions; there is no legal or constructive obligation to provide a specific benefit outcome.

Defined contribution schemes

The Group provides defined contribution pension plans to its employees across a number of entities in the Group. Employees can make additional voluntary payments to the defined contribution pension plans. Contributions made by the Group to defined contribution arrangements are recognised in the income statement as an employee benefit expense when they are due, within other expenses.

Defined benefit schemes

A full actuarial valuation of defined benefit schemes is carried out at least every three years with interim reviews in the intervening years; the valuation is updated to 31 December each year by a qualified actuary. For the purposes of these annual updates scheme assets are included at their fair value and scheme liabilities are measured on an actuarial basis using the projected unit credit method by an independent, qualified actuary.

The amount recognised in the statement of financial position in respect of the defined benefit element of the pension scheme is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates equivalent to the market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity that are approximate to the terms of the related pension asset/liability.

A surplus is only recognised to the extent that it is recoverable through a right to make reduced contributions in the future or to receive a refund from the scheme. The Group recognises any change in the effect of the surplus that can be recognised in other comprehensive income within remeasurements of the retirement benefit asset.

The Group recognises in the income statement the current service cost of providing pension benefits and the net interest on the net defined benefit obligation. The current service cost is recognised within other expenses.

The net interest on the net defined benefit obligation is recognised within interest expenses and is determined by applying the discount rate used to measure the net defined benefit obligation at the beginning of the period to the net defined benefit obligation at that date, taking account of changes in the net defined benefit obligation during the period as a result of contributions and benefit payments.

Past service costs are changes in the defined benefit obligation arising from plan amendments or curtailments and are recognised immediately in the income statement, within other expenses, when the plan amendment or curtailment occurs. The Group recognises the gain or loss on a settlement of the defined benefit obligation immediately in the income statement when the settlement occurs.

The Group recognises in other comprehensive income, within actuarial gains or losses arising from defined benefit plans, net of tax, gains and losses arising from experience adjustments and changes in the actuarial assumptions, and the return on plan assets excluding the net interest on the net defined benefit obligation that is recognised in the income statement.

G. Other statement of consolidated financial position notes (continued)

G8. Pension scheme liabilities (continued)

The Group has funded defined benefit pension plans which are for the benefit for its Dutch, Belgian and German employees, administered by Athora Netherlands, Athora Belgium and Athora Germany respectively. These plans are governed by the employment laws of the Netherlands, Belgium, and Germany respectively. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which is responsible for the administration of the plan assets and for the definition of the investment strategy. Some of the defined benefit schemes are funded while others are insured separately.

Athora Netherlands operates a number of legacy defined benefit schemes which provide pension benefits for current and former employees. Most of these schemes are insured by SRLEV (an Athora Netherlands subsidiary) while some are insured through third parties. Investments relating to pension schemes that are included in a separate investment account are offset against the present value of defined benefit obligations. Non-separated investments are recognised within investments in the statement of financial position. These assets are held to cover the deficit.

Assets held to cover the defined benefit pension liabilities of plans administered by Athora Belgium of €52m (2023: €49m) are dedicated and maintained in a pooled pension asset portfolio. However, these assets are not held by an entity that is legally separate from Athora Belgium, so do not meet the definition of 'plan assets' under IAS 19. Instead, they are recognised as investment assets in the statement of financial position, for the benefit of policyholders and cannot be offset against the corresponding defined benefit pension obligation.

Athora Germany have a large number of individual schemes in operation of which only a small number have scheme assets held in a separate trustee administered fund.

In determining the level of contributions required to be made to the schemes and the relevant charges to the consolidated income statement, the Group has been advised by independent actuaries. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest risk, inflation risk and market (investment) risk. Independent actuarial valuation of the liabilities of the Group's defined benefit pension plans is carried out annually to determine the financial position and to ensure that benefit obligations are adequately funded. The latest full actuarial valuation was carried out as at 31 December 2024 using generally accepted actuarial techniques. The Group's total contribution to these defined benefit schemes is expected to be approximately €25m in 2024 (2023: €20m).

€m	**2024**				2023			
	Netherlands	**Belgium**	**Germany**	**Total**	Netherlands	Belgium	Germany	Total
Funded schemes								
Defined benefit obligation	**(53)**	**—**	**(7)**	**(60)**	(60)	—	(6)	(66)
Fair value of plan assets	**57**	**—**	**7**	**64**	60	—	7	67
Asset ceiling	**(4)**	**—**	**—**	**(4)**	—	—	—	—
Net surplus arising in funded schemes	**—**	**—**	**—**	**—**	—	—	1	1
Liabilities arising from unfunded schemes	**(419)**	**(52)**	**(32)**	**(503)**	(445)	(49)	(31)	(525)
Net deficit	**(419)**	**(52)**	**(32)**	**(503)**	(445)	(49)	(30)	(524)

G. Other statement of consolidated financial position notes (continued)

G8. Pension scheme liabilities (continued)

	2024			2023		
€m	Present value of obligation	Fair value of plan assets	Net deficit	Present value of obligation	Fair value of plan assets	Net deficit
At 1 January	(591)	67	(524)	(606)	64	(542)
Costs recognised in the income statement						
Interest income/(expense)	(19)	2	(17)	(22)	2	(20)
Service cost (including past service cost)	(3)	–	(3)	(1)	–	(1)
	(22)	2	(20)	(23)	2	(21)
Remeasurement recognised in OCI						
Return on plan assets	–	(2)	(2)	–	4	4
Changes in demographic assumptions	2	–	2	(6)	–	(6)
Changes in financial assumptions	21	–	21	13	–	13
Experience gains and losses	(5)	–	(5)	7	–	7
	18	(2)	16	14	4	18
Other movements						
Contributions to the scheme	–	19	19	–	18	18
Benefits paid	28	(22)	6	24	(21)	3
At 31 December	(567)	64	(503)	(591)	67	(524)

The actuarial gains recognised in other comprehensive income, net of deferred tax, is €10m (2023: €10m). This is on a total remeasurement of €16m (2023: €18m).

The fair value of the Group's pension plan assets is comprised of:

€m	2024	2023
Cash and cash equivalents	14	14
Debt instruments	44	46
Asset-backed securities	7	7
	65	67

Plan assets, excluding cash, of €65m (2023: €67m) are all quoted in an active market.

G. Other statement of consolidated financial position notes (continued)

G8. Pension scheme liabilities (continued)

Key assumptions and sensitivities

The weighted average key actuarial assumptions to calculate the scheme assets are shown below:

	2024			2023		
%	**Netherlands**	**Belgium**	**Germany**	Netherlands	Belgium	Germany
Discount rate	**3.42**	**3.07**	**3.15**	3.16	3.46	3.70
Inflation rate	**2.25**	**3.30**	**2.00**	2.25	3.30	2.00
Pension payment increase	**2.25**	**n/a**	**1.0 - 2.0**	2.25	n/a	1.0 - 2.0

The most significant non-financial assumption is the assumed rate of mortality. The table below shows the average life expectancy assumption of a pensioner retiring at 65:

	2024			2023		
Years	**Netherlands**	**Belgium**	**Germany**	Netherlands	Belgium	Germany
Male	**22.0**	**18.0**	**21.0**	22.0	18.0	20.9
Female	**23.8**	**21.0**	**24.0**	23.8	21.0	24.3

Under the Belgium scheme, retirement benefits are paid in the form of a lump sum payment and the obligation is fully extinguished at the employee's retirement date.

The weighted average duration of the defined benefit obligation is 12 years (2023: 11 years). The sensitivity of the defined benefit obligation to changes in the key assumptions is shown in the table below.

	Increase/(decrease) in defined benefit obligation	
€m	**2024**	2023
1% increase in discount rate	**(60)**	(68)
1% decrease in discount rate	**76**	87
1% increase in inflation rate	**57**	68
1% decrease in inflation rate	**(47)**	(56)
1 year increase in life expectancy	**22**	33

G9. Provisions

General provisions are recognised if there is a legally enforceable or constructive obligation arising from events in the past, the settlement of which is likely to require an outflow of assets, and a reliable estimate of the obligation can be made. Provisions are measured at the present value of the expected future cash flows. Additions and any subsequent releases are recognised in the income statement.

The movement in provisions during the year is shown in the following table:

€m	**Restructuring**	**Other**	**Total**
At 1 January 2024	13	112	125
Provisions used	(9)	(77)	(86)
Additional provisions created	4	7	11
Provisions released	—	(2)	(2)
At 31 December 2024	**8**	**40**	**48**

G. Other statement of consolidated financial position notes (continued)

G9. Provisions (continued)

Restructuring provisions
Restructuring provisions represents amounts provided for the reorganisation of the business units in line with the new Athora target operating model. The business units impacted are Athora Germany, Athora Netherlands and the addition of the Group's reinsurance business in 2024. The remaining provision is expected to be utilised over the next two years.

Other provisions
Other provisions at 1 January 2024 relate to legal costs, employees' early retirement and long service costs and the settlement agreement in Athora Netherlands (discussed below). The remaining provision is expected to be utilised over the next one to five years. Additional provisions created during the year of €7m relate to Athora Belgium and Athora Reinsurance.

Athora Netherlands settlement agreement

Athora Netherlands' subsidiary SRLEV has a portfolio of investment-linked insurance policies (also referred to as: unit-linked policies) which consists of a variety of products with distinct characteristics and different versions of contractual documentation.

Since 2006, there has been widespread public attention for costs and risks related to investment-linked insurance policies and the question whether insurance companies provided adequate information to their current and prospective investment-linked policyholders. In 2013, Vereniging Woekerpolis.nl initiated a collective action against SRLEV regarding two investment-linked insurance products.

By judgement of 20 December 2017, the District Court Noord-Holland denied almost all of the requested declaratory decisions. Both Vereniging Woekerpolis.nl and SRLEV filed appeal against the judgement of the District Court. The appeal proceedings were put on hold.

On 21 March 2024 SRLEV reached a settlement with consumer organisations, Consumentenbond, ConsumentenClaim, Wakkerpolis, Woekerpolis.nl, and Woekerpolisproces regarding investment-linked insurance policies sold by SRLEV and its predecessors. The settlement relates to all investment-linked insurance policies of customers affiliated with one of the consumer organisations and is subject to a 90% acceptance rate of the affiliated policyholders that have received an individual proposal for compensation. The settlement includes that the collective action against SRLEV will be discontinued upon execution of the settlement and no new legal proceedings may be initiated by the consumer organisations. A provision of €95m was recognised to cover the costs of the settlement. In 2024, a settlement amount of €70m was agreed and has been transferred to payables, following the agreement between Athora Netherlands and the policyholders within the consumer organisations. It is expected that the settlement agreement will be executed in the course of 2025.

H. Interests in subsidiaries and associates

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through the exercise of its power. This generally accompanies a shareholding of more than one half of the voting rights although in certain circumstances a holding of less than one half of the voting rights may still result in the ability of the Group to exercise control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to any of the above elements.

Subsidiaries are fully consolidated from the date on which effective control is transferred to the Group; they are deconsolidated from the date that control ceases. For subsidiaries disposed of during the year, any difference between the net proceeds, plus the fair value of any retained interest, and the carrying amount of the subsidiary including non-controlling interests, is recognised in the consolidated income statement.

The Group consolidates collective investment vehicles if its beneficial ownership interests give it substantive rights to remove the external fund manager over the investment activities of the fund. Where a subsidiary of the Group is the fund manager of a collective investment vehicle, the Group considers a number of factors in determining whether it acts as principal, and therefore controls the collective investment vehicle, including: an assessment of the scope of the Group's decision making authority over the investment vehicle; the rights held by other parties including substantive removal rights without cause over the Group acting as fund manager; the remuneration to which the Group is entitled in its capacity as decision maker; and the Group's exposure to variable returns from the beneficial interest it holds in the investment vehicle.

For further details, refer to **note A1**, basis of consolidation.

H. Interests in subsidiaries and associates (continued)

Acquisition method

The Group uses the acquisition method to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the consideration. Any excess of the cost of acquisition over the fair value of the net assets acquired is recognised as goodwill. In certain acquisitions an excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities, contingent liabilities and non-controlling interests over cost may arise. Where this occurs, the surplus of the fair value of net assets acquired over the fair value of the consideration is recognised in the consolidated income statement.

Directly attributable acquisition costs are included within administrative expenses. Costs directly related to the issuing of debt or equity securities are included within the initial carrying amount of debt or equity securities where these are not carried at fair value.

Structured entities

These are entities that are designed so that their activities are not governed by way of voting rights. In assessing whether the Group has power over such entities in which it has an interest, the Group considers factors such as the purpose and design of the entity; its practical ability to direct the relevant activities of the entity; the nature of the relationship with the entity; and the size of its exposure to the variability of returns of the entity. Structured entities often have a narrow and well-defined objective or restricted activities. The Group holds no significant interests in unconsolidated insurance/reinsurance structured entities.

The Group holds interests in investment funds. Some of these funds are fully consolidated. Other funds are not consolidated because they are not controlled or under significant influence. By nature, and notably because of the power of decision usually given to the external asset managers, most of these funds are structured entities. As investor, the Group's interests in unconsolidated funds are limited to the investments held. These are fully recognised in the consolidated statement of financial position as investments in funds at fair value through profit and loss in line with IFRS 9.

Non-controlling interests

The treatment of transactions with non-controlling interests depends on whether, as a result of the transaction, the Group loses control of the subsidiary. Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions; any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent entity. Where the Group loses control of the subsidiary, at the date when control is lost the amount of any non-controlling interest in that former subsidiary is derecognised and any investment retained in the former subsidiary is remeasured to its fair value; the gain or loss that is recognised in profit or loss on the partial disposal of the subsidiary includes the gain or loss on the remeasurement of the retained interest.

H. Interests in subsidiaries and associates (continued)

H1. Subsidiaries and structured entities

H1.1 Subsidiaries

The principal subsidiaries of the Group as at 31 December 2024 were:

Name	Principal activity	Country of incorporation
Athora Europe Holding Ltd.	Holding company	Ireland
Athora Deutschland Verwaltungs GmbH	Holding company	Germany
Athora Deutschland Holding GmbH & Co KG	Holding company	Germany
Athora Deutschland GmbH	Holding company	Germany
Athora Netherlands Holding Limited	Holding company	Ireland
Athora Netherlands N.V.	Holding company	Netherlands
Athora Italy Holding DAC	Holding Company	Ireland
Athora Life Re Ltd.	Reinsurance	Bermuda
Athora Ireland plc	Reinsurance	Ireland
Athora Pensionskasse AG	Pension	Germany
Athora Lebensversicherung AG	Insurance	Germany
Athora Belgium SA	Insurance	Belgium
SRLEV N.V.	Insurance	Netherlands
Athora Italia S.p.A	Insurance	Italy
Athora Europe Investments DAC	Investment	Ireland
Athora Lux Invest SCSp	Investment	Luxembourg
Athora Lux Invest NL SCSp	Investment	Luxembourg
Zwitserleven PPI N.V.	Pension	Netherlands
N.V. Pensioen ESC	Pension	Netherlands
Athora Ireland Services Ltd.	Management services	Ireland
Athora Bermuda Services Ltd.	Management services	Bermuda
Athora Deutschland Service GmbH	Management services	Germany
Athora Lux Invest Management S.à r.l.	Management services	Luxembourg
Athora UK Services Ltd.	Management services	England
Athora Netherlands Services B.V.	Management services	Netherlands
Athora Services Belgium S.A./N.V.	Management services	Belgium

Unless otherwise stated, the Group owns 100% of the equity and 100% of the voting shares of all the above subsidiaries. All entities listed above have a statutory year-end reporting date of 31 December.

In relation to the Group's interests in subsidiaries, no significant restrictions exist on the Group's ability to access or use its assets and settle its liabilities.

On 30 June 2024, the former subsidiary Proteq Levensverzekeringen N.V. ("Proteq") merged with its fellow subsidiary SRLEV N.V. ("SRLEV") whereby SRLEV continued as the surviving company having acquired all the assets and liabilities of Proteq by universal succession of title.

On 15 December 2023, the former subsidiary Athora Europe Holding (Bermuda) Ltd. ("AEHB") merged with its parent company Athora Holding Ltd. ("AHL") whereby AHL continued as the surviving company in accordance with the Companies Act 1981 of Bermuda. On that same date, AEHB being the non-surviving company of the merger, was struck off the Bermuda register of companies.

H. Interests in subsidiaries and associates (continued)
H1. Subsidiaries and structured entities (continued)

H1.2 Structured entities

The Group has a 100% ownership interest in Athora Europe Investments DAC, an unconsolidated structured entity, that issues profit participating notes (PPN) to clients. It also ring-fences the corresponding investments in deemed separate entities (silos). The risks and reward of the silos are borne by the respective PPN holders. In accordance with IFRS 12, the silos are consolidated by the PPN holders Athora Life Re Ltd. and Athora Ireland plc. Consequently, there are no assets or liabilities recognised by the Group other than in relation to the consolidation of the two silos mentioned above and the fee of €1,000 charged to the PPN holder. There is no current intention of the Group to provide any financial or other support to the unconsolidated structured entity.

H2. Investment in associates

An associated company is an entity in which the parent (investor) has significant influence, but it is neither a subsidiary nor a joint venture of the parent. Significant influence is presumed when the Group directly or indirectly holds 20% or more of the voting rights. Significant influence can also be exercised through an agreement with other shareholders. Investments in associated companies are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in the consolidated income statement.

Other changes in equity of associates are recognised directly in the Group’s other comprehensive income. Dividends received or receivable from associates are recognised in the statement of financial position as a reduction in the carrying amount of the investment. Where the dividend exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the excess recognised as income from associates in the income statement, assuming there is no obligation for the Group to repay the dividend and no restrictions to recognising the benefit for the excess.

The share of profits of equity accounted investees comprises the Group's share of profits after taxation arising from investments in associated companies.

The following table sets out the movements in investments in associates:

€m	**2024**	2023
At 1 January	**43**	41
Associate profit	**1**	2
At 31 December	**44**	43

The statutory year end for each associate is 31 December. No associates are considered to be material from a Group perspective (2023: none). All investments in associates are held by subsidiary companies.

The associates have no contingent liabilities to which the Group is exposed, and the Group has no commitments to provide funding to any of the associates.

H. Interests in subsidiaries and associates (continued)

H2. Investment in associates (continued)

The Group's associates are as follows:

Name	Principal activity	Country of incorporation	Proportion of ownership
Group GVA–BC Assurance	Insurance broker	Belgium	100%
CBRE Property Fund Central and Eastern Europe (CBRE PFCEE)	Real estate investment	Netherlands	30%

Belgium

The Belgian entity was acquired as part of the acquisition of Athora Belgium in 2019. Whilst the Group owns 100% of the shares of the Belgian entity above, these shares have protective rights only without any participative rights. Protective rights are designed to protect the interest of the party holding these rights without giving that party power over the entity to which those rights relate. As such, the Group has concluded that it does not control, but rather has significant influence over this entity and so has accounted for it as an equity accounted investee in accordance with IAS 28.

Netherlands

The Netherlands entity was acquired as part of the acquisition of Athora Netherlands in 2020. CBRE PFCEE invests in commercial real estate in Central and Eastern Europe with the objective of investing in real estate directly or indirectly with the main focus on maximising the rental income.

H3. Acquisitions and portfolio transfers

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value on the date of acquisition and the amount of any non-controlling interest (NCI) in the acquiree. For each business combination, the Group has an option to measure any NCI in the acquiree at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the fair value of all identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. Thus, insurance contracts are classified on the basis of the contractual terms and other factors at the inception of the contract or modification date.

Any contingent consideration will be recognised at fair value at the acquisition date. During the IFRS 3 measurement period, which is for a maximum of one year post the acquisition date, it may be necessary to adjust existing or recognise additional assets and liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date.

For details on the accounting policies on Present value of in-force (PVIF) relating to investment contracts and Goodwill see **note G1**.

Portfolio transfers

When completing an acquisition, the Group first considers whether the acquisition meets the definition of a business combination under IFRS 3 Business Combinations. IFRS 3, and the use of acquisition accounting, does not apply in circumstances where the acquisition of an asset or a group of assets does not constitute a business, and is instead a portfolio of assets and liabilities.

In such cases, the Group's policy is to recognise and measure the assets acquired and liabilities assumed in accordance with the Group's accounting policies for those assets and liabilities. The difference between the consideration and the net assets or liabilities acquired is recognised in the consolidated income statement.

H. Interests in subsidiaries and associates (continued)

H3. Acquisitions and portfolio transfers (continued)

H3.1 Summary of acquisitions and portfolio transfers

Acquisition of a closed life insurance portfolio in Germany

On 2 May 2024, Athora announced that its subsidiary, Athora Deutschland GmbH, and AXA Germany had mutually agreed to terminate the transaction for the purchase of the former DBV-Winterhur Life closed-book portfolio. The termination was consistent with the contractual terms of the sale agreement between the parties and followed significant changes in financial market conditions since signing. Athora remains committed to future growth in the German savings and retirement services market.

In accordance with its business model of expansion through acquisitions, the Group completed three transactions in 2024 and two during 2023, as set out below.

Pension Risk Transfers

During 2024, Athora Netherlands acquired the pension rights and entitlements in three separate buy-out transactions – Pensioenfonds Yara Nederland (Yara), Pensioenfonds Pensura (Pensura) and Koopvaardij Industrial Pension (Koopvaardij). In all three cases, the buy-out of the pension liabilities from a pension fund neither constitutes an acquisition of a business nor a transfer of an insurance portfolio. Therefore, these three buy-outs are accounted for as new business issued in accordance with IFRS 17 Insurance Contracts. For the initial recognition of the new insurance contracts issued, and in accordance with the accounting policies, Athora Netherlands has used the total consideration received of €920m as a proxy for premiums received. For further details see **note F1.3**.

Acquisition of Premium Pension Institution (PPI) business

On 1 April 2023 Athora Netherlands N.V. acquired the business of WTW's Dutch Premium Pension Institution (PPI) - *Stichting LifeSight* (SLS). On 1 December 2023, SLS was converted to a private company and merged with Zwitserleven PPI N.V. (ZL). From that date, ZL acquired all of the assets and liabilities of SLS by universal succession of title and SLS ceased to exist.

The acquisition costs, which were immaterial, were expensed as incurred and included in the statement of comprehensive income. The revenue and profit consolidated subsequent to the acquisition of SLS was €4.7m and €0m, respectively. If the acquisition had taken place on 1 January 2023, the incremental revenue and profit recognised would have been €1.7m and €0m respectively.

Investments totalling €1,195m, and related investment contract liabilities of €(1,195)m within SLS had been ring-fenced from other assets and liabilities in a "silo". In 2023, Athora NL and the Group have treated this silo as a deemed separate entity over which it has no control. Consequently, the investments and liabilities attributable to the silo had not been consolidated.

In 2024, changes to the contractual terms of Wilson Tower Watson's Dutch Premium Pension Institution (PPI) - Stichting LifeSight (SLS) after merging the investment administration with Zwitserleven PPI N.V. (ZL PPI) have led to Athora now earning variable returns from the assets backing SLS. For this reason, the investments and corresponding liabilities attributable to SLS are now fully consolidated, as of 1 September 2024. For further details, see **note E4**.

H. Interests in subsidiaries and associates (continued)

H3. Acquisitions and portfolio transfers (continued)

€m	PPI business Fair value 1 April 2023
Total assets	12
Total liabilities	4
Net assets	**8**
Fair value of consideration transferred	8
Goodwill arising on acquisition	**–**

Acquisition of Pillar II pension portfolio

In August 2023 Athora Netherlands acquired a pillar II pension portfolio and a closed pension plan of the employees from Onderlinge Levensverzekering-Maatschappij‘s-Gravenhage UA (OG) and of the Levensverzekeringsmaatschappij de Hoop.

This investment is accounted for as an asset acquisition. The pillar II pension portfolio consists of collective pension schemes for small and medium enterprises that offer employees and director shareholder a guaranteed capital at retirement which can be used to buy an annuity. The purchase price of the pillar II pension portfolio and the closed pension arrangement amounted to €1. The invested pension assets relating to acquired insurance portfolio were transferred, as a consideration of €241m, from OG to Athora Netherlands.

For the initial recognition of the acquired insurance portfolio, groups of insurance contracts were identified and a contractual service margin of €23m calculated, using the consideration received of €241m as a proxy for the received premiums. For further details see **note F1.3**.

H4. Disposals and non-current assets held-for-sale

The Group classifies disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of the disposal group, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the statement of consolidated financial position.

Non-current assets are classified as held-for-sale if the Group will recover the carrying amount principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell. Assets and liabilities classified as held-for-sale are shown separately on the face of the statement of financial position.

A discontinued operation is a cash generating unit or a group of cash generating units that has been disposed of or is classified as held-for-sale, and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale. The results after tax of discontinued operations are shown as a single line item on the face of the income statement, statement of comprehensive income and statement of cash flows.

H. Interests in subsidiaries and associates (continued)

H4. Disposals and non-current assets held-for-sale (continued)

H4.1 Disposal due to dilution of interests

On 1 April 2023, the Group lost control of its 100% equity interest in its subsidiary Hemingway Real Estate (Lux) SCSp (HREL) following the appointment of Apollo Hemingway Real Estate (Lux) as general partner to HREL (see also **note I3**). As a limited partner in HREL, the Group retains only protective rights designed to protect the Group's interests. Despite losing control, the Group retains its 100% equity ownership in HREL. No consideration was received by the Group for the loss of control and no gain or loss was recognised.

The loss of control of the subsidiary was recognised by derecognising the assets and liabilities of HREL at their carrying values at 1 April 2023. Non-controlling interest of €19m representing a minority share held by a third-party in Athora Real Estate S.a.r.l (which forms part of the HREL investment) was also derecognised at that date.

The Group's equity investment retained in the former subsidiary was remeasured to fair value on 1 April 2023 and the investment is thereafter presented as a fair value through profit and loss (FVTPL) financial asset.

At the date of the loss of control on 1 April 2023, the carrying amounts of HREL's net assets were as follows:

€m	HREL 1 April 2023
Total assets	1,237
Total liabilities	891
Net assets	**346**
Less: Non-controlling interests before disposal	(19)
Group's share of net assets disposed	**327**

H4.2 Non-current assets held-for-sale

€m	2024	2023
Non-current assets held-for-sale		
Investment properties	**131**	–

Sale of investment property
During 2024, six investment properties, which are all held by Athora Netherlands and located in the Netherlands and Sweden, were reclassified as held-for-sale. The investment properties are held at fair value and were valued by an external valuer. The sales of these properties are expected to complete during 2025.

I. Other notes

I1. Share-based payments

Cash-settled schemes
The Group has issued share-based plans that entitle certain employees to receive cash payments based on the value of the Company's common shares. For cash-settled share-based payment transactions, the Group measures the liability incurred as the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in value recognised in the income statement for the period. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Equity-settled schemes
The Group offers share awards over the Company's common shares, representing equity-settled share-based payment transactions. The Group measures the cost of providing these awards at the fair value of the share awards at date of grant, which is recognised in the income statement over the expected vesting period of the related employees and credited to the share-based payment reserve, which is part of shareholders' funds. When shares awarded are issued, the amount recognised at the grant date, net of any transaction costs, is credited to share capital (par value) and the balance to share premium, with the relevant amount in the share-based payment reserve then credited to retained earnings.

This note describes the various equity compensation plans operated by the Group and how the Group values the options and awards of shares in the Company.

I1.1 Description of plans

The Group maintains a number of active share plans and schemes, as follows:

1. **Athora Management Equity Plan (MEP)** is designed to align management and shareholders' interests. The MEP is an equity-settled share-based payment scheme, has no vesting requirements and allows management to share in the financial success of the Group in the event there is a change of control occurrence.
2. **Athora Long-Term Incentive Plan (LTIP)** is designed to align the material interests of the Group's senior management with those of shareholders, whilst also contributing to the maintenance of a competitive total reward offer for its top talent. The LTIP is a cash-settled share-based scheme and has vesting period of up to five years.
3. **Athora Equity Awards (AEA)** are made to various individuals in the Group as part of their contractual compensation. These awards are equity-settled, with vesting over a period between two and three years.
4. **Phantom Shares** were awarded on 1 January 2023. The award of 100 phantom shares per eligible employee vested during 2024 and has been fully charged over the vesting period. As the plan involves payment of an amount based on the Company's share price, rather than awarding actual shares, the plan is a cash-settled share-based scheme.

I1.2 Outstanding options and awards

1. **Share options:** there were no share options outstanding on the shares of the Company at 31 December 2024 or 31 December 2023.
2. **Share awards:** during the year, 1,408,183 shares were awarded under the AEA (2023: 27,380 shares). The maximum term over which these awards vest is two years (2023: 2 years).

At 31 December 2024 share awards issued were outstanding as follows:

Athora Equity Awards		
Year of vesting / No. of shares	2025	389,192
	2026	238,984

I. Other notes (continued)

I1. Share-based payment (continued)

I1.3 Determination of fair value of equity instruments

MEP

Management subscribes up-front in the MEP, paying fair market value for the subscription. The fair market valuation is prepared by an independent third-party, based on the estimated present value of future economic benefits from participation in the MEP scheme.

LTIP, AEA and Phantom Shares

The fair value attributable to the LTIP, AEA and Phantom Shares is determined with reference to the fair value of the Company's 'A' shares at the grant date of the awards. The Group has developed a fair value methodology for valuation of the shares. The methodology balances the objectives of reflecting the underlying value in the existing insurance entities, as well as franchise value potential from future inorganic growth activity.

The model for valuing the existing insurance entities is based on projecting the dividend paying capacity of those entities. The model inputs include the following parameters for projecting the business:

- Best estimate demographic assumptions used to project policyholder liabilities.
- Real world investment returns on the assets backing the liabilities.
- Required capital for the entity, based on SII or applicable local capital requirement.
- Strategic solvency target for the entity, which reflects the amount in excess of required capital that the entity holds.
- Expected tax payments on future cashflows.

I1.4 Expense charged to the consolidated income statement

The total expense recognised for the year arising from equity compensation plans was as follows:

€m	2024	2023
Equity-settled expense	20	—
Cash-settled expense	2	5
	22	5

I1.5 Liabilities arising from share-based payment transactions

€m	2024	2023
Cash-settled liability	11	14

I. Other notes (continued)

I2. Cash flows from operating activities

I2.1 Adjustments for non-cash items

€m	2024	2023
Amortisation of premium / discount on investments	(27)	(5)
Change in other provisions	(13)	89
Impairment charges	(1)	(1)
Depreciation and amortisation of non-current assets	18	17
Amortisation/accretion of borrowings and other financial liabilities	(94)	22
Revaluations gains and losses	(2,143)	(3,741)
Other	(107)	(261)
Total	(2,367)	(3,880)

I2.2 Net change in operational assets and liabilities

€m	2024	2023
Net change in investments held in respect of investment contract liabilities and third parties	(2,545)	(2,745)
Net change in financial investments (excluding derivatives)*	2,981	3,364
Net change in financial investments (derivatives)	1,042	1,846
Net change in investment properties	37	(48)
Net change in other receivables & other assets	(194)	591
Net change in operational assets	**1,321**	3,008
Net change in other financial liabilities (excluding derivatives)	(510)	(504)
Net change in other financial liabilities (derivatives)	(1,406)	(2,176)
Net change in insurance and reinsurance contracts	1,715	1,033
Net change in investment contract liabilities and liabilities for account of third parties	2,730	2,717
Net change in provision for employee benefits	2	(3)
Net change in other payables & other liabilities	219	(235)
Net change in operational liabilities	**2,750**	832
Total	**4,071**	3,840

*'Net change in financial investments (excluding derivatives)' includes €2,757m (2023: €267m) that were reclassified from Investment Funds to Cash and cash equivalents in the year, as explained in **note G5.**

The Group's borrowings arising from financing activities predominantly include the subordinated debt of €1,333m (2023: €992m) and senior debt of €961m (2023: €1,274m). The net increase of €341m and decrease of €313m, respectively, is attributable to:

- proceeds of borrowing of €737m (2023: nil), €485m (2023: €1,195m), respectively;
- repayment of borrowings of €386m (2023: nil) and €776m (2023: €850m), respectively;
- non-cash increase due to net change in amortised cost of €13m (2023: nil) and €2m (2023: €22m), respectively; and
- non-cash decrease due to foreign currency translation €(11)m (2023: increase €7m).

I. Other notes (continued)

I3. Related party transactions

This note gives details of the transactions between group companies and related parties, which are undertaken in the normal course of business and at normal terms and conditions.

I3.1 Identity of related parties - key minority shareholders

The Group has two key minority shareholders:

- Apollo Global Management, Inc. and its two principal subsidiaries, namely its alternative asset management business Apollo Asset Management (Apollo), and its retirement services business Athene Holding Ltd (Athene), as well as
- the Abu Dhabi Investment Authority and its affiliates (ADIA).

Athene, Apollo and ADIA are considered to have significant influence over the Group due to representation on Athora's board of directors and are therefore related parties of the Group.

Athora was a subsidiary of Athene until 1 January 2018, when Athene deconsolidated Athora through a private offering of equity securities. As cofounders of Athora, Athene and Apollo retain a strategic relationship with Athora. At 31 December 2024, Athene and Apollo have five members on Athora's board of directors and a combined 24.54% (2023: 24.57%) economic interest and 29.90% (2023: 29.90%) vote holding in Athora's common share capital.

At 31 December 2024, ADIA had a 19.14% (2023 19.17%) economic interest and 9.9% vote (2023: 9.9%) holding in Athora. ADIA has the right to select one member to Athora's board of directors and has exercised its right.

I3.2 Transactions with key minority shareholders

I3.2.1 *Capital transactions and commitments*

At 31 December 2024, Apollo Global Management, Inc. through its subsidiaries, Athene and Apollo, have the following undrawn equity capital commitments:

Athene	• €250m (common shares)	Equity Commitment Letter dated 9 March 2020
	• €235m (common shares)	Subscription Agreement dated 1 October 2022
Apollo	• €250m (common shares)	Equity Commitment Letter dated 9 March 2020
	• €70m (common shares)	Subscription Agreement dated 1 October 2022

All commitments are at an arm's length basis and are based on normal commercial terms and conditions.

It is expected that all but €9m of draws under Athene's 1 October 2022 Subscription Agreement will be funded by crediting the redemption proceeds due to Athene upon the redemption of certain Series B preferred shares towards payment of the common shares.

During the year ended 31 December 2024:

- Dividends of €10.9m on the Series B Preferred Shares were declared to Athene. See **note B2** for more details on dividends.

During the year ended 31 December 2023:

- Athene redeemed 1,151,562 Series B Preferred for €117m, including accrued dividends of €1.5m. This was part of the 1,181,237 Series B Preferred Shares redemption as described in **note D1**;
- Athene was paid dividends of €10.9m on their Series B Preferred Shares; and
- Athene acquired 7,526,548 Class B-2 Common Shares.

I. Other notes (continued)

I3. Related party transactions (continued)

I3.2 Transactions with key minority shareholders (continued)

I3.2.2 *Services rendered and operational transactions*

Transactions are set on an arm's length basis in a manner similar to transactions with third parties. The table below summarises the amount of the other material transactions with Athene and Apollo during the year and the outstanding balances at the end of the year:

	2024				2023			
€m	**Income**	**Expenses**	**Payable**	**Receivable**	**Income**	**Expenses**	**Payable**	**Receivable**
Apollo	**—**	**148**	**35**	**—**	—	121	33	—
Athene	**1**	**2**	**—**	**—**	1	1	1	—
	1	**150**	**35**	**—**	1	122	34	—

Apollo provides the Group with investment management, advisory and sub-advisory services through its subsidiary, Apollo Asset Management Europe LLP.

Athene has a cooperation agreement with Athora. Under this agreement, which excludes Athora Netherlands, Athene and Athora have certain rights of first refusal relating to certain reinsurance and acquisition transactions. As at 31 December 2024, Athene has not exercised its right of first refusal to reinsure liabilities ceded to Athora. In addition, Athora's subsidiaries may from time to time purchase certain funding agreements and/or other spread instruments issued by Athene's insurance subsidiaries. At 31 December 2024 the value of Athene funding agreements held by the Group was €55m (2023: €55m).

In December 2024, the Group has sold their total investment in AP Violet Ath Hldgs LP for a purchase price of €91m ($95m) to Athene Annuity Re Ltd. and has signed a sales agreement with Athene HD Investor, L.P. to disinvest its equity share (19,677,125 shares) in HD Finance Holdings Limited for €34m (£28m), which is expected to settle in Q225.

Until April 2023, the Group leased office space in the United Kingdom. Under a sub-licence agreement, Apollo rented a floor of this space, with total rent payable, including service and similar costs, of €0.2m for the first 4 months of 2023 excluding VAT.

From May 2023, the Group entered into a new lease agreement with Apollo whereby Apollo is sub-letting a floor in their new office to the Group, with total annual rent payable by the Group of €0.3m excluding VAT up to March 2027, and then increased to an annual rent payable of €0.5m excluding VAT. See **note E8**.

On 1 April 2023, the Group lost control of its 100% equity interest in its subsidiary Hemingway Real Estate (Lux) SCSp (HREL) following the appointment of Apollo Hemingway Real Estate (Lux) as general partner to HREL. Before the deconsolidation of Hemingway in Q223, (see **note H4**), management fees were paid to Oxenwood in the first half of 2023 of €0.3m. OXW Catalina UK Limited and Oxenwood Catalina III Limited, are subsidiaries of Catalina Holdings (Bermuda) Ltd., a fund investment managed by an Apollo controlled general partner.

I. Other notes (continued)

I3. Related party transactions (continued)

I3.3 Transactions with key management personnel

The compensation of the Group's key management personnel (i.e. those having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly), which comprises the members of the Management Committee (MC) and the Board of Directors of Athora, is as follows:

€m	2024	2023
Salaries and other short-term benefits	10	8
Share-based payments	20	2
Termination benefits	—	1
	30	11

Receivables from key management personnel at 31 December 2024 were €nil (2023: €2m) and relate to management equity plan loans entered into under normal commercial terms.

During 2024, Class A shares owned by members of key management were bought back by the Group for €7.3m. See further details in **note D1**.

I3.4 Post employment benefit plans

Information on post employment benefit plans is set out in **note G8**.

I4. Commitments and guarantees

I4.1 Commitments

As at 31 December 2024, Athora Lux Invest S.C.Sp. had committed, on an unfunded basis, to make various investments across its compartments totalling €606m (2023: €507m).

As at 31 December 2024, SRLEV N.V. committed to invest €2,297m in investment funds (2023: €1,799m). These funds may in due course call these commitments (capital calls) when specific conditions are met.

As at 31 December 2024, entities of the Athora Life Re Ltd group had committed, on an unfunded basis, to make investments of €nil (2023: €32m) into Cervus LO II LP SCSp.

In 2021, SRLEV entered into a long-term contract with Cardano with regard to asset management activities. The future contractual payments amount to approximately €191m (2023: €187m), of which €31m (2023: €26m) will be due within 1 year and €111m (2023: €98m) in the period between 1 and 5 years. Early termination of the contract will result in the additional fees linked to the remaining duration of the contract.

I4.2 Guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

I. Other notes (continued)

I4. Commitments and guarantees (continued)

I4.2 Guarantees (continued)

German guarantees

In Germany, the insurance guarantee scheme for life insurers levies annual contributions and, under certain circumstances, special contributions on German life insurers. Athora Lebensversicherung AG and Athora Pensionskasse AG have assumed a contractual obligation to provide, if required, further funds to the protection funds of Protektor Lebensversicherungs-AG ('Protektor'), a life insurance company that has assumed the task of the mandatory insurance guarantee scheme for life insurers. Such obligation is, in principle, based on a maximum of 1% of the sum of the net underwriting reserves with deduction of payments already provided to the insurance guarantee scheme. The protection fund may also levy special contributions amounting to a further 1% of the sum of the net technical provisions; this corresponds to a maximum obligation of €3.6m (2023: €3.7m).

As at 31 December 2024, the total commitments of Athora Lebensversicherung AG and Athora Pensionskasse AG to Protektor are €32.1m (2023: €32.7m) which includes the contributions to the mandatory insurance scheme (as noted above) and will continue while Athora is a member of this scheme. This assumes that no other life insurer is exempted from payments.

Netherlands guarantee schemes

In Netherlands, Athora Netherlands NV through its subsidiary SRLEV NV, has guaranteed obligations arising under an insurance contract between NV Pensioen ESC, a subsidiary of SRLEV NV, and a third-party related to the defined benefit plan of that party for the term of the contract. The financial position of NV Pensioen ESC, including the indexation reserves, will be guaranteed by Athora Netherlands NV if the Solvency II ratio of SRLEV NV should fall below 100%. SRLEV NV's solvency ratio was 194% as at 31 December 2024. Given that the fair value of the separated assets exceeds the technical claims and benefits, this contract does not give rise to any additional technical claims and benefits in the statement of financial position.

Netherlands guarantees received and granted

The notional amount of the mortgages guaranteed under the National Mortgage Guarantee Fund (in Dutch: NHG) amounted to €237m at year-end 2024 (2023: €250m).

The fair value of the collateral of the mortgages was €7,660m at year-end 2024 (2023: €7,362m). The fair value of the mortgages was €3,434m at year-end 2024 (2023: €3,367m).

For saving mortgages, arrangements were made between SRLEV and several credit institutions. The credit risk concerning saving premiums is covered by received cession warranties amounting to €2,715m (2023: €2,993m), deeds of assignment amounting to €223m (2023: €226m) or clearance amounting to €101m (2023: €125m). At year-end 2024, an amount of €23m was unsecured (2023: €30m).

Under the 'Fortuinplan' arrangement mortgage receivables have been pledged to policyholders for the equivalent value of insurance contract liabilities. The value of these insurance contract liabilities at year-end 2024 was €33m (2023: €39m).

I5. Contingent liabilities and other risk factors

The Group discloses as a contingent liability, where material, possible future obligation resulting from a past event, or a present legal or constructive obligation, when it is not probable that there will be an outflow of resources to settle the obligation, or the amount cannot be reliably estimated.

This note sets out the main areas of uncertainty over the calculation of the Group's liabilities and comprise legal proceedings, as well as other risk factors such as regulatory and tax compliance.

There are no material contingent liabilities to disclose for the period (2023: nil).

I. Other notes (continued)

I5. Contingent liabilities and other risk factors (continued)

Other risk factors

In 2024, both the Dutch regulator, DNB and the Netherlands Authority for the Financial Markets ("AFM") conducted onsites and thematic (sectoral) research as part of their supervisory activities in the Group's subsidiary Athora Netherlands. DNB's onsite inspections covered amongst others (i) buy-outs, (ii) ESG, and (iii) governance and risk management of private assets. The onsites related to buy-outs and ESG have been completed, while the results and any necessary actions and/or consequences regarding the private assets inspection are still pending. Meanwhile, AFM focused on "Tone at the Top" with an emphasis on customer interests and submitted specific information requests covering several topics, including transition communication. The follow-up by Athora Netherlands on information requests related to transition communication is currently ongoing, for which the necessary actions and/or consequences are still pending. Where applicable, actions by Athora Netherlands will be defined and implemented to address any regulatory findings from DNB or AFM.

No other issues related to non-compliance or other risk factors that could be considered material were identified during the year.

I6. Events after the reporting period

The financial statements are adjusted to reflect significant events that have a material effect on the financial results and that have occurred between the period end and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the period end. Events that are indicative of conditions that arise after the period end that do not result in an adjustment to the financial statements are disclosed.

Dividend declared

On 13 March 2025, AHL declared a dividend of €21m (2023: €20m) on its Series A preferred shares, which will be paid in kind by the pro rata issuance of 213,489 (2023: 197,383) Series A preferred shares, based on their stated value on the date of declaration.

On 19 March 2025, AHL declared a dividend of €9.5m (2023: €9.5m) on its Series B preferred shares, which will be paid in cash on 3 May 2025.

Extension of Revolving Credit Facility

On 13 January 2025, the maturity date of the Group's revolving credit facility was extended by one year to 14 February 2028 (see **note E7**).

I7. Capital management

I7.1 Objectives

The main objective of the Group's capital management policy is at all times to appropriately capitalise the operating entities and the Group itself, to ensure the interests of policyholders, regulators, shareholders, and other stakeholders can be met. The capital management policy is designed based on regulatory, economic and rating agency requirements.

The aim of the capital management strategy is four-fold:
1. Ensure a robust capitalisation of the Group and operating units;
2. Ensure sufficient capital is available to support investment strategies and drive future capital generation;
3. Enable financial flexibility to pursue opportunities as they arise; and
4. Ensure the efficient allocation of capital across the Group to deliver expected returns.

I7.2 Approach to capital management (unaudited)

The Group Capital Management policy is adopted by each operating unit to ensure a cohesive approach to capital management across the Group, with appropriate amendments to reflect the specifics of each jurisdiction.

I. Other notes (continued)

I7. Capital management (continued)

I7.2 Approach to capital management (unaudited) (continued)

Target capital levels at both group and local level are set to reflect the risk profiles of the business and the strategic outlook. An Integrated Management Plan is produced annually to assess capital adequacy and optimisation across the Group over the business planning period.

Since 1 January 2020, the Bermuda Monetary Authority (BMA) is the group supervisor of the Group.

In 2024, the Bermuda Monetary Authority (BMA) published revised regulations which covers changes to the calculation of the technical provisions and capital requirements and applies to Bermuda-based commercial (re)insurers. The 2024 year-end regulatory supervisory results reflect this revision to the regulations in respect of model and assumptions changes and are currently undergoing independent review by KPMG in their capacity as the Appointed Group Actuary (AGA).

I7.3 Estimated unaudited group regulatory capital indicators

	Unaudited	
	2024	2023
Group Own Funds* (€m)	**5,924**	5,382
Group BSCR (€m)	**3,176**	2,958
Group BSCR ratio	**187%**	182%

*"Group Own Funds" refers to "Available Statutory Economic Capital and Surplus" as defined by the BMA. See **note I7.5** below for a breakdown of the Group's own funds.

The BMA requires insurance and reinsurance companies to hold available statutory economic capital and surplus equal to or in excess of an enhanced capital and target capital level as determined under the Bermuda Solvency Capital Requirement (BSCR) model. The BSCR model calculates a risk-based capital measure by applying capital factors to capital and solvency return elements, including investments and other assets, operational risk, and long-term insurance risks, in order to establish an overall measure of capital and surplus for statutory solvency purposes. The Target Capital Level set by the BMA is equal to 120% of the Group Enhanced Capital Requirement. The capital factor established for each risk element, when applied to that element, produces a required capital and surplus amount. The individual capital amounts generated for each risk element are then summed. Covariance adjustments are made to arrive at the BSCR. The Group has complied with all capital requirements throughout 2024 and 2023.

I. Other notes (continued)

I7. Capital management (continued)

I7.4 Reconciliation from IFRS equity to estimated regulatory own funds (unaudited)

		Unaudited	
€m	**Note**	**2024**	2023
IFRS equity per financial statements		**4,713**	4,629
Non-admitted assets			
Elimination of prudential filters	**1**	**(113)**	(128)
Net deferred tax on elimination of prudential filters	**2**	**21**	25
Estimated Statutory Capital and Surplus		**4,621**	4,526
Adjustment to Economic Balance Sheet (EBS)			
Insurance assets and liabilities valuation differences	**3**	**(683)**	(700)
Financial assets and liabilities valuation differences	**4**	**(51)**	(2)
Reclassification of borrowings eligible as regulatory capital	**5**	**2,025**	1,602
Net deferred tax on valuation differences	**6**	**12**	(44)
Estimated Statutory Economic Capital and Surplus		**5,924**	5,382

Notes:

1. Includes €107m (2023: €119m) of intangible assets, €— (2023: €(1)m) of deferred expenses and prepaid expenses €6m (2023: €10m) which are not considered admissible under the BMA regulatory framework.
2. Net deferred tax includes the tax effect on the elimination of prudential filters in the table above which are shown gross of tax.
3. EBS adjustments of the IFRS balances utilising projections of future cash flows and discounting to determine technical provisions comprised of best estimate premium provisions, best estimate loss provisions and risk margins. Includes valuation adjustments to reflect insurance assets and liabilities valued on a best estimate basis using market-implied assumptions. Also includes insurance related items which comprise balances that are modelled in the IFRS 17 fulfilment cash flows and thus included within the IFRS insurance contract amount, while being excluded from the calculation of the EBS insurance liabilities.
4. Includes valuation adjustments to reflect financial assets and liabilities valued on a best estimate basis using market-implied assumptions.
5. The borrowings eligible as regulatory capital of €2,025m (2023: €1,602m) comprises subordinated debt issued by Athora Netherlands N.V. (€515m), Athora Italia S.p.A. (€80m), Athora Holding Ltd (€791m) and senior debt issued by Athora Holding Ltd (€639m) - see **note E7**. The Athora Holding Ltd borrowings eligible as regulatory capital are listed on Dublin Euronext exchange. The Athora Holding Ltd senior debt instrument is classified as Tier 3 capital for Group regulatory reporting. All other debt issued is classified as Tier 2.
6. Net deferred tax includes the tax effect of all other reconciling items in the table above which are shown gross of tax.

I7.5 Estimated Unaudited Statutory Economic Capital and Surplus

Own Funds, defined as Statutory Economic Capital and Surplus by the BMA regulatory framework, refers to the ‘buffer’ or excess margin that insurers hold to cover the risk of their assets being insufficient to meet their liabilities.

Own Funds is the existing capital classified into three tiers representing different level of quality, depending on their permanence and their ability to absorb losses. Tier 1 funds are highest quality, which are basic own funds. Own Funds may also take the form of ancillary capital instruments. Only Tier 1 and Tier 2 capital are admissible to cover the Minimum Margin of Solvency (MSM), whereas all tiers of capital are admissible to cover the Enhanced Capital Requirement (ECR).

	Unaudited	
€m	**2024**	**2023**
Tier 1	**3,899**	3,780
Tier 2	**1,386**	965
Tier 3	**639**	637
Estimated Statutory Capital and Surplus	**5,924**	5,382

I8. Approval of financial statements

The Board of Directors approved these consolidated financial statements on 19 March 2025.

Other information

Athora Deutschland Group (Athora Germany)

The management information in this section is disclosed pursuant to Section 292 of the HGB (Handelsgesetzbuch) – exemption from preparing consolidated financial statements and a separate Group management report.

Key financial highlights - Athora Germany

In 2024, Athora Germany reported a net consolidated IFRS loss of €5 million:

- At 31 December 2024, Athora Germany's IFRS shareholders' equity decreased to €180 million (2023: €185 million).
- Net earned premiums decreased by €9 million, or 8%, to €99 million (2023: €108 million). This development reflects the natural decrease due to the run-off business model.

In 2024, Athora Germany presented a positive German GAAP surplus of €17 million. More than €20 million was transferred to the RfB (provision for policyholder bonus) or paid as a direct bonus resulting in a German GAAP consolidated result of €(4.1) million. Following 2022, when interest rates defined the year, the financial years 2023 and 2024 were largely in line with the expected developments for Athora Lebensversicherung AG (Athora Leben). In 2024, further optimisations were made in asset liability matching which resulted in a significant reduction in the derivatives portfolio.

An amount of €15.2 million was added to the reserve for policyholder bonus (RfB), which further increased the free RfB to €123.1 million.

As in previous years, Athora Leben will maintain the current profit participation for 2025 at 3.0% plus a 1.0% terminal bonus, resulting in a total policyholder investment return of 4.0%. This means that Athora Leben continues to be one of the life insurance companies with the highest profit participation in Germany.

Outlook

Athora Leben aims to remain one of the leading life insurance companies in policyholder profit participation in Germany and will continue to strive to maintain investment returns.

In line with the run-off nature of its business, Athora Germany forecasts net earned premiums to decrease to c.€92 million in 2025.

Cost efficiency remains an ongoing topic for Athora Germany especially for a company whose insurance portfolio is in run off. Accordingly, costs and processes will continue to be optimised during 2025.

Athora Germany will also continue to work steadily towards its strategic goals regarding a portfolio acquisition with the support of Group.

Risks, opportunities and challenges

Athora Germany is closed to new business. The main risks to which the business is exposed, are interest rate risk, credit risk (spread risk), equity risk (investments in alternatives and strategic participations) and underwriting risk (lapse risk depending on the interest rate level, longevity and expense risk). Further details of the Company's risks are presented in the table below.

Athora Germany has significant investments via Reserved Alternative Investment Funds (RAIF) in Luxembourg. Athora ensures that its investment activity and resulting credit and equity risks are managed to provide long-term value creation first and foremost for our policyholders, while also complying with regulatory requirements, the Prudent Person Principle, the Group's risk appetite and strategy and internal financial risk related policies.

Athora Germany is committed to maintaining resilient financial strength under Solvency II, servicing our existing customers, and delivering attractive policyholder returns. Athora Germany will continue to strategically assess growth opportunities in the German life insurance market.

Financial risk: Underwriting		
Type	**Relevance**	**Description**
Mortality risk	Low	The mortality risk relates to endowment, term and unit-linked products. In accordance with the risk strategy, it is of minor relevance and is mitigated by means of reinsurance cover with reinsurers with a high credit rating, in particular through a reinsurance contract concluded with SwissRe. The conditions of this reinsurance contract were adapted contractually. There were no fundamental changes to the Company's mortality risk in the 2024 financial year.
Longevity risk	Medium	The longevity risk affects all annuity insurance products of which a portion is reinsured. It is therefore of medium significance and is reduced in line with the portfolio reduction. There were no fundamental changes to the Company's longevity risk in the 2024 financial year.
Lapse risk	Medium	The relevant lapse risk for the Company is the risk of a decline in cancellation rates, as new business was discontinued in 2010 and the portfolio therefore contains a large proportion of endowment and pension insurance policies with high guaranteed interest rates. The cancellation risk is highly sensitive to interest rates. There were no fundamental changes to the Company's lapse risk in the 2024 financial year
Disability/morbidity risk	Low	The disability/morbidity risk is of low relevance and is co-insured in accordance with the risk strategy by means of reinsurance cover with reinsurers with a high credit rating, in particular through a reinsurance contract concluded with SwissRe. The conditions of this reinsurance contract were adapted contractually. There was no significant change in disability/morbidity risk in the 2024 financial year.
Expense risk	High	Expense risk is of high relevance. Athora Germany is closed to new business and the run-off of the book leads to an increase in fixed costs. Athora Germany remains committed to the efficient management of its in-force portfolio by increasing the proportion of variable costs in the overall cost base. This comprises tight cost controls, aided by outsourcing of capabilities, where appropriate, and efficient capital management. The Company aims to decrease the relevance of the expense risk by increasing its insurance portfolio. Activities include possible portfolio acquisitions or reopening the company for new business; a strong customer service proposition, robust risk management and a profit-sharing offering is a solid base for any possible future acquisitions.
Catastrophe risk	Low	The catastrophe risk is of low relevance and is largely reduced in accordance with the risk strategy, in particular through a reinsurance contract concluded with SwissRe. There was no significant change in catastrophe risk in the 2024 financial year, apart from premium adaptations in the reinsurance contract.

Financial risk: Credit Type	Relevance	Description
Spread risk	High	The Company assumes spread risk through its holdings of non-government fixed income investments, including corporate bonds, private debt, and collateralised loan obligations. The Company's securities portfolio is principally managed by Apollo, a global leader in sourcing and managing private credit. The Company's appetite for these risks is strong as their risk/return profile is considered attractive and a good fit with the Company's long-dated guaranteed life insurance liabilities. The profitability of the portfolio remains at a very good level. Throughout the year 2024, spread risk decreased slightly, but remains high overall. Due to its particular significance, the spread risk is monitored closely and actively managed.
Concentration risk	Medium	In accordance with the Prudent Person Principle, the Company's investments are sufficiently diversified, both between the asset classes (mix) and within the asset classes (across counterparties), so that excessive credit exposure concentrations are avoided. The mix of investments balances the risk between the various investments. In order to limit concentration risk, risk-oriented limits are derived from the creditworthiness of the respective counterparties and issuers with a concentration of 5% or higher or a rating below investment grade are subject to special monitoring. In addition, the creditworthiness of all issuers is regularly monitored.
Default risk	Low	The Company is exposed to counterparty default risk in relation to reinsurance contracts, cash deposits, mortgage loans and claims from derivatives. The risk is mitigated by the choice of high-quality reinsurers and collateral requirements for derivatives.

Financial risk: Market Type	Relevance	Description
Interest rate risk	Medium	The interest rate risk arises if the changes in the market value of all interest-sensitive assets and liabilities do not offset each other. For life insurance companies, there is also the risk that investment income will not be sufficient to finance future interest rate guarantees. The Company has obligations with long-term guarantees, meaning that it is exposed to the risk of interest rate changes. The interest rate risk is currently managed as part of the stabilisation of the Solvency II balance sheet with the help of indirectly held derivatives. This approach is flanked by a comprehensive limit system that protects liquidity and the Local GAAP balance sheet in addition to the Solvency II balance sheet.
Equity risk	Medium	In line with the Company's overall risk appetite, Athora Germany currently invests in strategic equity and alternative investments. There were no fundamental changes to the Company's equity risk.
Property risk	Low	The property risk remained almost unchanged in 2024. Overall, the direct property risk is immaterial.
Foreign exchange risk	Low	The vast majority of foreign currency investments are made in US dollars and in some cases pounds sterling. These investments are made in special funds, whereby the currency risk is hedged, almost entirely, through currency derivatives. The effectiveness of the hedging is continuously monitored so that the Company is not exposed to any significant currency risk.

Financial risk: Market		
Type	**Relevance**	**Description**
Liquidity risk	Medium	Liquidity risk is inherent to every life insurer and is actively managed by the Company so that it does not result in any capital requirements. Overall, the Company has low appetite for liquidity risk and therefore sets strict limits regarding available liquidity. The Company actively assesses, monitors and manages liquidity risk relying on: • The cash flow on the liabilities side can be forecast very well. Possible fluctuations in underwriting are almost completely reduced by the comprehensive reinsurance cover. • Suitable scenarios are used to regularly assess whether all liquidity requirements are covered, even in extreme scenarios. Due to thorough liquidity planning, liquidity reporting and liquidity stress, liquidity risk is of minor relevance to the Company.

Non-financial risks

Type	Relevance	Description
Operational risk	Medium	Athora Germany has limited appetite for operational risks and seeks to minimise them to a low level as is commercially sensible. Operational risks are an unavoidable part of day-to-day business activities. They are a direct consequence of business operations and cannot be diversified or completely mitigated. Operational risk identification is based on the Athora Group-wide risk universe. Driven by regulatory requirements, such as for instance DORA, the following operational risks are currently in focus for the Company: operational resilience risk, business process risk, information security risk, data risk, and third-party risk. The Company actively monitors and manages its operational risks and assures that mitigation plans are in place and executed for all risks nearing or exceeding risk appetite.
Compliance risk	Medium	Compliance risk includes, in particular, the areas of corruption, bribery, fraud, market integrity, conflicts of interest, code of conduct and employee behaviour, money laundering, terrorist financing and data privacy, which are not tolerated at Athora (zero tolerance limit). Regulatory requirements are monitored and integrated into the Company's processes. Employees and managers are obliged to take part in regular training on the Code of Conduct for the prevention of money laundering and terrorist financing, on compliance with data protection requirements, in person or by means of online learning programs.
Reputational risk	Medium	All of the risks described above, particularly operational and compliance risks, may have an adverse impact on the Company’s reputation. To avoid any damage to its reputation, Athora Germany closely manages all underlying risks.
Talent risk	Medium	Talent risk remains a significant factor to be managed in 2024. In order to reduce the key person risk, as well as the consequences of demographic developments in our workforce and the associated loss of expertise as part of the ongoing change process, the company management has agreed on various plans for employee retention and employee development throughout the organisation. The Company aims to retain key personnel, capabilities and expertise and maintain people risk within the risk appetite. The talent risk is regularly assessed and monitored. In addition, cooperation with strategic partners ensures that qualified specialists are available in all relevant functions.

Alternative performance measures

Athora assesses and discusses financial performance using a number of measures. Some measures are non-GAAP measures that are not defined or specified in accordance with other regulations such as International Financial Reporting Standards (IFRS). These measures are known as alternative performance measures (APMs).

APMs are disclosed to provide stakeholders with additional helpful information to enhance an understanding of our performance and should be viewed as complementary to, rather than a substitute for, the measures determined according to IFRS or other regulations. Athora's APMs may not be comparable to similarly titled measures or disclosures reported by other companies.

A list of the APMs used in our results, as well as their definitions and the reasons why they are used, is provided below. Further discussion of these measures can be found in the Chief Financial Officer's report.

APM	Definition	Why is it relevant
Assets under management and administration (AuMA)	AuMA represents the value of invested assets managed directly by Athora or administered on behalf of our clients. Calculated by Athora as the sum of investment properties, financial assets, cash and cash equivalents, investments held in respect of investment contract liabilities and third parties, net of derivative liabilities. Adjustments are made for consolidated third-party funds, where no fee is earned by the Group, to remove them from AuMA, and for off-balance sheet AuA, where the Group earns fees on unconsolidated funds, to include in AuMA.	AuMA is a measure of the size and scale of the Group and enables an assessment of our potential earnings capability arising from investment returns and fees. A reconciliation to the amounts shown in the consolidated statement of financial position is shown in the CFO report.
Financial leverage ratio	The financial leverage ratio is defined consistent with the revised Fitch Ratings methodology. The ratio is calculated as debt over debt + equity. Debt generally includes senior and Tier 2 debt. Equity generally includes common shareholders' equity, preferred shares and restricted Tier 1 debt, CSM (gross of reinsurance, net of tax) and other loss-absorbing sources of capital. Debt, preferred shares and restricted Tier 1 debt are accounted for at their notional value and where applicable, adjustments for the FX rate at the end of the period are made.	We have a medium-term financial leverage target of 25%, which is consistent with our 'A' range financial strength rating target. Athora manages its financial leverage ratio given the importance it has to our ratings, which in turn are critical to Athora's reinsurance proposition, our funding costs and our ability to maintain financial flexibility.
Group BSCR ratio	Available statutory capital divided by the Bermuda Solvency Capital Requirement (BSCR) and expressed as a percentage.	The Group BSCR ratio is an indicator of our financial strength.
Operating capital generation (OCG)	Operating capital generation (OCG) is defined as the expected return on investments, less the cost of liabilities (including the Ultimate Forward Rate (UFR) drag), expense/experience variances (including profit-sharing impacts), Solvency Capital Requirement (SCR) unwinds, risk margin unwinds, new business impacts and resulting tiering impacts. It excludes the UFR stepdown.	Athora considers this measure meaningful to stakeholders as it enhances an understanding of the Group's operating performance. By focusing on sustainable growth in OCG, Athora can deliver better returns for our customers and drive sustainable long-term cash generation.

APM	Definition	Why is it relevant
Organic new business volumes	Organic new business volumes refers to the total value (Euros) of gross premium inflows during the period. Organic new business volumes excludes gross inflows from pension risk transfer business written during the period and external reinsurance inflows.	Athora considers this measure meaningful to stakeholders as it enhances an understanding of the Group's financial performance.
Cash remittances by business units	Includes all cash remittances paid to Group companies during the year.	Athora considers this an indicator of successful execution of the Group's strategy.

Glossary

Term	Definition
AHL	Athora Holding Ltd. (also referred to as the Company) is domiciled in Bermuda.
APMs	Alternative Performance Measures.
Apollo	Apollo Global Management, Inc. and its subsidiaries.
Athora	AHL together with its subsidiaries (also referred to as the Group).
BMA	Bermuda Monetary Authority, which became the Group's regulatory supervisor from 1 January 2020.
BSCR	Bermuda Solvency Capital Requirement.
CISSA	Commercial Insurers' Solvency Self-Assessment. A Bermuda-specific requirement similar to an ORSA.
Consolidated gross investment spread	The consolidated gross investment spread is the weighted average return generated above risk free rates on all asset types, except investment property and alternatives which are measured on an absolute return basis.
ECR	Enhanced Capital Requirement.
ERM	Enterprise Risk Management.
ESG	Environmental, Social and Governance.
GSSA	Group Solvency Self-Assessment. A Bermuda-specific requirement similar to a group ORSA.
ICF	Internal Control Framework.
Investment universe	This document provides descriptions of the asset classes within Athora's company-wide investment universe and is fundamental for the implementation of Athora's risk appetite and strategy. Athora consistently applies the asset classification, investment rationale, return and risk assessment, as outlined in the document, throughout the group-wide investment, risk assessment and business planning cycle and as guidance for its subsidiaries.
IG	Investment Grade.
MC	Management Committee.
M&A	Mergers and Acquisitions.
ORSA	Own Risk and Solvency Assessment. A requirement under Solvency II.
PRT	Pension Risk Transfer. Pension buy-outs are a type of PRT.
RCF	Revolving Credit Facility.
SAA	Strategic Asset Allocation.
SCR	Solvency Capital Requirement.
Solvency II	The regime for the prudential regulation of European insurance companies that came into force on 1 January 2016.
SRLEV	SRLEV N.V. is a regulated insurance company and wholly owned subsidiary of Athora Netherlands.
UFR	Ultimate Forward Rate.

Declaration

This document has been prepared and issued by Athora Holding Ltd. (together with its subsidiaries, ‘Athora’, also referred to as ‘the Group’), and must not be interpreted as a recommendation, inducement, invitation or offer to purchase, transfer or sell any securities issued by Athora.

This document contains certain forward-looking statements that reflect Athora's intentions, beliefs, assumptions or current expectations about and targets for the Group's future result of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which Athora operates, taking into account all information currently available, and are not necessarily indicative or guarantees of future performance and results. You should not place undue reliance on the forward-looking statements in this document. Athora does not guarantee that the assumptions underlying the forward-looking statements in this document are free from errors, does not accept any responsibility for the future accuracy of the opinions expressed in this document and does not undertake any obligation to update the statements in this document to reflect subsequent events. No responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) is or will be accepted in relation to this document by any member of the Group or any member’s respective directors, officers, employees, advisers or agents. No representation or warranty, express or implied, is made as to the truth, fullness, accuracy, reasonableness or completeness of the information contained herein (or whether any information has been omitted from this document) or any other information relating to Athora , whether written, oral or in a visual or electronic form, and howsoever transmitted or made available by Athora or any of its directors, officers, employees, advisers or agents.

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