Athora Holding Ltd. publishes its full year 2024 results

20 March 2025

Pembroke, Bermuda, 20 March 2025 – Athora Holding Ltd. (Athora or the Group), a leading European savings and retirement services group, today announces its financial results for the full year (FY) to 31 December 2024.

Highlights

- **Operating capital generation[1]: €657 million** (FY 2023: €567 million)
- **Group BSCR solvency ratio (estimated)[2]: 187%** (FY 2023: 182%)
- **Cash remittances by business units: €310 million** (FY 2023: €nil)
- **Organic new business volumes[3]: €3.7 billion** (FY 2023: €3.0 billion)
- **Assets under management and administration[4] : €76.0 billion** (FY 2023: €73.3 billion)
- **IFRS result before tax: profit of €54 million** (FY 2023: profit of €1,082 million)
- **IFRS shareholders' equity & CSM net of tax[5]: €5,945 million** (FY 2023: €6,076 million)
- **Financial leverage[6]: 26%** (FY 2023: 25%)
- **Credit rating[7]: 'A' (Stable)** (FY 2023: 'A' Stable)

[1] Solvency II 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.
[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 of May 2025 in line with regulatory deadline.
[3] Organic new business volumes do not include new business arising from pension risk transfer transactions of c.€0.9 billion, which closed during the year.
[4] Assets under management and administration (AuMA) is 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 off-balance sheet AuA where the Group earns fees on unconsolidated funds, to include them in AuMA.
[5] Contractual Service Margin (CSM) is presented net of tax and net of reinsurance.
[6] The financial leverage ratio has been calculated using the Fitch Ratings' methodology.
[7] Fitch Ratings Insurer Financial Strength Rating of rated business units.

Strategic progress

- Strong commercial momentum, with organic new business volumes increasing across all business units by 21% year-on-year to €3.7 billion (excluding pension risk transfers), reflecting coordinated product and pricing actions as well as new distribution channels. In addition, three Dutch external pension risk transfer transactions closed with volumes of c.€0.9 billion.
- Higher operating capital generation (OCG) of €657 million supported by increased investment performance, following disciplined asset deployment, and in-force portfolio evolution.
- Athora Netherlands contributed €522 million to Group OCG. The positive OCG result and continuing strong solvency position enabled Athora Netherlands to declare €310 million of total remittances in 2024, marking a significant strategic milestone. Solvency remains robust across all business units, reflecting positive OCG and select management actions.
- Successful issuance of €750 million Tier 2 notes[8] by Athora Holding Ltd. (AHL) on 10 June 2024 and €400 million Restricted Tier 1 notes[9] issuance by Athora Netherlands on 18 November 2024, supporting Liability Management Exercises to redeem existing instruments.
- Successful application of the BMA (Bermuda Monetary Authority) Amendment Rules, which became operative on 31 March 2024, reflect enhancements to the calculation of the insurers Technical Provisions, Bermuda Solvency Capital Requirement (BSCR) computation and flexibility of the BSCR framework. We have worked closely with the BMA to implement the amended rules, and our solvency ratio continues to remain robust following the implementation.
- Financial leverage increased modestly to 26%, driven by the funding of attractive new growth opportunities. Athora's 'A' (Stable) Insurer Financial Strength rating was reaffirmed by Fitch ratings August 2024.
- Execution of expense and transformation initiatives, supporting a structural reduction in run-rate costs and increasing operational capabilities. Actuarial and investment accounting systems have transitioned to target platforms across Belgium, Germany, Reinsurance and the Corporate Centre.
- Successful outsourcing of select Corporate Centre and Athora Netherlands activity to Tata Consultancy Services (TCS) was also completed in 2024.

Financial performance

- **Operating capital generation (OCG) of €657 million** (FY 2023: €567 million). Increase in OCG underpinned by 14% year-on-year increase at Athora Netherlands reflecting continued asset repositioning (consolidated gross investment spreads increased by 19bps year-on-year to 199bps) management actions and ongoing expense actions, partially offset by capital consumption from writing new business.
- **Cash remittances by business units €310 million** (FY 2023: €nil) Athora Netherlands commenced remittances to the parent company during 2024, evidencing successful execution of the business plan. The remittances were supported by strong OCG momentum as well as a stable and robust solvency position.
- **Group IFRS result before tax, profit of €54 million** (FY 2023: profit of €1,082 million). The IFRS profit for the year reflects the negative impacts of widening sovereign spreads reducing the net financial income result, despite the positive impacts of decreasing interest rates and the strategic shift towards return-seeking asset exposure. The profit in 2023 was driven by a significant decrease in interest rates.

[8] €750 million subordinated fixed rate notes, due in 2034, and listed on the Global Exchange Market of Euronext Dublin. The notes qualify as Tier 2 regulatory capital and received a BBB- rating from Fitch Ratings on issuance.
[9] €400 million of Perpetual Restricted Tier 1 Temporary Write-Down Securities, with a first call date in May 2031, and listed on the Global Exchange Market of Euronext Dublin. The notes qualify as Restricted Tier 1 Own Funds under Solvency II and EBS on issuance, and were rated investment grade by Fitch Ratings.

Financial performance (continued)

- **IFRS shareholders' equity and CSM net of tax[5] of €5,945 million** (FY 2023: €6,076 million). **IFRS shareholders' equity of €4,313 million** (FY 2023: €4,384 billion) and **CSM net of tax[5] of €1,632 million** (FY 2023: €1,692 million) remained stable.
- **Financial leverage ratio of 26%** (FY 2023: 25%) modest increase as a result of €235 million drawn down from the Revolving Credit Facility to support business unit growth (including external PRT activity in the Netherlands) and business plan delivery.
- **Assets under management and administration (AuMA) of €76.0 billion** (FY 2023: €73.3 billion). AuMA increased during the year primarily reflecting 21% year-on-year uplift in organic new business volumes. In addition, three Dutch external pension risk transfer transactions contributed a further c.€0.9 billion AuMA. These inflows were partially offset by claims payments, widening of sovereign spreads and other market movements.

Financial strength

- **Undrawn equity capital of €2.2 billion** (FY 2023: €2.2 billion) of which €1.7 billion, from the 2022 capital raise, is available to execute the business plan and pursue growth. The remaining "backstop" equity commitment letters of €0.5 billion will expire in April 2025 in line with the original agreement. Of the €1.0 billion Revolving Credit Facility, €765 million remained undrawn as at 31 December 2024.
- **Group BSCR solvency ratio (estimated) of 187%[2]** (FY 2023: 182%). Group BSCR solvency ratio remains robust 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 adoption of the BMA rule changes published during the first half of 2024.
- **Business unit solvency ratios:** Solvency remains robust across all business units. Netherlands 201%[10] (FY 2023: 206%), Belgium 175%[10] (FY 2023: 159%) Germany 135%[10] (FY 2023: 163%), Italy 195%[10] (FY 2023: 211%) and Reinsurance 173%[11] (FY 2023: 186%). Athora Netherlands' solvency ratio includes the impact of €310 million of remittances during 2024.
- **Credit Rating affirmed at 'A' (Stable) by Fitch Ratings:** In August 2024, Fitch Ratings affirmed the Insurer Financial Strength Ratings of Athora's rated business units at 'A'.

Management updates

- Tobias Buecheler joined Athora in July 2024 as Head of Corporate & Regulatory Affairs, with responsibility for Regulatory affairs, Sustainability and External Communications.
- Matthew Salter assumed the role of Group General Counsel in December, following the retirement of Ward Bobitz.
- Rakesh Thakrar was appointed as Interim Group CFO of Athora Group in December 2024, succeeding Anders Malmström.

[10] SII ratio based on quarter 4 2024 submission to the regulator.
[11] EBS ratio (estimated) based on quarter 4 2024 submission to the regulator.

Group Chief Executive Officer Statement

Mike Wells, Group Chief Executive Officer, said:

2024 has been an important year of execution for Athora. Significant progress has been made across each pillar of our strategy, with Athora Netherlands delivering notably strong performance and commencing quarterly remittances. Commercial momentum has been very strong during the year, reflecting the outcomes of our strategic focus – comprising coordinated product, pricing, distribution, platform and marketing efforts across all markets that are open to new business. Group AuMA has now started to organically grow from year to year, providing material and complementary strategic, operational and financial benefits.

OCG increased by 16% to €657 million (FY 2023: €567 million), supported by strong investment performance, including the impacts of asset repositioning and in-force portfolio evolution. Of note, consolidated investment spreads increased by a further 19bps during the year to 199bps (FY 2023: 180bps). Investment performance remains very strong, with loss experience (9bps realised) on the Private Credit portfolio materially lower than underwriting expectations. Attractive organic growth dampened OCG in the period due to the initial new business strain, but supports future OCG and long-term value creation. Athora Netherlands performed well during the year, contributing €522 million to Group OCG and ending the year with a 201% Solvency II ratio, after the impact of remittances declared during the period. This is the third consecutive year where the business has reported a Solvency II ratio over 200%. Four remittances were declared by Athora Netherlands in 2024, totalling €310 million. Solvency remains robust across all other business units, reflecting positive OCG and select management actions.

The overall Group remains financially resilient. The Group BSCR solvency ratio (estimated) remains stable at 187% (FY 2023: 182%), with recurring capital generation offset by investment deployment and assumption / model changes, including the impact of ongoing refinements to the Bermuda capital regime. Financial leverage increased modestly to 26% (FY 2023: 25%), reflecting financing actions completed in 2024 and a slight decrease in IFRS shareholders' equity to €4,313 million (FY 2023: €4,384 million). IFRS profit before tax totalled €54 million (FY 2023: profit of €1,082m).

Financing actions in 2024 have continued to focus on improving the Group capital structure balancing capital eligibility, maturity and terms. A €750m Tier 2 notes issuance was completed by AHL in June, with proceeds used to conduct a €284m Tier 2 Liability Management Exercise by Athora Netherlands and prepay €465 million of bank debt at AHL. Athora Netherlands subsequently completed a €400 million Restricted Tier 1 notes issuance in November to replace two comparable instruments.

Finally, several operational initiatives were undertaken in 2024 to both manage expenses and increase operational strength. Notably, a number of transformation initiatives were completed and actions were taken to structurally reduce recurring expenses. Key transformation activities included the transition of actuarial and investment accounting systems, across several business units, as well as the successful outsourcing of select Corporate Centre and Athora Netherlands activities to TCS.

Focus for 2025 will continue to centre on disciplined execution across the current business perimeter, alongside selective expansion to scale our position in core European markets. We maintain significant financial flexibility, with €2.2 billion[12] of undrawn equity, a prudent capital structure and a supportive long-term investor base.

I would like to thank all our employees for their continued efforts and contributions to our results, as well as our customers and business partners for their continued trust in Athora.

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[12] €1.7 billion of the 2022 capital raise is available to execute the business plan and pursue growth. The remaining "backstop" equity commitment letters of €0.5 billion will expire in April 2025, in line with the original agreement.

For information

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About Athora

Athora is a leading European savings and retirement services group. We concentrate on the large and attractive traditional life and pensions market, with an ambition to become a leading provider of guaranteed savings and pensions products in Europe. We serve the needs of individual and corporate customers who continue to demand products offering safety of returns, and also provide innovative M&A and risk transfer solutions to other insurers seeking to enhance their capital position or enact strategic change. Athora's principal subsidiaries are Athora Netherlands N.V. (Amsterdam, Netherlands), Athora Belgium S.A. (Brussels, Belgium), Athora Lebensversicherung AG (Wiesbaden, Germany), Athora Italia S.p.A (Genoa and Milan, Italy) and Athora Life Re Ltd. (Bermuda). At 31 December 2024, Athora had AuMA of €76.0 billion, c.1,460 employees and approx. 2.8 million customers.

For more information, please visit: www.athora.com
LinkedIn: www.linkedin.com/company/athoragroup

Disclaimer

This press release of Athora Holding Ltd. contains information, relating to the full year results for 2024 of Athora Holding Ltd., as described above.

This press release contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation and should be read in conjunction with the Annual Report 2024 of Athora Holding Ltd.