



ATHORA GROUP 2022 HALF YEAR RESULTS

8 September 2022



PROGRESS IN DEPLOYING OUR BUSINESS MODEL WHILST STRENGTHENING SOLVENCY AND CAPITAL GENERATION

Strategy

- Closed the acquisition of Amissima Vita in August, opening up the large and attractive Italian life insurance market, as well as diversifying the Group's footprint and earnings.
- Expected closing of the previously announced acquisition of a closed-life portfolio from NN Insurance Belgium in Q4 2022 adding material scale to our Belgian operations.
- Announced the acquisition of a €19bn Assets under Administration (AuA) closed-life portfolio from AXA Germany¹ bringing material scale to our German business.

Value Creation

- Continued strong repositioning momentum of the investment portfolio of Athora Netherlands to support increased risk-adjusted returns and higher capital generation.
- Positive momentum in Operating Capital Generation, combined with our proactive approach to risk and capital management, supported increases in Group and Business Unit solvency ratios.
- Further reduction in run-rate expenses, supported by sale of non-core assets.

Financial Strength

- Group BSCR² ratio increased to 192% (FY21: 187%) driven by positive capital generation and financing actions, offsetting the impact of asset repositioning and market movements.
- Netherlands solvency ratio increased to 202% (FY21: 180%), supported by positive operating capital generation and market impacts partially offset by the impact of asset repositioning³.
- Credit Rating upgraded to A (Stable) by Fitch for our rated Business Units⁴.

CONTINUED DELIVERY AGAINST THE STRATEGIC PILLARS OF OUR BUSINESS MODEL

Sustainable growth



- Leading European savings and retirement services group
- Multi-channel organic and inorganic growth strategy
- Disciplined and value-driven underwriting of liabilities

1H22

- ✓ Closed Amissima Vita acquisition on 1 August 2022
- ✓ Expect to close portfolio transfer from NN Insurance Belgium in Q4 2022
- ✓ Announced the acquisition of a €19bn AuA closed-life book from AXA¹
- ✓ Incremental reinsurance and PRT volumes

Proactive capital & risk management



- Prudent capital & liquidity management
- “A” range credit ratings and 25% medium-term Financial Leverage Ratio target
- Minimise volatility and exposure to systemic risks

1H22

- ✓ Group BSCR² ratio increased to 192% (FY21: 187%)
- ✓ Credit Ratings upgraded by Fitch to A (Stable)³
- ✓ Secured further Common Equity Commitments to support German acquisition
- Financial Leverage Ratio increased to 29% due to non-economic IFRS 4 interest rate impacts (26% pro-forma)⁴

Strong & stable investment returns



- Asset allocation tailored to traditional European life insurance liabilities
- Market-leading spreads, benefitting from strategic relationship with Apollo

1H22

- ✓ Strong momentum in the repositioning of Athora Netherlands’ asset portfolio
- ✓ Run rate Operating Capital Generation increased to €155m at HY22 (FY21: €272m)
- ✓ Attractive pricing tension in Return Seeking asset classes supporting asset repositioning

Competitive costs & service levels



- Focus on value-added activities
- Pursue simplification and drive operating efficiency
- Operational scalability driving synergies as we grow

1H22

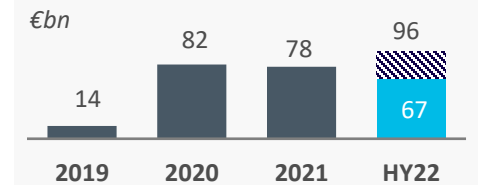
- ✓ Further reduction in run-rate expenses, supported by sale of non-core assets
- ✓ Transform Athora underway with tight controls and tracking of expense initiatives
- ✓ Delivery of 2022 savings and run rate targets on track

POSITIVE SOLVENCY AND CAPITAL GENERATION TRAJECTORY, IFRS IMPACTED BY “LOCKED-IN” DISCOUNT RATES



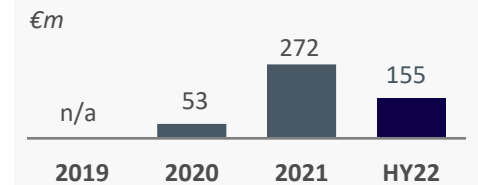
**Pro-forma
AuA¹
€96bn**

- Growth in proforma AuA to €96bn supported by closing of Amissima Vita in August, expected closing of Belgian portfolio transfer in Q4 2022 and signing of a €19bn AuA acquisition from AXA in Germany in July 2022.
- Technical reduction in AuA of existing Business Units from €78bn to €67bn due to higher interest rates and spreads.



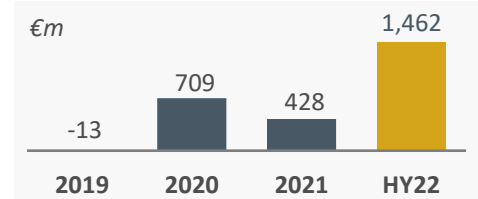
**Operating
Capital
Generation
€155m**

- Increase in run-rate Operating Capital Generation supported by continued repositioning of the Netherlands asset portfolio and ongoing cost discipline.
- Proactive asset purchases in Belgium and Germany to support expected closing of announced acquisitions.



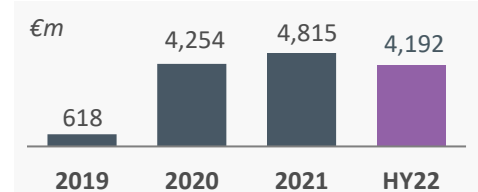
**Profit Before
Tax
€1,462m**

- Significant increase in IFRS profit before tax primarily attributable to the decrease in value of insurance provisions in the period, partially offset by the impact of rising interest rates on asset values.
- Other Comprehensive Income was impacted by a €1.7bn reduction in Available for Sale asset values primarily driven by interest rate movements.



**Total IFRS
Equity
€4.2bn**

- Overall decrease in IFRS equity primarily driven by differences in asset and liability valuation approaches under IFRS 4 (“locked-in” discounting).
- Athora’s Belgian, German and Reinsurance businesses generally fair value assets under IFRS, while insurance provisions are valued using “locked-in” discount rates. The impact from “locked-in” rates was €0.7bn in HY22.



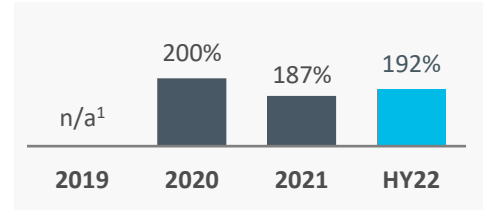
Notes: (1) AuA = Assets under Administration. Calculated by Athora as the sum of investment properties, financial assets, cash and cash equivalents, loans and advances due from banks, investments attributable to policyholders and third parties and derivative liabilities. The definition of Assets under Administration (AuA) has been updated from that used in the 31 December 2021 Annual Report to include derivative liabilities in addition to derivative assets. The comparative figures have been updated accordingly. Pro-forma number comprises AuA at 30 June 2022 for Athora’s existing Business Units and estimated AuA at announcement/completion for the transactions in Italy, Germany and Belgium.

POSITIVE SOLVENCY AND CAPITAL GENERATION TRAJECTORY, IFRS IMPACTED BY “LOCKED-IN” DISCOUNT RATES



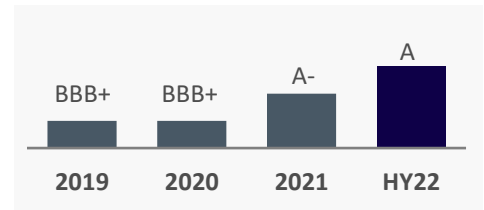
Group BSCR Ratio¹
192%

- The increase in solvency was driven by positive capital generation and financing activities.
- These items more than offset the impact of asset repositioning and market movements.



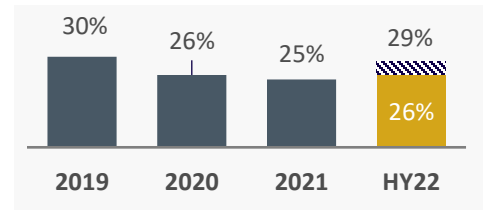
Credit Ratings²
A

- In May 2022, Fitch upgraded the Insurer Financial Strength Ratings of our rated Business Units from A- (Positive) to A (Stable).
- The Issuer Default Ratings for Athora Holding Ltd. and Athora Netherlands N.V. were simultaneously upgraded from BBB+ (Stable) to A- (Positive).



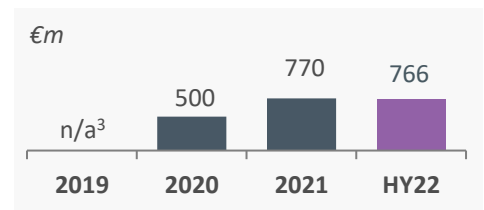
Financial Leverage
29%

- The increase in Financial Leverage was primarily due to the interest rate impacts on IFRS Equity, along with a small increase in net borrowings.
- Pro-forma for the €0.7bn (HY 2022) impact of interest rates on Athora’s Business Units using “locked-in” rates for liability discounting under IFRS 4, the Financial Leverage Ratio would stand at 26%.

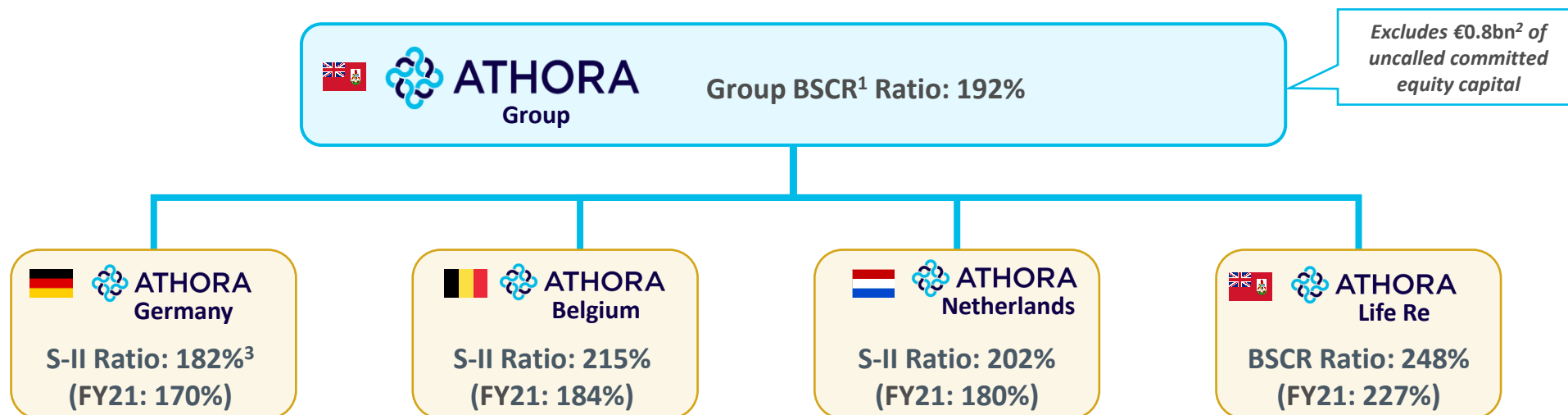


Undrawn Capital
€766m

- €500m Equity Backstop together with €266m of the 2021 capital raise which remained undrawn at 30 June 2022.
- Drew €196m Preferred Shares in Q3 and raised €575m equity commitments for the AXA Germany transaction bringing pro-forma undrawn capital to €1,145m.



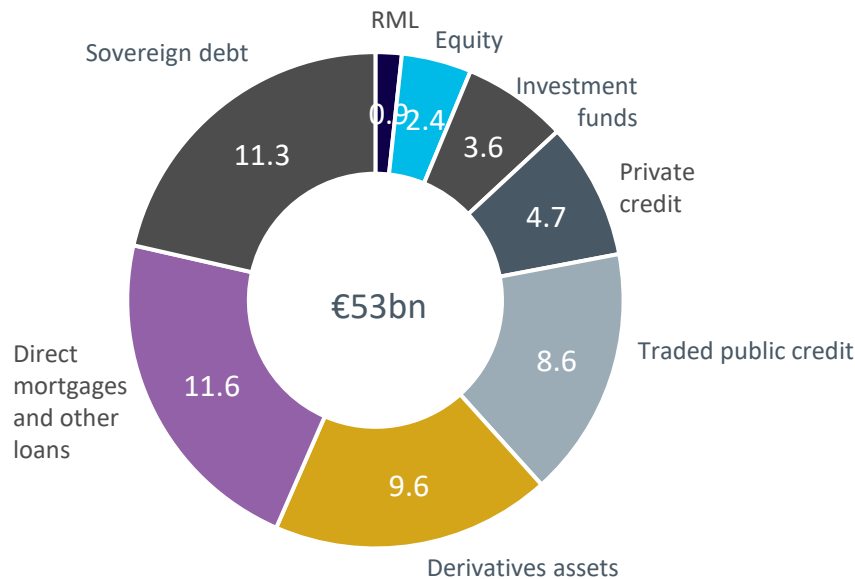
SOLVENCY STRENGTHENED ACROSS THE GROUP AND BUSINESS UNITS



- Athora remains well capitalised with an increase in solvency across the Group and it's Business Units at HY22.
- Increase in the Group's BSCR ratio is driven by positive capital generation and financing activities, which more than offset the impact of asset repositioning and market movements.
- Solvency also strengthened across our Business Units driven by positive Operating Capital Generation, market impacts and the execution of planned management actions.

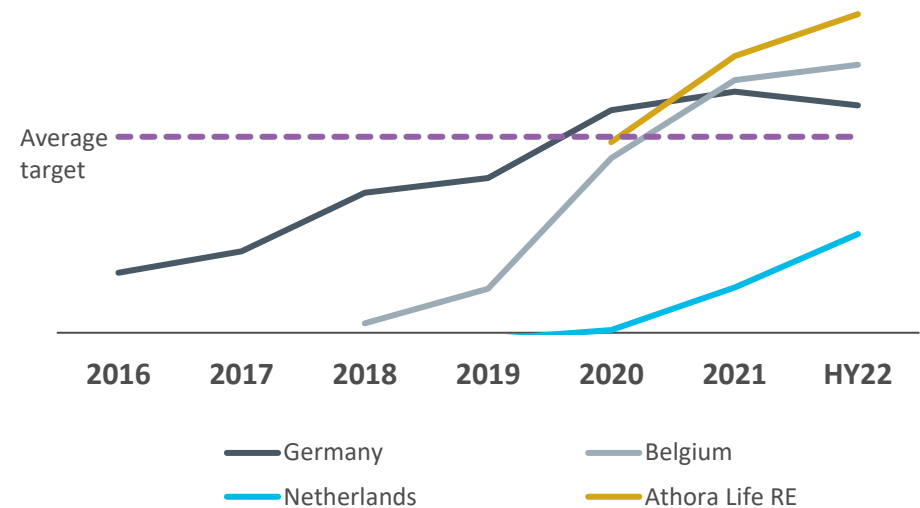
CONTINUED PROGRESS ON ASSET ROTATION AND SPREAD GENERATION

General Account Financial assets



- 6% higher allocation to return-seeking assets primarily driven by Athora Netherlands deployment, with over €1bn net deployment completed in HY22.
- Further optimisation of asset portfolios in Belgium, Germany and Reinsurance with select Mortgage and Investment Grade Credit divestments.
- Athora maintains substantial solvency and liquidity to withstand market volatility.

General Account Spread performance



- Significant increase in Netherlands spread during 2022, evidencing successful delivery of our business model and strategic partnership with Apollo.
- Other Business Units above target levels, following disciplined return-seeking deployment in previous years.
- Athora's investment portfolio experience remains in-line with expectations, despite increase market volatility, reflecting disciplined underwriting and fundamental asset analysis.

CONCLUDING REMARKS

1

Growth trajectory continues with the closing of Amissima Vita in August 2022, expected closing of the Belgium portfolio transfer in Q4 2022 and €19bn acquisition from AXA Germany signed in July 2022 and expected to close in H2 2023¹

2

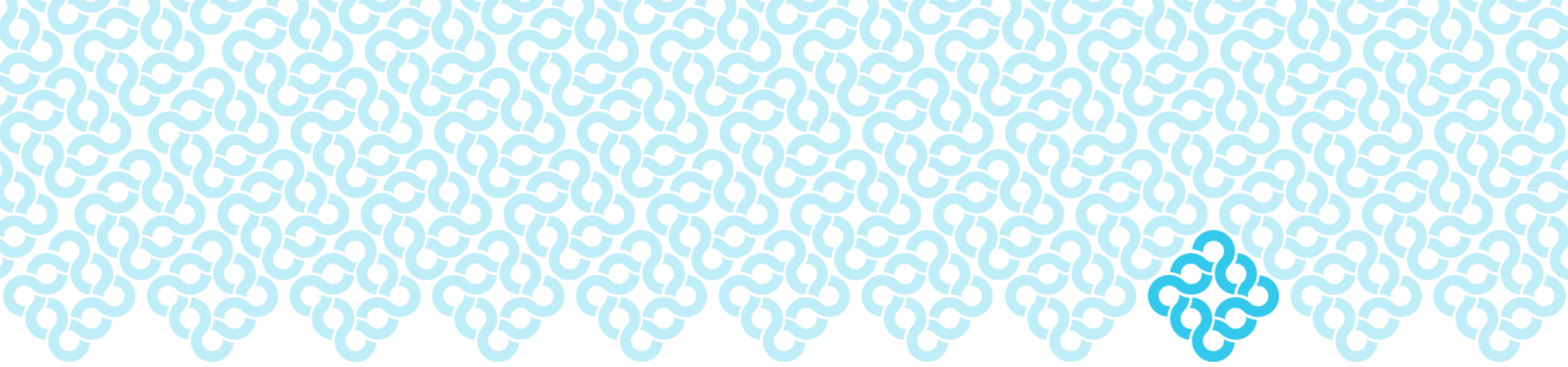
Group Operating Capital Generation continued to increase in HY22 supported by differentiated investment capabilities, ongoing asset repositioning and cost discipline

3

Continued positive evolution in Financial Strength with higher group and subsidiary solvency ratios, alongside Credit Rating upgrade by Fitch to A (Stable)

4

IFRS movements seen as non-economic due to “locked-in” discount rates, which will be eliminated when IFRS17 and 9 are implemented

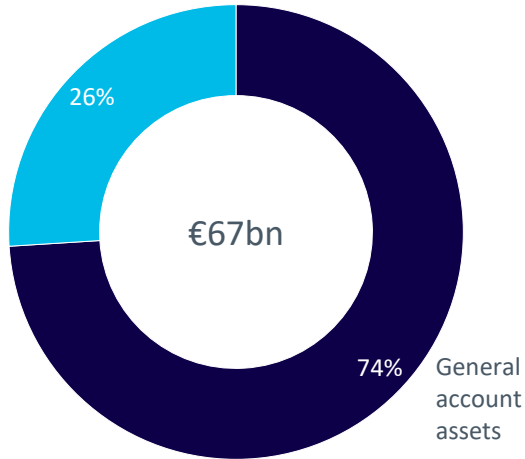


APPENDIX

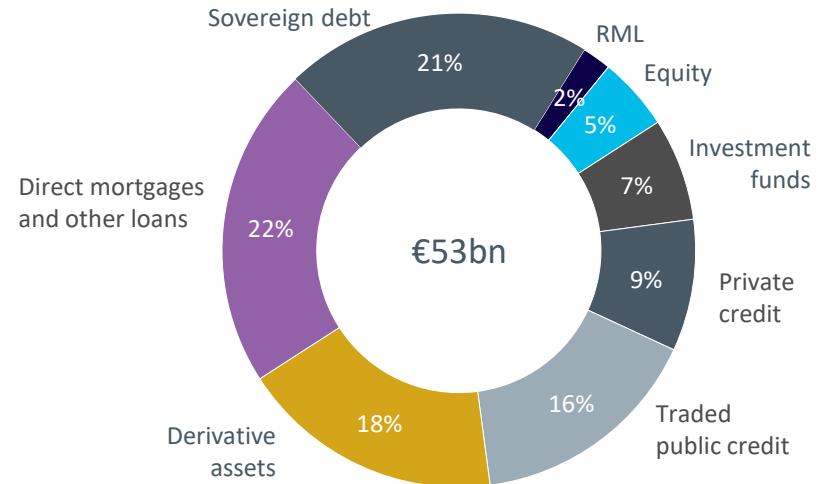
GROUP ASSETS – HIGH QUALITY ASSET PORTFOLIO (1/2)

Composition of Assets under Administration

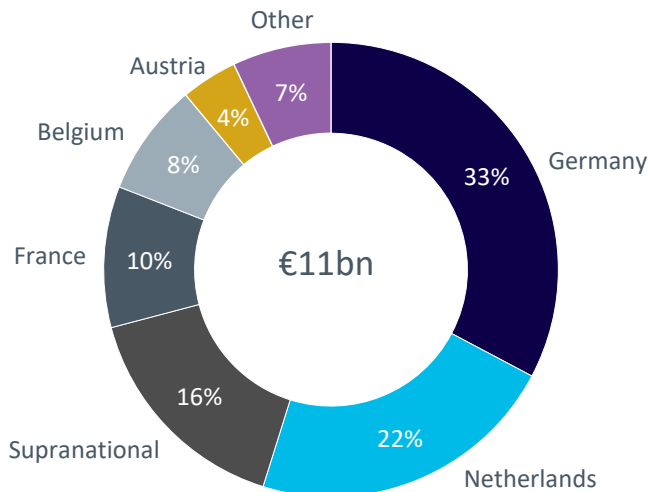
Investments attributable to poliholders and third parties (includes unit-linked assets)



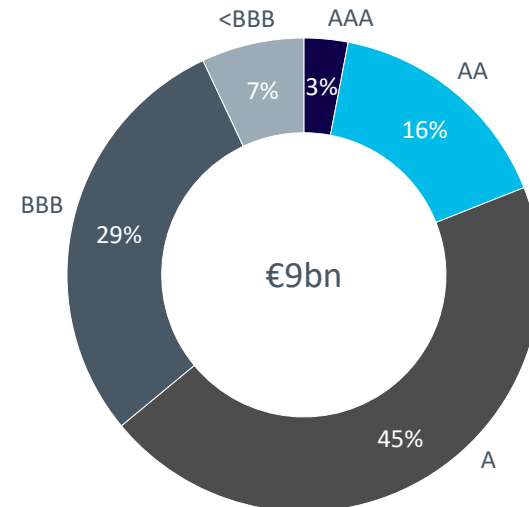
General Account: Financial Assets Composition



General Account: Sovereign Debt by Issuer

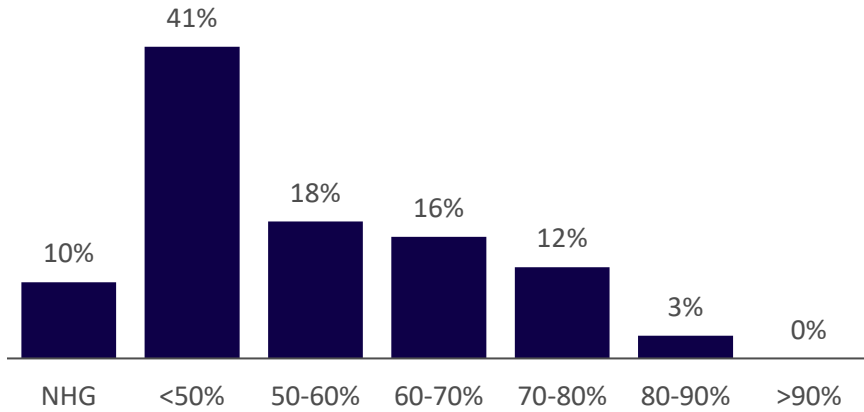


General Account: Traded Public Credit by Rating

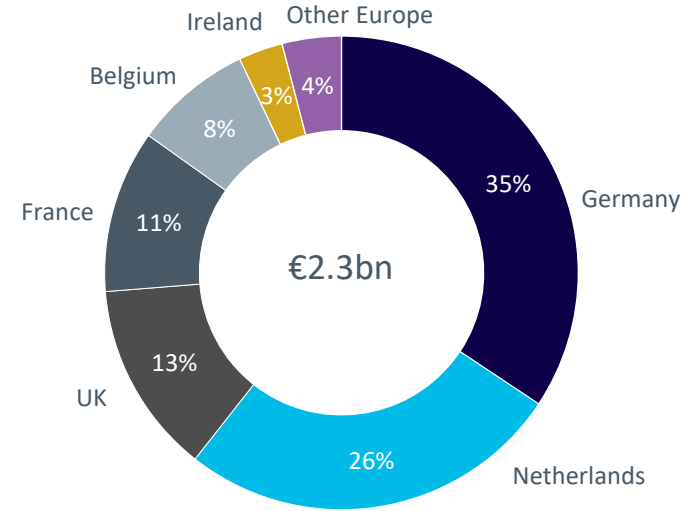


GROUP ASSETS – HIGH QUALITY ASSET PORTFOLIO (2/2)

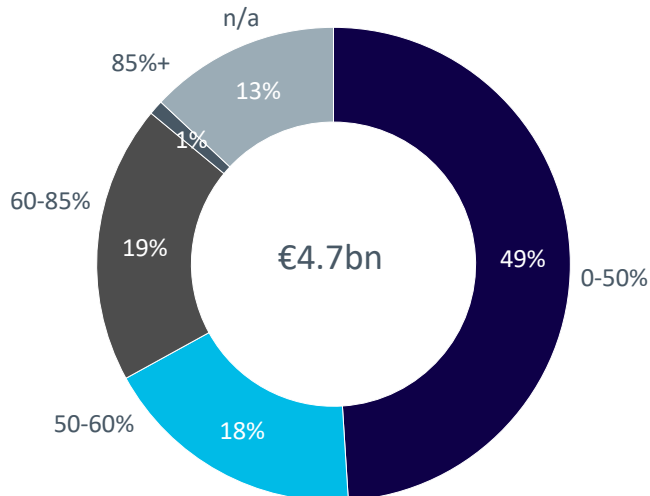
General Account: Residential Mortgages by LTV



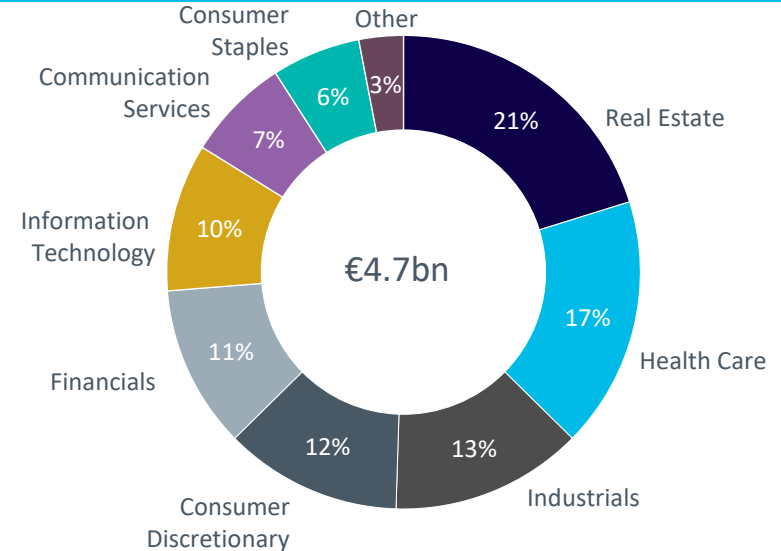
General Account: Real Estate Portfolio by Country



General Account: Private Credit by LTV



General Account: Private Credit by Sector



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