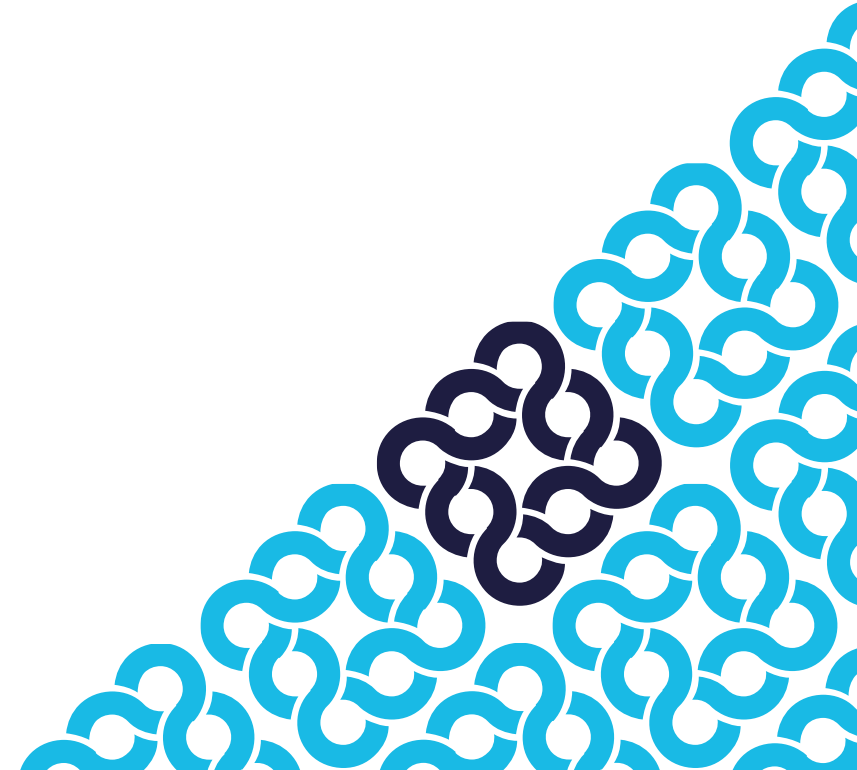


# ATHORA NETHERLANDS 1H21 RESULTS



## Premium Income

**888** mn EUR

1H20: 937 mn EUR

## Operating Expenses

**120** mn EUR

1H20: 117 mn EUR

## Net Underlying Result

**151** mn EUR

1H20: 141 mn EUR

## Solvency II Athora Netherlands

**157%**

YE20: 161%

## Solvency II SRLEV

**156%**

YE20: 163%

## Total Assets

**62.7** bn EUR

YE20: 66.0 bn EUR

# ON TRACK IN LOWERING THE COST BASE AND REPOSITIONING THE ASSET PORTFOLIO

## Financial Results

- Net Underlying Result of EUR 151 mn (1H20: EUR 141 mn), driven by a higher investment interest income following repositioning of the asset portfolio, partly offset by a lower result on mortality
- Gross premiums of EUR 888 mn (1H20: EUR 937 mn) due to lower individual life premiums and a shift from traditional pension products to the Zwitserleven PPI; Net inflows of EUR 123 mn (1H20: EUR 92 mn) for the Zwitserleven PPI consistent with the strategic ambition to grow in pensions
- Continued progress in reducing the overall operating cost base
- Net Result IFRS of -/- EUR 110 mn (1H20: -/- EUR 138 mn), driven by a higher result on hedges and an absence of one-offs in 2021

## Solvency

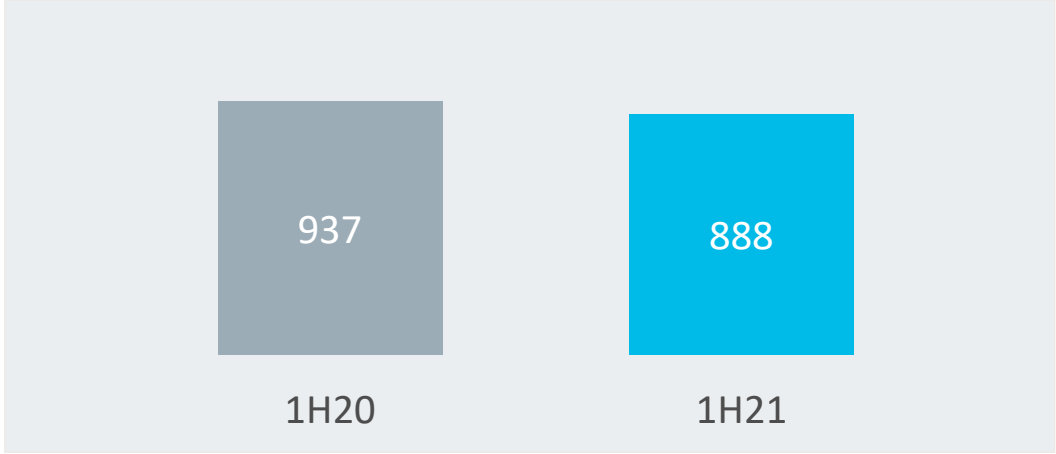
- Athora Netherlands successfully issued EUR 300 mn subordinated Tier 2 notes in April
- Solvency II ratio of Athora Netherlands of 157% (YE20: 161%) was resilient despite challenging market conditions and the capital deployed as part of the asset repositioning
- Solvency II ratio of SRLEV at 156% (YE20: 163%) was impacted by the similar factors
- As per 1st of July, SRLEV signed an additional longevity reinsurance transaction on its individual life portfolio which had an 8%-points positive impact on the Solvency II ratio resulting in a pro forma Solvency II ratio of Athora Netherlands of 165% at the first of July

## Strategic Progress

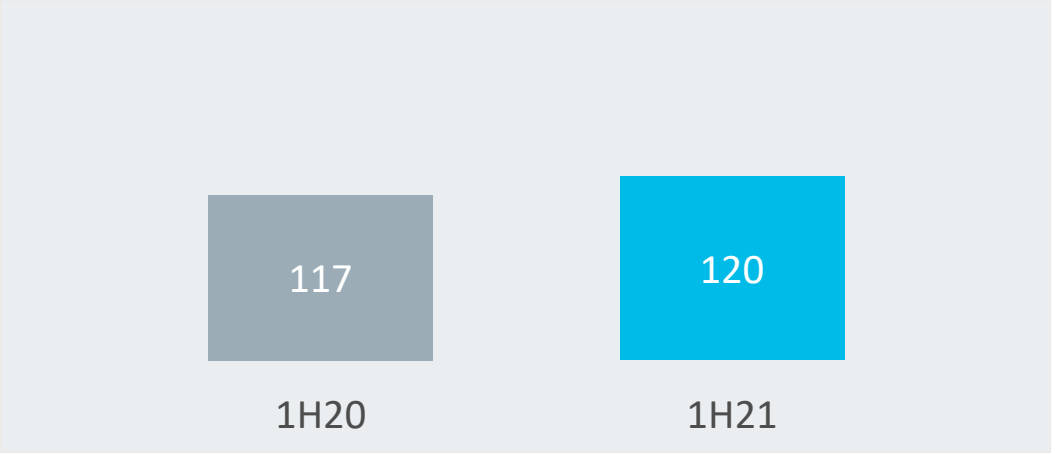
- Athora Netherlands was voted the most sustainable insurance company in the Netherlands
- Appointment of a new Chief Executive Officer, Jan de Pooter, and new Chief Financial Officer, Jim van Hees optimally positioning the Executive Board to lead and steer the company
- An in-house investment office was launched headed by the new Chief Capital & Investment Officer and Executive Board Member, Etienne Comon, to ensure successful execution of the asset repositioning strategy
- Execution of our strategy evidenced by inflows in pensions, lower overall cost base and higher investment interest income

# ATHORA NETHERLANDS: ON TRACK IN LOWERING THE COST BASE AND REPOSITIONING THE ASSET PORTFOLIO

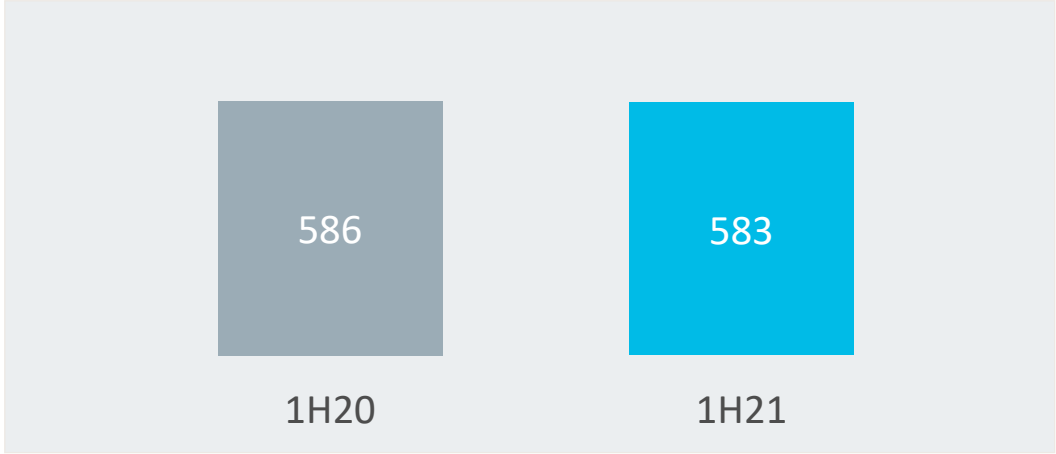
Premium Income (mn EUR)



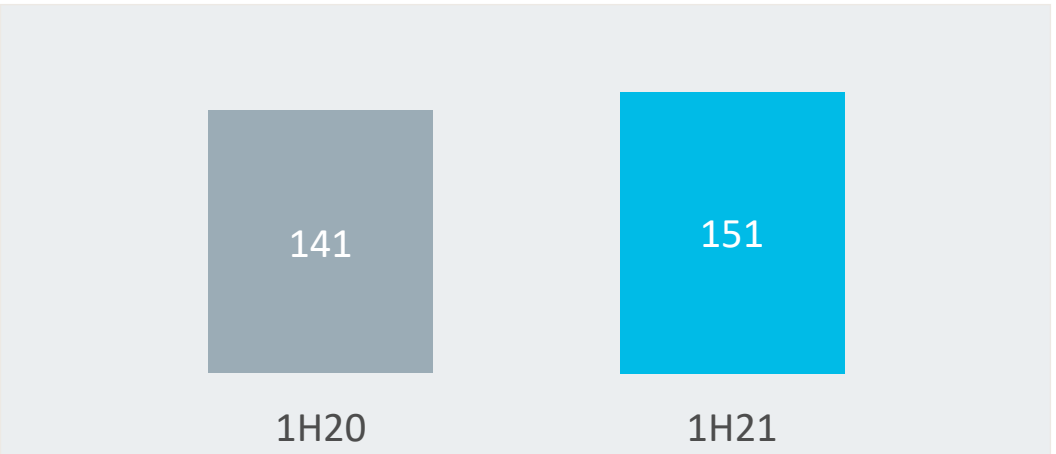
Total Operating Costs (mn EUR)



Direct Investment Income (mn EUR)

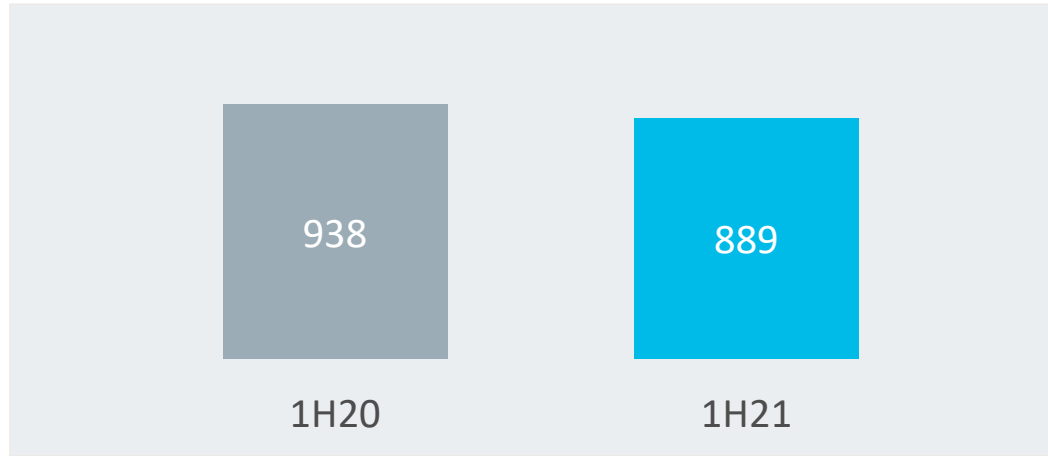


Net Underlying Result (mn EUR)

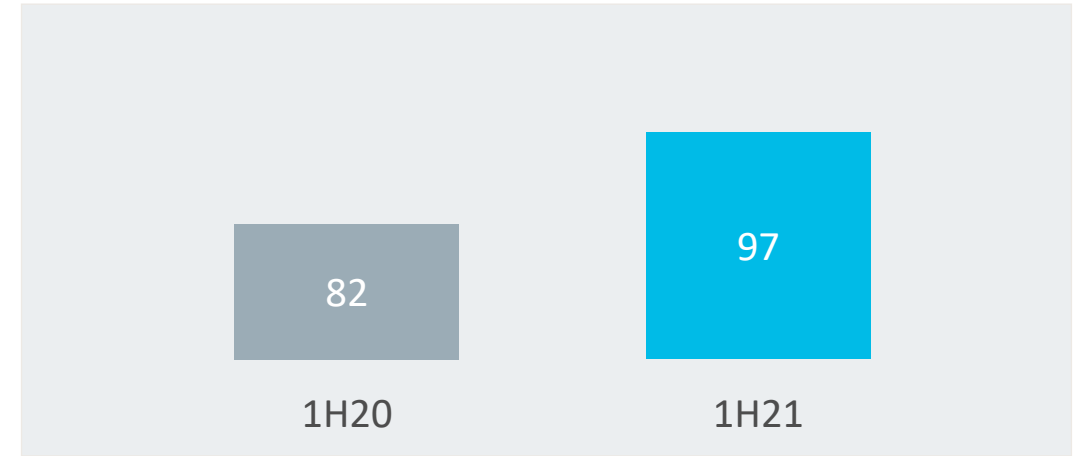


# SRLEV: HIGHER INTEREST INCOME POSITIVELY IMPACTS NET UNDERLYING RESULT

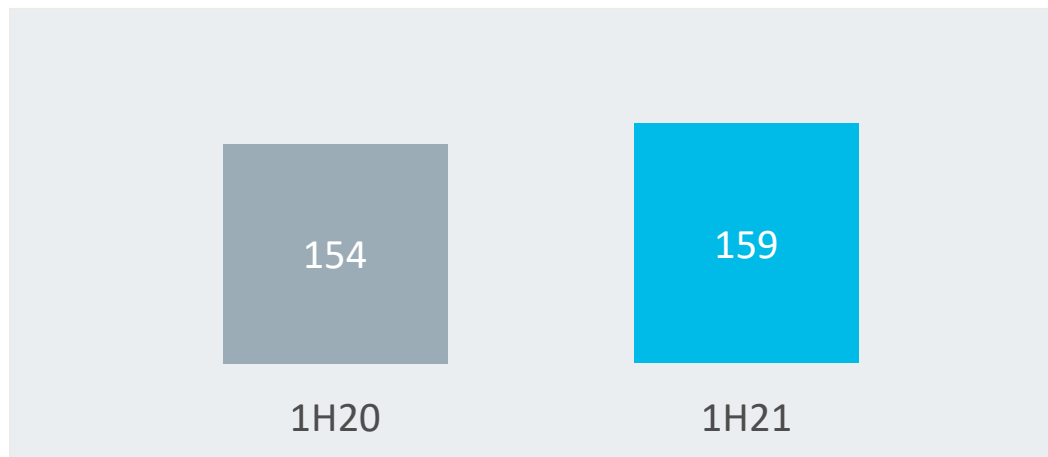
## Premium Income (mn EUR)



## Total Operating Costs (mn EUR)



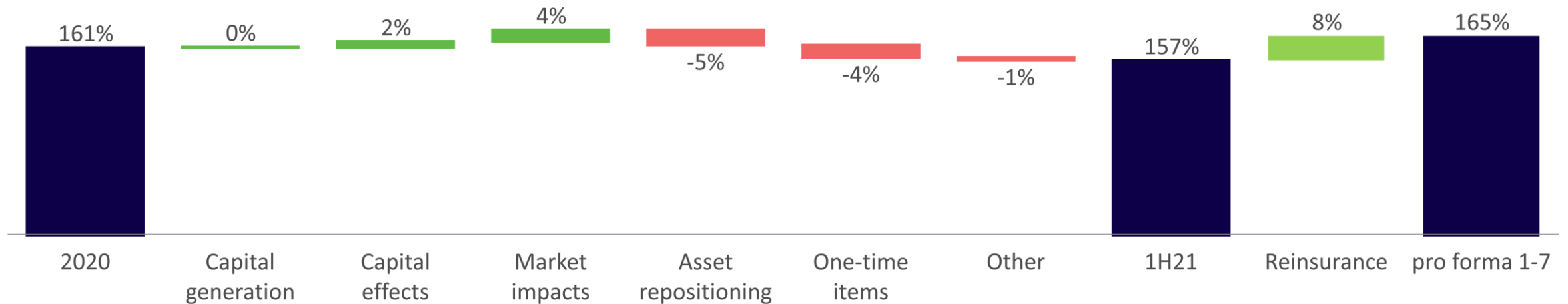
## Net Underlying Result (mn EUR)



## Comments

- The Growth Business experienced a successful commercial first half year and achieved a historical high retention rate of 91.3%. Gross premium income for the Growth Business was slightly lower, but this was more than compensated by the new inflow of the Zwitserleven PPI. Premium income in the Life Service Business declined by EUR 22 mn as a result of a shrinking portfolio
- Operating expenses increased by EUR 15 mn as a result of costs forthcoming out of the strategy review and regulatory projects. Without these one-off costs the total cost base continued to develop in the right direction
- Net Underlying Result was positively influenced by a higher interest income following the repositioning of the investment portfolio, partly offset by a lower result on mortality

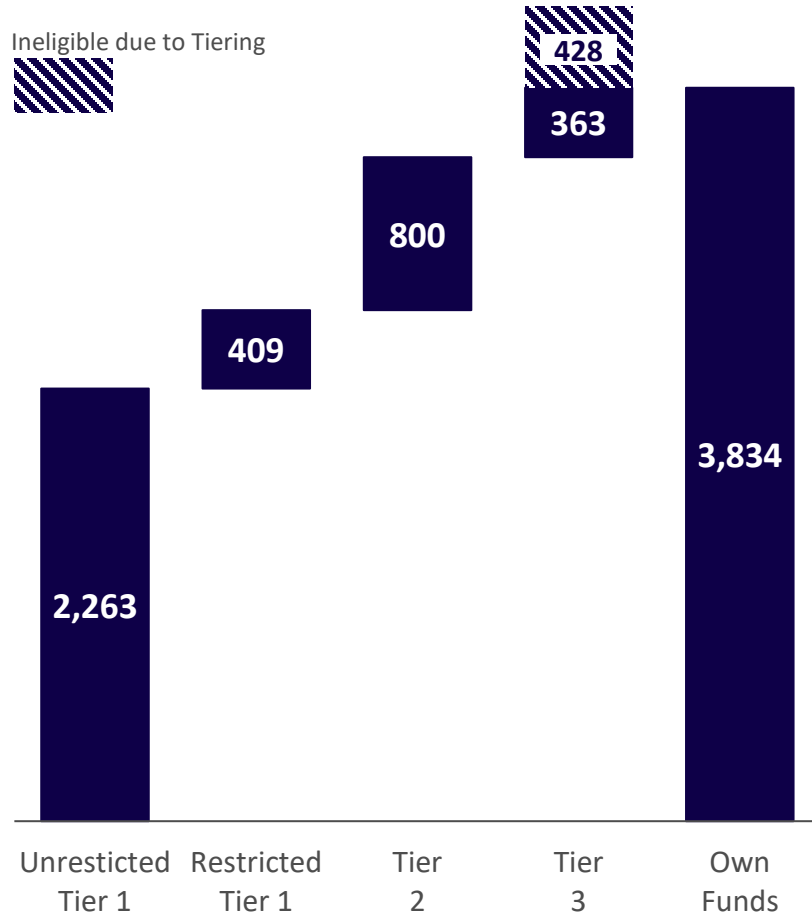
# STABLE SOLVENCY RATIO DESPITE INVESTMENTS IN TO REPOSITIONING THE ASSET PORTFOLIO



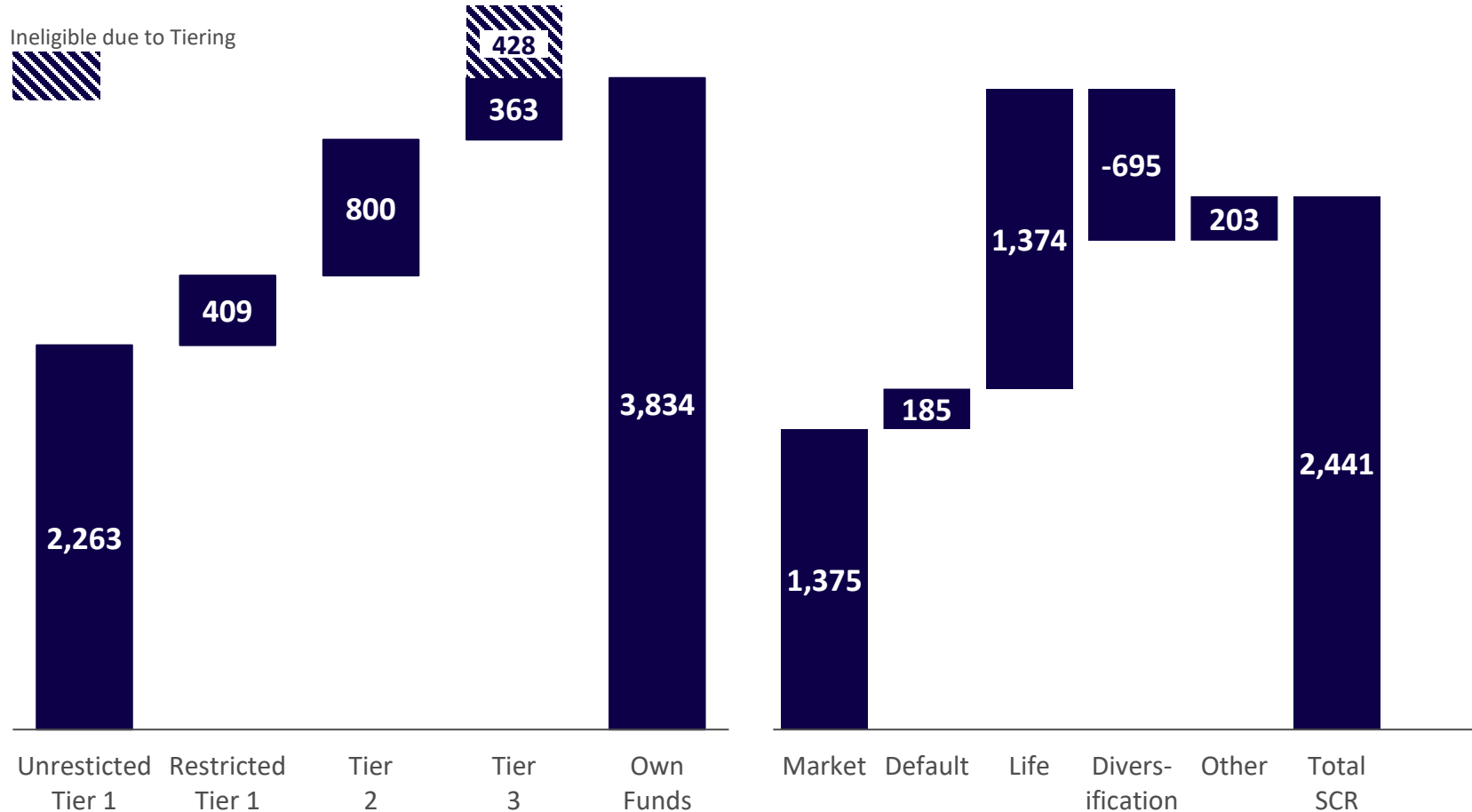
- Solvency II ratio decreased from 161% to 157%
- Capital generation, including organic development of the capital requirement, was nihil over 1H21 vs. negative in 2020
- Capital effects includes the successful issuance of EUR 300 mn subordinated Tier 2 bond by Athora NL, following the redemption of the EUR 250 mn Tier 2 notes by SRLEV in April
- The increase in interest rates and tightening spreads had a positive impact. This positive impact more than offset the negative impact of the decrease of the VA with 2bps to 5bps and higher inflation expectations
- Asset portfolio repositioning towards higher yielding investments to ensure higher future capital generation decreased the ratio due to the associated higher SCR
- One-time items include the step-down in the UFR
- Other includes the negative impact of several model refinements and miscellaneous movements including portfolio developments. These negative impacts were largely offset by the positive impact of rebalancing the interest rate position
- **As per 1st of July, SRLEV signed an additional longevity reinsurance transaction on its individual life portfolio which has an 8%-points positive impact on the Solvency II ratio of Athora Netherlands, not yet reflected in the June 2021 figures. The pro forma Solvency II ratio of Athora Netherlands at the first of July was 165%**

# BREAKDOWN OF ATHORA NL'S SOLVENCY II OWN FUNDS AND SCR FOR 1H21

## Own Funds (mn EUR)

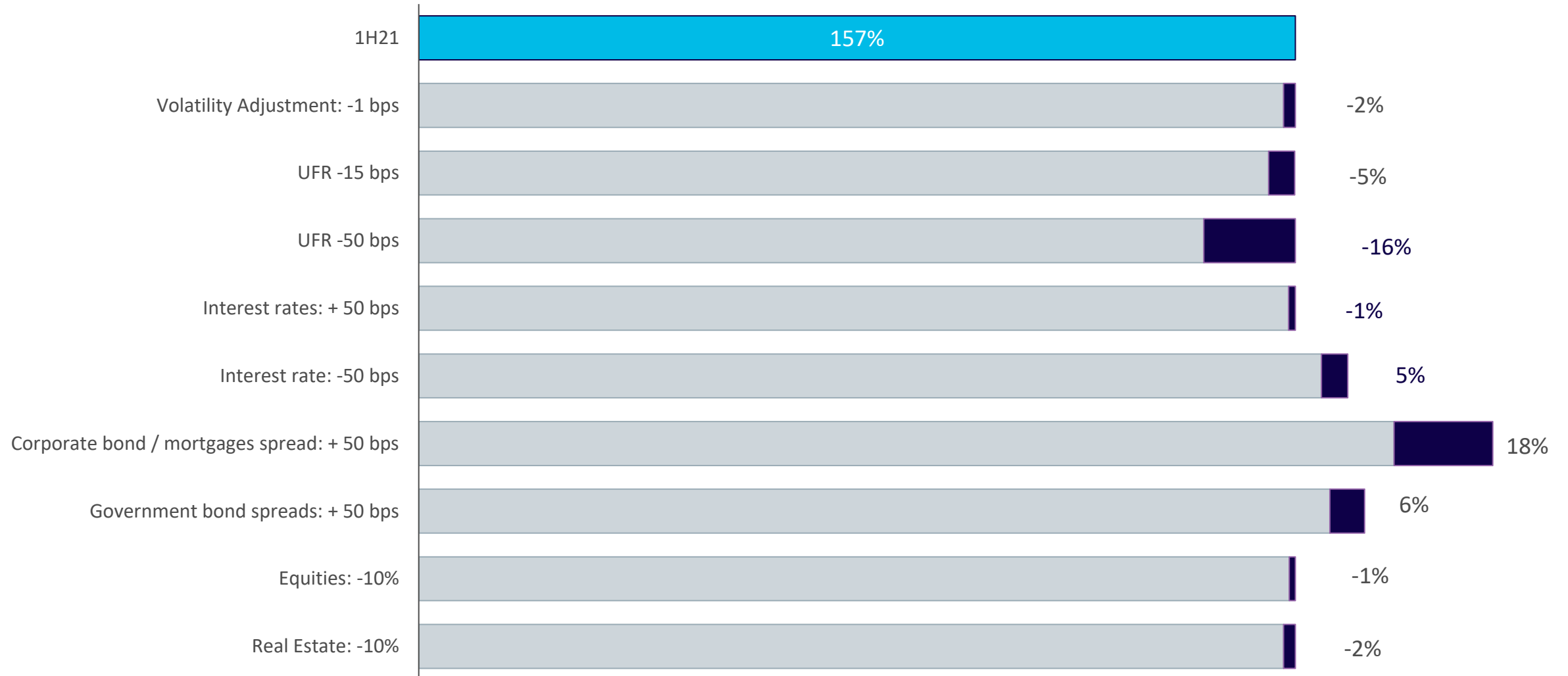


## SCR (mn EUR)



- Lower Own Funds vs. 2020 due to the decrease of the UFR level by 15 bps, the impact of increased interest rates and higher inflation expectations
- Total SCR lower in 1H21
  - Market risk EUR 125 mn lower due to the increase of interest rates and the rebalancing of the interest rate position, partly offset by higher SCR associated with the repositioning of the asset portfolio
  - EUR 25 mn lower life-SCR due to organic development required capital

# SOLVENCY II RATIO SENSITIVITIES REMAIN COUNTERCYCLICAL



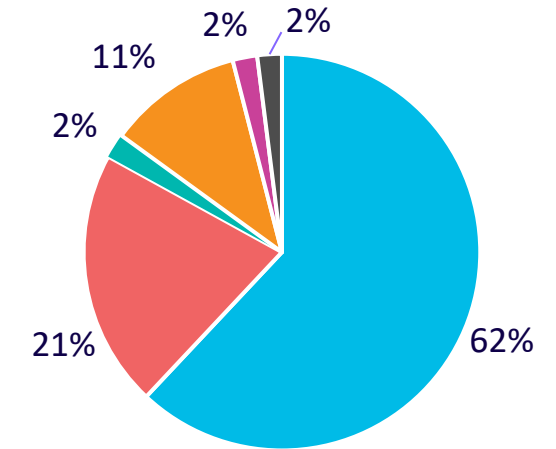


# CONTINUED PROGRESS IN REPOSITIONING THE ASSET PORTFOLIO

- Total assets under management decreased, mainly due to the impact of higher rates
- In line with the Strategic Asset Allocation (SAA) successful redeployment into mortgages and private credits continued
- Consistent with the SAA, further increase of investments into Real Estate, Real Estate Credit, Mortgages and selected Private Credits is expected to increase investment income going forward

Amounts x € bn	2020	1H21		2020	1H21
<b>SOVEREIGNS + MMF</b>	<b>61.8%</b>	<b>59.6%</b>	<b>EQUITY LIKE</b>	<b>1.8%</b>	<b>2.0%</b>
Sovereign AAA	28.2%	24.1%	Real Estate	1.4%	1.5%
Sovereign AA	9.8%	9.3%	Equity	0.4%	0.5%
Sovereign A / BBB	0.6%	1.6%			
Other sovereigns	3.3%	3.9%	<b>CREDITS</b>	<b>21.0%</b>	<b>20.0%</b>
Supranationals	15.1%	15.8%	Euro Financials	11.4%	11.0%
Money Market Funds	4.9%	4.9%	Euro Corp	3.4%	2.8%
			Asset Backed Securities	1.2%	1.2%
<b>COLLATERAL TRADE</b>	<b>2.5%</b>	<b>2.0%</b>	Covered bonds	0.7%	0.4%
			Credits other	4.3%	4.6%
<b>MORTGAGES</b>	<b>11.3%</b>	<b>12.1%</b>			
			<b>PRIVATE CREDITS</b>	<b>1.7%</b>	<b>4.4%</b>

YE20 (€39bn)



1H21 (€37bn)

