

Amsterdam, 13 September 2024

## Athora Netherlands Interim Results 2024

### Strong Financial Results and Commercial Momentum

#### Financial Results

- Increased Solvency II **Operating Capital Generation (OCG)** of **€ 230 million** (HY2023: € 193 million) due to repositioning towards higher return investments.
- **Gross inflows were 17% higher** at € 1,437 million (HY2023: € 1,228 million) driven by higher immediate annuity sales and the inclusion of the Willis Towers Watson (WTW) PPI as of the second quarter of 2023.
- **Operating Result** (before taxation) of € 312 million (HY2023: € 217 million) supported by increased investment income.
- **Net Result IFRS** of € 64 million (HY2023: € 115 million) largely driven by the positive Operating Result, partly offset by a negative impact from higher interest rates in HY2024.

#### Solvency

- Solvency II ratio strong at 201% (YE2023: 206%) for Athora Netherlands N.V.
- The positive contribution of OCG and management actions were offset by shareholder capital distributions of € 150 million, investment deployment, market impacts and regulatory changes.

#### Strategic Progress

- In HY2024, management actions supported an 11% increase in the Solvency II ratio. This includes the benefits of changes to the Athora Netherlands capital structure undertaken in June 2024. On 12 June 2024, Athora Group issued € 750 million of subordinated fixed rate notes. € 284 million of the proceeds were contributed to Athora Netherlands to enable a Tier 2 Liability Management Exercise, benefiting Tier 3 capital eligibility.
- An inaugural capital distribution of € 75 million was made in March 2024. A second capital distribution of € 75 million was completed in June.
- On 30 June 2024, with retrospective effect as per 1 January 2024, the entities SRLEV N.V. and Proteq Levensverzekeringen N.V. merged, further simplifying the legal structure of Athora Netherlands.
- A new Zwitserleven brand campaign was launched in March 2024. This has been well received, supporting strong commercial momentum during the period.
- Successful execution of our digital strategy: launch of new rebranded website and new client portals.

#### Results Overview Athora Netherlands

In € millions	HY2024	HY2023
Operating result (before taxation)	312	217
Net Result IFRS	64	115

  

In € millions/percentage	30 June 2024	31 December 2023
IFRS Equity	4,201	4,004
Solvency II Ratio	201 %	206 %

## **Jan de Pooter, CEO and Chair of the Executive Committee of Athora Netherlands:**

“We started the year with a strong set of financial and commercial results. I am proud and thankful to all employees for the continued strong progress, enabling the execution of our Ambition 2025 strategy.

Commercially, we saw strong business volumes in the first six months, up 17% year-on-year, supported by the full impact of the acquisition of WTW’s PPI in the second quarter of last year. In annuities we increased our market share substantially, growing volumes by 72% compared to HY 2023.

The renewed Zwitterleven brand campaign was highly successful and we have continued to invest in our portals to provide customers with a seamless experience and rebranded the Zwitterleven website.

With the new pension law (Wtp) now in force, we observe increased activity amongst pension funds considering a transfer of their existing liabilities to an insurance company. As the only pure pension and life specialist, Athora Netherlands is very well positioned to capture the opportunities in this market.

One of the key elements of our strategy is to increase recurring investment income through the repositioning of part of our investment portfolio towards higher yielding assets, offering better risk-return characteristics. This ongoing process allows us to offer attractive rates to our customers and has led to a further improvement of OCG during the first half of 2024.

Our Solvency II ratio remained above 200%, with a positive contribution from OCG and management actions during the period. This supported two shareholder capital distributions in H1 2024, totalling € 150 million, and investment deployment to support future increase in OCG. Our strong and stable capital position provides comfort to our customers and forms a solid platform to further develop our business.

We continue to make a real world impact by making investments that are important for the transition to a sustainable society and economy. In the first quarter we participated in the capital raise of a fund that focuses on deep-tech investments in the Netherlands.

Considerable effort is put into further increasing transparency on sustainability matters to customers and other stakeholders. Next to our preparations for the implementation of CSRD regulation, we launched a sustainability dashboard allowing our customers to monitor the sustainability profile of their savings in our portals.

I am very pleased with our performance in the first half year of 2024 and would like to thank our customers and business partners for their continued trust. I look forward to working with the team to continue building Athora Netherlands into a leading pension solutions provider in the Netherlands.”

## Financial Results

In € millions	HY2024	HY2023
Gross Inflows	1,437	1,228
of which: Gross Written Premium	1,092	988
of which: Net inflow PPI	345	240
Direct investment income	604	461
Operating Result (before taxation)	312	217
Net Result IFRS	64	115

In € millions	30 June 2024	31 December 2023
Investments for account of participants PPI	4,589	3,912

**Gross inflows** increased by € 209 million to € 1,437 million compared to the same period in 2023, driven by higher sales of immediate annuities and the inclusion of the Willis Towers Watson (WTW) PPI as of the second quarter of 2023.

**Assets under Management (AuM) of the PPI** business increased by 17% from € 3.9 billion to € 4.6 billion in the first half year, due to new inflows and the positive evolution of the market value of the investments.

**Direct investment income** - consisting of interest received, dividends and rental income - increased by € 143 million to € 604 million compared to HY2023. The positive effect of the repositioning of the investment portfolio towards higher yielding assets more than offset the impact of the run-off of the individual life investment portfolio.

The **Operating Result** increased from € 217 million to € 312 million compared to the first half year of 2023. This was driven by higher investment income, supported by the repositioning towards higher returning assets.

The **Net Result IFRS** of € 64 million (HY2023: € 115 million) was mainly the result of the positive Operating Result partly offset by market variances. In 2023, the Net Result IFRS was supported by the Operating Result and One-time items.

## Operating result to Net Result

The reconciliation of Operating result (before taxation) to Net Result IFRS is presented in the table below:

In € millions	HY2024	HY2023
<b>Operating result (before taxation)</b>	<b>312</b>	<b>217</b>
Taxation	-81	-56
<b>Operating Result (after taxation)</b>	<b>231</b>	<b>161</b>
1) Market variances	-156	-5
2) One-time Items	55	139
3) Capital Flows (including funding costs)	-14	-14
4) Non-Operating CSM	-53	-166
<b>Net Result IFRS</b>	<b>64</b>	<b>115</b>

- 1) Market variances were negative in the first half year of 2024, mainly due to the impact of rising interest rates. Other market variances were broadly neutral.
- 2) One-time items in HY2024 were mainly driven by the merger of SRLEV and Proteq. Due to the merger, all assets are now managed according to one Strategic Asset Allocation resulting in an increase in Illiquidity Premium for the combined asset portfolio. In HY 2023, the one-time items mainly reflected an agreement reached in June 2023 to change existing group life longevity reinsurance contracts.
- 3) Capital flows in the first half year of 2024 comprised regular funding costs of € 14 million in relation to the outstanding bond financing.
- 4) Non-Operating CSM net-of-tax includes the CSM effect on above items. In HY2023, the CSM increased during the period, mainly caused by the IFRS accounting treatment of amendments to existing group life longevity reinsurance contracts.

## Insurance contracts

In € millions	30 June 2024	31 December 2023
Net Contractual Service Margin (combined reinsurance and insurance)	<b>1,942</b>	1,930

The Net Contractual Service Margin (combined reinsurance and insurance) increased by € 12 million (30 June 2024: € 1,942 million; 31 December 2023: € 1,930 million). The periodic release of Contractual Service Margin was compensated by positive impacts from new business written, market variances and one-time items.

## Capital Management

### Solvency II Position Athora Netherlands

In € millions / percentage	30 June 2024	31 December 2023
Eligible own funds	3,414	3,326
Consolidated Group SCR	1,697	1,616
Solvency II Surplus	1,717	1,710
Solvency II Ratio	201%	206%

The Solvency II ratio of Athora Netherlands N.V. remained robust at 201% (YE2023: 206%). Strong Operating Capital Generation and the contribution from management actions was offset by shareholder capital distributions, investment deployment, market impacts and regulatory changes:

- **Operating Capital Generation (OCG)** in HY2024 increased to € 230 million (+15%-points Solvency II ratio) from € 193 million in HY2023. OCG is supported by increased investment income.
- **Market variances** had a negative impact of 5%-points, mainly due to a 2 bps decrease in the Volatility Adjustment and Commercial Real Estate revaluations.
- **Repositioning of the investment portfolio** increased the Solvency Capital Requirement (SCR) leading to a reduction of the Solvency II ratio of 8%-points. The repositioning of the investments will contribute to further growth of OCG.
- **Changes in Regulatory parameters** decreased the Solvency II ratio by 8%-points. This included the annual EIOPA update of the reference portfolio combined with the decrease of the Ultimate Forward Rate from 3.45% to 3.30%.
- **Capital flows:** increased the Solvency II ratio by +1%-point. Financing actions, including the capital contribution from Athora Group and Liability Management Exercise added +11%-points. This was offset by €150 million of capital distributions, which reduced the Solvency II ratio by 8%-point, and the impact of coupon payment on subordinated loans. Other capital flows consisted of two capital distributions of € 75 million each, reducing the Solvency II ratio by 8%-points, and the impact of coupon payments on subordinated loans which reduced the Solvency Ratio by 2%-points. On balance all capital related flows increased the Solvency II ratio by +1%-point.

## Financial Result per Segment

In € millions	SRLEV	Zwitserleven PPI	Holding	Total
<b>Net Result IFRS HY2024</b>	<b>74</b>	<b>2</b>	<b>-12</b>	<b>64</b>
Net Result IFRS HY2023	134	1	-20	115

On 30 June 2024 the entities SRLEV and Proteq merged. As a result of this legal merger, Proteq ceased to exist as a separate entity and SRLEV acquired all assets and assumed all liabilities of Proteq as at 30 June 2024. The legal merger is effective as of 30 June 2024 and is retrospectively applied from 1 January 2024 in the accounting records, as the financial information of Proteq will be included in SRLEV's 2024 annual report. SRLEV will continue the activities of Proteq.

Developments in Net Result IFRS of Athora Netherlands are applicable for SRLEV.

Net Result IFRS for the segment Holding in HY2024, improved as result of lower allocated operating expenses to the Holding segment and inclusion of a positive (realised) result on the tender of the € 300 million subordinated loan. This was partly offset by a more negative impact compared to HY2023 due to the interest rate impact on the Own Pension Contract.

## Consolidated Statement of Financial Position Athora Netherlands N.V.

Before result appropriation and in € millions	30 June 2024	31 December 2023
<b>Assets</b>		
Intangible assets	4	5
Property and equipment	34	34
Investments in associates and joint ventures	42	40
Investment property	963	986
Investments	44,857	44,930
Investments for account of third parties	8,973	7,560
Derivatives	3,285	6,507
Deferred tax	778	770
Reinsurance contracts held assets	3	13
Loans and advances due from banks	3,560	3,066
Corporate income tax	27	43
Other assets	368	223
Cash and cash equivalents	320	387
<b>Total assets</b>	<b>63,215</b>	<b>64,562</b>
<b>Equity and liabilities</b>		
Share capital <sup>1</sup>	0	0
Reserves	3,851	3,653
<b>Total shareholders' equity</b>	<b>3,851</b>	<b>3,654</b>
Holdings of other equity instruments	350	350
<b>Total equity</b>	<b>4,201</b>	<b>4,004</b>
Subordinated debt	649	922
Borrowings	–	62
Insurance contract liabilities	41,701	41,713
Reinsurance contracts held liabilities	191	210
Liabilities from investments for account of third parties	8,973	7,560
Provision for employee benefits	433	452
Other provisions	40	112
Derivatives	5,597	7,987
Amounts due to banks	793	1,249
Other liabilities	638	292
<b>Total equity and liabilities</b>	<b>63,215</b>	<b>64,562</b>

<sup>1</sup> The issued and paid-up share capital of Athora Netherlands N.V. is € 238,500

## Consolidated Statement of Profit or Loss Athora Netherlands N.V.

In € millions	HY2024	HY2023
Insurance revenue	955	893
Insurance service expenses	-852	-822
Net expenses from reinsurance contracts held	-3	-10
<b>Insurance service result</b>	<b>101</b>	<b>61</b>
Result on investments	1,319	1,078
Result on investments for account of third parties	832	424
Result on derivatives	-745	310
Result on liabilities from investments for account of third parties	-832	-424
Share in result of associates	3	2
Impairment losses and reversals	1	-2
<b>Investment result</b>	<b>578</b>	<b>1,388</b>
Insurance finance income or expenses	-592	-1,138
Reinsurance finance income or expenses	8	-112
<b>Insurance finance income and expenses</b>	<b>-585</b>	<b>-1,250</b>
Other income	6	5
Other operating expenses	-29	-32
Other finance result	-11	-25
<b>Other income and expenses</b>	<b>-34</b>	<b>-52</b>
<b>Result before tax</b>	<b>60</b>	<b>147</b>
Tax expense or benefit	4	-32
<b>Net result for the period</b>	<b>64</b>	<b>115</b>



## **Alternative Performance Measures**

This press release contains Alternative Performance Measures (APM's) also referred to as non-GAAP measures in addition to the figures which have been prepared in accordance with the International Financial Reporting Standards (IFRS).

### **Definition and usefulness of Operating Result (OR):**

The Operating Result (OR) presents the financial performance on underlying operations of the business and provides a long-term view of IFRS result consistent with the Solvency II Operating Capital Generation definition.

The Net Result IFRS of Athora Netherlands has a period-to-period volatility due to the valuation of most assets and liabilities at fair value. In the Operating Result, fair value movements as a result of market developments, capital flows (including funding costs), methodology and assumption changes and other one-time items are considered non-operating and are therefore eliminated from the Net Result IFRS.

Elements included in the Operating Result are:

- expected market return accretion of assets over liabilities,
- unwinding effects of the portfolio including CSM and Risk Margin release,
- impact of the UFR-drag,
- value of onerous new business, and
- in-period experience variance on operating expenses and other non-insurance operating items.

The Operating Result should be viewed as complementary to, and not as a substitute for Net Result IFRS.

### **Definition and usefulness of Gross Inflows:**

Gross Inflows provide an indication for the business volumes through our insurance entities and our PPI, and comprise Insurance premiums received, and Customer funds deposited in the PPI which are not accounted for as premiums.

## For information

Media Relations

Henk Schillemans

+31 (0)6 12647962

henk.schillemans@athora.nl

Investor Relations

Robert ter Weijden

+31 (0)6 83713889

robert.terweijden@athora.nl

## About Athora Netherlands

Athora Netherlands N.V. is the holding company for, among others, SRLEV N.V. and Zwitserleven PPI N.V. Athora Netherlands' subsidiaries are active on the Dutch market with the Zwitserleven and Reaal brands. A balance sheet total of € 63 billion (end of June 2024) makes Athora Netherlands one of the largest insurers in the Netherlands. Athora Netherlands Holding Limited is the sole shareholder of Athora Netherlands N.V.

For more information, please visit [www.athora.nl](http://www.athora.nl).

## Disclaimer

This press release is released by Athora Netherlands N.V. and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the annual results 2023 of Athora Netherlands N.V. as described above.

This press release exclusively contains factual information and must not be interpreted as an opinion or recommendation with regard to the purchase or sale of securities issued by Athora Netherlands N.V. and/or one or more of its subsidiaries. This press release does not contain any value judgements or predictions with regard to the financial results of Athora Netherlands N.V. and/or its subsidiaries. If you do not wish to receive any press releases from Athora Netherlands, please send an email to [info@athora.nl](mailto:info@athora.nl).

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 combination with the annual report 2023 of Athora Netherlands N.V.

As per 30 June 2024 the same key accounting principles have been applied as per 31 December 2023 for the annual report 2023 of Athora Netherlands N.V. All financial data presented in euros is rounded to the nearest million, unless stated otherwise. Calculations are made using unrounded figures. As a result, rounding differences can occur.

All figures in this document are unaudited.