



Willem van Duin
Chairman of the Executive Board

Michel Lamie
Chief Financial Officer

**Strong result despite severe
storm damages in January**



Contents



General overview

1. Group results
2. Strategy up to 2020 'Delivering Together'



Financial overview

3. Results by segment
4. Capital position and solvency



Appendix

5. Sensitivities
6. Investments

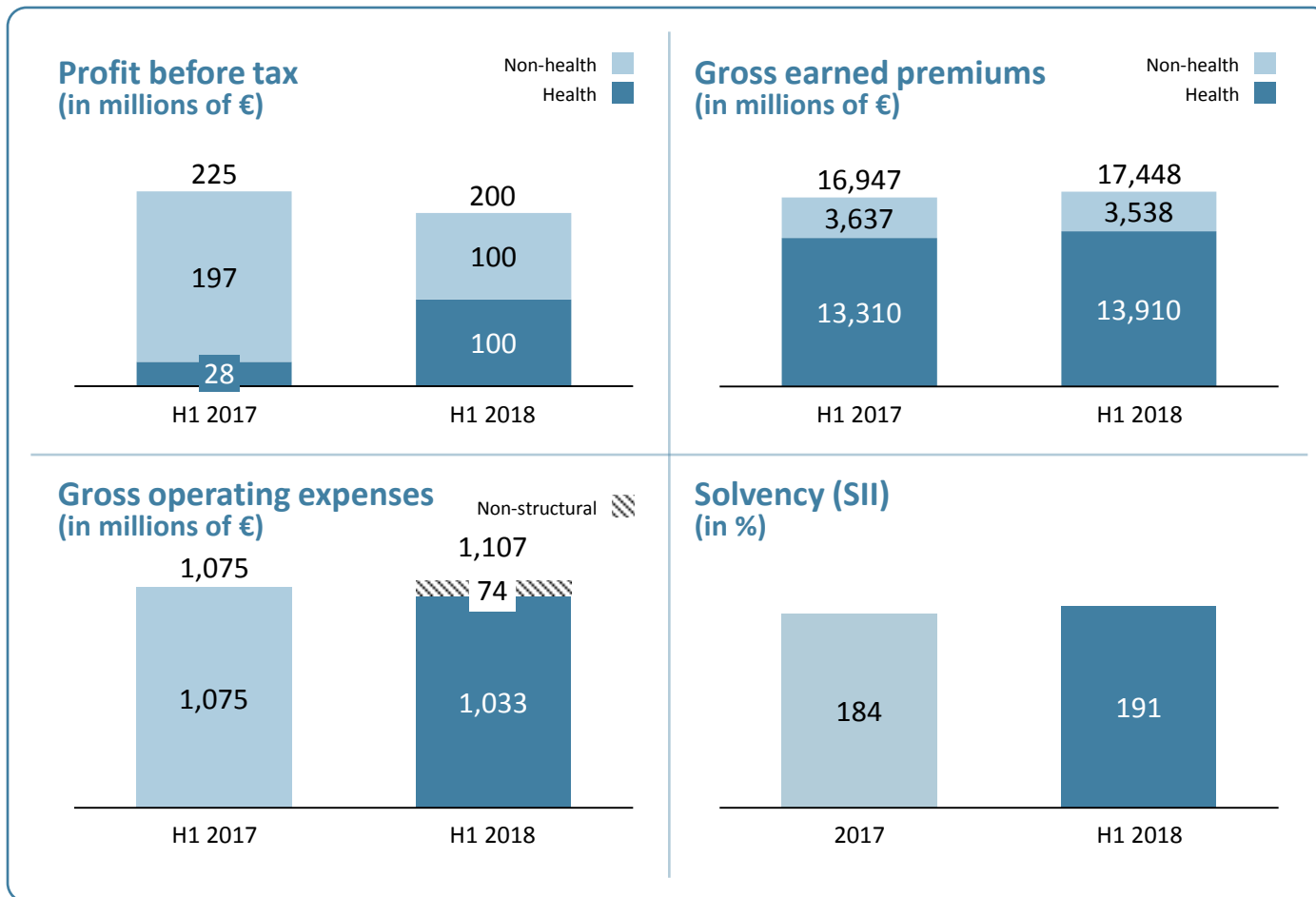


Strong result despite severe storm damages in January

- Profit before tax of €200 million
- Non-Life result strongly affected by January storms; further improvement in underlying result
- Higher contributions to result from Pension & Life and Health
- Solvency ratio increased to 191%
- Strong insurance brands with continued high customer satisfaction
- Strategic focus on fast-growing and highly-rated online and banking distribution channels via Rabobank
- Premium growth for health and property & casualty insurance in first half of 2018
- Leader in mobile and online services; successful at introducing new concepts



Strong result despite severe storm damages in January



- Strong result despite storm damages amounting to €116 million in January. When adjusted for this, the result is significantly higher
- Higher earned premiums driven by Health and Non-Life
- Structural 4% reduction in operating expenses
- Financial position remains strong: Solvency ratio increased to 191%

€200 million result driven by Pension & Life and Health

Segment results

(in millions of €)

	H1 2017	H1 2018
Non-Life	105	4
Health	28	100
<i>Basic health insurance</i>	<i>-1</i>	<i>34</i>
<i>Supplementary health insurance</i>	<i>29</i>	<i>66</i>
Pension & Life	102	190
Retirement Services	4	10
International activities	6	19
Other activities	-22	-131
Operational result	223	192
Transaction result	2	8
Result before tax	225	200

Non-Life

- Operational result affected by exceptional January storms
- Underlying result improved due to taken measures

Health

- Higher result due to lower healthcare expenses than expected and lower operating expenses

Pension & Life

- Higher result due to higher investment income, higher technical result and lower expenses

Retirement Services

- Higher result due to higher interest margin and lower expenses due to outsourcing Achmea Bank's mortgage process and higher AuM at Achmea Investment Management

International

- All countries contributed to the improved result

Other activities

- Accelerated implementation of efficiency measures as part of 'Delivering Together' strategy leads to addition to reorganisation provision
- Achmea Reinsurance result negative due to claims from January storms

Transaction result

- Positive transaction result from joint venture agreement with Fairfax in Canada

Strategy to 2020: 'Delivering Together'

- Motto: trend-setting and customer relevant
- Innovation of services is key; we are developing services to complement our insurance offerings
- Continued investment in digitisation, innovation and customer focus
- Up to 2020, the operating expenses decrease by approx. €200 million and the number of FTEs decrease by approx. 2,000

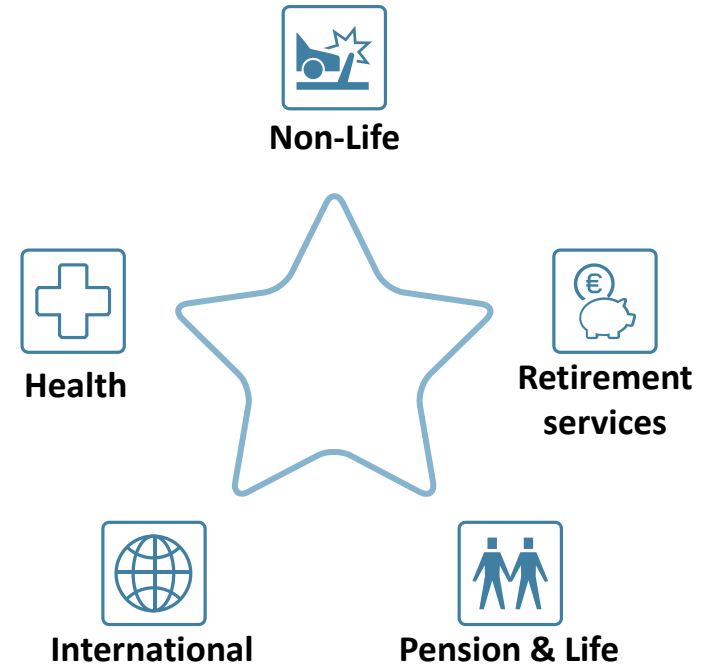
Milestones in H1 2018

- ✓ Structural cost reduction of 4%
- ✓ Reduction of approx. 300 FTEs in the Netherlands

Since the start (2017) of 'Delivering Together'

- ✓ Total expense reduction of €140 million and approx. 1,600 employees

Corporate structure of five market-oriented business lines





Non-Life:

High customer satisfaction and leader in online distribution

Strategic direction

- ✓ Strong brands and a leading market position
- ✓ Fast-growing and highly-rated online and banking distribution channels via Rabobank
- ✓ Recovery in result due to adequate premium levels, efficiency, prevention and claims management
- ✓ Financially sound business model with a high-quality insurance portfolio

Milestones in H1 2018

- ✓ Underlying result improved further due to taken measures
- ✓ Growing customer base with property & casualty insurance for Centraal Beheer, Interpolis and FBTO
- ✓ All Interpolis insurance policies can be arranged via Rabo banking app
- ✓ Centraal Beheer most customer-friendly insurer of 2018 at CustomerFirst Awards
- ✓ FBTO 'most customer-oriented' insurer according to quality seal for customer-oriented insurance (KVV)
- ✓ Introduction of online services and innovation: incl. BlueLabel and Thuiswacht from Interpolis





Health: Health accessible for everyone, now and in the future

Strategic direction

- ✓ Balancing solidarity, market share and solvency
- ✓ Enhancing value for customers and supporting a healthier lifestyle with 'Actify' and 'Gezond Ondernemen'

Milestones in H1 2018

- ✓ Stable 30% market share with 5.1 million customers
- ✓ Operating expenses further reduced
- ✓ Cooperation between, and integration of, De Friesland Zorgverzekeraar and Zilveren Kruis on schedule
- ✓ High customer satisfaction score for 'Zorg Veilig Thuis' initiatives via 'Hartwacht' and home treatment for cancer

Basic health insurance loss-making in 2018 – loss provision of €108 million in 2017

Structural: 97 cents out of every euro in healthcare premiums spent directly on covering customers' medical expenses





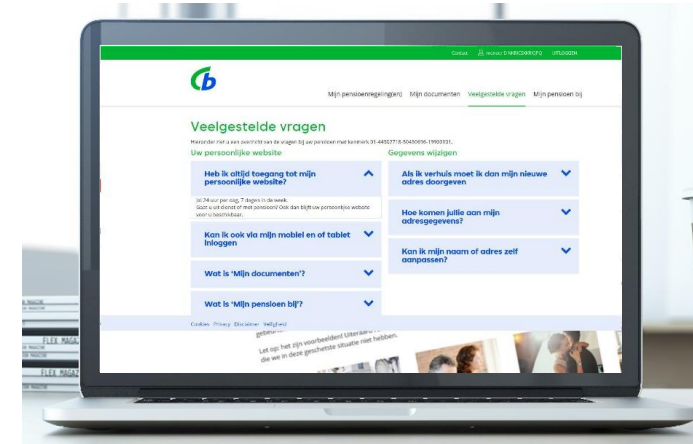
Pension & Life: High service level to customers and growth in term life insurance

Strategic direction

- ✓ Service organisation with steady results and positive capital generation while maintaining high customer satisfaction
- ✓ Growth in term life insurance

Milestones in H1 2018

- ✓ Strong contribution to result
- ✓ Implementation of closed-book service organisation leads to sharp cost reduction
- ✓ Continued high customer satisfaction with increased NPS scores for services
- ✓ Decrease in portfolio size in line with expectations
- ✓ 25% market share of newly-sold term life insurance primarily due to Interpolis (online) via Rabobank



Particulieren

Rabobank

< Verzekering

Overlijdensrisicoverzekering

Voorkom financiële zorgen voor wie u lief is





Retirement Services: Investing in a good pension for customers

Strategic direction

- ✓ Overall proposition for pension accumulation
- ✓ Growth in institutional asset management
- ✓ Centraal Beheer: full-service financial service provider

Milestones in H1 2018

Achmea Pension Services

- ✓ Company pension fund Makro Nederland (Metro) has chosen Achmea Pension Services
- ✓ Cindu pension fund has opted for Centraal Beheer Algemeen Pensioenfonds ('Centraal Beheer APF')
- ✓ Centraal Beheer APF second largest provider at €1.3 billion in AuM
- ✓ Centraal Beheer APF 'My pension' portal 'new standard in participant communications' (PensioenPro)

Achmea Investment Management

- ✓ Assets under management at Achmea Investment Management increased to €132 billion
- ✓ Centraal Beheer: again lowest retail investment fees according to Beleggingsmatch.nl

Achmea Bank

- ✓ Higher result due to higher interest margin and lower expenses from outsourcing mortgages and migration to new savings system

Centraal Beheer op 1 in prijsonderzoek beleggen





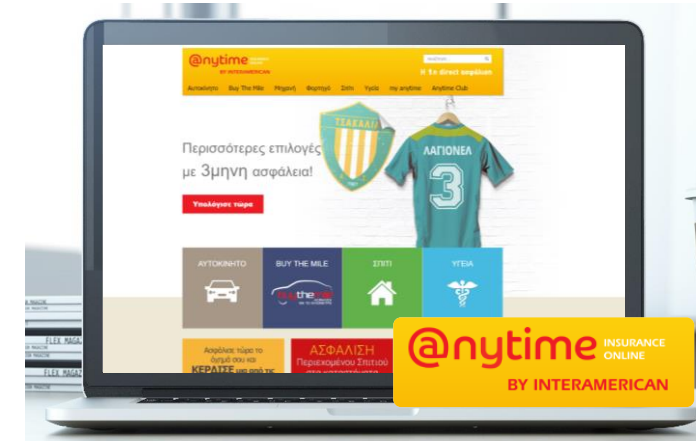
International: Use of online insurance expertise and experience

Strategic direction

- ✓ Growth by using digital competencies: property & casualty and health insurance via online and banking distribution

Milestones in H1 2018

- ✓ All countries contributed to higher operational result
- ✓ Growth in written premiums for property & casualty and health insurance in local currency
- ✓ Canadian online insurance proposition to be launched via partnership with Fairfax
- ✓ High customer ratings for distribution concept with Rabobank in Australia leads to growth in written premiums
- ✓ Sale of Irish life insurance company Friends First to Aviva completed as planned



Contents



General overview

1. Group results
2. Strategy up to 2020 'Delivering Together'



Financial overview

3. Results by segment
4. Capital position and solvency

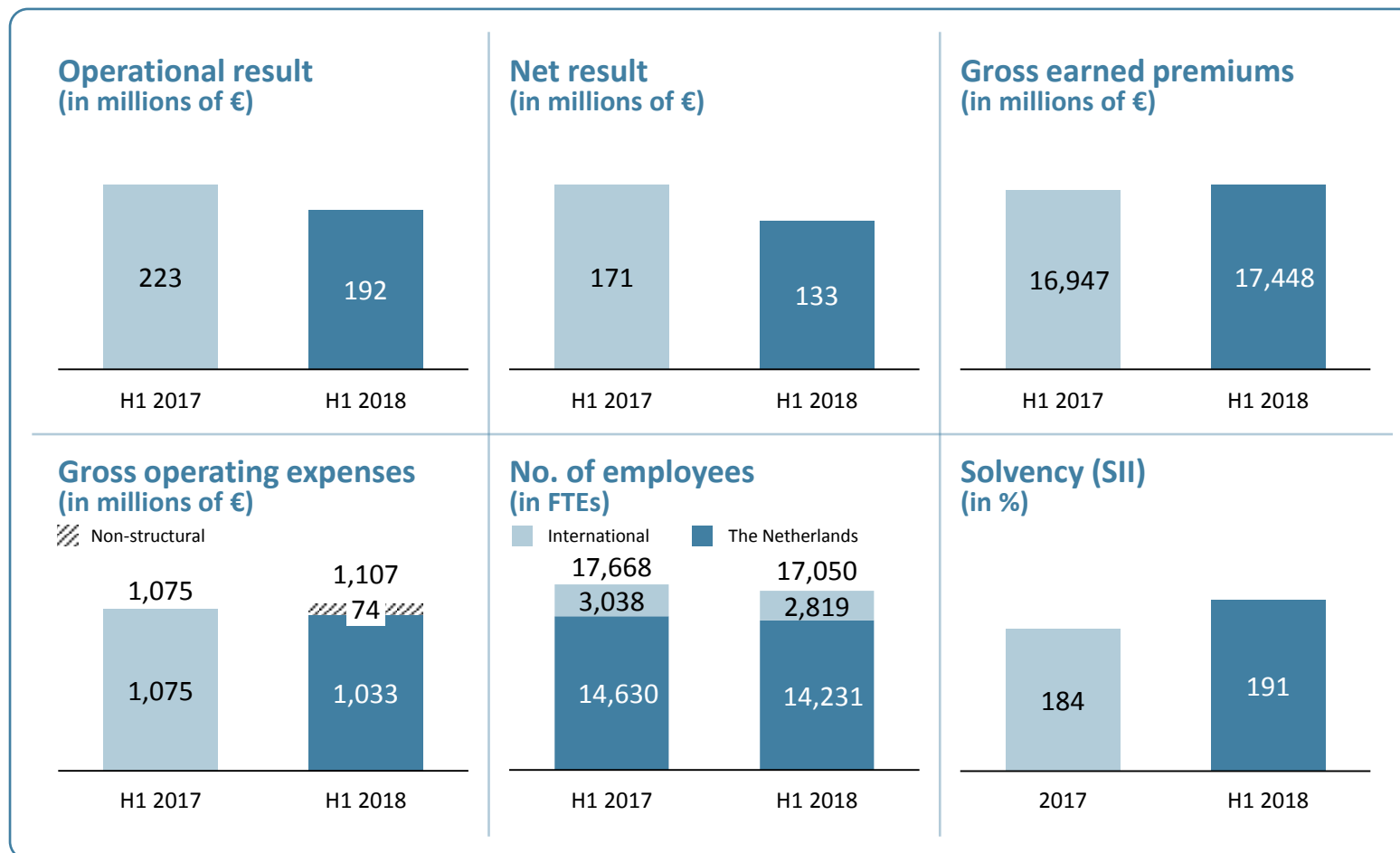


Appendix

5. Sensitivities
6. Investments



Strong result despite severe storm damages in January

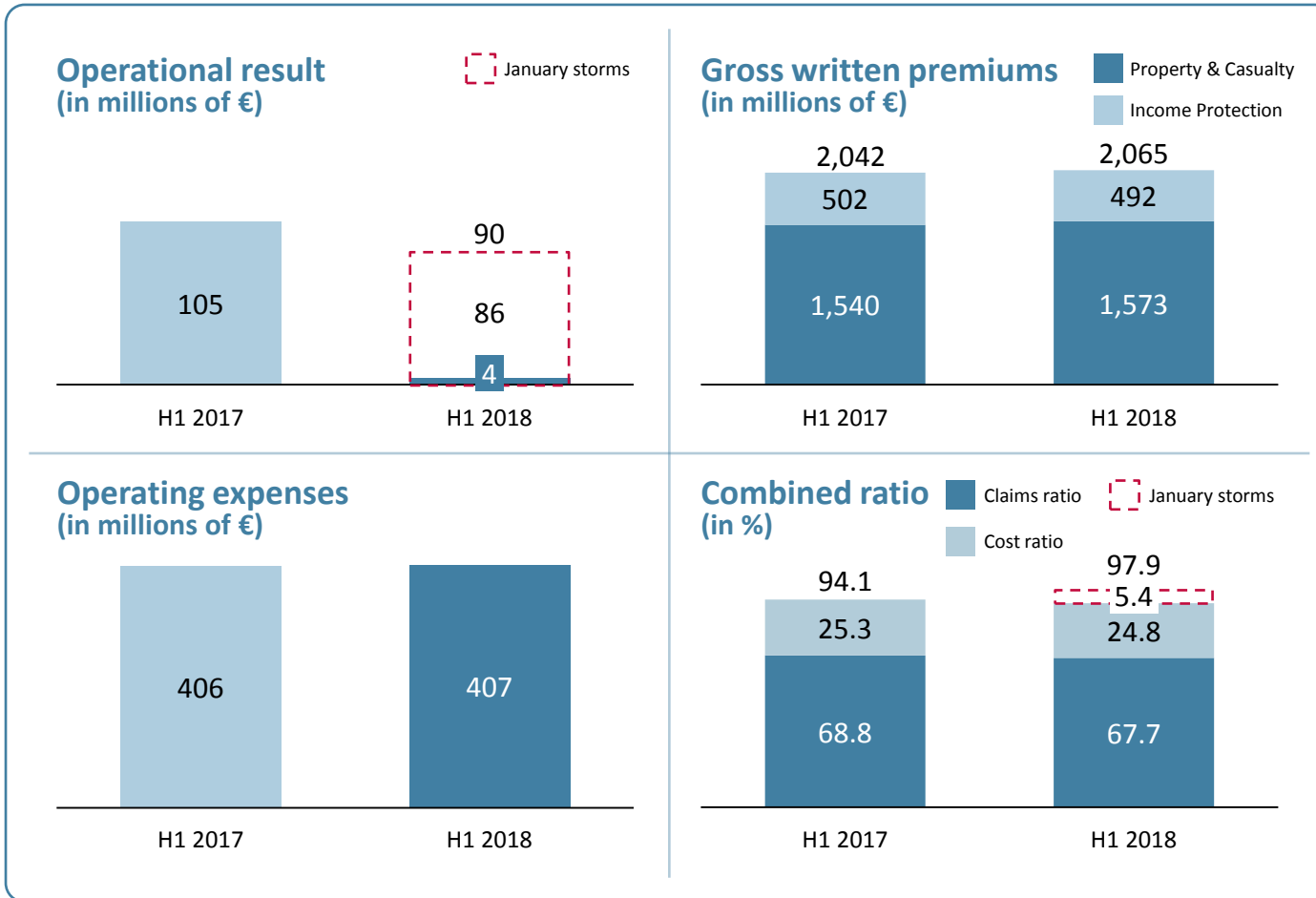


Slight decrease in operational and net result

- €116 million impact from January storms
- Significant contribution from Pension & Life and positive contribution from Health
- Net result lower due to increase of provision for PZU
- Higher gross earned premiums driven by Health and Non-Life
- Higher operating expenses mainly caused by reorganisation expenses. Structural decrease in operating expenses of €42 million due to reduction of:
 - Number of employees
 - IT expenses
 - Office expenses
- Financial position strong with increase of Solvency II ratio to 191%



NON-LIFE: Improved underlying result due to improvement measures; combined ratio of 97.9% including impact of January storms



- Result affected by January storms. In 2017, higher investment results due to realised gains
- Higher written premiums for property & casualty insurance for retail customers and decrease in income protection insurance in slightly shrinking market
- Additional investments in innovation: operating expenses remain stable

Property & Casualty

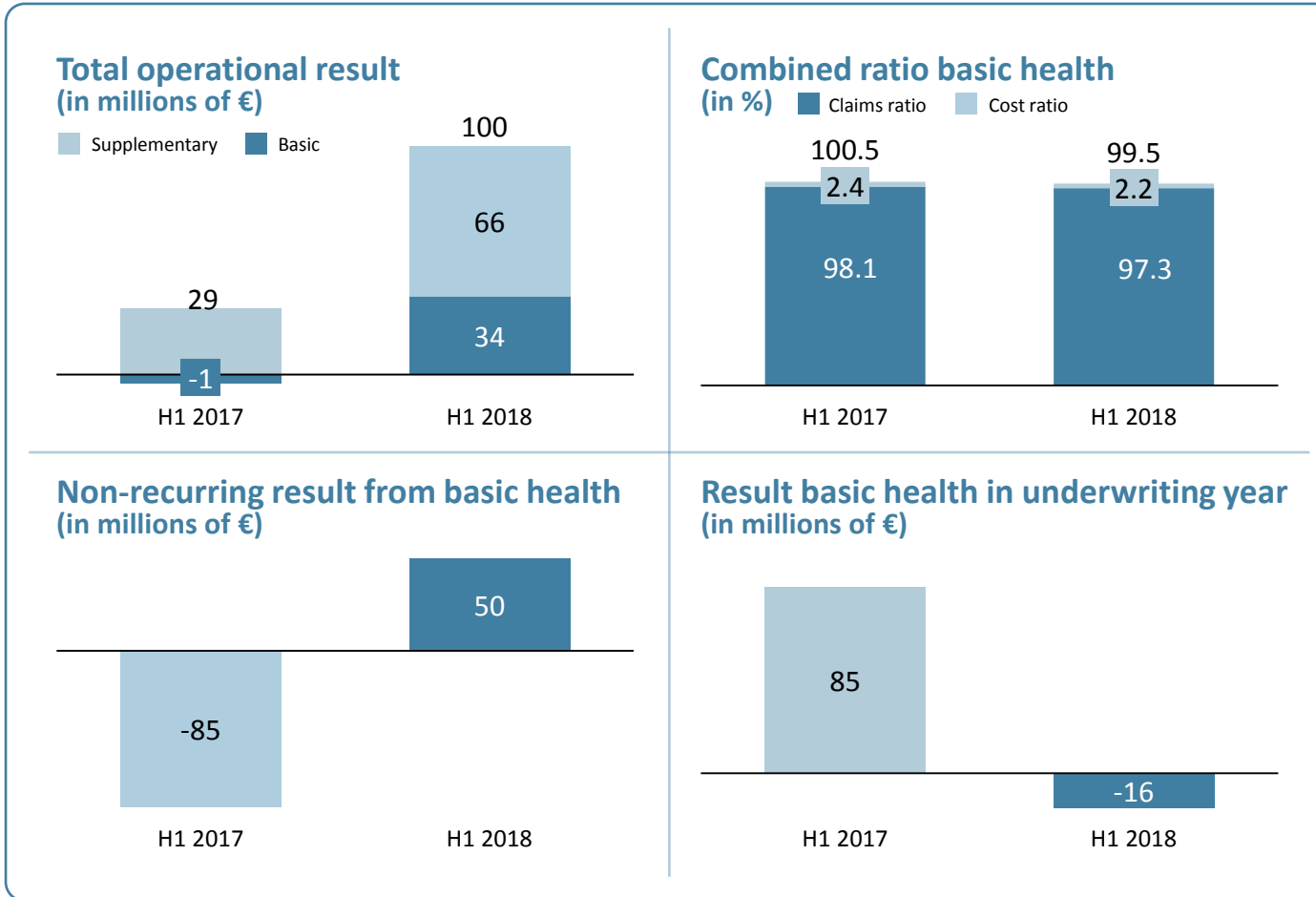
- Result decreased to -€12 million (H1 2017: €62m) due to €86 million impact from January storms
- Excluding January storms 4%-pt improvement in combined ratio to 92.5% (H1 2017: 96.5%) due to premium adjustments and claim reductions

Income Protection

- Result decreased to €16m (H1 2017: €43m) due to longer duration of absence and higher claims
- Combined ratio increased by 8.6%-pt to 92.3%
- Continued focus on improving re-integration leads to release of portion of WIA provisions



HEALTH: Higher result due to lower healthcare and operating expenses



- Both basic and supplementary health insurance contribute to higher result
- Structural decrease in operating expenses of approx. 10%

Basic health insurance

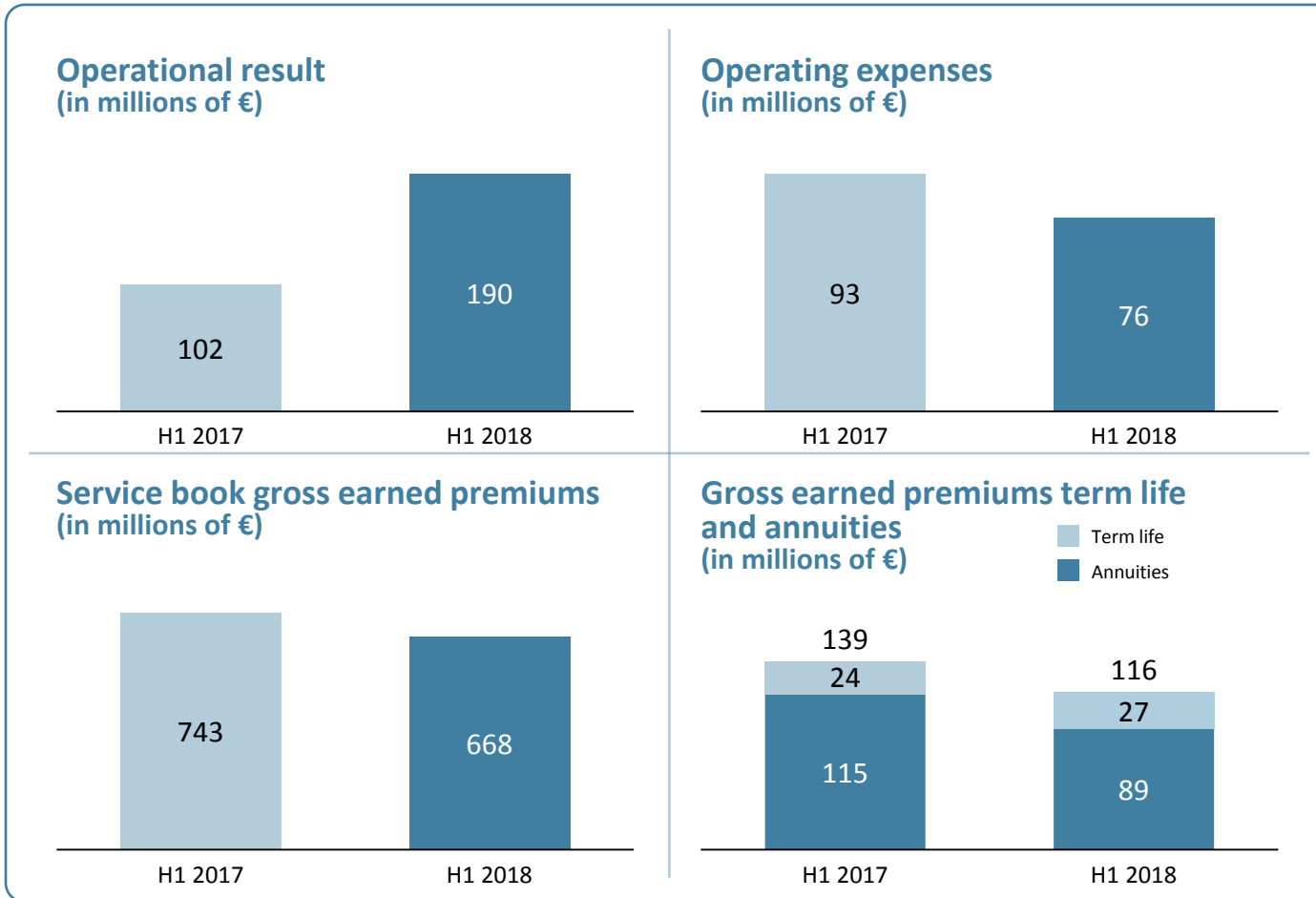
- Result current underwriting year €16m lower than expected partly due to higher cost of medicine.
- In 2017, a loss provision of €108 million was made for premium setting below cost price in 2018
- Higher result from previous years due to more favourable developments in healthcare expenses than expected
- Earned premiums increased to €13,910 million (H1 2017: €13,310m) due to higher customer premiums and higher contribution from Health Insurance Equalisation Fund

Supplementary health insurance

- Result increased to €66 million due to positive developments in healthcare expenses for both current and previous years
- Written premiums stable at €1,321 million
- Number of customers taking out supplementary health insurance unchanged at about 80%



PENSION & LIFE: Higher profitability driven by improved investment results and lower operating expenses



Higher operational result due to improved investment result, technical result and lower operating expenses

- Higher investment results mainly due to spread developments and higher real estate valuations. H1 2017 result affected by lower commodity prices
 - Technical result improved due to one-off addition to provision made in H1 2017 for waiver of premiums in case of disability
- Further reduction in expenses due to reduction in IT systems and employees

Pension & Life service book

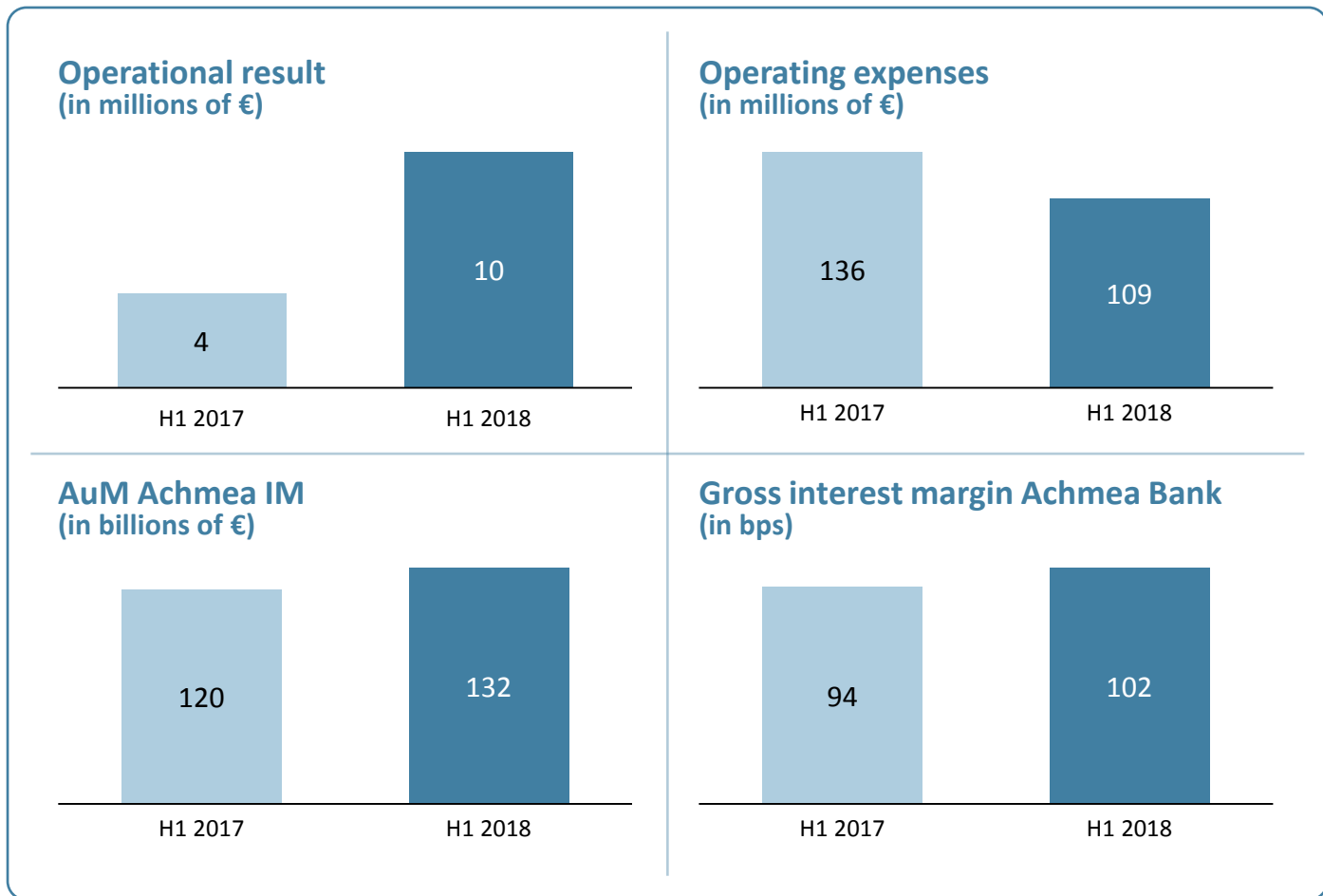
- 20% decrease in written premiums for pension portfolio in line with expectations. Long duration of contracts in pension portfolio results in slow decrease of liabilities
- Premium lapse rate for life insurance portfolio at 10% due to surrender and expiration in line with expectations

Term life insurances and annuities

- Focus on return over volume has led to a decrease in written premiums from annuities
- Growth in term life insurance despite lower number of newly-registered mortgages in the Netherlands



RETIREMENT SERVICES: Improved result driven by increased efficiency in banking and asset management activities



- Result increased to €10 million due to higher results at Achmea Bank and Achmea Investment Management

Achmea Bank

- Lower operating expenses due to outsourcing of mortgage process and migration to new savings system
- Higher interest margin due to lower financing expenses

Achmea Investment Management

- AuM grown to €132 billion due to inflow from new pension funds and customer retention rate of close to 100%
- Higher profit contribution due to insourcing external asset management and lower expenses

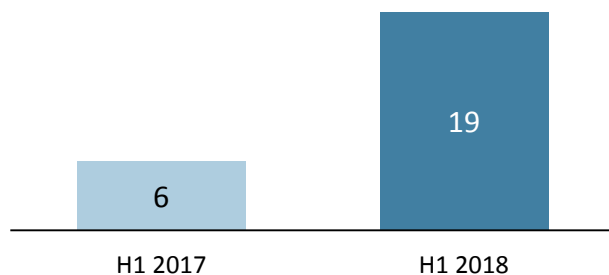
Achmea Pension Services

- Services to sectoral pension funds successfully phased out
- Lower contribution to result due to expenses for phasing out services to sectoral pension funds and missed revenues from those pension funds

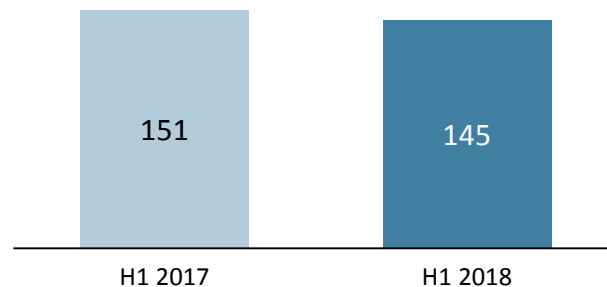


INTERNATIONAL: Improved result in all countries

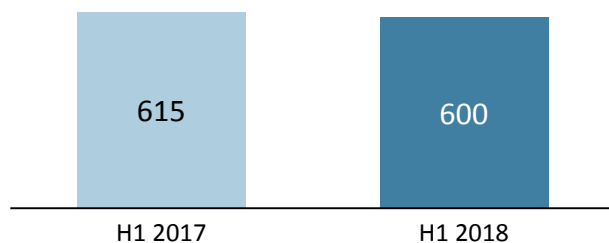
Operational result
(in millions of €)



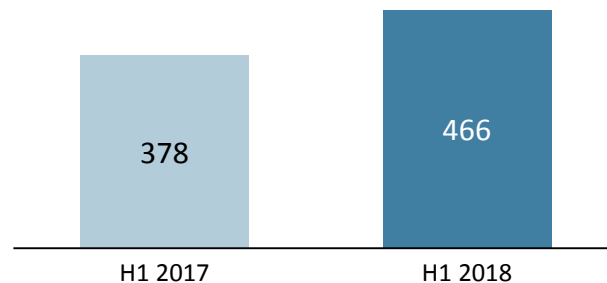
Operating expenses
(in millions of €)



Gross earned premiums
(in millions of €)



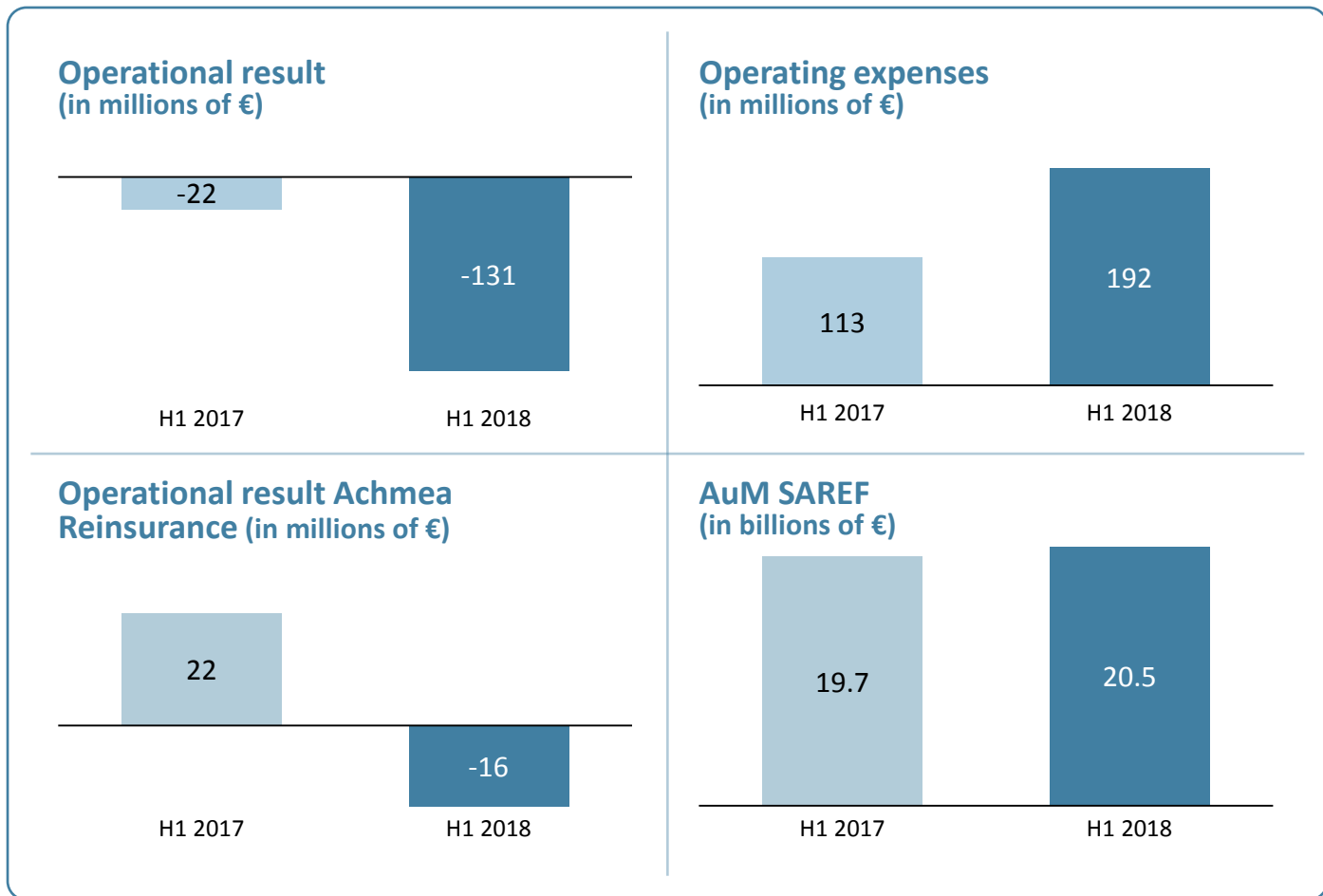
Number of policies sold online
(in thousands)



International activities

- All countries contributed to improved result
- Premium growth in Slovakia, Turkey and Greece
- Decrease in operating expenses due to sale of Friends First and devaluation of Turkish lira. When adjusted for this, increase in expenses of nearly 4% due to growth of activities
- Written premiums increased in all countries in local currency:
 - Growth in earned premiums for property & casualty activities in **Turkey**, earned premiums lower for MTPL insurance
 - Recovering economy drives growth in **Greece**. Direct online brand Anytime successful in Greece and Cyprus
 - Growth in **Slovakia** driven by health insurance due to higher number of customers and economic growth

OTHER ACTIVITIES: Lower result due to reorganisation expenses and impact of January storm on reinsurance activities

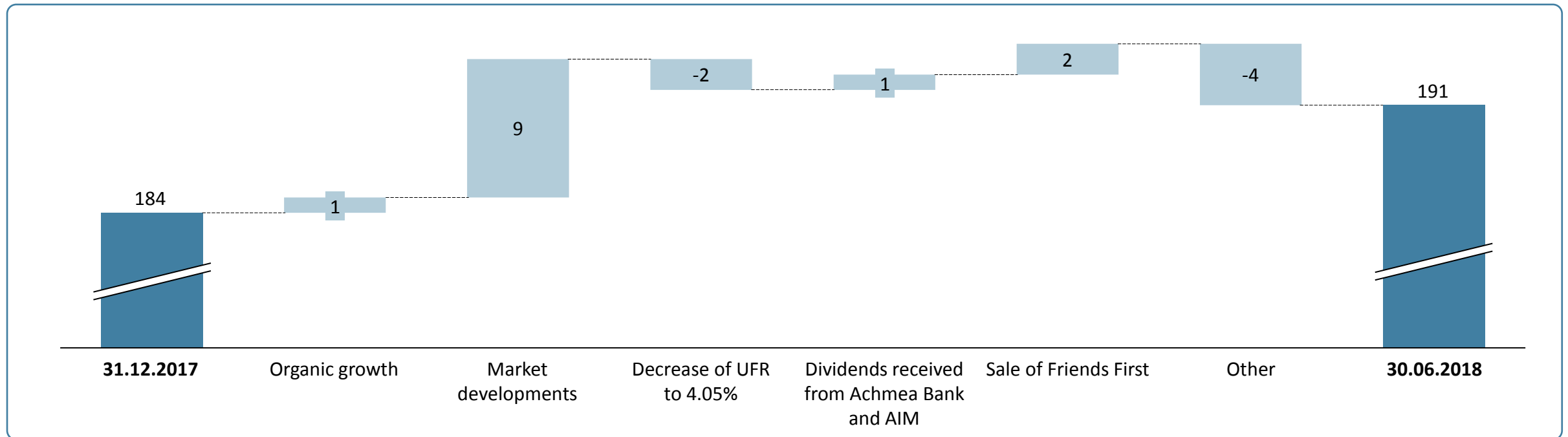


Other activities

- Other activities comprises the results from our other operating companies¹, holding activities and financing expenses
- Implementation of ‘Delivering Together’ strategy leads to €50 million addition to reorganisation provision
- Operating expenses H1 2017 lower due to one-off benefits
- Lower result due to impact of January Storm Friederike on Achmea Reinsurance (impact: €30 million)
- AuM SAREF increased to €20.5 billion (H1 2017: €19.7 billion)
- Higher management fees due to real estate revaluations and increase in number of mandates

¹ Achmea Reinsurance Company, Syntus Achmea Real Estate & Finance and Independer

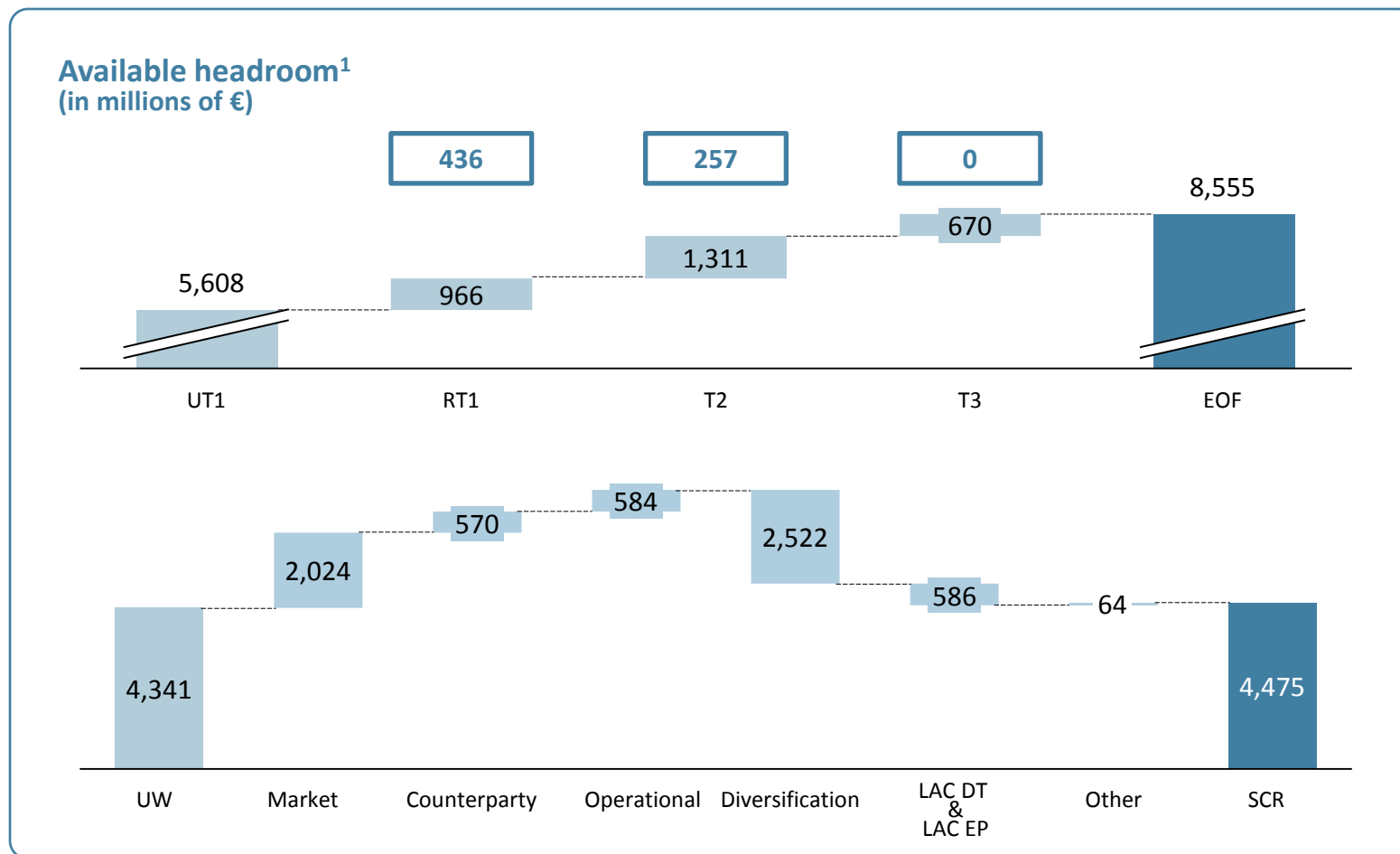
SOLVENCY II RATIO improved to 191%



Comments on development Solvency II ratio

- Impact of January storms on organic growth -2%
- Market developments primarily driven by interest rate, spread, and VA developments
- Other relates to lower LAC DT (due to lower BSCR) and refinements in methodology

SOLVENCY II: Financial position remains strong



Group Solvency

- Tier 1 Capital at 147% of the SCR
- Implementation of internal model for market risk as of 1 July 2018; impact expected to be non-material

Solvency core entities

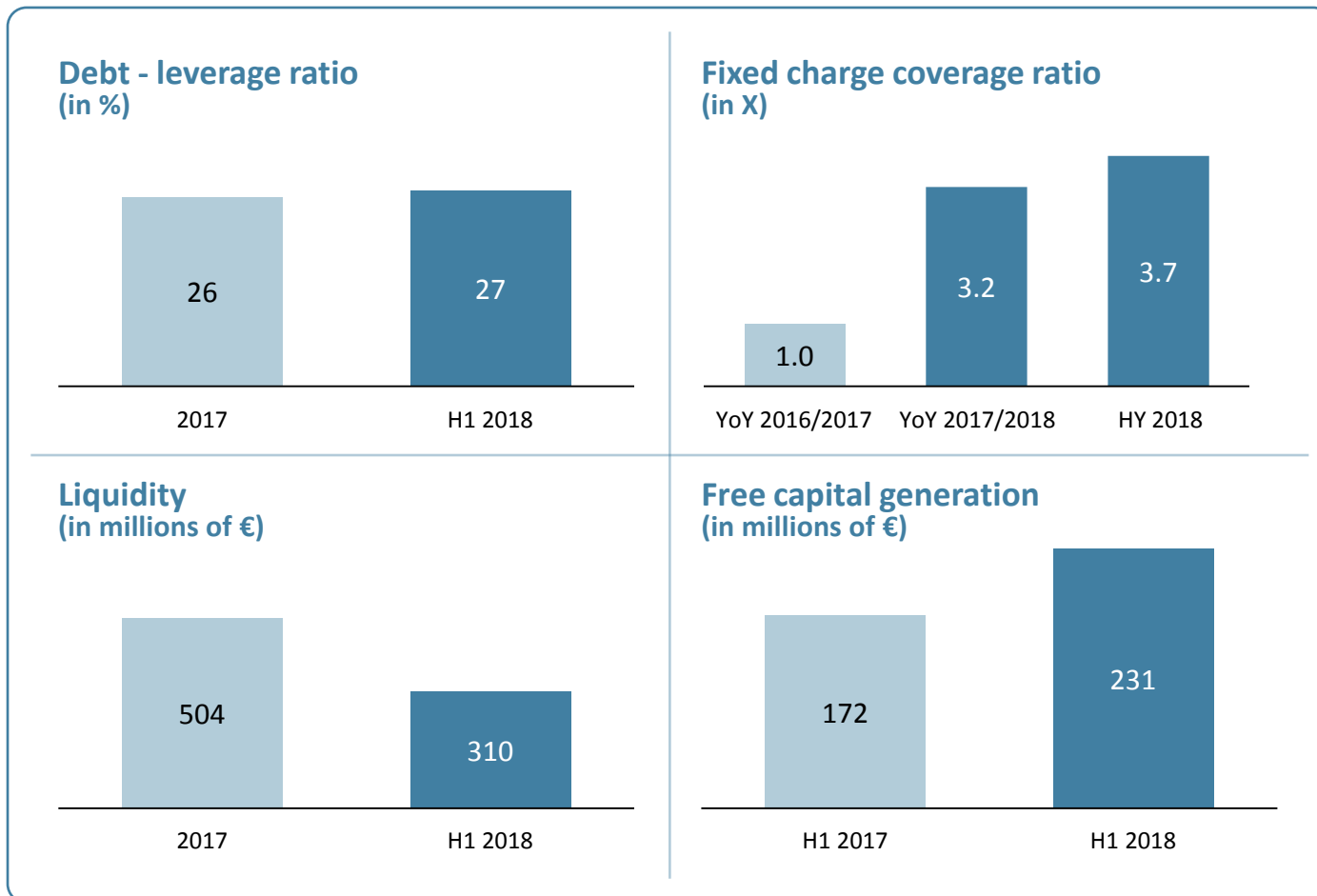
- Non-Life: 138% (FY 2017: 140%)
- Health: 144% (FY 2017: 142%)
- Pension & Life: 153% (FY 2017: 142%)

Capital allocation

- Capital predominantly allocated to underwriting risk in line with our risk appetite

¹ RT1 capacity: $(UT1 / 80\%) - UT1 - \text{outstanding RT1}$; Tier 2 capacity: $(\text{consolidated SCR} * 50\%) - \text{outstanding Tier 2} - \text{outstanding Tier 3}$; Tier 3 capacity: $(\text{Consolidated SCR} * 15\%) - \text{outstanding Tier 3}$

FCCR increased towards target of > 4.0x



Ratings

- S&P rating for insurance entities confirmed at 'A' with 'negative outlook'
- Fitch rating for insurance entities set at 'A+' with 'stable outlook'

Financial ratios

- Increase in debt - leverage ratio due to share buy-back and dividend payments
- FCCR improved due to increase in operational result and moving towards target of > 4.0x

Liquidity

- Liquidity lower due to share buy-back and dividend payments
- Liquidity of €105 million received from upstreaming of dividend by operating companies and €131 million from completion of sale of Friends First

Free capital generation

- FCG increased compared to H1 2017 driven by market developments

Strong result despite severe storm damages in January

- Profit before tax of €200 million
- Non-Life result strongly affected by January storms; further improvement in underlying result
- Higher contributions to result from Pension & Life and Health
- Solvency ratio increased to 191%
- Strong insurance brands with continued high customer satisfaction
- Strategic focus on fast-growing and highly-rated online and banking distribution channels via Rabobank
- Premium growth for health and property & casualty insurance in first half of 2018
- Leader in mobile and online services; successful at introducing new concepts



Contents



General overview

1. Group results
2. Strategy up to 2020 'Delivering Together'



Financial overview

3. Results by segment
4. Capital position and solvency

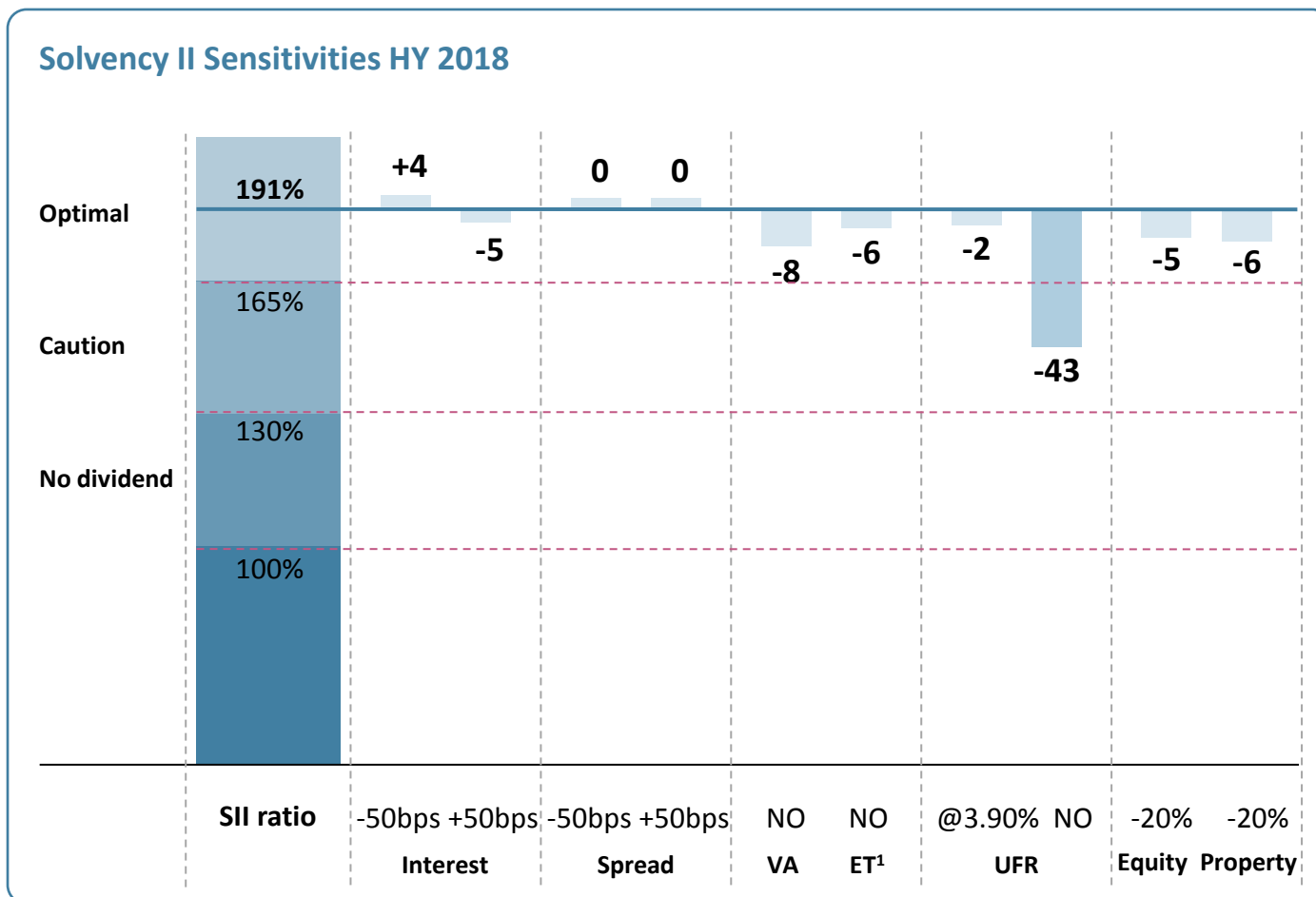


Appendix

5. Sensitivities
6. Investments



Sensitivity Solvency II ratio limited



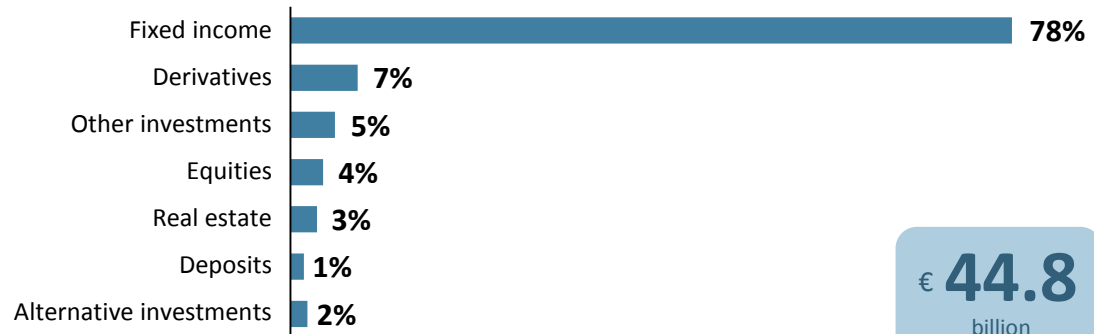
- Interest rate sensitivities are limited as a result of our capital hedge and in line with our policy bandwidth
- Very limited spread sensitivity as spread impact on assets is mitigated by impact VA on liabilities
- Other sensitivities are in line with sensitivities presented at year end 2017

¹ET = Equity transitional

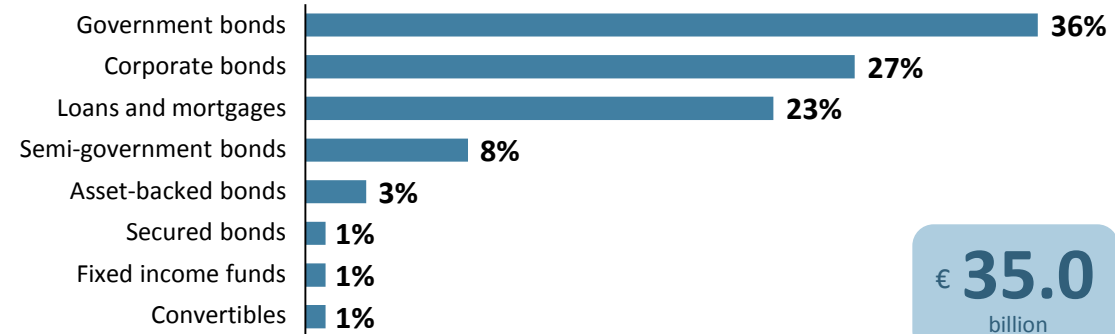
INVESTMENTS:

Conservative investment profile maintained

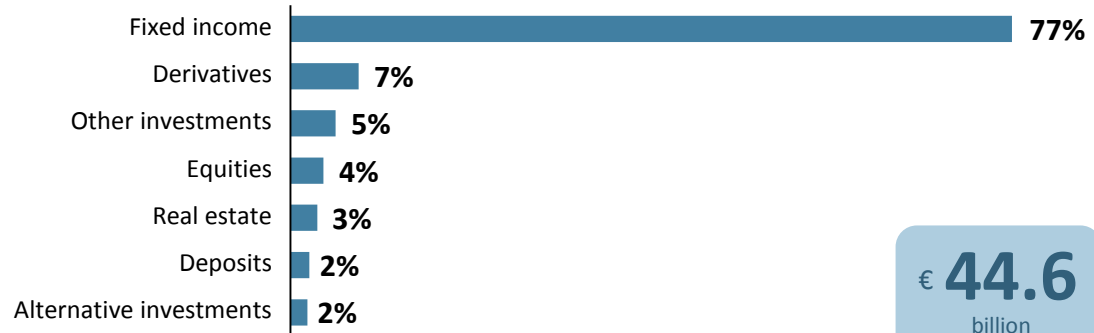
Total investment portfolio (H1 2018, in %)



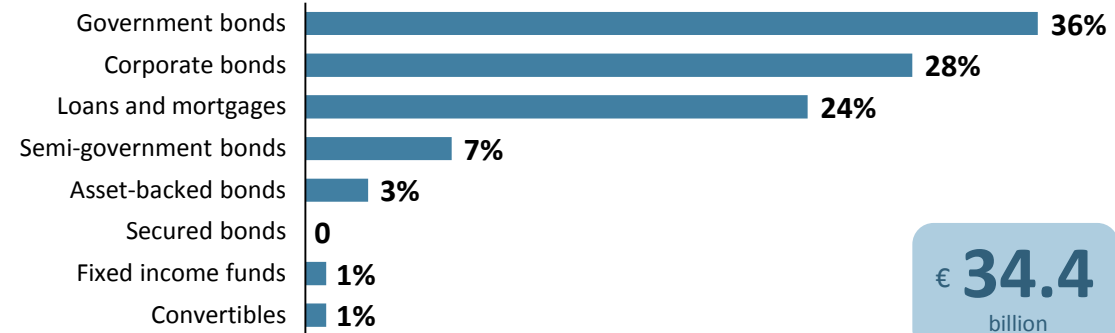
Fixed income portfolio (H1 2018, in %)



Total investment portfolio (2017, in %)

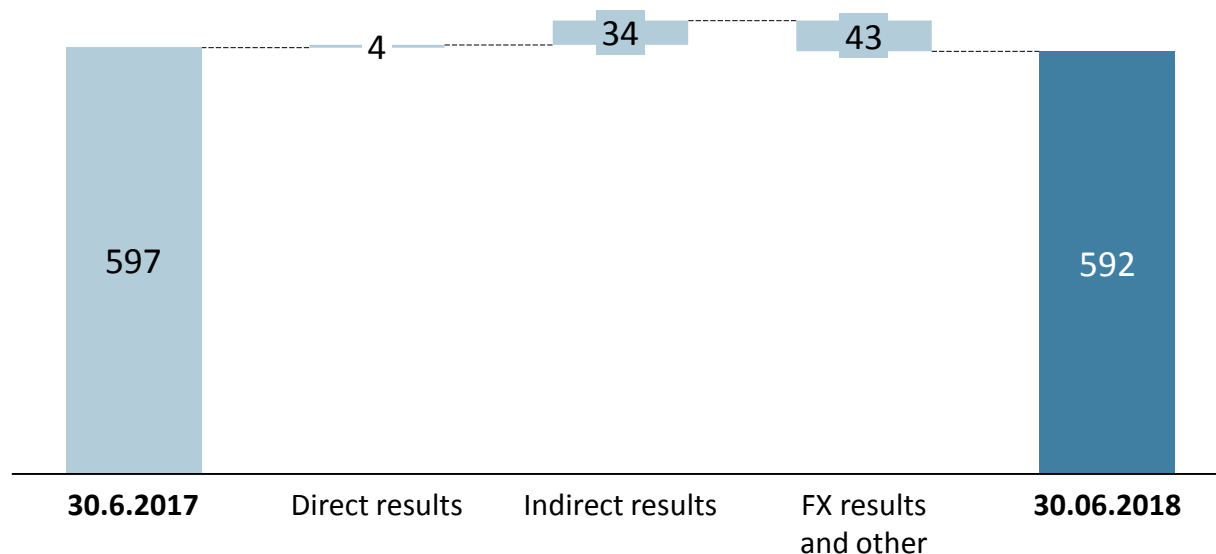


Fixed income portfolio (2017, in %)



NET INVESTMENT INCOME DECREASED SLIGHTLY DUE TO FOREIGN EXCHANGE RESULTS

Investment income for own account (in millions of €)



Investment income

- Indirect income increased due to real estate revaluations, swapspread developments and lower commodity prices in H1 2017
- Foreign exchange results affected by spread development of USD vs. EUR yields
- Running yield stable at 2.2% (annualised)
- The size of the FFA increased to €7.0 billion in H1 2018 (2017: €6.9 billion) due to lower interest rates

Disclaimer

This presentation (the “Presentation”) is provided on a strictly private and confidential basis for information purposes only. By attending or reading this Presentation, you will be deemed to have agreed to the obligations and restrictions set out below. Without the express prior written consent of Achmea B.V.. (the “Company”), the Presentation and any information contained within it may not be (i) reproduced (in whole or in part), (ii) copied at any time, (iii) used for any purpose other than your evaluation of the Company or (iv) provided to any other person, except your employees and advisors with a need to know who are advised of the confidentiality of the information. This Presentation does not constitute or form part of, and should not be construed as, an offer, invitation or inducement to purchase or subscribe for securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Presentation does not constitute either advice or a recommendation regarding any securities. The communication of this Presentation is restricted by law; it is not intended for distribution to or use by any person in, any jurisdiction where such distribution or use would be contrary to local law or regulation. To the fullest extent permitted by law in no circumstances will the Company, or any of its respective subsidiaries, shareholders, affiliates, representatives, partners, directors, officers, employees, advisers or agents be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from the use of this Presentation, its contents (including the internal economic models), its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith. The information contained in this Presentation has not been independently verified. Recipients of this Presentation are not to construe its contents, or any prior or subsequent communications from or with the Company or its representatives as investment, legal or tax advice. In addition, this Presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of the Company. Recipients of this Presentation should each make their own evaluation of the Company and of the relevance and adequacy of the information and should make such other investigations as they deem necessary. This Presentation might contain illustrative returns, projections, estimates and beliefs and similar information (“Forward Looking Information”). Forward Looking Information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified in the Presentation. Forward Looking Information is provided for illustrative purposes only and is not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Nothing in this Presentation should be construed as a profit forecast. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. Some important factors that could cause actual results to differ materially from those in any Forward Looking Information could include changes in domestic and foreign business, market, financial, political and legal conditions. There can be no assurance that any particular Forward Looking Information will be realised, and the performance of the Company may be materially and adversely different from the Forward Looking Information. The Forward Looking Information speaks only as of the date of this Presentation. The Company expressly disclaims any obligation or undertaking to release any updates or revisions to any Forward Looking Information to reflect any change in the Company’s expectations with regard thereto or any changes in events, conditions or circumstances on which any Forward Looking Information is based. Accordingly, undue reliance should not be placed upon the Forward Looking Information



Steven Vink
Investor Relations
steven.vink@achmea.com

Stefan Kloet
Corporate Communications & Public Affairs
stefan.kloet@achmea.com

**Strong result despite severe
storm damages in January**

achmea 