

financial supplement

ACHMEA FINANCIAL SUPPLEMENT FULL YEAR 2020

March 2021

Unaudited

FY 2020 - Achmea financial supplement

Contents financial supplement	Page
Group	
Key figures	3
Gross written premiums per country	4
Consolidated statement of financial position	5
Consolidated income statement	6
Consolidated statement of comprehensive income	7
Consolidated statement of total equity	8
Capital structure	9
Solvency II	10
Consolidated cash flow statement	11
Investments for own risk	12
Specification of fixed-income portfolio	13
Segment	
Non-Life Netherlands results	14
Non-Life Netherlands specification of gross written premiums	14
Non-Life Netherlands ratios	15
Health Netherlands results	16
Health Netherlands specification of gross written premiums	17
Health Netherlands ratios	17
Pension & Life Netherlands results	18
Pension & Life Netherlands specification of gross written premiums	18
Retirement Services Netherlands results	19
Retirement Services Netherlands ratios	20
International activities results	21
Other activities results	22
Disclaimer	23

FY 2020 - Achmea financial supplement

KEY FIGURES

	(€ million)	
	2020	2019
Results		
Gross written premiums	20,175	19,949
Change in provision for unearned premiums and current risks (net of reinsurance)	-190	-91
Other income	410	384
Interest and similar expenses	237	252
Operational result	630	547
Operational result by segment		
	2020	2019 ¹
Non-life Netherlands	260	178
Health Netherlands	235	62
Pension & Life Netherlands	253	363
Retirement Services Netherlands	22	38
International activities	23	22
Other activities	-163	-116
Total	630	547
Balance sheet		
	31-12-2020	31-12-2019 ²
Total assets	93,655	89,480
Total equity	10,559	10,185
Investments for own risk	53,664	49,714
Insurance liabilities own risk	43,629	42,458
Employees in The Netherlands and abroad		
	31-12-2020	31-12-2019
FTEs (internal)	13,921	13,801
FTEs (external)	2,406	2,590
FTEs (total)	16,327	16,391

¹ As of 1 January 2020, Syntrus Achmea Real Estate & Finance has been transferred from segment Other to segment Retirement Services Netherlands. The comparative figures 2019 have been adjusted accordingly.

² The originally reported figures have been adjusted due to a change in the treatment of compensation interest.

FY 2020 - Achmea financial supplement

GROSS WRITTEN PREMIUMS PER COUNTRY

(€ million)

	Non-life		Health		Life		Other		Inter segment eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Netherlands	3,668	3,564	14,284	14,082	1,005	1,164	289	271	-175	-173	19,071	18,908
Greece	216	205	110	109	25	27					351	341
Turkey	213	219	18	12							231	231
Slovakia	54	55	427	378	6	9					487	442
Australia	35	27									35	27
Total	4,186	4,070	14,839	14,581	1,036	1,200	289	271	-175	-173	20,175	19,949

FY 2020 - Achmea financial supplement

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(€ million)	
	31-12-2020	31-12-2019 ¹
Assets		
Intangible assets	735	738
Associates and joint ventures	55	64
Property for own use and equipment	551	554
Investment property	973	1,104
Investments	81,639	78,750
Deferred tax assets	626	416
Amounts ceded to reinsurers	685	636
Receivables and accruals	6,207	6,255
Cash and cash equivalents	2,184	963
Total assets	93,655	89,480
Equity		
Equity attributable to holders of equity instruments of the company	10,552	10,177
Non-controlling interest	7	8
Total equity	10,559	10,185
Liabilities		
Liabilities related to insurance contracts	58,401	57,770
Other provisions	1,113	1,106
Financial liabilities	20,564	18,475
Derivatives	2,870	1,918
Deferred tax liabilities	31	26
Income tax payable	117	
Total liabilities	83,096	79,295
Total equity and liabilities	93,655	89,480

¹ The originally reported figures have been adjusted due to a change in the treatment of compensation interest.

FY 2020 - Achmea financial supplement

CONSOLIDATED INCOME STATEMENT

	(€ million)	
	2020	2019
Income		
Gross written premiums	20,175	19,949
Reinsurance premiums	-349	-334
Change in provision for unearned premiums and current risks (net of reinsurance)	-190	-91
Net earned premiums	19,636	19,524
Income from associates and joint ventures	5	3
Investment income	3,507	4,742
Other income	410	384
Total income	23,558	24,653
Expenses		
Net expenses from insurance contracts	20,286	21,430
Fair value changes and benefits credited to investment contracts	1	34
Interest and similar expenses	237	252
Operating expenses	2,256	2,292
Other expenses	148	98
Total expenses	22,928	24,106
Result before tax	630	547
Total income tax expenses	-12	66
Net result	642	481
Net result attributable to:		
<i>Holders of equity instruments of the company</i>	642	480
<i>Non-controlling interest</i>	0	1

FY 2020 - Achmea financial supplement

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		(€ million)	
	2020	2019	
Net profit	642	481	
Net other comprehensive income			
Remeasurements of net defined benefit liability	30	-18	
Unrealised gains and losses on property for own use	6	8	
Currency translation differences (including realisations) on subsidiaries, associates, goodwill and joint ventures	-46	-13	
Share in other comprehensive income of Associates and joint ventures	1	-1	
Unrealised gains and losses on financial instruments 'Available for sale'	688	1,536	
Changes in the provision for Profit sharing and bonuses for policyholders from unrealised investment income	-616	-1,033	
Gains and losses on financial instruments 'Available for sale' reclassified to the Income statement on disposal	-416	-337	
Reclassification to the Income statement as Profit sharing and bonuses for policyholders from investment income	249	157	
Impairment charges on financial instruments 'Available for sale' reclassified to the Income statement on disposal	59	14	
Net other comprehensive income	-45	313	
Comprehensive income	597	794	
Comprehensive income attributable to:			
<i>Holders of equity instruments of the company</i>	597	793	
<i>Non-controlling interest</i>		1	
Condensed consolidated statement of changes in total equity		2020	2019¹
Balance at beginning of period	10,185	9,699	
Comprehensive income	597	794	
Dividends and coupon payments	-223	-204	
Issue, sale and purchase of equity instruments		-100	
Other movements		-4	
Balance at end of period	10,559	10,185	

¹ The originally reported figures have been adjusted due to a change in the treatment of compensation interest.

FY 2020 - Achmea financial supplement

CONSOLIDATED STATEMENT OF TOTAL EQUITY

(€ million)

	2020	2019 ¹
Share capital	11,357	11,357
Own shares	-335	-335
Legal reserves	65	53
Revaluation reserve	1,069	1,120
Exchange difference reserve	-475	-429
Hedging reserves	-7	-7
Retained earnings	-3,014	-3,312
Profit for the year	642	480
Other equity instruments	1,250	1,250
Equity attributable to holders of equity instruments of the company	10,552	10,177
Non-controlling interest	7	8
Total equity	10,559	10,185

¹ The originally reported figures have been adjusted due to a change in the treatment of compensation interest.

FY 2020 - Achmea financial supplement

CAPITAL STRUCTURE

	(€ million)	
Development of total equity	2020	2019 ¹
Total equity – start of year	10,185	9,699
Net profit	642	481
Issue, sale and purchase of equity instruments		-100
Dividends and coupons payments	-223	-204
Revaluation reserves	-29	344
Foreign exchange results and hedge reserves	-46	-13
Post-employment benefits	30	-18
Other movements		-4
Total equity – end of year	10,559	10,185

¹ The originally reported figures have been adjusted due to a change in the treatment of compensation interest.

FY 2020 - Achmea financial supplement

SOLVENCY II¹

	(€ million)	
	2020	2019
Solvency ratio group partial internal model ²		
Eligible own funds	10,696	9,317
Solvency Capital Requirement (SCR)	5,153	4,352
Surplus	5,543	4,965
Ratio (%)	208%	214%

Eligible own funds group partial internal model²

	(€ million)	
	2020	2019
Tier 1 Restricted	842	784
Tier 1 Unrestricted	7,603	6,565
Tier 2	1,699	1,580
Tier 3	552	388
Total eligible own funds	10,696	9,317

Solvency capital requirement partial internal model²

	(€ million)	
	2020	2019
Market Risk	2,423	2,365
Counterparty Default Risk	250	273
Life Underwriting Risk	1,977	1,791
Health Underwriting Risk	1,746	1,773
Non-Life Underwriting Risk	953	892
Diversification	-2,639	-2,541
Intangible asset risk	0	0
Basic Solvency Capital Requirement	4,710	4,553
Operational Risk	607	599
Loss-Absorbing Capacity of Expected Profits Underwriting Risk	-56	-73
Loss-Absorbing Capacity of Expected Profits Market Risk	-132	-148
Loss-Absorbing Capacity of Technical Provisions	0	0
Loss-Absorbing Capacity of Deferred Taxes	-659	-618
SCR Other Financial Sectors & Other Entities	683	39
Solvency Capital Requirement	5,153	4,352

¹ After foreseeable dividends

² As of 1 October 2020 CRD IV entities are included in the Solvency II figures for Achmea Group as a result of the revised Q&A of DNB concerning Mixed Financial Holding Companies. The comparative figures 2019 have not been adjusted accordingly.

FY 2020 - Achmea financial supplement

CONSOLIDATED CASH FLOW STATEMENT	2020	2019
Net cash and cash equivalents start of year	963	1,466
Cash flow from operating activities	1,664	-268
Cash flow from investing activities	-97	-99
Cash flow from financing activities	-346	-136
Net cash flow	1,221	-503
Net cash and cash equivalents end of year	2,184	963

FY 2020 - Achmea financial supplement

INVESTMENTS FOR OWN RISK

	(€ million)			
	2020	%	2019	%
Total investment portfolio				
Equities and similar investments	2,143	4%	2,388	5%
Investment property ¹	1,341	2%	1,428	3%
Bonds ²	29,468	55%	28,773	56%
Loans and mortgages	10,019	18%	8,819	17%
Deposits with reinsurers			459	1%
Deposits with credit institutions	182	0%	356	1%
Derivatives	9,087	17%	6,504	13%
Other financial investments	2,397	4%	2,091	4%
Total	54,637	100%	50,818	100%

	2020	%	2019	%
Specification of equities and similar investments				
Listed ordinary shares	1,390	65%	1,599	67%
Alternatives	684	32%	723	30%
Other	69	3%	66	3%
Total	2,143	100%	2,388	100%

	2020	%	2019	%
Specification of investment property ³				
Residential	544	56%	563	51%
Retail	194	20%	254	23%
Offices	232	24%	276	25%
Other	3		11	1%
Total	973	100%	1,104	100%

	2020	2019
Running yield	1.8%	2.1%

¹ Includes Real Estate funds

² Includes Fixed income funds

³ Excludes Real Estate funds

FY 2020 - Achmea financial supplement

SPECIFICATION OF FIXED-INCOME PORTFOLIO

External credit rating activa Fixed income investments

(€ million)

31-12-2020	AAA Sovereign	AAA	AA	A	BBB	Below BBB	Not rated	Total
Bonds	7,674	2,863	4,888	5,847	7,307	330	273	29,182
Loans and mortgages	0	1,232	57	1	2	24	8,703	10,019
Deposits with reinsurers	0	0	0	0	0	0	0	0
Deposits with credit institutions	0	87	5	24	0	56	10	182
Fixed income funds	0	0	0	0	0	0	286	286
Total fixed income investments	7,674	4,182	4,950	5,872	7,309	410	9,272	39,669

31-12-2019	AAA Sovereign	AAA	AA	A	BBB	Below BBB	Not rated	Total
Bonds	8,164	2,494	5,040	5,799	6,179	429	398	28,503
Loans and mortgages	0	654	58	0	2	0	8,105	8,819
Deposits with reinsurers	0	0	0	459	0	0	0	459
Deposits with credit institutions	0	185	20	48	3	38	62	356
Fixed income funds	0	0	0	0	0	0	270	270
Total fixed income investments	8,164	3,333	5,118	6,306	6,184	467	8,835	38,407

FY 2020 - Achmea financial supplement

Non-Life Netherlands results

	(€ million)	
	2020	2019
Income		
Gross written premiums	3,668	3,564
Reinsurance premiums	-204	-196
Change in provision for unearned premiums and current risks (net of reinsurance)	-38	-78
Net earned premiums	3,426	3,290
Income from associates and joint ventures		1
Investment income	118	137
Other income	30	31
Total income	3,574	3,459
Expenses		
Net expenses from insurance contracts	2,393	2,366
Interest and similar expenses	4	4
Operating expenses related to insurance activities	868	862
Other operating expenses	33	28
Other expenses	16	21
Total expenses	3,314	3,281
Operational result	260	178

Non-Life Netherlands specification of gross written premiums

	(€ million)	
	2020	2019
Accident	739	709
Property	1,008	950
Motor liability	781	747
Motor other	646	672
General liability	275	272
Legal assistance	179	178
Transport/aviation	40	36
Total	3,668	3,564

FY 2020 - Achmea financial supplement

Non-Life Netherlands ratios		
Non-Life Netherlands	2020	2019
Claims ratio ¹	67.8%	69.0%
Expense ratio	25.1%	26.0%
<i>Of which acquisition expenses</i>	11.7%	12.1%
<i>Of which other operating expenses</i>	13.4%	13.9%
Combined ratio ¹	92.9%	95.0%
Property & Casualty Netherlands		
Claims ratio	66.5%	68.3%
Expense ratio	25.7%	26.5%
<i>Of which acquisition expenses</i>	12.0%	12.2%
<i>Of which other operating expenses</i>	13.7%	14.3%
Combined ratio	92.2%	94.8%
Income Protection Netherlands		
Claims ratio ¹	74.9%	73.1%
Expense ratio	22.0%	23.2%
<i>Of which acquisition expenses</i>	10.7%	11.4%
<i>Of which other operating expenses</i>	11.3%	11.8%
Combined ratio ¹	96.9%	96.3%
Claims ratio by productline Non-Life Netherlands		
	2020	2019
Accident	79.3%	82.4%
Motor liability	86.5%	87.7%
Motor other	54.1%	60.1%
Transport/aviation	50.8%	42.5%
Property	59.6%	60.9%
General liability	74.8%	70.9%
Legal assistance	68.8%	75.1%

¹ Corrected for technical interest

FY 2020 - Achmea financial supplement

Health Netherlands results			(€ million)
	2020	2019	
Income			
Gross written premiums	14,284	14,082	
Reinsurance premiums	-1	-2	
Change in provision for unearned premiums and current risks (net of reinsurance)	-119	4	
Net earned premiums	14,164	14,084	
Income from associates and joint ventures		-1	
Investment income	44	22	
Other income	114	115	
Total income	14,322	14,220	
Expenses			
Net expenses from insurance contracts	13,557	13,606	
Operating expenses related to insurance activities	363	413	
Other operating expenses	114	102	
Interest and similar expenses	2	1	
Other expenses	51	36	
Total expenses	14,087	14,158	
Operational result	235	62	
Health specification of gross written premiums			(€ million)
	2020	2019	
Basic Health - risk equalization pool (ZvF)	7,565	7,365	
Basic Health - private individuals	5,486	5,469	
Supplementary Health	1,220	1,248	
Other	13		
Total	14,284	14,082	

FY 2020 - Achmea financial supplement

Health Netherlands ratios

Health Netherlands	2020	2019
Claims ratio	95.7%	96.6%
Expense ratio	2.6%	2.9%
Combined ratio	98.3%	99.5%
Basic Health Netherlands		
Claims ratio	97.6%	98.0%
Expense ratio	1.8%	2.2%
Combined ratio	99.4%	100.2%
Supplementary Health Netherlands		
Claims ratio	76.0%	82.3%
Expense ratio	10.6%	10.5%
Combined ratio	86.6%	92.8%

FY 2020 - Achmea financial supplement

Pension & Life Netherlands results		(€ million)	
	2020	2019	
Income			
Gross written premiums	1,005	1,164	
Reinsurance premiums	-21	-25	
Change in provision for unearned premiums and current risks (net of reinsurance)		1	
Net written premiums	984	1,140	
Income from associates and joint ventures		-1	
Investment income	3,011	4,111	
Other income	5	1	
Total income	4,000	5,251	
Expenses			
Net expenses from insurance contracts	3,594	4,721	
Operating expenses related to insurance activities	149	155	
Interest and similar expenses	4	5	
Other expenses		7	
Total expenses	3,747	4,888	
Operational result	253	363	
Pension & Life Netherlands specification of gross written premiums		(€ million)	
	2020	2019	
Single premiums	374	398	
Annual premiums	631	766	
Total	1,005	1,164	
Traditional	616	672	
Unit-linked	389	492	
Total	1,005	1,164	
Life & Pensions open book	263	240	
Of which Annuities	205	183	
Of which Term-Life	58	57	
Life & Pensions service book	742	924	
Of which service book Life	606	680	
Of which service book Pensions	136	244	
Total	1,005	1,164	

FY 2020 - Achmea financial supplement

Retirement Services Netherlands results

	(€ million)	
	2020	2019 ¹
Retirement Services total		
Total Income	368	360
Of which: Administration and management fees	235	217
Operating expenses	346	322
Operational result	22	38
Achmea Bank		
Net interest margin	142	127
Fair value result ²	-8	18
Operating expenses	106	105
Withdrawals from loan loss provisions	-3	3
	2020	2019
Common Equity Tier 1 ratio	20.4%	19.2%
Assets under management		(€ billion)
	2020	2019
Achmea Investment Management	203	147
Syntrus Achmea Real Estate and Finance	37	23

¹ As of 1 January 2020, Syntrus Achmea Real Estate & Finance has been transferred from segment Other to segment Retirement Services Netherlands. The comparative figures 2019 have been adjusted accordingly.

² The day one effect of €18 million, related to the acquisition of the a.s.r. portfolio was included in the interest margin in 2019. This has been adjusted in the comparative figures in 2020 and is included in the Fair Value result.

FY 2020 - Achmea financial supplement

Retirement Services Netherlands ratios

Ratios

Achmea Bank	2020	2019
Efficiency ratio	69.9%	77.0%
Core Tier 1 ratio	20.4%	19.2%
Total Capital Ratio	20.4%	19.2%
Liquidity Coverage Ratio	270.4%	249.0%
Net Stable Funding Ratio	125.9%	121.0%
Leverage Ratio	6.0%	5.8%

FY 2020 - Achmea financial supplement

International activities results		(€ million)	
	2020	2019	
Income			
Gross written premiums	1,104	1,041	
Reinsurance premiums	-143	-135	
Change in provision for unearned premiums and current risks (net of reinsurance)	-23	-14	
Net written premiums	938	892	
Income from associates and joint ventures		3	
Investment income	28	79	
Other income	35	34	
Total income	1,001	1,008	
Expenses			
Net expenses from insurance contracts	697	675	
Fair value changes and benefits credited to investment contracts	1	34	
Operating expenses related to insurance activities	236	232	
Other operating expenses	5	8	
Interest and similar expenses	1	1	
Other expenses	38	36	
Total expenses	978	986	
Operational result	23	22	
Health International	2020	2019	
Claims ratio	85.7%	85.1%	
Expense ratio	14.8%	15.6%	
Combined ratio	100.5%	100.7%	
Non-Life International	2020	2019	
Claims ratio	55.1%	59.9%	
Expense ratio	40.3%	38.7%	
Combined ratio	95.4%	98.6%	

FY 2020 - Achmea financial supplement

Other activities results		(€ million)	
	2020	2019 ¹	
Income			
Gross written premiums	289	271	
Reinsurance premiums	-155	-149	
Change in provision for unearned premiums and current risks (net of reinsurance)	-10	-4	
Net written premiums	124	118	
Income from associates and joint ventures	5	1	
Investment income	-19	40	
Other income	25	21	
Total income	135	180	
Expenses			
Net expenses from insurance contracts	47	65	
Operating expenses related to insurance activities	51	58	
Other operating expenses	91	109	
Interest and similar expenses	72	66	
Other expenses	37	-2	
Total expenses	298	296	
Operational result	-163	-116	

¹ As of 1 January 2020, Syntrus Achmea Real Estate & Finance has been transferred from segment Other to segment Retirement Services Netherlands. The comparative figures 2019 have been adjusted accordingly.

FY 2020 - Achmea financial supplement

Disclaimer

This document contains certain forward-looking statements with respect to certain plans and objectives of the Company and its subsidiaries (together the "Group") and to the Group's current expectations relating to its future financial condition and performance. The Group may also make forward-looking statements in other written materials. In addition, the Group's senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations and revenues are forward-looking in nature. These forward-looking statements are based on management's current views, estimates and assumptions about these future events. By their nature, forward-looking statements are subject to certain risks and uncertainty that may cause the Group's actual results to differ materially from those set forth in the Group's forward-looking statements.

The Company undertakes no obligation to update the forward-looking statement contained in this presentation or any other forward-looking statement made in any form by the Group. The information contained herein is not an offer of securities for sale in the United States of America or any other country. Achmea B.V. has not registered and will not register any securities under the U.S. Securities Act of 1933, as amended, and securities may not be offered, sold or delivered in the United States of America absent registration or an exemption from registration.
