



**Bianca Tetteroo**  
*Chair of the Executive Board*

**Michel Lamie**  
*Chief Financial Officer and Vice-Chair of the Executive Board*

## Achmea Interim Results 2021

12 August 2021

# General overview

Bianca Tetteroo, Chair of the Executive Board

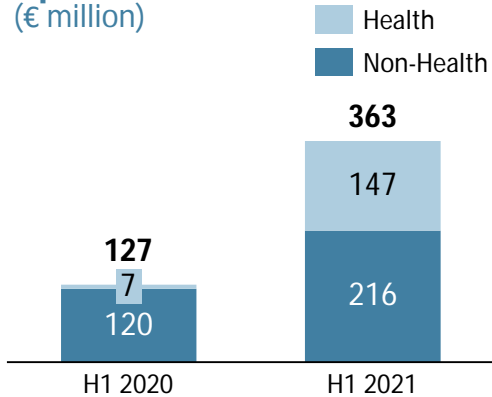
# Well on the way to realising our strategy 'The Sum of Us'

## Operational result increased to €363 million in the first half year of 2021

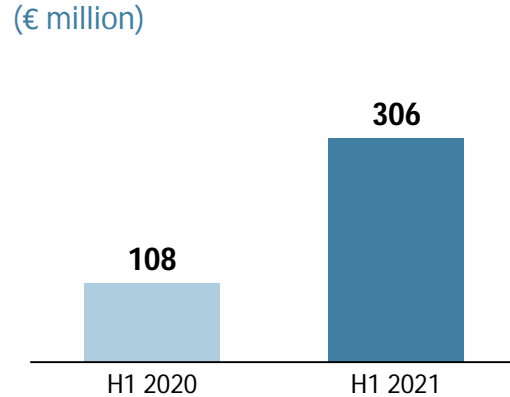
- Strong growth in result supported by:
  - Increased operational result and premium growth Non-Life, driven by strong brands, increased number of customers and high customer ratings; combined ratio 95.8%
  - Higher result Pension & Life due to higher investment income and further reduction in operational expenses
  - Higher result Health due to lower expenses for elective care and additional Covid-19-related contributions from the statutory catastrophe scheme
- New asset management and pension administration mandates; AuM €225 billion
- Further premium growth International; distribution power in Slovakia strengthened with completion of acquisition Poštová poisťovňa
- Robust solvency of 211% and sound liquidity position
- First estimates of water damage in Limburg are up to €50 million and are part of the result for the second half of 2021

# Operational result increased to €363 million

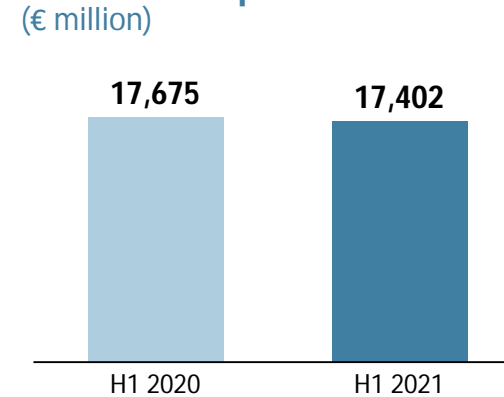
**Operational result**  
(€ million)



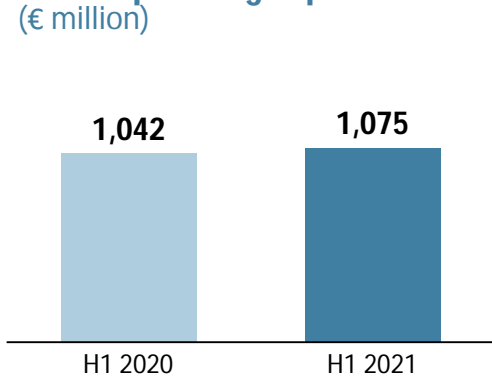
**Net result**  
(€ million)



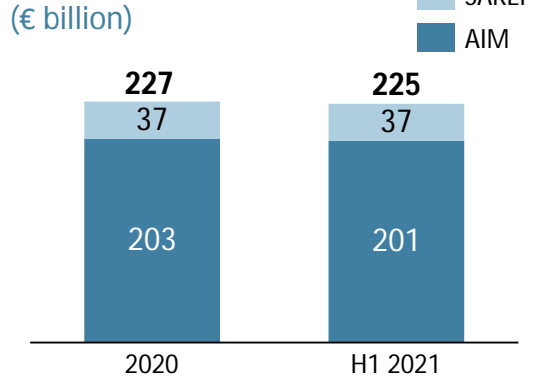
**Gross written premiums**  
(€ million)



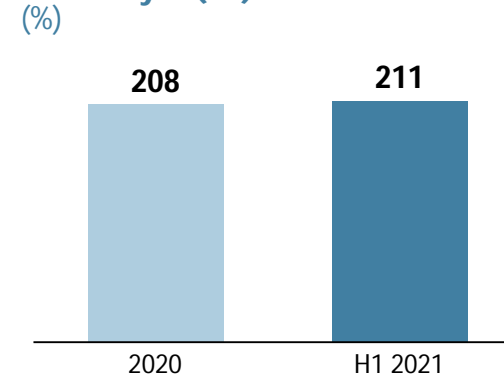
**Gross operating expenses**  
(€ million)



**AuM AIM and SAREF<sup>1</sup>**  
(€ billion)



**Solvency II (SII)<sup>2</sup>**  
(%)



- Increased result at both Health and Non-Health activities
- Non-Health results driven by higher result Pension & Life and contribution Non-Life
- Higher result on Health activities thanks to lower costs for elective care and additional Covid-19-related contributions from the statutory catastrophe scheme
- Premium growth Non-Life and International and revenue growth at Retirement Services partly compensates decrease in written premiums at Health and Pension & Life
- Operating expenses up by 3% because of higher personnel expenses and pension charges related to low interest rates, and higher IT investments
- AuM stable driven by new mandates despite increased interest rates
- Solvency remains robust at 211%
- Uncertainties remain in the second half of the year

# Increased result in Health and Non-Health activities

Results by segment	H1 2020	H1 2021
Non-life NL	91	103
Pension & Life NL	71	170
Retirement services <sup>1</sup> NL	20	10
International activities	28	23
Other activities <sup>1</sup>	-90	-90
<b>Operational result (excl. Health NL)</b>	<b>120</b>	<b>216</b>
<hr/>		
<b>Health Netherlands</b>	<b>7</b>	<b>147</b>
Basic	-58	84
Supplementary	65	63
<b>Operational result</b>	<b>127</b>	<b>363</b>

## Non-Life Netherlands

- Further premium growth retail and commercial property & casualty insurance
- Result property & casualty lower because of higher claims following snowstorm Darcy and additional reserves for personal injury claims from previous years
- Result income protection increased supported by active management on operating expenses, portfolio adjustments and improved investment results

## Pension & Life Netherlands

- Higher investment income due to favourable development financial markets
- Development of portfolio and costs in line with our service-book strategy

## Retirement Services Netherlands

- New asset management and pension administration mandates
- Lower result due to a lower interest result at Achmea Bank and additional investments in client servicing and efficiency at AIM and SAREF

## International activities

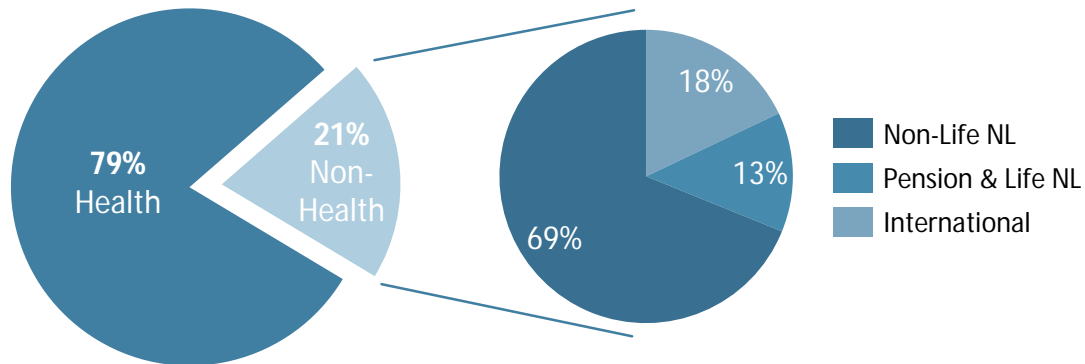
- Further premium growth supported by Health in Slovakia and agricultural insurance in Australia

## Health Netherlands

- Higher result due to lower medical expenses for elective care and additional Covid-19-related contributions from the statutory catastrophe scheme

# High customer satisfaction and growth in Non-Life, Retirement Services and International

## Gross Written Premiums 1H21: €17.4 billion



GWP Non-Life NL  
**€2.4 billion**  $\Delta$  1H20: **+3%**

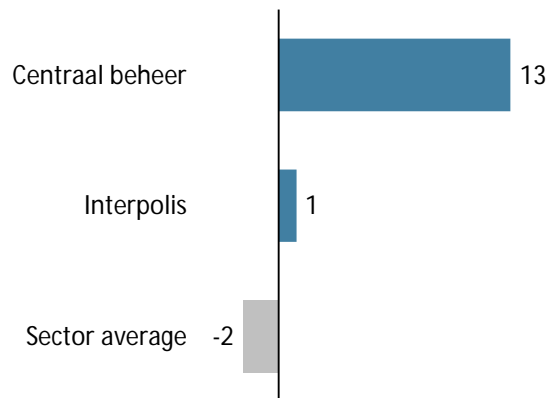
GWP Pension & Life NL  
**€0.5 billion**  $\Delta$  1H20: **-18%**

GWP Health NL  
**€13.8 billion**  $\Delta$  1H20: **-2%**

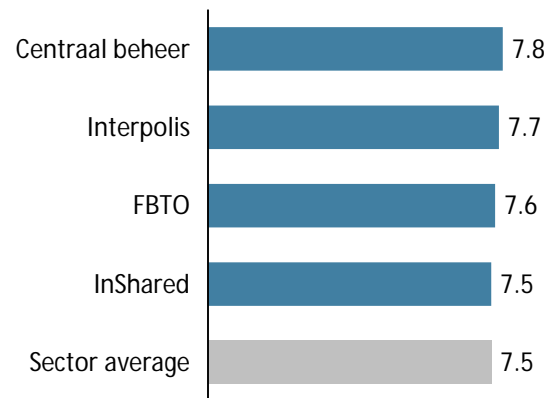
Fee-based revenues<sup>1</sup>  
**€196 miljoen**  $\Delta$  1H20: **+3%**

## Our brands rank high in customer satisfaction

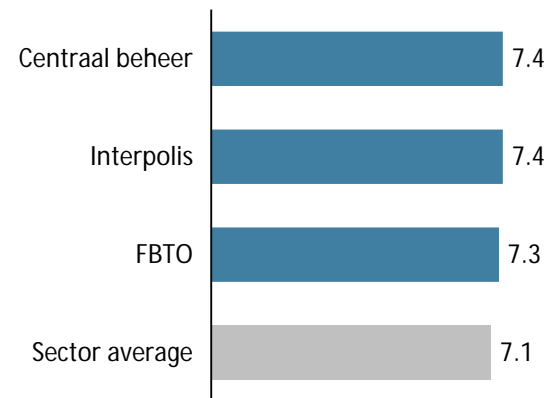
### Net Promoter Score P&C Commercial <sup>2</sup>



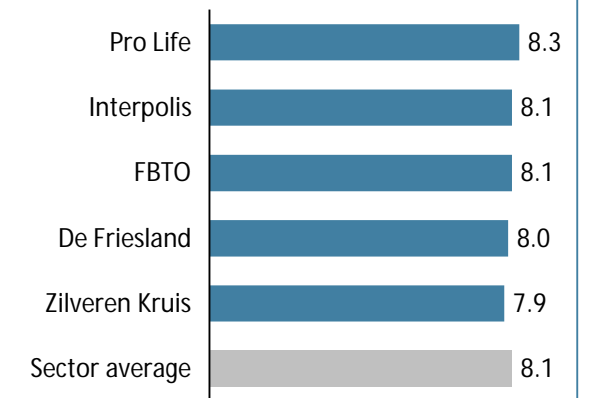
### P&C Retail <sup>3</sup>



### Life Retail <sup>3</sup>



### Health<sup>4</sup>



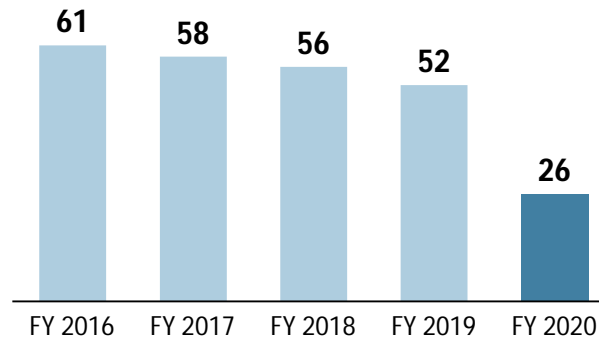
# Creating value for Achmea, clients and society

## MSCI ESG Rating

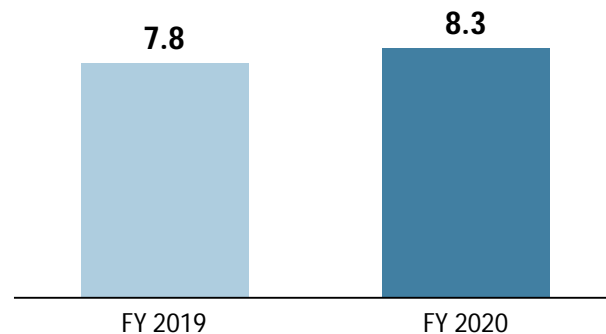


## Climate neutral operations in 2030

Gross CO<sub>2</sub> emissions (kilotons CO<sub>2</sub>)

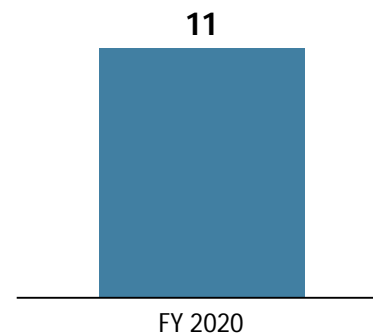


## Employee engagement<sup>1</sup>



## Number of NPS<sup>2</sup> above market average

(amount of brands)



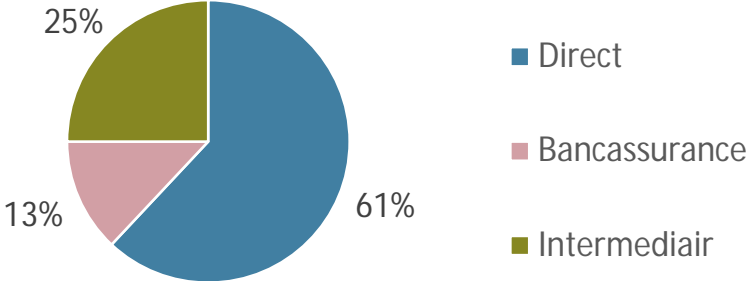
- Achmea has AA MSCI ESG rating since 2016
- SAREF funds score the highest rating at the Global ESG Benchmark for Real Assets (GRESB)
- Long-term action plan to reduce our carbon footprint to zero in 2030
- With solar panels and geothermal heat we reduce the carbon footprint of our office buildings
- Achmea Innovation Fund acquired a stake in Onto, Europe's largest platform for the sharing of electric vehicles
- Employee engagement at a high level
  - Successful in scouting for and retaining talent
  - Frontrunner in new, innovative ways of working together with our programme 'the new way of working'
- Achmea holds first place in the Management Team Top 500 as the insurer with the best reputation
- High customer satisfaction and valued products with 11 out of 18 measured NPS for the Achmea brands above the sector average in the Dutch market

# Strong fundamentals for further growth thanks to large customer base, strong brands, unique distribution mix and our leading position in digital services

## Strong brands with high customer ratings



## Strategic focus on fast-growing, highly-rated online distribution channels and banking with Rabobank



## Leader in mobile and online services; proven success in rolling out new concepts



## Large customer base with over 10 million policyholders in the Netherlands and over 3 million policyholders internationally



Leading in asset management with an integrated pension strategy with €225 billion under management



# With our strategy 'The Sum of Us' we are relevant for customers and society

Being relevant as an organization with a cooperative background to our customers and creating value for society

HEALTHY

SAFE

SUSTAINABLE

We operate with five strategic focus areas

Good health closer to everyone

Clean, safe and smart mobility

Safe and sustainable home and living environments

Carefree entrepreneurship and good employment practices

Financial solutions for now, tomorrow and later

We do this with strong brands and innovative propositions



achmea



# In support of our strategy, we set ambitious goals for our five market-oriented chains



## **Non-Life: profit pillar and strong in online distribution**

- Strong brands, leading market position and high customer appreciation of online distribution and banking channel with Rabobank
- Continued focus on underwriting performance, claims management and pricing



## **Health: structural contribution to the result through the business cycle**

- Balance market share, results, solvency and solidarity
- A positive result will be added to the reserves and can be used to control premium increases and further improve the quality of healthcare in future
- Value added for insured and support healthier lifestyle with 'Actify' and 'Gezond Ondernemen'



## **Retirement services: investing in growth**

- Grow with integrated capital-light propositions
- Grow Achmea Bank via focussed bolt-on of acquisitions (e.g. mortgage portfolio BinckBank)
- Position Centraal Beheer brand as an all-round (financial) service provider



## **Pension & Life: servicing our service-book and growing term life**

- Optimise profit and value of Pension & Life as a service-book while maintaining high customer satisfaction
- Continued focus on cost control and balance sheet optimisation



## **International: accelerate, disrupt and create**

- International growth strategy by leveraging on knowledge and digital expertise acquired in the Netherlands
- Focused and with limited use of capital employed in selected international markets

# Well on track with implementation of our strategy 'The Sum of Us'

## Creating value by using benefits of scale in all brands and combine knowledge within the group

### Clients and growth

- Focus on the client and re-inventing ourselves is part of the DNA of our company
- Strong fundamentals with a large customer base, digital skills, top brands and distribution mix
- As market leader with direct distribution we know what our customers want. We are concentrating on further growth along several paths
  - By working with partners (companies, institutions)
  - Organically in the market; Utilising scale

### Digitalisation

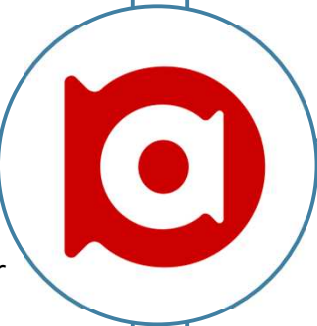
- Expanding our edge as front-runner in digitalization
- Enriching customer experience by using intelligent technologies like chatbots
- Improving efficiency by on-line, real-time and instantaneous processing of customer requests (first time right, STP)
- We use our scale by generic application by the brands of digital skills and omni channel platforms

### Cooperative identity

- We create value from our cooperative background for our customers and society
- We feel a duty to speak up for our ten million customers
- Main shareholders with a cooperative identity

### Sustainability

- Sustainability and climate are at the heart of our strategy
- We create a sustainable impact along three paths:
  - Products and services to customers through our brands
  - As an investor we are promoting the energy transition
  - Completely sustainable and carbon neutral operations in 2030

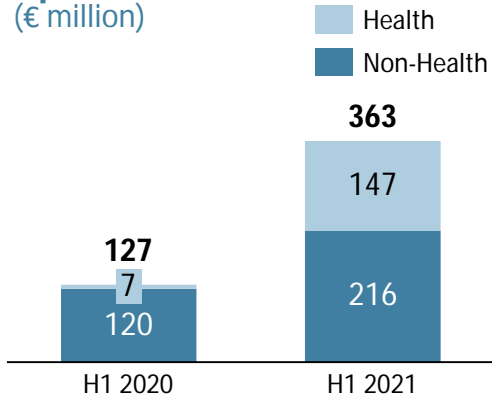


## Financial overview

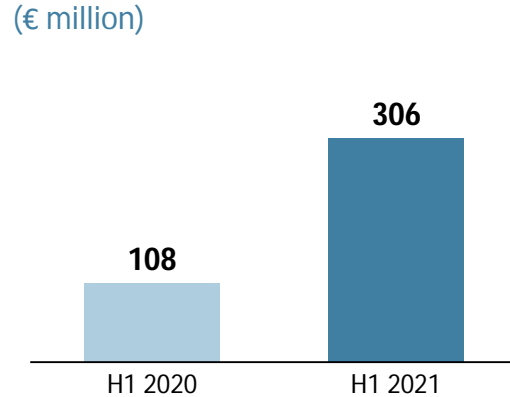
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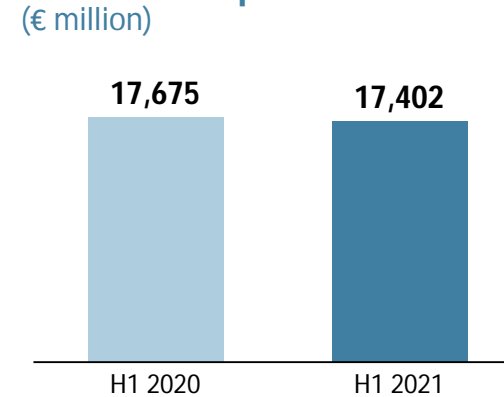
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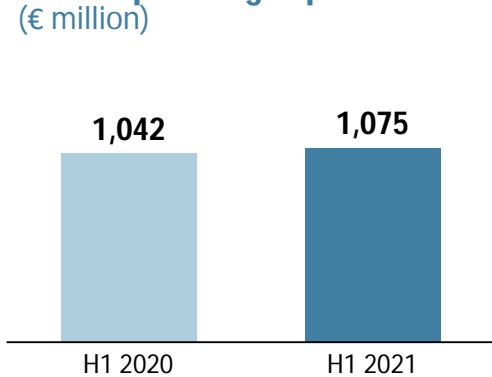
**Net result**  
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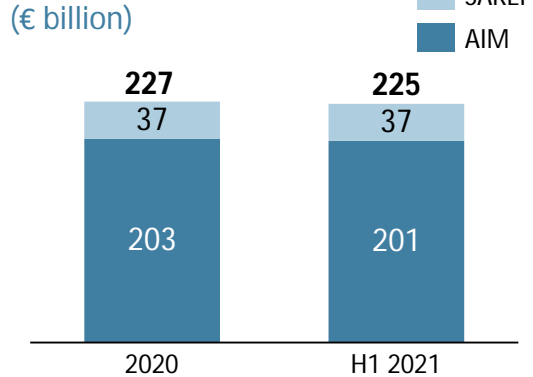
**Gross written premiums**  
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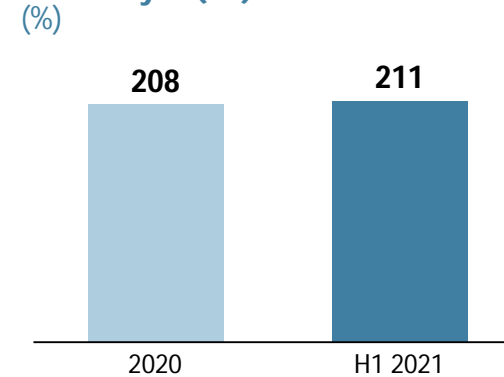
**Gross operating expenses**  
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**AuM AIM and SAREF<sup>1</sup>**  
(€ billion)



**Solvency II (SII)<sup>2</sup>**  
(%)

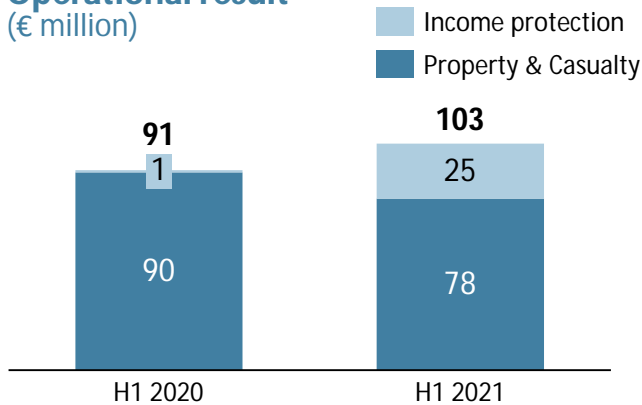


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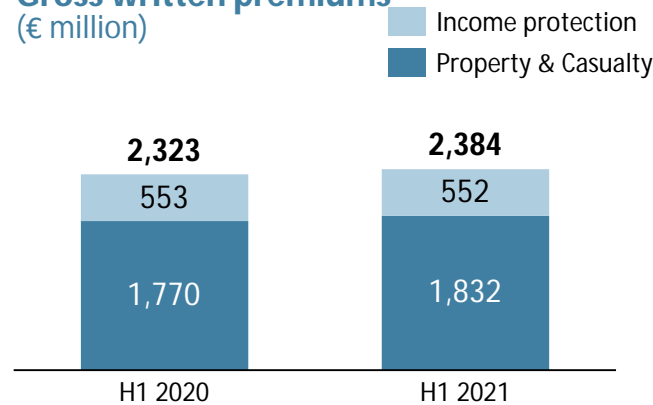


# Non-Life: operational result increased to €103 million; combined ratio 95.8%

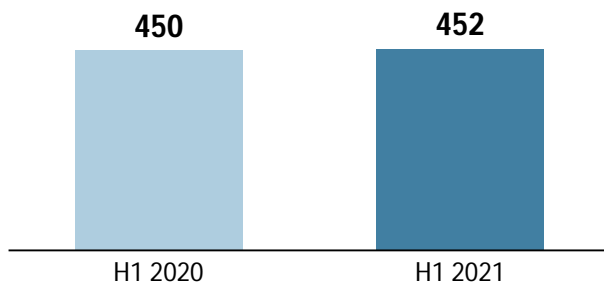
## Operational result (€ million)



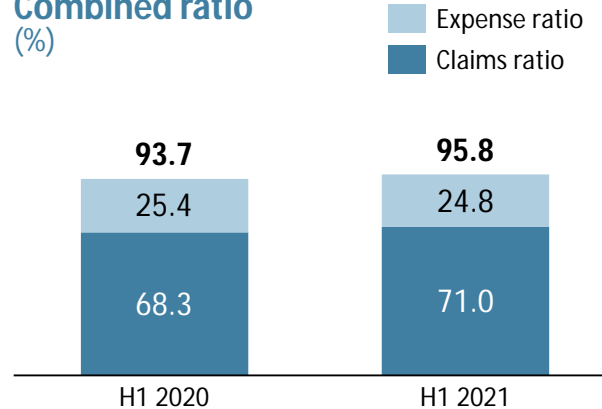
## Gross written premiums (€ million)



## Operating expenses (€ million)



## Combined ratio (%)



- Premium growth driven by increase in customers thanks to strong online distribution and highly-valued customer services
- Operational result higher due to good results income insurance and higher investment income
- Expense ratio improved thanks to increased revenues

### Property & casualty

- Decreased result P&C due to higher cost of claims resulting from snowstorm Darcy and additional provisions for personal injury claims from previous years
- Fewer reported claims caused by a decrease in the number of break-ins and traffic accidents

### Income

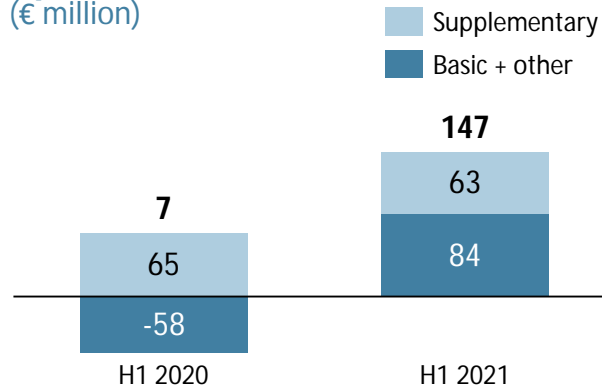
- Higher result income protection driven by improvements in disability insurance for the self-employed thanks to ongoing focus on timely recovery
- Higher result sickness insurance due to premium and portfolio adjustments

### Development second half year

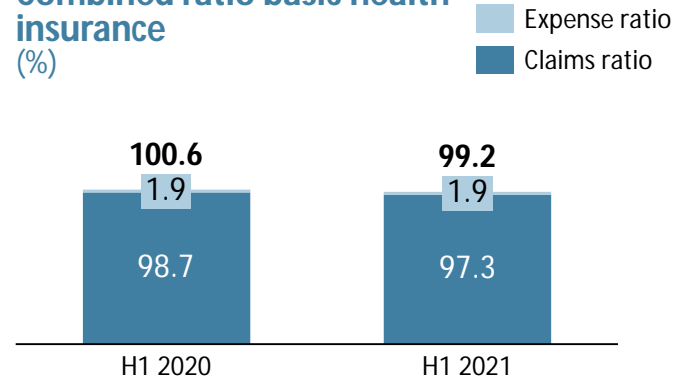
- It is not yet possible to assess the exact cost of claims from the recent floods in Limburg. First estimates are up to €50 million, the impact will be included in the results over the second half of 2021

# Health: higher result due to lower expenses for elective care and additional Covid-19-related contributions from the statutory catastrophe scheme

## Operational result (€ million)



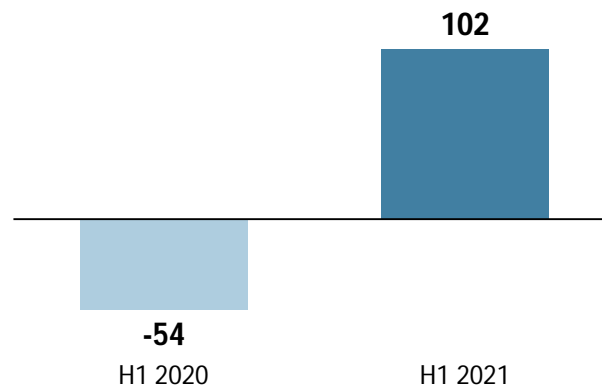
## Combined ratio basic health insurance (%)



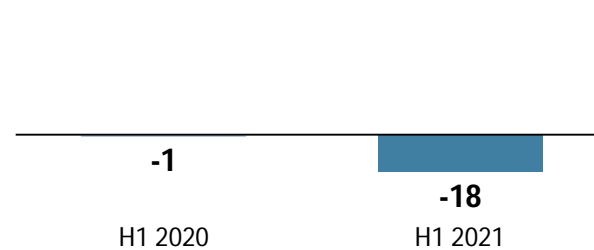
## Basic health insurance

- Higher result basic health insurance due to lower than expected medical expenses for elective care combined with Covid-19-related contributions from the statutory catastrophe scheme
- Decrease in premiums due to drop in the number of policyholders and a lower contribution per policyholder from the Health Insurance Equalisation Fund
- Operational expenses further reduced through continued focus on efficiency

## Basic health result in current year (€ million)



## Basic health result on prior years (€ million)



## Supplementary health insurance

- Slight decline in the result due to higher medical expenses for previous underwriting years
- Share of basic health customers with supplementary insurance 74% (H1 2020: 75%)

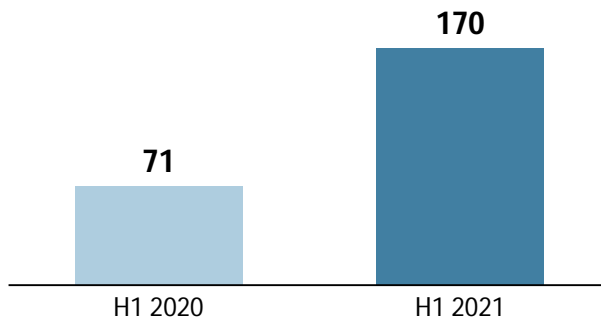
## Development second half year

- When setting the premiums for 2022 it will be re-examined if reserves will be used to dampen premium increases. This could have an impact on the result in the second half of 2021

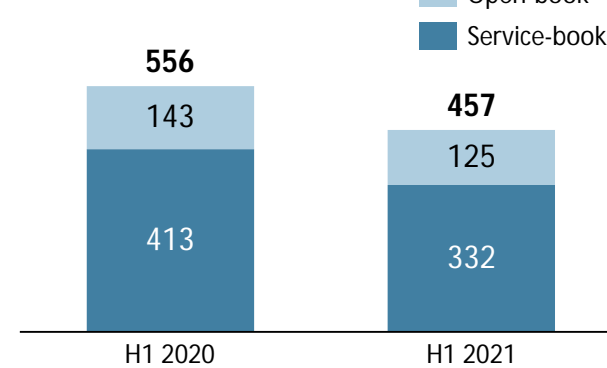


# Pension & Life: higher result driven by higher investment income and further reduction of operational expenses

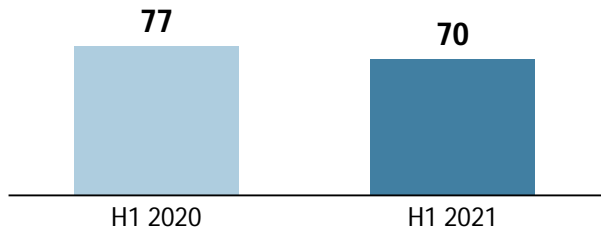
## Operational result (€ million)



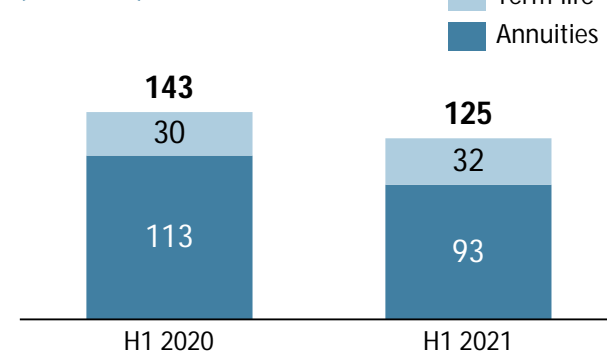
## Gross written premiums (€ million)



## Operating expenses (€ million)



## GWP term-life and annuities (€ million)



- Higher operational result driven by higher investment income generated by development financial markets
- Technical result increased caused by lower claims in the term life insurance portfolio
- Reduction in operating expenses due to cost-cutting initiatives and previous IT investments

## Service-book Pension & Life

- Development portfolio in line with our service-book strategy

## Term-life and annuities

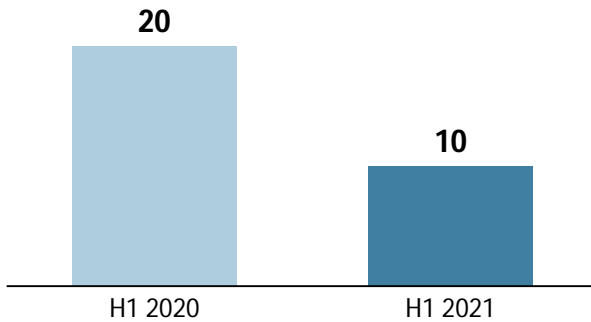
- Slight growth open-book realised in term life insurance, reduction in revenues in immediate annuities and pensions



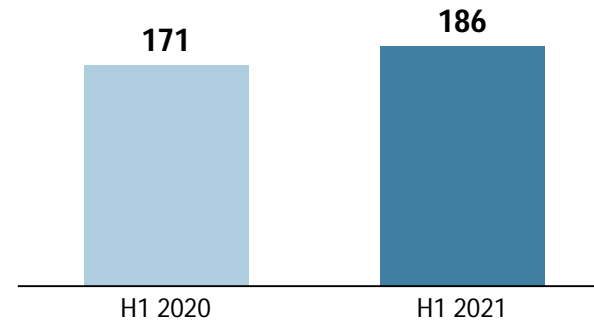


# Retirement Services: new mandates asset management and pension administration activities; AuM €225 billion

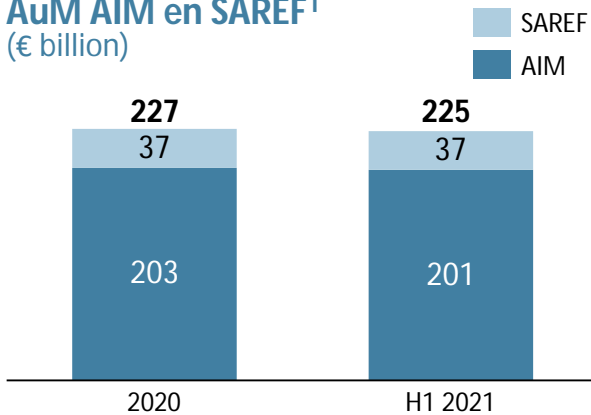
## Operational result (€ million)



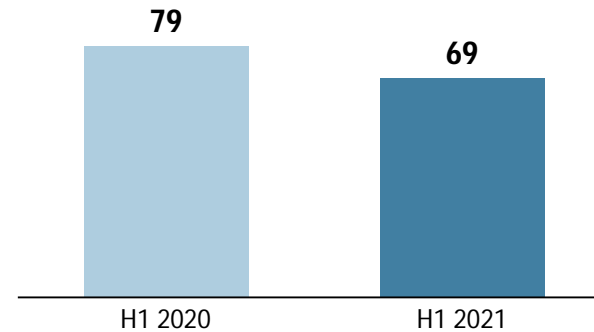
## Operating expenses (€ million)



## AuM AIM en SAREF<sup>1</sup> (€ billion)



## Net interest margin Achmea Bank (€ million)



## Achmea Bank

- Decreased interest result through lower production new mortgages

## Achmea Investment Management

- Assets under management at €201 billion almost stable; impact of lower bond prices due to increased interest rates compensated by good returns on other asset classes and new clients
- Decrease in operational result due to IT investments

## Achmea Pension Services

- Despite increased investments in pension platform result stable at €12 million negative

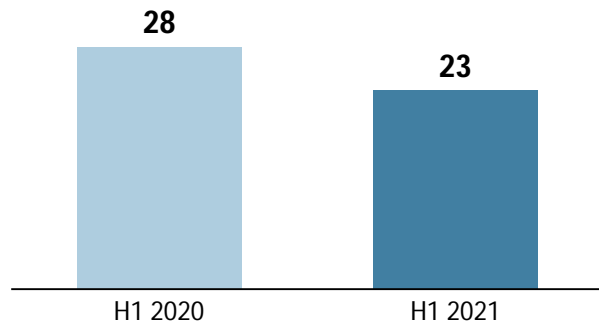
## Syntrus Achmea Real Estate & Finance

- Assets under management stable at €37 billion
- Higher costs due to centralisation mortgage servicing
- Investments to further develop the organisation as leading asset manager in the area of real estate and mortgages

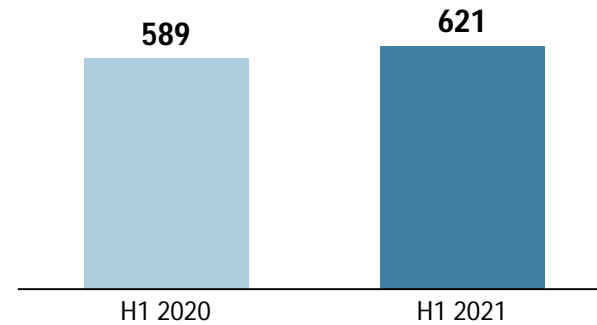


# International: further premium growth, distribution power in Slovakia strengthened with completion of acquisition Poštová poisťovňa

## Operational result (€ million)



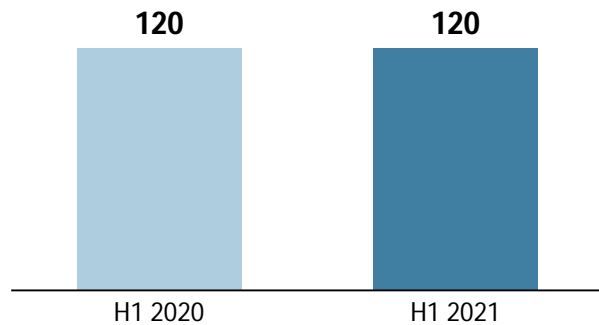
## Gross written premiums (€ million)



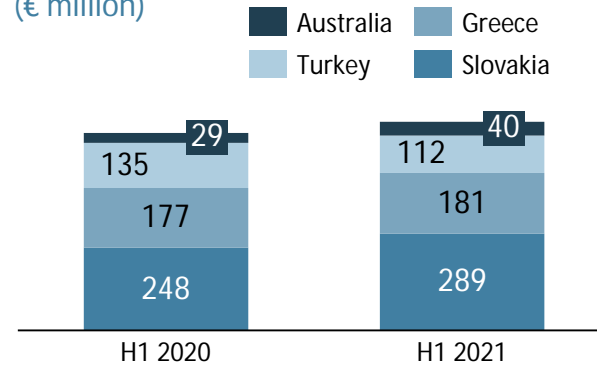
## International activities

- Result decreased due to currency developments in Turkey and natural disasters in Australia
- Premium growth of 5%, 11% adjusted for exchange rate effects, supported by growth in all countries
- Operating expenses stable despite premium growth

## Operating expenses (€ million)

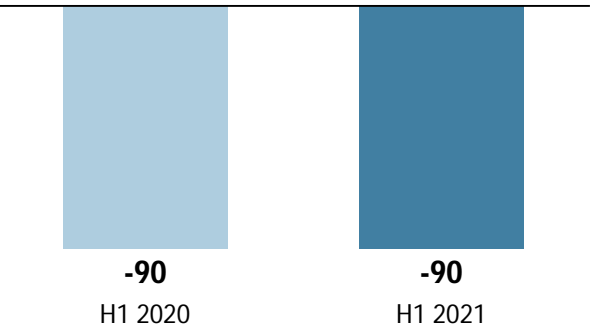


## Gross written premiums per country (€ million)

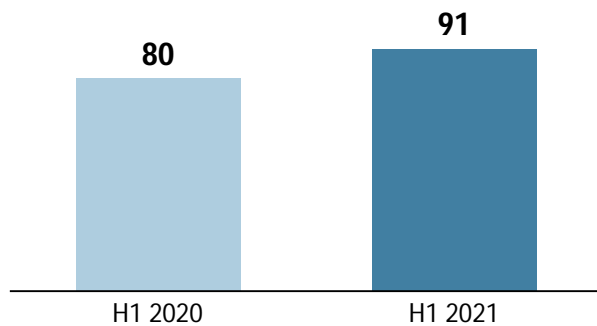


# Other activities: higher result at Achmea Reinsurance

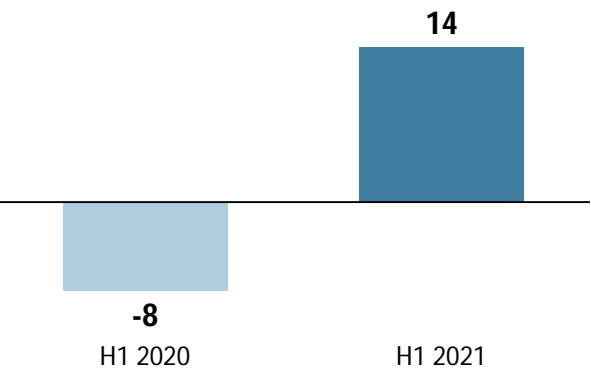
**Operational result**  
(€ million)



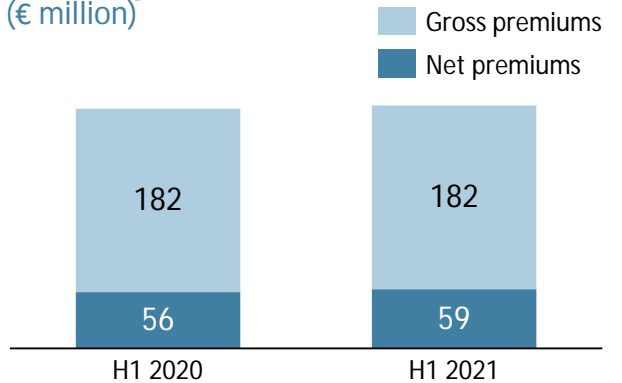
**Operating expenses**  
(€ million)



**Operational result Achmea Reinsurance**  
(€ million)



**Written premiums Achmea Reinsurance**  
(€ million)



## Other activities - Holding

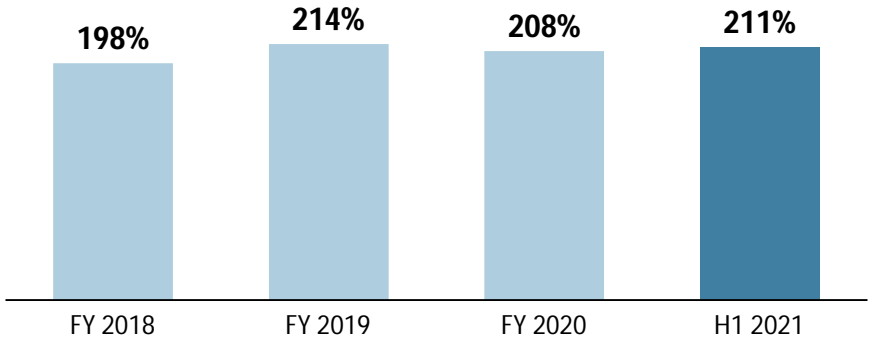
- Other activities comprises the results of our other group companies, expenses at holding company level and for activities at the shared service centres that are not charged and financing cost on external instruments
- Operating expenses increased due of higher personnel expenses and pension charges related to low interest rates and higher IT investments

## Other activities - Achmea Reinsurance

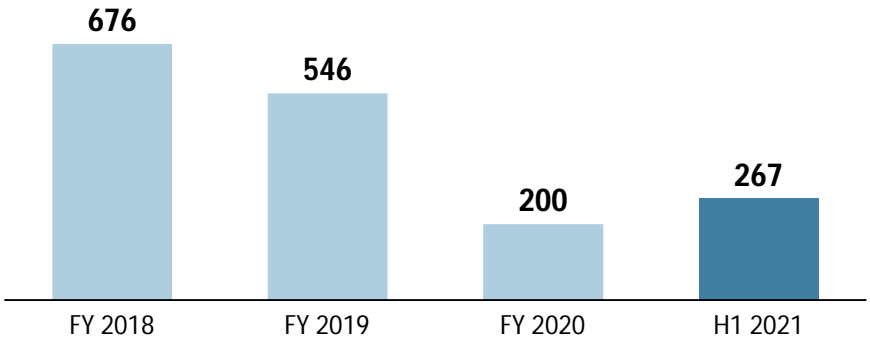
- Increase in operating result due to a decrease of large claims and higher investment results

# Capital and debt position robust

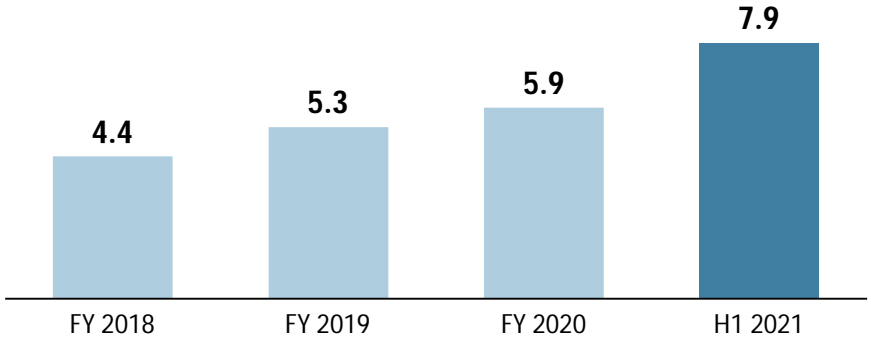
**Solvency II ratio**  
(%)



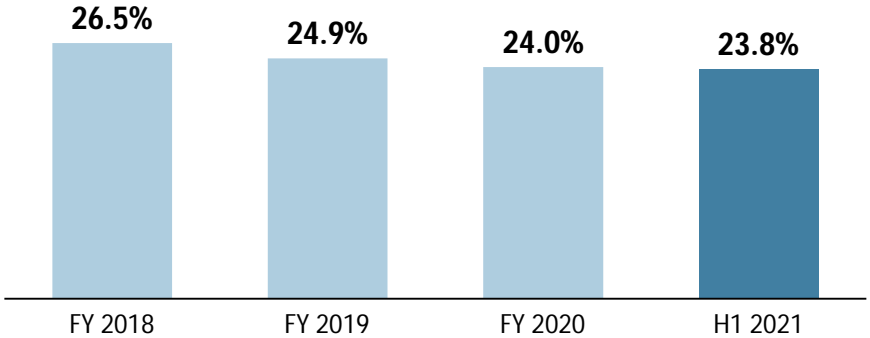
**Free Capital Generation**  
(€ million)



**Fixed-Charge Coverage ratio (FCCR)**  
(X)

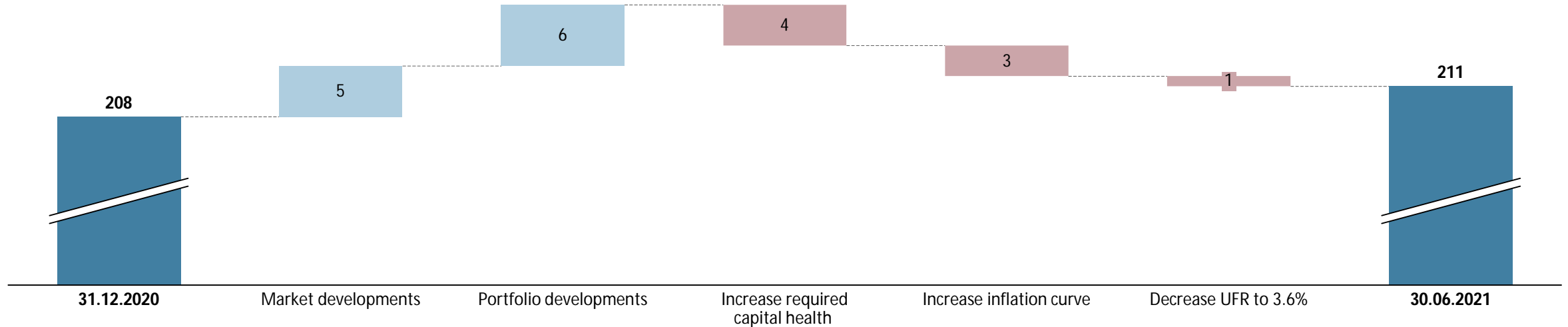


**Debt leverage**  
(%)



# Robust Solvency II ratio of 211%

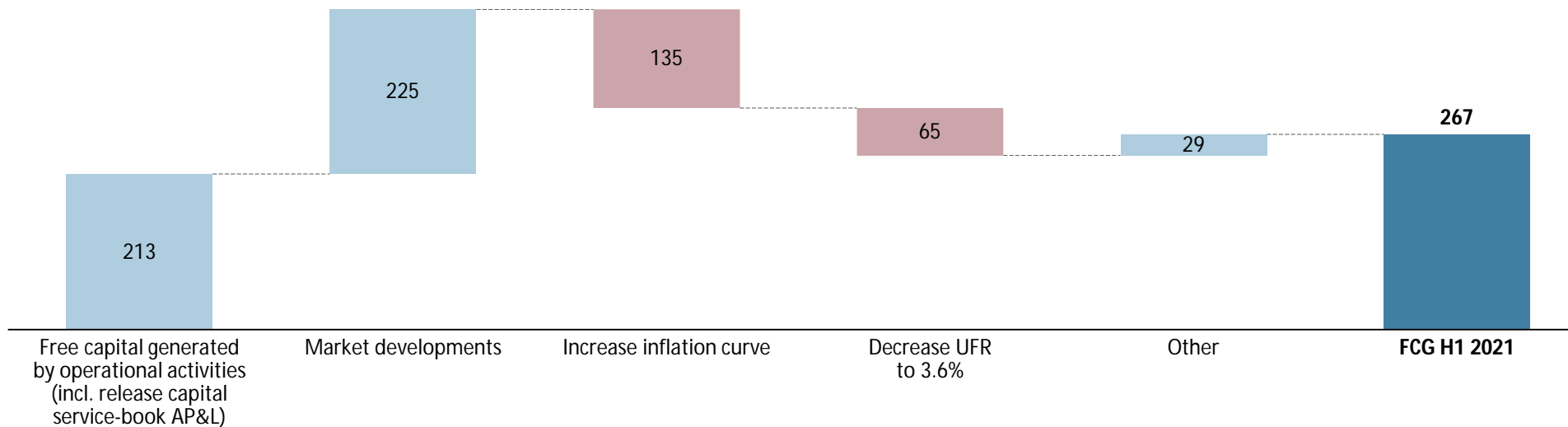
## Solvency II (Partial Internal Model) (%)



- Market developments have a positive effect, with rising share prices and the decreased spread on mortgages more than compensating for the negative impact of the UFR drag
- The results of the health and non-life activities and the portfolio development in the service-book AP&L have a positive impact of 6%-point
- Required capital for health increased due to prepayments to health care providers. This increase is mainly caused by the extraordinary Covid-19 situation and is expected to return to normal in the second half of 2021
- The increase of the inflation curve in the first half of the year leads to a decrease of the Solvency II ratio by 3%-point

# Free capital generation supported by capital generation of operational activities and market developments

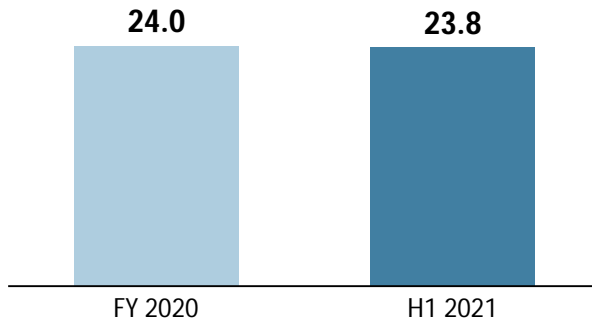
## Free Capital Generation H1 2021 (€ million)



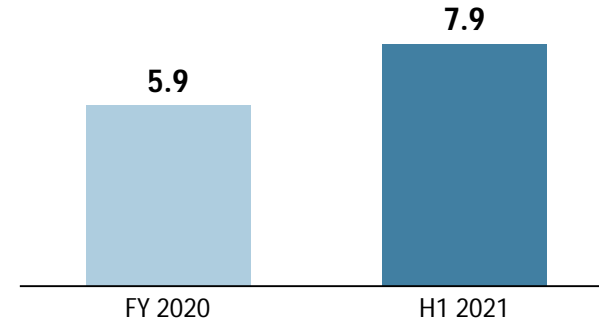
- Positive capital generation operational activities; good contributions from the portfolio development service-book AP&L and the results of the non-life activities
- Positive market developments due to rising share prices and narrowing mortgage spreads
- The increase of the inflation curve and decrease of the UFR to 3.60% negatively impacted the total Free Capital Generation
- The operational results of our health activities is not included in the Free Capital generation.

# FCCR further improved and solid liquidity position

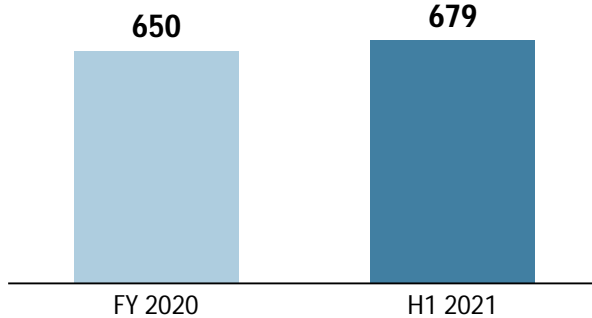
## Debt leverage (%)



## Fixed charge coverage ratio<sup>1</sup> (X)



## Liquidity (€ million)



## Ratings core insurance activities



## Financial ratios

- The debt leverage ratio decreased to 23.8% driven by an increase in total equity versus an unchanged debt position
- FCCR<sup>1</sup> further improved to 7.9x

## Liquidity

- The holding company's liquidity increased due to dividends received from the insurance entities
- No need for refinancing until 2023

## Ratings

- Ratings recently affirmed with 'stable' outlook reflecting leading market positions in Dutch P&C and Health market, and a strong capitalisation

# Well on the way to realising our strategy 'The Sum of Us'

## Operational result increased to €363 million in the first half year of 2021

- Strong growth in result supported by:
  - Increased operational result and premium growth Non-Life, driven by strong brands, increased number of customers and high customer ratings; combined ratio 95.8%
  - Higher result Pension & Life due to higher investment income and further reduction in operational expenses
  - Higher result Health due to lower expenses for elective care and additional Covid-19-related contributions from the statutory catastrophe scheme
- New asset management and pension administration mandates; AuM €225 billion
- Further premium growth International; distribution power in Slovakia strengthened with completion of acquisition Poštová poisťovňa
- Robust solvency of 211% and sound liquidity position
- First estimates of water damage in Limburg are up to €50 million and are part of the result for the second half of 2021

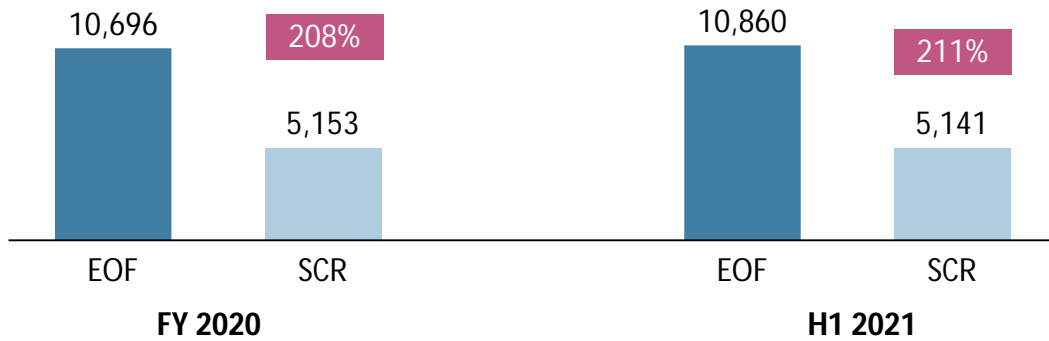


# Appendix

# Strong Solvency II position

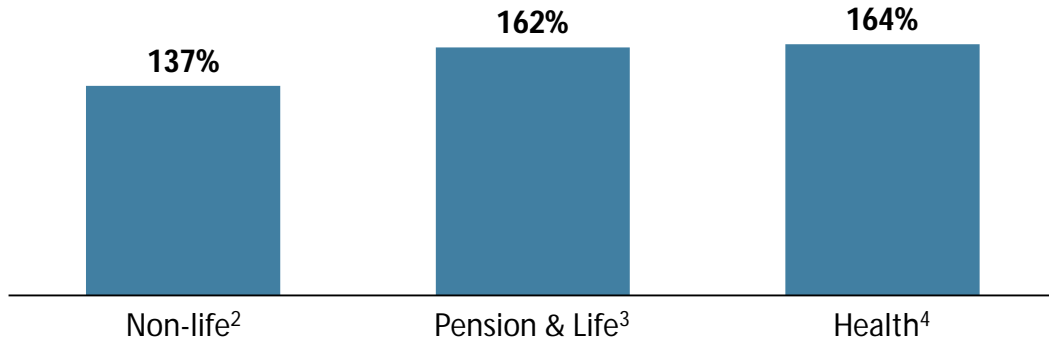
## Solvency II ratio (PIM)<sup>1</sup>

(€ million, Group)



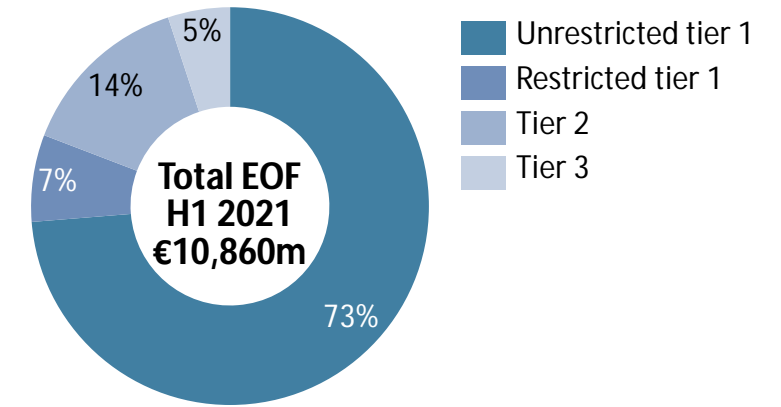
## Solvency II ratio (PIM)

(H1 2021, legal entities)



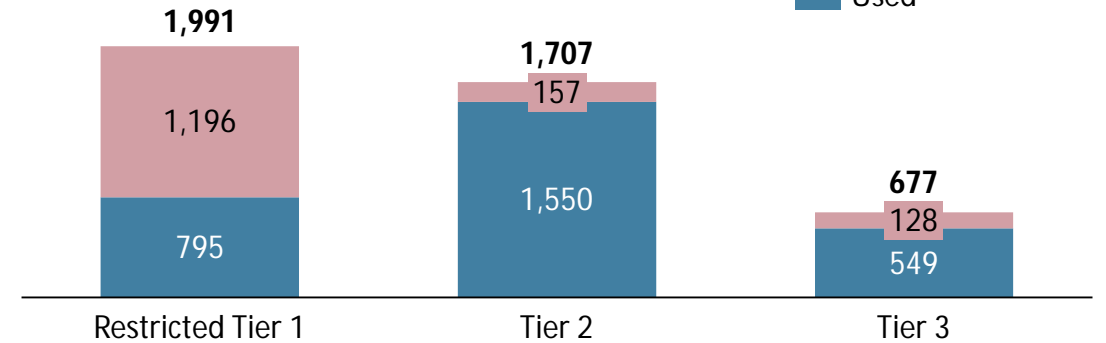
## Tiering of capital

(%)



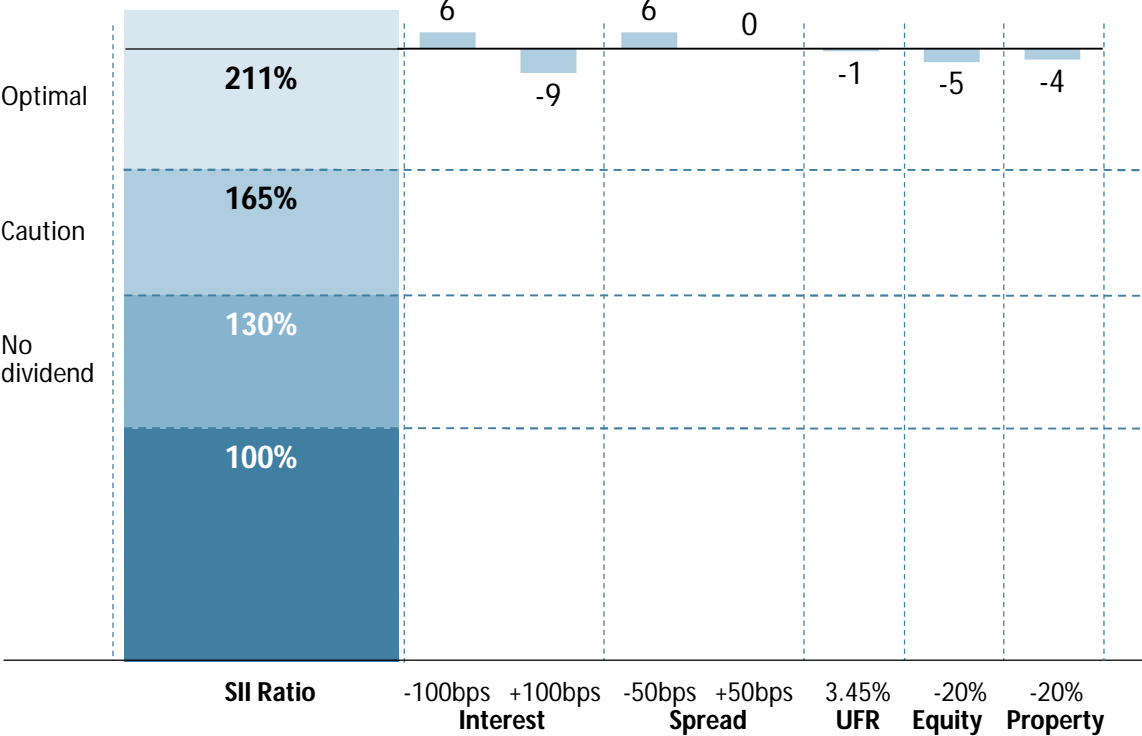
## Available headroom

(€ million)



# Sensitivities Solvency II ratio

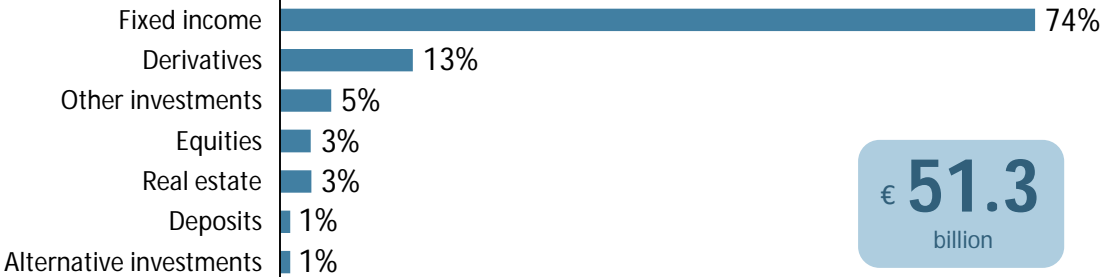
**Solvency II Sensitivities per 30 June 2021**  
(change in %-pt)



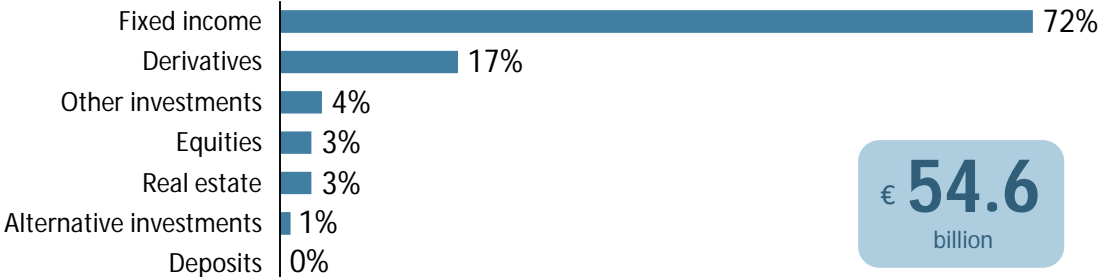
- The sensitivities are calculated based on the partial internal model which includes market risk as of 1 July 2018
- Spread sensitivities are calculated using parallel shocks. The sensitivities can be different in case of disparity in the spread movements
- Interest rate sensitivities are non-linear as a result of our capital hedge and in line with our policy bandwidth
- Limited spread sensitivity as spread impact on assets is mitigated by impact VA on liabilities

# Gradual optimisation of our investment portfolio

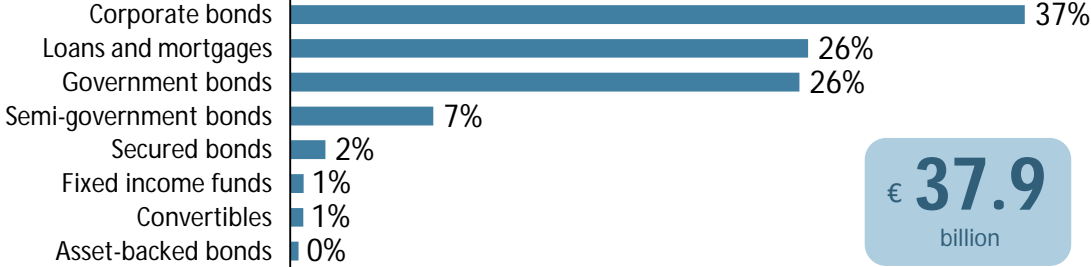
## Total investment portfolio (30-06-2021, %)



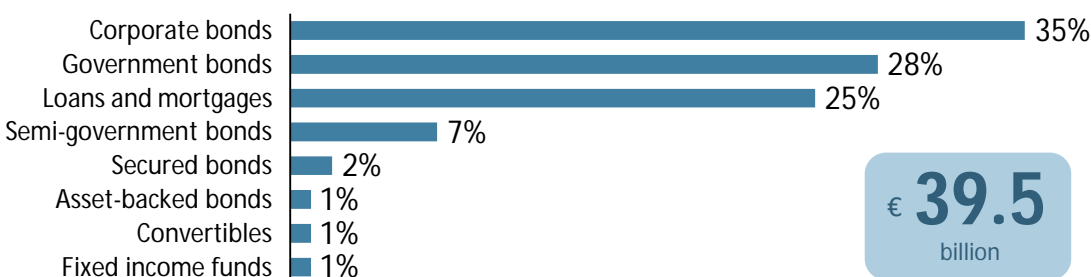
## Total investment portfolio (31-12-2020, %)



## Fixed income portfolio (30-06-2021, %)



## Fixed income portfolio (31-12-2020, %)



# Well-distributed maturity profile and good access to capital markets

No refinancing needs until 2023

Instrument	Tiering under SII	Comments
€500m Perpetual Restricted Tier 1 @ 4.625%	Tier 1	Callable as of March 2029
€250m Tier 2 @2.5%	Tier 2	Callable as of June 2029
Senior Unsecured €750m @ 1.5%	Debt	Maturity May 2027
Preference shares €311m @ 5.5%	Tier 1 (grandfathered)	Coupon reset in January 2024
Perpetual €750m @ 4.25%	Tier 2	Callable from February 2025
Subordinated debt €500m @ 6.0%	Tier 2 (grandfathered)	Maturity April 2043. Callable as of April 2023
Credit facility €1,000m (undrawn)	Debt	Maturity March 2026. Replacement of the previous €750m credit facility

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## Achmea Interim Results 2021

12 August 2021