

Press Release

11 August 2022 - Achmea Interim Results 2022



Operational result €115 million

On track to achieve our strategic ambitions

- Lower result in first half of 2022 due to:
 - Lower investment income due to development of financial markets
 - Lower result on Health activities due to increased healthcare costs
- Good result Non-Life despite high claims due to February storms; combined ratio further improved to 92.0%
- Strong growth in premium income of 6% (€1 billion) to €18.5 billion
- Concrete steps taken to achieve climate-neutral operations by 2030, climate-neutral investments by 2040 and climate-neutral products and services by 2050
- Intended acquisition of ABN AMRO PPI strengthens Centraal Beheer's position in the employer market for Retirement Services
- Solvency robust at 200%

Bianca Tetteroo, Chair of the Executive Board:

Today we present the results over the first half of 2022. A period in which a lot happened in the world around us. The war in Ukraine has been going on for almost six months and a solution is not expected any time soon. The economic conditions are challenging. The first half of the year there was high inflation, a rapid rise in interest rates on the capital markets and falling share prices. In addition, the pressure in the healthcare sector remains high due to Covid-19 catch-up care, the labour market is tight, and we increasingly face extreme weather conditions. All these circumstances also had an effect on our business operations and financial results in the first half of the year. In addition, further development of the financial markets, inflation and interest rates provide uncertainty for our financial results in the second half of the year.

Results first half year

The result for the first half of 2022 is €115 million. This is lower than the result for the same period last year (€362 million). Investment income is €170 million lower than in the first half of 2021 due to the development of the financial markets. In addition, there is a lower result on our health insurance business, partly due to higher healthcare costs as care is fully restarted and because there is no longer an additional contribution from the Covid-19 catastrophe scheme.

The underlying insurance result, on the other hand, is at a good level and is supported by broad portfolio growth, again showing commercial growth in Health, Non-Life, Retirement Services and our International activities. As a result, our premium income grew by more than €1 billion.

Portfolio growth, combined with lower operating expenses and a good underwriting result, helped us to absorb more than €100 million in claims (after reinsurance) from the February storms and further improved the combined ratio of our Property & Casualty business to 92.0%.

Pension & Life experienced a significantly lower investment result due to the effects of increased interest rates and lower share prices. In line with our strategy, no new insurance contracts are concluded in our pension portfolios and therefore the decrease in premium income is the result of the run-off of the portfolio. Cost reduction initiatives and earlier IT investments have resulted in cost reductions in line with our targets and decline of the portfolio.

In Retirement Services there is a lower result. Especially Achmea Bank reported a lower result due to rising interest rates, which had a negative impact on the interest margin and a lower valuation of part of the mortgage portfolio. Income of Syntus Achmea Real Estate & Finance, Achmea Investment Management and Achmea Pension Services increased by €14 million, among others due to new pension fund clients and price development of real estate. Total assets under management at Achmea Investment Management and Syntus Achmea Real Estate & Finance declined to €201 billion, despite the addition of several new pension funds, due to lower valuations as a result of increased interest and development of the financial markets.

At International, strong premium growth of 14% was realised. Despite this growth, the result decreased. In Greece and Slovakia, the result is lower due to higher claims through calamities and a lower contribution to health care. In addition, at Group level, we have made an impairment of the remaining intangible assets for our activities in Turkey given the economic developments and hyperinflation.

Strong position

We are well on our way to realising our strategy 'The Sum of Us'. Our solid capital position gives us room for continuous investment in growth and customer service, and in helping to solve societal issues. To achieve our goals, we operate as one Achmea. We will strengthen the synergies within the company, optimise our balance sheet, continue to invest in the development of our committed employees, and achieve economies of scale in the areas of data and technology, innovative solutions and indirect costs.

In addition to growth opportunities in Health and Non-Life, we see plenty of opportunities in Retirement Services. In early May, we announced the acquisition of ABN AMRO's premium pension institution. In doing so, we capitalise on the opportunities offered by the new pension agreement and to strengthen our position in the employer market with our Retirement Services. We support our institutional clients in the transition to the new pension system with both asset management solutions and pension services. With new, innovative products and solutions, we continue to improve services to our millions of clients. In addition, we are further expanding our international activities with a focus on organic growth in the direct distribution channels, additional targeted acquisitions and the roll-out of InShared in Germany.

Our position to realise our strategic ambitions is and will remain as strong as ever. Despite market developments, the Group's solvency remains robust at 200%. In terms of market position and customer satisfaction, we remain in the top tier, and we are also well regarded as an employer in various surveys. Employees and customers value our initiatives to make ourselves and society more sustainable.

Achmea stands for Sustainable Living Together

Together with our customers, Vereniging Achmea, Rabobank and other strategic partners, we work on solutions to societal challenges in the areas of health, living and working, mobility and income for today and tomorrow. This is how we create sustainable value for customers, employees, the company and society. We are doing this, for example, in the housing market by developing life-proof housing, such as the large De Nieuwe Sint Jacob residential complex in Amsterdam, which we opened in April. In twenty years' time, there will be twice as many people in the Netherlands aged 75 or over. To continue to meet the need for care and housing, customisation is a must. This requires about 500,000 new life-course resistant homes. Making homes life-course resistant can reduce the pressure on (informal) care and improve the flow on the housing market. From our expertise in real estate, health care and pensions, we work together with partners to find solutions.

Achmea has strong climate ambitions. We are on our way to a climate neutral business in 2030, climate neutral investments in 2040 and climate neutral products and services in 2050. The gross CO₂ footprint of our business operations in the first half of 2022 amounts to 10,7 kton and is considerably lower than the target. In the first half year, Achmea improved its score on the Eerlijke Verzekeringwijzer ("Fair Insurance Guide") to 7.4 and thus maintained its top-3 position. In the area of biodiversity, we are committed to investing in the environment in and around our premises, such as the Apeldoorn campus, and Achmea Investment Management actively promotes the preservation and improvement of biodiversity through its own investment funds.

Many thanks to our customers and employees

Although Covid-19 is unfortunately not yet behind us, we were fortunately able to go to the office more often in the past six months. It gives energy to meet each other more often in person again.

I am proud of all our employees for all their efforts in the past period. I am particularly proud of my colleagues who have put in a lot of extra hours in order to settle the more than 80,000 storm damage claims as quickly as possible. Of course, I would also like to thank our customers for their understanding when it sometimes took a bit longer to settle these claims and for their continued trust in our services.

ACHMEA INTERIM RESULTS 2022 - 11 AUGUST 2022

For the presentation of the interim results and more information please visit:

www.achmea.com

Marco Simmers, Communications & Public Affairs

marco.simmers@achmea.nl, +31 6 53 43 87 18

Hans Duine, Investor Relations

hans.duine@achmea.nl, +31 6 82 10 50 97

Group results

KEY FIGURES

(€ MILLION)

RESULTS	H1 2022	H1 2021	Δ
Non-Life Netherlands	106	103	3%
Pension & Life Netherlands	97	170	-43%
Retirement Services	-8	10	n.m.*
International activities	-1	23	n.m.*
Other activities	-96	-91	n.m.*
Operational result excluding Health Netherlands	98	215	-54%
Health Netherlands	17	147	-88%
of which Basic Health Insurance	-62	84	n.m.*
of which Supplementary Health Insurance and other	79	63	25%
Operational result including Health Netherlands	115	362	-68%
Corporate income tax expenses	21	57	-63%
Net result	94	305	-69%

Gross operating expenses¹	1,063	1,076	-1%
---	--------------	--------------	------------

Non-Life Netherlands	2,472	2,384	4%
Health Netherlands	14,726	13,838	6%
Pension & Life Netherlands	429	457	-6%
International activities	709	621	14%
Gross written premiums	18,474	17,402	6%

BALANCE SHEET	30-06-2022	31-12-2021	Δ
Total assets	86,499	89,556	-3%
Total equity	9,583	10,485	-9%

ASSETS UNDER MANAGEMENT (in € billion)	30-06-2022	31-12-2021	Δ
Achmea Investment Management	175	220	-20%
Syntrus Achmea Real Estate & Finance	40	40	0%
Total Assets under Management**	201	247	-19%

SOLVENCY II	30-06-2022	31-12-2021	Δ
Solvency ratio after dividend ²	200%	214%	-14%-pt

RATINGS	30-06-2022	31-12-2021	
S&P (Financial Strength Rating)	A (Stable)	A (Stable)	
Fitch (Insurer Financial Strength)	A+ (Stable)	A+ (Stable)	

EMPLOYEES IN THE NETHERLANDS AND ABROAD ³	30-06-2022	31-12-2021	Δ
FTEs Netherlands	13,790	13,672	1%
FTEs International	3,244	3,152	3%
Total FTEs	17,034	16,824	1%

*n.m.: not meaningful

**Total assets under management after eliminations

Group results

OVERVIEW OF GROUP RESULTS

Achmea earned an operational result of €115 million in the first half of 2022 (H1 2021: €362 million). The lower result is mostly due to the lower investment income and a lower result at our health insurance business. Non-Life posted a sound operational result despite the storm-related claims and a decrease in the investment results. At Pension & Life the lower result was primarily driven by lower investment results. The result from our health business decreased compared to last year because of higher medical expenses, lower investment income and a higher contribution to the solidarity scheme. Moreover, last year we still received a contribution from the statutory emergency scheme. The lower result at Retirement Services is mainly due to the decrease of the result at Achmea Bank, which in turn is the result of a lower valuation of part of the mortgage portfolio driven by increased interest rates and a lower interest margin. At the International activities the result decreased driven by a higher cost of claims in Greece and a lower government contribution to Health in Slovakia.

The operational result at Non-Life Netherlands increased marginally to €106 million in the first half of 2022 (H1 2021: €103 million). The combined ratio improved to 92.0% (H1 2021: 95.8%). Despite the claims relating to the severe storms in February this year, the insurance results were higher thanks to fewer regular vehicle, burglary and major fire claims. Furthermore, in the first half of 2021 the result was adversely affected by additional provisions for personal injury claims from previous years, partly owing to the continued low market interest rates at that time. Negative trends on the financial markets and higher interest rates led to substantially lower investment results. The total claim amount for Achmea from the series of storms that swept across the Netherlands in February of this year came to more than €200 million. After reinsurance the negative impact on Achmea's result is in excess of €100 million.

Health Netherlands earned a result of €17 million in the first half of 2022 (H1 2021: €147 million). The result for supplementary health insurance was €80 million (H1 2021: €63 million), while the result for basic health insurance was €62 million negative (H1 2021: €84 million). The lower result for basic health insurance is due to higher medical expenses, lower investment income, and a higher contribution to the solidarity scheme for health insurers. The contribution from the emergency scheme that was in place the previous two years was ended by law in 2022.

The operational result of Pension & Life Netherlands decreased to €97 million in the first six months of 2022 (H1 2021: €170 million). This was mainly due to a downturn in the investment results caused by negative trends on the financial markets.

The operational result of Retirement Services decreased to €8 million negative in the first half of 2022 (H1 2021: €10 million). This decrease was largely owing to a lower result at Achmea Bank due to market circumstances and the strong increase in interest

rates. Due to the strong increase in mortgage rates the market value of a closed book Interpolis portfolio was negatively adjusted. Following the group-wide implementation of IFRS 9 as of 2023 this portfolio will be valued at amortised cost and such changes in market value will no longer occur. In addition the interest margin on previously closed mortgages with a lower mortgage rate has decreased, in combination with higher prepayments.

The International activities realised a strong premium growth. The operational result decreased by €24 million to €1 million negative (H1 2021: €23 million). This was primarily driven by a decrease in the results in Greece and Slovakia caused by a higher number of claims arising from natural disasters and a lower government contribution to Health. Given the economic developments and hyperinflation in Turkey the remaining intangible assets of the Turkish activities of €8 million have been marked down to zero.

The result for Other activities decreased by €5 million to €96 million negative, mainly due to the decrease in the result at Achmea Reinsurance caused by lower investment income and higher (storm related) claims. The result for our Other activities is negative because many of the expenses from the holding company and shared service activities, as well as the financing charges for the bonds issued by Achmea, are shown in this segment.

Net result

The net result amounted to €94 million in the first half of 2022 (H1 2021: €305 million). At €21 million (18.3%) the effective tax expenses were €9 million lower than the nominal tax expenses mainly as a result of charging the interest payments on perpetual bonds to equity and the tax exempt revenues of our Dutch health business.

Income

Gross written premiums increased by 6% to €18,474 million in the first six months of 2022 (H1 2021: €17,402 million).

Premium income at Non-Life Netherlands grew by 4% to €2,472 million (H1 2021: €2,384 million) owing to autonomous growth in the business segment in particular. At our international non-life business, premium income increased by 20% to €337 million (H1 2021: €280 million), with premium growth in all the markets.

Premium income within Health Netherlands increased by 6% to €14,726 million (H1 2021: €13,838 million) thanks to a higher number of policyholders in 2022, higher average premiums and a higher contribution per policyholder from the Health Insurance Equalisation Fund. Premiums from our international health business also grew by 7% to €351 million (H1 2021: €327 million).

Premium income from pension and life insurance policies declined by 2% to €501 million (H1 2021: €512 million), mainly

Group results

due to lower premiums at Pension & Life Netherlands. This decrease is in line with our service-book strategy.

At Retirement Services, due to the combination of a lower interest margin at Achmea Bank and an increase in revenues at Achmea Investment Management, Achmea Pension Services and Syntrus Achmea Real Estate & Finance revenues decreased by 4% to €189 million in the first half of 2022 (H1 2021: €196 million). Even though several new pension funds were welcomed, the total assets under management at Achmea Investment Management and Syntrus Achmea Real Estate & Finance declined to €201 billion due to a decrease in the value of the investments caused by higher interest rates. The assets under management at Syntrus Achmea Real Estate & Finance remained the same as in the corresponding period last year. Expansion of existing mandates and acquisition of new mandates, despite the lower market value for mortgages, Existing mandates were expanded and new mandates acquired have compensated on balance the lower valuation of mortgage investments due to increased mortgage rates.

GROSS WRITTEN PREMIUMS IN THE NETHERLANDS AND ABROAD

	(€ MILLION)		
	H1 2022	H1 2021	Δ
Non-Life	2,897	2,725	6%
Health	15,076	14,165	6%
Life	501	512	-2%
Gross written premiums	18,474	17,402	6%

Operating expenses

Gross operating expenses declined by 1% to €1,063 million in the first half of 2022 (H1 2021: €1,076 million). This was on balance due to a combination of lower pension charges based on a lower agreed contribution and higher personnel expenses deriving from wage increases under the Collective Labour Agreement.

The total number of employees grew slightly to 17,034 FTEs (year-end 2021³: 16,824 FTEs). In the Netherlands, the number of FTEs increased to 13,790 (year-end 2021³: 13,672 FTEs) owing to commercial growth and additional project deployment.

The total number of employees outside the Netherlands increased to 3,244 FTEs (year-end 2021³: 3,152 FTEs), among others because of the roll-out of the InShared activities to Germany and commercial growth.

Investments

In the first half of 2022, investment income⁴ from our own risk investment portfolio was €396 million (H1 2021: €565 million). The decrease in investment income is mostly related to lower indirect income on equities (H1 2022: €18 million; H1 2021: €132 million). In the first six months of the year, equity prices were under pressure due to rising interest rates and inflation combined with the higher risk of a global recession arising from the war in Ukraine. This led to a lower sales result on equities of €63 million than in the same period last year. In addition, impairments on equities amounted to €40 million (H1 2021: €4 million). Finally, the downturn on the equity markets had a negative impact on convertible bond valuations, which decreased by €36 million compared to last year.

A strong upturn in interest rates was visible on the capital markets. The main reasons for this are the sharply higher inflation expectations and the expectation that the ECB and its US counterpart, the Fed, will raise policy interest rates. This served to push up government bond yields. The greater risk of a recession caused spreads on corporate bonds to widen sharply as well. The sales result for bonds was consequently €93 million lower than last year (H1 2022: €53 million negative, H1 2021: €40 million). Another consequence of the rising bond yields is higher impairments on bonds (H1 2022: €8 million, H1 2021: zero). These negative trends are partially offset by a €35 million higher price gain than last year on interest rate derivatives.

The direct real estate portfolio consists entirely of Dutch properties, mostly residential plus some retail and office properties. Ongoing strong demand on the housing market led to the portfolio's revaluation turning out even better in 2022 (€62 million) than in the same period of 2021 (€24 million).

CAPITAL MANAGEMENT

Total equity

Achmea's equity decreased by €902 million to €9,583 million in the first half of 2022 (year-end 2021: €10,485 million). This decrease was largely due to a drop in the revaluation reserves caused by the increase in interest rates. In addition the defined benefit liability has decreased on balance with €297 million driven by the interest rate and inflation developments, which results in an increase in equity. The investments related to this defined benefit liability have also decreased in value due to the lower interest rates, which is included in the decreased revaluation reserve. In addition equity decreased due to the dividend payment over 2021 and coupon payments.

Group results

DEVELOPMENT OF TOTAL EQUITY

(€ MILLION)

Total equity 31-12-2021⁵	10,485
Net result	94
Movement in revaluation reserve	-1,046
Movement in exchange difference reserve	-7
Revaluation of net defined benefit liability	297
Dividends and coupon payments to holders of equity instruments	-233
Minority interest	-7
Total equity 30-06-2022	9,583

Solvency II

The solvency position of Achmea Group, partly based on internal models for calculating the required capital for the insurance risks of the property & casualty and income protection insurance and for market risks, decreased in the first half of 2022 from 214% at the end of 2021 to 200% at the end of June. Portfolio developments, including the run-off of the Pension & Life Netherlands service-book and the result of Non-Life Netherlands, contributed positively. Market developments on balance had a negative impact driven by the decrease in share prices, increased interest rates and spreads. This was partly mitigated by a decrease in required capital for market risk and life risk due to increased interest rates. Due to the decrease in the required capital a larger part of Tier 3 capital was no longer eligible to be included in the eligible own funds. In addition, a pension indexation liability and the decrease in the UFR⁶ as of 1 January 2022 had a negative impact on the solvency.

SOLVENCY II RATIO FOR ACHMEA GROUP

(€ MILJOEN)

	30-06-2022	31-12-2021	Δ
Eligible Own Funds under Solvency II	9,017	10,363	-1,346
Solvency Capital Requirement	4,516	4,853	-338
Surplus	4,501	5,510	-1,008
Solvency II Ratio²	200%	214%	-14%-pt

Free Capital Generation⁷

Total Free Capital Generation (FCG) amounted to €546 million negative in the first half of 2022. Portfolio developments, including the run-off of the Pension & Life Netherlands service-book contributed €356 million positively to the FCG. Methodology changes also contributed positively. In addition, there were negative incidental effects on the FCG from the decrease in share prices and increased interest rates and spreads, the restriction of the eligible Tier 3 capital, increased inflation expectations and the indexation liability. The results and developments of the equity position of the Dutch healthcare activities are not included in the Free Capital Generation.

Financing

The debt-leverage ratio⁸ increased to 26.3% (year-end 2021: 24.2%) because of a decrease in total equity versus an unchanged debt position.

The fixed-charge coverage ratio declined to 4.0x⁹ (H1 2021: 7.9x) owing to a lower result compared to the first half of last year.

On 2 August 2021, Standard & Poor's (S&P) affirmed its A rating and stable outlook for Achmea's Dutch core insurance entities. The stable outlook reflects S&P's expectation that Achmea will maintain its leading position in the Dutch non-life and health insurance markets, with a capital position of at least in the A range and a fixed-charge coverage ratio of 4x or higher. The credit rating (ICR¹⁰) for Achmea B.V. remained unchanged at BBB+. The rating (FSR¹¹) for Achmea Reinsurance Company N.V. and the rating (ICR) for Achmea Bank N.V. remained unchanged at A-.

Fitch affirmed its rating for Achmea B.V. and its insurance entities on 15 July 2022. Achmea was awarded a score of Very Strong with regard to its business profile, capitalisation and investment risk management. Its ratings are A (IDR¹²) and A+ (IFS¹³) respectively with a stable outlook.

Uncertainties

What will happen in the near future with respect to the geopolitical situation, the financial markets and Covid-19 remains uncertain. In addition, our activities involve inherent uncertainties, as do the related investments. The risks related to financial markets are managed as much as possible via the investment policy and the restrictions it contains. The impact and volatility are kept within specific bandwidths based on the set limits for the different investments and interest rate sensitivities.

In addition, interest rate developments could have a significant impact on our provisions and in turn on future results and total equity. The surplus in the liability adequacy test has decreased as a result of the strong increase in interest rates and is very limited. In case of a further increase in the yield curve and/or spreads, it is realistic that given the limited remaining room the surplus will turn negative, resulting in an increase in the insurance liabilities at the expense of the result. This can have a material impact on the result. On the other hand, higher interest rates have a positive effect on the results in the longer term. An increase in inflation can also impact our result. Given the nature of our activities, there is always a risk of potential catastrophes. This final risk is restricted by means of reinsurance agreements.

The result from our Dutch health business depends to an extent on the further evolution and duration of the Covid-19 pandemic, the potential catch-up care that is required and setting of premiums for 2023, partly in relation to health care cost inflation and termination of the market-wide group discounts. Based on existing schemes, a significant portion of medical expenses can be offset using retrospective correction of total costs.

Non-Life Netherlands

- Sound result for Non-Life despite claims arising from February's storms and lower investment results
- Combined ratio improved to 92.0%
- Further decrease in expense ratio due to continuing focus on digitisation and cost efficiency

RESULTS

(€ MILLION)

	H1 2022	H1 2021	Δ
Gross written premiums	2,472	2,384	4%
Operating expenses	459	452	2%
Operational result	106	103	3%

NON-LIFE NETHERLANDS

	H1 2022	H1 2021	Δ
Claims ratio	67.8%	71.0%	-3.2%-pt
Expense ratio	24.2%	24.8%	-0.6%-pt
Combined ratio	92.0%	95.8%	-3.8%-pt

GENERAL INFORMATION

Achmea is the market leader in Property & Casualty insurance and ranks in the top three in Income Protection insurance. We provide our retail and commercial customers with car insurance, fire insurance, liability insurance and travel insurance. In addition, we offer sickness and disability insurance. We use innovative services that, for example, give our customers insight into the risks to which they are exposed. In doing so, we help them to prevent and/or restrict damage or loss as much as possible. We distribute our products and services directly through our brands Centraal Beheer, FBTO and InShared, which gives us a strong position in the retail market. Interpolis is the brand for Rabobank customers, and via Avéro Achmea we have an excellent partnership with intermediaries and insurance brokers. Our focus is on maintaining a high level of customer satisfaction, cost control and digitisation of processes. In addition, we are devoting ever greater attention to sustainability and climate change. Our services increasingly enable us to help customers with solutions relating to sustainability and the energy transition. Examples of this include sustainable repairs and the Duurzaam Woongemak website (sustainability of homes), both propositions greatly appreciated by our customers.

Gross written premiums

Gross written premiums increased by 4% to €2,472 million in the first six months of 2022 (H1 2021: €2,384 million). This comes from autonomous growth in the business segment in particular, in part driven by the strong online market propositions at all our brands.

Gross written premiums for Property & Casualty insurance increased to €1,917 million (H1 2021: €1,832 million). This growth is largely due to the increased number of customers in the business segment at both Centraal Beheer and Interpolis.

At €555 million, gross written premiums from the Income Protection insurance business were more or less the same as in the corresponding period in 2021 (H1 2021: €552 million).

Operating expenses

On balance operating expenses increased marginally to €459 million (H1 2021: €452 million).

The expense ratio improved further to €24.2% in the first half of 2022 (H1 2021: 24.8%) thanks to increased operational efficiency as a result of digitisation. There is an enhanced level of digitisation at both the Property & Casualty and Income Protection insurance businesses.

Operational result

The operational result for Non-Life over the first six months of 2022 increased to €106 million (H1 2021: €103 million). On balance the insurance results were higher, which resulted in the improvement of the combined ratio to 92.0% in the first half of the year (H1 2021: 95.8%). Negative trends on the financial markets and higher interest rates led to substantially lower investment results.

The result for Property & Casualty insurance increased to €102 million in the first half of 2022 (H1 2021: €78 million). This caused the combined ratio for the Property & Casualty insurance business to improve to 91.6% (H1 2021: 96.6%). Fewer regular traffic accident, burglary and corporate fire claims had a positive impact on the result. Moreover, in the first half of 2021 the result was adversely affected by additional provisions for personal injury claims from previous years, partly owing to the continued low market interest rates at that time. Conversely, February's storms Dudley, Eunice and Franklin generated a high cost of claims. The settlement of the large number of storm-related claims resulted in a high operational workload and challenge. Thanks to the dedication and flexibility of our employees, we

Non-Life Netherlands

have succeeded in handling these claims. Sometimes this took us longer than usual. As a result, customer satisfaction has declined slightly, but remains robust. Despite the tight job market, in collaboration with the companies carrying out the repairs and after a great deal of hard work we have now succeeded in settling the vast majority of the storm-related claims.

The result for Income Protection insurance was €4 million in the first half of 2022 (H1 2021: €25 million). The result is lower due

to lower investment results. Furthermore, both the individual disability and WIA (group disability) portfolios displayed slightly higher and more prolonged levels of absenteeism. In contrast, earlier premium and portfolio adjustments have improved the performance of the sickness insurance portfolio. Our undiminished attention for the recovery process has also contributed to this. The combined ratio increased to 94.4% (H1 2021: 91.9%).

Health Netherlands

- Operational result decreased due to a combination of higher medical expenses and lower investment income
- Number of policyholders rises by 300,000 to 5.1 million
- Further reduction in operating expenses per policyholder, partly due to growth in the number of policyholders and previous investment in digitisation

RESULTS

(€ MILLION)

	H1 2022	H1 2021	Δ
Gross written premiums	14,726	13,838	6%
Operating expenses	238	241	-1%
Operational result	17	147	-88%
Result current year	36	172	-79%
Result prior years ¹⁴	-19	-25	-24%

BASIC HEALTH

	H1 2022	H1 2021	Δ
Claims ratio	99.0%	97.3%	1.7%-pt
Expense ratio	1.7%	1.9%	-0.2%-pt
Combined ratio	100.7%	99.2%	1.5%-pt

SUPPLEMENTARY HEALTH

	H1 2022	H1 2021	Δ
Claims ratio	77.2%	80.8%	-3.6%-pt
Expense ratio	10.0%	10.4%	-0.4%-pt
Combined ratio	87.2%	91.2%	-4.0%-pt

GENERAL INFORMATION

Zilveren Kruis, De Friesland, Interpolis and FBTO offer basic and supplementary health insurance. The Eurocross Assistance Company provides healthcare services worldwide. To ensure that healthcare remains affordable in the future, Zilveren Kruis and Achmea's other health insurance brands focus on preventing illness and promoting a healthy lifestyle. Zilveren Kruis aims to bring good healthcare closer for everyone. Our ambition is to be able to provide healthcare online and at customers' homes. Home-based care gives policyholders greater control and reduces the impact of treatments, improves their quality of life and helps keep premiums affordable. Initiatives such as Gezond Ondernemen (Healthy Enterprise) and the Actify lifestyle platform enable us to help our customers live and work more healthily and motivate them to lead a healthy lifestyle.

Our portfolio contains 5.1 million policyholders, making Achmea market leader in health insurance with a market share of 29%.

Covid-19

In 2020 and 2021, the Covid-19 pandemic had an enormous impact on society, healthcare providers and health insurers. Despite the advent of vaccines, the pandemic is far from over in 2022. Society has now returned more or less to normal and healthcare for Covid-19 patients is increasingly a regular component of healthcare. However, the fact that non-essential healthcare largely stalled during the pandemic means that a large number of patients are still waiting to receive their postponed treatment.

The two-year statutory emergency scheme no longer applies as of 1 January 2022. Covid-19-related expenses are part of the regular medical expenses, with the financial risk of exceeding the medical expenses estimated by the government being restricted by retrospective correction of total costs.

Gross written premiums

Gross written premiums from basic and supplementary health insurance amounted to €14,726 million, and are higher than the same period last year (H1 2021: €13,838 million). Gross written premiums from basic health insurance amounted to €13,501 million (H1 2021: €12,627 million). Premiums increased by about 6% as the number of policyholders grew by 300,000 and because of higher average premiums and a higher contribution per policyholder from the Health Insurance Equalisation Fund.

Health Netherlands

Gross written premiums from supplementary health insurance improved slightly to €1,225 million (H1 2021: €1,211 million). This is mainly due to the growth in the number of policyholders compared to last year.

Operating expenses

The total operating expenses of our health activities decreased to €238 million (H1 2021: €241 million). This reduction can largely be explained by unfilled job vacancies due to the tight job market and further digitisation of customer contacts in particular.

Operational result

The operational result from our health business amounted to €17 million in the first half of 2022 (H1 2021: €147 million). The result for supplementary health insurance was positive, while the result for basic health insurance was negative.

Basic health

The operational result from our basic health insurance amounted to €62 million negative over the first half of 2022 (H1 2021: €84 million). The operational result in the current underwriting year was €40 million negative (H1 2021: €102 million).

The lower result derives from higher medical expenses caused by higher personnel expenses in healthcare due to staff shortages, and a higher than expected payment to the health insurance solidarity scheme. The investment results are also lower because of trends on the financial markets. These effects are mitigated by higher premium income and a higher than expected equalisation contribution, without the contribution from the statutory catastrophe scheme that applied in preceding years.

The result from previous years was €22 million negative (H1 2021: €18 million negative). In line with the result

development on the basic health insurance, the combined ratio increased to 100.7% (H1 2021: 99.2%).

Supplementary health insurance

Supplementary health insurance policies account for €80 million of the operational result from the health business (H1 2021: €63 million); €77 million of this derives from the current underwriting year (H1 2021: €70 million). There was also a positive result from previous underwriting years of €3 million (H1 2021: €7 million negative). The improved result is due to lower medical expenses, especially in dental care.

The percentage of basic health insurance policyholders with supplementary coverage (supplementary and/or dental cover) stands at 79% (2021: 80%). The combined ratio of supplementary health insurance policies improved in the first half of 2022 to 87.2% (H1 2021: 91.2%), mainly as a result of lower medical expenses compared to last year.

Other (healthcare offices and services)

The Other category relates to healthcare offices that implement the Long-term Care Act (Wlz) and the healthcare service companies. The healthcare service companies, particularly the Eurocross Assistance Company, aim to assist customers if they urgently require healthcare when abroad, travelling in the Netherlands or at home, and to help people to improve their vitality at work and in everyday life. The operational result over the first half of 2022 decreased to €1 million negative (H1 2021: zero). This is mainly the result of a lower fee for the administration of the Wlz, partly compensated by a higher revenue at the Eurocross Assistance Company as the number of travel movements has increased again.

Pension & Life Netherlands

- Operational result of €97 million and decreased due to lower investment income caused by developments on the financial markets
- Reduction in operating expenses thanks to cost-cutting initiatives and rationalisation programmes
- Portfolio development in line with our service-book strategy

RESULTS

	H1 2022	H1 2021	Δ
Gross written premiums	429	457	-6%
Operating expenses	68	70	-3%
Operational result	97	170	-43%

GENERAL INFORMATION

Achmea manages a growing open-book portfolio containing term life insurance policies and individual annuities and pension products. In addition, the Pension & Life service organisation manages a service-book portfolio containing group pension contracts and traditional savings and life insurance products. The service organisation has the ambition of earning a stable result with positive capital generation combined with a high level of customer satisfaction. We pool our resources via the Centraal Beheer, FBTO and Interpolis brands and aim to accomplish growth in our open-book portfolio through capital-light products.

The total technical provisions are evolving in line with the natural development of the portfolio but are at the same time affected by interest rate and spread developments and short-term volatility.

Gross written premiums

Total gross written premiums decreased by 6% to €429 million in the first six months of 2022 (H1 2021: €457 million). Of this amount, €106 million came from the open book and €323 million from the service book.

The open-book portfolio noted a 6% increase in premiums from term life insurance policies to €34 million (H1 2021: €32 million). The result from individual annuities and pensions totalled €72 million in the first half of 2022 (H1 2021: €93 million).

Higher indexations led to total written premiums on our service-book pension portfolio increasing to €72 million in the first six months of 2022 (H1 2021: €45 million). Total written premiums

on our service-book life insurance portfolio amounted to €251 million (H1 2021: €287 million). In line with our strategy, no new insurance contracts are being sold in these portfolios. The decline in the premium income is the result of natural portfolio development.

Operating expenses

Operating expenses decreased by €2 million to €68 million in the first half of 2022. Expenses are moving in line with our ambitions, with cost-cutting initiatives and previous IT investments leading to a reduction in expenses. We have also successfully completed a number of rationalisation programmes and are fully committed to digital customer service and further rationalisation programmes.

Operational result

The operational result decreased to €97 million in the first six months of 2022 (H1 2021: €170 million). This was primarily driven by the lower investment income caused by developments on the financial markets.

The investment results declined by €68 million, mostly due to the downturn on the equity markets and interest rate and spread movements. These were partly offset by a positive market sentiment in the real estate portfolio, especially for residential/office properties, and by higher commodity prices.

The technical result was €4 million lower in the first half of 2022 compared to the same period last year. This was owing to lower risk premiums.

Retirement Services Netherlands

- Planned acquisition of premium pension institution (PPI) strengthens position Centraal Beheer in the employer market for Retirement Services
- Lower result at Achmea Bank caused by lower interest margin and revaluation part of the mortgage portfolio due to higher interest rates
- Growing customer base at Achmea Investment Management and Achmea Pension Services; two more pension funds choose for our services via Centraal Beheer APF
- Well-positioned for further growth through our position as multi-client institutional service provider and our investments in anticipation of the new pension agreement

RESULTS

(€ MILLION)

RETIREMENT SERVICES	H1 2022	H1 2021	Δ
Total income	189	196	-4%
Portion from administration and management fees pension administration	135	123	10%
Operating expenses ¹⁵	197	186	6%
Operational result	-8	10	n.m.*

ACHMEA BANK	H1 2022	H1 2021	Δ
Net interest margin	56	69	-19%
Fair value result ¹⁶	-2	4	n.m.*
Operating expenses	51	53	-4%
Changes to loan loss provisions	0	-3	n.m.*

	30-06-2022	31-12-2021	Δ
Common Equity Tier 1 ratio	20.1%	20.9%	-0.8%-pt

(€ BILLION)

ASSETS UNDER MANAGEMENT ¹⁷	30-06-2022	31-12-2021	Δ
Achmea Investment Management	175	220	-45
Syntrus Achmea Real Estate & Finance	40	40	0
Total Assets under Management**	201	247	-46

* n.m.: not meaningful

** Total assets under management after eliminations

GENERAL INFORMATION

Through Retirement Services, Achmea offers financial solutions for employers, institutional and retail customers, for now and the future. We do this via Achmea Bank, Achmea Investment Management, Syntrus Achmea Real Estate & Finance and Achmea Pension Services.

In the employer and retail customer market, we position ourselves via the Centraal Beheer brand as a broad financial service provider that offers a wide range of pensions, savings, investment, mortgage and insurance products.

The segments also work together to realise our commercial growth ambitions on the institutional market.

Achmea Pension Services administers pension schemes for pension funds, including the Centraal Beheer General Pension Fund (APF), and supports and advises employers on issues relating to retirement services.

Achmea Investment Management provides products for asset accrual and support via strategic and portfolio advice. In addition, Retirement Services manages investments on behalf of Achmea Group, pension funds including Centraal Beheer APF as well as institutional investors. Here we opt for sustainable investments that yield a financial and social return.

Thanks to our knowledge of both pension administration and asset management within Retirement Services, we are very well

Retirement Services Netherlands

positioned to service our clients with the implementation of the new pension agreement.

The savings products and some of the mortgages are managed by Achmea Bank. Furthermore, Achmea Bank is committed to diversification by means of balance sheet transactions with institutional parties and partnerships with external parties with a view to expanding our services and achieving economies of scale.

Syntrus Achmea Real Estate & Finance manages €40 billion in real estate and mortgages on behalf of over seventy pension funds and other institutional investors. This means that the task of attracting investors for real estate and mortgages is part of Retirement Services too. Syntrus Achmea Real Estate & Finance also acts as a central platform for issuing mortgages within Achmea.

At the start of May, Achmea and ABN AMRO reached agreement on Achmea's acquisition of ABN AMRO Pensioeninstelling N.V. This transaction enables Achmea to enter the premium pension institution (PPI) market and provides further opportunities for growth as envisioned by the pension agreement. In addition, having a PPI further strengthens our position in serving the employer market. Achmea harbours the ambition of expanding the PPI over the next few years. To achieve this, Achmea will use its extensive distribution network and work intensively with the professional pension consultancy market. The PPI will be called Centraal Beheer PPI and is expected to continue on the market under that name from the autumn of 2022 in further consolidation of our Retirement Services proposition. The acquisition is dependent on approval from the regulators and will likely be completed before the end of the year.

Operational result

The operational result for Retirement Services decreased to €8 million negative in the first half of the year (H1 2021: €10 million). The lower result at Achmea Bank is the reason for the lower overall result compared to the same period last year.

Achmea Bank

Trends on the financial markets have an impact on the results of Achmea Bank. Achmea Bank's result over the first six months amounted to €1 million, €21 million lower than in the first half of 2021 (H1 2021: €22 million). This is due to a lower interest result (€13 million negative) arising from lower mortgage proceeds. Furthermore, the fair value result declined by €6 million as the higher mortgage rates caused an older portfolio valued at market value to decrease in value. The impairment results for loan provisions are zero this year, while last year there was a release of €3 million. Operational costs are €1 million lower than they were last year.

In underlying terms the market is evolving positively towards shorter mortgages at higher rates, which has led to an increase in inflow volumes. This is reflected in the upturn in mortgage production, which stood at €649 million in the first half of the year (H1 2021: €383 million). Two portfolios were also acquired

in the first six months of 2022 for a total of €623 million, one of which was transferred in May while the other will arrive in July.

The capital position remains strong. As of 30 June 2022, the Common Equity Tier 1 ratio stood at 20.1% (31 December 2021: 20.9%). Achmea Bank applies the standardised approach to risk weighting its assets but is working towards implementing an internal credit risk model (A-IRB) approach for its mortgage book.

Achmea Bank's result is negatively influenced in the short term by interest rate developments. This development, on the other hand, has a positive effect on the demand for mortgages with shorter fixed-interest periods and, consequently, on the lending and the size of the portfolio.

Achmea Investment Management

At €1 million the result for Achmea Investment Management was the same as last year. Revenue is €4 million higher thanks to growth in the customer portfolio and one-off transition revenue. Operating expenses increased by €3 million as a result of customer growth and investments. At an ICAAP ratio of 163% as of 30 June 2022, the capital position is strong and solid.

Market conditions, including the higher interest rates, have caused the value of the investments to fall. The assets under management at Achmea Investment Management decreased by €45 billion from €220 billion at year-end 2021 to €175 billion as of the end of June 2022. Two new pension funds opted for Achmea Investment Management in 2021: Ahold Delhaize Pensioen and ASN Impact Investors. As of 2022 these are contributing to both the revenue and growth of Achmea Investment Management. In 2022, services for existing clients have been expanded and two pension funds, including Coram B.V., opted to place their pension accrual with Centraal Beheer APF and with it the asset management with Achmea Investment Management.

Achmea Investment Management continues to develop as a leading Dutch asset manager, investing in IT systems for better customer service and in the implementation of the new pension agreement. We start a selection process for an asset service provider (ASP). This party will take over parts of the administration, accountability and reporting.

Achmea Pension Services

The result for Achmea Pension Services amounted to €12 million negative in the first half of 2022 (H1 2021: €13 million negative). A net increase in revenue of €4 million was realised. Conversely, expenses increased by €3 million by investing in new IT systems and further preparation for implementing the new pension agreement.

As of 2022 we started to administer the pension schemes of two new clients: Ahold Delhaize's company pension fund and the Occupational Pension Fund for GPs.

Retirement Services Netherlands

In the first half of 2022, Achmea Pension Services took some important next steps in the business transformation towards achieving its ambition of becoming the best digital pension provider in the Netherlands. In addition, we are working hard on preparing for the implementation of the Future Pensions Act.

Syntrus Achmea Real Estate & Finance

The operational result of Syntrus Achmea Real Estate & Finance grew to €3 million in the first half of 2022 (H1 2021: €1 million negative). This improvement was driven by higher revenues. Total revenue increased to €66 million (H1 2021 €60 million), primarily through realising mandates and the positive value growth of the real estate investments.

The assets under management in real estate holdings and mortgages is stable at €40 billion (H1 2021: €40 billion). On balance, the expansion of existing mandates and the realisation of new mandates have compensated for the lower valuation of the mortgage investments due to increased mortgage interest rates.

The property investments are growing in size, mainly due to the higher real estate valuations. The higher inflation, combined with the nitrogen emissions crisis, is causing delays in the realisation and start-up of new construction projects.

At an ICAAP ratio of 136%, the capital position is strong and solid thus allowing SAREF to continue its investment and growth as leading asset manager specialising in real estate and mortgages.

International activities

- Strong premium growth to €709 million (+14%)
- Result decreased due to higher cost of claims in Greece and a lower government contribution to Health in Slovakia

RESULTS

(€ MILLION)

	H1 2022	H1 2021	Δ
Gross written premiums	709	621	14%
Operating expenses	134	120	12%
Operational result	-1	23	n.m.*

GROSS WRITTEN PREMIUMS PER COUNTRY

	H1 2022	H1 2021	Δ
Slovakia	333	289	15%
Greece	197	181	9%
Turkey	136	112	21%
Australia	43	40	8%

*n.m.: not meaningful

GENERAL INFORMATION

Achmea's international activities focus on non-life and health insurance products, distributed via the online (direct) and banking channel. Achmea pursues an international growth strategy by exporting knowledge and digital expertise gained in the Netherlands to other countries. In doing so, we focus on growth in existing and new market segments. This strategy is executed selectively in specific international markets.

Gross written premiums

Gross written premiums increased by 14% to €709 million (H1 2021: €621 million). Adjusted for exchange rate effects, the increase amounted to 31%.

In Slovakia, written premiums in the health business grew by 8%. The acquisition of Slovakian insurer Poštová poisťovňa's portfolio, combined with premium growth in the motor portfolio and the upturn in tourism and therefore travel insurance, led to the Non-Life and Life business realising growth of 73%.

In Greece, Interamerican noted premium growth of 9%. This was driven by higher production in the motor portfolio and commercial product lines. The health business noted 7% growth in gross written premiums, largely thanks to modular healthcare product BeWell.

In Turkey, gross written premiums increased by 21% in euros despite the devaluation of the Turkish lira. The fire and motor insurance portfolios in particular realised robust autonomous growth, partly thanks to active use of the long-term partnership with Garanti BBVA and its network.

In Australia, gross written premiums grew by about 9% in local currency thanks to portfolio growth and adjustments to premiums, in part owing to its unique 'All-in-One Farm Pack'. When converted to euros, this translates into a growth rate of 8%. This premium growth was made possible by the partnerships with Rabobank and Angus Australia.

In Canada, Onlia continued to grow via its digital business model. The cooperation with our partner Fairfax was further strengthened by a reinsurance construction.

Operating expenses

Operating expenses amounted to €134 million in the first half of 2022, an increase of 12% compared to the same period of 2021 (€120 million) and in line with the premium growth of 14%.

Operational result

The total operational result of €1 million negative is €24 million lower than in the first half of 2021 (€23 million), mainly due to an increase in motor insurance claims in Greece caused by January's snowstorm and heavier commuter traffic in relation to the easing of Covid-19 restrictions (€13 million negative). In Slovakia, a lower government contribution to the health equalisation system compared to the same period last year had a negative effect of €8 million on the result. Given the economic developments and hyperinflation in Turkey, the remaining intangible assets of the Turkish operations of €8 million were impaired to nil. These lower results are partly compensated by profitable growth.

Other activities

- Result Achmea Reinsurance decreased due to lower investment income and storm-related claims in the Group portfolio
- Improved holding result thanks to lower operational expenses

RESULTS

(€ MILLION)

	H1 2022	H1 2021	Δ
Total gross income	253	196	29%
Operating expenses	84	92	-9%
Interest and similar expenses	30	29	3%
Operational result	-96	-91	n.m.*
ACHMEA REINSURANCE			
Gross written premiums	225	182	24 %
Operational result	-13	14	n.m.*

*n.m.: not meaningful

GENERAL INFORMATION

Other activities include the results of Achmea Reinsurance. In addition, a significant part of the result relates to the expenses for activities at holding company level and at the Shared Service Centres.

Operational result

The operational result came to €96 million negative, a decrease of €5 million compared to the first half of 2021 (€91 million negative). The result for our Other activities comprises those expenses from the holding company and shared service activities that are not charged to the operating activities, as well as the financing charges for the bonds issued by Achmea. The operational result for Achmea Reinsurance decreased to €13 million negative (H1 2021: €14 million). The holding result improved, largely thanks to lower personnel expenses.

ACHMEA REINSURANCE COMPANY N.V.

As Achmea's reinsurance expert, Achmea Reinsurance has three roles: consultant, purchaser and risk carrier. In its role as group reinsurer and risk carrier, Achmea Reinsurance provides reinsurance coverage to the Dutch and foreign insurance entities within Achmea. In addition, Achmea Reinsurance has a reinsurance portfolio covering global risks from third parties.

Gross written premiums amounted to €225 million in 2022, an increase of 24% compared to the first half of 2021 (€182 million). This increase is mainly driven by higher written premiums from Achmea portfolios following further integration of Achmea International activities into the group reinsurance programme, portfolio growth, the stronger US dollar and hardening of the insurance market. Achmea Reinsurance's total risk profile remained more or less unchanged.

The operational result amounted to €13 million negative over the first half of 2022 (H1 2021: €14 million). The lower result is mostly due to a high cost of claims from February's storms Dudley, Eunice and Franklin and a number of major claims in our internal reinsurance programme in the first six months of 2022. Investment results were also lower than in the first half of 2021.

Footnotes

GROUP RESULTS

Key figures

¹ Gross operating expenses comprise personnel expenses, depreciation costs for land and buildings for company use and plant and equipment and general expenses, including IT expenses and marketing expenses. These are operating expenses excluding paid and due fees, profit sharing and reinsurance commissions, and before the allocation of claims handling expenses and allocated investment costs. The operating expenses included in the annual or semi-annual report relate to costs including commissions and claims handling costs.

² The solvency ratios reported here are based on a Partial Internal Model and are after the deduction of (planned) payment of dividends and coupons on hybrid capital.

³ The number of FTEs is based on a working week of 34 hours.

Investments

⁴ Investment income (including realised and unrealised gains and losses) for own account and risk are adjusted for fair value results and other investment income directly related to the insurance liabilities.

Total equity

⁵ A provision has been retrospectively accounted for as of 1 January 2021 for the conditional indexation commitment to accrued rights of a number of (former) employees who are insured with Achmea Pensioen- en Levensverzekeringen N.V. and SBZ. As a result, Total equity as at 31 December 2021 has been adjusted by €148 million negative.

Solvency II

⁶ UFR: Ultimate Forward Rate

Free Capital Generation

⁷ This relates to the amount of disposable capital that is generated. This is the increase in capital above the Solvency Capital Requirement.

Financing

⁸ Leverage ratio: (non-banking debt + perpetual subordinated bonds) as a percentage of the total (total equity + non-banking debt + perpetual subordinated bonds minus goodwill)

⁹ The FCCR is based on the results and financing charges of the last four quarters.

¹⁰ ICR: Issuer Credit Rating

¹¹ FSR: Financial Strength Rating

¹² IDR: Issuer Default Rating

¹³ IFS: Insurer Financial Strength

HEALTH NETHERLANDS

¹⁴ Results for prior years refer to earnings from health expenses and/or equalisation from previous book years.

RETIREMENT SERVICES NETHERLANDS

¹⁵ Operating expenses including other expenses

¹⁶ The fair value result is an accounting result that is compensated for in other financial periods, in line with the value development of the underlying derivatives. Derivatives are used to restrict the interest rate risk. This explicitly concerns the result relating to the activities of Achmea Bank.

¹⁷ The Assets under Management (AuM) include a Derivatives (overlay) portfolio.