

Bulletin:

Achmea B.V.'s Capital Position Will Remain Very Strong After Call Of Tier 2 Issuance

March 10, 2023

This report does not constitute a rating action.

FRANKFURT (S&P Global Ratings) March 10, 2023--S&P Global Ratings today said that Achmea B.V.'s results for the financial year 2022 (FY2022; ending Dec. 31, 2022) and its plan to call a €500 million Tier 2 issuance do not affect our view of its capital position or rating.

Multi-line insurance company Achmea (BBB+/Stable/--) has reported a net profit of €105 million for FY2022. This was below our expectation of €200 million, being negatively impacted by investment market losses. Underlying results in health and non-life operations remained robust, however, and we continue to expect that earnings will recover in 2023-2024 to support the interest coverage ratio to above our 4x threshold.

Achmea's solvency capital remained robust, with SCR coverage of 209% as of December 2022. This will only be marginally affected by the calling of its €500 million Tier 2 issuance in April 2023. Similarly, we expect that capital on the S&P Global Ratings' capital model will remain in the very strong range over the three-year ratings horizon and support the current ratings. We consider that Achmea will remain committed to maintaining a stable capital structure, in which hybrid instruments will continue to play a prominent role. As a result, we do not believe that the redemption has any bearing on our assessment of the intermediate equity content of the group's other outstanding hybrids.

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