

Bulletin:

Achmea B.V.'s Planned Withdrawal Of Preference Shares Has Limited Effect On Capital

November 9, 2023

STOCKHOLM (S&P Global Ratings) Nov. 9, 2023--S&P Global Ratings said today that Achmea B.V.'s proposed withdrawal of its outstanding preference shares is in line with our expectations and will have limited effect on our capital assessment.

The group is seeking general meeting approval to withdraw the shares on Dec. 31, 2023, followed by a repayment of about €356 million and a dividend of about €20 million to the holders.

On June 12, 2023, Achmea issued €300 million of subordinated Tier 2 notes with the proceeds planned for general corporate purpose. This may include the refinancing of outstanding debt, such as the preference shares. We classified the notes as having intermediate equity content.

Considering the proposed withdrawal, we estimate that the group's financial leverage (debt plus hybrid capital, divided by the sum of shareholder equity, debt, and hybrid capital) will remain under 40% over 2023-2024. Fixed-charge coverage (EBITDA divided by senior and subordinated debt interest) is likely to remain above 4x over the same period.

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