

Research Update:

Achmea Core Subsidiaries 'A' Ratings Affirmed On Solid 2024 Results And Healthy Capital Position; Outlook Stable

June 13, 2025

Overview

- Achmea group realized strong net income of about €1.3 billion in 2024, supported by higher operational income and favorable developments in the financial markets.
- Moreover, Achmea maintained capital at the highest confidence level according to our risk-based capital model.
- We revised our liquidity score upward to exceptional from adequate to reflect our refined view of the stability of Achmea's technical reserves in case of market stress.
- Consequently, we affirmed our 'A' long-term issuer credit and insurer financial strength ratings on Achmea's core subsidiaries and our 'BBB+' long-term issuer credit rating on holding company Achmea B.V.
- The stable outlook reflects our expectation that Achmea will post robust net income over 2025-2027, maintaining its fixed-charge coverage ratio firmly above our threshold and preserving its capital at least at the 99.95% confidence level.

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Rating Action

On June 13, 2025, S&P Global Ratings affirmed its 'A' long-term issuer credit and insurer financial strength ratings on the core operating entities of Netherlands-based Achmea group. We also affirmed our 'BBB+' long-term issuer credit rating on holding company Achmea B.V. The outlooks on our ratings on Achmea B.V. and the operating entities are stable.

Rationale

Achmea realized strong net income of about €1.3 billion in 2024, compared to €814 million in 2023. The improvement was attributable to higher operational income in the pension and life, international, and health businesses, with a strong investment result adding to this. Operational

income for Achmea's health business increased to €241 million from €187 million in 2023, chiefly due to higher investment income.

The combined ratio for Achmea's basic health insurance business improved to 100.2% from 100.3% in 2023, reflecting a larger policyholder base and operational efficiency. The combined ratio for the supplementary health insurance business was 94.3% (92.8% in 2023), with the increase chiefly stemming from greater use of health care services and higher costs.

Gross written premiums increased to €25 billion, a 12% rise year on year, with a healthy increase in the health, non-life, and international businesses. Furthermore, assets under management in retirement services rose by 22% to €265 billion, mainly due to the acquisition of Blue Sky Group Asset Management, but also to higher stock values and organic growth.

Achmea maintained its capitalization according to our risk-based capital model at the highest confidence level in 2024. Despite a growth-focused agenda, we expect Achmea's capitalization to remain at least at the 99.95% level over the next two-to-three years thanks to sound profit generation.

We also incorporate our view that management will seek to maintain flexibility and thus not commit to holding capital at the 99.99% level. We reflect this by adjusting our view of capital. Statutory solvency remains robust, with a group solvency coverage ratio of 182% in December 2024.

In 2025-2026, we anticipate that annual net income will remain in the range of €600 million-€750 million, supported by a non-life insurance combined (loss and expense) ratio of about 95%. We expect that Achmea will remain focused on cost efficiency while continuing to optimize its underwriting practices and expand its business operations.

We expect that Achmea's financial leverage (debt plus hybrid capital, divided by the sum of shareholder equity, debt, and hybrid capital) will remain below 30%. We expect that Achmea's fixed-charge coverage (EBITDA divided by senior and subordinated debt interest) will remain in the 5x-6x range.

We revised our liquidity score upward to exceptional from adequate to reflect our refined view of the stability of Achmea's technical reserves in case of market stress. As such, Achmea's ability to cover its liquidity needs in a stress scenario has improved.

Outlook

The stable outlook reflects our expectation that Achmea will post robust net income over 2025-2027, maintaining its fixed-charge coverage ratio firmly above 4x and preserving its capital at least at the 99.95% confidence level. We also expect that Achmea will maintain its leading positions in the Dutch property/casualty and health insurance markets.

Downside scenario

We could lower the ratings over the next two years if, contrary to our expectations, Achmea's profitability remains below our expectations, preventing the group from maintaining its capital adequacy and funding (fixed-charge coverage and leverage) within our forecast ranges.

Upside scenario

We see the possibility of an upgrade over the next two years as remote. However, we could

consider raising the ratings if Achmea's earnings were significantly above our expectations, enhancing its capital position with a robust buffer above our 99.99% benchmark for a sustained period. An upgrade would also require the group to successfully integrate its strategic joint venture with Sixth Street.

Ratings Score Snapshot

	To	From
Financial strength rating	A	A
Anchor	a	a
Business risk	Strong	Strong
IICRA	Intermediate	Intermediate
Competitive position	Strong	Strong
Financial risk	Very strong	Very strong
Capital and earnings	Very strong	Very strong
Risk exposure	Moderately low	Moderately low
Funding structure	Neutral	Neutral
Modifiers		
Governance	Neutral	Neutral
Liquidity	Exceptional	Adequate
Comparable ratings analysis	0	0
Support	0	0
Group support	0	0
Government support	0	0

IICRA--Insurance Industry and Country Risk Assessment.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Achmea B.V. Delivers Strong Result And Profit Growth In 2024, Supporting Our Rating, March 13, 2025
- Achmea B.V.'s Proposed Restricted Tier 1 Junior Subordinated Notes Assigned 'BB+' Rating, Jan. 20, 2025
- Achmea Pensioen & Levensverzekeringen N.V.'s. Ratings Affirmed By Joint Venture Announcement; Outlook Stable, Nov. 28, 2024

Ratings List

***** Achmea B.V. *****		
Ratings Affirmed		
Achmea B.V.		
Issuer Credit Rating		
Local Currency	BBB+/Stable/--	
Achmea Bank N.V.		
Issuer Credit Rating		
	A-/Stable/A-2	
Achmea Pensioen & Levensverzekeringen N.V.		
Achmea Zorgverzekeringen N.V.		
Achmea Schadeverzekeringen N.V.		
Issuer Credit Rating		
Local Currency	A/Stable/--	
Financial Strength Rating		
Local Currency	A/Stable/--	
Achmea Reinsurance Co. N.V.		
Financial Strength Rating		
Local Currency	A-/Stable/--	
Achmea B.V.		
Senior Unsecured	BBB+	
Junior Subordinated	BB+	
Junior Subordinated	BBB-	
Achmea Bank N.V.		
Senior Unsecured	A-	
Subordinated	BBB	
Commercial Paper	A-2	

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further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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