



# Achmea Investor Presentation

“The leading Dutch insurance company with strong brands,  
multi-channel distribution strategy, well-diversified product range and conservative investment profile”

January 27, 2015



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# Indicative Undated (Perpetual) Subordinated Option B Notes Term Sheet

<b>Issuer</b>	Achmea B.V.
<b>Instrument</b>	€ [•]m Undated (Perpetual) Subordinated Option B Notes (the “Notes”)
<b>Expected Instrument Rating (S&amp;P)</b>	[BBB], based on an A- Issuer rating
<b>Interest</b>	[•]% p.a. payable annually in arrear to [•] 2025 (10 years from effective date), reset to 3m Euribor + [•]bps (100bps over initial credit spread) on [•] 2025 and every 3 months thereafter, payable quarterly in arrear
<b>Status / Subordination</b>	The Notes constitute subordinated obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves, ranking in a winding up and insolvency related events junior to unsubordinated unsecured creditors of the Issuer, <i>pari passu</i> with other subordinated obligations that do not rank or are not expressed by their terms to rank junior to the Notes and senior to share capital
<b>Optional Redemption Dates</b>	[•] 2025 (the “First Call Date”) and each interest payment date thereafter, subject to regulatory approval
<b>Final Maturity Date</b>	Undated (Perpetual)
<b>Special Event Redemption / Substitution / Variation</b>	In case of a tax call (due to gross up for WHT or loss of tax deductibility), Capital Disqualification Event (loss of regulatory capital treatment) or a Rating Methodology Event (loss of S&P equity credit), the Issuer may redeem/substitute (from year 5) or vary terms (at any time) to remedy such event, provided the terms of the resulting notes are not materially less favourable to investors. Any redemption, substitution and variation is subject to regulatory approval, if required, and other conditions being satisfied. Redemption in each case at par plus accrued interest and arrears of interest (if any). Accrued and arrears of interest (if any) must be settled in case of any substitution or variation
<b>Redemption Deferral</b>	If the Issuer is or would become insolvent or a breach of capital requirements is occurring or would occur or if consent from the Regulator for redemption is required but not obtained then such redemption will be deferred until the conditions to redemption are met
<b>Mandatory Interest Deferral Date</b>	No interest payment shall be made on an interest payment date in respect of which a breach of minimum capital requirements (SCR under Solvency II) has occurred or would occur if payment is made or if the Issuer is insolvent or if following such payment the Issuer would become insolvent
<b>Optional Interest Deferral</b>	Any interest payment date other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date
<b>Arrears of Interest</b>	Interest deferred is cash cumulative and compounding at the prevailing rate of interest – must be settled on resumption of payment on the Notes and on certain other events
<b>Compulsory Interest Payment Date (Dividend Pusher)</b>	The Issuer cannot exercise its discretion to defer interest on an interest payment date if in the six months prior to such date, a Compulsory Interest Payment Event has occurred (unless such date is a Mandatory Interest Deferral Date in which case the Issuer must defer interest) <b>“Compulsory Interest Payment Event”</b> means: (i) any declaration/payment of dividend/distribution on the Issuer’s share capital; (ii) any repurchase of the Issuer’s share capital (subject to exceptions)
<b>Governing Law / Listing / Denoms</b>	Dutch / Dublin / €100k + €1k

# Achmea overview

## Strong brands, diversified products, focus on insurance

- A strong and solid insurance group with mutual roots
- Clear market leader in Dutch insurance: Property & Casualty #1, Income Protection #2, Health #1, Pension #5 and Life #2
- Interpolis, Centraal Beheer and Zilveren Kruis are among the most recognised brands in the Netherlands
- Distribution mainly through direct & banking channels, well positioned for future market developments
- Strong Solvency II position of 196%\*\*
- A+ rating on the core insurance subsidiaries and conservative leverage position (24.4%)

\* Other includes operations in Russia. Russian operations were sold in September 2014.

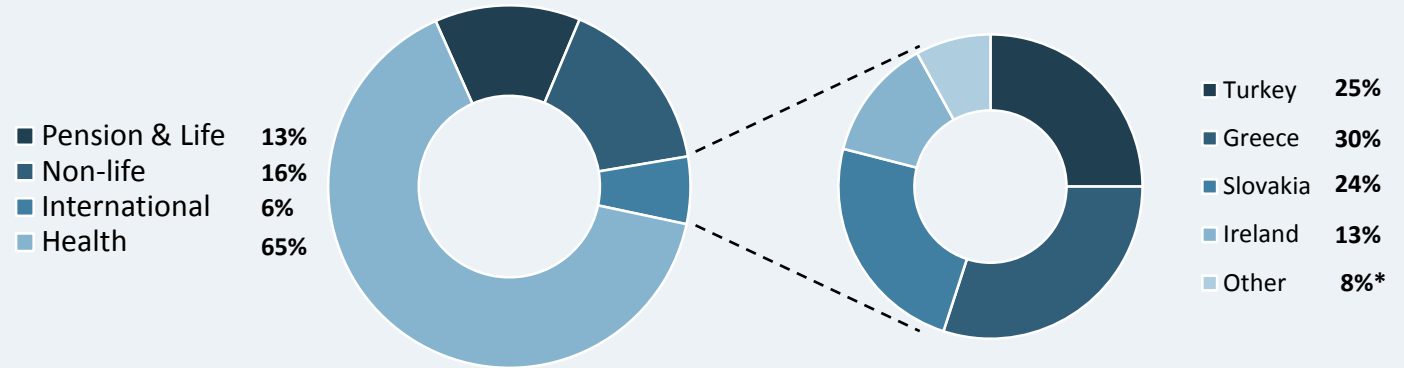
\*\* Solvency II ratio (partial internal model) as of 31/12/2013. Solvency I ratio 217% (IGD) as of 30/06/2014.

### Gross written premiums by segment

31/12/2013 – Total: €22.2 billion



achmea



# Achmea was founded more than 200 years ago

Founding of mutual co-operative in Achlum

1811

Founding of Centraal Beheer



1909

Founding of health insurer Zilveren Kruis

1949

Centraal Beheer and Avéro merged into AVCB



1992

AVCB and Zilveren Kruis merged into Achmea

1995

Acquisition of Interamerican Greece



1999

Achmea merged with Rabobank subsidiary Interpolis

2005

Merger with Agis and acquisition of Sigorta Turkey



2007

Merger with DFZ and acquisition of Independier Celebrating our bicentenary



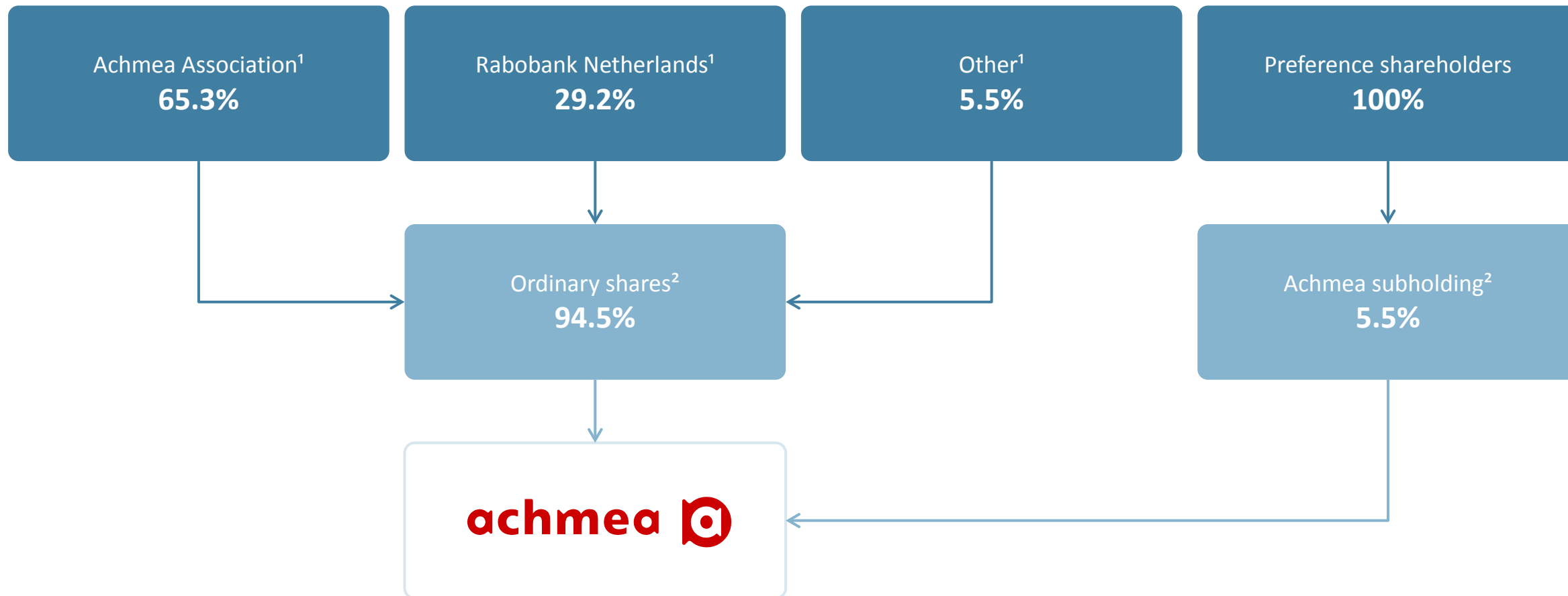
2011

A new episode for Achmea: change programme Acceleration & Innovation

2013



## Ownership structure - Stability through two major cooperative shareholders



*The mission of Achmea Association is to support the continuity of Achmea and to look after the collective interests of customers*

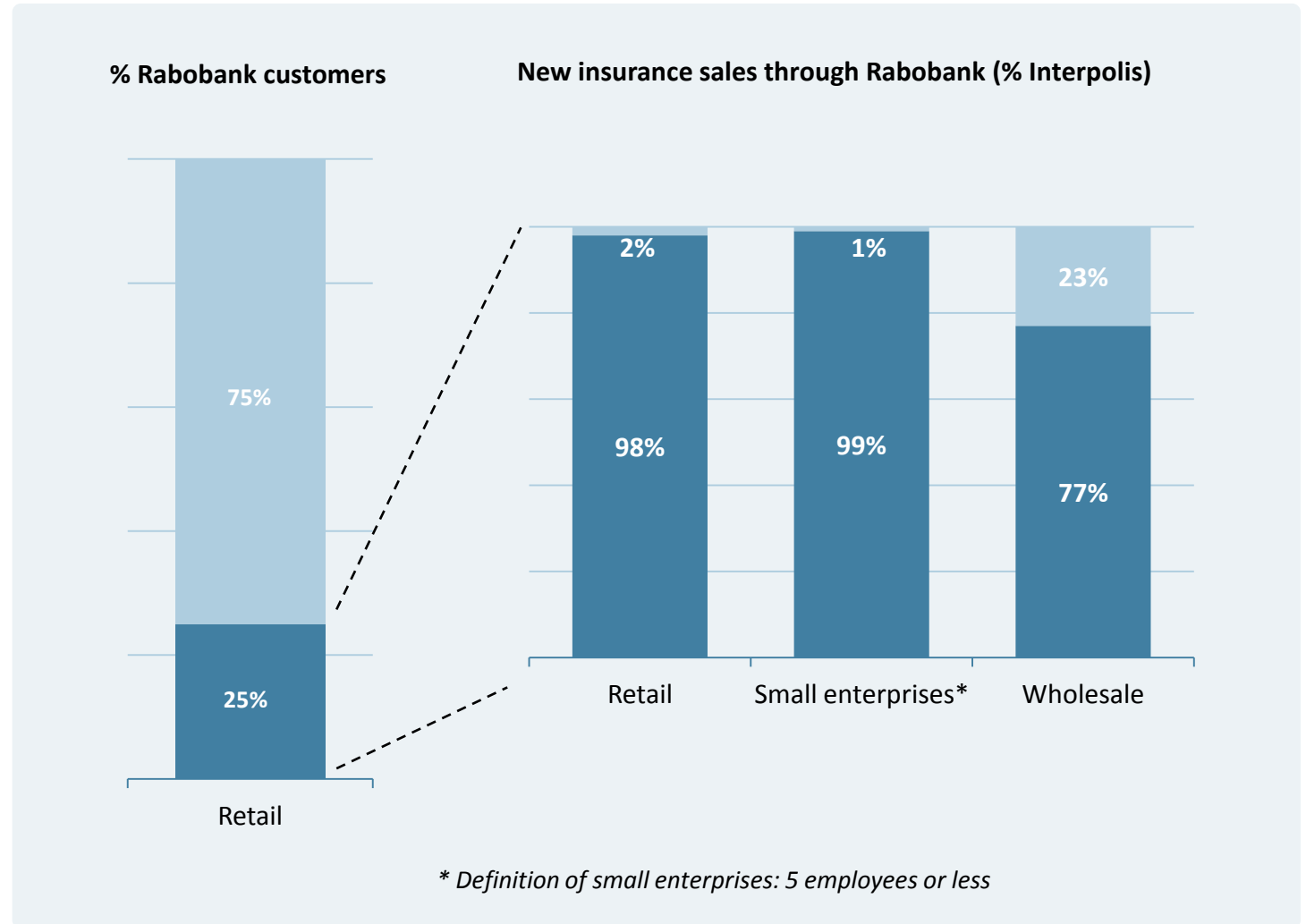


<sup>1</sup> Owners of Capital rights















<sup>2</sup> Owner of voting rights

## Strong commercial alliance with Rabobank

- Our insurance products are distributed through the banking channel under our Interpolis label
- Preferential distribution of Interpolis products through Rabobank branches; approximately 98% of retail insurance products sold through Rabobank are Achmea insurance products
- Currently, only 1 out of every 4 customers of Rabobank is insured through Interpolis; both Achmea and Rabobank aim to increase this
- Greenfield operation in Australia in co-operation with Rabobank started in 2013, with a possible extension to other growth markets. Focus is on non-life, mainly agricultural sector such as live stock, machinery, crop insurance etc.



# Achmea's omni-channel, multi-brand marketing & distribution strategy











Power Brands	Channel		Line of Business				
			Property & Casualty	Health	Income Protection	Life & Pension - standard	Banking products
		Consumer 	Market leader/top-3	Intention to grow		Term life insurance	
		Business 	Market leader/top-3		Defend market share		
	 	Consumer 	Market leader/top-3		Intention to grow	Intention to grow	Intention to grow
		Business 	Market leader/top-3		Intention to grow	Intention to grow	
	 	Consumer 		Market leader/top-3			
		Collective 		Market leader/top-3	Intention to grow		



-  Market leader/top-3
-  Intention to grow
-  Defend market share
-  No presence
-  Phone
-  Online
-  Broker





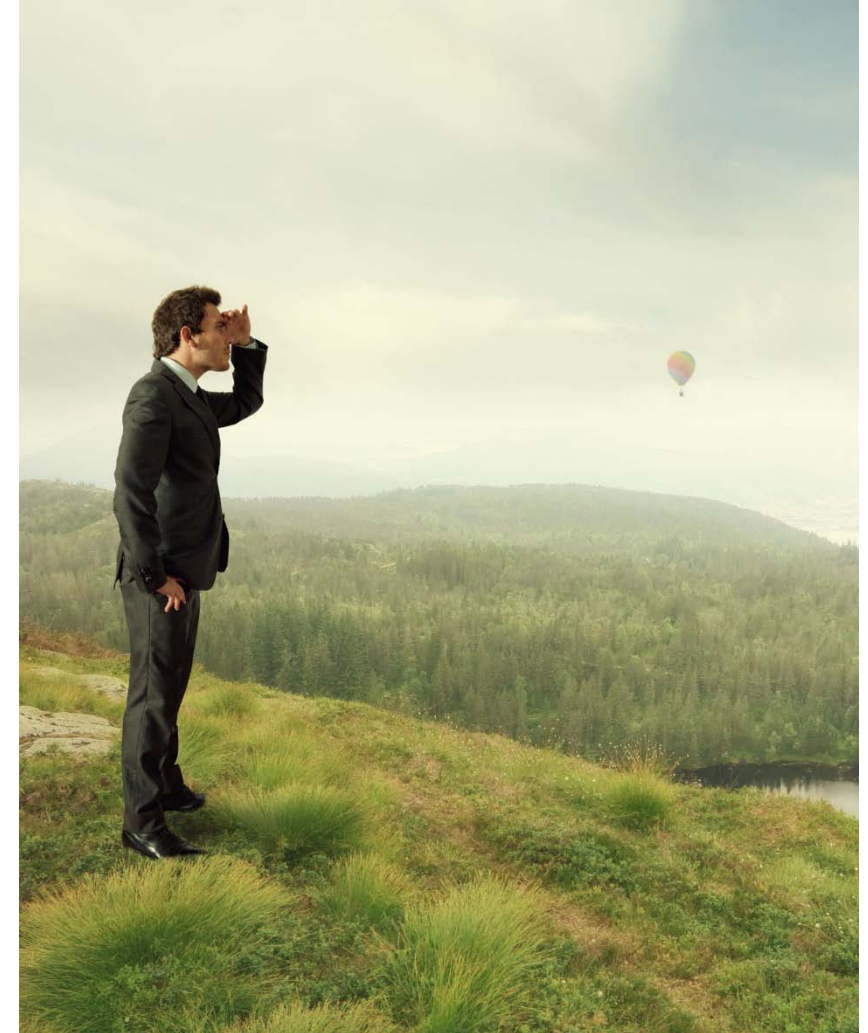
# Achmea's omni-channel, multi-brand marketing & distribution strategy (cont'd)

Focus Brands	Channel		Line of Business				
			Property & Casualty	Health	Income Protection	Life & Pension - standard	Banking products
		Consumer 	Intention to grow	Intention to grow	No presence	No presence	No presence
		Consumer 	Defend market share	Defend market share	No presence	Defend market share	No presence
		Business 	Intention to grow	Collective	Intention to grow	Intention to grow	No presence
		Consumer 	Intention to grow	No presence	No presence	No presence	No presence

-  Market leader/ top-3
-  Intention to grow
-  Defend market share
-  No presence
-  Phone
-  Online
-  Broker

## We made significant progress in recent years

- With our improvement program 'House of Initiatives' and other measures we reduced our costs by €450 million between 2008 and 2013
- Over the years the number of FTEs has reduced steadily by more than 5,000
- Significant progress in reshaping our business portfolio: divesting operations in Cyprus, Luxembourg, Belgium, France, Romania, Bulgaria and Russia, as well as occupational health services provider Achmea Vitale and Achmea Health Centers
- Closed life book managerially separated to control costs while keeping high level of service
- Acquisitions to strengthen the Group's core activities and commercial effectiveness, such as health insurer De Friesland Zorgverzekeraar and online aggregator Independer



## Acceleration & Innovation starts a new chapter for Achmea

Through our strategy in recent years we have streamlined our company. As the market leader with strong brands and high customer satisfaction, we are now taking the next step to the future with a view to increasing our customer focus, cutting costs for customers and investing in online services

- Acceleration & Innovation starts a new episode in the history of our Group, reshaping the way we do business
- The change in the program aims at improving online customer service while bringing down costs and FTEs
- New measures are being put in place. As consumer behavior changes faster than ever and pressure on our earnings model remains
- Good starting position to realize goals of Acceleration & Innovation with strong financial and commercial basis combined with a unique identity
- Operational improvements and other initiatives will lead to a reduction of staff of 4,000 FTEs and a drop in our operational expenses of €450 million by the end of 2016
- Total restructuring costs in 2014 amount to approximately €230 million

# Change program Acceleration & Innovation, our management agenda

## Customer driven

- Redesign distribution organisation
- Investments in online services of our brands
- Customer's voice a permanent factor in our business operations

## Responsible return

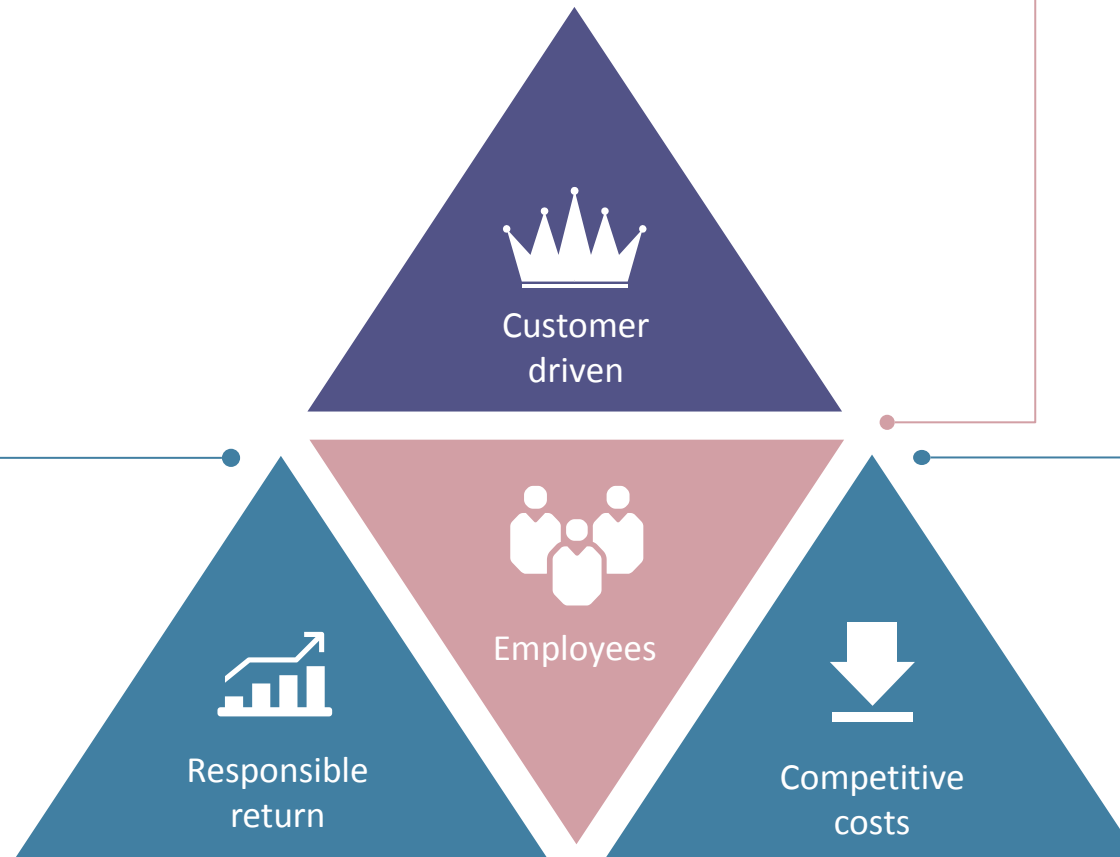
- Greater commercial effectiveness through dynamic pricing
- Sharper pricing and tighter revenue management

## Changes for employees

- Investment in sustainable employability via training and support
- Flexible employment terms for even better customer service
- Good employership is key

## Competitive costs

- Further reduce complexity in IT and migrate to generic IT systems
- Cost-reduction target now €450 million in savings by year-end 2016

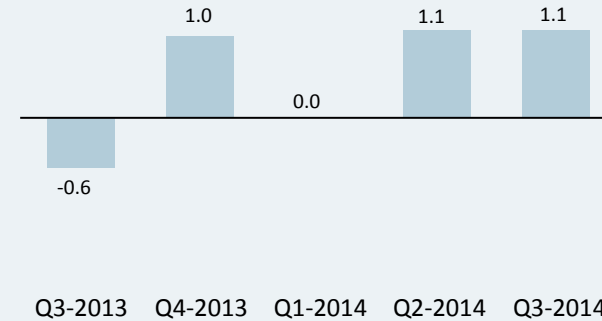


# Macroeconomics

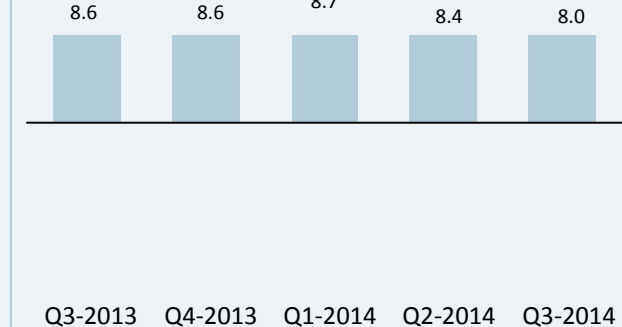
## Dutch economy is recovering, Macro-economic figures show signs of growth

- Dutch economy is growing. Dutch Central Statistical Office expects 0.75% growth in 2014, 1.25% growth in 2015
- Leading indicators show improvement:
  - Lowering unemployment
  - Rising housing values and higher mortgage production

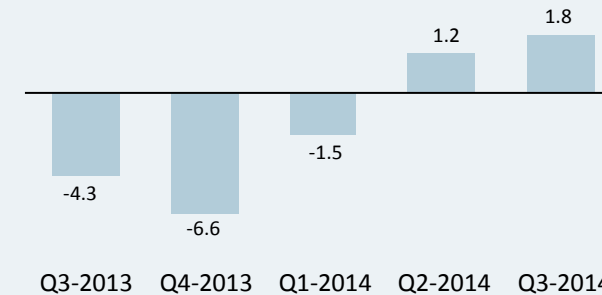
GDP development (% - LY same period)



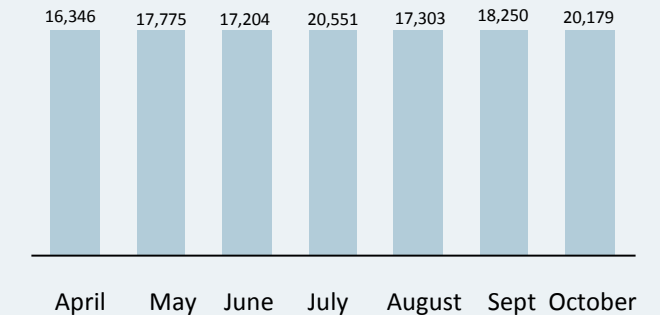
Unemployment (%)



Housing prices index (% - LY same period)



Production Dutch mortgages (#)



Source: Dutch Central Statistical Office (CBS). Figures 2014 . Mortgages: Dutch land register.

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Dominant player in major insurance market

Well positioned with strong brands

Robust capital and solvency position

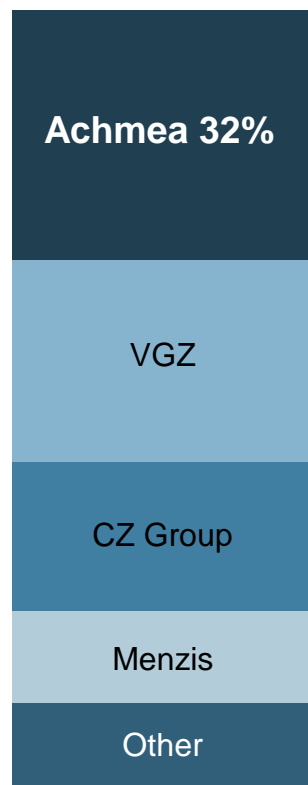
Conservative investment profile

# Leading positions in our core markets

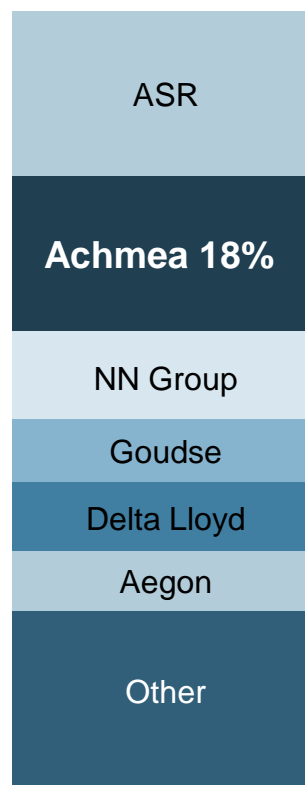
Property & Casualty<sup>1</sup> #1



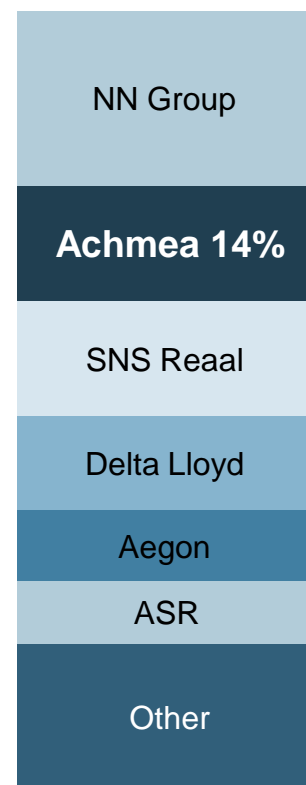
Health<sup>2</sup> #1



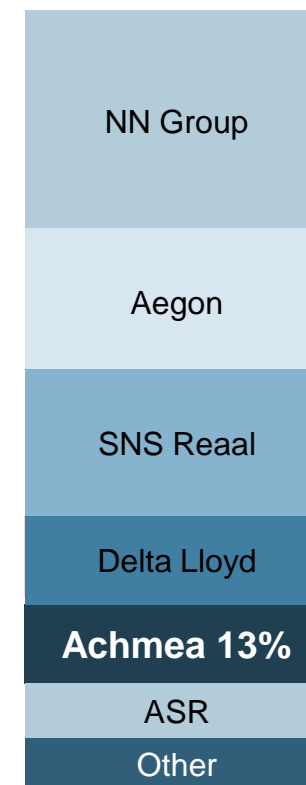
Income Protection<sup>1</sup> #2



Individual Life<sup>1</sup> #2



Pension Insurance<sup>1,3</sup> #5



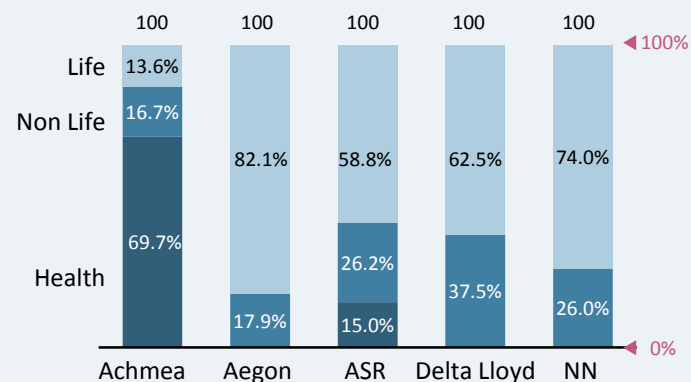
<sup>1</sup> Publication of DNB August 2014, 2013 figures, <sup>2</sup> Based on own analyses, figures January 2014, <sup>3</sup> Excluding single premiums

## Business mix

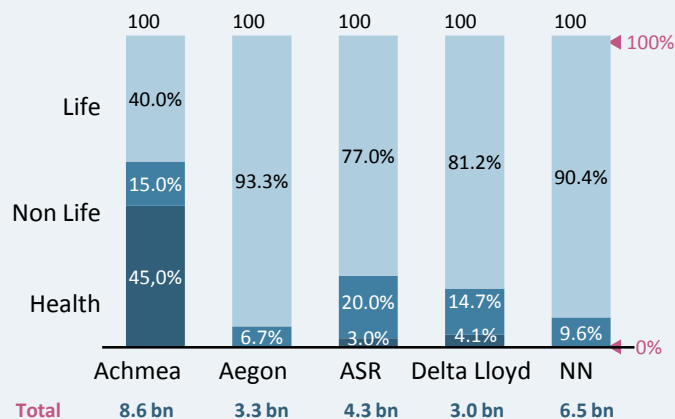
### Achmea has a well diversified business mix compared to peers

- Achmea has a well diversified business mix with a strong and stable foundation in the health insurance segment
- With our business mix and strong brands we are able to make use of cross-selling opportunities to serve our customers needs
- S&P considers the Dutch life industry to pose intermediate risk and the Dutch non-life and health market to be low risk. According to S&P, Achmea's business mix underpins its strong business risk profile

% GWP (2013) - The Netherlands



Available Solvency (2013) - The Netherlands \*



\* Source DNB . Subsidiary level



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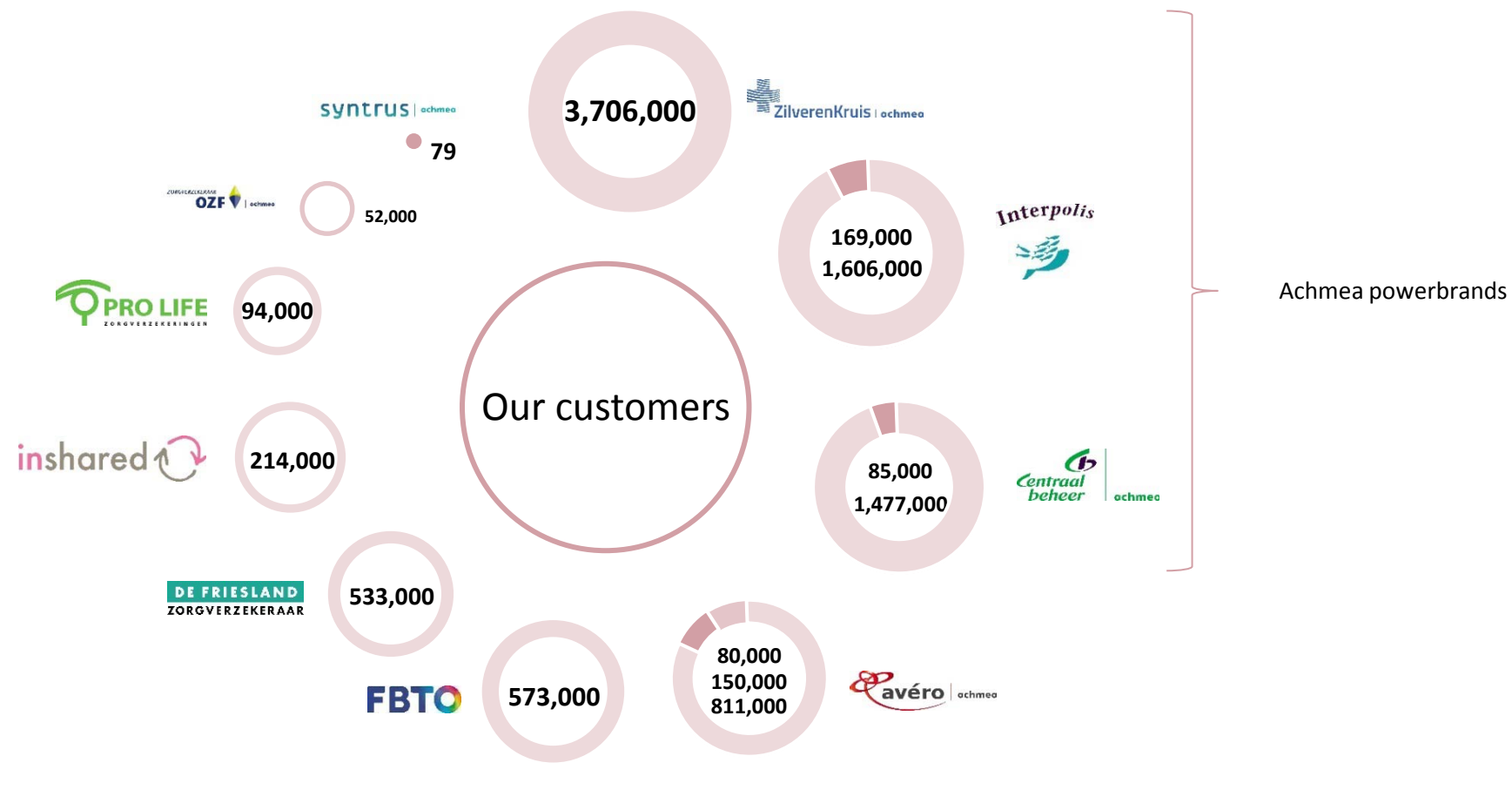
Dominant player in major insurance market

Well positioned with strong brands

Robust capital and solvency position

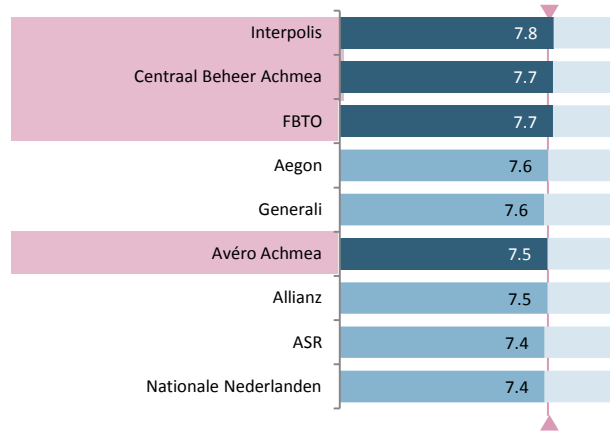
Conservative investment profile

# Around half of all Dutch people are Achmea customers

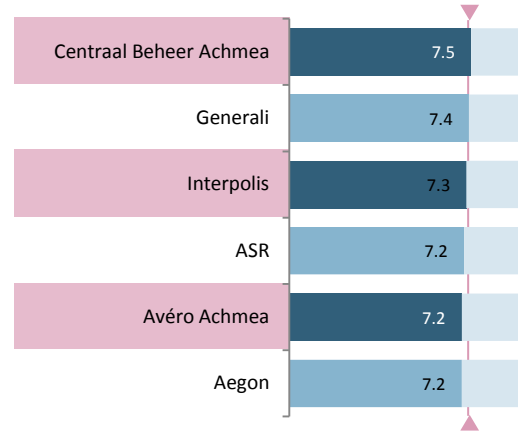


# High customer satisfaction

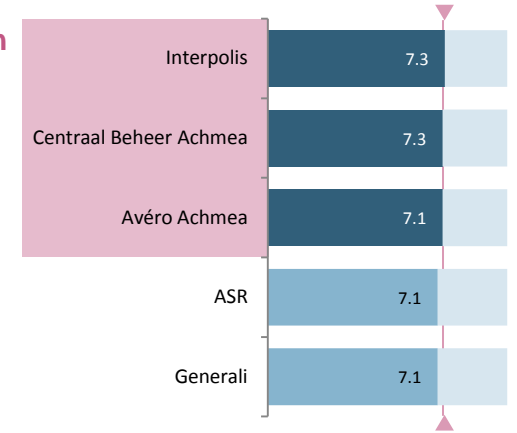
**P&C Retail**  
**ø 7.7**



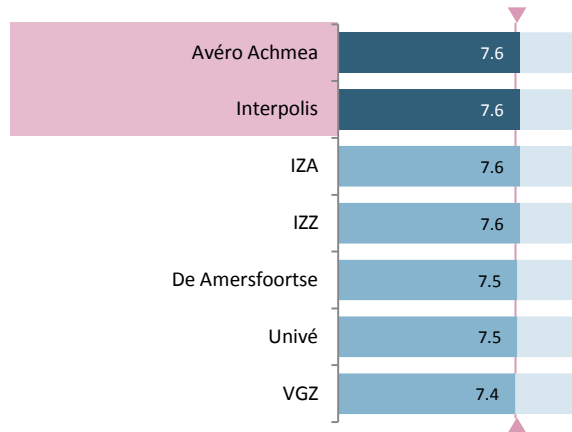
**P&C Wholesale**  
**ø 7.4**



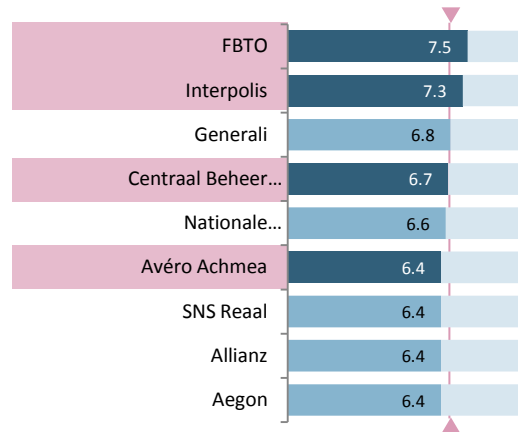
**Income Protection**  
**ø 7.2**



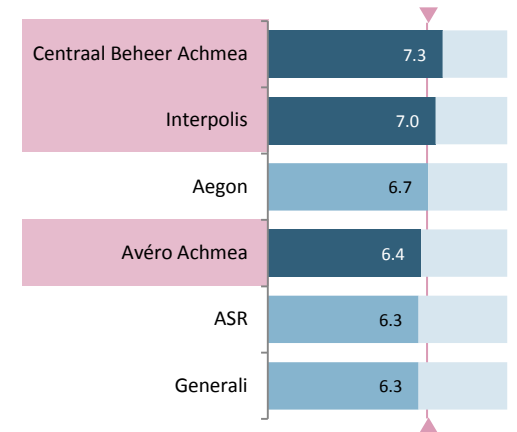
**Health**  
**ø 7.5**



**Individual Life**  
**ø 6.9**



**Pensions**  
**ø 6.7**



Achmea brands have achieved high customer satisfaction over the years



<sup>1</sup> Source: Verbond van Verzekeraars, Customer Satisfaction Research 2013,2014

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**Robust capital and solvency position**

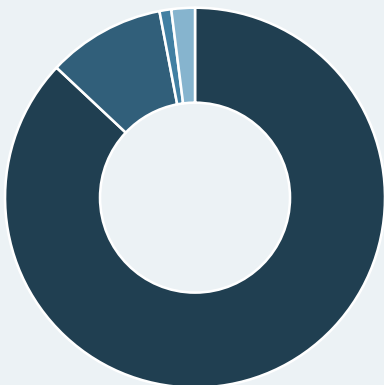
Conservative investment profile

# High quality of capital and low leverage

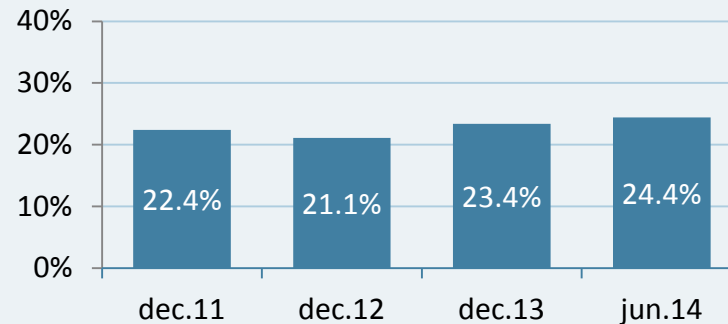
## Composition of equity

30/06/2014 - Total: €9.7 billion

■ Tangible equity	89%
■ Goodwill	8%
■ VOBA	1%
■ Other intangibles	2%



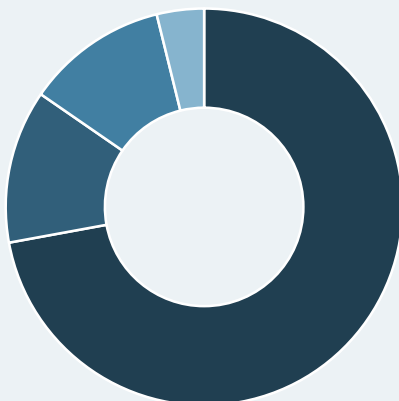
## Debt leverage\*



## Capital structure

30/06/2014 - Total: €11.1 billion

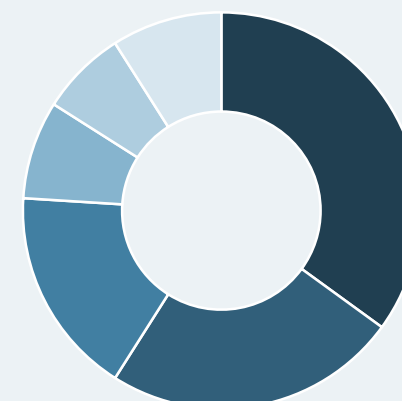
■ Core capital	78%
■ Hybrid capital	9%
■ Senior debt	8%
■ Subordinated debt	5%



## Capital allocation

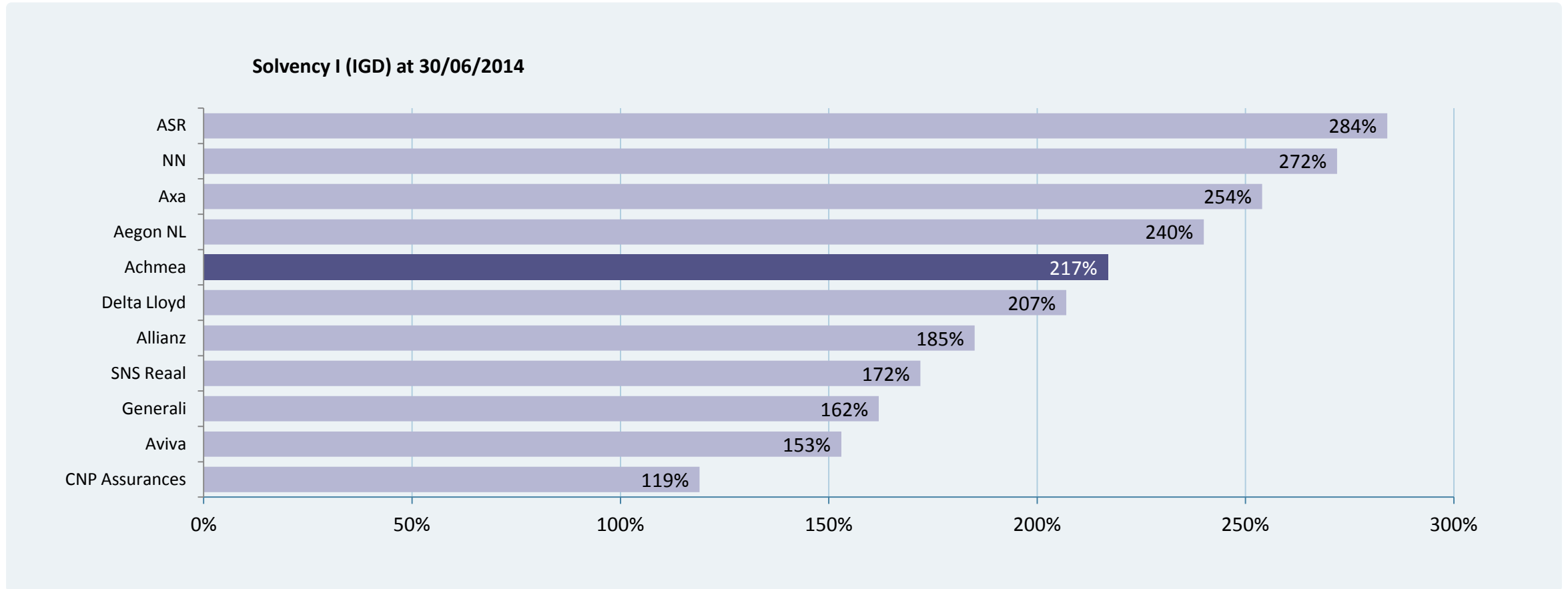
30/06/2014 - Total: €11.1 billion

■ Pension & Life	37%
■ Health	25%
■ Non-life	18%
■ International	8%
■ Bank	7%
■ Other	5%



\*Definition Debt leverage: (External Debt + Hybrid capital) / (Equity - Goodwill + External Debt + Hybrid capital)

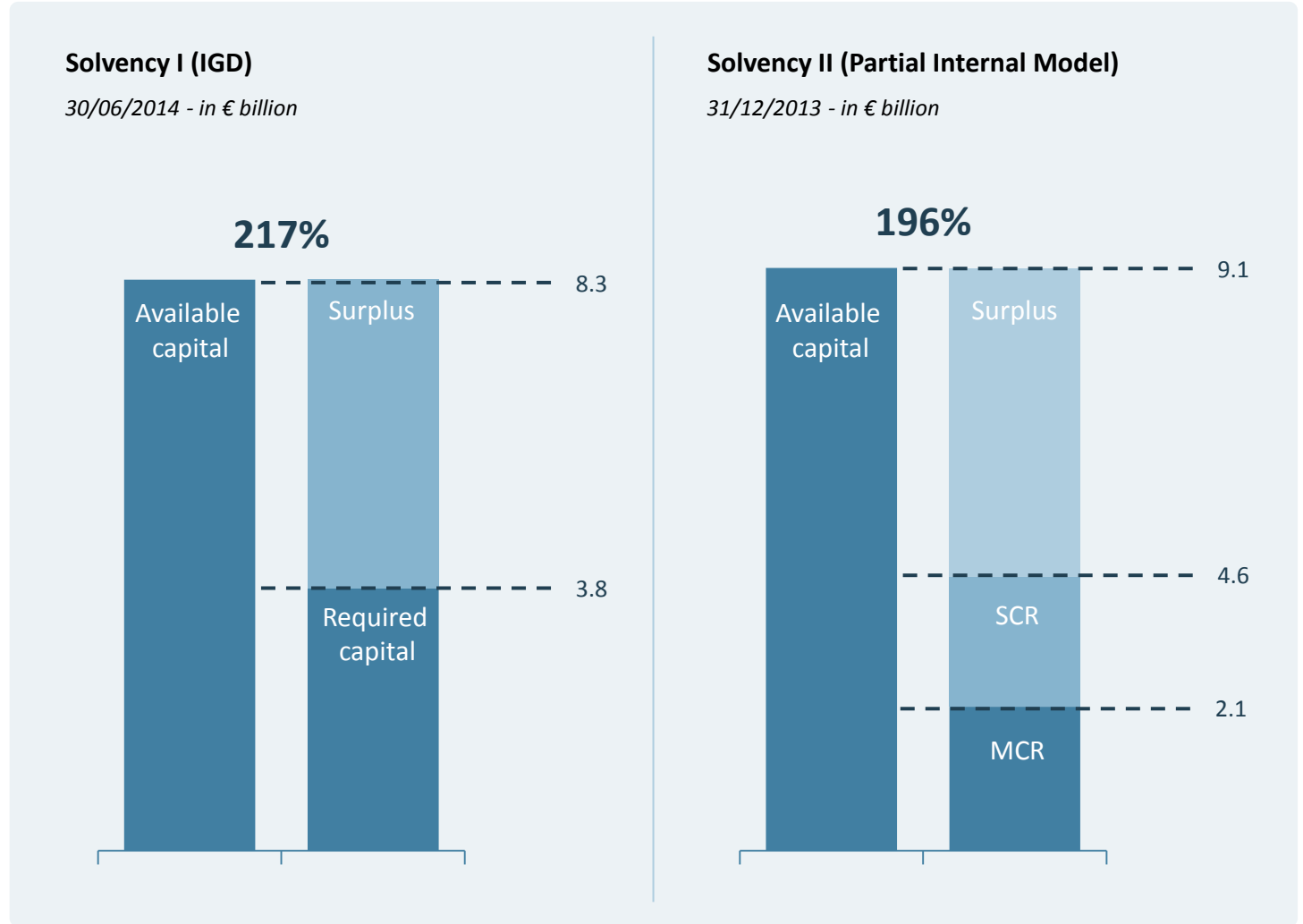
## Strong solvency position Compared to European peers



# Strong solvency position

## Under all regimes

- Solvency II framework is still evolving; parameter changes (e.g. interest rate assumptions) make yearly comparison of full year run outcomes difficult
- Achmea uses internal models for market risk and the risks from our Non-Life and Health businesses in calculating the Solvency II position



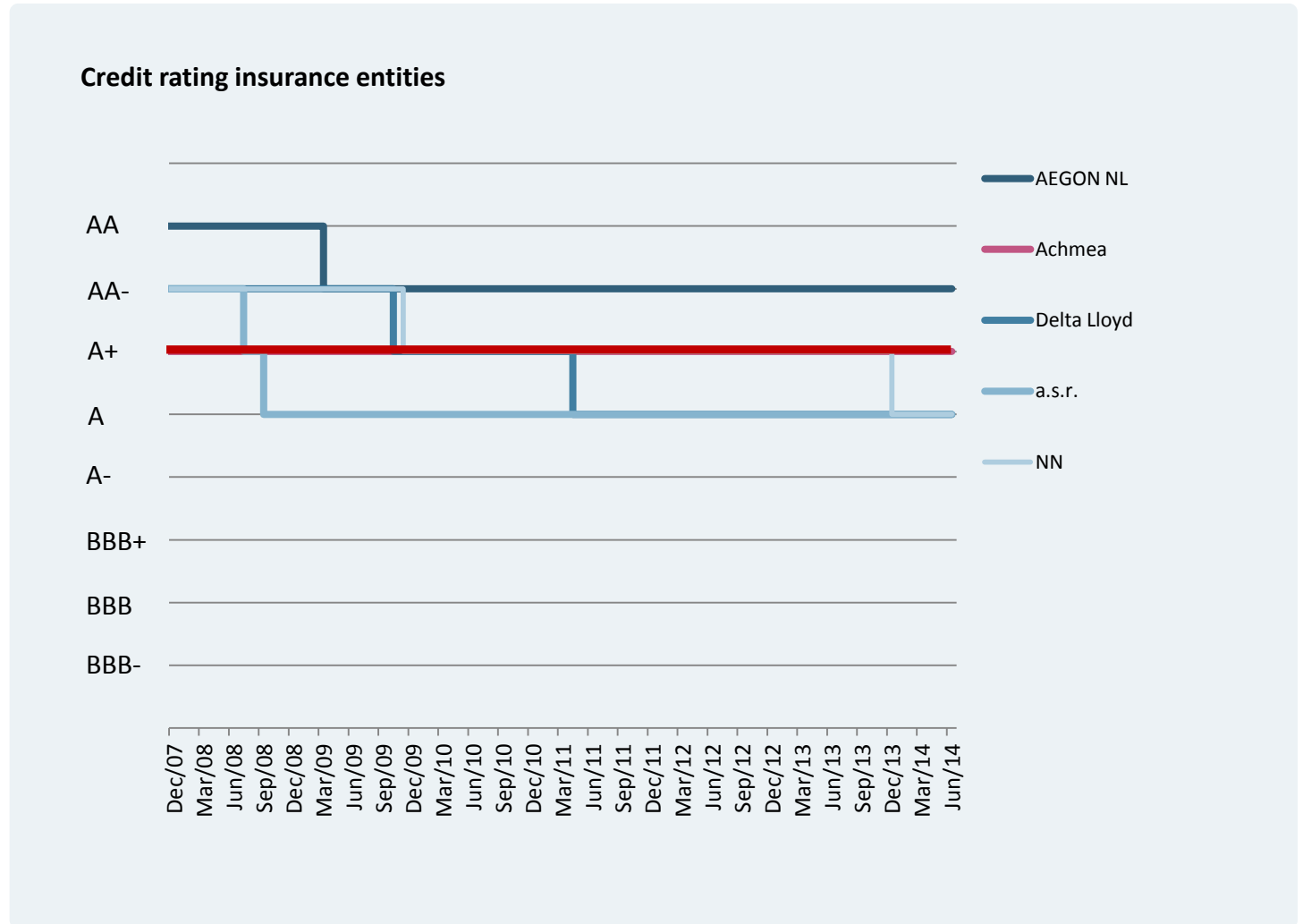
## Stable credit rating

- Achmea has been the only Dutch insurer not to be downgraded in recent years
- Current Group S&P rating is A- with a negative outlook, the rating for our insurance entities is A+ also with a negative outlook

“The ratings on the core operating insurance subsidiaries reflect our view of the group's strong business risk profile and very strong financial risk profile, built on a strong competitive position and very strong capital and earnings

In our opinion the group has very strong capital and earnings, which, in our base case, we anticipate will continue”

*S&P credit rating report May 21 and July 4, 2014*





# Low risk

## Strong competitive position and very strong capital & earnings

- Achmea has a strong business risk profile with low risk IICRA and strong competitive position thanks to a differentiated portfolio of insurance businesses and market leading position
- Financial strength rating at a very strong level due to strong capital and earnings (capital at AA level)
- Achmea progressed significantly with ERM

\* Industry And Country Risk

	Achmea (A+)	Aegon (AA-)	ASR (A)	Delta Lloyd (A)	NN Group (A)
<b>Business Risk Profile</b>	Strong	Very Strong	Strong	Strong	Strong
<b>IICRA*</b>	Low Risk	Low Risk	Low Risk	Intermediate	Intermediate
<b>Competitive position</b>	Strong	Very Strong	Strong	Strong	Strong
<b>Financial Risk Profile</b>	Very Strong	Very Strong	Strong	Strong	Very Strong
<b>Capital &amp; Earnings</b>	Very Strong	Very Strong	Very Strong	Strong	Very Strong
<b>Risk Position</b>	Intermediate	Intermediate	Intermediate	Intermediate	Intermediate
<b>Financial Flexibility</b>	Adequate	Strong	Adequate	Adequate	Strong
<b>ERM</b>	Strong	Strong	Adequate	Adequate	Strong
<b>Management &amp; Governance</b>	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory
<b>Liquidity</b>	Exceptional	Excellent	Exceptional	Strong	Strong

Source: S&P Rating Services



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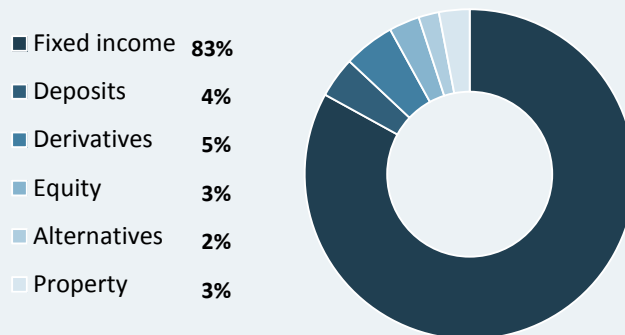
Conservative investment profile

# Investments

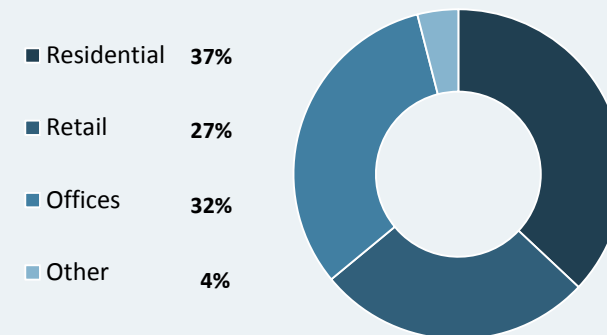
## Right balance between risk and return

- Size of investment portfolio (at company's own risk and expense) increases further to €48 billion
- We invest the premiums paid by our customers as responsibly and efficiently as possible and aim to achieve optimal returns without losing sight of any of the associated risks
- More than 90% of fixed-income portfolio invested in investment-grade securities
- Increased allocation to direct mortgages in H2 2014

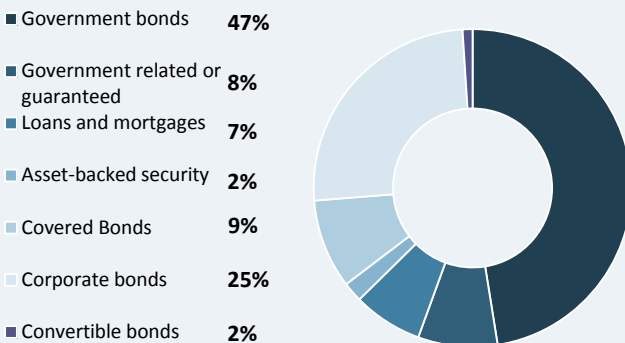
**Total investment portfolio**  
30/06/2014- (€48.0 billion)



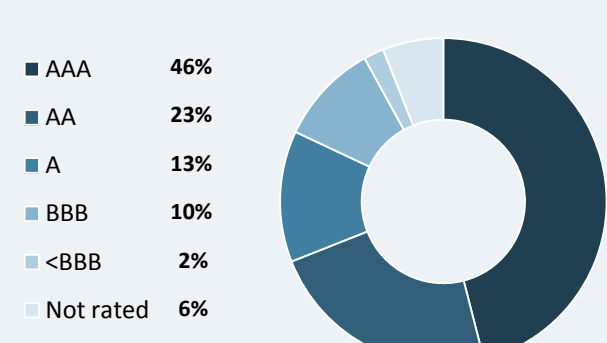
**Direct property portfolio**  
30/06/2014 (€1.1 billion)



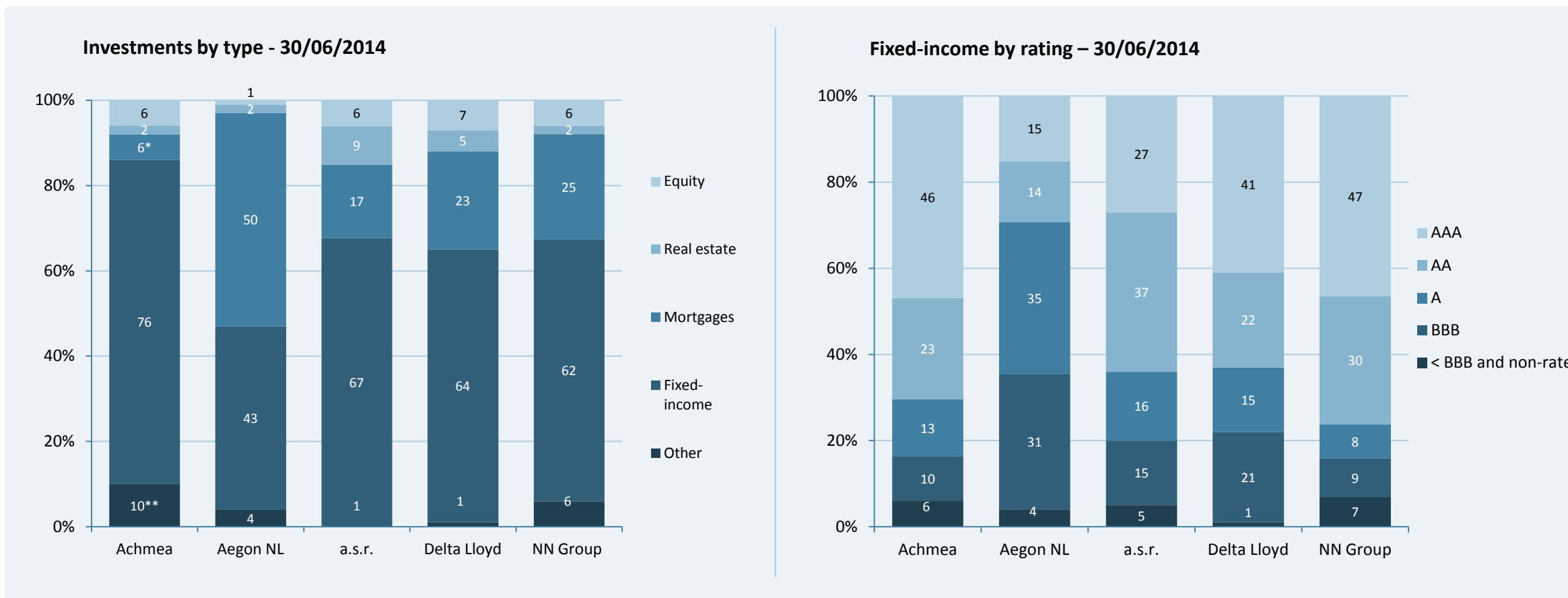
**Fixed-income by type**  
30/06/2014 (€39.7 billion)



**Fixed-income by rating**  
30/06/2014 (€39.7 billion)



# Investment profile in line with peers



\* Investment type mortgage concerns deposits for savings mortgages

\*\* Other covers deposits with reinsurers, deposits with credit institutions, derivatives and alternatives

Source: BNP Paribas Insurance Review 2014



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## Key developments H1 2014

- Operational result increases to €142 million
- Write-down of goodwill (€143 million) and reorganisation expenses (€45 million) lead to €58 million net loss
- Change programme Acceleration & Innovation on track
  - Various innovations launched for our customers
  - Distribution organisation simplified for improved service
  - Operating expenses fall by 3% compared to H1 2013
  - FTE down by 3% in H1 2014
  - Careful workforce reduction on schedule
- Improved financial position: current solvency ratio of 217% (IGD)

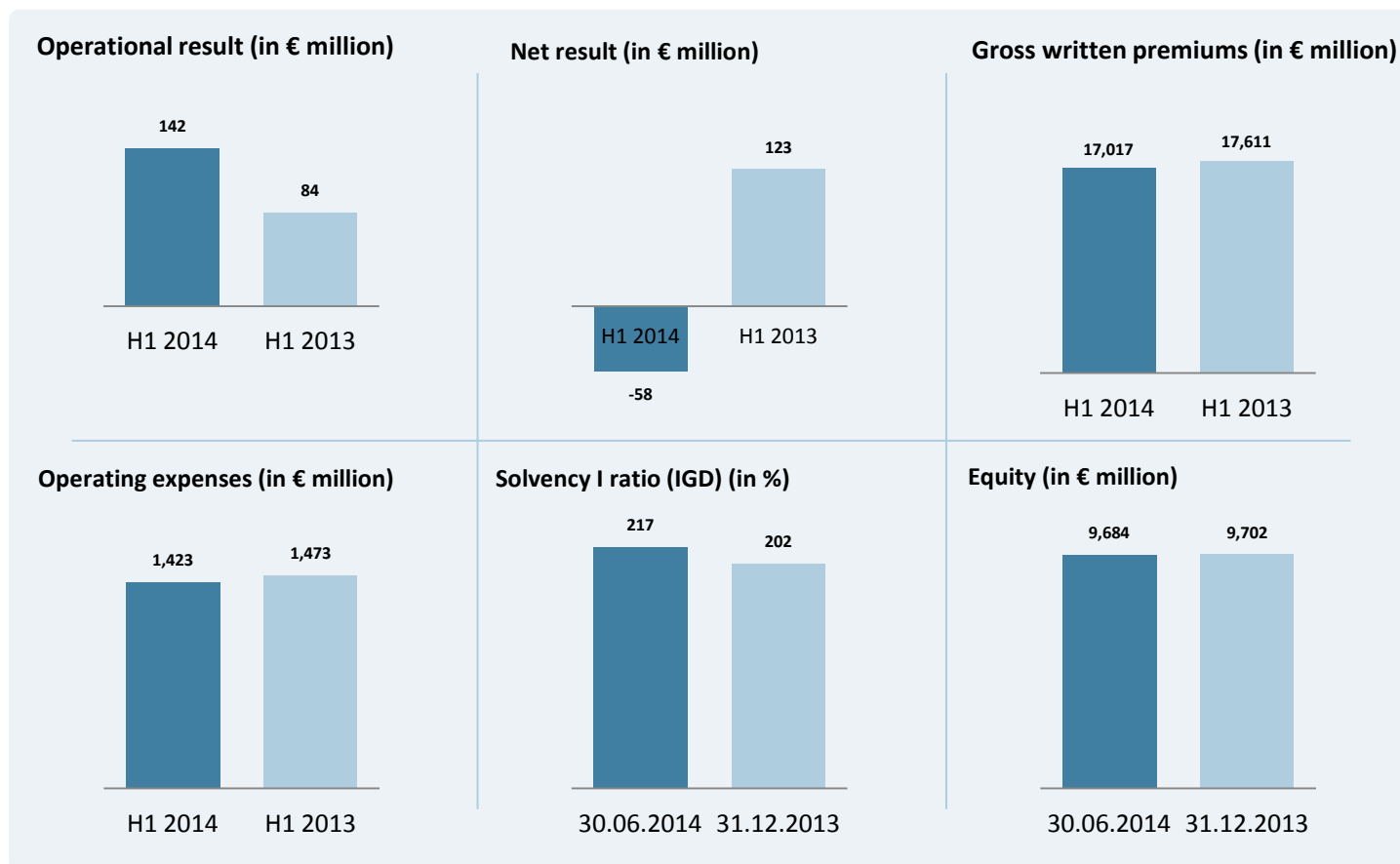


## Key developments H2 2014

- As a result of a detailed specification of the change program, Achmea will account for an addition to the restructuring provision in the second half of 2014, amounting to approximately €150 million.
- Together with this addition in the second half of 2014, total restructuring costs in 2014 amount to approximately €230 million.
- This, as well as previously communicated impairments of goodwill and other intangibles in the first half of 2014, means that the net result over 2014 is expected to be around break-even.



# Financial developments: Operational result increases to €142 million



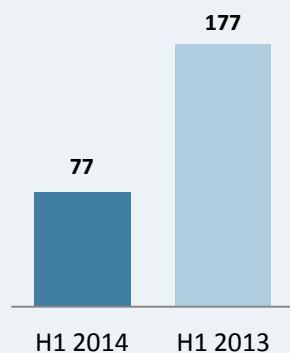
- Operational result increases to €142 million on the back of strong performance from insurance business and 3% reduction in operating expenses
- Total combined goodwill write-down for Syntrus Achmea and Oranta of €143 million and €45 million in reorganisation expenses result in net loss of €58 million
- Health insurance premiums for 2014 fell by €100 per policyholder, while the departure of several pension clients with separate accounts has resulted in a fall in revenue
- Financial position improves further, with a solvency ratio of 217%



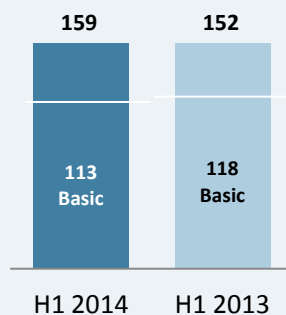
# Performance of Dutch insurance business improved

## Dutch insurance business

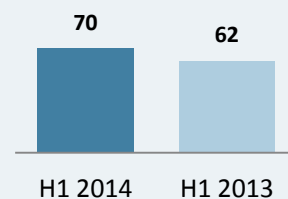
### Non-Life (in € million)



### Health (in € million)



### Pension & Life (in € million)



## Non-Life

- Higher earnings from income protection and stable earnings from property & casualty cancelled out by higher cost allocations and nonrecurring investment income in 2013

## Health

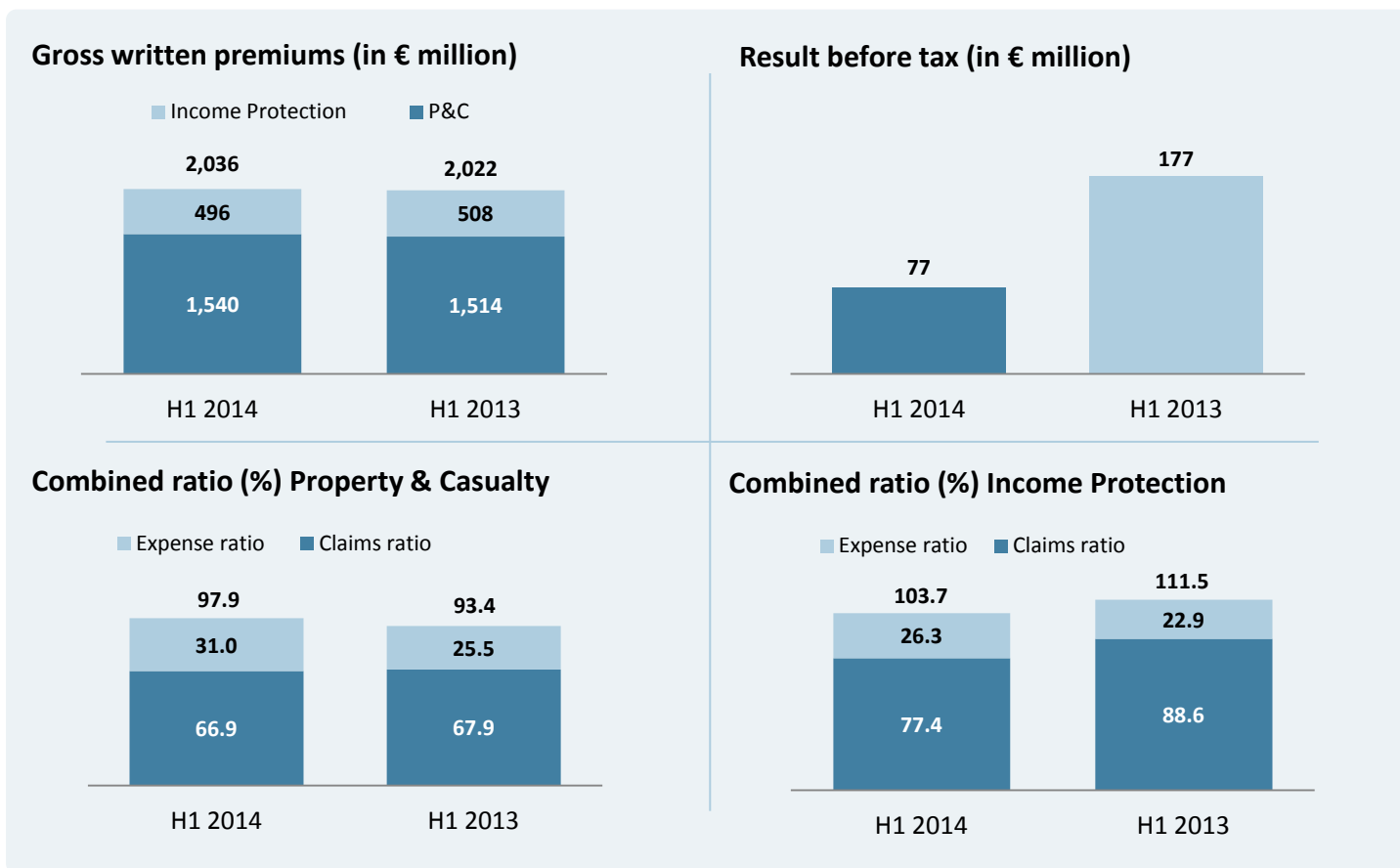
- Effective healthcare procurement and lower-than-projected expenses offset higher cost allocations and lower GWP
- Returned approximately €0.5 billion to customers in 2014 by reducing premiums by €100 per policy
- Result from Basic Health €113 million

## Pension & Life

- Higher earnings due to reduction of risk (volatility) and interest-rate trends

\* Modified cost allocation method provides a clearer view of operational performance of individual segments, but does significantly affect segment results.

# Non-Life: stable performance in a consistently competitive market



## Property & Casualty insurance

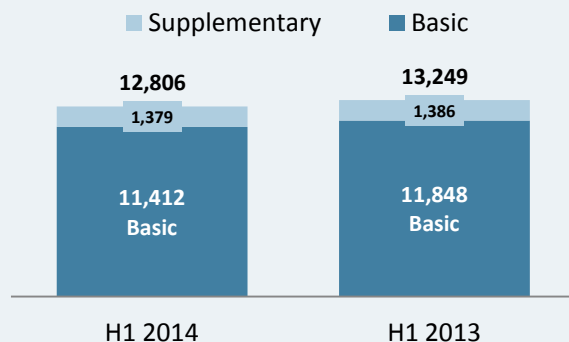
- Growth in a shrinking market due to high appreciation from customers for Centraal Beheer Achmea, Interpolis and FBTO
- Higher insurance results despite increased personal injury loss and a number of storm damage claims
- PBT lower on higher cost allocation and lower investment returns due to non recurring investment income in 2013
- Modified cost allocation method provides a clearer views of operational performance

## Income Protection insurance

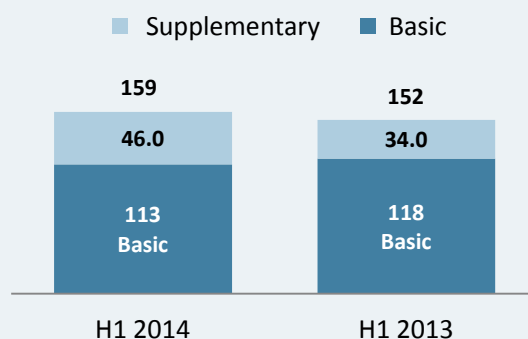
- Previous measures have resulted in a lasting increase in the profitability of income protection insurance
- Lower absenteeism rates helped reduce claims; as a consequence, this also reduces customers' demand for sickness and accident insurance

# Health: strong results from management of healthcare expenses and good procurement

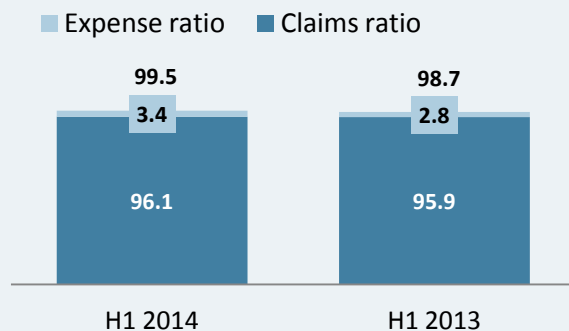
Gross written premiums (in € million)



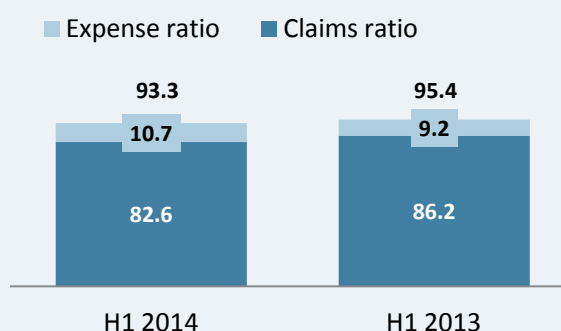
Result before tax (in € million)



Combined ratio (%) Basic health



Combined ratio (%) Supplementary health



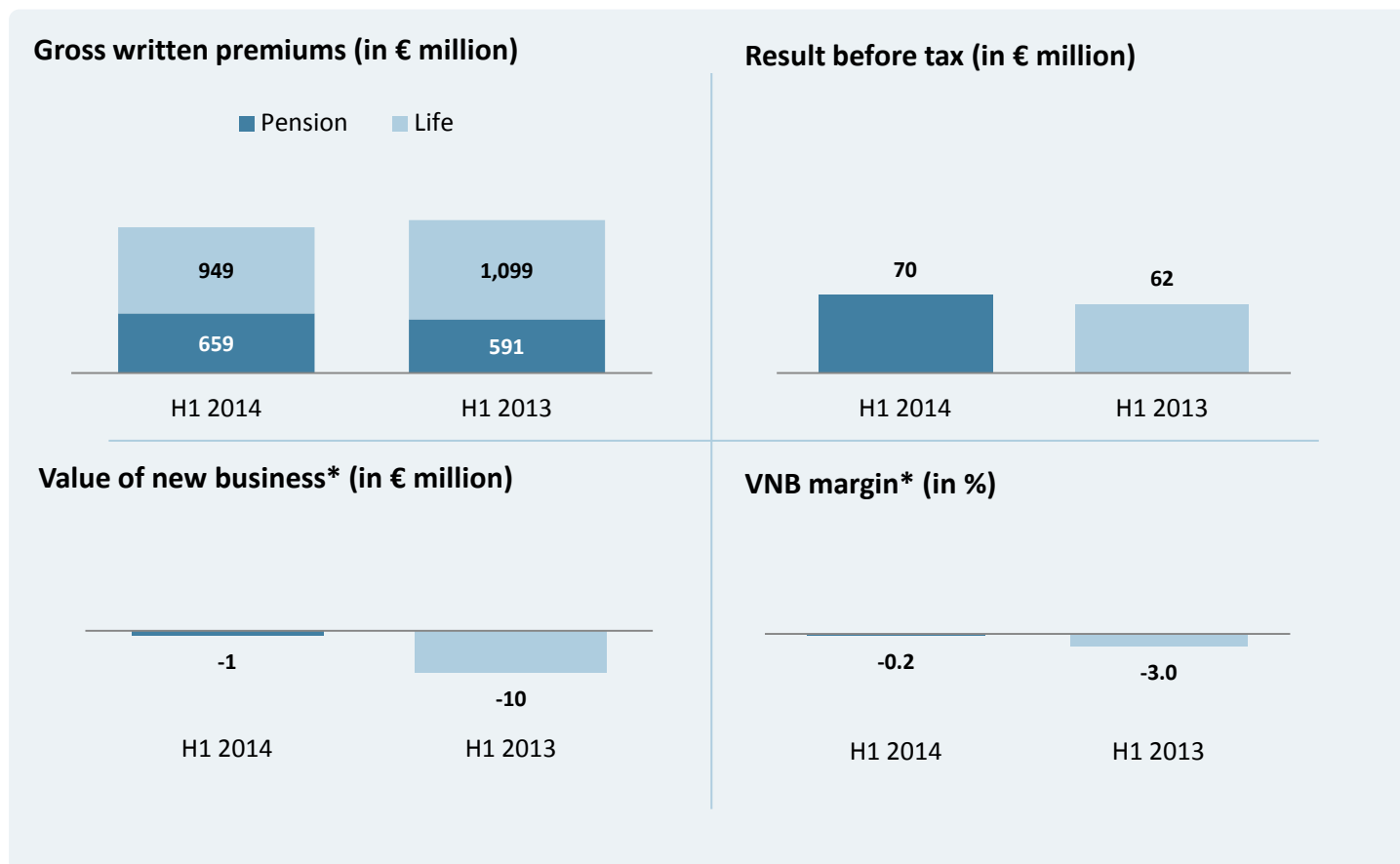
## Basic health insurance

- The reduction in basic health insurance premiums by €100 per policy and a decrease in the number of policyholders have resulted in lower revenue, partially offset by a larger contribution from the Health Insurance Fund
- Effective healthcare procurement and lower-than-projected expenses for medical aids and mobility (among other expenses) offset higher cost allocations and lower written premiums
- Earnings from basic insurance fell by 4% to €113 million

## Supplementary health insurance

- Written premiums from supplementary health insurance decreased due to the lower number of policyholders and because a portion of policyholders opted to reduce their supplementary cover

# Pension & Life: higher earnings due to risk reduction and interest-rate trends



\* Mortgage activities not included (part of banking activities)

## Pension insurance

- The cancellation of several separate accounts and the departure of the Achmea pension fund resulted in lower revenue; this decline was partially offset by a number of single-premium insurance policies received
- Proactive reduction of volatility and interest-rate trends had a positive effect on our earnings
- Extensions and migrations to systems with lower costs result in an increase in the value of new business (VNB)

## Life insurance

- Competition from bank savings products remains competitive; rate reductions and portfolio decline resulted in lower revenue
- We further reduced the implementation costs of our closed-book portfolio – which consists of products which are no longer sold in the market but which are still featured on our books as a premium-paying policy for current customers

## Other activities

### International activities

- Result strongly influenced by €65 million goodwill write-down on Oranta; operational result stable at €3 million
- Revenue fell by 12% to €580 million due to negative exchange-rate effects, difficult market conditions in Russia and Greece, in particular, and a nonrecurring high premium in Turkey in 2013

### Syntrus Achmea

- €78 million goodwill write-down on Syntrus Achmea
- Assets under management increase further by more than €9 billion, to €79.3 billion

### Banking activities

- An increase in interest income was cancelled out by lower fair-value income and higher operating expenses
- Achmea Bank's savings portfolio further increased to €4.5 billion, with nearly 40% of the portfolio fixed for a period of more than one year
- In May, Achmea Bank's three legal entities merged into a single entity: Achmea Bank N.V.

# Contents



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Appendices

Key highlights

# Key highlights

## Dominant player in major insurance market

- Largest Dutch insurer: high market shares in all segments

## Well positioned with strong brands

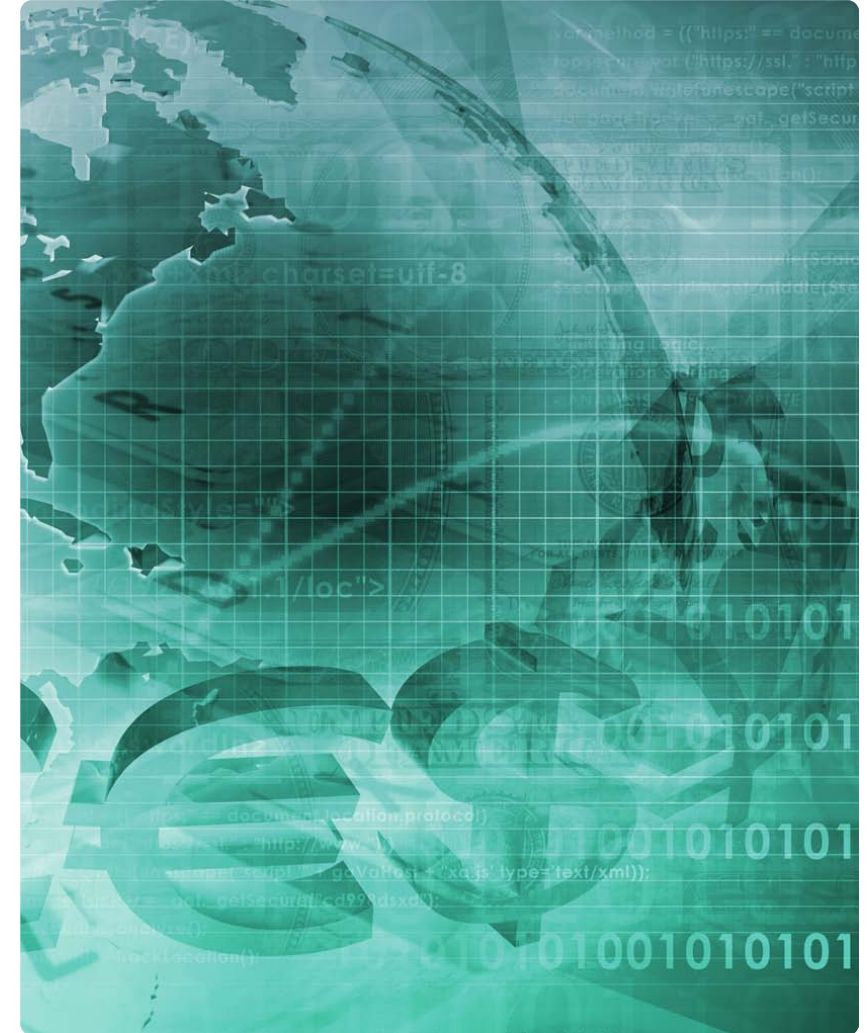
- Strong brands, high customer satisfaction
- Well diversified distribution network

## Robust capital and solvency position

- High quality of capital and low leverage
- Strong and stable Solvency I (217% (IGD)) and Solvency II (196%) position
- Strong and stable credit rating (even during the crisis)

## Conservative investment profile

- Majority (83%) is invested in fixed-income, of which 69% is rated AA or higher
- Low asset risk compared to peers



# Contents



Introduction



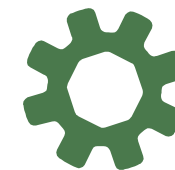
Key investment  
considerations



Recent results



Wrap-up



Appendices



## Statement on 6% €500 million 2043 NC 2023 Subordinated Notes

**Zeist, 19 September 2014** – In April 2013, Achmea B.V. ("Achmea") issued €500 million Subordinated Fixed-to-Floating Rate Notes, callable in April 2023, with scheduled maturity in April 2043 (ISIN: XS0911388675) (the "Notes"). The Notes were intended to qualify as fully compliant Tier 2 capital under Solvency II once implemented.

Following recent publications by EIOPA, in relation to Own Funds, Achmea believes there is an increased likelihood that the Notes may not qualify as outright Tier 2 under Solvency II when adopted and may, instead, be subject to transitional provisions which are currently envisaged to provide 100% eligibility as Tier 2 capital for up to 10 years from the start of the Solvency II regime as of 1 January 2016. Under the terms of the Notes, such regulatory treatment would constitute a Capital Disqualification Event and provide Achmea with an option to redeem the Notes at par (plus any interest accrued to the date of redemption), subject to regulatory approval.

In the event that the Notes become subject to transitional provisions and a Capital Disqualification Event occurs but the Notes still maintain 100% recognition as Tier 2 capital, Achmea hereby irrevocably waives its right to exercise this option to call the Notes vis-à-vis all relevant current and future noteholders ahead of its first scheduled optional redemption date in April 2023 for as long as the Notes maintain 100% recognition as Tier 2 capital. In other cases the option will remain in full force and effect and is not waived.

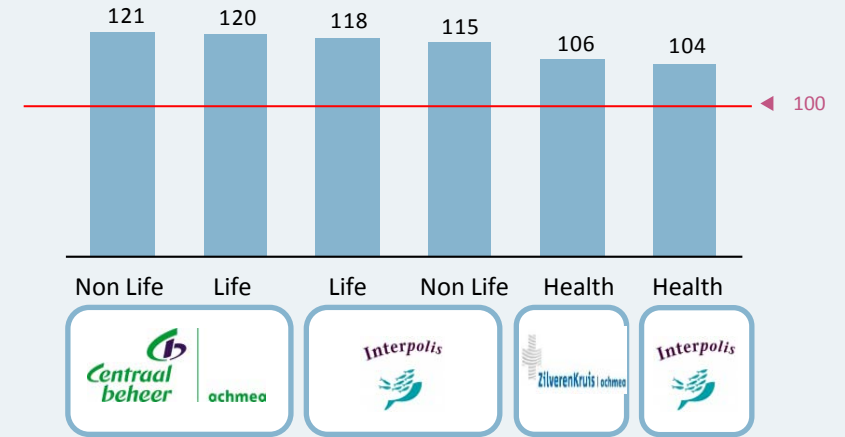
Achmea believes the above clarifications should remove any uncertainty around the Notes and further wishes to maintain open lines of communication with debt investors on this point.

# Strong brands

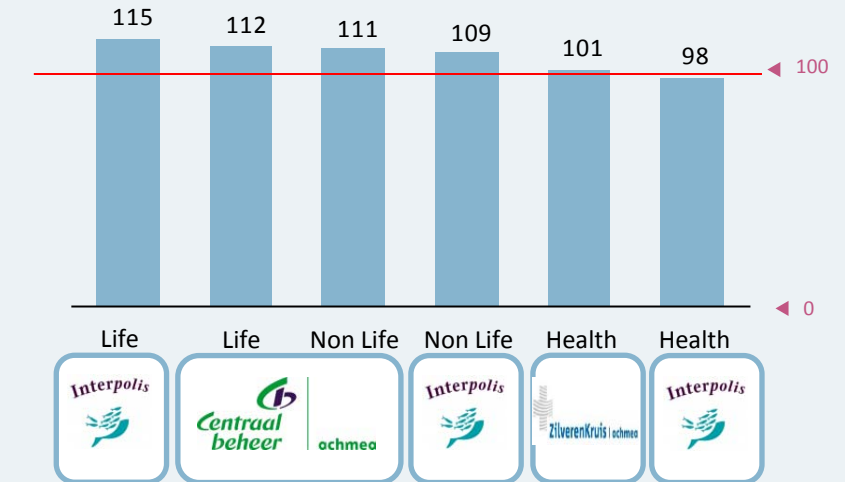
## Achmea power brands score high on brand preference and brand loyalty

- Our power brands score a top 3 (Life and Non Life) and top 5 position (Health) in the way our brands are perceived by our potential customers
- Almost all brand / business combinations outperform market expectations
- We annually score the brands of Achmea and our peers in the market based on decisive drivers of brand preference. In testing our brand loyalty we make use of a brand loyalty model of Metrixlab. The value “100” means market average

Brand preference - The Netherlands\*



Brand loyalty - The Netherlands \*

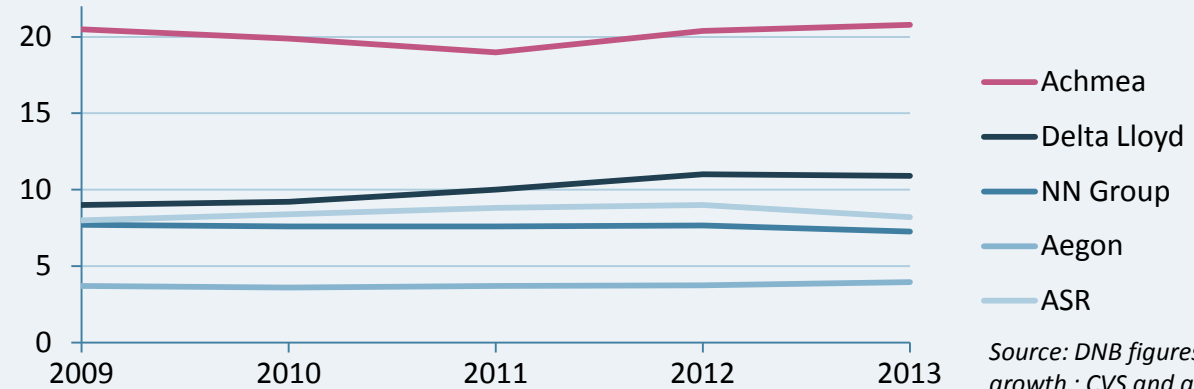


\* Source : Achmea market research 2014 in BtC segment

## Market share development

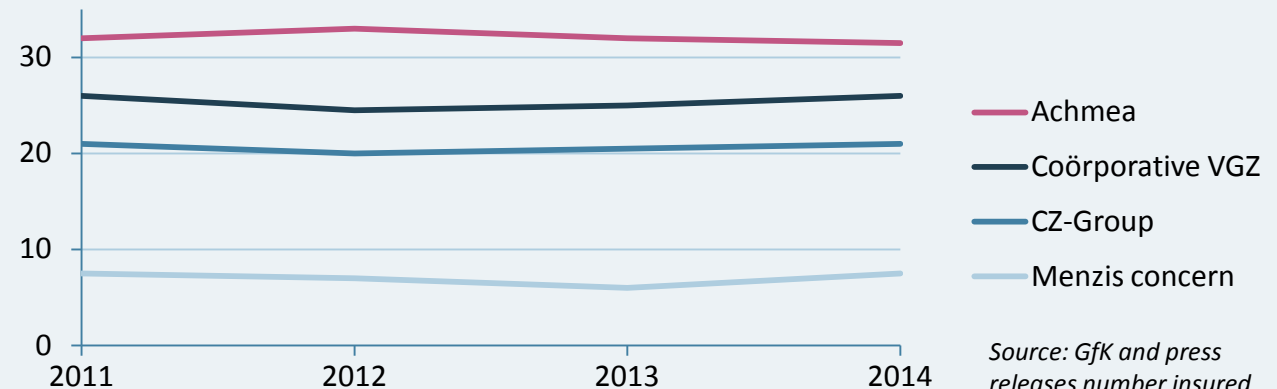
- In our P&C and health business we have a number one market share. According to the latest figures (CVS) the market share of Achmea went up further by 0.4% in 2013
- The development and sale of the property & casualty policies, for both consumer and business markets, is part of our core business. Achmea has set itself the goal of expanding its market share in property & casualty insurance
- Within health insurance, Achmea aims to increase efficiency of operations over achieving growth. Our goal is to have our market share on a high, but stable level
- As a market leader in health insurance we are able to take advantage of our economies of scale to lower healthcare costs while keeping high customer satisfaction

Property & Casualty, #1 (%)



Source: DNB figures. 2013 growth : CVS and annual reports

Health, #1 (%)

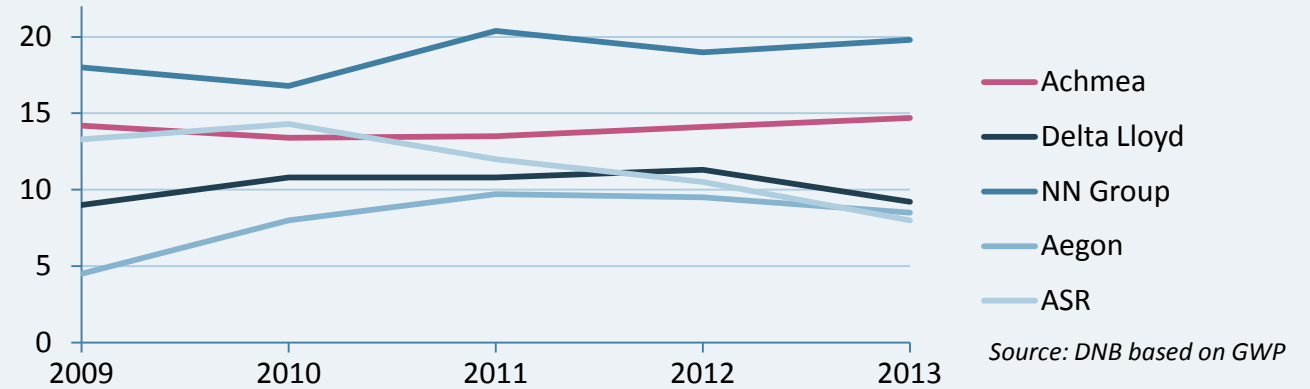


Source: GfK and press releases number insured

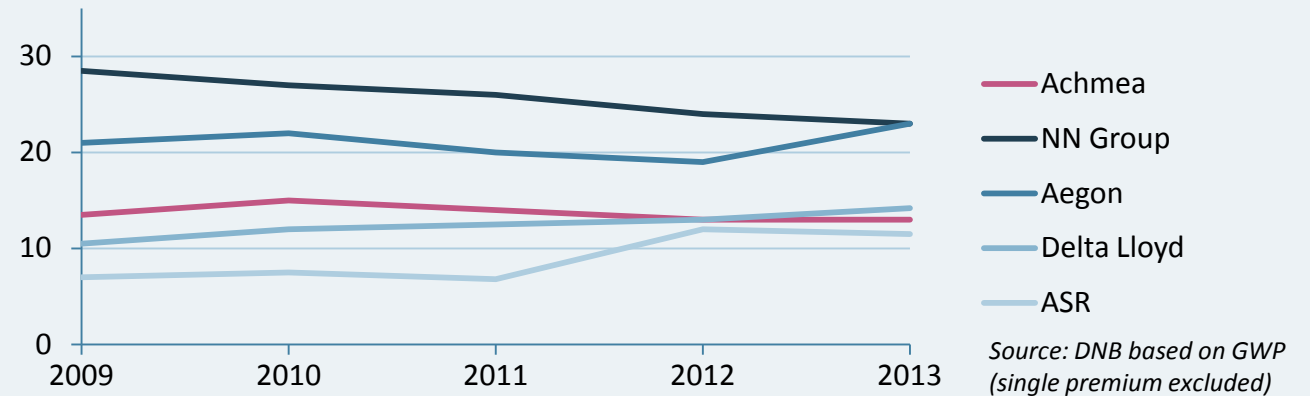
# Market share development

- In our life businesses (individual life and Pension insurance) we have a #2 and #5 market share position
- Pressures on the Dutch life insurance sector have contributed to a decline in premium volume. The market has been undergoing a transition over the past several years
- The market of individual life insurance policies remains challenging, with little recovery of the Dutch housing market and sales of life-insurance products. We continue developing affordable and transparent insurance products and gain market share
- In the pension insurance market, Achmea will continue to work with its customers to have participants switch to a defined contribution scheme
- Our strategy leads to a stable to growing market share

Life, individual, #2 (%)

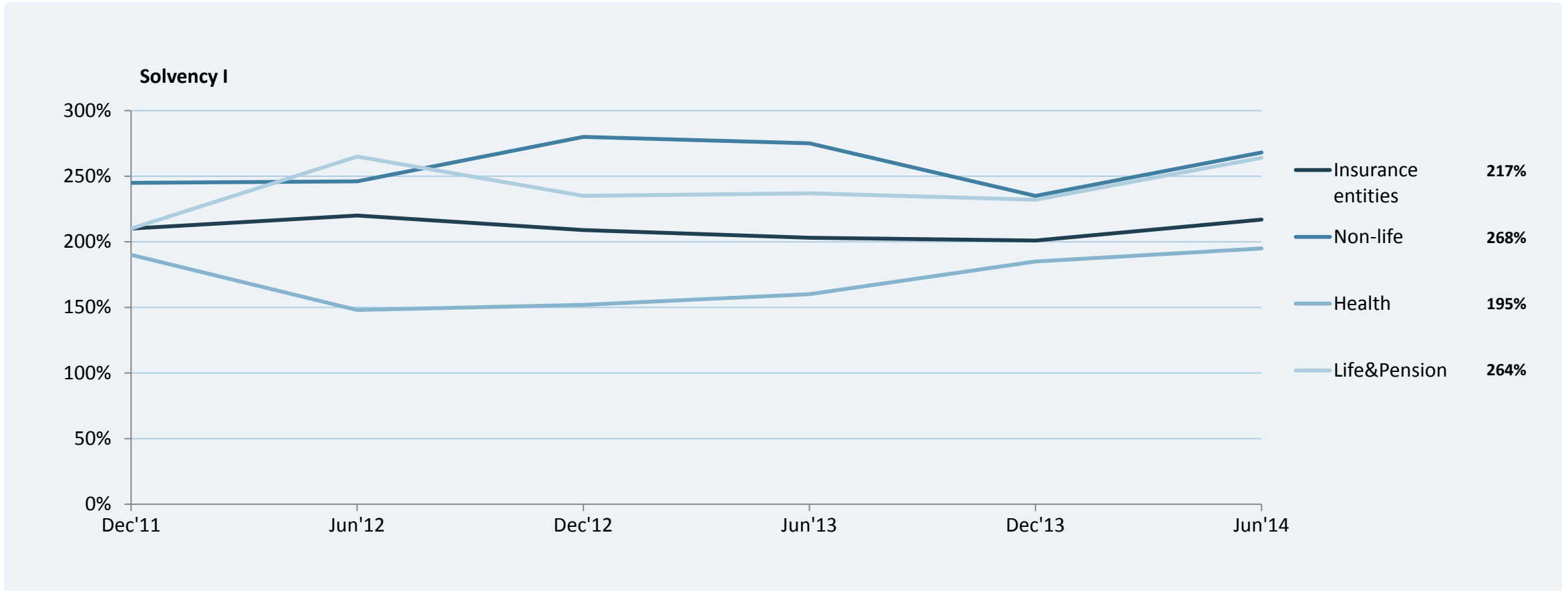


Pension insurance, #5 (%)\*



\* Achmea has the 5th position in Pension insurance when including SNS Reaal in the comparison. Also see p. 17.

# Solid solvency I position



# Recent structurally comparable transactions

	Achmea B.V.	NN Group N.V.	Delta Lloyd N.V.
<b>Pricing Date</b>	[ ] 2015	8 Jul 2014	6 Jun 2014
<b>First Call Date</b>	[ ] 20[25]	15 Jan 2026	13 Jun 2024
<b>Maturity</b>	Perpetual	Perpetual	Perpetual
<b>Issue Rating</b>	[ - / BBB/ -]	Baa3 / BBB- / -	- / BBB- / -
<b>Size / Initial Coupon</b>	EUR [ ]m / [ ]% (until [ ] 20[25])	EUR 1,000m / 4.500%	EUR 750m / 4.375%
<b>Step-up / Reset</b>	100bp in year [10] ([ ] 20[25]) / 3-month Euribor + [ ]bp	100bp in year 11.5 / 3-month Euribor + 400bp	100bp in year 10 / 3-month Euribor + 390bp
<b>Denomination</b>	EUR 100k / 1k	EUR 100k / 1k	EUR 100k / 1k
<b>Subordination Status</b>	Subordinated to all unsubordinated debt	Subordinated to all senior debt	Subordinated to all senior debt
<b>Optional Deferral</b>	At Issuer's discretion, subject to pusher on shares (6m look-back)	At Issuer's discretion, subject to pusher on shares (6m look-back)	At Issuer's discretion, subject to pusher on junior and parity (6m look-back)
<b>Mandatory Deferral</b>	Breach of solvency or Solvency Capital Requirement (Solvency II) or regulatory requirement	Breach of solvency or Solvency Capital Requirement (Solvency II) or regulatory requirement	Breach of solvency or Solvency Capital Requirement (Solvency II) or regulatory requirement
<b>Nature of Deferral</b>	Cumulative	Cumulative	Cumulative
<b>Regulatory Call</b>	Upon loss of 100% (including under grandfathering provisions) for determination of solvency margin, capital adequacy ratio or comparable margins or ratios of the Issuer, or as at least tier 2 basic own funds: i) call at par or substitute after year 5 or ii) vary terms at any time, subject to conditions	Upon loss of 100% (or <100% under grandfathering provisions) for determination of solvency margin, capital adequacy ratio or comparable margins or ratios of the Issuer, or as Tier 2 basic own funds: i) call after year 5 at par or ii) vary terms at any time, subject to conditions	Upon not qualifying under Capital Adequacy Regulations (including transitional measures) for determination of solvency margin, capital adequacy ratios or comparable margins or at least tier 2 basic own funds: i) call after year 5 at par or ii) vary terms at any time, subject to conditions
<b>Rating Agency Call</b>	Call at par or substitute after year 5 or vary terms at any time, subject to conditions	Call at par after year 5 or exchange/vary terms at any time, subject to conditions	Call at par after year 5 or exchange/vary terms at any time, subject to conditions

## Good access to capital markets - Achmea outstanding securities

Issuer	Date issued	Type	Coupon (%)	Coupon Type	Maturity	Currency	Amt outst. (million)
Achmea BV	12/11/2013	Senior	2.500	FIXED	19/11/2020	EUR	750
Achmea BV	19/06/2013	Senior	1.500	FIXED	19/06/2019	CHF	200
Achmea BV	04/04/2013	Subordinated	6.000	FIXED	04/04/2043	EUR	500
Achmea BV	01/11/2006	Subordinated	6.000	FIXED	Perp	EUR	600
Achmea BV	24/06/2005	Subordinated	5.125	FIXED	Perp NC Jun 15	EUR	367
Achmea Bank	07/03/2014	Senior	2.750	FIXED	18/02/2021	EUR	750
Achmea Bank	23/01/2013	Senior	2.000	FIXED	23/01/2018	EUR	500
Achmea Bank	08/11/2012	Senior	2.375	FIXED	08/02/2016	EUR	500
Achmea Bank	22/08/2007	Covered	3.500	FIXED	22/08/2017	CHF	200

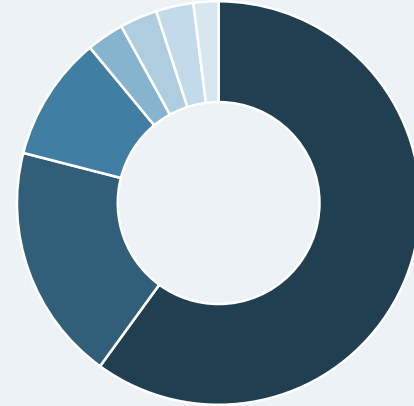
# Our investment portfolio

- Total governments bonds (including government related and government guaranteed bonds) amount to €21.7 billion
- Predominantly Dutch and German. Due to low interest rates on these bonds, part of the portfolio has shifted to conservative, corporate credits

## Government bonds

30/06/2014 – Total: €21.7 billion

■ The Netherlands	<b>60%</b>
■ Germany	<b>19%</b>
■ France	<b>10%</b>
■ Ireland	<b>3%</b>
■ Austria	<b>3%</b>
■ Belgium	<b>3%</b>
■ Finland	<b>2%</b>



## Top 5 sovereign exposure

Country	€ million
The Netherlands	11,786
Germany	3,010
France	1,607
Austria	577
Belgium	576



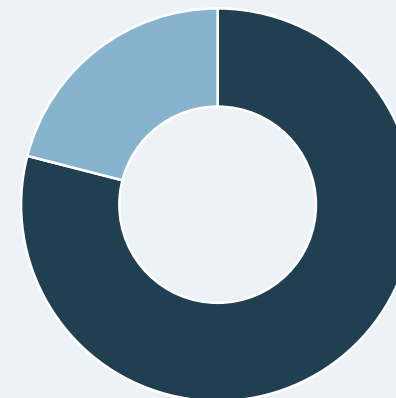
## Real estate exposure

- Total real estate portfolio amounts to €1.4 billion, of which €0.3 billion in indirect real estate
- Well-diversified portfolio with stakes in residential, office, retail and other real estate assets
- With the Dutch real estate market, and in particular the office market, under sustained pressure, we perform frequent valuations to give us a clear view of the value of our portfolio in these turbulent market conditions

### Real estate portfolio

30/06/2014 - Total: €1.4 billion

■ Direct	<b>79%</b>
■ Indirect	<b>21%</b>



### Specification of direct real estate

30/06/2014 - Total: €1.1 billion

Type	€ million	%
Residential	407	37%
Retail	352	32%
Offices	297	27%
Other	44	4%
<b>Total</b>	<b>1,100</b>	<b>100%</b>

# Sensitivities

## Interest rate shocks

*In € million (31-12-2013)*

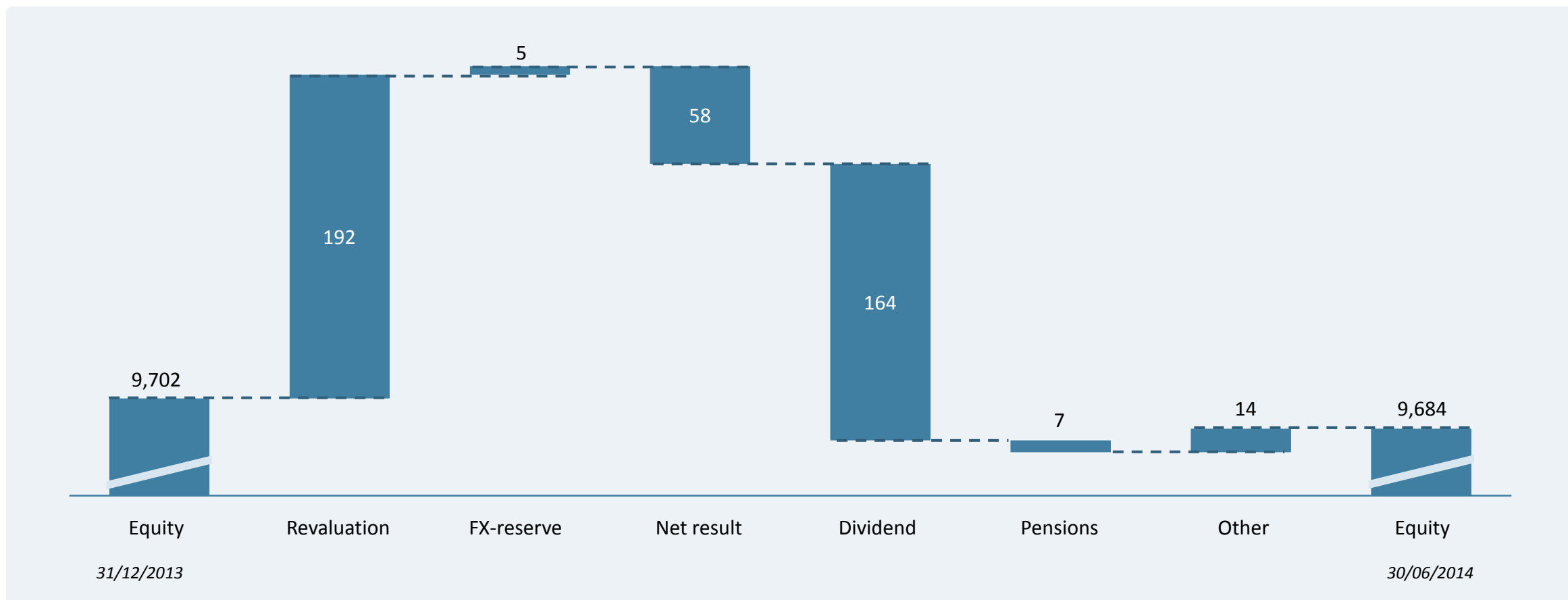
Date	Available capital	Effect interest rate shock -1%	Effect interest rate shock -0.4%	Effect interest rate shock 0.4%	Effect interest rate shock 1%
31-12-2013	8,792	-191	-67	57	149
31-12-2012	9,155	58	26	-25	-48

## Equity and property risk

*In € million (31-12-2013)*

Asset class	Effect -10% change of market value on total equity	Effect -10% change of market value on solvency
Equities	-2%	-5%
Real estate	-1%	-3%

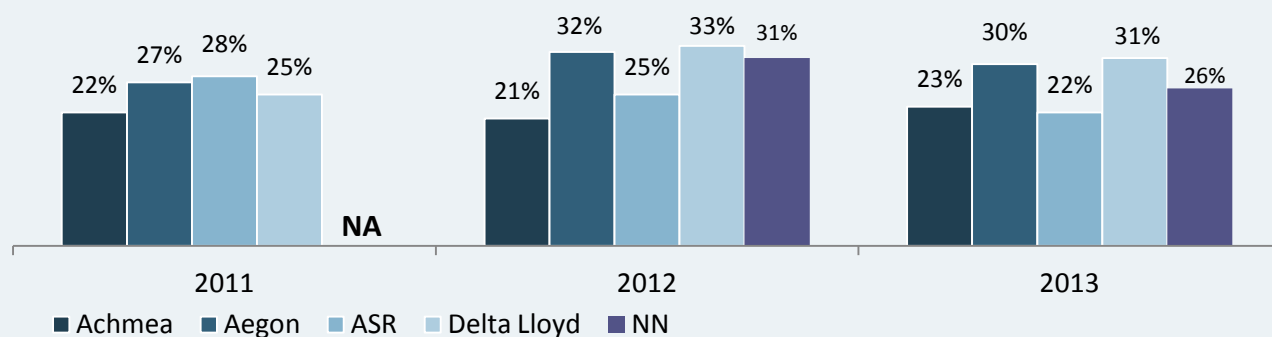
## Development of equity H1 2014



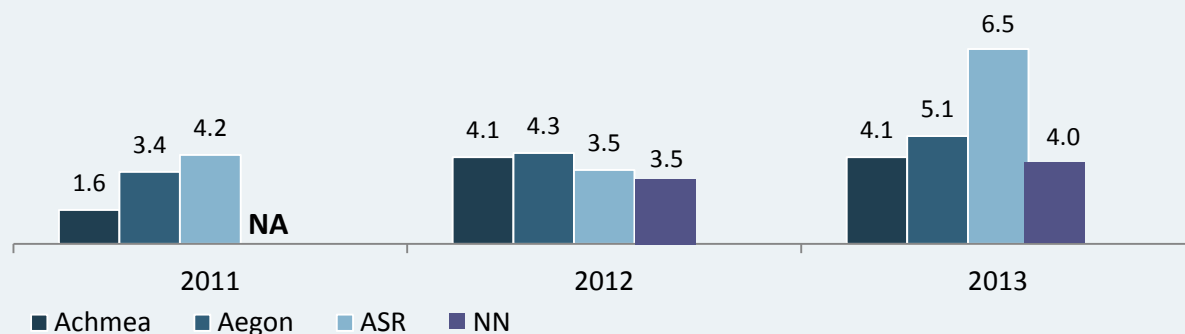
Numbers € million

## Degree of indebtedness benchmarking

Financial leverage (%)\*



Fixed charged cover (ratio)\*\*



- Achmea has low leverage, reflecting a conservative capital structure compared to other major players in the market
- Fixed charge coverage in the same range as Aegon and NN

\*Calculated as hybrid plus senior debt over shareholders equity excluding revaluation reserves plus hybrid and senior debt.

Source: BNP Paribas research 2014

\*\*Source: S&P rating reports and BNP Paribas research 2014

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