Achmea Capital Transactions

Investor Presentation | September 2019

Proposed RT1 and Tier 2 Transaction

Restricted Tier 1- €500m

1. **Inaugural** Euro-denominated **Perpetual non-call 10 Restricted Tier 1** Notes
2. **Callable** after **10 years** and at **every coupon payment date thereafter**, subject to regulatory approval and other conditions
3. **Principal write-down** upon **standard Solvency II triggers** (breach of 75% of SCR, breach of 100% MCR, or breach of 100% of SCR not remedied within 3 months)
4. Discretionary and conditional principal reinstatement (**write-up**)
5. Fully discretionary interest payments; mandatorily cancellable upon breach of 100% of MCR or 100% of SCR or Solvency Condition, in case of insufficient distributable items or if required by the regulator
6. The Notes are expected to be rated **[BB+] by S&P** and **[BBB-] by Fitch**
7. Standalone prospectus

Tier 2 - €250m

1. Euro-denominated **20 non-call 10 Tier 2** Notes
2. **Callable** after **10 years** and at **every coupon payment date thereafter**, subject to regulatory approval and other conditions
3. Optional interest deferral and mandatory deferral upon breach of Solvency Condition, 100% of MCR or 100% of SCR
4. The Notes are expected to be rated **[BBB-] by S&P** and **[BBB] by Fitch**
5. Based on 2019 **EMTN programme** terms

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Issuance Rationale

Capital Structure Optimisation

- Optimisation of Achmea's capital structure under Solvency II
- Restricted Tier 1 Notes are eligible for up to 20% of the total Tier 1 capital
- Strengthening of Achmea's liquidity position
- Tier 2 issuance cost efficient

Use of Proceeds

- The net proceeds of the Securities will be used for the general corporate purposes of the Group (which may include, without limitation, the refinancing of existing debt, including other callable capital securities and share buy backs)

Programme

Dutch leading player with strong brands, diversified distribution and innovative services

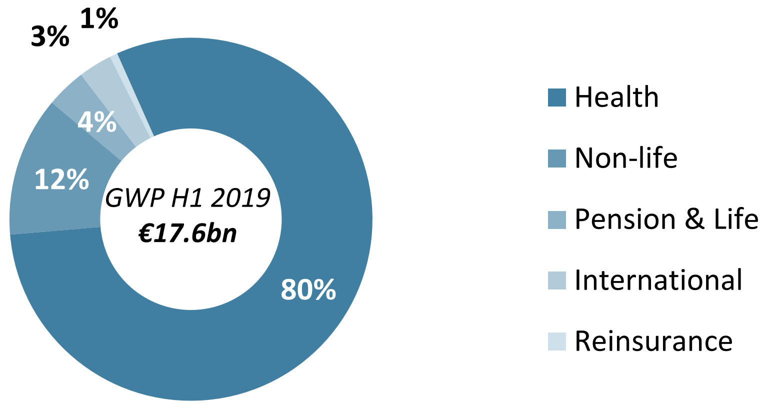
Strong brands and leading positions in customer satisfaction ratings

Interpolis | Centraal Beheer | Zilveren Kruis | avéro achmea | FBTO | De Friesland Zorgverzekeraar

Large customer base of over 10 million customers with market leading positions in our core markets

#1	#1	#2	#3	#5
Property & Casualty	Health	Individual Life	Income Protection	Asset Management

Diversified earned premium base



Market leading in mobile and online; proven track record launching new concepts

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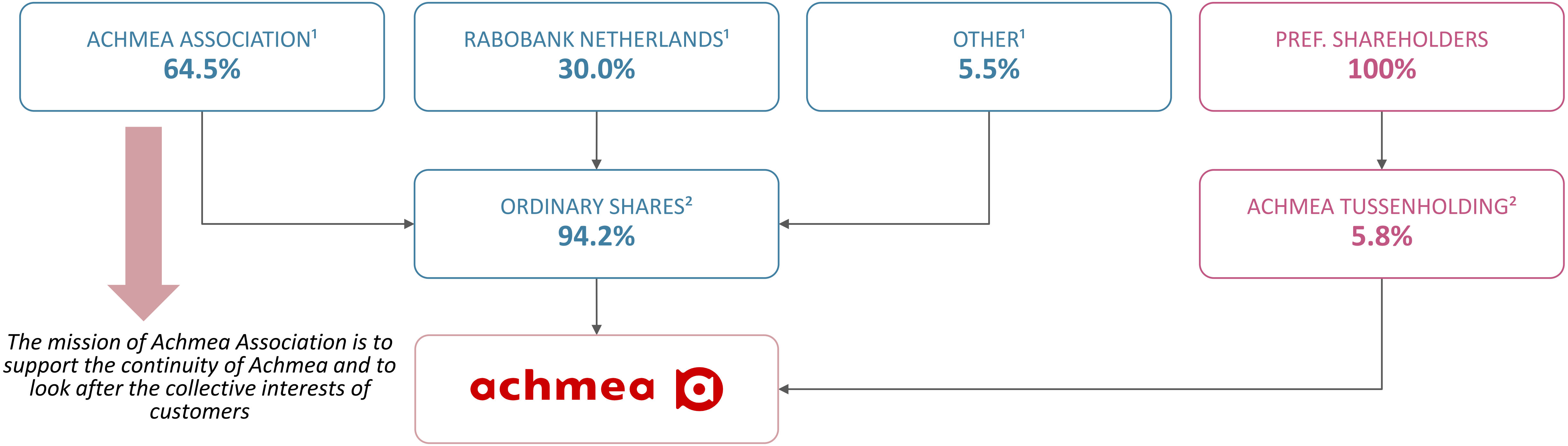
Stability through two large cooperative shareholders



[1] Owners of capital rights | [2] Owner of voting rights

Note: Diagram shown is a simplified version. For further details of shareholders including current capital and voting rights, please refer to the website - https://www.achmea.nl/en/about-us/organisation/shareholders

We are well on track to achieve our 2020 targets…

	2017	2018	2019H1	Remarks	Ambition 2020
Operational result	€349m	€391m	€284m	▪ Strong result supported by Non-Life, Pension & Life and Health	~€450 - 600m[1]
Reduction in operating expenses	€117m	€58m	€48m	▪ Further reduction in structural operating expenses ▪ Cost reduction target of €200 million already achieved	~€200m
Free Capital Generation (FCG)	€679m	€676m	€(189)m €223m structural	▪ 2017 and 2018 FCG supported by capital optimisation and market developments ▪ 2019 structural FCG improved while market developments had a strong negative impact	~€400m structural[2]

[1] €450m excluding health, €600m including health
[2] *Excluding impact UFR adjustment and phase-out of equity transitional and market impact*

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… while maintaining a strong capital, liquidity and rating position

	2017	2018	2019H1	Remarks	Ambition 2020
Solvency II	184%	198%	195%	▪ Positively influenced by improved operational result and FCG developments ▪ Decreased in 2019 due to declining interest rate and spread developments	> 165%
Financial leverage	25.9%	26.5%	24.4%	▪ Decrease of debt-leverage ratio due to redemption of CHF loan and improved results	< 30%
Fixed-Charge Coverage Ratio (FCCR)	3.4x	4.4x	4.7x	▪ Ambition for operational FCCR > 4.0x realised due to increased operational result	> 4.0x
Holding cash position	€504m	€682m	€619m	▪ Stable holding cash position	€250m - €400m

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Committed to delivering on our 2020 rating objectives

	Comments	Concerns	Remarks
S&P Global Ratings ***Current*** *A (Stable Outlook)* Insurer Financial Strength and Issuer Credit rating of core operating entities	**Business Risk Profile: Strong** *"Achmea has a strong presence in the Dutch insurance market with an unrivaled dominant position in the health insurance sector, a leading position in the P/C insurance market, and a top-five position in income protection and individual life insurance."* **Financial Risk Profile: Strong** *"We think reduced earnings volatility in the past two years compared with historical performance has strengthened the financial risk profile. Average fixed-charge coverage ratios for 2019-2021 are likely to remain above 4x and capital adequacy is likely to remain in excess of the 'A' level under our capital model."*	**Downside Scenario** *"We could lower the ratings over the next two years if profitability is below our expectations and this prevents Achmea from maintaining its capital adequacy and funding structure within our expectations."*	**Target: A** ▪ On September 6th 2019, S&P affirmed its 'A' rating of the Group's Core subsidiaries ▪ Achmea has demonstrated stable and improved operating earnings in the past two years, which reduced pressure on the group's fixed-charge coverage and earnings volatility. ▪ The outlook is stable because S&P believes that the group will sustain improvements in operating performance and fixed-charge coverage, while maintaining capital in excess of the 'A' level
FitchRatings ***Current*** *A+ (Stable Outlook)* Insurer Financial Strength rating of core operating entities	**Key Rating Drivers** *"The ratings reflect the Achmea group's (Achmea) very strong business profile and capitalisation. Achmea's profitability and debt servicing capabilities are rating weaknesses. We consider Achmea Insurance as core to Achmea"*	**Downside Scenario** *"The ratings could be downgraded if the Prism FBM score falls below 'Very Strong', or if financial leverage weakens to above 30% for a sustained period.* *The ratings could also be downgraded if Fitch's forecast for the group's net income ROE over the rating horizon falls below 3%."*	**Target: A+** ▪ Financial leverage currently healthy and remote distance from Fitch 30% concern ▪ Continued improvement in proftability will be positive for both ROE and financial leverage ▪ PRISM FBM score: Very Strong

Sources: S&P Achmea Research Update 6th September 2019, Achmea B.V. Full Rating report 26th July 2018
Fitch Ratings Press Release 11th October 2018

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Result supported by improved results in Non-Life and Pension & Life

Segment results (in € million)	2017	2018	2019HY
Non-Life	166	97	89
Pension & Life	342	334	204
Retirement Services	12	15	0
International activities	16	29	7
Other activities	-59	-212	-73
Operational result (Excl. Health)	**477**	**263**	**227**
Health	-128	128	57
Operational result	**349**	**391**	**284**

Non-Life
- Strong underlying improvements in the past years have resulted in a strong combined ratio of 95.8% per 2019HY due to improved claims management and premium measures. 2018 result impacted by January storms

Pension & Life
- Successful execution of closed book strategy leads to decreased cost base. Higher technical and investment result with continued investments in future efficiency

Retirement Services
- Investments in growth have led to an increase in scale while an adjusted allocation of costs resulted in a lower 2019HY result

International activities
- Growth in core business lines Non-Life and Health in Slovakia and Greece. Increased claims in Health and Australia lead to lower HY result

Other activities
- Improved 2019HY result compared to 2018 due to better performance of Achmea Reinsurance and lower reorganisation provisions

Health
- Pricing development for basic health supports the result of Achmea. Successful integration of De Friesland into Zilveren Kruis will decrease the future cost base

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Strategy until 2020: Delivering Together

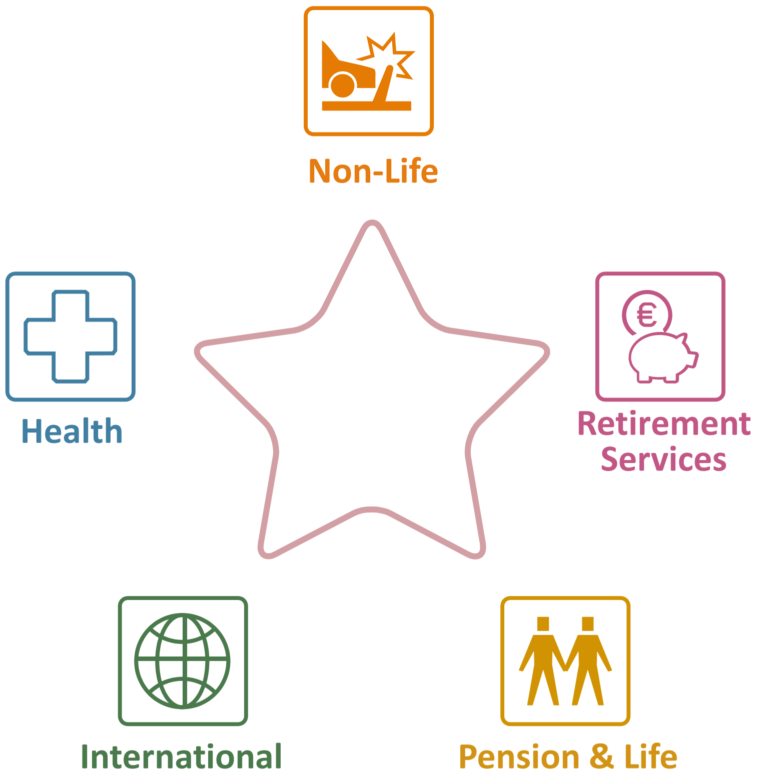
Strategic direction

- Through our cooperative identity we contribute to a healthy, safe and future-proof society
- Active focus on Non-Life, Health and Retirement Services, including banking services and asset management
- We excel in direct and banking distribution and invest in digitisation, innovation and customer focus

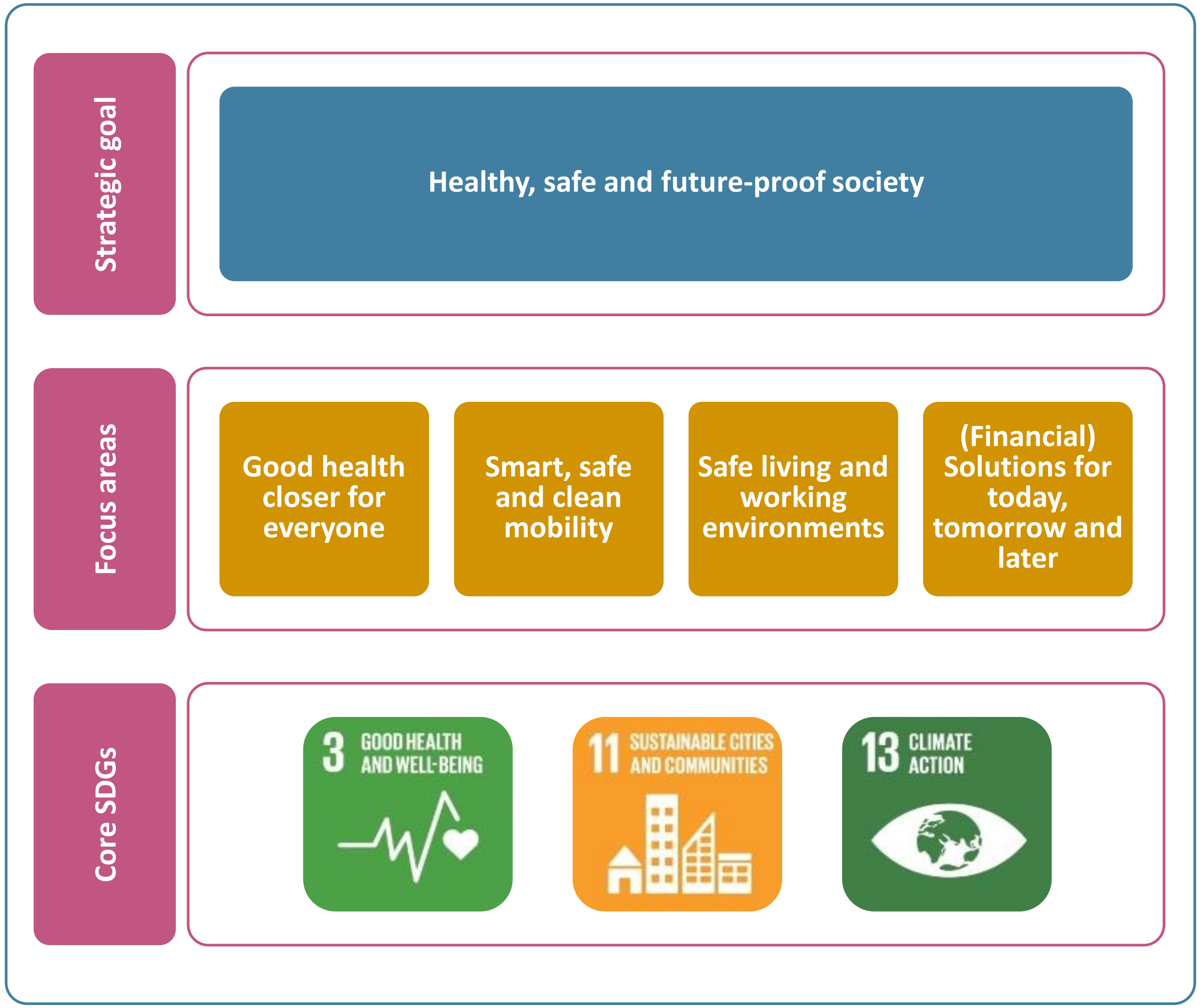
Unique features

- Strong brands with high customer satisfaction
- Active via multiple distribution channels: direct, online, bancassurance through Rabobank and intermediaries for retail and commercial
- Large customer base and market leadership in Non-Life and Health
- Leading asset manager
- Trendsetting in online services and innovation

Active in the market in five different segments:



Good progress on strategic plans in 2019



- Achmea contributes to a healthy, safe and future-proof society through four focus areas
- With our insurances and services we facilitate solidarity and provide solutions for those risks which are too large to bear alone
- Sustainability as a fundamental pillar; committed to climate agreement
- Three international sustainable development goals (SDG's) are embedded in the heart of our strategy
- Achmea launches innovation fund with initial size of €100 million

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Programme

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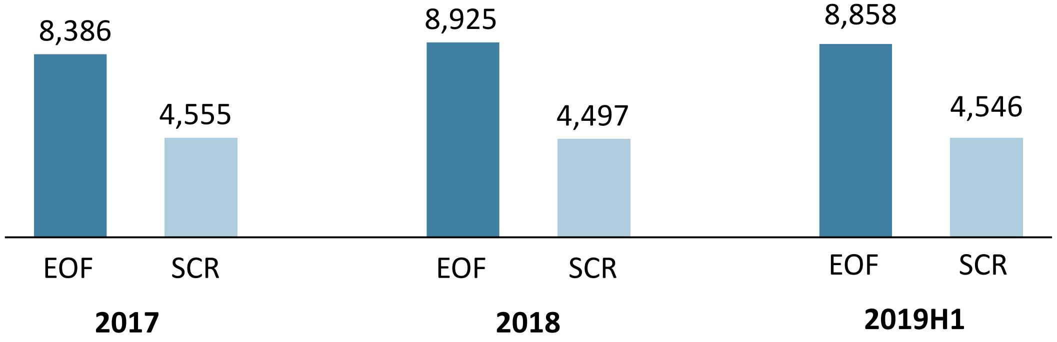
Part II: Capital Management

Part III: Proposed transaction

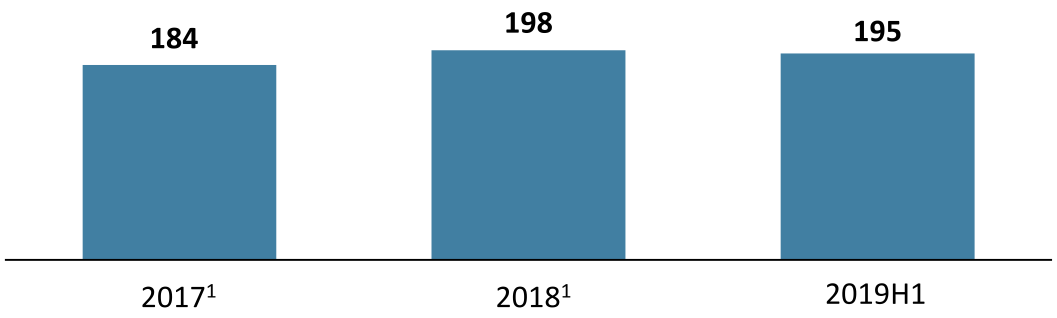
Part IV: Appendix

Strong Solvency II capital position

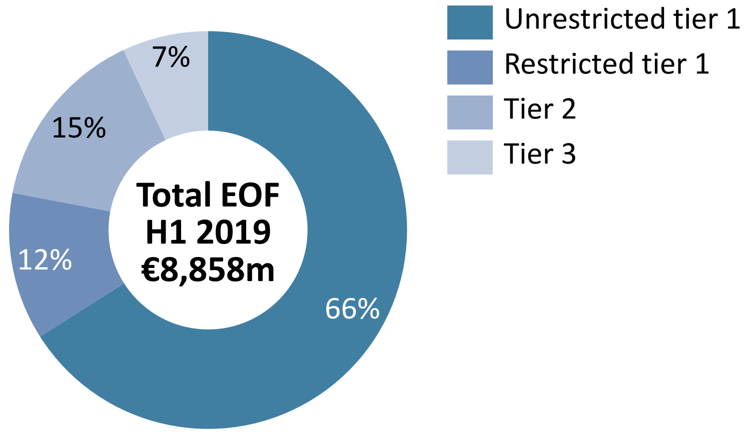
Solvency II (PIM)
(in € million)



Solvency II ratio (PIM)
(in %)

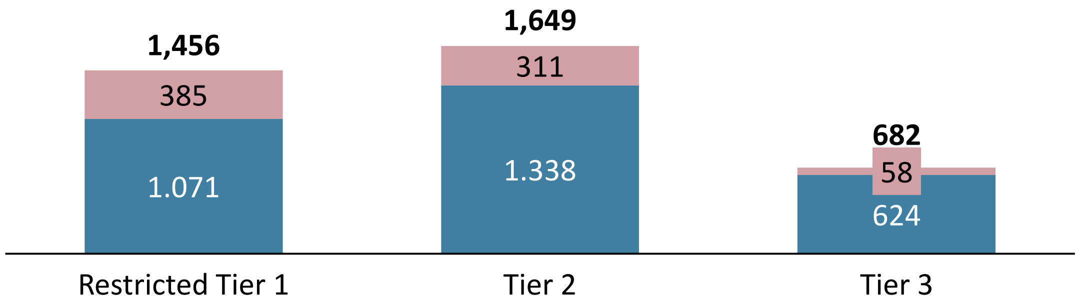


Tiering of capital
(in %)



Available headroom
(in € million)

Available Used



[1] *After proposed dividends and coupons on hybrids*

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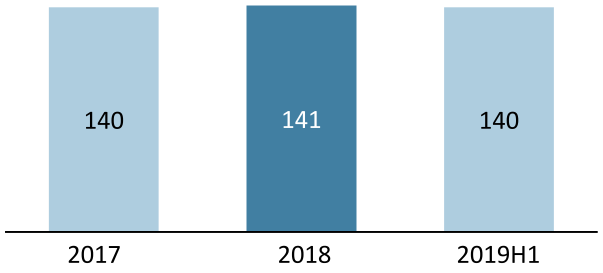
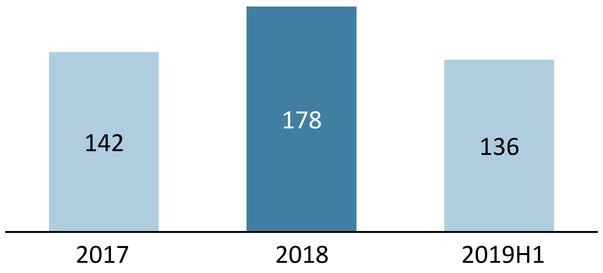
Solvency II ratio development per legal entity

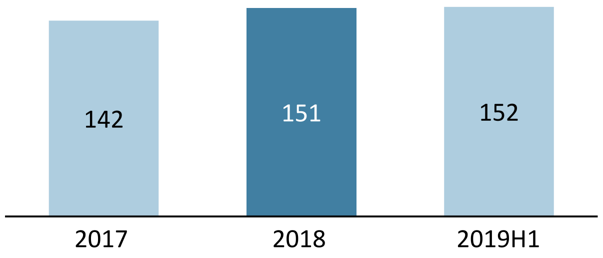
Solvency II ratio Non-Life
(in %)



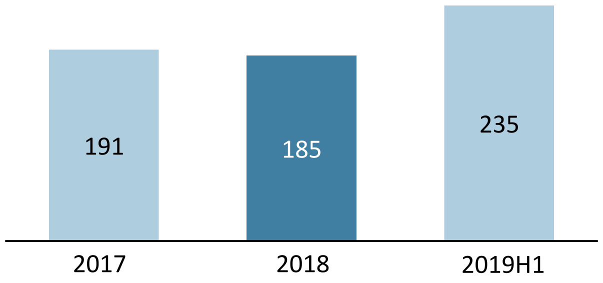
Solvency II ratio Pension & Life
(in %)



Solvency II ratio Health
(in %)



Solvency II ratio Reinsurance
(in %)



- In line with our Capital Adequacy Policy, excess capital in entities can be upstreamed to the Group

Non-Life

- Strong results contribute to capitalisation through Free Capital Generation. Additional capital upstreamed to holding level

Pension & Life

- Solvency ratio decreased due to capital upstreaming, market developments (interest rate and spread movements) and a shift from government bonds to corporate credits in order to optimise our investment portfolio
- Since the published Interim Financial statements 2019, there have been material interest rate decreases and spread movements on financial markets. While the impact on Achmea Group solvency is limited, the effect on the Pension & Life entity is more significant[1]

Health

- Solvency ratio increased marginally due to positive results in the Health business driven by pricing and healthcost developments

Reinsurance

- Strong capitalisation due to positive results. Buffers higher than other entities due to the relatively volatile and unpredictable nature of the Reinsurance business

[1] Achmea estimates the Solvency II ratio of Pension & Life, as of end of August, to be slightly below its target level of 130%. In line with Achmea's Capital Adequacy Policy, actions can be taken to improve the capital position of this entity in case the solvency falls below the internally defined bandwidths. To do so, Achmea would have several recovery measures at its disposal, including but not limited to, downstreaming of Group capital, reinsurance constructions and de-risking of investment portfolios. In case such measures were to be taken, Achmea aims to keep Group solvency and liquidity levels above internal policy limits of 165% and €250m - €400m respectively.

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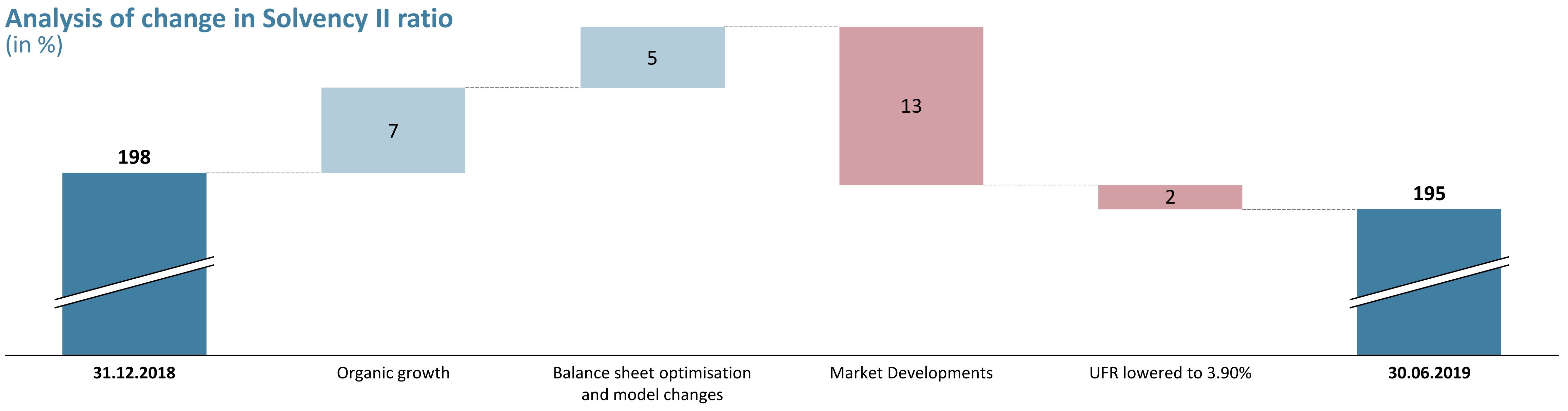
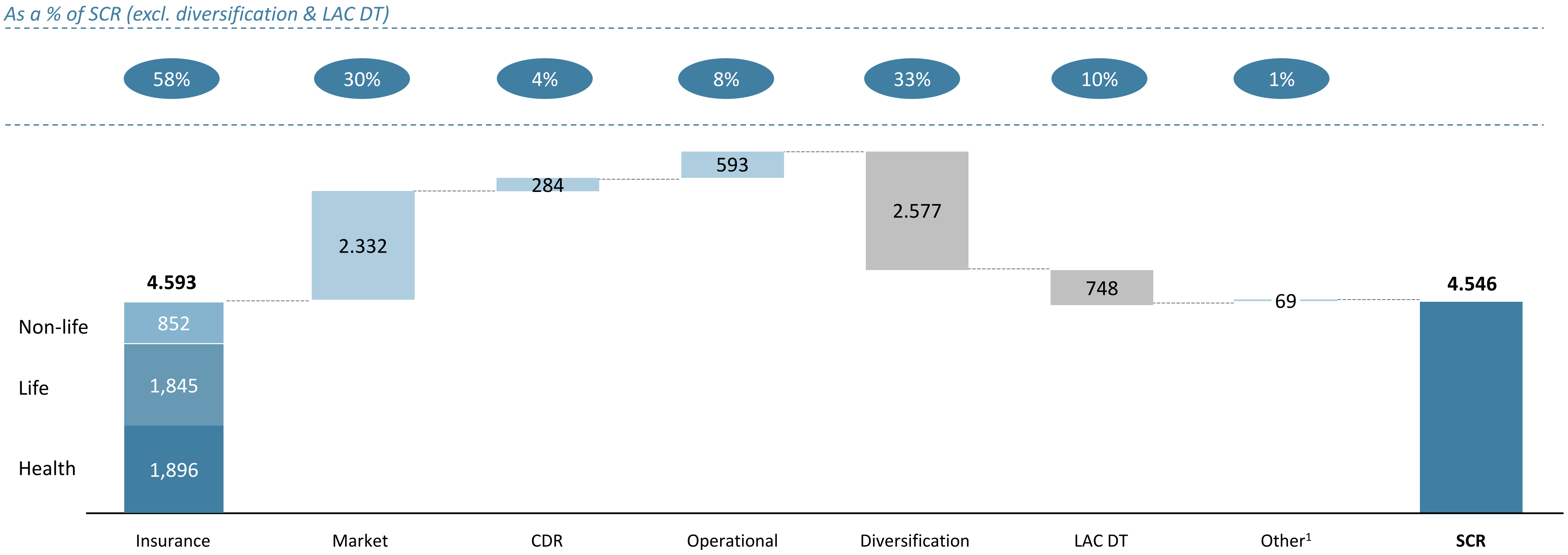
Solvency II remains solid despite market developments



- Organic growth driven by increased operational result and investment results as well as dividends from banking and asset management activities
- Market developments have a negative impact due to lower interest rates, widening spreads on mortgages and tightening credit spreads in Italy leading to a lower Volatility Adjustment. Excess returns on the investment portfolio partially mitigate these developments

Solvency II capital predominantly allocated to underwriting risk in line with our risk appetite

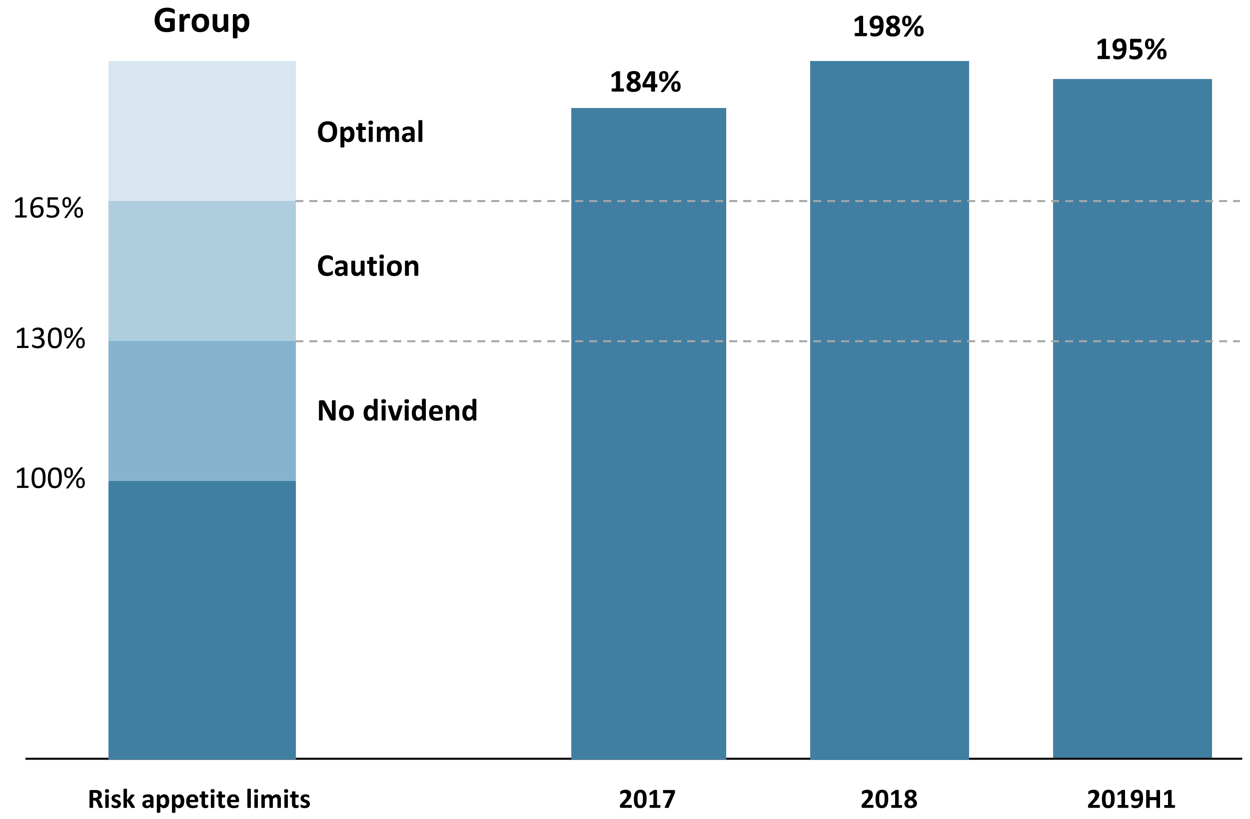
Allocation of SCR H1 2019
(in € million)



[1] 'Other' includes Intangible Asset Risk, Loss-Absorbing Capacity of Technical Provisions, and SCR Other Financial Sectors & Other Entities

Our capital position is well above the limits of our capital management policy

Solvency II ratio and risk appetite limits



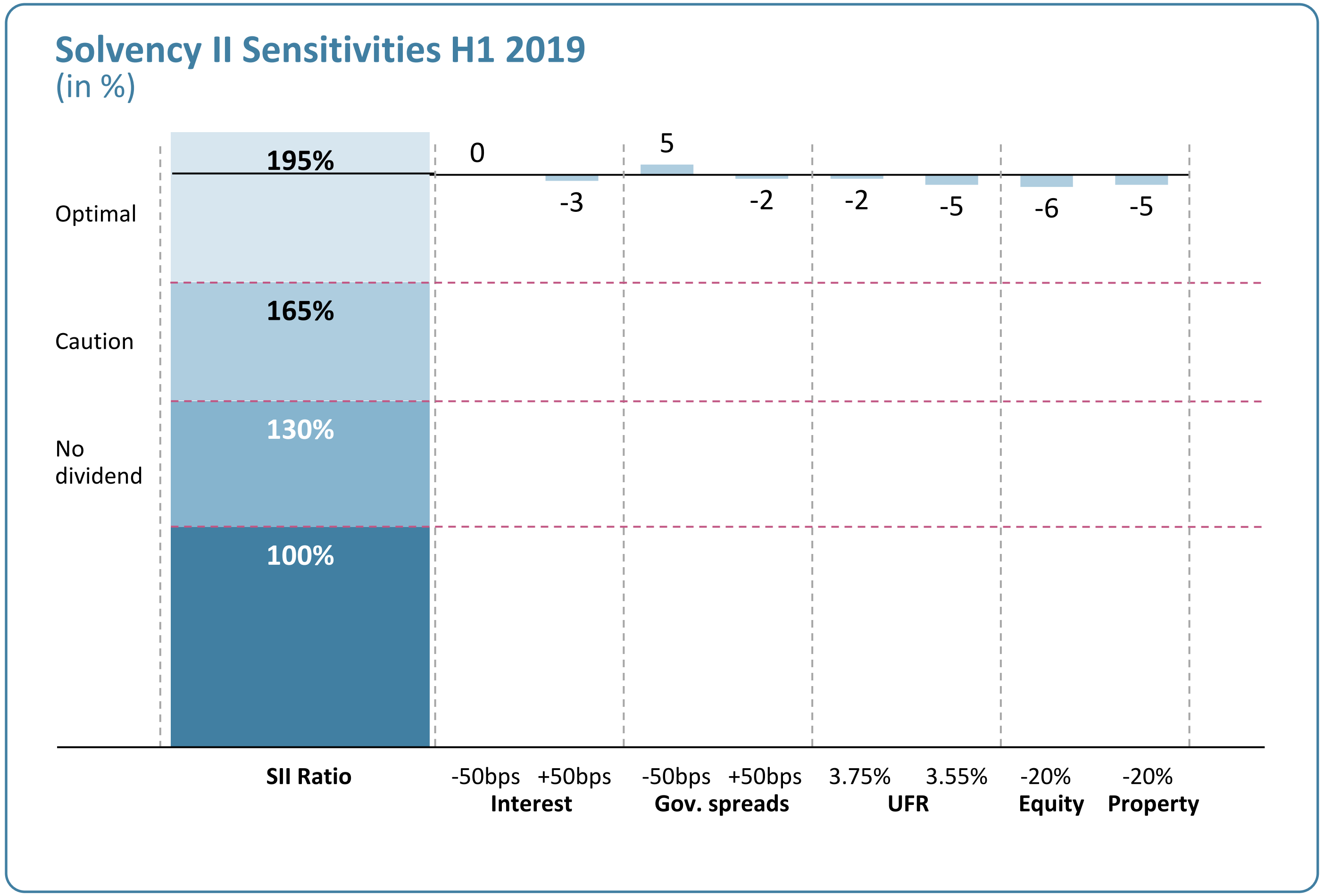
Capital management policy

- Our capital management policy aims to ensure that the Group and all its entities are always adequately capitalised to secure the interests of all stakeholders in the short and long term
- Various recovery measures are available to improve the capital position if needed (e.g. Recovery Plan)

Risk appetite limits

- Solvency II 'Capital Adequacy Policy' is based on the approved PIM
- Our lower capital limit is set at 100% of SCR for legal entities which translates into a Solvency II ratio of 130% at Group level
- Our target capital limit at Group is 165%

Sensitivities Solvency II ratio



- The sensitivities are calculated based on the partial internal model which includes market risk since 1 July 2018
- Sensitivities are calculated using **parallel shocks**. Actual movements may differ due to non-parallel shifts and could therefore show shocks of different magnitudes and outcome
- Interest rate sensitivity is limited due to the capital hedge
- Government spread sensitivity is limited
- The UFR decrease of 15 bps per year to 3.55% has a limited impact on the solvency ratio

Achmea has effective contingency measures to overcome extreme stress scenarios

Recovery measures available

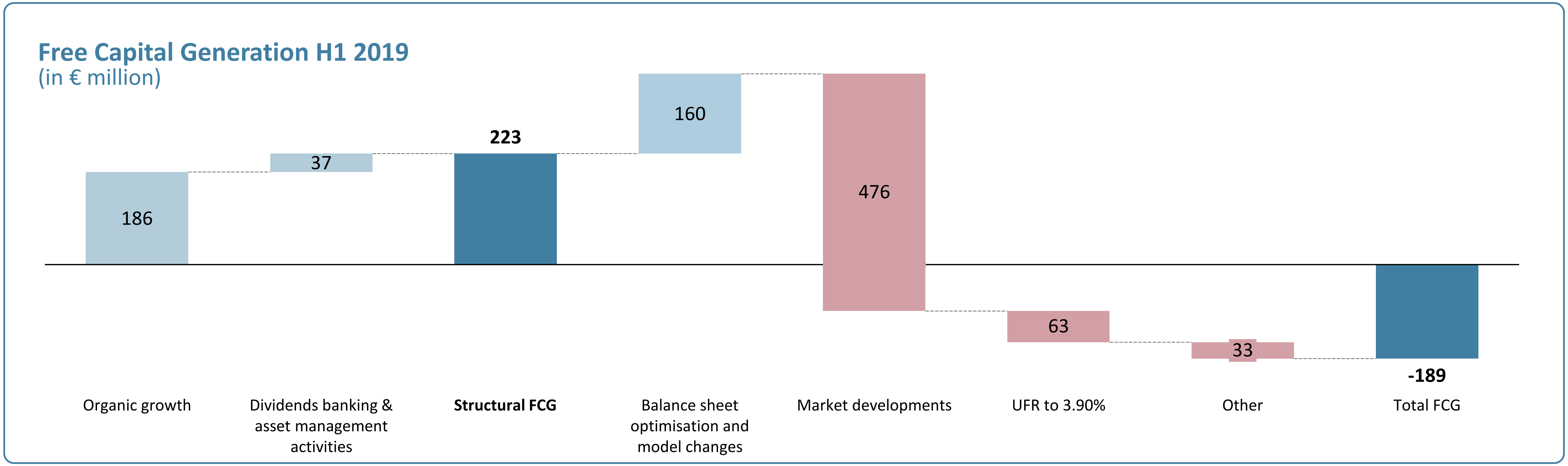
Selected Recovery measure for an Achmea specific event or a market-wide event

- Reduction of market risk
- Reinsurance: longevity risk
- Issuance of hybrid capital
- Cost savings
- Cancel payments of dividends on ordinary shares
- Premium increases
- Sale of legal entities or portfolios
- Quota share

Explanation of recovery plan

- In our yearly recovery plan we use scenarios which bring Achmea group SII ratio to 100-130%. These scenarios are **very extreme** and **very unlikely**
  - For example the ‘windstorm scenario’ is a windstorm with a return period of 1 : 2000 years
- In case of these extreme stress scenarios, Achmea has several thought-through recovery measures to improve the Solvency II position
  - These recovery measures consists of both internal and external measures

Structural Free Capital Generation in line with target due to improved operational performance. Incidental FCG negative due to market developments



Structural FCG

Driven by:

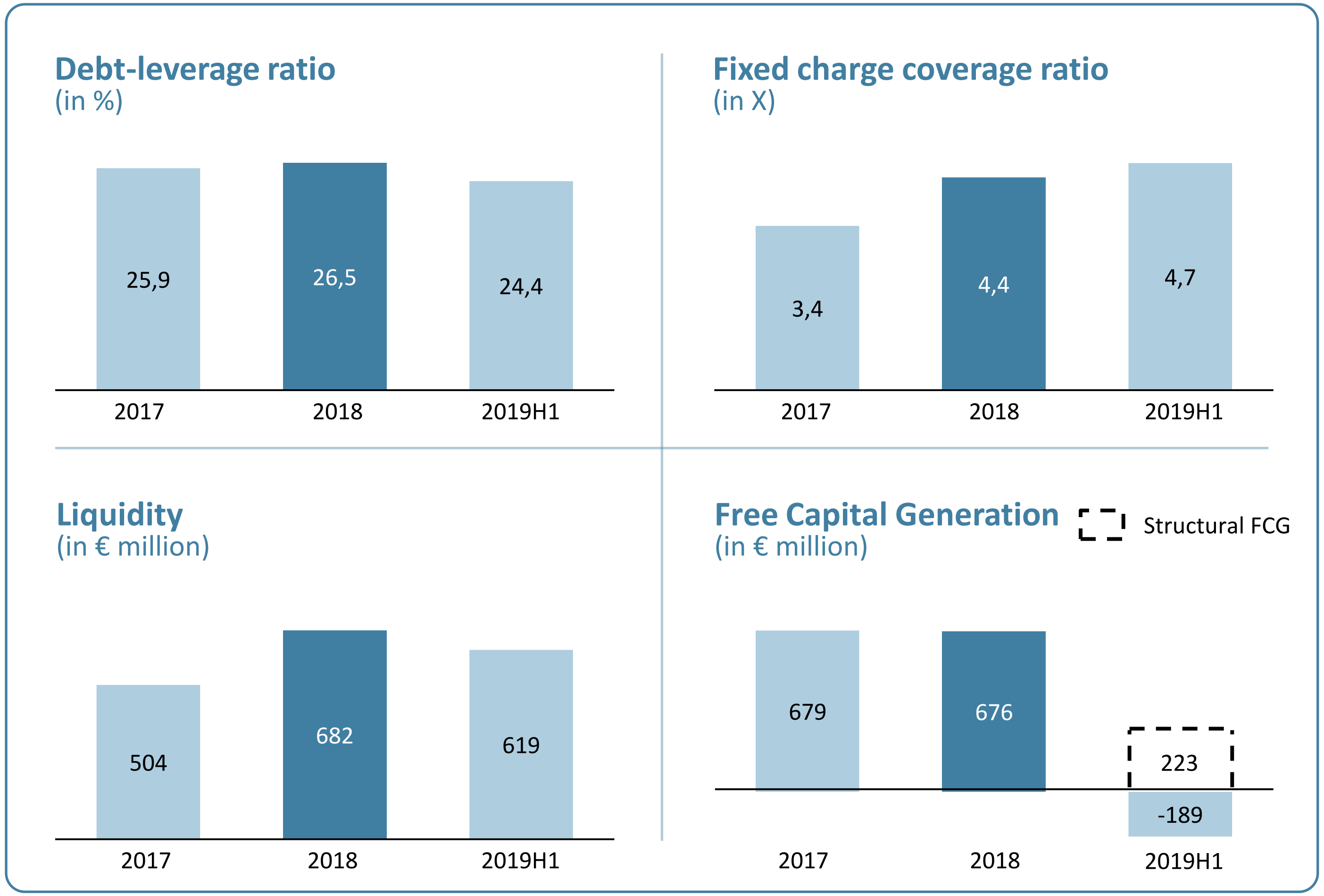
- Increased operational result
- Investment results
- Dividends from banking and asset management activities

Incidental FCG

Influenced by:

- Balance sheet optimisation: refinement of assumptions related to internal model for market risk leads to lower capital requirements
- Market developments are negative due to widening mortgage spreads, declining interest rates, tightening spreads and a lower Volatility Adjustment

Fixed charge coverage ratio improved to 4.7x and rating outlook adjusted to 'Stable'



Financial ratios

- Decrease of debt-leverage ratio due to redemption of a CHF 200 mln loan and improved results
- Upward trend of FCCR continued to 4.7x due to an improved operational result

Liquidity

- Liquidity at holding level robust
- Slight decrease in liquidity due to redemption of a CHF 200 million loan

Ratings

- S&P rating core insurance activities affirmed at 'A' and outlook upgraded to 'Stable'
- Fitch rating core insurance activities affirmed at 'A+' with a 'stable outlook'

Free Capital Generation

- Structural FCG stable while total FCG is largely affected by market developments

Programme

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RT1 Key transaction risks and mitigants

Potential of Write-down	▪ Significant buffer to write-down triggers of at least €4.4 billion at year-end 2018 on a group basis ▪ Management mitigation actions available to strengthen the Solvency position if necessary ▪ Discretionary principal reinstatement, subject to certain conditions
Restriction to Coupon Payments	▪ Significant buffer to mandatory coupon cancellation triggers of €4.4 billion at year-end 2018 ▪ At year-end 2018, Achmea held €6,752 million in distributable items[1] ▪ Positive & reliable structural capital generation following the realisation of 2020 ambition
Discretionary Non-Cumulative Coupon Payments	▪ At the time of publication of this Offering Memorandum, it is the intention of the Executive Board to consider the relative ranking of any restricted Tier 1 securities in issue (including the Securities) in the capital structure whenever exercising its discretion as to whether or not to declare dividends or pay interest, in line with the capital adequacy policy applicable at that time. Achmea may depart from this approach at its sole discretion
Other Risks	▪ Despite a strong capitalisation and risk framework the Issuer remains sensitive to market developments, such as (non-parallel) interest rate and spread movements, as well as regulatory supervision and approval

[1] Distributable Items: (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date, each as defined under national law, or in the articles of association of the Issuer.

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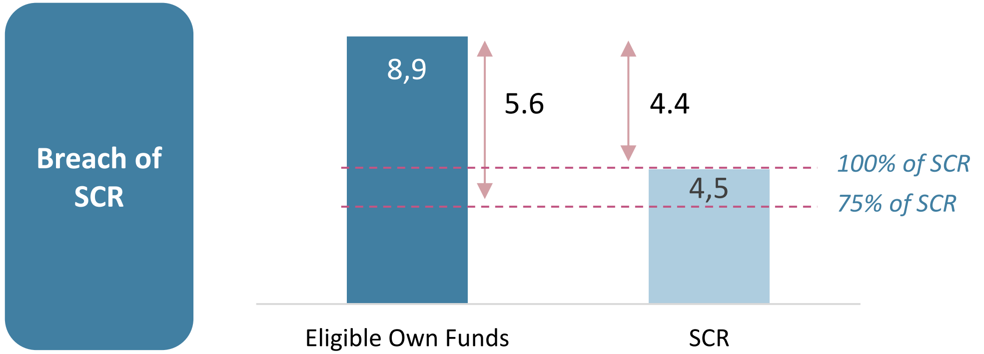
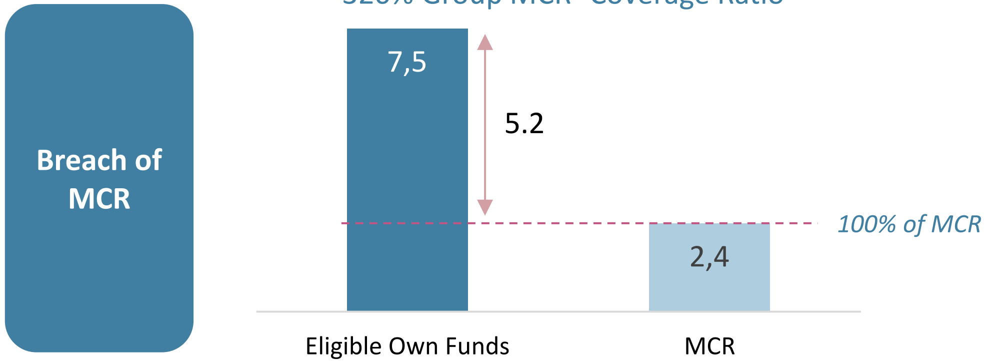
Ample headroom in excess of requirements

Buffer to principal write-down triggers
(2018FY in € billion)

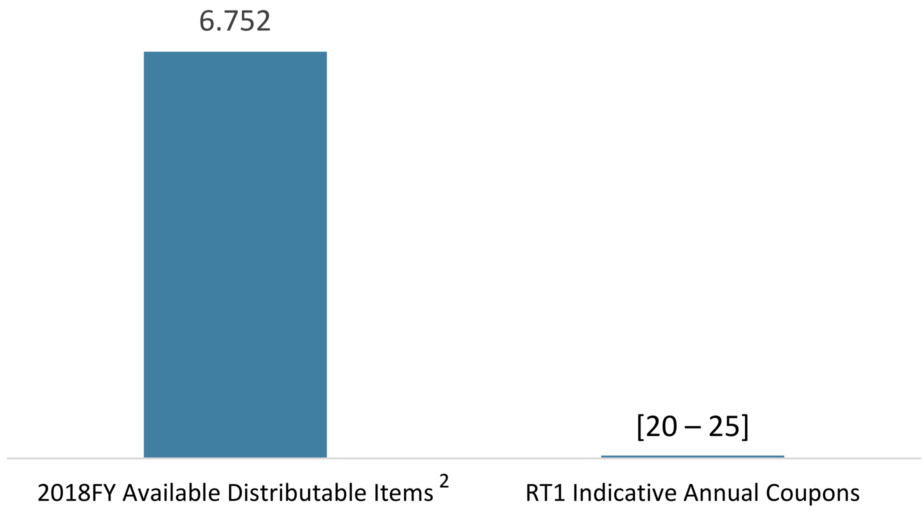
198% Group SCR Coverage Ratio



320% Group MCR[1] Coverage Ratio



RT1 coupon payment capacity
(2018FY € million)



- Robust distributable items of €6,752 million at year-end 2018
- Comfortable coverage ratio of RT1 coupons
- Sufficient capacity to support dividend payments and ongoing RT1 coupon payments

[1] *The calculation of the Group MCR is determined by simply adding all the solo MCR, which implies that the group MCR is calculated gross of intra group transactions. Compared to the SCR, Tier 3 capital is not eligible to cover the MCR and Tier 2 capital components may not exceed 20% of MCR. Any excess Tier 2 capital is not eligible to cover the MCR. In order to cover the MCR, the amount of Tier 2 ineligible due to quantitative limits was €876million at FY2018 (2017: €865 million).*

[2] *Distributable Items: (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date, each as defined under national law, or in the articles of association of the Issuer.*

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Summary Terms: Restricted Tier 1 Securities

Issuer	Achmea B.V.
Notes	EUR [●],000,000 Perpetual Restricted Tier 1 Temporary Write-Down Securities (the "Securities")
Expected Issue Rating	[BB+] (S&P) / [BBB-] (Fitch)
Maturity	Perpetual
Ranking	Subordinated, ranking (a) junior to the claims of all Senior Obligations of the Issuer, (b) *pari passu* with any Parity Obligations and (c) in priority to claims in respect of any Junior Obligations.
Interest Rate	Fixed rate until [●] September 2029 (the "First Reset Date") payable semi-annually in arrear. Resets at the First Reset Date and every Reset Date (5 year intervals) thereafter to 5 Year Mid-Swap plus the Margin (no step-up) payable semi-annually in arrear
Tenor and Optional Redemption	Perpetual; redemption at the option of the Issuer in whole, but not in part, (i) on the First Call Date (6 months prior to First Reset Date) and at any time from the First Call Date to and including the First Reset Date and on any Interest Payment Date thereafter; (ii) upon the occurrence of a Gross-Up Event, a Tax Deductibility Event, a Regulatory Event, or a Rating Methodology Event or Clean-up Redemption (≥ 80% already purchased). All redemptions are at the Prevailing Principal Amount together with (to the extent not cancelled) any accrued and unpaid interest to the date of redemption; and are further subject to the Conditions to Redemption or Purchase being met and the Regulatory Clearance Condition
Mandatory Interest Cancellation	Mandatory interest cancellation (in full) in case of (i) breach of the Solvency Condition, (ii) non-compliance with the SCR (subject to waiver), (iii) non-compliance with the MCR, (iv) insufficient Distributable Items All cancelled interest payments are non-cumulative
Optional Interest Cancellation	Fully discretionary interest payments, cancellable (in whole or in part) at any time All cancelled interest payments are non-cumulative
Write-Down upon Trigger Event	If a Trigger Event occurs (i) any interest which is accrued and unpaid shall be automatically cancelled and (ii) the Issuer shall promptly write-down the Securities by reducing the Prevailing Principal Amount by the Write-Down Amount. Any such Write-Down shall be applied in respect of each Security equally. Write-Down Amount shall be equal to: (i) amount that would reduce Prevailing Principal Amount to EUR 0.01, if the Trigger Event is (a) or (b) below; or (ii) if permitted, together with *pro rata* conversion/write-down of all other Loss Absorbing Tier 1 Instruments when compared with the Prevailing Principal Amount: a) the amount necessary to restore the SCR ratio to 100%, to the extent it is below 100%; or, b) if the SCR Ratio cannot be restored to 100%, then the amount necessary on a linear basis to reflect the SCR Ratio where the Prevailing Principal Amount would be equal to (x) zero if the SCR Ratio were 75% and (y) the Initial Principal Amount if the SCR Ratio were 100%; or c) any higher amount that would be required by the Applicable Regulations in force at the time of the Write-Down. Initial Principal Amount means the principal amount of each Security at the Issue Date, without having regard to any subsequent Write-Down or Discretionary Reinstatement. Prevailing Principal Amount means the Initial Principal Amount as reduced from time to time by any Write-Down and as increased from time to time by any Discretionary Reinstatement
Trigger Event	At the determination of the Issuer the amount of Own Fund Items of the Issuer eligible to cover: (a) the SCR is ≤ 75% of the SCR; or (b) the MCR is equal to or less than the MCR ; or (c) the SCR of the Issuer has been equal to or less than the SCR for a continuous period of 3m (starting from the date on which non-compliance was first observed)
Discretionary Reinstatement	Following a Write-Down, the Issuer may at its full discretion increase the Prevailing Principal Amount of the Securities on one or more occasions on any date and in any amount that it determines, provided that: (i) this condition would not cause a Regulatory Event; (ii) SCR compliance has been restored, and any reinstatement would not cause a Trigger Event or SCR breach; (iii) such reinstatement is not activated by reference to own fund items issued or increased in order to restore SCR compliance; (iv) such reinstatement occurs on the basis of Net Profits that contribute to Distributable Items made subsequent to restoration of SCR compliance, as adjusted to give due consideration to the resulting change in own funds of the Issuer and provided the Issuer's Own Fund Items will not be lower as a result of the reinstatement than they would be on the same date if the equivalent amount of Net Profits were allocated to retained earnings of the Issuer, in a manner that does not undermine the loss absorbency and does not hinder recapitalization; (v) the Issuer shall take such decision with due consideration to overall financial and/or solvency condition of the Issuer and subject to a guideline of [6.1%] of such Net Profits ("Relevant Proportion"); (vi) Prevailing Principal Amount cannot be > Initial Principal Amount; and (vii) any reinstatement will be made on a *pro rata* basis among other Loss Absorbing Tier 1 Instruments that have been subject to a temporary write-down and only to the extent that this does not worsen the SCR ratio of the Issuer. The initial Relevant Proportion shall be determined on the Issue Date as the aggregate Initial Principal Amount of the Securities expressed as a number of ordinary shares of the Issuer ("Securities Share Equivalent"), relative to the aggregate of the total number of ordinary shares and Loss Absorbing Tier 1 Instruments (including the Securities themselves and expressed as a number of ordinary shares of the Issuer), as calculated on the basis of most recently published annual financial statements of the Issuer. In case of a subsequent relevant corporate action the Relevant Proportion will be subject to adjustments (please refer to Condition 7.3)
Exchange or Variation	Upon a Regulatory Event or Rating Methodology Event, on any Interest Payment Date, subject to approval of the Relevant Supervisory Authority and being not materially less favorable to Securities holders but without requirement for their approval
Denominations	EUR 200,000 + EUR 1,000
Governing Law / Docs	Dutch Law / Standalone Preliminary Offering Memorandum dated [●] September 2019
Selling Restrictions	As per the Offering Memorandum; RegS only; Professional investors and ECPs only target market
Form / Listing / Clearing	Reg S Bearer / Irish Stock Exchange trading as Euronext Dublin / Euroclear and Clearstream

Indicative summary only. Please refer to Standalone Preliminary Offering Memorandum for full and legally binding details

achmea

Benchmarking versus recent RT1 transactions

Issuer	Achmea B.V.	Aegon N.V.	CNP Assurances	Phoenix Group Holdings	a.s.r. Nederland N.V.
Issue Date / Maturity	[●] Sep 2019 / Perpetual	28 March 2019 / Perpetual	20 Jun 2018 / Perpetual	19 Apr 2018 / Perpetual	12 Oct 2017 / Perpetual
Issuer Call	at anytime 6 months prior to [●] September 2029 (FRD) or any IPD thereafter, subject to redemption conditions, unless waived by regulator	at anytime 6 months prior to 15 October 2029 (FRD) or any reset date thereafter, subject to redemption conditions, unless waived by regulator	27 Jun 2028 (FCD), and every IPD thereafter, subject to redemption conditions, unless waived by regulator	26 Apr 2028 (FCD), and every IPD thereafter, subject to redemption conditions, unless waived by regulator	19 Oct 2027 (FCD), and every IPD thereafter, subject to redemption conditions, unless waived by regulator
Issue Rating (Moody's/S&P/Fitch)	[-/ BB+/BBB-] (Expected)	Baa3/BBB-/BB+	Baa3/BBB-/-	-/-/BBB-	-/BB/-
Ranking	Senior to all classes of share capital	Senior to all classes of share capital	Senior to share capital and preference shares	Senior to ordinary shares, pari passu with preference shares	Senior to ordinary shares, pari passu with preference shares
Currency / Amount	EUR[●]m	EUR 500m	EUR 500m	GBP 500m	EUR 300m
Coupon	[●]% until the FRD, then reset to 5yr m/s+[●] bp (no step-up), payable semi-annually	5.625% until FRD, then reset to 5yr m/s+520.7bp (no step-up), payable semi-annually	4.75%, until the FCD, then reset to 5yr m/s+391.4bp (no step-up), payable semi-annually	5.75%, until the FCD, then reset to 5yr Gilts+416.9bp (no step-up), payable semi-annually	4.625% until the FCD, then reset to 5yr m/s+378.9bp (no step-up), payable semi-annually
Optional Interest Cancellation	Anytime, non-cumulative	Anytime, non-cumulative	Anytime, non-cumulative	Anytime, non-cumulative	Anytime, non-cumulative
Mandatory Interest Cancellation	Anytime, non-cumulative, upon breach of SCR/MCR/Solvency Condition/insufficient ADIs	Anytime, non-cumulative, upon breach of SCR/MCR/Solvency Condition/insufficient ADIs, or as otherwise required by the regulator	Anytime, non-cumulative, upon breach of SCR/MCR/Solvency Condition/insufficient ADIs, or as otherwise required by the regulator	Anytime, non-cumulative, upon breach of SCR/MCR/Solvency Condition/insufficient ADIs, or as otherwise required by the regulator	Anytime, non-cumulative, upon breach of SCR/MCR/Solvency Condition/insufficient ADIs, or as otherwise required by the regulator
Trigger Event	75% SCR or breach of MCR or breach of SCR not remedied within 3 months	75% SCR or breach of MCR or breach of SCR not remedied within 3 months	75% SCR or breach of MCR or breach of SCR not remedied within 3 months	75% SCR or breach of MCR or breach of SCR not remedied within 3 months	75% SCR or breach of MCR or breach of SCR not remedied within 3 months
Principal Loss Absorption	Temporary write-down (partial or in full)	Equity conversion (in full) Conversion price equal to EUR 2.994 (c. 70% of share price at issue)	Temporary write-down (partial or in full) subject to permanent write-down fall-back	Permanent write-down (in full)	Equity conversion (in full) Conversion price equal to EUR 23.1 (c. 70% of share price at issue)
Write-Up	At the issuer's discretion, subject to certain conditions and Relevant Proportion of Net Profits	-	Amount at the issuer's discretion, subject to certain conditions	-	-
Special Event Redemptions	Gross-Up Event, Tax Event, Regulatory Event, or Rating Methodology Event, or Clean-Up Redemption subject to replacement provisions within the first 5 years and other conditions	Gross-Up Event, Capital Disqualification Event, Rating Methodology Event, at any time, subject to replacement provisions within the first 5 years and other conditions	Tax Event (withholding, gross up, deductibility), Regulatory Event, Rating Methodology Event, Clean-Up Call, at any time, subject to replacement provisions within the first 5 years and other conditions	Tax Event (gross up, deductibility), Capital Disqualification Event, Rating Methodology Event, at any time, subject to replacement provisions within the first 5 years and other conditions	Gross Up Event, Tax Deductibility Event, Capital Disqualification Event, Rating Methodology Event, at any time, subject to replacement provisions within the first 5 years and other conditions
Substitution / Variation	Upon a Regulatory Event or Rating Methodology Event, subject to certain conditions	Upon Capital Disqualification Event or Rating Methodology Event, alternatively to redemption, subject to certain conditions	-	Upon any special event (above), subject to certain conditions	Upon Capital Disqualification Event or Rating Methodology Event, alternatively to redemption, subject to certain conditions
Governing Law	Dutch Law	Dutch Law	French Law	English law	Dutch law

Summary Terms Tier 2 Notes

Issuer	Achmea B.V.
Notes	EUR[●]m Subordinated Fixed Rate Reset Notes (the “Notes”)
Expected Issue Rating	[BBB-] (S&P), [BBB] (Fitch)
Maturity	[●] September 2039
Ranking	Subordinated, rank *pari passu* among themselves, rank junior to unsubordinated unsecured creditors of the Issuer, at least *pari passu* with all other subordinated obligations of the Issuer that do not rank or are not expressed by their terms to rank junior to the Subordinated Notes and in priority to Restricted Tier 1 and claims of the shareholders of the Issuer
Interest Rate	[●]% p.a. payable annually in arrear to [●] September 2029 (the “First Reset Note Reset Date”), reset to 5 year Mid-Swap + [●]bps (100bps over initial credit spread) on [●] September 2029 and every 5 years thereafter, payable annually
Tenor and Optional Redemption	Dated; redemption at the option of the Issuer, in whole but not in part (i) on the date falling three (3) months prior to the First Reset Note Reset Date and on any date thereafter up to and including the First Reset Note Reset Date and on any Interest Payment Date thereafter, subject to the prior consent of the Regulator (ii) at any time due to a Tax Law Change (resulting in gross up for WHT or loss of tax deductibility), Capital Disqualification Event or a Rating Methodology Event. All redemptions are at par plus any accrued interest and are further subject to the Conditions to Redemption and the prior consent of the Regulator, if required
Mandatory Interest Deferral Date	Payments of interest on the Notes will be mandatorily deferred on each Mandatory Interest Deferral Date if the Solvency Condition is not met or a Capital Adequacy Event has occurred and continues to exist and a deferral of interest or suspension of payment of principal is required under the Capital Adequacy Regulations
Optional Interest Payment Date	On any Interest Payment Date, other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date
Arrears of Interest	Any interest not paid, together with any other interest deferred on any previous Interest Payment Date, shall, so long as the same remains outstanding, constitute Arrears of Interest. Arrears of Interest are non-compounding
Compulsory Interest Payment (Dividend Pusher)	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) “**Compulsory Interest Payment Event**” means: (i) any declaration/payment of dividend/distribution on the Issuer’s share capital; (ii) any repurchase of the Issuer’s share capital for cash (subject to exceptions)
Capital Adequacy Event	(i) the amount of eligible 'own fund-items' of the Issuer on a consolidated basis to cover the Solvency Capital Requirement or the Minimum Capital Requirement of the Issuer is, or as a result of a payment of interest or a payment of principal would become, not sufficient to cover such Solvency Capital Requirement or Minimum Capital Requirement; or (ii) (if required or applicable in order for the Notes to qualify as regulatory capital of the Issuer on a consolidated basis) the Regulator has notified the Issuer that it must take specified action in relation to deferral of payments of principal and/or interest under the Notes
Substitution or Variation	If a Tax Law Change, Capital Disqualification Event or Rating Methodology Event has occurred with respect to the Notes and is continuing, on such date
Conditions to Redemption	• In the case of a redemption or purchase that is within five years from the Issue Date, shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes • May not be redeemed on the Maturity Date or pursuant to any optional early redemption provisions or purchased pursuant to the purchase provision if (i) a Capital Adequacy Event has occurred and is continuing on the redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event, or (ii) the Solvency Condition is not met or (iii) an Insolvent Insurer Liquidation has occurred and is continuing on the relevant redemption date or purchase date
Denomination	The Notes will be issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof
Governing Law / Documentation	Dutch Law / Reference to Base Prospectus dated 15 July 2019
Selling Restrictions	US Reg S, UK, EEA, France
Form / Listing / Clearing	Reg S Bearer / Euronext Dublin (GEM) / Euroclear and Clearstream

Indicative summary only. Please refer to Base Prospectus for full and legally binding details

Benchmarking versus recent Tier 2 transactions

Issuer	**Achmea B.V.**	**Achmea B.V.**	**ASR Nederland N.V. Tier 2**
Issue Date	[●] September 2019	4 February 2015	Apr 2019
Size	EUR[●]m	EUR 750m	EUR 500m
Issue Rating (M/S/F)	[- / BBB- / BBB]	- / BBB / -	- / BBB- /
Maturity / First Call	[●] September 39 / At anytime from 3 months prior to the First Reset Note Reset Date up to the First Reset Note Reset Date ([●] September 2029) (20-NC10) Subject to the prior consent of the Regulator, if required	Not Applicable / 4 February 2025	May 49 / At anytime from 3 months prior to the First Reset Date up to the First Reset Date (2 May 29) (30-NC10) Subject to prior approval of the Relevant Supervisory Authority
Interest Rate	[●]% per annum until the First Reset Note Reset Date, payable annually in arrear, then reset over 5 year Mid-Swap plus a margin of [●]% (including 100bps step-up), payable annually in arrear, reset every 5 years	4.20% per annum until 4 February 2025, payable annually in arrear, then calculated on the basis of 3mth EURIBOR plus 4.55% payable quarterly in arrear	3.375% until the First Reset Date, then reset to 5y Mid-Swap + 400bps Margin (including 100bps step-up) every 5 years. Payable annually in arrear
Step-up	100bps from year 10	100bps from year 10	100bps from year 10
Non-Payment of Interest	Fully discretionary on any Optional Interest Payment Date Mandatorily deferred if the Solvency Condition is not met or a Capital Adequacy Event has occurred and continues to exist and a deferral of interest is required	Fully discretionary on any Optional Interest Payment Date Mandatorily deferred if the Solvency Condition is not met or a Capital Adequacy Event has occurred and continues to exist and a deferral of interest is required	Fully discretionary and deferrable at any time Mandatory deferral if a Regulatory Deficiency Event has or will occur (breach of SCR and a deferral of interest is required under the then applicable regulations)
Arrears of Interest	Cumulative and non-compounding	Cumulative and compounding	Cumulative and non-compounding
Issuer Call Frequency	At anytime from 3 months prior to the First Reset Note Reset Date up to the First Reset Note Reset Date ([●] September 2029) (20-NC10) and on any Interest Payment Date thereafter	4 February 2025 and each Interest Payment Date thereafter	At anytime from 3 months prior to the First Reset Date up to the First Reset Date and every year thereafter
Redemption Suspension	If Mandatory Deferral Event (Solvency Condition is not met or a Capital Adequacy Event) has or will occur or Insolvent Insurer Liquidation has occurred and is continuing unless permitted by the regulator	If Mandatory Deferral Event (Solvency Condition is not met or a Capital Adequacy Event) has or will occur or Insolvent Insurer Liquidation has occurred and is continuing unless permitted by the regulator	If a Regulatory Deficiency Event has or will occur (breach of SCR and suspension of payment of principal is required under the then applicable regulations), the Issuer is not solvent or would become not solvent, or an Insolvent Insurer Liquidation has occurred and is continuing, unless permitted by regulator
Special Event Redemption	Permitted for tax call, Regulatory or Rating Reasons with prior consent of the Regulator in whole but not in part at any time at par plus any accrued interest, if within five years from the Issue Date, then in exchange for or funded out of equal or better quality capital	Permitted for tax call, Regulatory or Rating Reasons with prior consent of the Regulator in whole but not in part on 4 February 2020 at par plus any accrued interest, if within five years from the Issue Date, then in exchange for or funded out of equal or better quality capital	Permitted upon a Gross-Up Event, Tax Deductibility Event, Regulatory Event or Rating Methodology Event (any time); subject to replacement with equal or better quality capital if prior to year 5, if the Applicable Regulations make a redemption or purchase conditional thereon, or as otherwise permitted under the Applicable Regulations
Exchange or Variation	Permitted for Taxation, Regulatory or Rating Reasons with prior consent of the Regulator in whole but not in part on such date	Permitted for Taxation, Regulatory or Rating Reasons with prior consent of the Regulator in whole but not in part on 4 February 2020	Permitted in any Interest Payment Date upon a Tax Event, Regulatory Event or Rating Methodology Event
Governing Law	Dutch Law	Dutch Law	Dutch law
Listing	Euronext Dublin	Euronext Dublin	Euronext Dublin

Programme

Part I: Achmea Overview

Part II: Capital Management
- Overview Solvency II
- Capital Management Policy

Part III: Proposed transaction

Part IV: Appendix

Diversified external sources of funding

Instrument	Nominal amount	Coupon	Tiering	Remarks
Classified as capital under Solvency II				
Preference shares	€311 million	5.5%	Restricted Tier 1 *grandfathered*	Coupon reset in 2024
Perpetual	€600 million	6.0%	Restricted Tier 1 *grandfathered*	Callable in November of each year
Perpetual	€750 million	4.25%	Tier 2	Callable from February 2025
Subordinated debt	€500 million	6.0%	Tier 2 *grandfathered*	Maturity April 2043, callable from 2023. Fixed interest percentage until April 2023
Classified as debt under Solvency II				
Senior unsecured	€750 million	2.5%	---	Maturity November 2020
Credit facility *undrawn*	€1,000 million	---	---	Maturity 2024. Replacement of the previous €750 m credit facility

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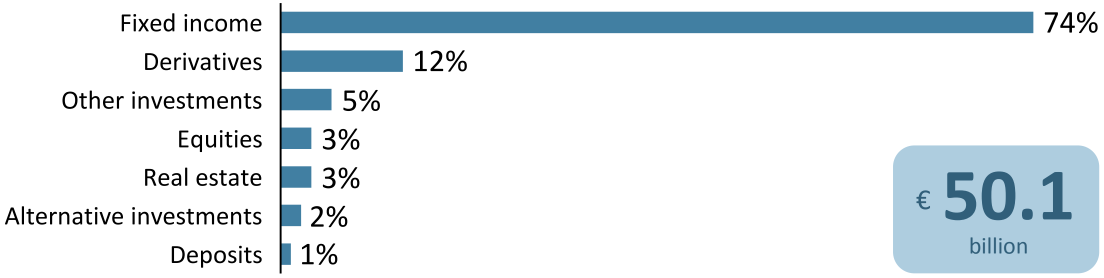
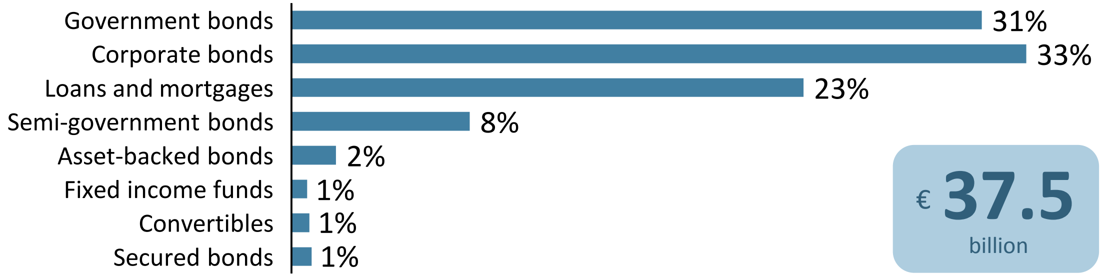
Gradual optimisation of our portfolio using our recently implemented internal model for market risk

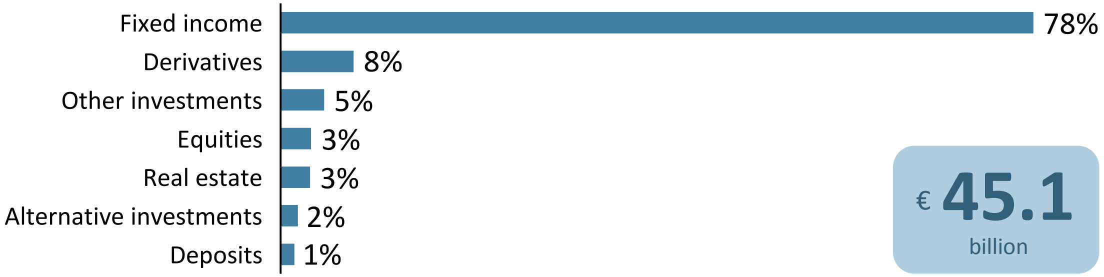
Total investment portfolio
(H1 2019, in %)



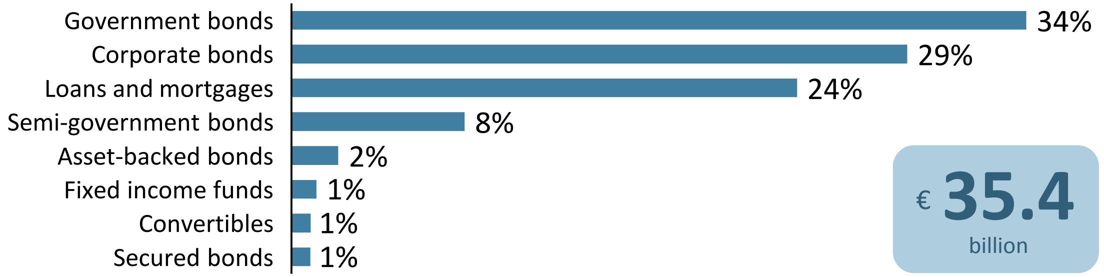
Fixed income portfolio
(H1 2019, in %)



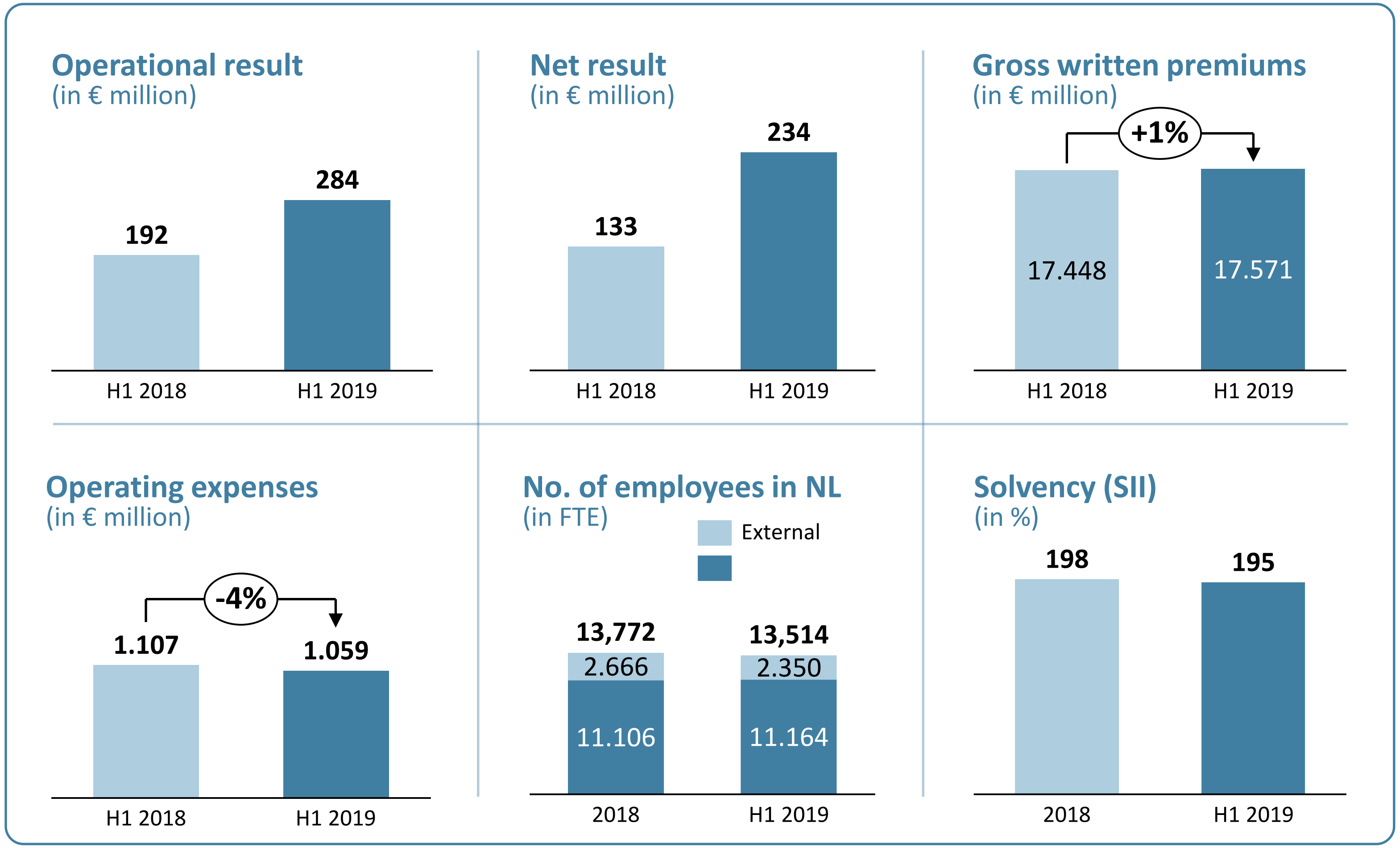
Total investment portfolio
(FY 2018, in %)



Fixed income portfolio
(FY 2018, in %)



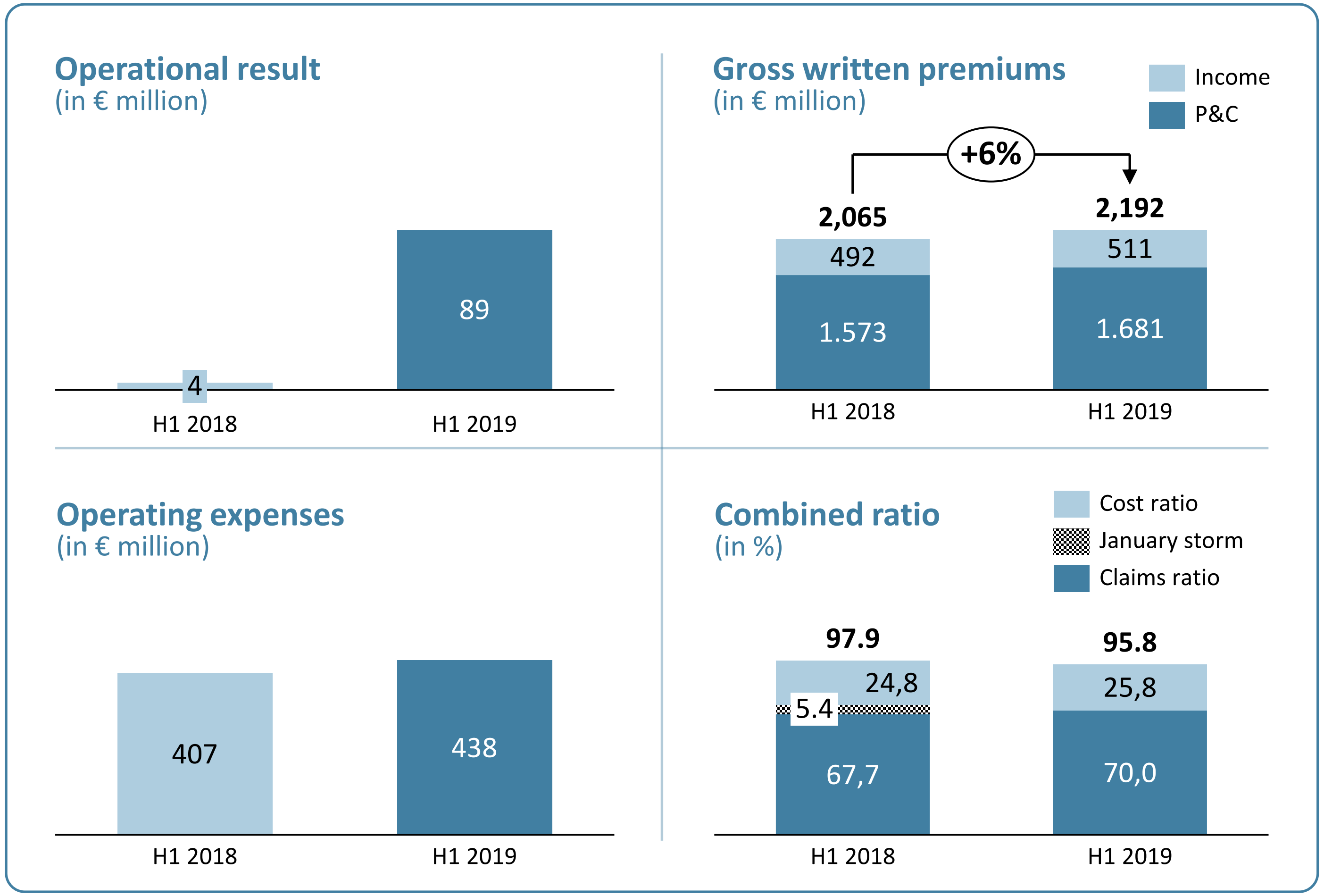
Improved results, premium growth and stable solvency ratio



Operational and net result improved

- Operational result supported by strong results in Non-Life and Pension & Life as well as a substantial contribution from Health
- Net result improved due to the increase of the operational result and an additional tax provision in H1 2018 related to the sale of PZU
- Gross written premiums increased due to growth in basic health and Non-Life Netherlands while pension and life premiums decreased in line with our service-book strategy
- Operating expenses reduced by €48 million, despite investments in growth
- Solid Solvency II ratio 195% despite a sharp decrease in interest rates and spread developments

Non-Life: Strongly improved operational result with a combined ratio of 95.8%



- Combined ratio strongly improved due to premium measures and claims management as well as higher investment results
- Gross written premiums increased due to growth of our retail customer base and premium measures
- Slight increase of cost ratio due to timing effects related to marketing expenses

Property & Casualty

- Result of P&C increased to €80 million (H1 2018: €-12 million) due to premium measures and claims prevention. The 2018 result was impacted by the January storms
- Increased frequency of weather-related damages throughout the year (e.g. €25 million in June)
  - Premium measures and growth mitigate this effect

Income Protection

- Result Income Protection amounts to €9 million (H1 2018: €16 million) and decreased due to increased claims for absenteeism, in line with national trends
- Continuous focus on recovery and re-integration accelerates the return to the labour market and limits the increased cost of claims

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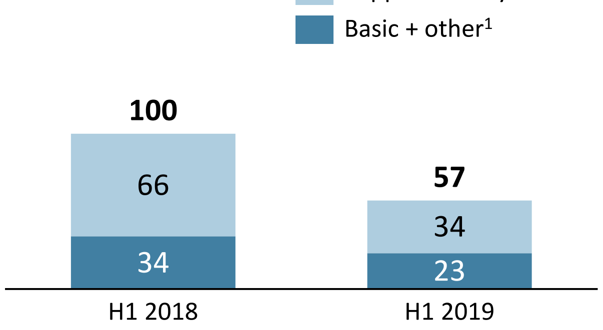
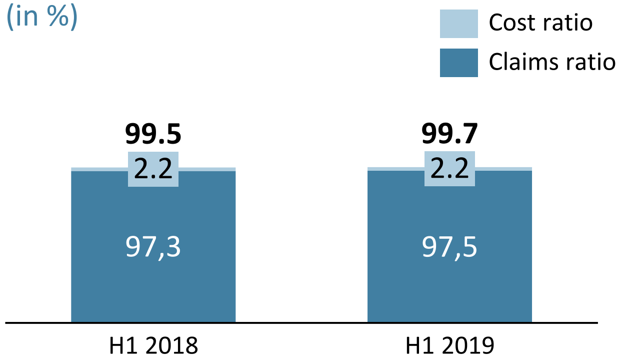
Health: Result on current underwriting year improved.
Integration of De Friesland and Zilveren Kruis was successfully completed

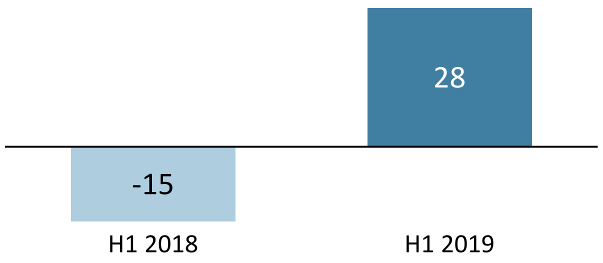
Operational result
(in € million)



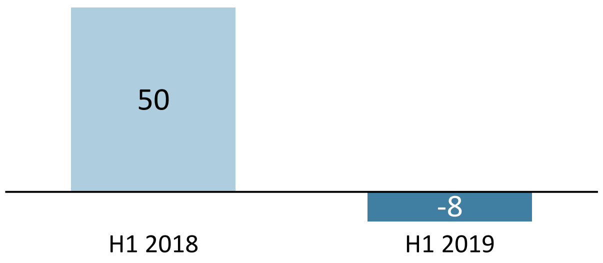
Combined ratio basic health
(in %)



Result basic health in current year
(in € million)



Result on prior years basic health
(in € million)



- Operational result decreased due to lower results on prior years
- Harmonisation of systems and processes and the integration of De Friesland completed successfully. This will lead to a structural reduction of operating expenses
- Proposed legislation regarding basic health profit distribution remains uncertain. Amended proposal expected to be discussed in Q4 2019

Basic health insurance

- Result basic health on current underwriting year improved while the result on past years was slightly negative
- Gross written premiums have increased to €12,885 million (H1 2018: €12,589 million) as a result of higher premiums and a higher contribution from the Health Insurance Equalisation Fund due to inflation of the healthcare costs

Supplementary health insurance

- Result supplementary insurance decreased to €34 million (H1 2018: €66 million) due to higher claims and an additional reorganisation provision
- GWP decreased slightly to €1,248 million (H1 2018: €1,321 million) due to customer outflow
- Percentage of customers with supplementary insurance stable at appr. 80%

[1] *Care offices*

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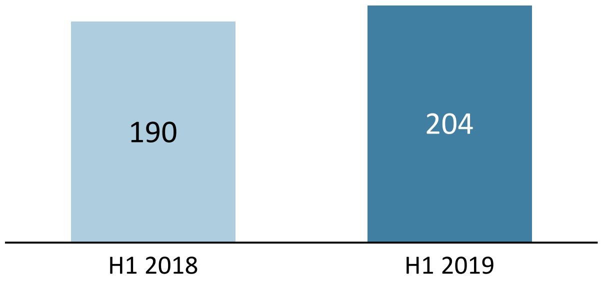
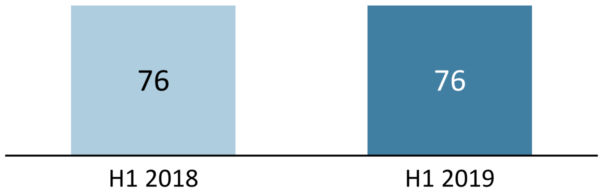
Pension & Life: Increased result due to better technical and investment result

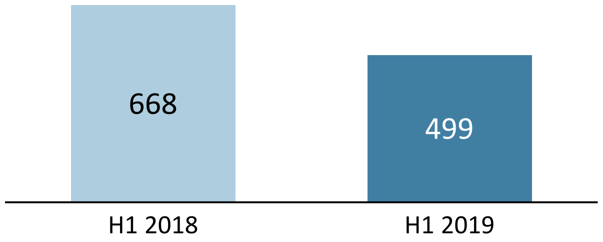
Operational result
(in € million)



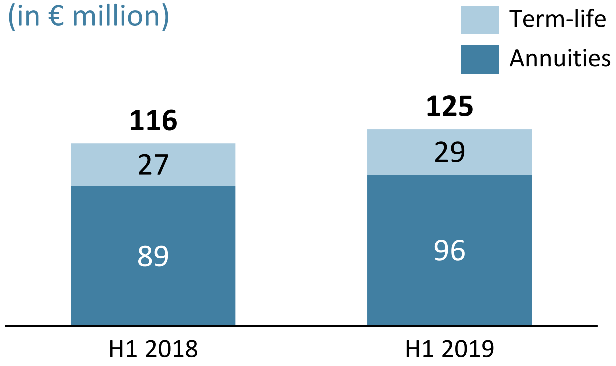
Operating expenses
(in € million)



Gross written premiums service-book
(in € million)



GWP term-life and annuities
(in € million)

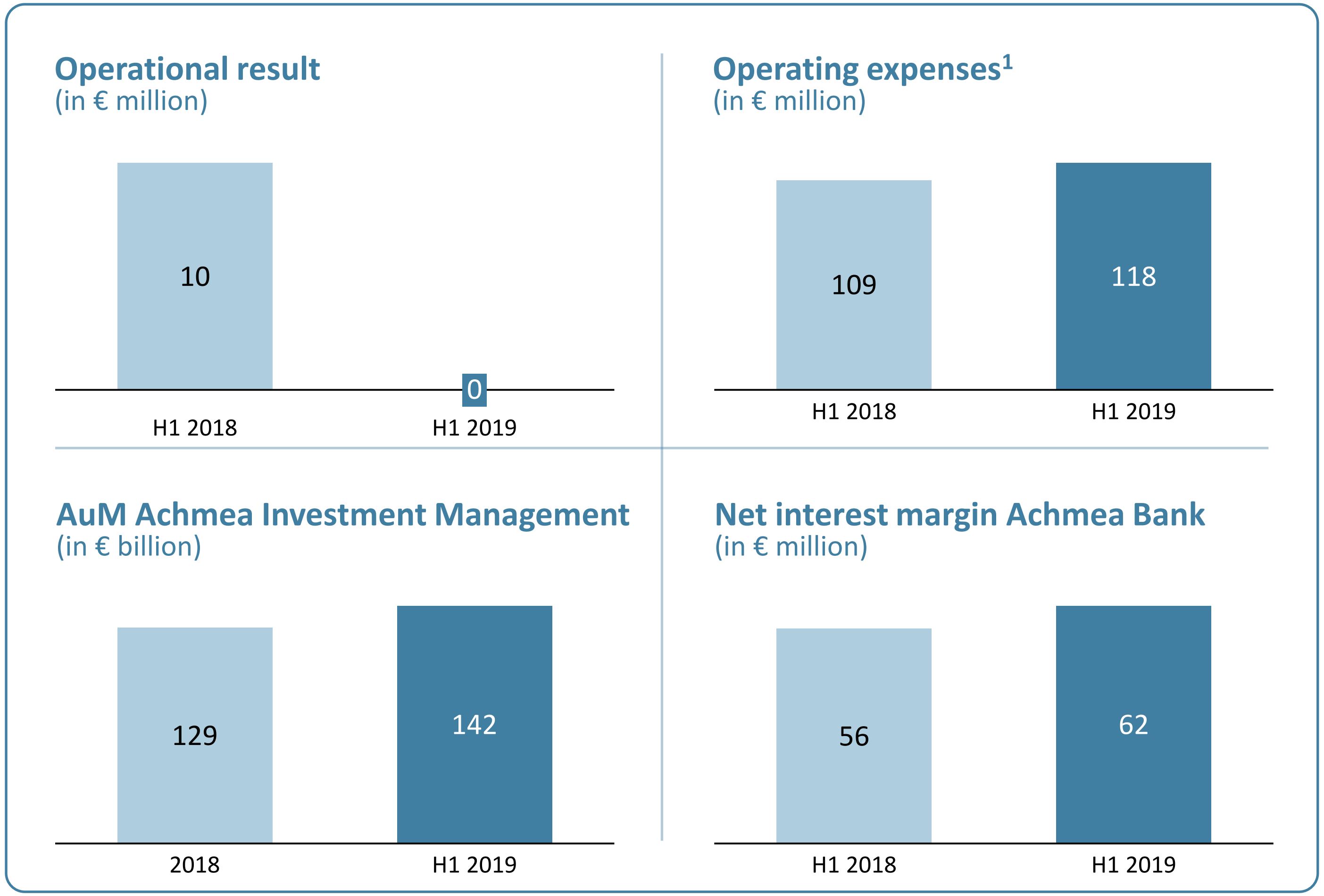


- Operational result increased by €14 million due to improved technical and investment results
- Investment result increased due to improved equity and FX-results
- Technical result improved due to higher mortality result
- Continued investments in rationalisation and migration contribute to (future) cost reductions

Service-book Pension & Life

- Pension & Life service-book with a long duration
- Premium-lapse and decline in technical provisions in line with service-book strategy
- Term-life and annuities
- Continued growth of open-book in both term-life and annuities

Retirement Services: Further growth of Assets under Management and participants. Result affected by investments in growth and cost allocation



[1] *Operating expenses including other expenses*

Achmea Bank

- Improved interest margin and revenue from fees support the result. Higher costs, due to a change in cost allocation, lead to lower operational result
- Interest result improved due to lower financing expenses
- Part of banking and asset management activities a.s.r. Bank acquired

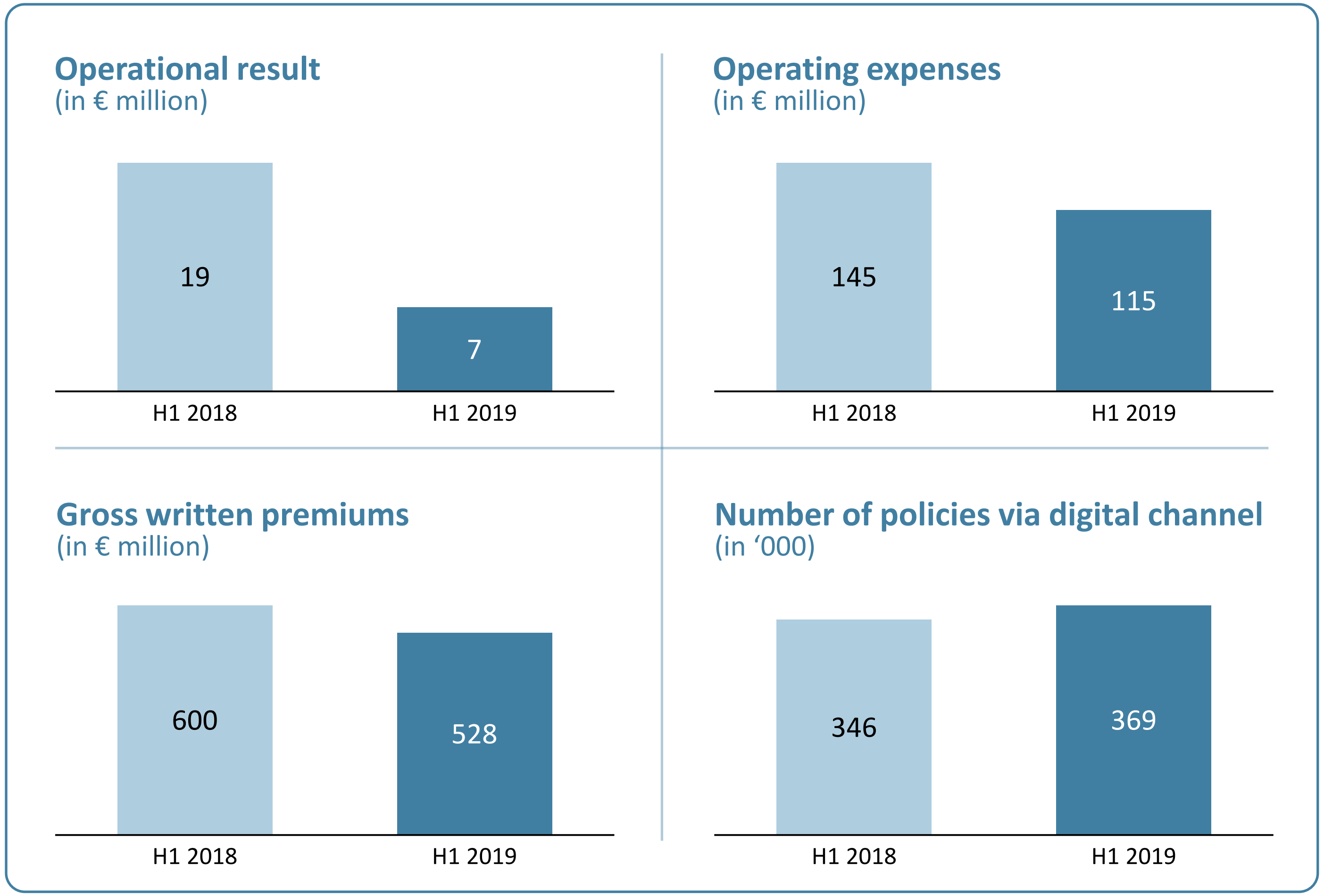
Achmea Investment Management

- AuM increased to €142 billion
- Pension fund Vervoer chooses AIM as its integral asset manager from 2020 onwards (€28 billion AuM)
- Result decreased, despite higher revenues, as a result of investments in growth

Achmea Pension Services

- Growth supported by company pensionfunds Alliance and Metro and new business through the Centraal Beheer General Pension Fund
- Services to mandatory sectoral company pension funds successfully phased out
- Negative result due to investments in long-term growth and optimisation of processes and systems

International: Growth of Non-Life (6%) and Health (7%) in Slovakia and Greece. Decreased result due to higher Health claims and Townsville flood Australia



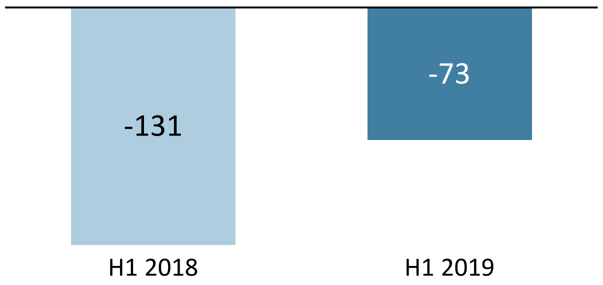
International activities

- Result decreased due to lower Health results in Greece and Slovakia as well as a flood in Australia
- Operating expenses decreased due to sale of Friends First and lower costs in Turkey as a result of the depreciation of the Turkish lira

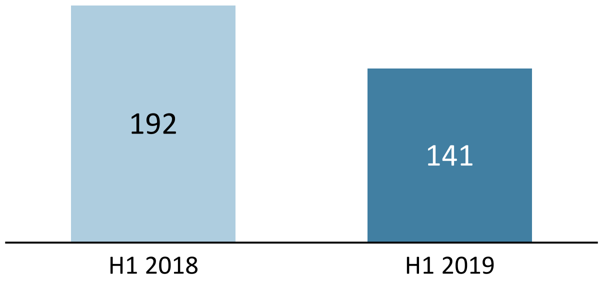
  Adjusted for this, the operating expenses increased slightly with 1% due to investments in the digital channel, the launch of Onlia in Canada and premium growth
- Gross written premiums decreased due to sale of Friends First and currency-effects. All countries showed premium growth in local currency
- Number of policies sold through the digital channel grown further to 369,000
- Online insurance proposition 'Onlia' launched in Canada. As of January 2019 policies are being sold

Other activities: Improved result due to higher results Achmea Reinsurance and lower reorganisation provisions

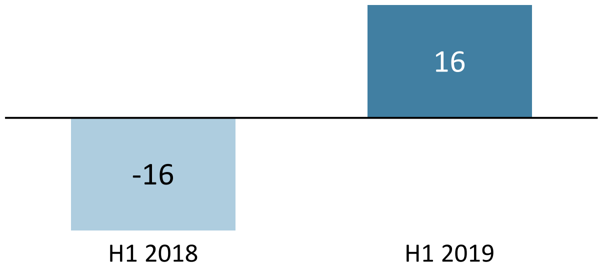
Operational result
(in € million)



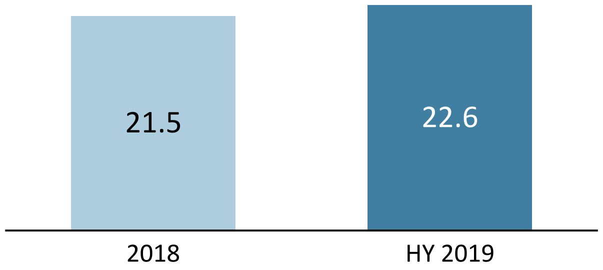
Operating expenses
(in € million)



Operational result Achmea Reinsurance
(in € million)



Assets under Management SAREF
(in € billion)



Other activities - Holding

- Other activities includes the results of our other group companies[1], activities at holding company level and financing expenses
- Improved result primarily due to increased operational result Achmea Reinsurance and lower reorganisation provisions

Other activities - Companies

- Favourable claims development in 2019 and severe impact of January storm in 2018 (€30 million) drive the improvement of the result
- AuM SAREF grew to €22.6 billion (FY 2018: €21.5 billion) as a result of new mandates from institutional investors and higher valuations of existing portfolios. Operational result grew to €5 million (H1 2018: €4 million)

[1] Achmea Reinsurance Company, Syntrus Achmea Real Estate & Finance, and Independer until december 2018

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