# Press release

18 August 2015 - Achmea announces half year  results 2015

# Achmea doubles operational result to €285 million

- Net profit of €272 also supported by further cost reductions
- Financial position further strengthened by increased solvency ratio to 225% from 215% (IGD)
- On track for targets relating to Acceleration & Innovation
- Continuing focus on innovation in customer service and operations
- Creation of General Pension Fund (GPF) for Centraal Beheer

**Willem van Duin, Chairman of the Executive Board:**

"Over the first six months of this year Achmea posted a net profit of €272 million. Net profit improved as a result of lower operational expenses, higher investment results and an incidental positive result in the health insurance segment.The operational result has doubled from €142 to €285 million, which demonstrates that we are on the right track in terms of the underlying business. All our insurance activities contributed to the improved result. Our international business also achieved better results. Storms in the first half of this year caused considerable damages to our customers' property and impacted our result by €25 million.

Our financial position remains as robust as ever and our customers can count on us continuing to be a reliable financial partner in the future. Our solvency ratio for insurance entities has increased by 10 percentage points to 225% since the end of last year.

Achmea sets the tone in the Pension market and has decided to establish a General Pension Fund. Centraal Beheer provides us with a sound starting position in this market. In line with this, we also concentrate the operational asset management activities within our group. The new segment, Achmea Investment Management, manages over €71 billion for several pension funds and for Achmea itself.

At the same time we have a continued focus on innovation. Company-wide , more than 150 new initiatives were put in motion, both in the service to our customers and our business. On the one hand we are renewing our service to customers and on the other we are standardizing and automating our processes and systems.

Acceleration & Innovation also includes cutting costs by a  total of €450 million with the necessary reduction of the number of jobs by about 4,000 by the end of 2016. With a reduction of costs of over €200 million since the start of the change programme at the end of 2013 and of the number of jobs by 2,100, we are on schedule to meet these targets. In addition to innovation, the focus on costs and return will continue to be important in order to offer our customers insurance products at the most competitive prices."

**ACHMEA INTERIM RESULTS 2015 - 18 AUGUST 2015**

A conference call for media outlets is scheduled for 11am on this date.
Media representatives can dial in using the following number:
+31 20 53 15 850.
A conference call for analysts is scheduled for 2pm.
Analysts can dial in using the following number: +31 20 53 15 851.
For more information, please visit www.achmea.com

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# Group results

## GROUP DEVELOPMENTS

We are now half-way through our three-year Acceleration & Innovation programme and many improvements have already been implemented with regards to customer centricity. One hundred and fifty new initiatives have been set up throughout the company. Acceleration & Innovation is divided into four cornerstones: customer-driven, competitive costs, responsible returns and employees in transition. Major progress has been made in each of these.

### Customer-driven

We continuously measure the customer satisfaction at almost all our brands using the Net Promoter Score (NPS). Centraal Beheer, among others, has increased its NPS among corporate customers by aiming to provide an excellent service in this segment too. The fact that our insurance products are among the best in the Netherlands can be seen from a recent test of home insurance products conducted by the Consumers Association. FBTO and Interpolis were among the top three of the best contents and buildings insurers in the July/August issue of the Consumentengids.

Achmea's score on the AFM's customer centricity dashboard has further increased. It rose from 3.3 to 3.4 on a scale of 5 and is average for the sector. Achmea is therefore on the right track but there is still room for improvement.

The growing sharing economy is playing a major role in adapting our operations. Following cooperation with Snappcar and Peerby, Centraal Beheer now also covers damage to homes or contents in the event of temporary leasing via Airbnb as standard.
The apps that Zilveren Kruis and Centraal Beheer launched last year have now been downloaded over 70,000 and 40,000 times respectively. Nowadays, about 45% of all healthcare bills are submitted to Zilveren Kruis electronically, including via the new app.

A survey by Return Social has shown that FBTO stands out positively when it comes to questions via social media. This consultancy bureau investigates how companies respond to questions via Facebook and Twitter. In the Financials category, FBTO scored the best on all questions answered correctly within one hour.
Interpolis, which has long devoted a great deal of attention to prevention, is working on making customers more aware of the importance of cybersecurity. Interpolis has developed the Cyber Prevention Service with a view to small and medium-sized businesses in particular being better protected against cybercriminality. Preventive solutions are provided to make businesses more resistant to digital attacks.

### Competitive costs

We are on track for our ambition of cutting operational expenses by €450 million by the end of 2016 and also expect to achieve the reduction of about 4,000 jobs. Since the beginning of Acceleration & Innovation, our costs have gone down with more than €200 million and the number of jobs has been reduced with 2,100. In the coming period we will work on further savings arising from our Migration to Digital Customer Service (MDCS) programme. By further automating our processes we raise customer satisfaction and our NPS scores and also incur less cost. We are also focusing on further digitisation in acquiring new customers.

### Responsible returns

Achmea aims to continue offering its customers a good pension. For this reason, we have decided to create a General Pension Fund (GPF) with Centraal Beheer. The GPF fits in with our long tradition of being a cooperative insurer, and as such we have plenty of experience of representing all the interests in the pension market. Centraal Beheer and our Pension services also provide us with a strong starting position in the pension market. We are strengthening our close commercial and strategic ties with Rabobank. A quarter of existing Rabobank customers take out insurance as well as purchasing banking products. Together we are working on increasing that percentage.

### Employees in transition

The new Collective Labour Agreement (CAO) that we concluded at the start of this year is dominated by the organisational changes that have been set in motion. The main themes are employability, vitality and employee mobility. Easy-to-understand communications are more important than ever. We already simplified our policy terms and conditions. Over 10,000 Achmea employees have also received an education around the importance of clear communications - especially to customers. We now send our customers letters and e-mails containing as little jargon and other complicated constructions as possible.

### Governance

The appointment of Bianca Tetteroo to Achmea's Executive Board was announced in early June. She will fill the vacancy left by the departure of Danny van der Eijk. Roelof Konterman was also appointed Vice-Chairman. The departure of Jeroen van Breda Vriesman was announced at the end of July. The appointment of Robert Otto to the Executive Board as his successor has recently been announced. Van der Eijk and Van Breda Vriesman both made significant contributions to Achmea in their various roles.

# Group results

KEY FIGURES (€ MILLION)

| RESULTS | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Gross written premiums | 16,902 | 17,017 | −1% |
| Net earned premiums | 9,703 | 9,194 | 6% |
| Investment income including associates | 806 | 1,752 | n.m. |
| Fee and commission income | 197 | 204 | −3% |
| Other income | 855 | 1,681 | n.m. |
| **Total income** | **11,561** | **12,831** | **−10%** |
| | | | |
| Claims and movements in insurance liabilities | 9,592 | 10,917 | −12% |
| Operating expenses | 1,367 | 1,415 | −3% |
| Other expenses | 317 | 357 | −11% |
| **Total expenses** | **11,276** | **12,689** | **−11%** |
| | | | |
| **Operational result**** | **285** | **142** | **101%** |
| | | | |
| Profit before tax | 290 | −46 | n.m. |
| **Net profit** | **272** | **−58** | **n.m.** |

| BALANCE SHEET | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Total assets | 102,624 | 93,205 | 10% |
| Total equity | 10,300 | 9,818 | 5% |

| SOLVENCY | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Regulatory solvency ratio Group (FCD) | 225% | 217% | 8%-pts |
| Regulatory solvency ratio insurance entitites (IGD) | 225% | 215% | 10%-pts |

| FTES | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| FTEs (internal) | 15,817 | 16,556 | −4% |

** n.m: not meaningful.*

*** Achmea's operational result is calculated by adjusting the reported Net Profit before tax for special items. These are items of income or expense that are significant and arise from events or transactions that are clearly distinct from the ordinary business activities and therefore are not expected to recur frequently or regularly. This includes for instance restructuring expenses, goodwill impairments and results on divestments before tax related to divested operations. Operational result is a non-GAAP financial measure and is not a measure of financial performance under IFRS-EU. This additional measure should be viewed as complementary to, and not as a substitute for, our figures determined according to IFRS-EU.*

## FINANCIAL RESULTS

### General information

Achmea posted an operational result of €285 million for the first six months of 2015, double the operational result of €142 million over the same period last year. Lower costs, sound investment results and releases of provisions in the health segment contributed to the improved result. The net profit was €272 million (H1 2014: -€58 million). Reorganisation expenses and goodwill impairments reduced the profit before tax by €188 million in 2014.

NET RESULT (€ MILLIION)

| | H1 2015 | H1 2014 |
|---|---|---|
| Operational result | 285 | 142 |
| Impairment of goodwill and other intangibles | | 143 |
| Reorganisation expenses | | 45 |
| Transaction results/M&A | 5 | |
| Result before tax | 290 | −46 |
| Tax | 18 | 12 |
| Net result | 272 | -58 |

# Group results

Gross written premiums amounted to €16,902 million and are in line with the same period last year (€17,017 million). This again demonstrates that many people in the Netherlands opted for insurance policies at one of our brands. Operating expenses are down by 4%, as the effects of our Acceleration & Innovation reorganisation programme become visible. Our solid financial position was strengthened by an increase in the solvency margin (IGD) on insurance entity level from 215% to 225%.

### Operational result

The operational result is €285 million (H1 2014: €142 million). The cost of claims was up in the first half of 2015 due to weather related events. Storms in January and March of this year caused considerable damage (€25 million) to our customers' properties. The structural result from our basic healthcare insurance amounted to €4 million in the first six months of 2015 and is at about the break-even point. This is a result of our strategic decision to keep premiums low in 2015. The transfer of long-term healthcare to the basic health insurance system and the rise in healthcare consumption were largely covered by using part of our result over 2014. On balance a one-off release of provisions leads to a higher result for the segment. Revenue from our existing life insurance activities continues to be under pressure in line with market trends. Improved performances were also achieved internationally. The results from activities abroad have risen due to sound commercial performances, further cost reductions and the sale of loss-making activities.

The recognised result on investments where Achmea bears the risk is €129 million higher than in the same period last year. Higher realised gains on both fixed income and equities have had an effect amounting to €102 million, while the indirect return on real estate is up €22 million on last year. While our exposure to retail and office property is on balance still subject to a slight downward revaluation, the value of residential property has grown in the first six months of 2015.

The realised gains on fixed-income securities were chiefly driven by a change to the composition of the portfolio. For instance, the tight spreads led us to reduce our covered bond portfolio in favour of less liquid, but higher-yielding fixed income investments such as private loans and mortgages.
Over the past six months our exposure to direct mortgages for the insurance business has risen by €937 million to €2.5 billion as of mid-2015. The target is approximately €4 billion by the end of 2015.

The positive trends on the financial markets have been a major factor behind the increase in the results achieved via regular sales in our equity portfolios. As regards the portfolios compositions, a positive market climate, as well as an additional allocation of about €200 million in equities increased the exposure to €3.5 billion as of 30 June 2015.

The results on fixed income securities and derivatives from the Dutch Pension & Life business are added to the Fund for Future Appropriation (FFA). The FFA is a provision to cover obligations to our customers. The addition is presented as part of the movement on insurance liabilities. In doing so, realised and unrealised revaluations of these securities and derivatives are part of insurance liabilities. The rise in market interest rates resulted in a decrease in the FFA in the first half of 2015. The FFA declined by a total of €0.8 billion to €5.9 billion (year-end 2014: €6.7 billion).

### Operating expenses

Our aim remains to cut our operating expenses by €450 million on a long-term basis by the end of 2016. On account of our changing processes and procedures and further digitisation, it is unavoidable that the number of jobs at our Dutch activities will decrease by approximately 4,000.

Adjusted for effects in 2015 and 2014, operating expenses declined by 4%. This decline is mainly the result of a reduction in personnel costs following a decrease in the number of jobs and a decline in IT costs as a result of further rationalisation of our system environment. The effects relate to the operating expenses of the segments sold in 2014 and the higher pension costs in 2015 caused by the much lower interest rates. Not taking these effects into account, operating expenses declined by 3% compared to the same period in 2014.

The number of jobs at the company was further reduced in 2015. In the first six months of 2015 the total number of employees (FTEs) decreased by 739, or over 4%, to 15,817 (year-end 2014: 16,556). The number of jobs in the Netherlands was reduced by 838 FTE to 13,272, mainly as a result of the implications for staff due to the Acceleration & Innovation programme. The number of jobs outside the Netherlands increased by 99 to 2,545. This is chiefly thanks to newly-created jobs in Turkey aimed at realising our growth ambitions there.

## CAPITAL MANAGEMENT AND FUNDING

Total equity rose to €10,300 million in the past year (2014: €9,818 million), representing an increase of €482 million. The net results for the first six months of 2015 account for a total of €272 million of this amount. This increase is also largely due to a perpetual subordinated bond issue worth €750 million and repayment of perpetual subordinated bonds worth €367 million.

The revaluation reserve declined by €130 million. This decline is the result of the lower unrealised revaluation of fixed-income securities caused by higher market interest rates. In contrast, the higher equity markets caused an increase in the unrealised revaluation on equities and other investments in the first half of 2015. On balance the revaluation reserve has declined.

The currency reserve declined by €20 million on account of the weaker Turkish lira. Moreover, a total of €34 million in dividend and coupon payments was paid to our shareholders and bondholders in the first six months of 2015. No dividends were paid on ordinary shares.

DEVELOPMENT OF TOTAL EQUITY (€ MILLION)

| | |
|---|---|
| **Total equity 31/12/2014** | **9,818** |
| Net result | 272 |
| Dividends and coupon payments to holders of equity instruments | -34 |
| Issue and redemption and repurchase of equity instruments | 383 |
| Revaluation of equity and fixed income portfolio | -130 |
| FX reserves | -20 |
| Other | 11 |
| **Totaal equity 30/06/2015** | **10,300** |

### Solvency

It is in the interest of our customers that we maintain a high solvency ratio. This is an important indicator of the company's financial health, ensuring that we can always meet our commitments to our customers. Our IGD solvency ratio (following the de-consolidation of our banking and pension services business) increased by 10 percentage points to 225% compared to year-end 2014 (215%). This is the result of an increase in available capital of €489 million and growth in the required capital of €49 million due to portfolio growth.
The increase in available capital is caused mainly by a €482 million increase in equity, largely thanks to an increase in perpetual subordinated bond loans.

Achmea uses the ECB AAA yield curve, including an ultimate forward rate (UFR) in performing the capital adequacy test for determining the solvency ratio under Solvency I. Without use of the UFR, the company solvency ratio in line with the IGD definition is 206%.

SOLVENCY I (€ MILLION)

| | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Available capital | 8,929 | 8,440 | 6% |
| Required capital | 3,972 | 3,923 | 1% |
| **Solvency ratio (IGD)** | **225%** | **215%** | **10%-pts** |

### Solvency II

Over 2014 Achmea calculated a Solvency II capital position in addition to its Solvency I capital position. Solvency II will substitute Solvency I from 2016.

For a number of risk areas Achmea has opted to develop a partial internal model as this better matches the risks than the standard formula based on European averages. The application process for this model was initiated on 1 July 2015, whereby non-life insurance risk and health insurance risk are calculated using an internal model. We are currently working on modelling the volatility adjustment and sovereign risk for market risk and intend to initiate a pre-application process at DNB later in 2015. The aim is for Achmea to start the formal application process in 2016.

The solvency ratio for the group increased in 2014 compared to 2013. The main reasons for this are a decline in the required capital due to including ceiling agreements with hospitals on calculating health capital requirements and an increase in the available equity, €520 million of which is due to an increase in perpetual subordinated bonds.

At the end of 2014, Achmea calculated the Solvency II ratios given below for the group. These numbers match those presented at the Capital Markets Day on 19 May 2015. An internal model for market risk was applied here.

SOLVENCY II (€ MILLION)

| | 31-12-2014 | 31-12-2013 | Δ |
|---|---|---|---|
| Ratio calculated Partial internal Model | 208% | 184% | 24%-pts |
| Ratio calculated Standard formula | 179% | 174% | 5%-pts |

### Funding

In the first half of 2015 we both repaid and issued perpetual subordinated bonds. Over the past six months perpetual bonds worth €367 million were repaid. We also held a successful perpetual bond issue worth €750 million. These perpetual bonds have a coupon rate of 4.25% and are listed on the Irish stock exchange. Our debt leverage ratio* rose to 24.2% in the first half of 2015 (year-end 2014: 23.1%). Our fixed-charge coverage ratio – which reflects the relationship between fixed financing expenses and earnings before interest and depreciation, increased to 5.6x.

Achmea B.V. has been awarded an 'A-' creditworthiness rating by Standard's & Poor's. Achmea's insurance business has been awarded a creditworthiness rating of A+. These two ratings remained unchanged in the first six months of 2015. Achmea

Reinsurance, Achmea's internal reinsurance business, was awarded a credit rating of 'A' by Standard & Poor's on 5 August 2015. All the ratings have a negative outlook.

** Debt leverage: non-bank debts and perpetuals as a percentage of the sum of total equity, non-bank debts and perpetuals less goodwill. .*

# Non-Life Netherlands

- Higher operational result thanks to lower costs and improved investment results
- Storms in January and March caused €25 million in damage at customers' properties
- Low interest rates have negative impact on income protection segment

RESULTS (€ MILLION)

| | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Gross written premiums | 1,979 | 2,036 | −3% |
| Operating expenses | 437 | 472 | −7% |
| **Operational result** | **109** | **77** | **42%** |

| KEY FIGURES | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Claims ratio | 74.4% | 69.0% | 5.4%-pts |
| Expense ratio | 27.9% | 30.1% | −2.2%-pts |
| **Combined ratio** | **102.3%** | **99.1%** | **3.2%-pts** |

| KEY FIGURES PROPERTY & CASUALTY | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Claims ratio | 71.0% | 66.9% | 4.1%-pts |
| Expense ratio | 28.2% | 31.0% | −2.8%-pts |
| **Combined ratio** | **99.2%** | **97.9%** | **1.3%-pts** |

| KEY FIGURES INCOME PROTECTION | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Claims ratio | 88.5% | 77.4% | 11.1%-pts |
| Expense ratio | 26.6% | 26.3% | 0.3%-pts |
| **Combined ratio** | **115.1%** | **103.7%** | **11.4%-pts** |

| | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Solvency | 245% | 262% | −17%-pts |

## GENERAL INFORMATION

Achmea is market leader in non-life insurance in the Netherlands and a trendsetter in income protection products. Customers purchase our non-life and income protection products directly via Centraal Beheer, from Interpolis via Rabobank and from Avéro via intermediaries. We are responding to our customers' changing needs by using new technology. Digitising our processes and systems allows us to work more efficiently. In doing so we are cutting costs in order to remain competitive.

### Results

During the first six months of 2015, the operational result from the non-life and income protection segment was €109 million (H1 2014: €77 million). The higher result can chiefly be attributed to higher investment yields (€86 million) and structural income arising from measures to improve returns and from cost reductions. In terms of insurance performance, we earned a lower result on both non-life and income protection products in the first six months of 2015. Gross written premiums of €1,979 million translate into a slight decline (H1 2014: €2,036 million) due to the effect of multi-year contracts in 2014 and a stricter price and acceptance policy.

## SEGMENTS

### Non-Life

The operational result from our non-life segment was up by €56 to €97 million in the first half of 2015 (H1 2014: €41 million). This increase is due to a higher investment result and lower operating expenses, but is partly cancelled out by a higher cost of claims. A tornado in January and a storm in March caused €25 million in damage to customers' properties.
Personal injury claims are also rising. The main reason for this is a change to the legislation governing personal injury. Municipalities set the personal contribution for injured parties who are entitled to social support (under the WMO) and to care for uninsurable medical risks and long-term care (WLZ). Whereas an injured party's income used to be the sole determinant of the level of the personal contribution, for some

time now the amount of capital he or she holds has also been taken into account. The introduction of this capital test results in lower social benefits, which in turn leads to higher personal injury claims.

The result from investment is higher compared to last year as we earned income on fixed income securities thanks to a shift in the portfolio. Operating expenses in the non-life area declined further in the first half of 2015 to €357 million (H1 2014: €392 million), chiefly due to lower acquisition and management fees.

Gross written premiums for our non-life segment declined in the first half of 2015 to €1,467 million (H1 2014: €1,540 million). The decline in written premiums occurred mainly in the corporate market.

Premium measures have led to a lower number of policies in our corporate portfolio. Gross written premiums are lower for the first six months of 2015 because more long-term contracts were concluded in the first half of 2014.

The combined ratio increased to 99.2% (H1 2014: 97.9%) due to a higher cost of claims and lower written premiums. The claims ratio increased to 71.0% (H1 2014: 66.9%). The expense ratio improved by 2.8 percentage points to 28.2% (H1 2014: 31.0%).

## Income Protection

The income protection insurance market has been under pressure over the past few years. This is in part due to reorganisations and bankruptcies leading to reduced demand. The number of freelancers is displaying an upward trend in the Netherlands. Yet this has not led to a higher number of work-related disability insurance policies as entrepreneurs starting out tend to use their income to invest. The cost of claims on work-related disability insurance has risen in general. Some companies have reverted to the public system under the WIA disability act.

The operational result from our income protection segment is €12 million and therefore down on last year (H1 2014: €36 million). The lower result is due to a rise in the cost of claims as a result of extra reserves triggered by interest rate trends and a lower release of provisions in 2015 compared to the same period in 2014. Gross written premiums for our income protection segment increased by 3% to €512 (H1 2014: €496 million) in the first half of 2015 thanks to higher premiums for our WIA disability insurance. The number of policies in the income protection portfolio declined in the first six months of 2015 compared to the same period in 2014.

The combined ratio for the financial year increased to 115.1% (H1 2014: 103.7%). In the wake of measures to restrict the cost of claims, we were also able to release some of our provisions for work-related disability insurance this year. However, this release in the first half of 2015 is substantially lower than in the same period in 2014.

With respect to absence due to illness, there was a slight deterioration in the cost of claims due to an increase in the length of time participants were absent from work. Measures to improve returns based on the WIA disability act have had a clear positive impact but still need to result in a structurally low combined ratio.

Low interest rates have had a negative effect on our cost of claims as we have had to retain a higher provision in order to be able to meet our long-term commitments for work-related disability insurance. This effect has not been passed on to our customers in relation to our disability portfolio as we have opted to retain our competitive position. At 26.6% the expense ratio was slightly up on the first half of 2014 (26.3%). Acquisition and management fees declined substantially due to the programmes initiated to optimise the income area. Expenditure for provisions rose as a result of the higher gross written premiums.

# Health Netherlands

- Structural results of basic health insurance close to breaking even due to competitive premiums
- Incidental results €158 million, driven by higher earnings from equalisation in hospital care and mental health care
- Lower results on account of more selective choice of supplemental health insurance

RESULTS (€ MILLION)

| | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Gross written premiums | 12,996 | 12,806 | 1% |
| Operating expenses | 292 | 315 | −7% |
| **Operational result** | **188** | **159** | **18%** |
| Structural profit before tax (Basic health) | **4** | **113** | **n.m.** |
| Incidental profit before tax (Basic Health) | 158 | | n.m. |

| KEY FIGURES | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Claims ratio | 94.2% | 94.8% | −0.6%-pts |
| Expense ratio | 4.2% | 4.6% | −0.4%-pts |
| **Combined ratio** | **98.4%** | **99.4%** | **−1.0%-pts** |

| KEY FIGURES BASIC HEALTH | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Claims ratio | 95.0% | 96.1% | −1.1%-pts |
| Expense ratio | 3.2% | 3.4% | −0.2%-pts |
| **Combined ratio** | **98.2%** | **99.5%** | **−1.4%-pts** |

| KEY FIGURES SUPPLEMENTARY HEALTH | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Claims ratio | 86.0% | 82.6% | 3.4%-pts |
| Expense ratio | 9.4% | 10.7% | −1.3%-pts |
| **Combined ratioΔ** | **95.4%** | **93.3%** | **2.1%-pts** |

| | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Solvency | 225% | 214% | 11%-pts |

** n.m.: not meaningful*

## GENERAL INFORMATION

Zilveren Kruis, FBTO, Interpolis and De Friesland offer basic and supplemental health insurance. Our combined market share in the Netherlands in 2015 is 31%, and we provide insurance to a total of 5.2 million customers. Additionally, we also offer healthcare services, including the Eurocross emergency services for global medical aid and healthcare services through local healthcare offices. The merger of insurance companies Agis and Zilveren Kruis, which became effective on 1 January 2015, has enabled us to improve our services to our customers and reduce our costs, which helps keep premiums affordable.

### Results

The structural results from our basic health insurance business totalled €4 million in the first half of 2015 (versus €113 million in the first half of 2014). The intermittent result from basic health insurance was €158 million while earnings from our supplemental health insurance totalled €28 million (H1 2014: €50 million). Operating expenses decreased by €23 million during the first half of 2015 from the same period in 2014 as a result of initiatives related to the Acceleration & Innovation change programme and the sale and partial closure of the Achmea Health Centers in the second half of 2014. Total operational result for both basic and supplemental health insurance combined increased by €29 million to €188 million during the first half of 2015, driven mainly by the irregular earnings as a result of the release of provisions previously accumulated.

Gross written premiums increased during the first half of 2015: by 1.5% to €12,996 million (H1 2014: €12,806 million). The number of insured persons in our portfolio was down from 2014. Through our group insurance policies, we choose to add value for our customers based on shared characteristics within a customer group. As a result, there was a decline in the number of customers in groups for which we can add little value, or only to a limited extent. This was a conscious decision on our part, but we are pleased to report that we also managed to attract a large number of new customers. The lower written premiums are offset by the increase in written premiums, as a result of the transfer of a portion of the Act on Extraordinary Healthcare Costs [AWBZ] insurance policies to the basic insurance and the increase in the number of customers.

## SEGMENTS

### Basic Health Insurance

The structural result in the first half of 2015 was €4 million (H1 2014: €113 million). The transfer of a portion of the healthcare costs from the Act on Extraordinary Healthcare Costs to the Basic Health Insurance is another key factor. We were able to partially offset the higher healthcare costs in 2015 by using a portion of our earnings from 2014 and not fully including them in the premium. The introduction of new medications increased the cost of pharmaceuticals.

A nonrecurring release of a portion of our provisions resulted in an intermittent result of €158 million. We accumulate provisions every year in order to be able to honour our commitments to customers, and use these to cover items such as health insurance claims from previous years. By procuring health care based on quality and price, we are working on reducing healthcare expenses in a responsible manner. Health insurance companies have agreed with healthcare providers to offer more treatments that do not require hospitalisation or stay at another health institution, provided that the high quality of care is maintained. This increase in outpatient treatment continued steadily in 2015. As a result of these developments, a higher one-off payment from the equalisation fund thanks to more recent insights into the ratio between fixed and variable costs and a benefit due to a deviation from average national costs (known as the 'safety net regulation') in hospital care and mental health care, we were able to release a portion of our provisions in the amount of €158 million on a one-off basis.

The combined ratio increased to 98.2% (H1 2014: 99.5%) as a result of both a lower claims ratio and a lower cost ratio. The claims ratio fell to 95.0% in the first half of 2015 (versus 96.1% in H1 2014) as a result of lower healthcare costs in previous years. The cost ratio fell to 3.2% (H1 2014: 3.4%), mainly as a result of the implementation of initiatives introduced as part of the Acceleration & Innovation programme. Meanwhile, the higher written premiums also helped to improve both the claims ratio and cost ratio of the Basic Health Insurance.

### Supplemental health insurance

The operational result from our supplemental health insurance was €28 million (H1 2014: €50 million). Earnings fell as a result of the lower number of insured persons and the trend of customers considering the supplemental cover to be purchased more selectively. Gross written premiums declined to €1,327 million (H1 2014: €1,379 million) for the same reasons.

The declining trend in the number of supplemental health insurance policies has reversed; at Zilveren Kruis, this is the result of a variety of factors, including the introduction of the Basic Plus module – with a lower cover – which has been purchased more than 50,000 times to date. The existing customers who opted for the Basic Plus Module did not have supplemental insurance in half of the cases in 2014. The number of customers with basic health insurance who also purchase supplemental cover is approximately 80%.

The combined ratio of supplemental health insurance policies increased to 95.5% during the first half of 2015 (H1 2014: 93.3%). The claims ratio increased by 3.4 percentage points to 86.0%. Our customers have become more selective in purchasing supplemental cover, resulting in relatively higher claims overall. The cost ratio fell by 1.3% in the first half of 2015, to 9.4%, as a result of a reduction in operating expenses.

# Pension & Life Netherlands

- Operational result up to €125 million (2014: €70 million)
- Decrease in expenses of 7% corrected for rising reinsurance fees
- Creation of General Pension Fund (GPF) for Centraal Beheer

| RESULTS | | | (€ MILLION) |
|---|---|---|---|
| | H1 2015 | H1 2014 | Δ |
| Gross written premiums | 1,353 | 1,608 | −16% |
| Operating expenses** | 172 | 185 | -7% |
| **Operational result** | **125** | **70** | **79%** |

| KEY FIGURES BASED ON MARKET CONSISTENT PRINCIPLES | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Value added by new business | 5 | −1 | n.m. |
| New business (APE) | 105 | 61 | 72% |
| New business margin | 1.1% | −0.2% | 1.2%-pts |

| | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Solvency | 227% | 228% | −1%-pts |

** n.m.: not meaningful*
*** Excluding increase in premium-related fees reinsurance*

## GENERAL INFORMATION

Centraal Beheer, Interpolis and Avéro offer their customers pension and life insurance products. We innovate our products and communicate with our customers using modern and transparent means. In marketing our pension products, we focus on defined-contribution pension schemes. We also sell life insurance and operate in the reinsurance market. We are preparing ourselves for future legal amendments to the pension system by setting up a General Pension Fund (GPF). Our company, processes and propositions are currently being prepared for the advent of the GPF.

### Results

The operational result from the Pension & Life segment in the Netherlands rose to €125 million in the first half of 2015 (H1 2014: €70 million). The increase is due to higher technical earnings, an improved investment return and lower overall costs.

The higher technical earnings on our pension and life insurance products can chiefly be attributed to the positive trends in work-related disability and invalidity among our participants. The technical earnings on reinsurance increased thanks to a higher level of incoming reinsurance.

The improved investment return is chiefly due to lower downward adjustments on real estate investments and profit from equity sales.

The positive effect of the low interest rate on the value of our fixed-income securities and interest-rate derivatives is not immediately visible in the results. All investment results on fixed-income securities and interest-rate derivatives for our own risk and expense are set aside in a Fund for Future Appropriation (FFA), a provision to cover obligations to our customers.

A lower premium volume leads to lower costs. When adjusted for higher fees due to the increased reinsurance activities, operational expenses for our pension and life insurance businesses fell by 7% to €172 million in the first six months of 2015 compared to the same period in 2014 (H1 2014: €185 million). The decrease in expenses is thanks to initiatives arising from our Acceleration & Innovation programme, in spite of investment in IT and other types of process optimisation. Expenses have also declined as a result of a drop in commission expenses due to the ban on commissions.
We have intensified our after-care activities for investment insurance products. We actively approach customers and give them the opportunity to make well thought-out decisions about the future of their investment insurance.

Gross written premiums declined to €1,353 million in the first half of 2015 (H1 2014: €1,608 million), chiefly due to large premiums in the first six months of 2014. The decline in written premiums is also due to the amendment to the Pensions Act. Reinsurance activities had a positive effect on written premiums. New Business (APE) increased by €44 million to €105 million

(H1 2014: €61 million). The Value of New Business (VNB) improved to €5 million over the first half of 2015 (H1 2014: €-1 million). The higher APE and VNB are due to a higher number of extensions to investment-linked insurance products than in the same period in 2014.

## SEGMENTS

### Group retirement and life insurance

Centraal Beheer, Interpolis and Avéro provide group retirement and life insurance products that allow employers to offer their employees schemes for pension accrual.
Gross written premiums declined to €422 million compared to the same period in 2014 (H1 2014: €659 million). This decline is due to large nonrecurring premiums in the first six months of 2014 (€231 million). Periodic premiums declined by €6 million due to regular lapses.

Individual retirement insurance and life insurance
In the individual life insurance market, the premium volume for life insurance has grown as a result of increased mortgage sales in the Netherlands. We have succeeded in retaining our market share here. We aim to increase our market share by sales through our Centraal Beheer, Interpolis and Woonfonds brands. A large number of the products in our individual life insurance portfolio are no longer sold and we have placed these in a closed book.

Gross written premiums declined to €931 million in the first six months of 2015 (H1 2014: €949 million). Premiums decreased by €91 caused by regular lapses and by waiving policy contributions due to commercial migration to target systems.

### Reinsurance

Achmea Reinsurance is a wholly-owned subsidiary of Achmea. It primarily offers reinsurance within the group. Since 1997 it has also offered reinsurance to external parties. For external parties Achmea Reinsurance mainly reinsures mortality and longevity risk, especially in the event of catastrophes. Following restructuring and expansion of our external life reinsurance portfolio, premium-related fees rose by €40 million in the first half of 2015 compared to the same period of 2014. The restructuring of the reinsurance portfolio has contributed to higher premium income of €73 million and to a higher operational result.

# International

- Sharp increase in operational result to €34 million
- Higher revenue in Turkey thanks to sound results on the business market
- Promising start to innovative online Onlia car insurance in Slovakia

RESULTS (€ MILLION)

| | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Gross written premiums** | 579 | 580 | n.m. |
| Operating expenses | 134 | 163 | −18% |
| **Operational result** | **34** | **3** | **1033%** |

| GROSS WRITTEN PREMIUMS PER COUNTRY | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Turkey | 172 | 138 | 25% |
| Slovakia | 160 | 146 | 10% |
| Greece | 160 | 177 | −10% |
| Ireland | 84 | 89 | −6% |
| Australia | 3 | | n.m. |
| Russia | | 29 | n.m. |
| Romania | | 1 | n.m. |

** n.m.: not meaningfull*
*** Gross written premiums H1 2014 include divested operations in Russia and Romania*

## GENERAL

Outside the Netherlands Achmea operates in countries with structural growth potential, i.e. Greece, Turkey, Slovakia, Ireland and Australia. Over the next few years we will invest in further digitising our services as part of Achmea's group-wide Acceleration & Innovation programme.

### Results

The operational result before tax was €34 million in the first half of 2015 (H1 2014: €3 million). The international financial result over 2014 was severely affected by the goodwill write-off of €65 million on the company's Russian activities. The operational result in the first half of 2015 increased partly due to improved results in Turkey, Greece and Ireland.
Gross written premiums were up by 5% to €579 million in the first half of 2015 (H1 2014: €549 million). Our written premiums grew in all the countries in which we operate with the exception of Greece, where revenue declined in the sharply shrinking market.
Operating expenses fell by 18% to €134 million (H1 2014: €163 million), more than half of which was due to the sale of the company's Russian activities.

## COUNTRIES

### Turkey

Eureko Sigorta markets non-life and health insurance products, chiefly via Garanti Bank, our bancassurance partner. Gross written premiums were up by 25% to €172 million (H1 2014: €138 million). There is premium growth in both the private and business markets. A substantial portion of the premium growth derives from large contracts in the commercial lines, whereby part of the risk is reinsured. Eureko Sigorta is focusing on further growing its premiums by expanding the strategic alliance with Garanti Bank, as well as through investment in digitisation and customer-centric insurance products.

### Greece

InterAmerican offers non-life, health insurance and life insurance products. The ongoing challenging economic conditions in Greece are affecting growth. Despite being faced with a deteriorating market, InterAmerican managed to increase its share in the non-life market. Gross written premiums fell to €160 million in the first half of 2015, versus €177 million in the same period last year. At the direct brand Anytime, the number of car policies increased to 250,000 (2014: 222,300 policies). Further investment in digitisation is visible in our participation in the Greek aggregate website Insurance Market. In spite of declining sales, profitability is up in part thanks to lower insurance claims.

### Slovakia
Union offers non-life, health insurance and life insurance products. Premium income increased considerably to €160 million (H1 2014: €146 million). There is visible growth in all sectors. Health insurance enjoyed higher profitability due to the lower cost of claims, while the non-life sector faced a number of large claims. In April, the new online Onlia brand was introduced as part of our investments in digitisation. Onlia is an innovative online car insurance business. The initial response is positive and boosts Union's reputation as Slovakia's leading online insurer.

### Ireland
Friends First sells life and retirement insurance products in Ireland. It focuses on customer retention, cutting costs and selling insurance products with transparent commissions. Since the sharp fall in sales from 2007 as a result of the Irish recession, Friends First has seen its sales increase since 2014. Total sales (investment and insurance contracts) were up by 5% in the first half of 2015. Non-recurring income compensates for the underlying insurance results that are being squeezed by the low interest rates. The improving economic climate provides a positive outlook for further value creation and premium growth in Ireland.

### Australia
Achmea Australia began selling insurance products to the agricultural sector at the end of 2013, distributed in partnership with our strategic bancassurance partner, Rabobank. Written premiums are up and the outlook is positive. The cost of claims for the new portfolio is lower than anticipated. The alliance with Rabobank is working well.

## DISCONTINUED ACTIVITIES

### Romania
In 2014, Eureko Romania successfully transferred its life insurance and pillar II pension business to Aegon. The company settled all remaining claims in its non-life insurance business and cancelled all insurance licences in 2014. The successful completion of this transaction helped boost the company's profit. The transfer of pillar III of the pension business to Aegon is scheduled for 2015, after which the pension business can be wound up.

### Bulgaria
Achmea signed a contract in 2013 for the sale of its Bulgarian non-life and life insurance business. The non-life business was sold through the transfer of assets and liabilities, while the life insurance business was sold by means of a share transfer. The non-life insurance business is scheduled to be wound up in 2015, subject to the regulator's permission.

# Banking Netherlands

- Mortgage business increases its scale following portfolio transfer to Achmea Bank
- Increased funding for Achmea Bank thanks to increase in savings with long-term contracts
- Lower interest margin due to cash reserves maintained for future redemptions

RESULTS (€ MILLION)

| | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Net interest margin | 50 | 48 | 4% |
| Fair value result | –10 | 3 | n.m |
| Operating expenses | 65 | 69 | –6% |
| Additions to loan loss provisions | | 12 | n.m. |
| **Operational result** | **–18** | **–24** | **–25%** |

| CORE TIER 1 RATIO | 30-06-2015 | 31-12-2014 | Δ |
|---|---|---|---|
| Achmea Bank | 16.6% | 17.0% | –0.4%-pts |
| Staalbankiers | 16.8% | 17.7% | –0.9%-pts |

** n.m.: not meaningful*

## GENERAL INFORMATION

Achmea provides banking services to the Dutch consumer market which complement our range of insurance products. Achmea Bank offers mortgage and savings products to consumers through the brands Centraal Beheer Achmea, FBTO and Woonfonds Hypotheken. Staalbankiers is engaged in private banking activities, with a clear focus on its core business of wealth management and investment advice.

### Results

The operational result of our banking business in the Netherlands increased to €-18 million in the first half of 2015 (H1 2014: EUR -24 million). The lower loss is the result of lower operating expenses, allocations to credit provisions and the higher interest margin. However, overall earnings were lower due to fair-value results.

The bulk of the Staalbankiers mortgage portfolio was transferred to Achmea Bank on 1st July 2015. This transfer ensures that the mortgage financing is concentrated within the group, which results in further specialisation and economies of scale and enables Staalbankiers to focus on its core business of wealth management and investment advice.

## SEGMENTS

### Achmea Bank

Achmea Bank ended the first half of 2015 with a loss of €6 million compared to a loss of €12 million in the same period last year. The reduced loss is mainly the result of lower operating expenses (€9 million) and a higher interest margin (€7 million). The fair-value result led to a €9 million loss (H1 2014: profit of €1 million). Achmea Bank increased its mortgage business in early 2015 to €412 million (H1 2014: €191 million), while the total mortgage portfolio remained stable at €11.6 billion.

Operating expenses fell, mainly because, during the same period of the previous year, the €6 million resolution levy related to the nationalisation of SNS Reaal was entered in the accounts. In addition, a reduction in the workforce resulted in a further €2 million reduction in costs. The interest margin was boosted by a non-recurring gain of EUR 5 million related to the sale of an interest-rate swap. This gain has a corresponding expense in the fair-value result. The improved result was achieved despite the pressure on the interest margin as a result of cash reserves held to finance repayments scheduled for the second half of 2015.

In the first half of 2015, Achmea operated in the capital market, with the successful issue of €650 million in unsecured bonds. In addition, a securitisation of home mortgages in the amount of €850 million was placed with investors. Furthermore, Achmea Bank managed to increase the savings deposits with a maturity of at least one year by €400 million. As a result of this and other factors, consumers' total savings increased by €500 million to €5.2 billion. Achmea Bank used the funds raised to improve its cash position with the objective of redeeming the funding transactions in the second half of 2015.

The Common Equity Tier 1 ratio fell marginally (to 16.6%) from year end 2014 (year end 2014: 17.0%). Achmea Bank maintained the long-term A rating/negative outlook (Standard & Poor's) and A /negative outlook (Fitch).

### Staalbankiers

The operational result increased thanks to higher average allocations to credit provisions than the same period last year. However, this increase is partially cancelled out by higher operating expenses as a result of incidental project expenses and a lower interest margin, including as a result of a lower market interest and a reduction in the loan portfolio.

The assets Staalbankiers invests on behalf of its clients remained stable from year-end 2014, with a value of €1.9 billion. Staalbankiers' Common Equity Tier 1 ratio fell to 16.8% during the first half of 2014 (year-end 2014: 17.7%).

# Other

- Operational result falls by €10 million
- Operating expenses increase as a result of higher pension costs

RESULTS (€ MILLION)

| | H1 2015 | H1 2014 | Δ |
|---|---|---|---|
| Total Income | 130 | 125 | 4% |
| Operating expenses | 227 | 166 | 37% |
| Interest expenses | 31 | 57 | –46% |
| Other expenses | 25 | 45 | –44% |
| **Operational result** | **–153** | **–143** | **–7%** |

## GENERAL INFORMATION

In addition to Syntrus Achmea Pension Management, Asset Management and Real Estate & Finance, the Other Activities segment also includes our strategic investments and the earnings of our Shared Service Centers and activities at the holding company level.

### Results

The operational result from our other activities fell by €10 million during the first year of 2015, to €-153 million (versus €-143 million in the first half of 2014). The lower profit is mainly the result of the increased operating expenses caused by the higher pension costs. The payment of contributions under our pension scheme has increased as a result of the low market interest rates. The operational result for the first half of 2014 was dampened by goodwill write-offs and other intangible assets related to the pension services business in Russia and reorganisation provisions as part of the Acceleration & Innovation programme. Finally, bonds were refinanced at a lower interest rate in 2014 and 2015, resulting in lower interest charges.

## SEGMENTS

The Syntrus Achmea management model has changed against the background of further deconsolidation in the Dutch pension services market. The Pension Management, Asset Management and Real Estate & Finance segments were positioned separately within the organisation as of 1st January 2015. This change enables the various segments to serve customers even more efficiently and effectively based on their stronger position in their individual sub-markets.

### Syntrus Achmea Pension Management

Total income from fees and commissions fell to €53 million during the first half of 2015 (H1 2014: €60 million), partly as a result of the declining number of customers. The organisation has since been adapted to the smaller customer portfolio. The processes and operational management have been improved and IT systems have been reorganised, resulting in a €10 million increase in earnings over the first half of 2014.

### Syntrus Achmea Asset Management

Syntrus Achmea Asset Management saw its assets under management increase to €71.7 billion during the first half of 2015 (H1 2014: €64.2 billion). An increase in the assets managed of existing customers and favourable market conditions resulted in this growth. Income from fees and commissions rose to €33 million as a result of the higher assets under management (H1 2014: €27 million). Syntrus Achmea Asset Management was granted an AIFMD (Aternative Investment Fund Managers Directive) license by the Dutch Authority for the Financial Markets (AFM). An important license considering the expected growth of investment funds due to developments in the pensions market.

### Syntrus Achmea Real Estate & Finance

The assets under management in real estate holdings and mortgages increased to €15.6 billion (H1 2014: €14.2 billion). The increase in the assets under management is the result of a growing mortgage portfolio. In line with the growth of the assets under management, Syntrus Real Estate & Finance received a higher amount in management fees, totalling €33 million (H1 2014: €30 million).

# Abbreviated Consolidated Financial Statements

# Abbreviated consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BEFORE APPROPRIATION OF RESULT) (€ MILLION)

| | 30 JUNE 2015 | 31 DECEMBER 2014 |
|---|---|---|
| Assets | | |
| Intangible assets | 1,019 | 1,066 |
| Associates and joint ventures | 144 | 145 |
| Property for own use and equipment | 456 | 472 |
| Investment property | 1,112 | 1,125 |
| Investments | 46,146 | 47,137 |
| Investments backing linked liabilities | 18,715 | 18,680 |
| Banking credit portfolio | 15,091 | 15,227 |
| Deferred tax assets | 690 | 528 |
| Deferred acquisition costs | 140 | 139 |
| Amounts ceded to reinsurers | 1,498 | 1,436 |
| Receivables and accruals | 13,912 | 5,534 |
| Cash and cash equivalents | 3,701 | 1,716 |
| **Total assets** | **102,624** | **93,205** |
| **Equity** | | |
| Equity attributable to holders of equity instruments of the Company | 10,286 | 9,804 |
| Non-controlling interest | 14 | 14 |
| **Total equity** | **10,300** | **9,818** |
| Liabilities | | |
| Insurance liabilities | 52,102 | 44,545 |
| Insurance liabilities where policyholders bear investment risks | 16,401 | 17,014 |
| Investment contracts | 2,256 | 2,158 |
| Post-employment benefits | 916 | 989 |
| Other provisions | 416 | 413 |
| Banking customer accounts | 6,864 | 6,306 |
| Loans and borrowings | 8,142 | 7,011 |
| Derivatives | 1,965 | 1,896 |
| Deferred tax liabilities | 18 | 19 |
| Income tax payable | 133 | 89 |
| Other liabilities | 3,111 | 2,947 |
| Total liabilities | 92,324 | 83,387 |
| **Total equity and liabilities** | **102,624** | **93,205** |

# Abbreviated consolidated financial statements

## CONSOLIDATED INCOME STATEMENT

(€ MILLION)

| | H1 2015 | H1 2014 |
|---|---|---|
| Income | | |
| Gross written premiums Non-life | 2,263 | 2,308 |
| Gross written premiums Health | 13,178 | 12,981 |
| **Gross written premiums Life** | **1,461** | **1,728** |
| Gross written premiums | 16,902 | 17,017 |
| Reinsurance premiums | −300 | −971 |
| Change in provision for unearned premiums (net of reinsurance) | −6,899 | −6,852 |
| **Net earned premiums** | **9,703** | **9,194** |
| Income from associates and joint ventures | 3 | 1 |
| Investment income | 506 | 515 |
| Realised and unrealised gains and losses | 297 | 1,236 |
| Income from investments backing linked liabilities | 529 | 1,318 |
| Banking income | 283 | 317 |
| Fee and commission income, and income from service contracts | 197 | 204 |
| Other income | 48 | 46 |
| **Total income** | **11,566** | **12,831** |
| Expenses | | |
| Claims and movements in insurance liabilities | 10,255 | 13,106 |
| Claims and movements in insurance liabilities ceded to reinsurers | −252 | −788 |
| Profit sharing and bonuses for policyholders | 109 | 1,048 |
| Movements in insurance liabilities where policyholders bear investment risks | −613 | −2,518 |
| Fair value changes and benefits credited to investment contracts | 93 | 69 |
| Operating expenses | 1,367 | 1,415 |
| Banking expenses | 204 | 240 |
| Interest and similar expenses | 31 | 55 |
| Other expenses | 82 | 250 |
| **Total expenses** | **11,276** | **12,877** |
| **Profit before tax** | **290** | **−46** |
| Income tax expenses | 18 | 12 |
| **Net profit** | **272** | **−58** |
| Net profit attributable to: | | |
| Holders of equity instruments of the Company | 270 | −59 |
| Non-controlling interest | 2 | 1 |
| Earnings per share from continuing operations (euros) and diluted earnings per share from continuing operations (euros) | 0.59 | −0,25 |

# Abbreviated consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ MILLION)

| | H1 2015 | H1 2014 |
|---|---|---|
| Net profit | 272 | –58 |
| Items that will not be reclassified to the Income statement | | |
| Remeasurements of net defined benefit liability [1] | 4 | –7 |
| Unrealised gains and losses on property for own use [2] | 9 | |
| **Total items that will not be reclassified to the Income statement** | **13** | **–7** |
| Items that may be reclassified subsequently to the Income statement | | |
| Currency translation differences on subsidiaries, intangible assets, associates and joint ventures [3] | –21 | 4 |
| Unrealised gains and losses on available for sale instruments [2] | –206 | 927 |
| Share in other comprehensive income of associates and joint ventures [3] | 1 | 2 |
| Transfer from/to provision for profit sharing and bonuses for policyholders [2] | 205 | –711 |
| Gains and losses on available for sale instruments reclassified to the Income Statement on disposal [2] | –132 | –34 |
| Impairment charges on available for sale instruments reclassified to the Income Statement [2] | 2 | 9 |
| **Total items that may be reclassified subsequently to the Income statement** | **–151** | **197** |
| **Net other comprehensive income** | **–138** | **190** |
| **Comprehensive income** | **134** | **132** |
| **Comprehensive income attributable to:** | | |
| Holders of equity instruments of the Company | 132 | 131 |
| Non-controlling interest | 2 | 1 |

[1] *Accounted for as part of Retained earnings*
[2] *Accounted for as part of Revaluation reserve*
[3] *Accounted for as part of Exchange difference reserve*

# Abbreviated consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (€ MILLION)

| 2015 | SHARE CAPITAL | OWN SHARES | LEGAL RESERVES | REVALUATION RESERVE | EXCHANGE DIFFERENCE RESERVE | HEDGING RESERVE | RETAINED EARNINGS | PROFIT FOR THE YEAR | OTHER EQUITY INSTRUMENTS | EQUITY ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRU-MENTS OF THECOMPANY | NON-CONTROLLING INTEREST | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January** | **11,357** | **–235** | **670** | **871** | **–225** | **–7** | **–3,608** | **14** | **967** | **9,804** | **14** | **9,818** |
| Net other comprehensive income | | | | –123 | –20 | | 4 | 1 | | –138 | | –138 |
| Net profit | | | | | | | | 270 | | 270 | 2 | 272 |
| **Comprehensive income** | | | | **–123** | **–20** | | **4** | **271** | | **132** | **2** | **134** |
| Appropriations to reserves | | | –3 | –8 | | | 25 | –14 | | | | |
| Dividends and coupon payments | | | | | | | –34 | | | –34 | | –34 |
| Issue, repurchase and sale of equity instruments | | | | | | | | | 383 | 383 | | 383 |
| Other movements | | | | 1 | | | 1 | –1 | | 1 | –2 | –1 |
| **Balance at 30 June** | **11,357** | **–235** | **667** | **741** | **–245** | **–7** | **–3,612** | **270** | **1,350** | **10,286** | **14** | **10,300** |

# Abbreviated consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ MILLION)

| | H1 2015 | H1 2014 |
|---|---|---|
| Cash and cash equivalents at 1 January | 1,716 | 3,260 |
| | | |
| Cash flow from operating activities | | |
| Profit before tax | 290 | −46 |
| Adjustments of non-cash items and reclassifications | 344 | −1,499 |
| Changes in assets and liabilities | −1,185 | −2,032 |
| Changes in operating assets and liabilities | 1,155 | 4,151 |
| Total cash flow from operating activities | 604 | 574 |
| Cash flow from investing activities | | |
| Investments, acquisitions and direct return on investments | −75 | −23 |
| Divestments and disposals | 9 | 13 |
| Total cash flow from investment activities | −66 | −10 |
| | | |
| Total cash flow from financing activities | 1,447 | −1,822 |
| | | |
| Net cash flow | 1,985 | −1,258 |
| | | |
| Cash and cash equivalents at 30 June | 3,701 | 2,002 |
| Cash and cash equivalents include the following items | | |
| Cash and bank balances | 3,183 | 1,554 |
| Call deposits | 518 | 448 |
| Cash and cash equivalents at 30 June | 3,701 | 2,002 |

Achmea has prepared its condensed consolidated interim financial statements for 2015 in accordance with IAS 34, Interim Financial Reporting and Applicable Interpretations, as effective on 30 june 2015 and as adopted by the European Union, In preparing the financial data contained in the press release, the same accounting principles were used as for the condensed consolidated interim financial statements for 2015, Pricewaterhouse Coopers Accountants N,V, has issued an unqualified review opinion on the Condensed Consolidated Interim Financial Statements 2015, These condensed consolidated interim financial statements 2015 were published on 18 August 2015 and are available on achmea,com, In the event of any  disprecanies between the Dutch and English versions of this press release, the Dutch version will take precedence,

Please note: numbers may not sum to totals due to rounding,