

financial supplement

**ACHMEA
FINANCIAL SUPPLEMENT HY 2018**

financial supplement

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Key figures

	(€ million)	
Results	30/06/2018	30/06/2017
Gross earned premiums	17.448	16.947
Net earned premiums	9.868	9.724
Total income	10.857	10.676
Net expenses from insurance contracts	9.271	9.033
Operating expenses	1.162	1.126
Result before tax	200	225
Operational result	192	223
Operational result by segment	30/06/2018	30/06/2017
Non-Life Netherlands	4	105
Health Netherlands	100	28
Pension & Life Netherlands	190	102
Retirement Services Netherlands	10	4
International activities	19	6
Other activities	-131	-22
Total	192	223
Balance sheet	30/06/2018	30/06/2017
Total assets	91.698	90.946
Total equity	9.715	9.949
Investments for own risk	43.734	43.489
Insurance liabilities own risk	48.610	41.199
FTEs	30/06/2018	30/06/2017
FTEs (internal)	14.231	14.582
FTEs (external)	2.819	2.848
FTEs (total)	17.050	17.430

The figures shown are unaudited.

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Group Non-Life and Health ratios

(The ratios include domestic and foreign operations)

Group Non-life	HY 2018	HY 2017
Claims ratio	73,4%	67,9%
Expense ratio	25,8%	25,8%
Combined ratio	99,2%	93,7%

Group Health	HY 2018	HY 2017
Claims ratio	95,5%	96,9%
Expense ratio	3,5%	4,0%
Combined ratio	99,0%	100,9%

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Consolidated statement of financial position

	(€ million)	
Assets	30/06/2018	31/12/2017
Intangible assets	784	792
Associates and joint ventures	52	84
Property for own use and equipment	405	415
Investment property	1.043	1.113
Investments	71.920	72.702
Deferred tax assets	721	712
Amounts ceded to reinsurers	644	656
Receivables and accruals	14.530	6.487
Cash and cash equivalents	1.504	2.884
	91.603	85.845
Assets classified as 'Held for sale'	95	5.101
Total assets	91.698	90.946
Equity	30/06/2018	31/12/2017
Equity attributable to holders of equity instruments of the company	9.707	9.941
Non-controlling interest	8	8
Total equity	9.715	9.949
Liabilities	30/06/2018	31/12/2017
Liabilities related to insurance contracts	64.284	57.293
Other provisions	1.111	1.111
Financial liabilities	15.735	16.755
Derivatives	765	770
Deferred tax liabilities	12	13
Income tax payable	76	53
	81.983	75.995
Liabilities classified as 'Held for sale'	0	5.002
Total liabilities	81.983	80.997
Total equity and liabilities	91.698	90.946

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Consolidated income statement

	(€ million)	
Income	HY 2018	HY 2017
Gross written premiums	17.448	16.947
Reinsurance premiums	-145	-185
Change in provision for unearned premiums (net of reinsurance)	-7.435	-7.038
Net earned premiums	9.868	9.724
Income from associates and joint ventures	6	2
Investment income	768	716
Other income	215	234
Total income	10.857	10.676
Expenses	HY 2018	HY 2017
Net expenses from insurance contracts	9.271	9.033
Fair value changes and benefits credited to investment contracts	33	64
Interest and similar expenses	146	169
Operating expenses	1.162	1.126
Other expenses	45	59
Total expenses	10.657	10.451
Result before tax	200	225
Income tax expenses	67	54
Net result	133	171
Net profit attributable to:		
<i> </i> Holders of equity instruments of the company	133	170
<i> </i> Non-controlling interest	0	1

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Consolidated statement of comprehensive income

	(€ million)	
Consolidated statement of comprehensive income	HY 2018	HY 2017
Net profit	133	171
Net other comprehensive income		
Remeasurements of net defined benefit liability	1	4
Unrealised gains and losses of property for own use	5	1
Currency translation differences on intangible assets, subsidiaries and associates	-33	-16
Unrealised gains and losses on available for sale instruments	43	-218
Share in other comprehensive income of associates		7
Transfer from/to provision for profit sharing and bonuses	-85	285
Gains and losses on available for sale instruments reclassified to the income statement on disposal	-46	-86
Impairment charges on available for sale instruments reclassified to the income statement	12	7
Net Comprehensive income	-103	-16
Comprehensive income	30	155
Comprehensive income attributable to:		
<i>Holders of equity instruments of the Company</i>	30	154
<i>Non-controlling interest</i>		1
Condensed consolidated statement of changes in total equity	HY 2018	HY 2017
Balance at beginning of period	9.949	9.782
Comprehensive income	30	155
Dividends and coupon payments	-164	-41
Issue, sale and purchase of equity instruments	-100	
Other movements		3
Balance at end of period	9.715	9.899

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Consolidated statement of total equity

	(€ million)	
Consolidated statement of total equity	30/06/2018	31/12/2017
Share capital	11.357	11.357
Own shares	-335	-235
Legal reserves	655	696
Revaluation reserve	890	934
Exchange difference reserve	-396	-363
Hedging reserves	-7	-7
Retained earnings	-3.940	-4.006
Profit for the (half) year	133	215
Other equity instruments	1.350	1.350
Equity attributable to holders of equity instruments of the Company	9.707	9.941
Non-controlling interest	8	8
Total equity	9.715	9.949

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Capital structure

	(€ million)	
Development of total equity	30/06/2018	31/12/2017
Total equity – start of year	9.949	9.782
Issue – share capital		
Net profit	133	216
Issue, sale and purchase of equity instruments	-100	
Dividends and coupons payments	-164	-69
Revaluation reserves	-71	80
Foreign exchange results and hedge reserves	-33	-41
Post-employment benefits	1	-19
Total equity – end of (half) year	9.715	9.949

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Solvency II

(€ million)			
SOLVENCY RATIO GROUP PARTIAL INTERNAL MODEL*	30 JUNE 2018	31 DECEMBER 2017	Δ
Eligible own funds	8.555	8.386	169
Required capital (SCR)	4.475	4.555	-80
Surplus	4.080	3.831	249
Ratio (%)	191%	184%	7%

(€ million)			
ELIGIBLE OWN FUNDS GROUP PARTIAL INTERNAL MODEL*	30 JUNE 2018	31 DECEMBER 2017	Δ
Tier 1 restricted	966	911	55
Tier 1 unrestricted	5.608	5.452	156
Tier 2	1.311	1.340	-29
Tier 3	670	683	-13
Eligible own funds	8.555	8.386	169

(€ million)			
SOLVENCY CAPITAL REQUIREMENT PARTIAL INTERNAL MODEL*	30 JUNE 2018	31 DECEMBER 2017	Δ
Market Risk	2.024	2.075	-51
Counterparty Default Risk	570	643	-73
Life Underwriting Risk	1.689	1.760	-71
Health Underwriting Risk	1.898	1.889	9
Non-life Underwriting Risk	754	816	-62
Intangible Asset Risk	0	1	-1
Diversification	-2.523	-2.632	109
Basic Solvency Capital Requirement	4.412	4.552	-140
Loss-Absorbing Capacity Expected Profits	-58	-56	-2
Loss-Absorbing Capacity Deferred Taxes	-527	-560	33
Operational Risk	584	586	-2
Solvency Capital Requirement (Cons)	4.411	4.522	-111
SCR Other Financial Sectors & Other entities	64	33	31
SCR Ring Fenced Funds	0	0	0
Solvency Capital Requirement	4.475	4.555	-80

*Excluding CRD IV entities.

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Consolidated cash flow statement

Consolidated cash flow statement	(€ million)	
	HY 2018	HY 2017
Net cash and cash equivalents start of year	2.884	2.192
Cash flow from operating activities	-1.179	-713
Cash flow from investing activities	109	-15
Cash flow from financing activities	-310	-72
Net cash flow	-1.380	-800
Net cash and cash equivalents end of year	1.504	1.392

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GWP per country

GWP by country	(€ million)							
	Non-life		Health		Life		Total	
	HY 2018	HY 2017	HY 2018	HY 2017	HY 2018	HY 2017	HY 2018	HY 2017
Netherlands	2.090	2.066	13.910	13.310	848	956	16.848	16.332
Greece	103	94	53	43	14	22	170	159
Turkey	124	157	24	24	0	0	148	181
Slovakia	24	22	166	153	5	5	195	180
Ireland ¹	0	0	0	0	69	82	69	82
Australia	18	13	0	0	0	0	18	13
Total	2.359	2.352	14.153	13.530	936	1.065	17.448	16.947

¹ The figures of Ireland HY 2018 concern the period January until May 2018.

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Investments for own risk

	(€ million)	
Investments for own risk	30/06/2018	31/12/2017
Equities and similar investments	2.460	2.433
Investment property ¹	1.277	1.345
Bonds ²	26.926	26.282
Loans and mortgages	8.061	8.113
Deposits with reinsurers	472	587
Deposits with credit institutions	177	331
Derivatives	3.252	3.324
Other financial investments	2.152	2.187
Total	44.777	44.602

Specification of equities and similar investments	30/06/2018	%	31/12/2017	%
Listed ordinary shares	1.583	64%	1.533	63%
Alternatives	812	33%	814	33%
Other	65	3%	86	4%
Total	2.460	100%	2.433	100%

Specification of investment property ³	30/06/2018	%	31/12/2017	%
Residential	457	44%	481	43%
Retail	295	28%	306	28%
Offices	266	26%	288	26%
Other	25	2%	38	3%
Total	1.043	100%	1.113	100%

	30/06/2018	30/06/2017
Running yield (annualized)	2,2%	2,2%

	31/12/2017	31/12/2016
Running yield	2,2%	2,2%

¹ Including Real Estate Funds
² Including Fixed Income Funds
³ Excluding Real Estate Funds

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External credit rating Fixed income investments								(€ MILLION)
30/06/2018	AAA Sovereign	AAA	AA	BBB	Onder BBB	Not rated	Total	
Bonds ¹	9.192	3.084	5.099	4.430	4.290	241	26.513	
Loans and mortgages	0	549	59	9	2	0	8.061	
Deposits with reinsurers	0	0	0	0	472	0	472	
Deposits with credit institutions	0	37	5	24	2	109	177	
Fixed income funds	0	0	0	0	0	0	413	
Total fixed income investments	9.192	3.670	5.163	4.463	4.766	351	35.636	

External credit rating Fixed income investments								(€ MILLION)
31/12/2017	AAA Sovereign	AAA	AA	BBB	Onder BBB	Not rated	Total	
Bonds ¹	9.224	2.586	4.799	4.487	4.302	337	25.863	
Loans and mortgages	0	549	59	9	2	0	8.113	
Deposits with reinsurers	0	0	0	0	587	0	587	
Deposits with credit institutions	0	83	60	92	3	93	331	
Fixed income funds	0	0	0	0	0	0	413	
Total fixed income investments	9.224	3.218	4.918	4.588	4.894	431	35.307	

¹ Excluding Fixed Income Funds

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Non-life Netherlands results

	(€ million)	
Income	HY 2018	HY 2017
Gross written premiums	2.065	2.042
Re-insurance premiums	-26	-53
Change in provision for unearned premiums (net of reinsurance)	-445	-429
Net earned premiums	1.594	1.560
Investment income	29	68
Other income	6	5
Total income	1.629	1.633
Expenses	HY 2018	HY 2017
Net expenses from insurance contracts	1.202	1.116
Operating expenses	407	398
Interest and similar expenses	2	2
Interest and similar expenses	2	2
Other expenses	14	12
Total expenses	1.625	1.528
Operational result	4	105

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Non-Life Netherlands GWP & ratios

	(€ million)	
Specification of gross written premiums Non-life	HY 2018	HY 2017
Accident	548	555
Motor liability	534	531
Motor other	353	353
Transport/aviation	356	333
Property	158	155
General liability	95	94
Legal assistance	21	21
Total	2.065	2.042

Property & Casualty	HY 2018	HY 2017
Claims ratio	73,8%	70,2%
Expense ratio	25,3%	26,3%
<i>Of which acquisition expenses</i>	<i>11,5%</i>	<i>11,8%</i>
<i>Of which other operating expenses</i>	<i>13,8%</i>	<i>14,5%</i>
Combined ratio	99,1%	96,5%

Income Protection	HY 2018	HY 2017
Claims ratio ¹	69,8%	62,8%
Expense ratio	22,5%	20,9%
<i>Of which acquisition expenses</i>	<i>8,5%</i>	<i>8,1%</i>
<i>Of which other operating expenses</i>	<i>14,0%</i>	<i>12,8%</i>
Combined ratio ¹	92,3%	83,7%

Non-life Netherlands	HY 2018	HY 2017
Claims ratio ¹	73,1%	68,8%
Expense ratio	24,8%	25,3%
<i>Of which acquisition expenses</i>	<i>11,0%</i>	<i>11,1%</i>
<i>Of which other operating expenses</i>	<i>13,8%</i>	<i>14,2%</i>
Combined ratio ¹	97,9%	94,1%

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¹ Claims ratio and Combined ratio are corrected for technical interest

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Health Netherlands results

	(€ million)	
Income	HY 2018	HY 2017
Gross written premiums	13.910	13.310
Re-insurance premiums	2	-8
Change in provision for unearned premiums and current risks (net of reinsurance)	-6.896	-6.477
Net earned premiums	7.016	6.825
Investment income	8	27
Other income	50	56
Total income	7.074	6.909
Expenses	HY 2018	HY 2017
Net claims and movements in insurance liabilities	6.725	6.632
Interest and similar expenses		
Operating expenses	230	234
Other expenses	19	15
Total expenses	6.974	6.881
Operational result	100	28

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Health Netherlands GWP & ratios

	(€ million)	
Specification of Gross written premiums Health	HY 2018	HY 2017
Basic Health - risk equalization pool (ZvF)	7.377	6.825
Basic Health - private individuals	5.212	5.162
Supplementary Health	1.321	1.323
Total	13.910	13.310

Basic Health	HY 2018	HY 2017
Claims ratio	97,3%	98,1%
Expense ratio	2,2%	2,4%
Combined ratio	99,5%	100,5%

Supplementary Health	HY 2018	HY 2017
Claims ratio	80,3%	86,2%
Expense ratio	9,0%	8,8%
Combined ratio	89,3%	95,0%

Health Netherlands	HY 2018	HY 2017
Claims ratio	95,9%	97,2%
Expense ratio	3,2%	3,4%
Combined ratio	99,1%	100,6%

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Pension & Life Netherlands results

	(€ million)	
Income	HY 2018	HY 2017
Gross written premiums	784	882
Re-insurance premiums	-31	-30
Change in provision for unearned premiums (net of reinsurance)	-33	-63
Net earned premiums	720	789
Income from associates and joint ventures		
Investment income	470	327
Other income	8	9
Total income	1.198	1.125
Expenses	HY 2018	HY 2017
Net expenses from insurance contracts	927	919
Interest and similar expenses	1	1
Operating expenses	76	93
Other expenses	4	10
Total expenses	1.008	1.023
Operational result	190	102

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Pension & Life Netherlands GWP

	(€ million)	
Gross written premiums specified	HY 2018	HY 2017
Single premiums	244	261
Annual premiums	540	621
Total	784	882
Life & Pensions 'open-book'	116	139
Of which single premiums	89	115
Of which annual premiums	27	24
Life & Pensions 'closed-book'	668	743
Of which closed-book Life	407	428
Of which closed-book Pensions	261	315
Total	784	882

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Retirement Services Netherlands results

	(€ million)	
Retirement services total	HY 2018	HY 2017
Total income	119	140
<i>Of which: Administration and management fees</i>	62	80
Operating expenses	109	136
Operational result	10	4

Achmea Bank	HY 2018	HY 2017
Net interest margin	56	48
Fair value result	-1	4
Operating expenses	41	49
Additions to loans provisions	1	-1

	(€ billion)	
Achmea Investment management	HY 2018	FY 2017
Assets under management	132	120

	HY 2018	HY 2017
Efficiency ratio	72,0%	102,8%
Core Tier 1 ratio Achmea Bank	20,3%	19,1%
Total Capital Ratio Achmea Bank	20,4%	19,2%
Liquidity Coverage Ratio Achmea Bank	290%	333%
Net Stable Funding Ratio Achmea Bank	118%	117%
Leverage Ratio Achmea Bank	6,1%	6,0%

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International activities results

	(€ million)	
Income	HY 2018	HY 2017
Gross written premiums	600	615
Reinsurance premiums	-92	-108
Changes in the provision for unearned premiums and current risks (net of reinsurance)	-27	-19
Net earned premiums	481	488
Income from associates and joint ventures	5	3
Investment income	61	83
Other income	30	23
Total income	577	597
Expenses	HY 2018	HY 2017
Net expenses from insurance contracts	364	362
Fair value changes and benefits credited to investment contracts	33	64
Interest and similar expenses		
Operating expenses related to insurance activities	145	151
Other expenses	16	14
Total expenses	558	591
Operational result	19	6
Health International	HY 2018	HY 2017
Claims ratio	85,1%	87,0%
Expense ratio	12,5%	12,7%
Combined ratio	97,6%	99,7%
Non-life International	HY 2018	HY 2017
Claims ratio	60,5%	60,5%
Expense ratio	36,7%	35,0%
Combined ratio	97,2%	95,5%

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Other activities results

Results	(€ million)	
	HY 2018	HY 2017
Gross written premiums	123	168
Re-insurance premiums	-29	-53
Change in provision for unearned premiums and current risks (net of reinsurance)	-37	-53
Net earned premiums	57	62
Income from associates and joint ventures	1	-1
Investment income	14	6
Other income	63	57
Total income	135	124
Net expenses from insurance contracts	53	3
Operating expenses	192	113
Interest and similar expenses	25	30
Other expenses	-4	
Total expenses	266	146
Operational result	-131	-22

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