Achmea
2011 Annual Results

Operational targets achieved; strong financial position maintained

13 March 2012

Willem van Duin
Chairman of the Executive Board

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Chief Financial & Risk Officer and Vice-Chairman of the Executive Board

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Operational targets achieved; strong financial position maintained

- Mixed results in 2011
- Strong operating performance in Property & Casualty and Health
- Operational targets of FTE and cost reduction achieved
- Complexity reduction and focus on core activities achieved
- Result from regular activities €51 million
- Strong financial position maintained
- Negative net result of €208 million after goodwill impairment

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Achmea: Strategic highlights

- Rating of insurance activities confirmed, rating of Achmea Hypotheekbank improved
- Merger Achmea and De Friesland Zorgverzekeraar finalised at year-end 2011
- Good campaign in Health resulted in 158,000 new customers in 2012
- Successful progress cooperation with retailer Hema
- Strategic alliance with Independer.nl
- Announced sale of Achmea Vitale
- Health Innovation Fund launched
- Celebration of 200 year anniversary; cooperative identity further reinforced

European activities

- Ownership in Eureko Sigorta increased to 100%
- Direct writer Anytime (Greece) successful
- Strong growth of Health insured of Union Slovakia
- Sale of Avéro Belgium and Império France completed

Profit from regular activities €51 million

Key figures (in € mln)	2011	2010
Profit before tax from regular activities	51	504
Net profit	-208	1,220
Of which PZU result	*-*	*835*
Gross written premiums	19,650	19,852

Key figures (in € mln)	31-12-2011	31-12-2010
Total equity	9,775	10,357
Solvency Group	204%	220%
Solvency Insurance entities	208%	222%

- Solid insurance results in basic Health and P&C were overshadowed by financial markets
- Net profit of 2010 positively impacted by PZU results of €835 million
- Gross written premiums remain stable at €20 billion; growth in Health offset by divestments in Non-life and Life
- Total equity declined as a result of share buy-back and negative net result
- Solvency remained strong at over 200% based on conservative swap curve

Results and premiums per segment

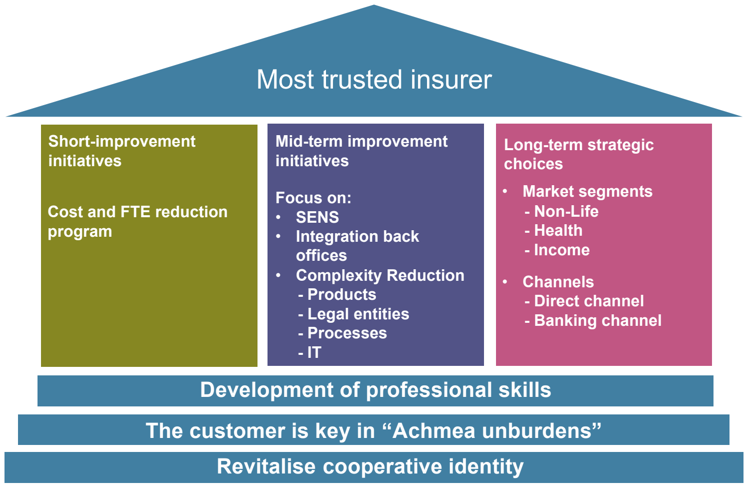
Profit before tax (in € mln)	2011	2010
Non-life	375	401
Health	326	262
Life	-292	107

Gross written premiums (in € mln)	2011	2010
Non-life	3,819	3,992
Health	12,400	12,289
Life	3,431	3,571
Total	**19,650**	**19,852**

- Good results in P&C and Health were offset by additional provisions in Income Protection of €171 million
- Life results negatively impacted by goodwill impairment and impact financial markets
- Gross written premiums 1% lower to €19.7 billion
- In Non-life, premiums stable if corrected for divestments
- Health premiums were up 1%
- In Life, written premiums were down by 4% as a result of divestments and lower premiums. Customers choose banksavings products

Targets and measures announced in 2009 achieved

- Announced cost and FTE reduction targets in 2009
- Reduction of complexity in products, processes and structure
- Focus on core activities; merger De Friesland Zorgverzekeraar and divestments, e.g. Achmea Vitale



Looking ahead

- Continuation strategy
- Priorities are:
  - Putting customer’s interest first
  - Focus on core competences Non-life, Health, Income Protection and transparent Life and Pension products
  - Focus on direct and banking distribution
  - Focus on cost efficiency and ongoing complexity reduction
  - Strengthening cooperation with Rabobank, also abroad
  - Value creation more important than growth

Costs of healthcare rise more quickly than desired

- Insurers negotiate about price, volume and quality on behalf of their customers
- Physical therapy, pharmacy and GP care: successful contracting
- Covenant with Dutch government on hospital care: maximum 2.5% increase by selective healthcare contracting on price, quality, efficiency and appropriate use
- Not all hospitals and Independent Treatment Centres are dedicated to implementing covenant
- We expect to contract 90% of Dutch hospitals
- Cost increases above 2.5% lead to unwarranted premium increases: edge of solidarity in sight
- Achmea strives to meet covenant in the interest of affordable premium

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Profit before tax from regular activities

(in € mln)	2011	2010	Change
Profit before tax from regular activities	**51**	**504**	**-453**
PZU results	-	835	-835
Merger and divestments	95	36	+59
Unit-linked provision	-	-149	+149
Impairment Greek bonds	-114	-	-114
Goodwill impairment on Life & Pensions	-279	-	-279
Profit before tax	**-247**	**1,226**	**-1,473**

- Profit before tax from regular activities declined to €51 million
- Decline is mainly due to:
    - Additional provision on Income Protection (long term disability) of €171 million
    - Additional provisions for guarantees on segregated accounts of €143 million
    - Negative revaluations on property of €106 million including property for own use (€29 million)
    - Impairments on BCP and F&C Asset Management of €65 million
- Profit down compared to 2010 which included an exceptional capital gain from sale of PZU

Cost and FTEs targets achieved

In € mln	2011	2008	Reduction	Target
Gross operating expenses	2,777	3,065	288	
One-offs	35	0	35	
Gross operating exp. excl. one-offs	**2,742**	**3,065**	**323**	**> 300**
FTEs Netherlands	**16,812**	**19,514**	**2,702**	**> 2,500**

In € mln	2011	2010	Change
Gross operating expenses	2,777	2,829	-2%
Total operating expenses	3,031	3,268	-7%
Total FTEs	20,924	22,397	-1,473
FTEs the Netherlands	16,812	17,806	-994

- Targets set in 2009 for cost and FTE reduction achieved
- Reduction of costs achieved including several one-offs such as an loss on property for own use and Achmea Transfer center. Also absorbed in costs are higher pension charges as a result of low interest rates
- Gross operating expenses declined in 2011 by 2% and total operating expenses by 7%, mainly as a result of lower commission expenses and higher costs allocated to claims

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Non-life – strong performance in Property & Casualty

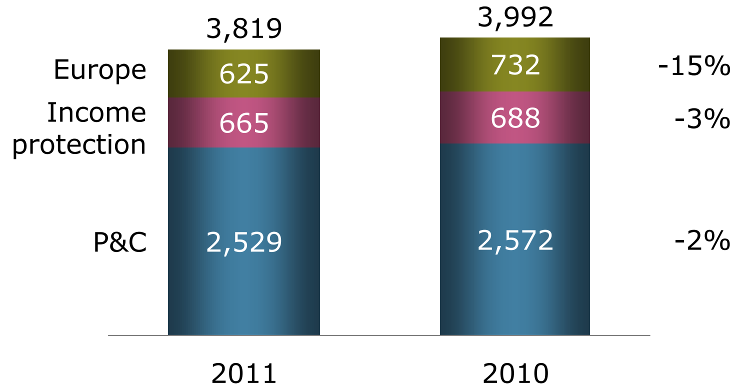
Trends we see in the market

- Price competition is fierce, although we see signs that in retail lines, mainly in motor insurance, prices are increasing. In commercial lines price competition remains severe
- Changing distribution landscape
- The Dutch Central Bank is worried about continuity of non-life insurers
- Growth in Income Protection through privatisation of social security system
- Increasing claims ratios in Income Protection especially in long term disability ➔ we expect that prices will be increased

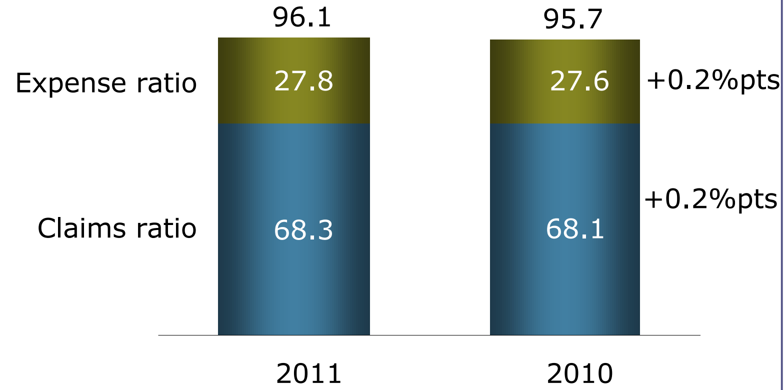
Results Achmea

- Growth in premiums limited, growth areas are our direct writers, InShared (Netherlands) and Anytime (Greece). Anytime gained more than 100,000 clients in the first year
- Profit before tax €26 million lower at €375 million, this includes additional provisions in long term disability of €171 million
- Very good underwriting results achieved in P&C
- As a result, combined ratio slightly higher at 96.1%. Claims ratio in P&C at very low level

Gross written premiums (in € mln)



Combined ratio (in %)



Health: efficient operational performance

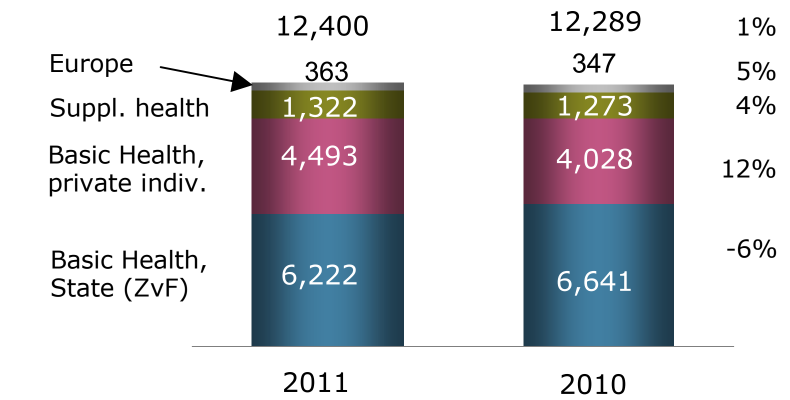
Trends we see in the market

- Expected growth of total healthcare costs approximately 3% per year
- Pressure on reducing costs
- More privatisation and more risk shifted to civilians
- Switch behaviour 2012: 5.6%, switch mainly to internet
- Collectivisation continues
- Lower coverage of supplementary health and dental care (2-3% reduced their cover in 2012)
- Margins are expected to deteriorate in supplementary health

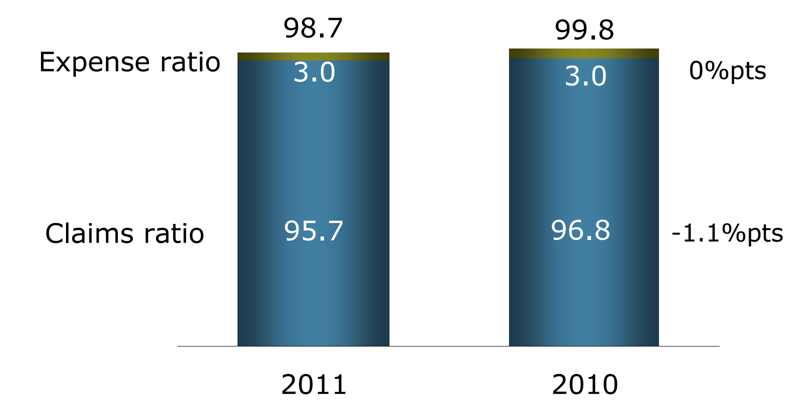
Results Achmea

- Premium increase was limited to 1% mainly as a result of lower contribution from the government. Premiums in Europe up 5%
- Profit before tax increased 26% to €326 million if corrected for one-offs
- Good insurance results achieved in Basic Health. Around 96% of premiums is paid out to cover the costs of healthcare
- Successful campaign resulted in 158,000 new health customers in 2012
- The merger at year-end 2011 with De Friesland Zorgverzekeraar is estimated to result in 500,000 new customers and over €1 billion in premiums in 2012

Gross written premiums (in € mln)



Combined ratio Basic Health (in %)



Life: result impacted by goodwill impairment and financial markets

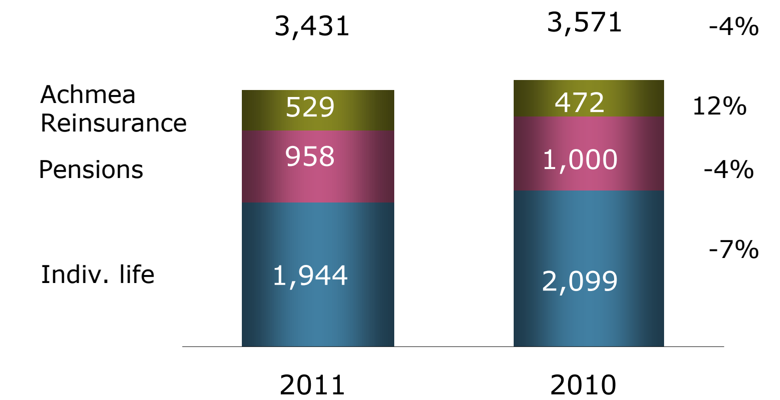
Trends we see in the market

- Most of market asset accumulation products shifting to banks
- Declining individual life market except for term insurance
- Uncertainty about new pension system
- Increasing pension awareness
- Gradual shift to defined contribution

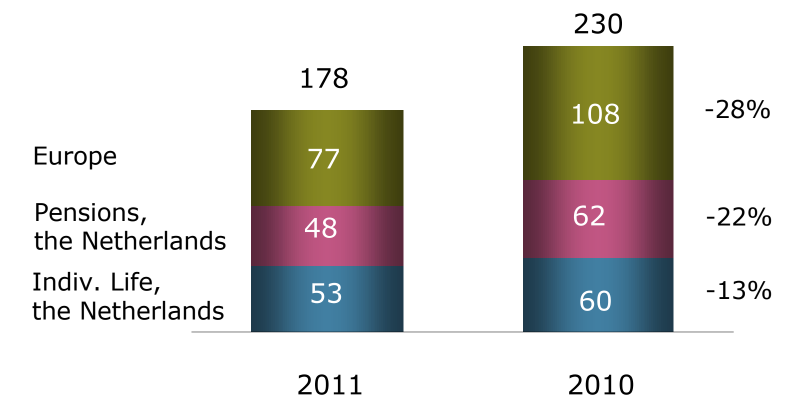
Results Achmea

- Premiums down 4%, mainly as a result of lower premiums unit linked, and the divestment of our French business
- It was a difficult year for our Life business. Impairment of goodwill (€279 million), Greek government bonds (€114 million), real estate (€60 million) and guarantees on segregrated accounts (€143 million) all negatively impacted the results to a loss of €292 million
- VNB in the Netherlands held up well considering shift in focus to term insurance and profitable growth. VNB margin in the Netherlands remained stable
- In Europe, VNB and VNB margin were negative, mainly as a result of lower sales in Greece and Ireland

Gross written premiums (in € mln)



New Sales (APE, in € mln)



Comparison of insurers difficult as a result of different accounting rules and application of solvency curves

Prudence towards policyholders

- Life insurers can recognise realised and unrealised investment results in total Equity, P&L and a reserve for policyholders
- We reserve for life policyholders so that future obligations can be met
- In 2011, this reserve increased €1.5 billion to €2.7 billion
- Total equity in reporting year declined to €9.8 billion, mainly as a result of share buy-back (€200 million) and net loss

Solvency

- Difference between swap and ECB AAA curve is quite substantial for long term interest rates (swap curve is lower)
- We are the only large Dutch insurer who uses the swap curve
- Insurers using swap curve were obliged to use 3 months average swap curves
- Group Solvency strong at 204% based on 3 months average swap curve

Solvency Achmea Pensioenen- en Leven	**3 months**	**Year-end**
Swap	209%	182%
ECB AAA	244%	223%

Ratings take all these effects into account when evaluating a company.
Rating Achmea 2008: A- negative outlook, rating Achmea 2011: A- stable outlook.
Our rating is now the highest in the Dutch industry

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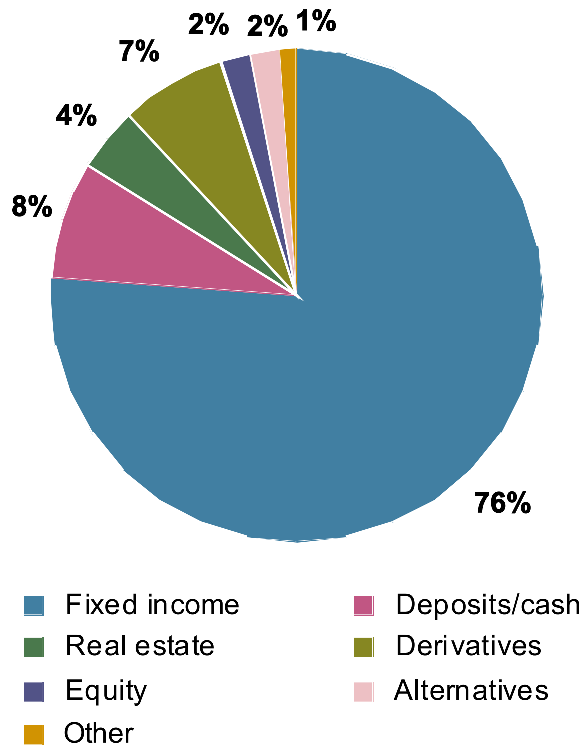
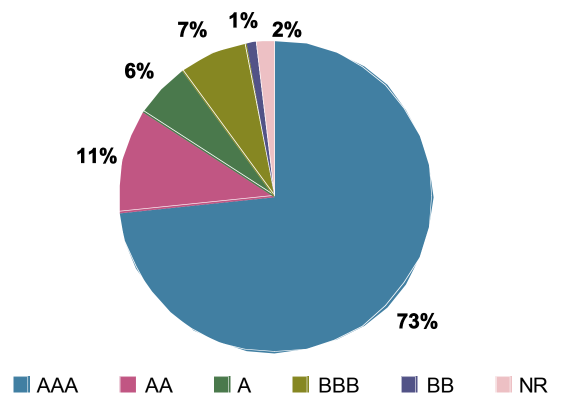
Conservative investment portfolio remains; performance in the Netherlands 8.4%

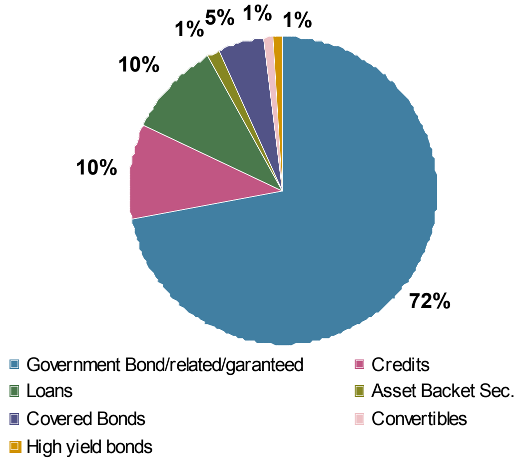
Total investments year-end 2011: €42 billion



By rating



By instruments



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Sovereign and real estate exposures

Sovereign exposure to GIIPS countries (in € mln)	31-12-11	Nominal Value	In % of fixed income
Greece	31	145	0.1%
Italy	57	60	0.2%
Ireland	411	480	1.3%
Portugal	33	48	0.1%
Spain	48	48	0.1%
Total	**580**	**780**	**1.8%**

Real estate portfolio (in € mln)	31-12-11
Residential	444
Offices	378
Retail	345
Other	76
Real estate funds	455
Total	**1,698**

Top sovereign exposure (in € mln)	31-12-11
The Netherlands	12,044
Germany	4,936
France	2,561
Finland	570

- Total sovereign GIIPS exposure €580 million
- All bonds are at market value. Sovereign bonds of Greece have been impaired; write-off 79%
- Total exposure on real estate €1.7 billion. Total revaluations on real estate amounted to €77 million of which the majority is related to offices
- Around €20 billion or 46% of the total investment portfolio is invested in sovereign countries the Netherlands, Germany and France
- Achmea participates in the Greek PSI with all eligible Greek Government bonds

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- Focus on cost efficiency remains
- Putting customer’s interest first, also when healthcare costs increase

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