Achmea
2012 Interim Results

Sound performance and strong capital position in challenging markets

28 August 2012

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

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Sound performance and strong capital position in challenging markets

- Net profit up 11% to €200 million
- Gross written premiums up 5% to €11,469 million
- Solvency up 8%-pts to 212%
- Operating expenses down 5%
- Continued strong operational performance Property & Casualty and Health
- Continued strong capital position

Group developments in first half of 2012

- Core business and commercial position strengthened; merger with De Friesland Zorgverzekeraar (DFZ) and acquisition of Independer.nl completed
- Non-core activities divested; sale of occupational health and safety service provider Achmea Vitale completed
- Rise in healthcare costs seems to decrease
- Start-up in Australia in cooperation with Rabobank for customers in agricultural sector
- Direct writer Anytime in Greece successfully rowing against the current
- Successful placement of almost €800 million of securities to refinance our existing Dutch mortgage portfolio

Rise in healthcare costs seems decreasing

- In Basic Health insurance we paid around €5.7 billion in claims for customers. Through time, around 96% of all premiums paid out to cover the costs of healthcare for our customers
- Early signals that the rise in healthcare costs seems to decrease, but too soon to draw any conclusion
- Primary care: healthcare costs have increased more slowly Secondary care: signs of a slowdown in cost increases, but too early to draw definitive conclusions
- Tentative evidence that the policy being pursued, including the Outline agreement works, and that we are able to secure quality and affordability of healthcare even in the long term
- To ensure that the increase in costs continues to slowdown, our negotiations with hospitals are focused on signing two-year contracts for 2013 and 2014

Sound performance in H1 2012

Key figures (in € mln)	H1 2012	H1 2011	Change
Gross written premiums	11,469	10,956	5%
Operating expenses	1,464	1,540	-5%
Profit before tax from regular activities	189	201	-6%
Net profit	200	180	11%

Key figures (in € mln)	30-06-2012	31-12-2011	Change
Total equity	10,044	9,775	3%
Solvency Group	212%	204%	8%-pts
Solvency Insurance entities	215%	208%	7%-pts

- Net profit up 11% to €200 million
- Gross written premiums up 5% supported by merger with DFZ
- Operating expenses down 5% as a result of our continued focus on costs
- Profit before tax from regular activities down with 6% against H1 2011
- Strong capital position maintained and group solvency improved with 8%-pts to 212% using ECB AAA curve combined with Ultimate Forward Rate (UFR)

Continued strong performance in Property & Casualty and Health, stable results in Pension and Life

Profit before tax (in € mln)	H1 2012	H1 2011	Change
Non-life Netherlands	82	210	-61%
Health Netherlands	197	157	25%
Pension and Life Netherlands	137	135	1%

GWP (in € mln)	H1 2012	H1 2011	Change
Non-life Netherlands	2,014	2,014	0%
Health Netherlands	6,938	6,382	9%
Pension and Life Netherlands	1,865	1,866	0%

- Performance in Non-life continues to be strong, but impacted by one-offs:
  - €87 million additional provision for long-term disability insurance (WGA)
  - €33 million costs related to the sale of Achmea Vitale
- Both profit before tax and gross written premiums in Health are supported by the merger with DFZ
- Overall performance of Pension and Life is in line with performance last year despite challenging market conditions, positively affected by a switch in the yield curve for measuring certain insurance liabilities

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Net profit up 11% to €200 million

(in € mln)	H1 2012	H1 2011	Change
Profit before tax from regular activities	189	201	-6%
Mergers and divestments	-33	30	n.m.
Impairment Greek government bonds	-	-48	n.m.
Other	-	1	n.m.
Profit before tax	**156**	**184**	**-15%**
Net profit	**200**	**180**	**11%**

- Net profit up 11% at €200 million against €180 million in H1 2011
- Profit before tax from regular activities down 6% to €189 million, including the following one-offs:
  - Additional provision for long-term disability insurance
  - Contribution to the loan-loss provision for business run-off at the finance company in Ireland
  - Positive effect of switch in the yield curve used for measuring certain insurance liabilities
- Profit before tax €156 million, including one-off costs related to the sale of Achmea Vitale (€33 million)

Continued focus on operational efficiency

(in € mln)	H1 2012	H1 2011	Change
Gross operating expenses*	1,356	1,388	-2%
Operating expenses	1,464	1,540	-5%

(in € mln)	H1 2012	H1 2011	Change
Total FTEs (internal) **	19,100	19,490	-2%
- Of which: The Netherlands	15,217	15,393	-1%

- 5% reduction of gross operating expenses corrected for the merger with DFZ and the acquisition of Independer.nl. Including these one offs reduction amounted to 2% or €1,356 million
- 5% reduction of operating expenses due to lower acquisition costs and lower management costs through our continued focus on cost reductions
- 2% reduction of FTEs

* *Gross operating expenses are operating expenses corrected for acquisition costs and allocation to claim handling*

** *H1 2012 excluding Achmea Vitale (572) and including DFZ and Independer.nl (649)*

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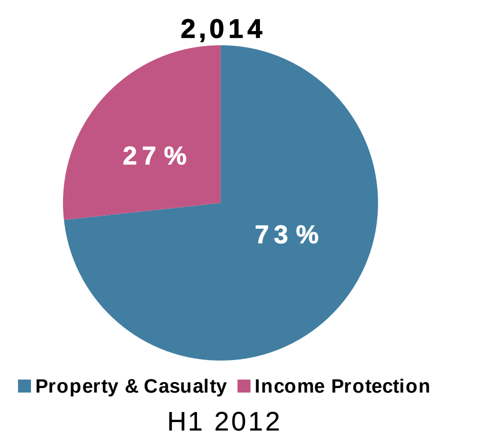
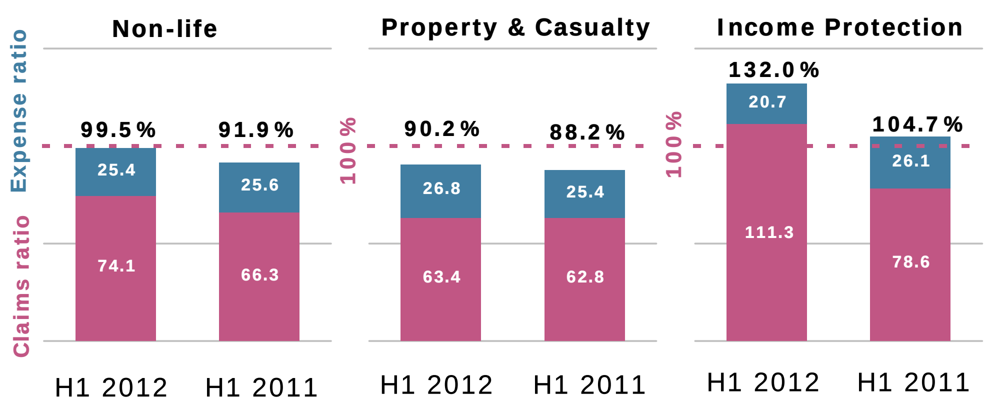
Non-life Netherlands: continued strong performance in P&C, combined ratio <100%

- Property & Casualty continues strong operational performance, although claims ratio is slightly up in line with general market trend
- Income Protection claims ratio increased 7.5%-pts if corrected for the additional provision following expected higher inflow and longer duration of insured persons in the WGA
- Therefore, Non-life combined ratio higher than our target of 97%, but still under 100% despite difficult market conditions
- Profit before tax in Non-life corrected for one-offs (€87 million additional provision and €33 million costs related to the sale of Achmea Vitale) was in line with last year

Gross written premiums (€ mln)



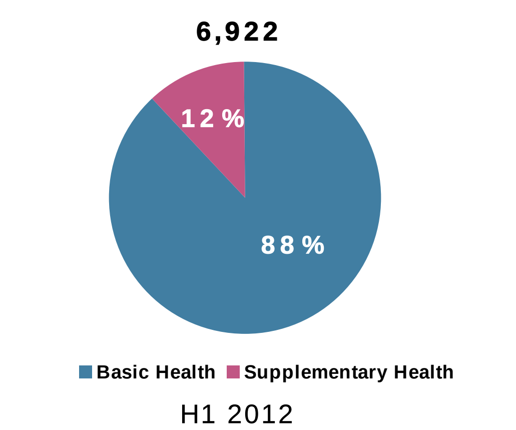
Combined ratio (%)



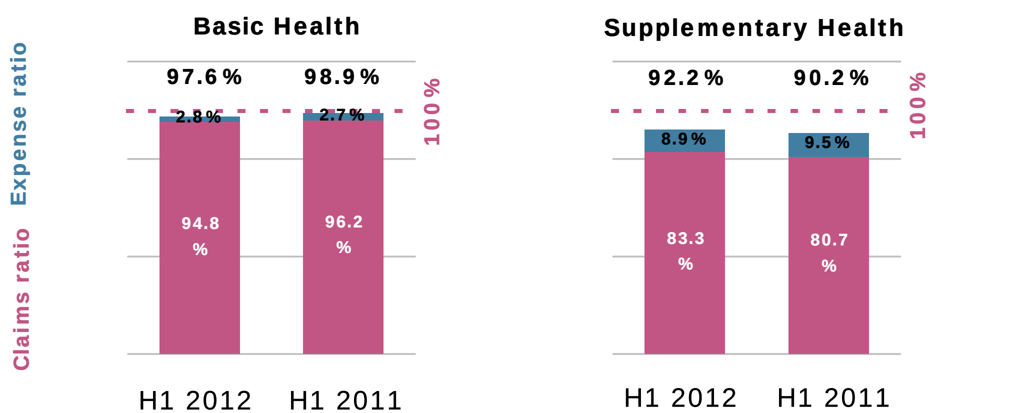
Health Netherlands: good performance, combined ratio <100%

- Gross written premiums are up 9% to €6,938 million, supported by the merger with DFZ. Achmea now insures 5.5 million Dutch customers for healthcare
- Claims ratio Basic Health improved 1.4%-pts, mainly following a release of provisions from previous years. In Basic Health in H1 2012 we paid out €5,6 billion to cover claims. Target of combined ratio for Basic Health <100% achieved
- Through time, around 96% of premiums are paid out to cover the costs of healthcare for our customers. We use around 3% to cover the costs of execution of healthcare insurance. The remaining 1% is the result, which Achmea uses to support its financial stability
- Claims ratio Supplementary Health continues to rise as our insured make more efficient use of their supplementary health packages. In H1 2012 we paid €637 million in claims

Gross written premiums (€ mln)



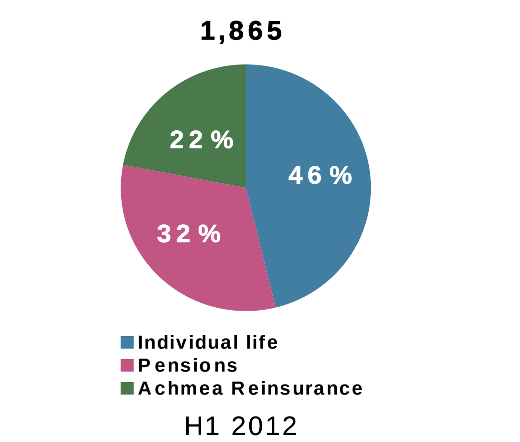
Combined ratio (%)



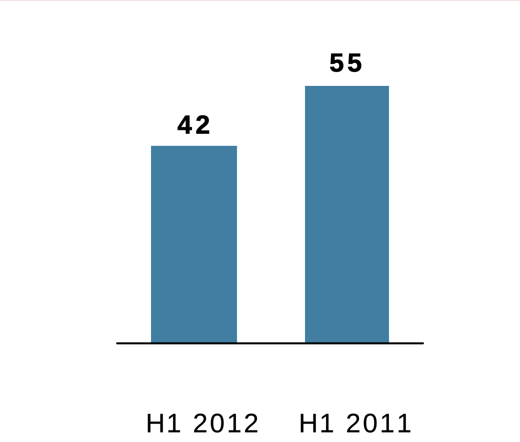
Pension and Life Netherlands: stable results in challenging market conditions

- Life insurance market remains under pressure due to low long-term interest rates and uncertainty relating to the pension market
- Gross written premiums stable against last year, lower sales due to challenging market conditions
- Profit before tax remains stable at €137 million (H1 2011: €135 million) impacted by the switch in the yield curve for measuring certain insurance liabilities
- Achmea is considering setting up a separate closed books organisation whereby the main challenge will be to manage the closed portfolio efficiently and effectively at a high standard of service

Gross written premiums (€ mln)



New business (APE)



Results in other segments

International

- Long-term strategy of building international presence in line with our core competences Non-life and Health insurance, such as Anytime in Greece and start-up in Australia
- Profit before tax in H1 2012 was minus €5 million versus minus €2 million in H1 2011 if corrected for one-offs
- Non-core business phased out, such as run-off business in Ireland

Banking NL

- Lower profit before tax of €15 million (H1 2011: €21 million) due to lower net interest margin on mortgages; interest margins negatively impacted by increased funding costs
- Successful placement of almost €800 million of securities in the market to refinance our existing Dutch mortgage portfolio

Other

- Lower operating expenses due to continued focus on cost reduction and due to charging certain investments in projects directly to our business entities
- Syntrus Achmea AuM increased with €3 billion to €60 billion

Strong capital and solvency position

Total equity end 2011 (€mln)	9,775
Net income	200
Dividend and coupon payments to holder of equity instruments	-70
Revaluation equity and fixed income portfolio	85
FX reserves	37
Other	17
Total equity end June 2012	**10,044**

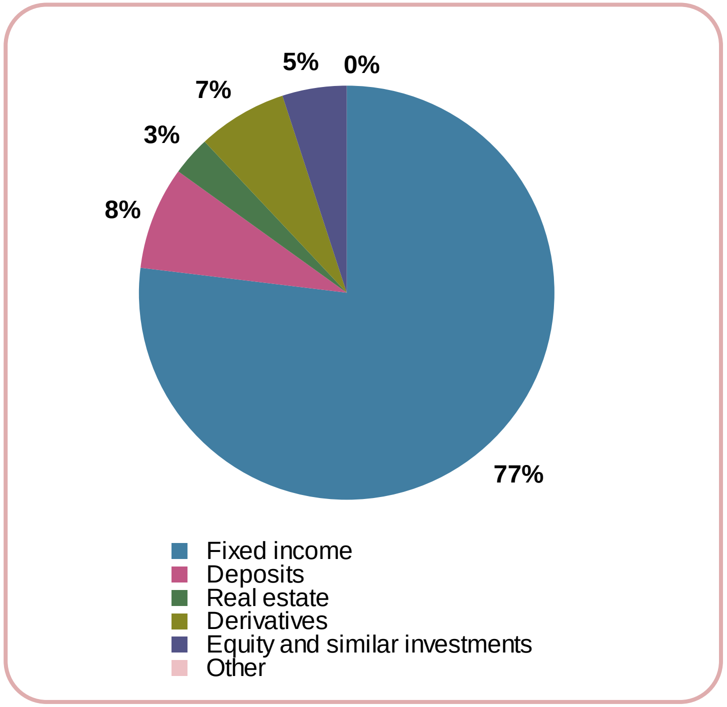
Solvency (%)	Euro swap curve	Euro swap curve + UFR	ECB AAA + UFR
H1 2012	180%	191%	215%

- Total equity increased 3% to €10,044 million
- Fund for future appropriation increased €413 million to almost €3.1 billion following positive investment results that cover obligations towards our policyholders
- Solvency ratio (IGD) 215% against 208% at year-end 2011, positively impacted impacted by the use of ECB AAA cure + UFR
- High quality of capital: the majority of our capital is tier 1 capital (92%)

Low risk profile maintained

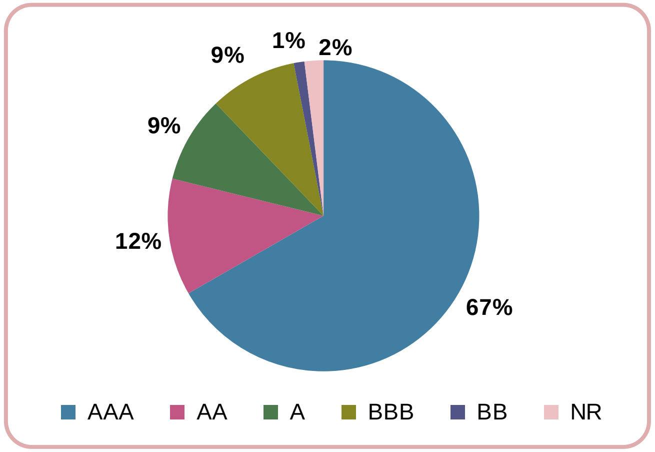
- We switched 10% or €1.6 billion of our Dutch, German and French government bonds in fixed income portfolio to low risk credits starting in Q1 2012

Total investments 30 june 2012: €43.6 billion

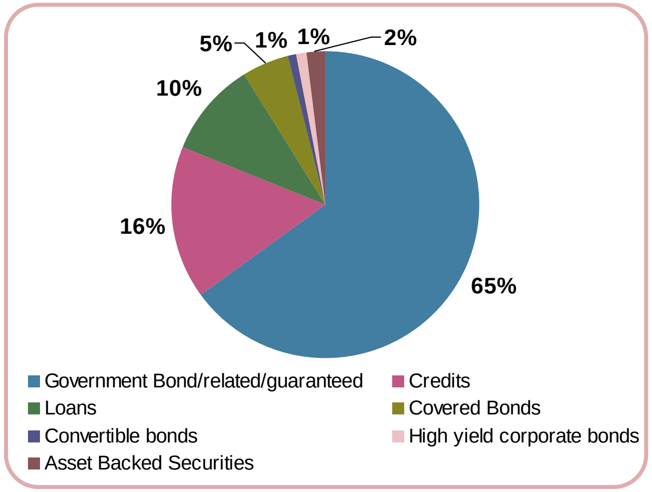


By rating

Fixed income 30 june 2012: €33.3 billion



By instruments



Sovereign exposure

Top 5 sovereign exposure (in € mln)	30-06-12	31-12-11
The Netherlands*	10,356	10,512
Germany	4,549	4,936
France	1,927	2,561
Finland	489	570
Ireland	462	411

* *Excluding deposits*

Sovereign exposure to GIIPS countries (in € mln)	30-06-12	Nominal value
Greece	7	46
Ireland	462	481
Italy	58	60
Portugal	43	48
Spain	45	48
Total	**615**	**683**

- Total exposure on government bonds is €18.0 billion
- These government bonds are predominantly Dutch, German and French
- Total exposure to GIIPS-countries is €615 million or 1.8% of our fixed-income portfolio
- Our exposure to Ireland is entirely related to our Irish business. Nominal value has not changed

Real estate exposure

Real estate portfolio (direct) (in € mln)	30-06-12	%	Revaluations 2009 - 2012
Residential	436	36%	-14%
Offices	360	30%	-27%
Retail	351	29%	-1%
Other	60	5%	-11%
Total	**1,207**	**100%**	**-14%**

- Syntrus Achmea is the largest commercial real estate investor in The Netherlands with €15 billion AuM; over €13 billion for clients such as pension funds and around €2 billion for Achmea (€1.2 billion in direct real estate)
- On a quarterly basis, Achmea performs a full valuation of 25% of our portfolio and a review of the remaining 75% of the portfolio; since 2009, we have impaired 27% of our offices portfolio
- Value declines are expected to continue to impact the Dutch real estate sector, mainly offices
- Syntrus Achmea actively takes its role as a market leader through the redevelopment of real estate, e.g. healthcare property

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- Sound performance and good capital position in challenging markets
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- Solvency up 8%-pts to 212%
- Operating expenses down 5%
- However, economic slowdown and challenging market circumstances will persist in H2 2012

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