

financial supplement

ACHMEA
FINANCIAL SUPPLEMENT
FULL YEAR 2019

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KEY FIGURES

	(€ million)	
Results	2019	2018
Gross written premiums	19,949	19,918
Change in provision for unearned premiums and current risk (net of reinsurance)	-91	61
Other income	384	578
Movements in insurance liabilities where policyholders bear investment risks	392	-1,178
Interest and similar expenses	252	288
Operational result	547	391
Operational result by segment	2019	2018
Non-life Netherlands	178	97
Health Netherlands	62	128
Pension & Life Netherlands	363	334
Retirement Services Netherlands	30	15
International activities	22	29
Other activities	-108	-212
Total	547	391
Balance sheet	31-12-2019	31-12-2018
Total assets	89,488	81,816
Total equity	10,191	9,705
Investments for own risk	49,714	44,008
Insurance liabilities own risk	42,458	40,145
Employees in The Netherlands and abroad	31-12-2019	31-12-2018
FTEs (internal)	13,801	13,714
FTEs (external)	2,590	2,922
FTEs (total)	16,391	16,636

GROUP NON-LIFE AND HEALTH RATIOS

(The ratios include domestic and foreign operations)

Group Non-life	2019	2018
Claims ratio	69.0%	70.1%
Expense ratio	26.0%	25.4%
Combined ratio	95.0%	95.5%
Group Health	2019	2018
Claims ratio	96.6%	95.7%
Expense ratio	2.9%	3.0%
Combined ratio	99.5%	98.7%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)

	31-12-2019	31-12-2018
Assets		
Intangible assets	738	739
Associates and joint ventures	64	50
Property for own use and equipment	554	403
Investment property	1,104	1,103
Investments	78,758	70,948
Deferred tax assets	416	553
Amounts ceded to reinsurers	636	671
Receivables and accruals	6,255	5,883
Cash and cash equivalents	963	1,466
Total assets	89,488	81,816
Equity		
Equity attributable to holders of equity instruments of the company	10,183	9,697
Non-controlling interest	8	8
Total equity	10,191	9,705
Liabilities		
Liabilities related to insurance contracts	57,770	55,065
Other provisions	1,106	1,089
Financial liabilities	18,475	15,197
Derivatives	1,918	731
Deferred tax liabilities	28	10
Income tax payable		19
Total liabilities	79,297	72,111
Total equity and liabilities	89,488	81,816

CONSOLIDATED INCOME STATEMENT

(€ million)

Income	2019	2018
Gross written premiums	19,949	19,918
Reinsurance premiums	-334	-294
Change in provision for unearned premiums and current risks (net of reinsurance)	-91	61
Net earned premiums	19,524	19,685
Income from associates and joint ventures	3	7
Investment income	4,742	1,066
Other income	384	578
Total income	24,653	21,336
Expenses	2019	2018
Net expenses from insurance contracts	21,430	17,995
Fair value changes and benefits credited to investment contracts	34	23
Interest and similar expenses	252	288
Operating expenses	2,292	2,358
Other expenses	98	106
Total expenses	24,106	20,770
Result before tax	547	566
Income tax expenses	66	251
Net profit	481	315
Net profit attributable to:		
<i>Holders of equity instruments of the company</i>	480	314
<i>Non-controlling interest</i>	1	1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)

Consolidated statement of comprehensive income	2019	2018
Net profit	481	315
Net other comprehensive income		
Remeasurements of net defined benefit liability	-18	12
Unrealised gains and losses of property for own use	8	9
Currency translation differences on intangible assets, subsidiaries and associates	-13	-53
Unrealised gains and losses on available for sale instruments	1,536	-79
Share in other comprehensive income of associates	-1	
Transfer from/to provision for profit sharing and bonuses	-1,033	-84
Gains and losses on available for sale instruments reclassified to the Income Statement on disposal	-337	-128
Reclassification to the Income statement as Profit sharing and bonuses for policyholders from investment income	157	9
Impairment charges on available for sale instruments reclassified to the Income Statement	14	48
Net Comprehensive income	313	-266
Comprehensive income	794	49
Comprehensive income attributable to:		
<i>Holders of equity instruments of the Company</i>	793	48
<i>Non-controlling interest</i>	1	1
Condensed consolidated statement of changes in total equity	2019	2018
Balance at beginning of period	9,705	9,949
Comprehensive income	794	49
Dividends and coupon payments	-204	-193
Issue, sale and purchase of equity instruments	-100	-100
Other movements	-4	
Balance at end of period	10,191	9,705

CONSOLIDATED STATEMENT OF TOTAL EQUITY

(€ million)

	31-12-2019	31-12-2018
Share capital	11,357	11,357
Own shares	-335	-335
Legal reserves	53	34
Revaluation reserve	1,120	746
Exchange difference reserve	-429	-416
Hedging reserves	-7	-7
Retained earnings	-3,306	-3,346
Profit for the year	480	314
Other equity instruments	1,250	1,350
Equity attributable to holders of equity instruments of the Company	10,183	9,697
Non-controlling interest	8	8
Total equity	10,191	9,705

CAPITAL STRUCTURE

	(€ million)	
Development of total equity	2019	2018
Total equity – start of year	9,705	9,949
Net profit	481	315
Post-employment benefits	-18	12
Foreign exchange results and hedge reserves	-13	-53
Revaluation reserves	344	-225
Dividends and coupon payments	-204	-193
Issue, sale and purchase of equity instruments	-100	-100
Other	-4	
Total equity – end of year	10,191	9,705

SOLVENCY II¹

	(€ million)		
SOLVENCY RATIO GROUP PARTIAL INTERNAL MODEL	2019	2018	Δ
Eligible own funds	9,317	8,925	392
Required capital (SCR)	4,352	4,497	-145
Surplus	4,965	4,428	537
Ratio (%)	214%	198%	16%-pt

	(€ million)		
ELIGIBLE OWN FUNDS GROUP PARTIAL INTERNAL MODEL ²	2019	2018	Δ
Tier 1 restricted	784	1,040	-256
Tier 1 unrestricted	6,565	6,030	535
Tier 2	1,580	1,347	233
Tier 3 unrestricted	388	508	-120
Eligible own funds	9,317	8,925	392

	(€ million)		
SOLVENCY CAPITAL REQUIREMENT PARTIAL INTERNAL MODEL ²	2019	2018	Δ
Market Risk	2,365	2,566	-200
Counterparty Default Risk	273	261	12
Life Underwriting Risk	1,791	1,636	155
Health Underwriting Risk	1,773	1,832	-59
Non-life Underwriting Risk	892	823	69
Intangible Asset Risk	0	0	0
Diversification	-2,542	-2,496	-47
Basic Solvency Capital Requirement	4,553	4,622	-69
Loss-Absorbing Capacity Expected Profits	-221	-205	-16
Loss-Absorbing Capacity Technical Provisions	0	0	0
Loss-Absorbing Capacity Deferred Taxes	-619	-582	-37
Operational Risk	599	596	4
Other deductions & additions	0	0	0
Solvency Capital Requirement (Cons)	4,313	4,431	-118
SCR Other Financial Sectors & Other entities	39	66	-28
SCR Ring Fenced Funds	0	0	0
Solvency Capital Requirement	4,352	4,497	-146

¹ After foreseeable dividends.

² Excluding CRD IV entities.

CONSOLIDATED CASHFLOW STATEMENT

(€ million)

Consolidated cash flow statement

	2019	2018
Net cash and cash equivalents start of year	1,466	2,884
Cash flow from operating activities	-18	-1,352
Cash flow from investing activities	-99	296
Cash flow from financing activities	-386	-362
Net cash flow	-503	-1,418
Net cash and cash equivalents end of year	963	1,466

GROSS WRITTEN PREMIUMS PER COUNTRY

(€ million)

	Netherlands	Turkey	Greece	Slovakia	Australia	Total 2019	Total 2018
Gross written premiums	18,908	231	341	442	27	19,949	19,918

INVESTMENTS FOR OWN RISK

(€ million)

Investments for own risk	2019	2018
Equities and similar investments	2,388	2,250
Investment property ¹	1,428	1,378
Bonds ²	28,773	27,016
Loans and mortgages	8,819	8,351
Deposits with reinsurers	459	446
Deposits with credit institutions	356	194
Derivatives	6,504	3,432
Other financial investments	2,091	2,044
Total	50,818	45,111

Specification of equities and similar investments	2019	%	2018	%
Listed ordinary shares	1,599	67%	1,433	63%
Alternatives	723	30%	758	34%
Other	66	3%	59	3%
Total	2,388	100%	2,250	100%

Specification of investment property ³	2019	%	2018	%
Residential	563	51%	546	50%
Retail	254	23%	284	26%
Offices	276	25%	247	22%
Other	11	1%	26	2%
Total	1,104	100%	1,103	100%

	2019	2018
Running yield	2.1%	2.2%

¹ Including Real Estate Funds

² Including Fixed Income Funds

³ Excluding Real Estate Funds

SPECIFICATION OF FIXED-INCOME PORTFOLIO

External credit rating activa Fixed income investments								(€ million)
31/12/2019	AAA Sovereign	AAA	AA	A	BBB	Below BBB	Not rated	Total
Bonds	8,164	2,494	5,040	5,799	6,179	429	398	28,503
Loans and mortgages	0	654	58	0	2	0	8,105	8,819
Deposits with reinsurers	0	0	0	459	0	0	0	459
Deposits with credit institution	0	185	20	48	3	38	62	356
Fixed income funds	0	0	0	0	0	0	270	270
Total fixed income investor	8,164	3,333	5,118	6,306	6,184	467	8,835	38,407

External credit rating activa Fixed income investments								(€ million)
31/12/2018	AAA Sovereign	AAA	AA	A	BBB	Below BBB	Not rated	Total
Bonds	9,012	2,740	4,942	4,501	4,998	270	140	26,603
Loans and mortgages	0	567	59	5	2	0	7,718	8,351
Deposits with reinsurers	0	0	0	446	0	0	0	446
Deposits with credit institution	0	52	5	45	1	91	0	194
Fixed income funds	0	0	0	0	0	0	413	413
Total fixed income investor	9,012	3,359	5,006	4,997	5,001	361	8,271	36,007

NON-LIFE NETHERLANDS RESULTS

(€ million)

Income	2019	2018
Gross written premiums	3,564	3,364
Reinsurance premiums	-196	-112
Change in provision for unearned premiums and current risks (net of reinsurance)	-78	-24
Net written premiums	3,290	3,228
Income from associates and joint ventures	1	
Investment income	137	60
Other income	31	19
Total income	3,459	3,307
Expenses		
Net expenses from insurance contracts	2,366	2,339
Interest and similar expenses	4	3
Operating expenses related to insurance activities	862	821
Other operating expenses	28	24
Other expenses	21	23
Total expenses	3,281	3,210
Operational result	178	97

NON-LIFE NETHERLANDS GROSS WRITTEN PREMIUMS & RATIOS		
Specification of gross written premiums Non-life	2019	2018
Accident	709	675
Property	950	929
Motor liability	747	653
Motor other	672	643
General liability	272	249
Legal assistance	178	181
Transport/aviation	36	34
Total	3,564	3,364
Non-life Netherlands		
	2019	2018
Claims ratio ¹	69.0%	70.1%
Expense ratio	26.0%	25.4%
Of which acquisition expenses	12.1%	11.3%
Of which other operating expenses	13.9%	14.1%
Combined ratio ¹	95.0%	95.5%
Property & Casualty Netherlands		
	2019	2018
Claims ratio	68.3%	70.0%
Expense ratio	26.5%	26.0%
Of which acquisition expenses	12.2%	11.9%
Of which other operating expenses	14.3%	14.1%
Combined ratio	94.8%	96.0%
Income Protection Netherlands		
	2019	2018
Claims ratio ¹	73.1%	70.6%
Expense ratio	23.2%	22.6%
Of which acquisition expenses	11.4%	8.8%
Of which other operating expenses	11.8%	13.8%
Combined ratio ¹	96.3%	93.2%

¹ Corrected for technical interest

HEALTH NETHERLANDS RESULTS

(€ million)

Income	2019	2018
Gross written premiums	14,082	13,942
Reinsurance premiums	-2	1
Changes in the provision for unearned premiums and current risks (net of reinsurance)	4	88
Net written premiums	14,084	14,031
Income from associates and joint ventures	-1	-1
Investment income	22	4
Other income	115	107
Total income	14,220	14,141
Expenses	2019	2018
Net expenses from insurance contracts	13,606	13,426
Operating expenses from insurance contracts	413	426
Other operating expenses	102	100
Interest and similar expenses	1	1
Other expenses	36	60
Total expenses	14,158	14,013
Operational result	62	128

HEALTH NETHERLANDS GROSS WRITTEN PREMIUMS & RATIOS

(€ million)

Specification of gross written premiums Health

	2019	2018
Basic Health - risk equalization pool (ZvF)	7,365	7,394
Basic Health - private individuals	5,469	5,227
Supplementary Health	1,248	1,321
Total	14,082	13,942

Health Netherlands

	2019	2018
Claims ratio	96.6%	95.7%
Expense ratio	2.9%	3.0%
Combined ratio	99.5%	98.7%

Basic Health

	2019	2018
Claims ratio	98.0%	97.1%
Expense ratio	2.2%	2.3%
Combined ratio	100.2%	99.4%

Supplementary Health

	2019	2018
Claims ratio	82.3%	82.1%
Expense ratio	10.5%	10.3%
Combined ratio	92.8%	92.4%

PENSION & LIFE NETHERLANDS RESULTS

(€ million)

Income	2019	2018
Gross written premiums	1,164	1,420
Reinsurance premiums	-25	-32
Change in provision for unearned premiums and current risks (net of reinsurance)	1	1
Net earned premiums	1,140	1,389
Income from associates and joint ventures	-1	
Investment income	4,111	555
Other income	1	9
Total income	5,251	1,953
Expenses	2019	2018
Net expenses from insurance contracts	4,721	1,459
Interest and similar expenses	5	1
Operating expenses	155	150
Other expenses	7	9
Total expenses	4,888	1,619
Operational result	363	334

PENSION & LIFE NETHERLANDS GROSS WRITTEN PREMIUMS

	(€ million)	
Gross written premiums specified	2019	2018
Single premiums	398	434
Annual premiums	766	986
Total	1,164	1,420
Life & Pensions 'open-book'	240	227
Of which Annuities	183	173
Of which Term-Life	57	54
Life & Pensions 'service book'	924	1,193
Of which service book Life	680	769
Of which service book Pensions	244	424
Total	1,164	1,420

RETIREMENT SERVICES NETHERLANDS RESULTS

(€ million)

Retirement services total	2019	2018
Total income	272	232
Of which: Administration and management fees	125	121
Operating expenses	242	217
Operational result	30	15

Achmea Bank	2019	2018
Net interest margin	146	112
Fair value result	-2	-2
Operating expenses	105	79
Release of loan loss provisions	3	1

(€ billion)

Achmea Investment management	2019	2018
Assets under management	147	129

	2019	2018
Efficiency ratio	77.0%	68.0%
Core tier 1 ratio	19.2%	20.8%
Total Capital Ratio	19.2%	20.9%
Liquidity Coverage Ratio	249%	364%
Net Stable Funding Ratio	121%	121%
Leverage Ratio	5.8%	6.5%

INTERNATIONAL ACTIVITIES RESULTS

(€ million)

	2019	2018
Income		
Gross written premiums	1,041	1,106
Reinsurance premiums	-135	-174
Change in provision for unearned premiums and current risks (net of reinsurance)	-14	-8
Net earned premiums	892	924
Income from associates and joint ventures	3	6
Investment income	79	71
Other income	34	47
Total income	1,008	1,048
Expenses		
Net expenses from insurance contracts	675	699
Fair value changes and benefits credited to investment contracts	34	23
Operating expenses related to insurance activities	232	238
Other operating expenses	8	28
Interest and similar expenses	1	
Other expenses	36	31
Total expenses	986	1,019
Operational result	22	29
Health International		
Claims ratio	85.1%	83.9%
Expense ratio	15.6%	15.9%
Combined ratio	100.7%	99.8%
Non-life International		
Claims ratio	59.9%	61.5%
Expense ratio	38.8%	37.8%
Combined ratio	98.7%	99.3%

OTHER ACTIVITIES RESULTS		
Income	2019	2018
Gross written premiums	271	205
Reinsurance premiums	-149	-93
Change in the provision for unearned premiums and current risks (net of reinsurance)	-4	1
Net written premiums	118	113
Income from associates and joint ventures	1	1
Investment income	40	16
Other income	112	124
Total income	271	254
Expenses	2019	2018
Net expenses from insurance contracts	65	72
Operating expenses	250	352
Interest and similar expenses	66	57
Other expenses	-2	-15
Total expenses	379	466
Operational result	-108	-212

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