

financial supplement

ACHMEA FINANCIAL SUPPLEMENT HALF YEAR 2020

August 2020

Unaudited

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KEY FIGURES

	(€ million)	
	HY 2020	HY 2019
Results		
Gross written premiums	17,675	17,571
Change in provision for unearned premiums and current risks (net of reinsurance)	-7,688	-7,648
Other income	204	195
Movements in insurance liabilities where policyholders bear investment risks	-849	569
Interest and similar expenses	125	129
Operational result	127	284
Operational result by segment		
Non-life Netherlands	91	89
Health Netherlands	7	57
Pension & Life Netherlands	71	204
Retirement Services Netherlands	20	5
International activities	28	7
Other activities	-90	-78
Total	127	284
Balance sheet		
	30-6-2020	31-12-2019
Total assets	100,048	89,488
Total equity	10,050	10,191
Investments for own risk	53,414	49,710
Insurance liabilities own risk	51,649	42,458
Employees in The Netherlands and abroad		
	30-6-2020	31-12-2019
FTEs (internal)	13,834	13,801
FTEs (external)	2,094	2,590
FTEs (total)	15,928	16,391

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GROUP NON-LIFE AND HEALTH RATIOS

(The ratios include domestic and foreign operations)

Group Non-Life	HY 2020	HY 2019
Claims ratio	66.8%	68.6%
Expense ratio	27.5%	27.6%
Combined ratio	94.3%	96.2%

Group Health	HY 2020	HY 2019
Claims ratio	96.4%	96.0%
Expense ratio	3.1%	3.5%
Combined ratio	99.5%	99.5%

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(€ million)	
	30-6-2020	31-12-2019
Assets		
Intangible assets	735	738
Associates and joint ventures	65	64
Property for own use and equipment	545	554
Investment property	1,086	1,104
Investments	81,006	78,758
Deferred tax assets	496	416
Income tax receivable	33	
Amounts ceded to reinsurers	665	636
Receivables and accruals	13,892	6,255
Cash and cash equivalents	1,525	963
Total assets	100,048	89,488
Equity		
Equity attributable to holders of equity instruments of the company	10,042	10,183
Non-controlling interest	8	8
Total equity	10,050	10,191
Liabilities		
Liabilities related to insurance contracts	66,112	57,770
Other provisions	1,099	1,106
Financial liabilities	19,924	18,475
Derivatives	2,836	1,918
Deferred tax liabilities	27	28
Total liabilities	89,998	79,297
Total equity and liabilities	100,048	89,488

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CONSOLIDATED INCOME STATEMENT

	(€ million)	
	HY 2020	HY 2019
Income		
Gross written premiums	17,675	17,571
Reinsurance premiums	-186	-133
Change in provision for unearned premiums and current risks (net of reinsurance)	-7,688	-7,648
Net earned premiums	9,801	9,790
Income from associates and joint ventures	7	4
Investment income	1,635	3,416
Other income	204	195
Total income	11,647	13,405
Expenses		
Net expenses from insurance contracts	10,188	11,762
Fair value changes and benefits credited to investment contracts	-12	24
Interest and similar expenses	125	129
Operating expenses	1,139	1,158
Other expenses	80	48
Total expenses	11,520	13,121
Result before tax	127	284
Income tax expenses	19	50
Net result	108	234
Net result attributable to:		
<i>Holders of equity instruments of the company</i>	108	234
<i>Non-controlling interest</i>	0	0

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		(€ million)	
	HY 2020	HY 2019	
Net profit	108	234	
Net other comprehensive income			
Remeasurements of net defined benefit liability	36	-7	
Unrealised gains and losses on property for own use	2	5	
Currency translation differences (including realisations) on subsidiaries, associates, goodwill and joint ventures	-23	-9	
Unrealised gains and losses on financial instruments 'Available for sale'	7	1,192	
Changes in the provision for Profit sharing and bonuses for policyholders from unrealised investment income	-192	-802	
Gains and losses on financial instruments 'Available for sale' reclassified to the Income statement on disposal	-143	-206	
Reclassification to the Income statement as Profit sharing and bonuses for policyholders from investment income	59	101	
Impairment charges on financial instruments 'Available for sale' reclassified to the Income statement on disposal	48	3	
Net other comprehensive income	-206	277	
Comprehensive income	-98	511	
Comprehensive income attributable to:			
<i>Holders of equity instruments of the company</i>	-98	511	
<i>Non-controlling interest</i>			
Condensed consolidated statement of changes in total equity		HY 2020	HY 2019
Balance at beginning of period	10,191	9,705	
Comprehensive income	-98	511	
Dividends and coupon payments	-43	-167	
Balance at end of period	10,050	10,049	

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CONSOLIDATED STATEMENT OF TOTAL EQUITY

(€ million)

	HY 2020	FY 2019
Share capital	11,357	11,357
Own shares	-335	-335
Legal reserves	59	53
Revaluation reserve	910	1,120
Exchange difference reserve	-452	-429
Hedging reserves	-7	-7
Retained earnings	-2,848	-3,306
Profit for the year	108	480
Other equity instruments	1,250	1,250
Equity attributable to holders of equity instruments of the company	10,042	10,183
Non-controlling interest	8	8
Total equity	10,050	10,191

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CAPITAL STRUCTURE

	(€ million)	
Development of total equity	HY 2020	FY 2019
Total equity – start of year	10,191	9,705
Net profit	108	481
Issue, sale and purchase of equity instruments		-100
Dividends and coupons payments	-43	-204
Revaluation reserves	-219	344
Foreign exchange results and hedge reserves	-23	-13
Post-employment benefits	36	-18
Other		-4
Total equity – end of (half) year	10,050	10,191

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SOLVENCY II¹

	(€ million)		
	HY 2020	FY 2019	Δ
Solvency ratio group partial internal model ²			
Eligible own funds	9,386	9,535	-149
Required capital (SCR)	4,611	4,352	259
Surplus	4,775	5,183	-408
Ratio (%)	204%	219%	-15%-pt

Eligible own funds group partial internal model²

	(€ million)		
	HY 2020	FY 2019	Δ
Tier 1 Restricted	833	784	49
Tier 1 Unrestricted	6,346	6,783	-437
Tier 2	1,675	1,580	95
Tier 3	532	388	144
Total eligible own funds	9,386	9,535	-149

Solvency capital requirement partial internal model²

	(€ million)		
	HY 2020	FY 2019	Δ
Market Risk	2,511	2,365	146
Counterparty Default Risk	301	273	28
Life Underwriting Risk	1,881	1,791	90
Health Underwriting Risk	1,859	1,773	86
Non-Life Underwriting Risk	890	892	-2
Diversification	-2,651	-2,541	-110
Intangible asset risk			
Basic Solvency Capital Requirement	4,791	4,553	238
Operational Risk	601	599	2
Loss-Absorbing Capacity of Expected Profits Underwriting Risk	-67	-73	6
Loss-Absorbing Capacity of Expected Profits Market Risk	-127	-148	21
Loss-Absorbing Capacity of Technical Provisions			
Loss-Absorbing Capacity of Deferred Taxes	-626	-618	-8
SCR Other Financial Sectors & Other Entities	39	39	0
Solvency Capital Requirement	4,611	4,352	259

¹ After foreseeable dividends

² Excluding CRD IV entities

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CONSOLIDATED CASH FLOW STATEMENT	HY 2020	FY 2019
Net cash and cash equivalents start of year	963	1,466
Cash flow from operating activities	-50	-18
Cash flow from investing activities	-42	-99
Cash flow from financing activities	654	-386
Net cash flow	562	-503
Net cash and cash equivalents end of year	1,525	963

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GROSS WRITTEN PREMIUMS PER COUNTRY

(€ million)

	Non-life		Health		Life		Other		Inter segment eliminations		Total	
	HY 2020	HY 2019	HY 2020	HY 2019	HY 2020	HY 2019	HY 2020	HY 2019	HY 2020	HY 2019	HY 2020	HY 2019
Netherlands	2,323	2,192	14,099	14,133	556	624	182	120	-74	-26	17,086	17,043
Greece	109	108	55	55	13	14					177	177
Turkey	119	110	16	7							135	117
Slovakia	29	28	215	178	4	4					248	210
Australia	29	24									29	24
Total	2,609	2,462	14,385	14,373	573	642	182	120	-74	-26	17,675	17,571

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INVESTMENTS FOR OWN RISK

	(€ million)			
	HY 2020	%	FY 2019	%
Total investment portfolio				
Equities and similar investments	1,850	3%	2,388	5%
Investment property ¹	1,411	3%	1,428	3%
Bonds ²	30,128	56%	28,773	56%
Loans and mortgages	9,281	17%	8,819	17%
Deposits with reinsurers	415	1%	459	1%
Deposits with credit institutions	170	0%	356	1%
Derivatives	8,897	16%	6,504	13%
Other financial investments	2,347	4%	2,091	4%
Total	54,499	100%	50,818	100%
Specification of equities and similar investments				
	HY 2020	%	FY 2019	%
Listed ordinary shares	1,106	60%	1,599	67%
Alternatives	680	37%	723	30%
Other	64	3%	66	3%
Total	1,850	100%	2,388	100%
Specification of investment property ³				
	HY 2020	%	FY 2019	%
Residential	578	53%	563	51%
Retail	234	22%	254	23%
Offices	262	24%	276	25%
Other	12	1%	11	1%
Total	1,086	100%	1,104	100%
Running yield			HY 2020	FY 2019
			1.9%	2.1%

¹ Includes Real Estate funds

² Includes Fixed income funds

³ Excludes Real Estate funds

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SPECIFICATION OF FIXED-INCOME PORTFOLIO

External credit rating activa Fixed income investments

(€ million)

30/6/2020	AAA Sovereign	AAA	AA	A	BBB	Below BBB	Not rated	Total
Bonds	7,716	2,748	5,355	6,431	6,883	369	362	29,864
Loans and mortgages		782	58		2		8,439	9,281
Deposits with reinsurers				415				415
Deposits with credit institutions		55	19	40	3	53		170
Fixed income funds							264	264
Total fixed income investments	7,716	3,585	5,432	6,886	6,888	422	9,065	39,994

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		654	58		2		8,105	8,819
Deposits with reinsurers				459				459
Deposits with credit institutions		185	20	48	3	38	62	356
Fixed income funds							270	270
Total fixed income investments	8,164	3,333	5,118	6,306	6,184	467	8,835	38,407

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Non-Life Netherlands results

	(€ million)	
	HY 2020	HY 2019
Income		
Gross written premiums	2,323	2,192
Reinsurance premiums	-93	-40
Change in provision for unearned premiums and current risks (net of reinsurance)	-540	-517
Net earned premiums	1,690	1,635
Income from associates and joint ventures		
Investment income	35	70
Other income	14	19
Total income	1,739	1,724
Expenses		
Net expenses from insurance contracts	1,187	1,184
Interest and similar expenses	2	2
Operating expenses related to insurance activities	435	424
Other operating expenses	15	14
Other expenses	9	11
Total expenses	1,648	1,635
Operational result	91	89

Specification of gross written premiums Non-Life Netherlands

	(€ million)	
	HY 2020	HY 2019
Accident	605	564
Property	598	548
Motor liability	436	415
Motor other	367	371
General liability	189	175
Legal assistance	102	97
Transport/aviation	26	22
Total	2,323	2,192

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Non-Life Netherlands ratios

Non-Life Netherlands	HY 2020	HY 2019
Claims ratio ¹	68.3%	70.0%
Expense ratio	25.4%	25.8%
<i>Of which acquisition expenses</i>	11.9%	11.6%
<i>Of which other operating expenses</i>	13.5%	14.2%
Combined ratio ¹	93.7%	95.8%

Property & Casualty Netherlands

Property & Casualty Netherlands	HY 2020	HY 2019
Claims ratio	66.7%	69.1%
Expense ratio	26.0%	26.2%
<i>Of which acquisition expenses</i>	12.0%	11.9%
<i>Of which other operating expenses</i>	14.0%	14.3%
Combined ratio	92.7%	95.3%

Income Protection Netherlands

Income Protection Netherlands	HY 2020	HY 2019
Claims ratio ¹	76.5%	74.4%
Expense ratio	22.4%	23.9%
<i>Of which acquisition expenses</i>	11.4%	10.1%
<i>Of which other operating expenses</i>	11.0%	13.8%
Combined ratio ¹	98.9%	98.3%

Claims ratio by productline Non-Life Netherlands

Claims ratio by productline Non-Life Netherlands	HY 2020	HY 2019
Accident	79.3%	79.8%
Motor liability	75.9%	82.3%
Motor other	59.6%	63.9%
Transport/aviation	47.3%	44.6%
Property	68.4%	68.2%
General liability	68.4%	72.3%
Legal assistance	67.4%	60.0%

¹ Corrected for technical interest

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Health Netherlands results		(€ million)	
	HY 2020	HY 2019	
Income			
Gross written premiums	14,099	14,133	
Reinsurance premiums	-1	-1	
Change in provision for unearned premiums and current risks (net of reinsurance)	-7,056	-7,057	
Net earned premiums	7,042	7,075	
Income from associates and joint ventures		-1	
Investment income	8	15	
Other income	58	58	
Total income	7,108	7,147	
Expenses			
Net expenses from insurance contracts	6,823	6,807	
Operating expenses related to insurance activities	189	218	
Other operating expenses	56	50	
Interest and similar expenses	1		
Other expenses	32	15	
Total expenses	7,101	7,090	
Operational result	7	57	

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Health Netherlands ratios & gross written premiums

	HY 2020	HY 2019
Health Netherlands		
Claims ratio	96.9%	96.2%
Expense ratio	2.7%	3.1%
Combined ratio	99.6%	99.3%
Basic Health Netherlands		
Claims ratio	98.7%	97.5%
Expense ratio	1.9%	2.2%
Combined ratio	100.6%	99.7%
Supplementary Health Netherlands		
Claims ratio	78.1%	82.8%
Expense ratio	10.9%	11.7%
Combined ratio	89.0%	94.5%

Specification of gross written premiums Health

	HY 2020	HY 2019
		(€ million)
Basic Health - risk equalization pool (ZvF)	7,408	7,435
Basic Health - private individuals	5,469	5,450
Supplementary Health	1,222	1,248
Total	14,099	14,133

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Pension & Life Netherlands results		
	(€ million)	
	HY 2020	HY 2019
Income		
Gross written premiums	556	624
Reinsurance premiums	-19	-23
Change in provision for unearned premiums and current risks (net of reinsurance)	4	
Net written premiums	541	601
Income from associates and joint ventures		2
Investment income	1,440	3,106
Other income	1	1
Total income	1,982	3,710
Expenses		
Net expenses from insurance contracts	1,831	3,423
Operating expenses related to insurance activities	77	76
Interest and similar expenses	2	3
Other expenses	1	4
Total expenses	1,911	3,506
Operational result	71	204
Specification of gross written premiums Pension & Life Netherlands		
	(€ million)	
	HY 2020	HY 2019
Single premiums	226	217
Annual premiums	330	407
Total	556	624
Traditional	358	374
Unit-linked	198	250
Total	556	624
Life & Pensions open book	143	125
Of which Annuities	113	96
Of which Term-Life	30	29
Life & Pensions service book	413	499
Of which service book Life	310	350
Of which service book Pensions	103	149
Total	556	624

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Retirement Services Netherlands results

	(€ million)	
	HY 2020	HY 2019
Retirement Services total		
Total Income	191	166
Of which: Administration and management fees	114	105
Operating expenses	171	161
Operational result	20	5
Achmea Bank		
Net interest margin	79	62
Fair value result	-2	-3
Operating expenses	54	51
Changes to loan loss provisions	0	-1
	HY 2020	FY 2019
Common Equity Tier 1 ratio	21.0%	19.2%
Assets under management		(€ billion)
	HY 2020	FY 2019
Achmea Investment Management	186	147
Syntus Achmea Real Estate and Finance	25	23

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Retirement Services Netherlands ratios

Ratios

Achmea Bank	HY 2020	HY 2019
Efficiency ratio	64.4%	83.2%
Core Tier 1 ratio	21.0%	21.3%
Total Capital Ratio	21.0%	21.4%
Liquidity Coverage Ratio	252.1%	205.7%
Net Stable Funding Ratio	126.4%	125.4%
Leverage Ratio	6.4%	6.6%

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International activities results			(€ million)
	HY 2020	HY 2019	
Income			
Gross written premiums	589	528	
Reinsurance premiums	-77	-70	
Change in provision for unearned premiums and current risks (net of reinsurance)	-40	-33	
Net written premiums	472	425	
Income from associates and joint ventures	2	2	
Investment income	2	48	
Other income	18	15	
Total income	494	490	
Expenses			
Net expenses from insurance contracts	339	333	
Fair value changes and benefits credited to investment contracts	-12	24	
Operating expenses related to insurance activities	118	109	
Other operating expenses	2	6	
Interest and similar expenses			
Other expenses	19	11	
Total expenses	466	483	
Operational result	28	7	
Health International	HY 2020	HY 2019	
Claims ratio	84.0%	89.1%	
Expense ratio	14.3%	15.5%	
Combined ratio	98.3%	104.6%	
Non-Life International	HY 2020	HY 2019	
Claims ratio	52.5%	60.3%	
Expense ratio	40.3%	39.5%	
Combined ratio	92.8%	99.8%	

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Other activities results		(€ million)	
	HY 2020	HY 2019 ¹	
Income			
Gross written premiums	182	120	
Reinsurance premiums	-71	-26	
Change in provision for unearned premiums and current risks (net of reinsurance)	-55	-40	
Net written premiums	56	54	
Income from associates and joint ventures	5	1	
Investment income	-24	10	
Other income	15	12	
Total income	52	77	
Expenses			
Net expenses from insurance contracts	9	16	
Operating expenses related to insurance activities	22	29	
Other operating expenses	58	71	
Interest and similar expenses	37	32	
Other expenses	16	7	
Total expenses	142	155	
Operational result	-90	-78	

¹ As of 1 Januari 2020, Syntrus Achmea Real Estate & Finance has been transferred from segment Other to segment Retirement Services Netherlands. The comparative figures HY 2019 have been adjusted accordingly.

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Disclaimer

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