Willem van Duin

Chairman of the Executive Board

Strategy Update

Achmea Capital Markets Day | 24 May 2018

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We are well on track to meet our ambitions for 2020

- In 2017 we showed improved results, remaining a well-diversified company with a robust financial position
- Achmea is well on track to meet its ambitions for 2020
- In the current planning period called 'Delivering Together' innovation and the shift to services is key

We focus on...

- Consolidating our current position
- Expanding existing business models
- Enhancing Digital customer service
- Growing strategic innovation

... resulting in achieving our financial ambitions 2020:

- Lower cost base by €200 million and a reduction of 2.000 FTE
- Operational result ambition of €600 million
- Free Capital Generation of €400 million
- Maintain current credit ratings

Long term, we execute our strategy contributing to a healthy, safe and future proof society

Programme

A strong development

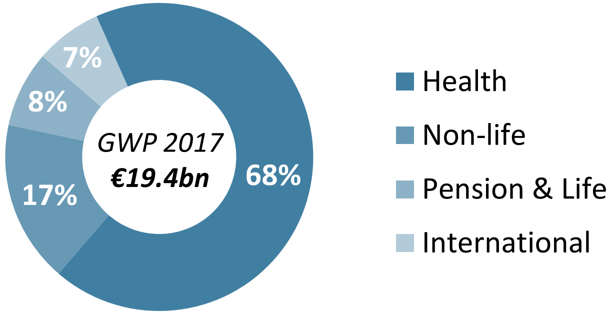
Strategy 2020

Wrap-up

Dutch market leader with strong brands, diversified distribution and innovative services

Cooperative identity

Diversified written premium base



Strong and recognized brands

Centraal Beheer

Interpolis

Zilveren Kruis

Digital and innovative insurer

Main characteristics

- A strong and solid insurance group with a mutual identity, founded in 1811
- Clear market leader in Dutch insurance:
  #1 Property & Casualty
  #1 Health
  #3 Income Protection
  #3 Life insurance
  #5 Pension insurance
- Interpolis, Centraal Beheer and Zilveren Kruis are among the most recognized insurance brands in the Dutch market with high Net Promotor Scores (NPS)
- Distribution mainly through direct and banking channels; well positioned for market developments
- Recognised as market leader in innovation and digitisation
- Leading in Institutional asset management

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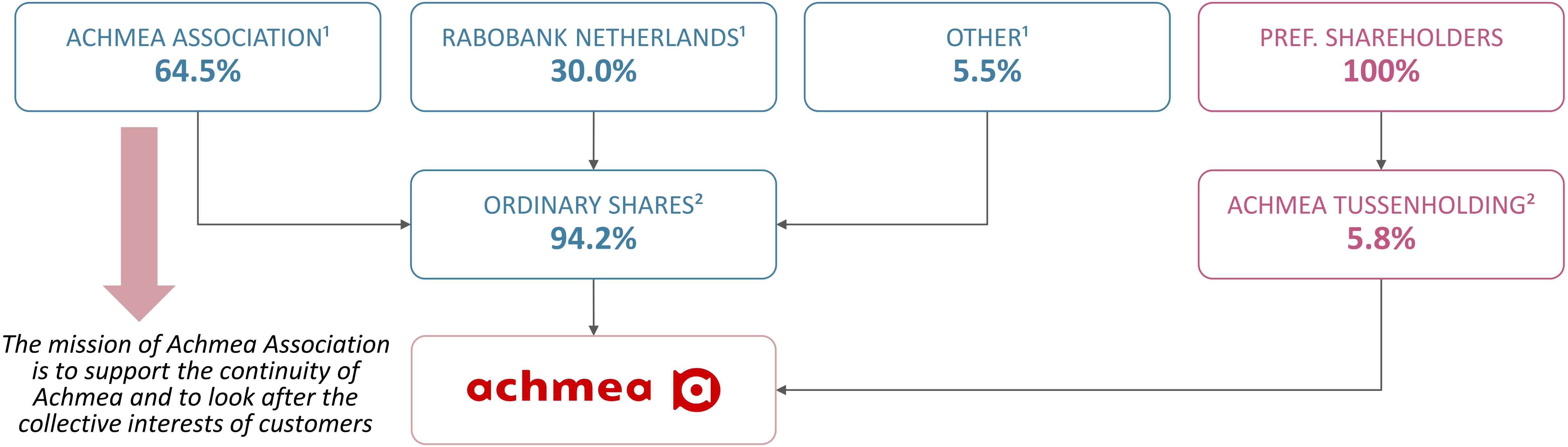
Stability through two large cooperative shareholders



[1] *Owners of capital rights* | [2] *Owner of voting rights*

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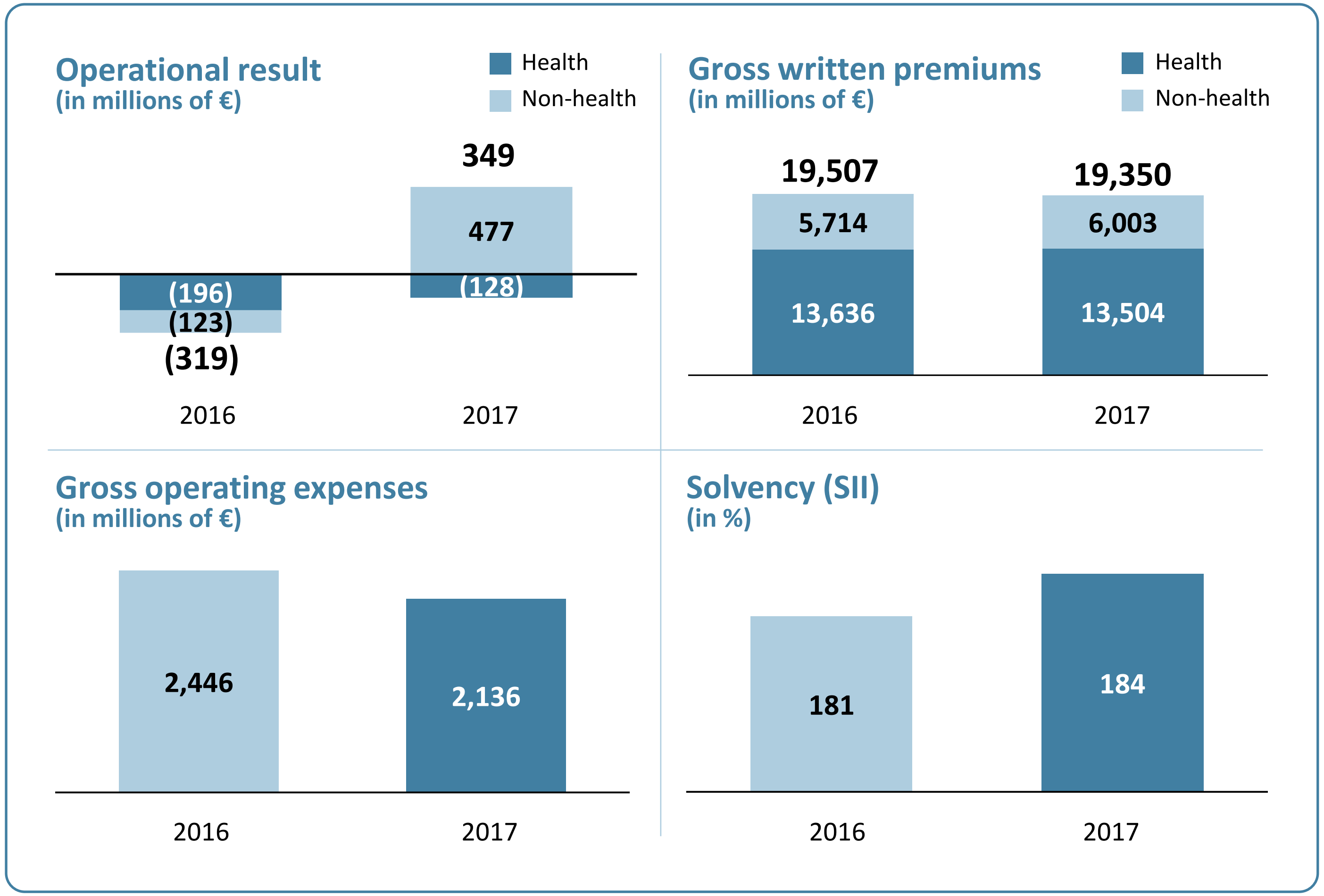
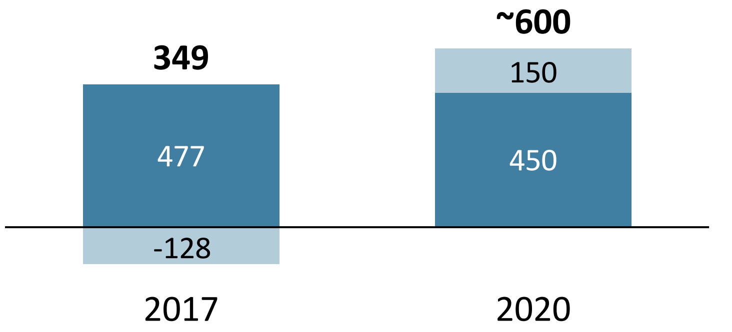
Brief recap of 2017: improved results, lower costs and robust solvency position



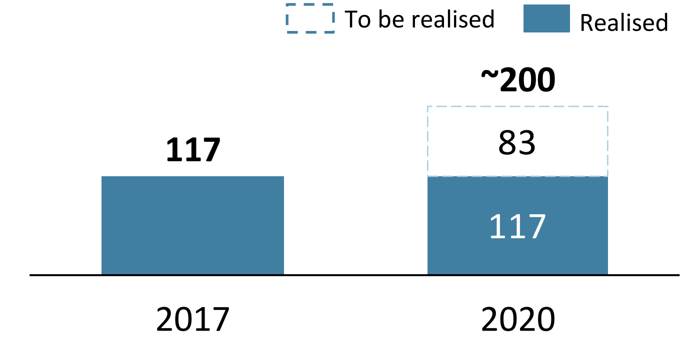
- Profitability increased strongly due to:
  - Premium measures, claims management and cost savings
  - Also strong improvement in results when adjusted for the hail calamity of €152 million in 2016
- Growth in written premiums in Non-Life and International activities
- Structural cost reduction of 5% mainly in housing, IT and personnel
  - 13% cost reduction including one-off effects
- Financial position continuously robust:
  - Increase in solvency to 184% partly driven by positive results
  - Before dividends, share buy-back and coupons on hybrids Solvency II ratio of 191% end of 2017 resuting in 10% increase

Well on track to achieve our ambitions for 2020: 6 key indicators on our financial progress

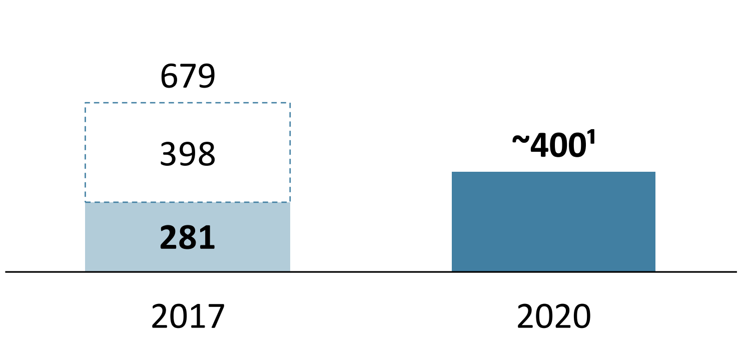
Operational result
(in millions of €)



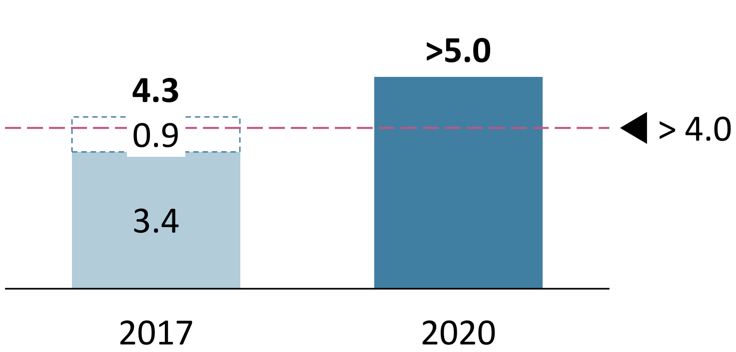
Reduction in operational expenses
(in millions of €)



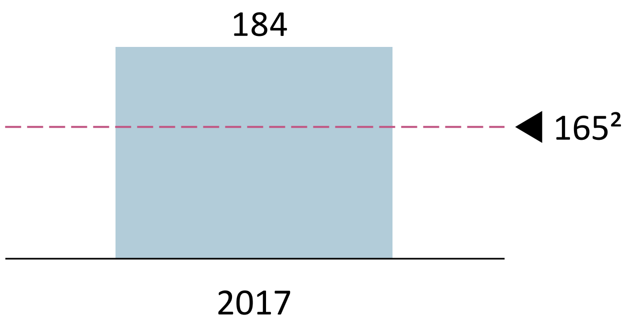
Free capital generation
(in millions of €)



Fixed-charge coverage ratio
(in x)



Solvency II
(in %)



Maintain IFS ratings

STANDARD & POOR'S	FITCH
A	A+

[1] *Excluding impact of UFR adjustment and equity transitional* [2]*Capital management policy target capital limit*

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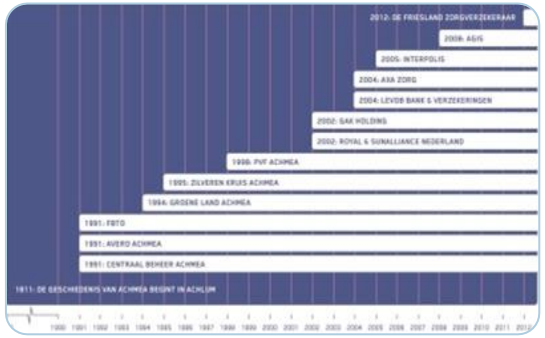
A strong development in the last decade with four successful change programmes

Arised from mergers

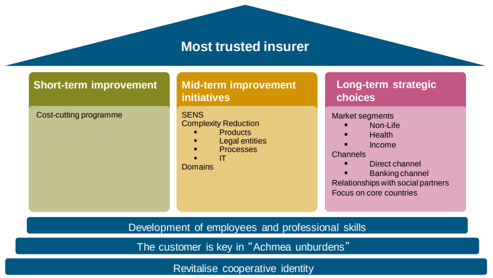
16 UNITS



- Complex organisation
- High operating expenses
- About 21.000 FTE

House in order

10 DIVISIONS



- Divestments in home country and abroad
- Reorganisation
- Complexity reduction
- ~€350 mln. cost reduction realised
- Decrease of 3.000 FTE

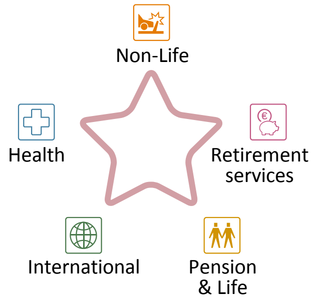
Acceleration & Innovation

8 DIVISIONS

- Digital customer service
- Investments in innovation
- Further complexity-reduction
- ~€400 mln. cost reduction realised
- Decrease of 3.500 FTE

Delivering Together

5 BUSINESS LINES



- Steering through 5 chains
- Agile implemented
- New business models
- ~€200 mln. cost reduction to be realised
- Decrease of 2.000 FTE

2009 | 2013 | 2016 | 2017 | 2020

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The context we operate in is continuously changing

STRENGTHS

Strong brands with large customer base and high ratings

Broad portfolio and advantage of diversification

Leading in Health and Property & Casualty

Multi-channel distribution with leading positions in banking and direct

Broad access to Dutch businesses

WEAKNESSES

Overall financial results not yet at target level:

Non-life and Pension & Life are well on track

Aiming for Health premiums at cost level in 2019

Growth in Free Capital Generation required for investing in innovation

Limited scale of International activities

Large market share in mature home markets

OPPORTUNITIES

Increase Rabobank customers with Interpolis insurance policy

Use of technology for new services, prevention and cost savings

Expand business models to include services

Convert data into value for customers

Revenue models for new risks (e.g. cyber, climate)

Partnering in new ecosystems

THREATS

Start of new entrants in existing parts of our business model

Declining risk of use and need for insurance

Impact of political decision-making on our business

Vertical integration (reinsurers, car manufacturers)

Changing concept of solidarity

Impact of climate change

Strategic direction (1) : Customer relevant and trend setting

Profile

We offer retail and commercial insurances and services that align their choices on solidarity and risk appetite **(propositions)**

The moment an insured risk occurs we compensate for the damage incurred and assist in recovery **(insurance)**

We give insight on uncertainties and inherent risks for our customers **(insights)**

We help customers determine how to cope with uncertainties based on their own risk appetite **(risk dialogue)**

Portfolio

We focus on **P&C, income protection** and **health** insurance

Delivered through the **direct** and **bank-distribution** channels

We manage the closed-books **pension and life** and grow in **term life**

We diversify our earnings capacity by investing in **capital light pension products, asset management** and our **international** activities

While maintaining a **prudent risk appetite** in line with our cooperative background

Strategic direction

We have **five business lines** with **specified roles**

We **set the trend** with our expertise

We offer **services on prevention** and **advice**

We are **data- and technology-driven**

We contribute to a **safe, healthy** and **future proof society**

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Our strategic direction has four focus points

Consolidating our current position

- Maintain our market position and achieve solid financial results by:
  - Providing excellent service to our customers via the existing channels ('first time right')
  - Continuously improving our processes
  - Respond to demographic trends, systemic changes, new laws and legislations, growing digital customer interaction, and climate change. New technologies.

Expanding existing business models

- Develop Centraal Beheer to full service provider
- Respond to new opportunities in our business model linked to the rise of new technologies:
  - Artificial Intelligence
  - Robotics
  - Wearables
  - Internet-of-Things

Digital customer interaction

- Responding to customers which have increasing expectations:
  - Increased personalised interaction
  - Option to switch between channels and devices
  - Available 24/7

Strategic innovations

- Invest in the future business model that contains services next to insurances
  - Retirement service: Centraal Beheer APF
  - Outshared
  - Actify
  - Homies
  - RoadGuard
  - Blue Label

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Our vision beyond 2020: we foresee a prominent role along three areas

Four themes provide direction to our (future) activities and our innovation

HEALTHY		SAFE		FUTURE PROOF	

Good health available to everyone	Clean, safe and smart mobility	Safe home and working environments	(Financial) solutions for today, tomorrow and later

Zilveren Kruis · De Friesland Zorgverzekeraar · Avéro achmea · inshared · Interpolis · FBTO · Woonfonds · Centraal Beheer

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Programme

A strong development

Strategy 2020

Wrap-up

A clear and consistent strategy towards 2020 ‘Delivering Together’

Increasing return and reducing expenses

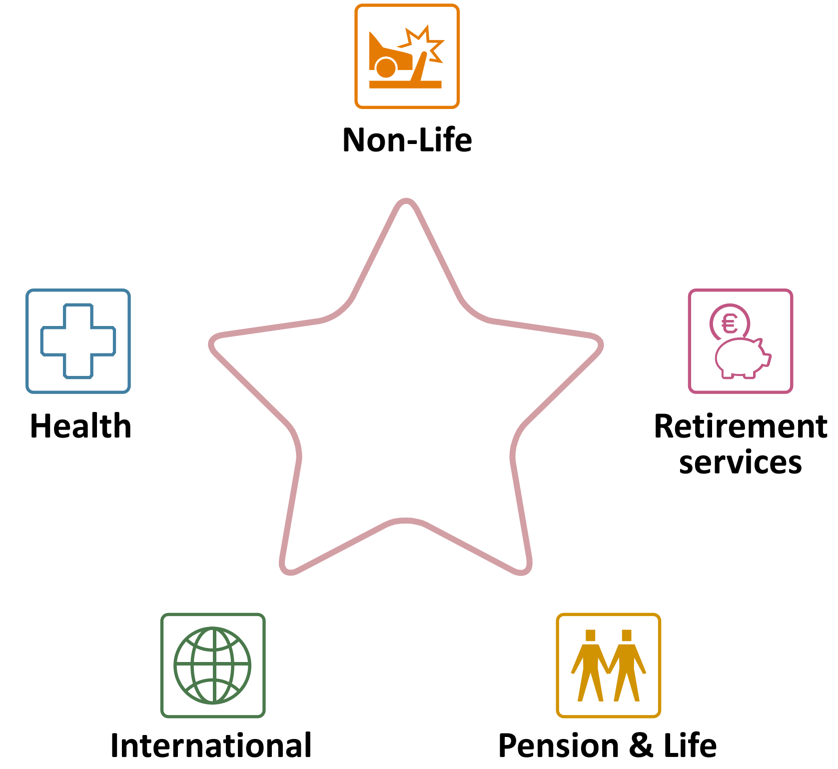
Ambition:

- Structural operational result of €450 million in 2020, excluding our Health insurance activities
- Ahead of plan with our cost reduction of approx. €200 million until 2020
- Maintain current credit ratings

Achievements:

- Ahead of plan with structural cost reduction realised of €117 million or 5% in 2017
- Number of FTEs in the Netherlands reduced by 7% to approx. 14,500

We work in five business lines



Strategy for the planning period: 5 business lines with specific roles

Non-life: market leader and online distribution champion
- Build on strong brands and distribution
- Ready for the future with strong profitability

Health: Balancing volume, profit, solvency and solidarity
- Mid term a stable result contribution
- Manage short term market and political challenges

Retirement Services: increasing volume
- Grow in market with integrated capital light proposition
- Develop Centraal Beheer brand into full service provider

Pension & Life: managing our closed book and growing term life
- Optimize profit and value of Pension & Life as service organisation while maintaining high customer satisfaction

International: leverage on the core capabilities
- Profitable growth based on our core competencies in Non-Life and Health insurance, through direct (e.g. online) and bancassurance channels

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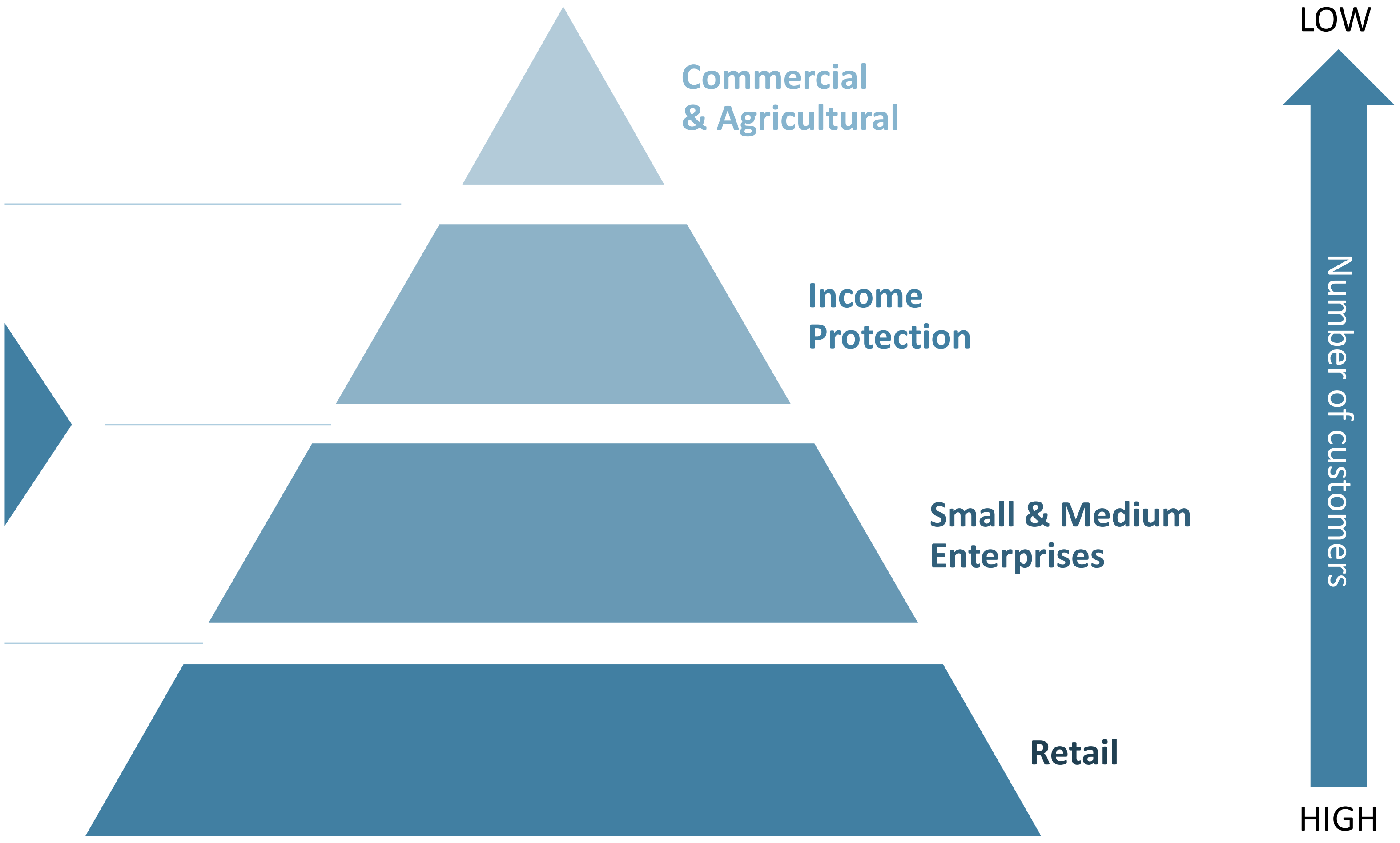
Non-Life: Build on market leading positions, strong brands and distribution

GROWING DIRECT AND BANC ASSURANCE CHANNELS OFFERING OMNI CHANNEL CUSTOMER ACCESS

ECONOMY OF SCALE AS MARKET LEADER IN P&C AND NO. 3 IN INCOME PROTECTION WITH STRONG AND HIGHLY RECOGNIZED BRANDS

STABLE PORTFOLIO IN SIZE AND COMPOSITION

LARGE VOLUME OF DATA



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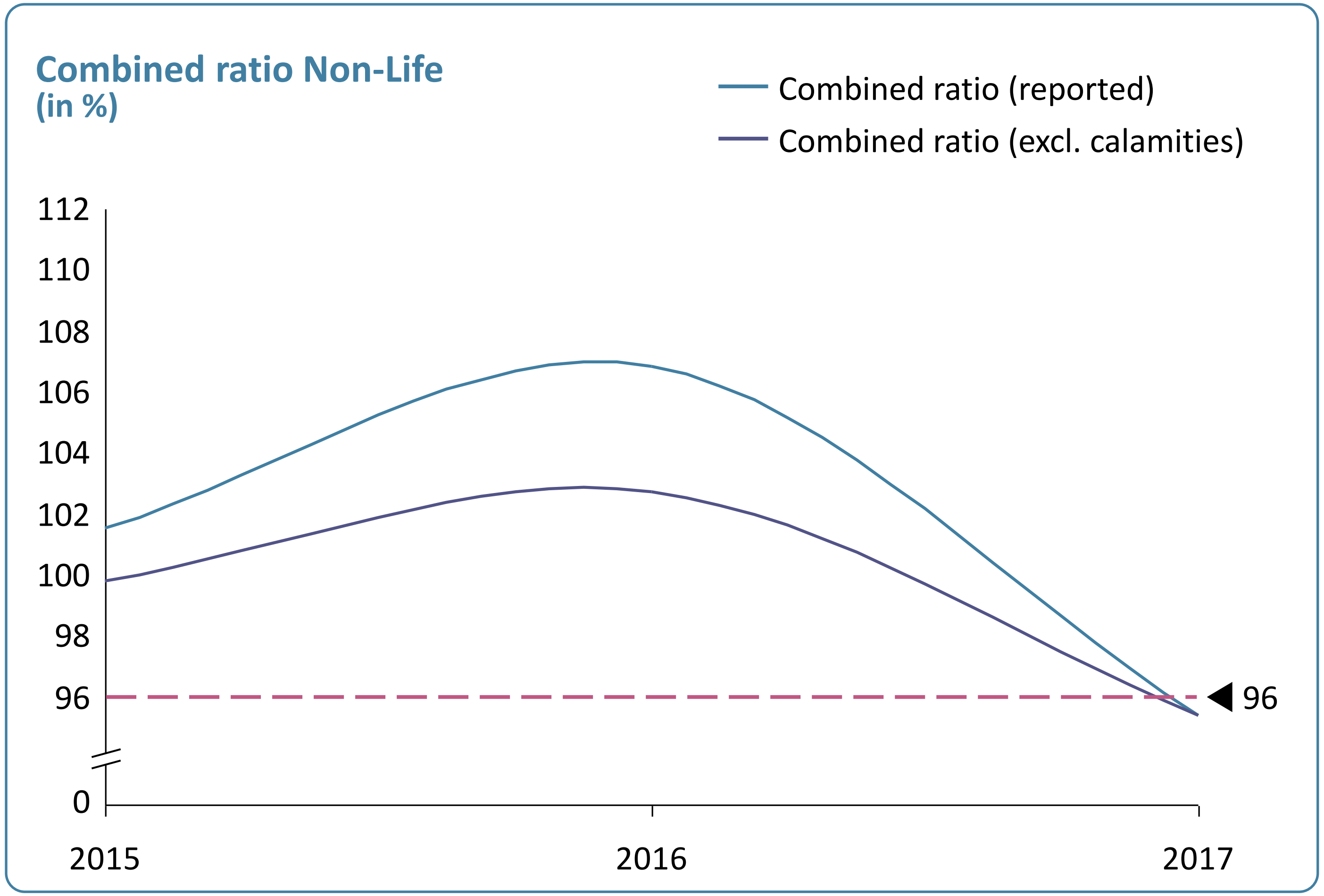
Non-Life: Ready for the future with strong profitability



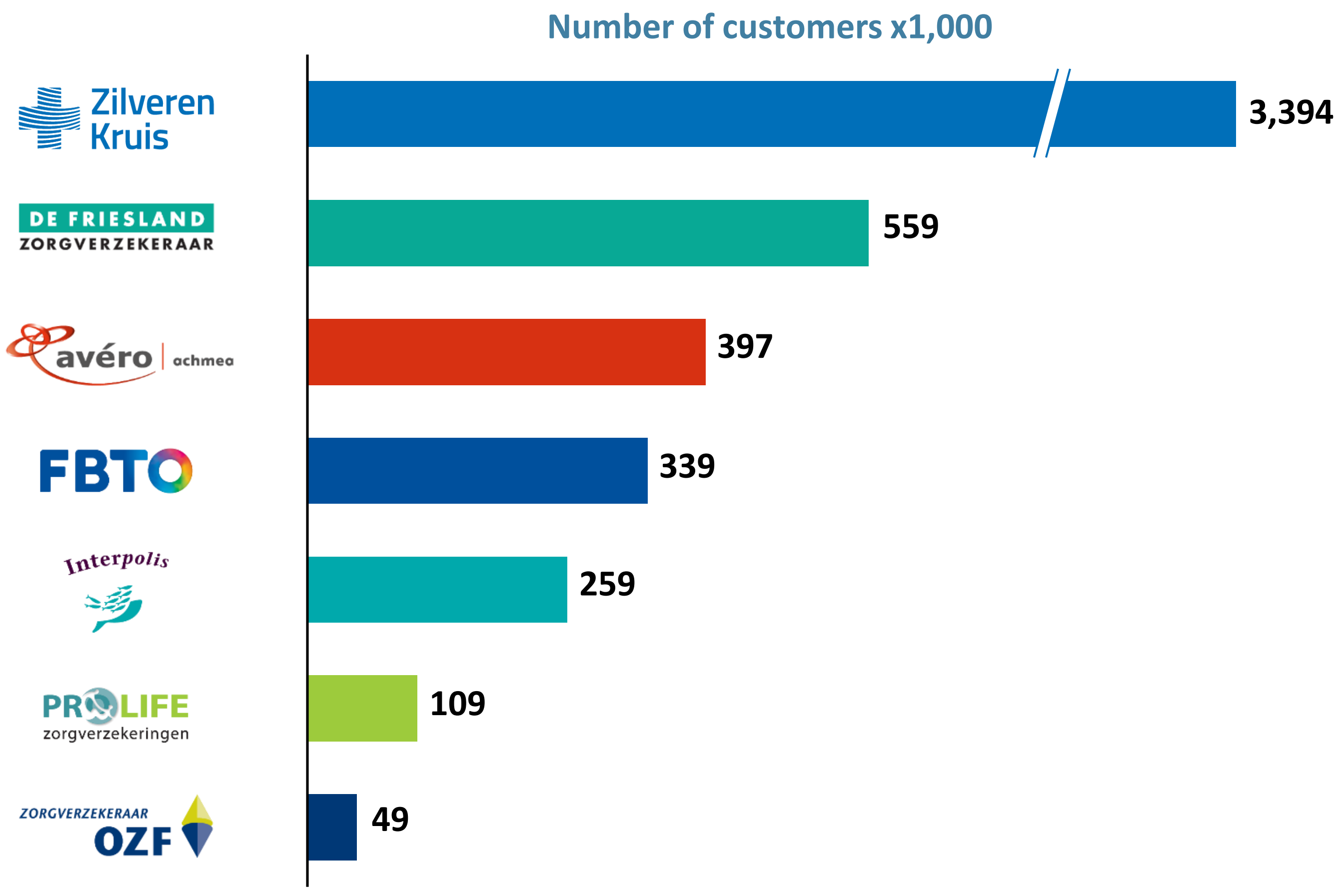
Our achievements

- Combined ratio < 96% through cost reductions, premium measures and claims management
- Market leadership maintained with high NPS:
  - Growth in retail and SME
  - Selective reduction commercial lines

Our approach

- High profit contribution with combined ratio <96%
- Sustaining cost leadership with lowest cost ratio
- Further improving claims ratio through management actions (e.g. prevention, recourse, portfolio and premium)
- Portfolio growth mainly in retail and SME

Health: Balancing volume, profit, solvency and solidarity



- More than 5.1 million customers with Health insurance representing 30% market share
  - High online sales: 70% of customers buy their insurance product online
- Large customer base provides us with:
  - Cross-sell opportunities
  - Economies of scale (cost coverage)
  - Diversification
- Activities fit with our cooperative identity

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Health: Market is stabilizing with market wide lower allocation of reserves

Market moving towards premiums at cost price

	2016		2017	
	Achmea	Market	Achmea	Market
Solvency II ratio	154%	155%	142%	145%
Capital allocation (in €million)	426	1,364	108	480

Combined ratio Basic Health

	2016	2017	2020
Combined ratio	*102.2%*	*101.7%*	*< 99.0%*
Margin			1.0%
Cost ratio	3.0%	2.4%	≤3.0%
Claims ratio	99.2%	99.3%	96.0%

Achievements

- Maintain market leadership
- Reduction in cost base
- Strengthen vitality service concept
- Characteristics of population of insured in line with market average

Our approach

- Mid term a stable result contribution as market normalises
- Leveraging on purchasing power from healthcare providers
- Cost leadership
- Integration of Zilveren Kruis and De Friesland

Update on proposed bill ban profit distribution Health insurers

Current status:

2016

July	Proposed bill submitted to House of Representatives (HoR) by certain MP's

2017

January	Bill passed by HoR and sent to Senate despite negative advice Council of State
April	Ministry of Finance requests advice from DNB and supervisor NzA[1]
May	NzA and DNB express concerns in respect of prudential risks, risk on increase in health premiums and execution risk
June	Initiators announce drafting of amendment to address NzA and DNB concerns
October	Coalition agreement: new government wishes to prevent that funds intended for healthcare are used for other purposes; no changes to current market driven health care system

2018

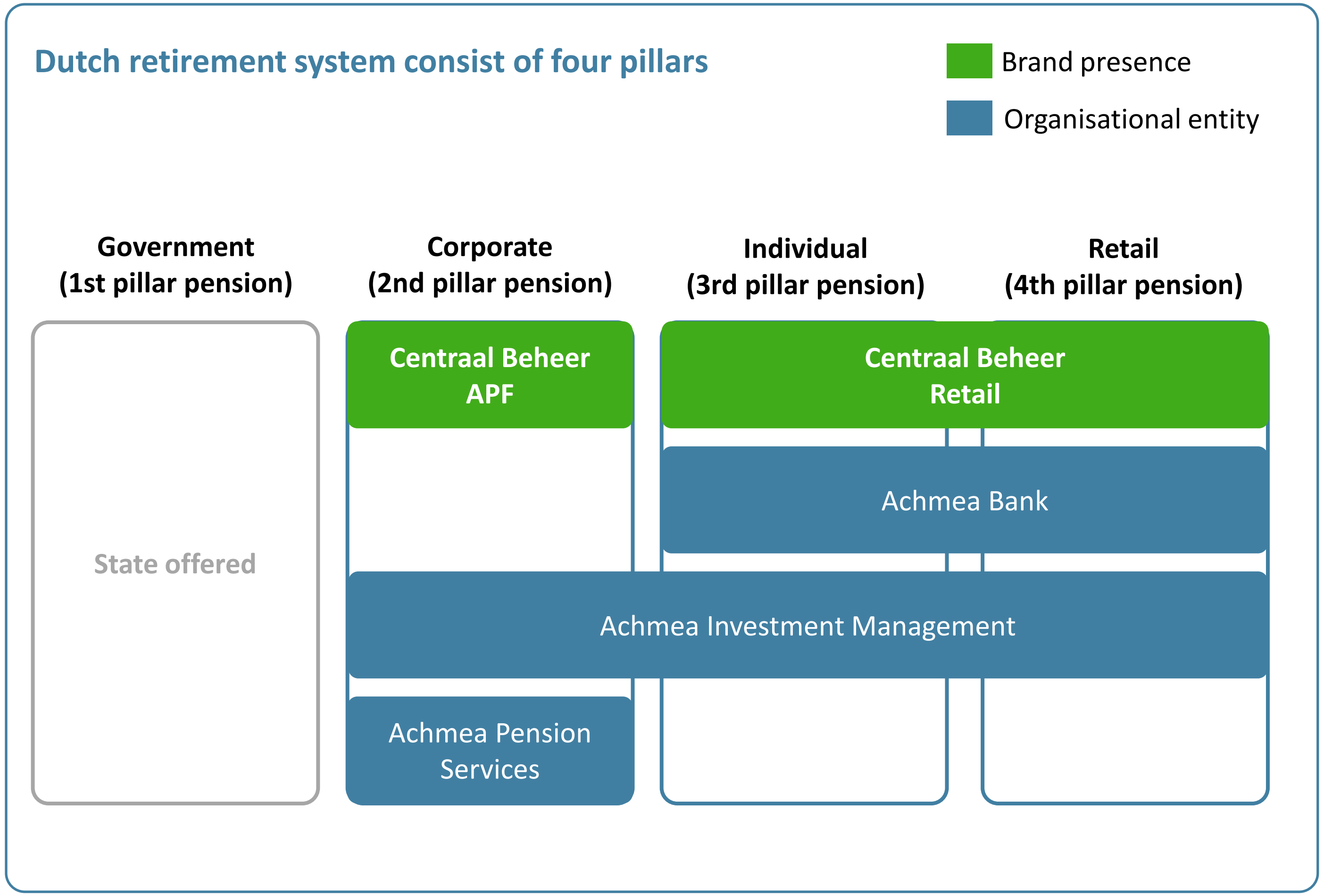
May	Awaiting amendment to bill for (re)submission to House of Representatives

Our position:

- No intention to distribute dividends from basic health under normal circumstances
- The proposed Bill is therefore unnecessary

[1] *Dutch Health Authority*

Retirement Services: We offer an integrated, capital light proposition



Centraal Beheer

- Well known brand, high customer satisfaction. Large customer base
- Position Centraal Beheer as a full service provider
- Centraal Beheer offers brand name and commercial strength to APF

Achmea Bank

- Prominent mortgage and savings bank for more than 30 years
- Well positioned for 3rd/4th pillar savings and mortgages propositions
- Outsourcing and balance sheet management enhances profitability

Achmea Investment Management

- Long lasting roots in pension market; key player in fiduciary AM
- Total AuM Year End 2017: €120 billion and growing

Achmea Pension Services

- Experienced Pension fund (administrative) services provider
- Focus on digital servicing of APF and company pension funds (OPF)
- Phasing out of administrative services to sector pension funds

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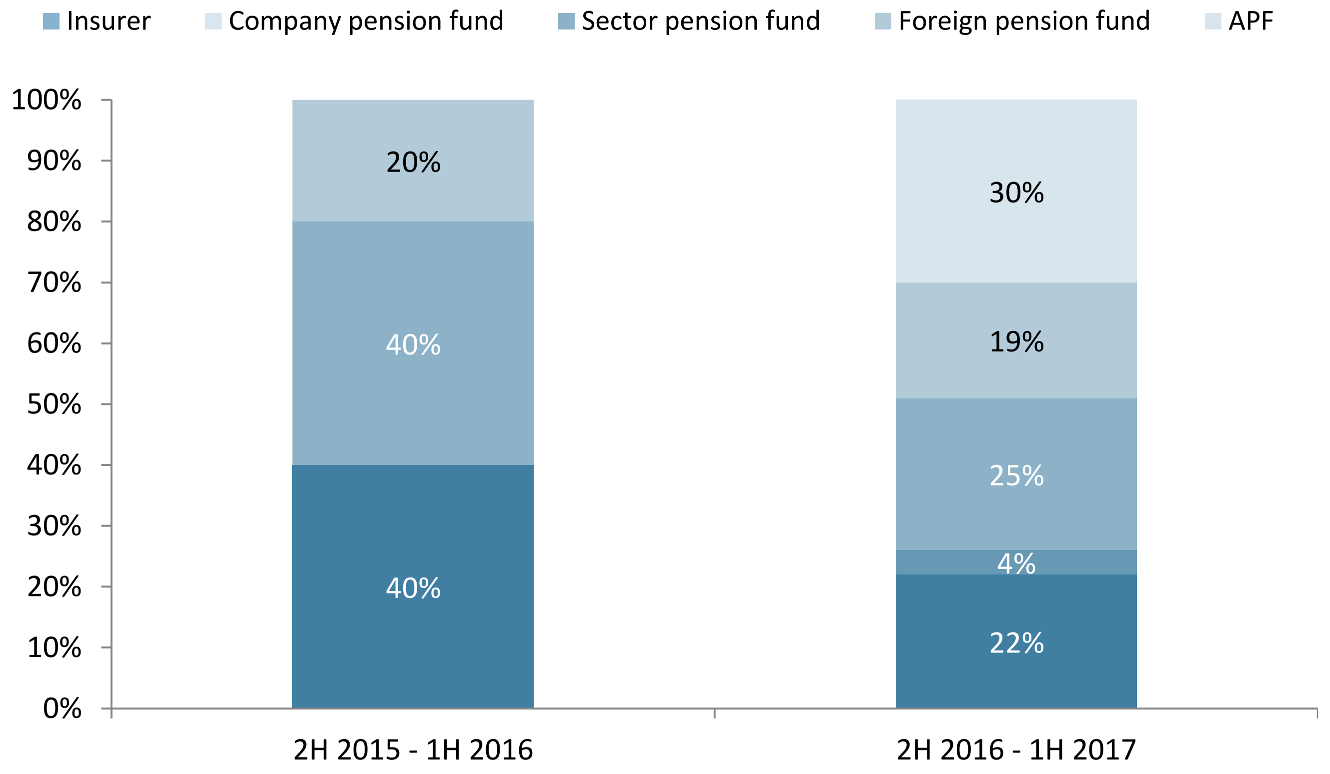
Retirement Services: Building a long term strategic position

After APF launch in 2H2016 already 30% of company pension funds coming to the market choose this vehicle (% of AuM)



Our Achievements

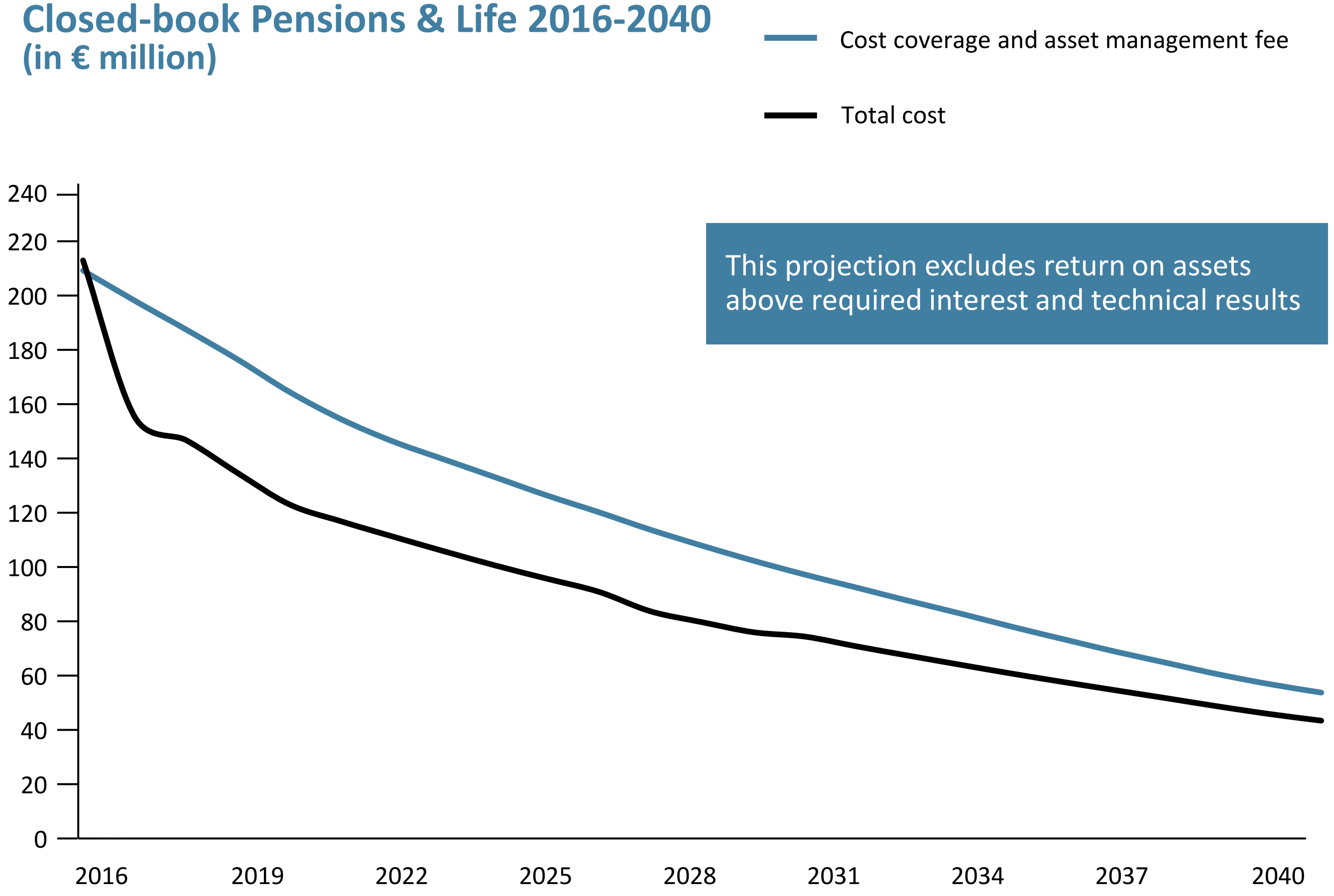
- Increase AuM of Achmea IM through growth in APF, Retail and institutional customers
- Lower expenses and grow customer retention in Pension Services
- First customers welcomed to Centraal Beheer APF
- Administration services sector pension funds terminated
- Outsourcing mortgage back-office Achmea Bank completed

Our approach

- Position Centraal Beheer as a full service provider offering individual saving and investment products
- Increase volumes in Achmea Bank, Achmea IM and Achmea Pension Services
  - Grow AuM CB APF and sales in 3th and 4th pillar
- Building a strategic position in the pension market with Achmea Investment Management and Achmea Pension Services

Pension & Life Closed-book: a service organisation to provide long-term earnings…

Closed-book Pensions & Life 2016-2040 (in € million)



Our position

- Successful management of closed books pension and life
- Proven track record in cost reduction
- Achmea stopped selling Pension insurance contracts
- We continue selling term life and annuities insurance

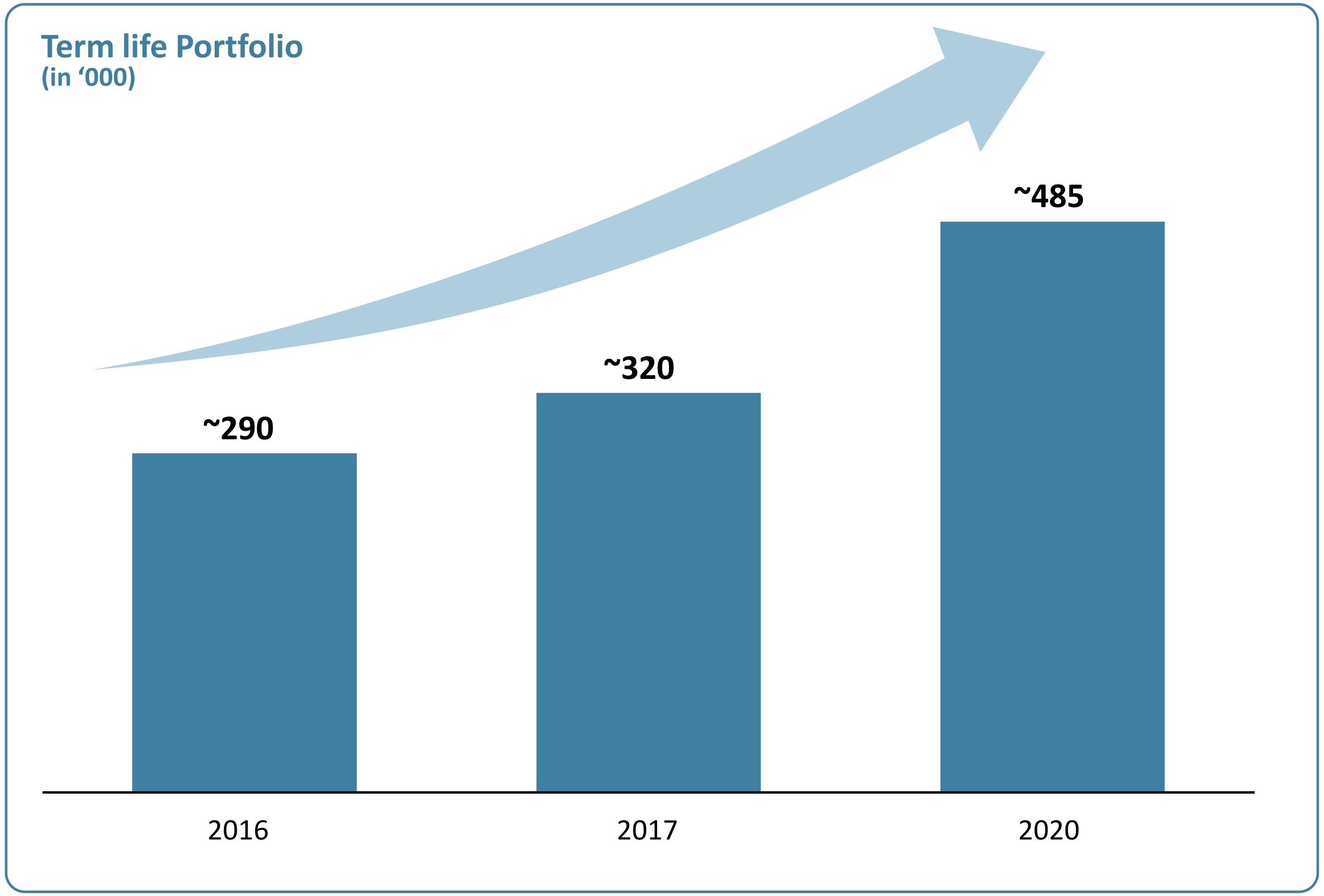
Our achievements

- Size of book and cost base on targeted level of 2017
- Solvency improved while up-streaming dividends and significant profit contribution

Our approach

- High contribution to result and free capital generation by:
  - Optimising investment portfolio
  - Reducing cost in line with porfolio decline
  - Maintaining high customer satisfaction
- Stream up dividends

Pension & Life also has a growing business with Term Life and Annuities



Our achievements

- Term life and Annuities are simple products
  - One (online) process for multiple labels for Term Life
  - One (online process for two lables planned for Annuities
- Market share of ~25% on new Term Life sales

Our approach

Term Life

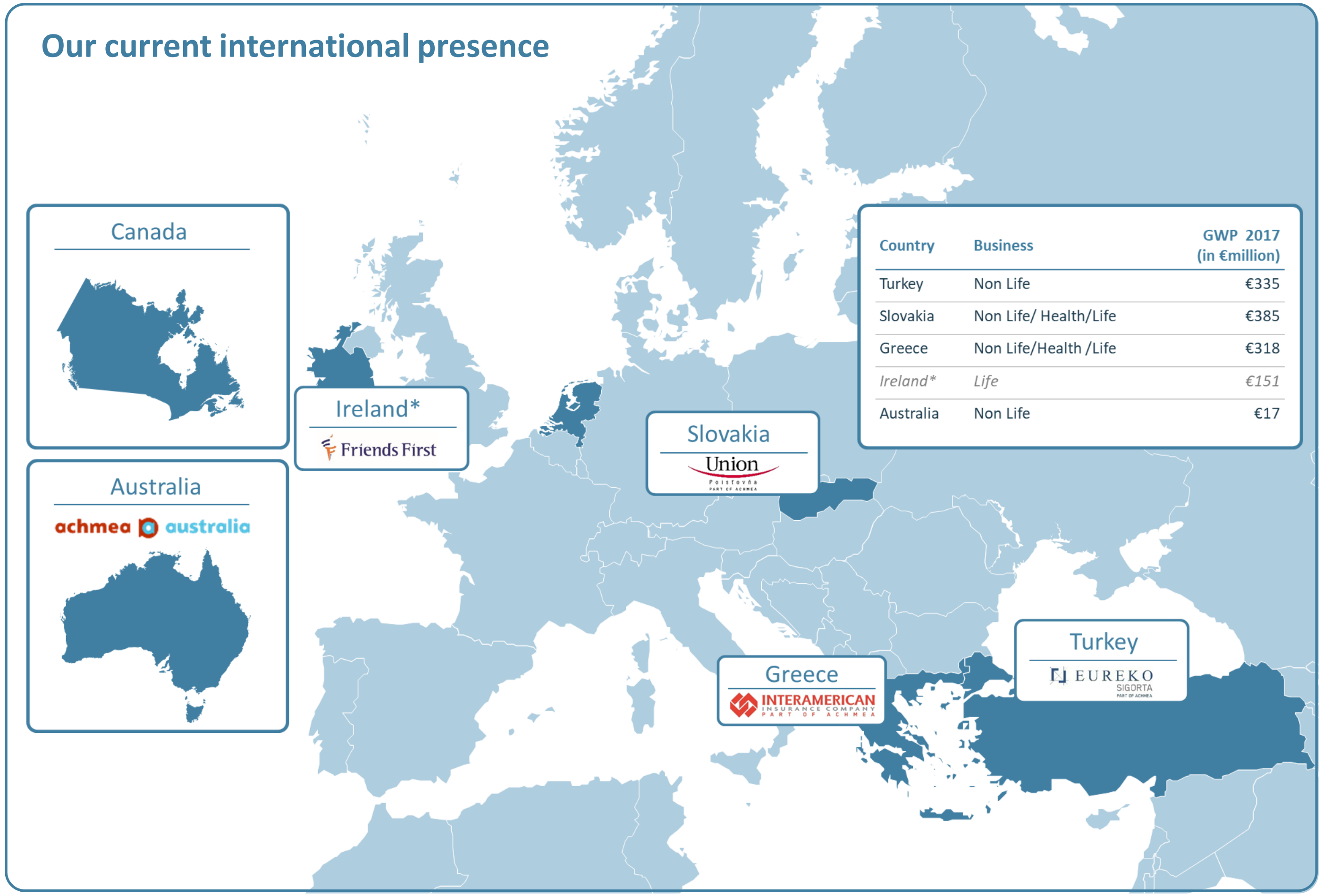
- Rationalisation from 2 to 1 system
- Use of robotics to reduce processing time
- Machine learning for medical underwriting and risk profiling

Annuities

- Increase in sales volume with variable annuities

International: growth via the group's core capabilities, in existing and new countries

Our current international presence



Country	Business	GWP 2017 (in €million)
Turkey	Non Life	€335
Slovakia	Non Life/ Health/Life	€385
Greece	Non Life/Health /Life	€318
*Ireland**	*Life*	*€151*
Australia	Non Life	€17

Our position

- A presence in a limited number of promising economies
- Implement the core capabilities of the group abroad
- Focus on countries with (foreseeable) profitable growth and aligning the core capabilities of the group

Achievements

- Growth in Turkey, Greece and Slovakia
- Divestment of Irish operations
- Start of full online service provider in Canada

Our approach

- Accelerate: Accelerate growth in existing markets
- Create: Exchange knowledge between the countries, especially digital capabilities
- Disrupt: Becoming active in a limited number of selected large markets where online insurance penetration is low

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